

RIBO's Consolidated Examinee Resource: OAP 1, By-Laws No. 1, No. 2, No. 3, RIB Act, Ontario Regulation 308/98, 990, and 991

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Ontario Automobile Policy

(OAP 1) Owner's Policy

Approved by the Chief Executive Officer of the Financial Services Regulatory Authority of Ontario for use as the standard Owner's Policy on or after January 1, 2024

About This Policy

This is your automobile insurance policy. It is written in easy to understand language. Please read it carefully so you know your rights and obligations and the rights and obligations of your insurance company.

Here is a summary of each Section of the policy. For details of each coverage and the conditions that apply, consult the appropriate Sections of the policy.

Section 1 - Introduction contains information that applies to the entire policy. In order to understand what is covered and what is not covered by each coverage, you should read Sections 1 and 2 and the *entire* Section of the policy that deals with the specific coverage.

Section 2 - What Automobiles Are Covered explains what coverages are available to a described automobile and to other types of automobiles (for example, newly acquired or temporary substitute automobiles) when you have a specific coverage for a described automobile.

Section 3 - Liability Coverage describes what we will cover if someone is killed or injured in an accident, or their property is damaged, when you or other insured persons are at fault in the accident.

Section 4 - Accident Benefits Coverage outlines benefits available if you are injured in an accident, regardless of who caused the accident.

Section 5 - Uninsured Automobile Coverage describes what we will cover if someone is injured or killed by an uninsured motorist or by a hit-and-run driver.

Section 6 - Direct Compensation - Property Damage Coverage describes what we will cover if there is damage to your automobile in an accident that is not entirely your fault unless you elect not to recover damages under this coverage, and you make this election by providing written confirmation to your Insurer.

Section 7 - Loss or Damage Coverages describes optional coverage against loss of, or damage to, your automobile caused by collision, fire, theft and a variety of other unpredictable risks.

Section 8 - Statutory Conditions lists the conditions required by the Insurance Act for all automobile insurance policies in Ontario. For convenience, the conditions have been included in each Section of the policy where they apply. If there is a discrepancy between the Statutory Conditions and the wording in the policy, the Statutory Conditions in Section 8 prevail.

For purposes of the Insurance Companies Act (Canada), this document was issued in the course of the insurance company's insurance business in Canada. ii

What Insurance is Required by Law

If you own an automobile that is operated on a highway in Ontario, certain insurance coverages are required by law. You may also choose to buy additional insurance to extend these coverages to protect against other risks. The chart below is **only a general summary** to give you an idea of the insurance coverages available to you. For details of each coverage and the conditions that apply, you should consult the appropriate sections of the policy. If there is a difference between the information in this chart and the appropriate section of the policy, the section of the policy prevails.

Insurance Required by Law

Type of Coverage	What the Coverage Does	Policy Section
Liability	Protects you if someone else is killed or injured or their property is damaged. It will pay for legitimate claims against you up to the limit of your coverage, and will pay the costs of settling the claims.	Section 3, Page 18
Accident Benefits	<p>Provides benefits if you are injured in an automobile accident, regardless of who caused the accident. These benefits may include:</p> <ul style="list-style-type: none"> • supplementary medical care, rehabilitation and attendant care; • a tax-free income benefit for wage earners or self-employed; • an allowance to those who have no income from employment; • an allowance when a caregiver is injured; and • funeral expenses and death benefits when a person dies in an accident. 	Section 4, Page 24
Uninsured Automobile	<p>Protects you if you are injured or killed by an uninsured motorist or by a hit-and- run driver.</p> <p>Covers damage to your automobile caused by an identified uninsured motorist.</p>	Section 5, Page 28
Direct Compensation - Property Damage	<p>Under certain conditions, covers you in Ontario for damage to your automobile and to property it is carrying when another motorist is responsible.</p> <p><u>Option to elect not to recover:</u> You may elect not to recover damages under Direct Compensation – Property Damage coverage.</p>	Section 6, Page 36

You only have a specific coverage if your Certificate of Automobile Insurance shows a premium for it or it is provided at no cost. If you have insured more than one automobile, a premium must be shown for each automobile.

Optional Insurance

Type of Coverage	What the Coverage Does	Policy Section
Increased Liability	You may buy coverage beyond the minimum required by law.	
Loss or Damage to Your Automobile	You may buy coverage to protect you against loss of, or damage to, your automobile caused by collision, fire, theft and a variety of other unpredictable risks.	Section 7, Page 41
Other Optional Coverages	You may buy additional coverages in a number of other areas, for example, you may buy additional coverage to increase the standard level of accident benefits. Your agent or broker can explain.	

Section 1 - Introduction

1.1 This Policy is Part of a Contract

This policy is part of a contract between you and us. The contract includes three documents:

- a completed and signed Application for Automobile Insurance,
- a Certificate of Automobile Insurance, and
- this policy.

Under the contract, we agree to provide you with the insurance that is summarized on your Certificate of Automobile Insurance, and for which you have agreed to pay a premium.

You only have a particular coverage for a specific automobile if your Certificate of Automobile Insurance shows a premium for it or shows the coverage is provided at no cost.

1.2 Where You Are Covered

This policy covers you and other insured persons for incidents occurring in Canada, the United States of America and any other jurisdiction designated in the Statutory Accident Benefits Schedule, and on a vessel travelling between ports of those countries. All of the dollar limits described in this policy are in Canadian funds.

1.3 Definitions

Automobile

In this policy, **motorized snow vehicle** is included in the definition of **automobile**. Regulations may include, or exclude, certain other types or classes of vehicles as automobiles.

In this policy, there is a difference between a **described automobile** and the **automobile**. When we refer to an automobile as described, we mean any automobile specifically shown on the Certificate of Automobile Insurance.

When we refer to the **automobile**, we mean:

- a described automobile,
- a newly acquired automobile,
- a temporary substitute automobile,
- other automobiles driven by you, or driven by your spouse who lives with you, or
- trailers, in certain circumstances.

These types of automobiles are described more fully in Section 2.

Certificate of Automobile Insurance

A **Certificate of Automobile Insurance** is a written document summarizing your insurance coverage. It shows your name and/or organization, and the described automobile or automobiles. It lists the coverages purchased, premiums charged, and the period during which the insurance is in effect.

Covered/Coverage

When we talk of someone or something being **covered**, we mean that they are protected by insurance. When we speak of **coverage**, we are describing what types of protection they have and how much for each type.

Direct Loss or Damage

Direct loss or damage refers to damage or loss caused directly by a peril. This is different than an indirect loss. For example, damage to an automobile resulting from a collision is a direct loss. Loss of the use of an automobile while it is being repaired is an indirect loss.

Excluded Driver

An **excluded driver** is someone specifically not covered by this policy when driving the described, temporary substitute or newly acquired automobile(s). The only exception is coverage for those **Accident Benefits** the law requires to be paid to anyone injured in an automobile accident in Ontario.

Named Insured

The **named insured** is the person or organization to whom the Certificate of Automobile Insurance is issued.

Occupant

In this policy, an **occupant** is a person, including the driver, in or on an automobile, or getting into, on, out of, or off an automobile.

Proof of Loss Form

A **proof of loss** form records the formal statement concerning a loss for which a claim is submitted. It provides us with all the information we need to determine whether the claim is reasonable and the extent of our liability.

Spouse

Spouse means either of two persons who:

- are married to each other;
- have together entered into a marriage that is voidable or void, in good faith on the part of the person making a claim under this policy; or
- have lived together in a conjugal relationship outside marriage,
 - o continuously for a period of not less than three years, or

- o in a relationship of some permanence, if they are the natural or adoptive parents of a child.

We and You

Throughout this policy the words you and your refer to the person or organization shown on the Certificate of Automobile Insurance as the named insured.

Other people may also be covered under certain conditions. We call both them and you insured persons.

We, our and us mean the company providing the insurance.

1.4 Your Responsibilities

If you fail to meet your responsibilities, claims under this policy, with the exception of certain Accident Benefits, may be denied.

By accepting this contract you agree to the following conditions.

1.4.1 You agree to notify us promptly in writing of any significant change of which you are aware in your status as a driver, owner or lessee of a described automobile. You also agree to let us know of any change that might increase the risk of an incident or affect our willingness to insure you at current rates.

You must promptly tell us of any change in information supplied in your original application for insurance, such as additional drivers, or a change in the way a described automobile is used.

1.4.2 You agree to inform us of any sale or transfer of your interest in a described automobile except through change of title by succession, death or proceedings under the Bankruptcy and Insolvency Act (Canada).

1.4.3 If you have purchased optional **Loss or Damage** Coverages, you agree to inform us of any new lien (an interest by others), mortgage or loan that affects a described automobile, as well as any other insurance against loss or damage.

1.4.4 When you are involved in an auto accident involving injury or property damage, you need to report it to your insurance agent, broker, or insurance company within seven days, regardless of who is at fault. If you are unable to report the accident within seven days, report it as soon as possible after that.

1.4.5 You agree not to drive or operate the automobile, or allow anyone else to drive or operate the automobile, when not authorized by law.

1.4.6 You agree not to use or allow anyone to use the automobile in a race or speed test or for any illegal trade or transportation.

1.4.7 You agree to permit us to inspect the automobile and its equipment at all reasonable

1.5 Where to Make A Claim and Who May Make It

Warning – Offences

It is an offence under the Insurance Act to knowingly make a false or misleading statement or representation to an insurer in connection with the person's entitlement to a benefit under a contract of insurance, or to willfully fail to inform the insurer of a material change in circumstances within 14 days, in connection with such entitlement. The offence is punishable on conviction by a maximum fine of \$250,000 for the first offence and a maximum fine of \$500,000 for any subsequent conviction.

It is an offence under the federal Criminal Code for anyone to knowingly make or use a false document with the intent it be acted on as genuine and the offence is punishable, on conviction, by a maximum of 10 years imprisonment.

It is an offence under the federal Criminal Code for anyone, by deceit, falsehood, or other dishonest act, to defraud or to attempt to defraud an insurance company. The offence is punishable, on conviction, by a maximum of 14 years imprisonment for cases involving an amount over \$5,000 or otherwise a maximum of 2 years imprisonment.

You or other insured persons must notify us of a claim and provide proof of the claim. This may be done in person or by registered mail addressed to our chief agent or head office in Ontario.

If you or other insured persons are unable to notify us or complete any required document for good reason, someone may act on your behalf.

If you or other insured persons refuse, or are unable, to complete any required document, anyone to whom any part of the insurance money is payable may do so instead.

1.6 Our Rights and Responsibilities

1.6.1 Payment of Claims

We will pay legitimate claims within 60 days of receiving a proof of loss. Some claims for **Accident Benefits** will be paid sooner.

If we refuse to pay a claim, we will notify the insured person in writing explaining the reasons why we are not liable to pay.

1.6.2 If You Have Been Incorrectly Classified and Your Premium is Wrong

We use rules that determine the amount you pay for each coverage and category of automobile insurance. You are classified according to these rules.

If you have been incorrectly classified, we will correct the situation.

If the incorrect classification resulted in your paying too high a premium, we will refund any premium overpayment with interest. The interest will cover the period for which you were overcharged.

The rate of interest will be the bank rate, as set by the Bank of Canada, on the first day of the last month of the quarter preceding the quarter in which you were incorrectly classified. If the bank rate includes a fraction we will round it off to the next highest number. (The bank rate is the rate at which the Bank of Canada makes short-term loans to chartered banks.)

If the incorrect classification resulted in your paying too low a premium, we will require you to pay an additional premium as long as we tell you within 60 days of the effective date of the policy. We will not charge you interest on the additional premium.

1.6.3 Monthly Premium Payment Option

The law may allow you to pay your premium in equal monthly payments. If so, we may charge you interest at a rate determined by the provincial government under the Insurance Act (Ontario).

1.7 Cancelling Your Insurance

1.7.1 When You Cancel

You may cancel your insurance at any time by advising us.

If you cancel, we will calculate the premium you owe on a short rate basis. Short rate means that the premium you owe will include our handling costs. We will refund anything due to you as soon as possible.

There may be a minimum premium set out in your Certificate of Automobile Insurance. This will not be refunded.

1.7.2 When We Cancel

Where your policy has been in effect for up to 60 days, we may only cancel your policy for a reason that we have filed with the Financial Services Regulatory Authority of Ontario.

Where your policy has been in effect for more than 60 days, we may only cancel your policy for one of the following reasons:

- non-payment of premium,
- you have given false particulars of the automobile to our prejudice,

- you have knowingly misrepresented or failed to disclose information that you were required to provide in the application for automobile insurance, or
- the risk has changed materially.

If we cancel your policy, we will calculate the premium you owe on a proportionate basis. Proportionate means you will pay for the actual number of days you were covered. For example, if half the premium period is over, you will pay half the premium.

There may be a minimum premium shown on your Certificate of Automobile Insurance. This will not be refunded.

If you have paid more than the premium you owe, we will refund the difference on cancellation. Your refund may be delayed if the amount of premium you owe is subject to adjustment, or we are waiting for reports in order to determine the premium paid or owing.

We will make the refund as soon as possible in that case.

1.7.3 How We Can Cancel for Non-payment of Premium

In case of non-payment of premium, we may give you a notice in writing. We must give you ten days notice if we deliver the notice in person, 30 days notice by sending the notice by registered mail to your last known address, ten days notice by sending the notice by prepaid courier, or ten days notice by sending the notice through electronic means, if the insured consents to delivery by electronic means. The 30-day period starts on the second day after we mail the registered letter. The ten-day period for notice by prepaid courier starts on the day after the day there is a record of the person who delivered the notice that the notice has been sent. The ten-day period for notice by electronic means starts on the day after we send the notice. The notice will inform you that you have until noon of the business day before the last day of the notice period to pay the arrears, plus an administration fee, failing which the policy will automatically be cancelled effective at 12:01 a.m. on the last day of the notice period. If you pay the arrears and the administration fee in time, then your policy will not be cancelled.

But if we have already given you two notices of non-payment of premium during the term of your policy and a non-payment occurs again, we don't have to give you another notice under this section; instead we may cancel your policy as described in section 1.7.4.

1.7.4 How We Can Cancel for Repeated Non-payment or Other Reasons

If we cancel your insurance for non-payment of premium because we have already given you two notices during the term of your policy as described in section 1.7.3, or if we cancel for any other reason, we will notify you in writing. We must give you

five days notice if we deliver the notice of cancellation in person, 15 days notice by sending the notice of cancellation by registered mail to your last known address, five days notice by sending the notice of cancellation by prepaid courier, or five days notice by sending the notice of cancellation through electronic means, if the insured consents to delivery by electronic means. The 15-day period starts on the second day after we mail the registered letter. The five-day period for notice by prepaid courier starts on the day after the day there is a record of the person who delivered the notice that the notice has been sent. The five-day period for notice by electronic means starts on the day after we send the notice. If the notice was given because we have already given you two notices of non-payment during the term of your policy as described in section 1.7.3, we are under no obligation to accept a late payment or to keep the policy in force after the effective date of cancellation.

1.8 Who and What We Won't Cover

1.8.1 General Exclusion

Except for certain **Accident Benefits** coverage, there is no coverage under this policy if:

- the automobile is used to carry explosives or radioactive material; or
- the automobile is used as a taxicab, bus, a sightseeing conveyance or to carry paying passengers. **However**, we don't consider the following as situations involving carrying paying passengers:
 - o giving a ride to someone in return for a ride, or sharing the cost of an occasional trip with others in the automobile, or carrying a domestic worker hired by you or your spouse, or occasionally carrying children to or from school activities that are conducted within the educational program,
 - o carrying current or prospective clients and customers, or
 - o reimbursing volunteer drivers for their reasonable driving expenses, including gas, vehicle wear and tear and meals.

1.8.2 Excluded Drivers and Driving Without Permission

Except for certain **Accident Benefits** coverage, there is no coverage (including coverage for occupants) under this policy if the automobile is used or operated by a person in possession of the automobile without the owner's consent or is driven by a person named as an excluded driver of the automobile policy or a person who, at the time he or she willingly becomes an occupant of an automobile, knows or ought reasonably to know that the automobile is being used or operated by a person in possession of the automobile without the owner's consent.

Except for certain **Accident Benefits** coverage, there is no coverage under this policy for a person who, at the time he or she willingly becomes an occupant of an

automobile, knows or ought reasonably to know that the automobile is being used or operated by a person in possession of the automobile without the owner's consent.

1.8.3 Rented or Leased Automobile

Except for certain **Accident Benefits** coverage, there is no coverage under this policy if the automobile is rented or leased by you to another. **However**, if an insured person is using the automobile for an employer's business and is paid for using it, we won't consider that renting or leasing.

1.8.4 Garage Workers Not Covered

No person who sells, repairs, maintains, stores, services, or parks automobiles as part of a business is covered by this policy while involved in conducting that business, unless the person in fact owns the automobile involved in an incident or is the partner or employee of the owner.

1.8.5 Losses Due to War Activities Not Covered

With the exception of Liability Coverage, this policy does not cover loss, damage, injury or death caused by war activities. War activities include bombardment, invasion, civil war, insurrection, rebellion, revolution, coup, or actions of armed forces while engaged in a war, whether declared or not.

Other restrictions apply to specific coverages, such as Accident Benefits and optional Loss or Damage coverages. These additional restrictions will be described in the appropriate Sections of this policy.
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Section 2 - What Automobiles Are Covered?

2.1 Described Automobile

A described automobile is any automobile or trailer specifically shown on your Certificate of Automobile Insurance.

Your Certificate of Automobile Insurance shows which coverages you have purchased for each described automobile. The coverages could include:

- Liability,
- Accident Benefits,
- Uninsured Automobile,
- Direct Compensation - Property Damage, and
- Loss or Damage.

2.2 Extending Your Insurance to Other Automobiles

If a premium is shown on the Certificate of Automobile Insurance for a specific coverage for a described automobile, then this coverage may be available in the event of a loss for other types of automobiles under this policy. The following chart summarizes the types of coverage that can be extended to other types of automobiles. This chart is only a guide. Details of coverages are explained later in this Section.

What Types of Coverage Extend to Other Automobiles?

		Coverage Purchased on Described Automobile				
		Liability	Accident Benefits	Uninsured Automobile	Direct Compensation	Loss or Damage
Type of Automobile	Newly Acquired Auto (Replacement Auto)	Yes. The replacement auto has the same coverage as the described automobile it replaces, as long as you notify us within 14 days of delivery of the new automobile.				Yes (Conditions Apply)
	Newly Acquired Auto (Additional Auto)	Yes, if we insure all automobiles you own for the same type of coverage on the day you take delivery and you notify us within 14 days of delivery of the new automobile.				Yes (Conditions Apply)
	Temporary Substitute Auto	Yes	Yes	Yes	Yes	Yes (Conditions Apply)

Any Other Auto, including Other Autos that are Rented or Leased	Yes (Conditions Apply)	Yes	Yes	Yes	No
Owned Trailer (and not described)	Yes, if used in connection with an automobile covered by the policy.			(Conditions Apply)	No
Non-Owned Trailer	Yes, if used in connection with an automobile covered by the policy.			No	No

2.2.1 Newly Acquired Automobiles

A newly acquired automobile is an automobile or trailer that you acquire as owner and that is not covered under any other policy. It can be either a replacement or an additional automobile. The replacement automobile will have the same coverage as the described automobile it replaces. We will cover an additional automobile as long as:

- we insure all automobiles you own, and
- any claim you make for the additional automobile is made against a coverage we provide for **all** your other automobiles.

Your newly acquired automobile(s) will be insured as long as you inform us within 14 days from the time of delivery and pay any additional premium required.

We may inspect the newly acquired vehicle and its equipment at any reasonable time.

Special Condition: Coverage is not extended to a newly acquired automobile if you are in the business of selling automobiles.

2.2.2 Temporary Substitute Automobile

A temporary substitute automobile is an automobile that is temporarily used while a described automobile is out of service. The described automobile must not be in use by anyone insured by this policy, because of its breakdown, repair, servicing, theft, sale or destruction.

Coverage for a temporary substitute automobile is provided under the automobile policy of the owner of the temporary substitute automobile. However, this policy may also provide coverage.

The following coverages apply to a temporary substitute automobile if a premium is shown for them on the Certificate of Automobile Insurance for the described automobile that is temporarily out of service:

- Liability,
- Accident Benefits,
- Uninsured Automobile, and
- Direct Compensation - Property Damage

If you have purchased optional **Loss or Damage** Coverages on a described automobile and it is temporarily out of service, there are special conditions about this coverage for temporary substitute automobiles. These conditions are explained in Section 7 - Loss or Damage Coverages of this policy.

Special Condition: A temporary substitute automobile cannot be owned by you or by anyone living in the same dwelling as you.

2.2.3 Other Automobiles

Automobiles, other than a described automobile, are also covered when driven by you, or driven by your spouse who lives with you.

The following coverages apply to other automobiles if a premium is shown for the coverage on the Certificate of Automobile Insurance for a described automobile:

- Liability,
- Accident Benefits,
- Uninsured Automobile, and
- Direct Compensation - Property Damage

Special Conditions: For other automobiles to be covered, the following conditions apply:

1. Both the other automobile and a described automobile must not have a manufacturer's gross vehicle weight rating (GVWR) of more than 4,500 kilograms.
2. The named insured is an individual, or if the described automobile is owned by two people, the named insureds are spouses of each other.
3. Neither you nor your spouse is driving the other automobile in connection with the business of selling, repairing, maintaining, storing, servicing or parking automobiles.
4. The other automobile is not being used to carry paying passengers or to make commercial deliveries at the time of any loss.

5. **For all coverages, except Accident Benefits**, the other automobile cannot be an automobile that you or anyone living in your dwelling owns or regularly uses. (For the purposes of this paragraph, we don't consider use of an automobile rented for 30 or fewer days to be regular use.) Nor can the other automobile be owned, hired or leased by your employer or the employer of anyone living in your household. However, if you drive one of these other automobiles while an excluded driver under the policy for that automobile, this policy will provide **Liability** and **Uninsured Automobile Coverages** while you drive that automobile.
6. **If you are a corporation, unincorporated association, partnership, sole proprietorship, business or other entity**, the employee or partner for whose regular use a described automobile is supplied, and their spouse who lives with that person, will be covered when they drive the other automobile, under the following conditions:
 - Both the other automobile and the described automobile must not have a manufacturer's gross vehicle weight rating of more than 4,500 kilograms.
 - Neither the employee nor partner who is provided with a described automobile, nor their spouses if they live with the employee or partner, are driving the other automobile in connection with the business of selling, repairing, maintaining, storing, servicing or parking automobiles.
 - The other automobile is not being used to carry paying passengers or to make commercial deliveries at the time of any loss.
 - The other automobile must not be owned, hired, leased, or regularly or frequently used by you or by your employee or any partner, or by anyone living in the same dwelling as these persons.
 - Except as provided under subsection 2.2.4, this policy doesn't cover the employee or partner or their spouse if they own, lease or rent any automobile and it is insured as the law requires and does not have a manufacturer's gross vehicle weight rating of more than 4,500 kilograms

7. **For Direct Compensation - Property Damage Coverage** the other automobile cannot be a described automobile in a motor vehicle liability policy.

2.2.4 Other Automobiles that are Rented or Leased

For convenience in this subsection we use the terms **rented** and **renting** as equivalent to **leased** and **leasing**.

In addition to the coverages referred to in subsection 2.2.3, the following coverage applies to rented automobiles if a premium is shown for the coverage on the Certificate of Automobile Insurance for a described automobile:

- Liability.

Automobiles, other than a described automobile, are covered as described in this subsection when rented by you, or by your spouse who lives with you, for periods of not more than 30 days, but only with respect to the liability of the person renting the automobile arising from the negligence of the driver of that automobile, and only if the driver is not an excluded driver under this policy.

Special Conditions: For rented automobiles to be covered, the following conditions apply:

1. Both the rented automobile and the described automobile must not have a manufacturer's gross vehicle weight rating (GVWR) of more than 4,500 kilograms, but if the rented automobile has a GVWR of more than 4,500 kilograms, then it is covered only while being used for personal purposes (for example to move you or a family member from one residence to another; or for travel or other recreational use), and only if it is rented for no more than 7 days.
2. The named insured is an individual, or if the described automobile is owned by two people, the named insureds are spouses of each other.
3. Neither you nor your spouse is renting the other automobile in connection with the business of selling, repairing, maintaining, storing, servicing or parking automobiles.
4. The rented automobile is not being used to carry paying passengers or to make commercial deliveries at the time of any loss.
5. The rented automobile cannot be an automobile that you or anyone living in your dwelling owns or regularly uses. Nor can the rented automobile be owned, hired or leased by your employer or the employer of anyone living in your household. For the purposes of this paragraph, we don't consider use of an automobile rented for 30 or fewer days to be regular use.
6. **If you are a corporation, unincorporated association, partnership, sole proprietorship, business or other entity**, the employee or partner for whose regular use a described automobile is supplied, and their spouse who lives with that person, will be covered when they rent an automobile, under the following conditions:
 - Both the rented automobile and the described automobile must not have a manufacturer's gross vehicle weight rating of more than 4,500 kilograms.

- Neither the employee nor partner who is provided with a described automobile, nor their spouses if they live with the employee or partner, are renting the automobile in connection with the business of selling, repairing, maintaining, storing, servicing or parking automobiles.
- The rented automobile is not being used to carry paying passengers or to make commercial deliveries at the time of any loss.

2.2.5 Trailers

Any trailer used in connection with the automobile is insured for the following coverages:

- Liability,
- Accident Benefits, and
- Uninsured Automobile.

Special Conditions: Any trailer you own and that is not described in this policy is also covered for **Direct Compensation - Property Damage** Coverage under the following conditions:

- If it is attached to an automobile with a GVWR of not more than 4,500 kilograms, or if not attached, it is normally used with an automobile with a GVWR of not more than 4,500 kilograms.
- It is not designed or used for living in, to carry passengers, or for commercial purposes.

2.3 When You Have Insured Two Or More Automobiles

2.3.1 Under the Same Policy

When more than one automobile is described on your Certificate of Automobile Insurance, we will treat each automobile as if it were insured by a separate policy for claims resulting from its use or operation.

However, in the case of an incident involving an automobile you don't own, we will only pay up to the highest limit that applies to any one automobile described in this policy.

Example

Your automobile policy has Liability Coverage on two automobiles for \$300,000 and \$500,000 respectively. If you are driving someone else's automobile and are involved in an accident, the most we would pay is \$500,000.

2.3.2 Under More Than One Policy

When you have two or more automobiles insured as described automobiles under two or more policies, each automobile will be covered by its respective policy.

However, determining how much we will pay is more complicated if there is an incident in an automobile you don't own.

The amount we will pay under this policy for any incident will be a fraction of the highest policy limit. This fraction will be the proportion that the limit under this policy bears to the total of the limits of all the policies.

In no case will we pay more than this proportion of the highest limit.

Example

You have an automobile with Liability Coverage for \$200,000 under this policy (Policy A) and another automobile with Liability Coverage for \$300,000 under a separate policy (Policy B). If you have an accident while driving an automobile you don't own, here is how we will calculate the amount we will pay.

Step 1. What is the total of the limits of all the policies?

$$\begin{array}{r} 200,000 \text{ (limit under Policy A)} \\ + \quad \underline{300,000} \text{ (limit under Policy B)} \\ \hline 500,000 \text{ (total under both policies)} \end{array}$$

Step 2. What is the proportion of the limit under Policy A to the total from Step 1?

$$\frac{200,000 \text{ (limit under Policy A)}}{500,000 \text{ (total under both policies)}} = \frac{2}{5}$$

Step 3. What is the most we will pay under this policy?

$$\frac{2}{5} \times 300,000 \text{ (highest policy limit)} = 120,000$$

The most we would pay would be 2/5 of the loss, but never more than \$120,000, 2/5 of the highest policy limit. The other policy will pay the remaining 3/5 of the loss to a maximum of \$180,000.

2.4 Trailers and Towing

2.4.1 Trailers

An automobile pulling one or more trailers will be treated as a single automobile when determining how much we will pay under **Liability, Accident Benefits** and **Uninsured Automobile** Coverages. However, they will be treated as separate automobiles when determining the deductibles and how much we will pay under **Direct Compensation Property Damage** and **Loss or Damage** Coverages

2.4.2 Automobiles in Tow

We may inspect the automobile at any reasonable time. If you do not co-operate in any incident involving two or more automobiles owned by different persons and attached to each other, the insurer of each automobile will compensate its insured for losses according to the terms of the **Direct Compensation - Property Damage** and **Loss or Damage** Coverages

2.5 Inspection

We may inspect the automobile at any reasonable time. If you do not co-operate with any reasonable arrangements for inspection, your optional **Loss or Damage Coverages** under Section 7 may be cancelled and any claims under that Section may be denied.

Section 3 - Liability Coverage

You only have a particular coverage for a specific automobile if your Certificate of Automobile Insurance shows a premium for it or shows the coverage is provided at no cost.

3.1 Introduction

This Section of your policy provides coverage for amounts that the law holds you or other insured persons responsible for bodily injuries or losses others suffer in an automobile incident.

3.2 Who is Covered

You are covered when you, or anyone else in possession of a described automobile with your consent, uses or operates it. We will consider these other people insured persons.

Your Liability Coverage applies when you or others use or operate certain other types of automobiles. See Section 2 for details and additional conditions.

3.3 What We Cover

You or other insured persons may be legally responsible for the bodily injury to, or death of others, or for damage to the property of others as a result of owning, leasing or operating the automobile or renting or leasing another automobile. In these cases, we will make any payment on your or other insured persons' behalf that the law requires, up to the limits of the policy.

We will also reimburse anyone covered by this policy for costs involved in providing immediate medical aid needed by someone hurt in an automobile incident.

When we receive notice of loss or damage caused to persons or property we will investigate. We may then negotiate a settlement on behalf of you or other insured persons.

3.3.1 If Someone Sues You

By accepting this policy you and other insured persons irrevocably appoint us to act on your or their behalf in any lawsuit against you or them in Canada, the United States of America or any other jurisdiction designated in the Statutory Accident Benefits Schedule arising out of the ownership, use or operation of the automobile.

If someone sues you or other insured persons insured by this Section for losses suffered in an automobile incident, we will provide a defence and cover the costs of that defence, including investigation costs. We will pay all legal costs the court assesses against you and other insured persons in the lawsuit we have defended.

If there is a judgment against you or other insured persons, we will pay any post-judgment interest owed on that part of the amount the court orders that falls within the liability limits of your policy.

We reserve the right to investigate, negotiate and settle any claim out of court if we choose.

If you are sued for more than the limits of your policy, you may wish to hire, at your cost, your own lawyer to protect yourself against the additional risk.

3.3.2 How Much We Will Pay

The most we will pay on your behalf and on behalf of all other insured persons insured by this Section, for any one incident (over and above legal costs and post-judgment interest) will be determined by the extent of your coverage. The limit under your policy is shown on the Certificate of Automobile Insurance.

Example

You are sued for injuries suffered by another person in an accident that you are legally responsible for. We will hire lawyers at our expense and cover all costs of your defence in court.

The court orders you to pay \$10,000 in costs and \$600,000 to cover losses. Your liability limit is \$500,000.

We will cover the \$10,000 in costs, and \$500,000 of the judgment. We will also pay any interest owed on that amount from the day of the judgment. You will be responsible for the remaining \$100,000 of the judgment and any interest owed on that.

3.3.3 Outside Ontario

If the incident happens in a jurisdiction covered by this policy in which the minimum liability coverage required is higher than the limit shown on the Certificate of Automobile Insurance, we will honour the higher amount. We also agree not to use any legal defence that would not be available if the policy had been issued in that jurisdiction.

Example

You have an accident in a province where the minimum liability coverage required is \$500,000. Even though you are only carrying \$200,000 worth of liability insurance, we will pay up to \$500,000.

3.3.4 If There is More Than One Named Insured Under This Policy

We will protect you and others named as insured by this policy, for claims made against each other. In such cases, we will act as if a separate policy was issued to each named insured. However, the total amount we will pay (over and above legal costs and post-judgment interest) cannot exceed the maximum coverage shown on the Certificate of Automobile Insurance.

Example

Two people are in business together. Both are named in the insurance policy covering their van. They have bought Liability Coverage of \$500,000.

One day, there is an accident while one is driving and the other is a passenger. Both of them are severely injured as a result of their combined negligence.

They sue each other and one is awarded \$300,000 and the other \$500,000. The combined amount we will pay will not be more than the policy limit of \$500,000 plus legal costs and post-judgment interest.

3.3.5 Rented and Leased Automobiles

For convenience in this subsection we use the terms **rent, renter and rented** as equivalent to **lease, lessee and leased**.

This policy provides coverage for persons who rent an automobile, as described in the definitions of **automobile** in Section 2, as a result of liability imposed by law arising from the negligence of the driver of that automobile.

If a liability claim is made against a driver, renter or owner of a rented automobile, coverage may be available under more than one motor vehicle liability policy. The following rules govern the order in which the policies will respond:

1. If insurance is available to the person who rented the automobile, the policy providing that insurance responds first.
2. If insurance is available to the driver of the rented automobile, the policy providing that insurance responds next.
3. If insurance is available to the owner of the rented automobile, the policy providing that insurance responds last.

We have no liability for such claims in excess of the limit of liability coverage specified in the Certificate of Automobile Insurance and do not have the responsibility to defend such claims against anyone other than you, your spouse who lives with you, or the persons mentioned in subsections 2.2.3 (6) and 2.2.4 (6).

Example #1*

You rent a car and your friend is driving it when an accident occurs in Ontario. You, your friend, and the rental company may face claims by other people who have sustained a loss in the accident. If insurance is available to you under your policy for such claims and your friend was at fault for the accident, then your policy would be first in line to pay those people. If that coverage were used up, and if insurance is available to your friend under his or her policy, your friend's insurer would pay next. If that coverage were used up, any insurance available under the rental company's policy would then pay. None of the insurers has to pay more than the limit of coverage that it agreed to provide.

Example #2*

Your friend rents a car and you are driving it when an accident occurs in Ontario. You, your friend, and the rental company may face claims by other people who have sustained a loss in the accident. If you were at fault for the accident and insurance is available to your friend under his or her policy for such claims, then your friend's insurer would be first in line to pay those people. If that coverage were used up, and if insurance is available to you under your policy, then your insurer would pay next. If that coverage were used up, any insurance available under the rental company's policy would then pay. None of the insurers has to pay more than the limit of coverage that it agreed to provide.

*These examples are provided as a convenience only, to illustrate the operation of section 277 of the Insurance Act (Ontario). If there is a discrepancy between section 277 and these examples, section 277 prevails. In addition, whether or not insurance is available under a policy in any given situation depends on the facts of that situation and the terms of the particular policy.

3.4 Your and Other Insured Persons' Responsibilities

You and other insured persons agree:

- to notify us in writing within seven days of any incident involving loss or damage to persons or property (or, if unable because of incapacity, as soon as possible after that), giving us full details of the incident and any claim arising from it;
- if requested, to give us a statutory declaration that the claim arose out of the use or operation of the automobile and that you or other insured persons were using, operating or responsible for the operation of it;
- to help us obtain all necessary information and evidence about the incident, including the attendance of witnesses, and to cooperate, but not financially, in any legal actions if we ask;
- to send immediately to us everything received in writing concerning the claim, including legal documents; and

- not to assume any liability for the incident, or settle any claim, except at your or other insured persons' own cost, and not to interfere in any legal proceeding or in any negotiations we conduct to settle any claim.

We may, on occasion, be required by law to make payments, even though we are not otherwise liable for them under this policy. If so, you or other insured persons will have to reimburse us upon demand for those payments.

3.5 Other Limitations On Your Coverage

3.5.1 Property Not Covered

Under this Section, we won't cover claims for damage to property carried in or upon the automobile, or claims for damage to other property owned or rented by, or in the care, custody or control of you or other insured persons.

3.5.2 Contamination of Property

Under this Section, we won't cover claims arising from contamination of property carried in the automobile.

3.5.3 Nuclear Hazards

Nuclear energy hazards means radioactive, toxic, explosive or other hazardous properties of substances described in Regulations made under the Nuclear Safety and Control Act (Canada).

If you or other insured persons are involved in an incident where the loss or damage is directly or indirectly caused by a nuclear hazard, we will pay up to \$200,000 if you or other insured persons are covered under this policy for a nuclear hazard and you and other insured persons are also insured under a nuclear energy hazard liability policy. We will only pay after the limits of that policy have been paid out.

Section 4

Section 4 - Accident Benefits Coverage

You only have a particular coverage for a specific automobile if your Certificate of Automobile Insurance shows a premium for it or shows the coverage is provided at no cost.

4.1 Who is Covered

For the purposes of Section 4, insured persons are defined in the Statutory Accident Benefits Schedule. In addition, insured persons also include any person who is injured or killed in an automobile accident involving the automobile and is not the named insured, or the spouse or dependant of a named insured, under any other motor vehicle liability policy, and is not covered under the policy of an automobile in which they were an occupant or which struck them.

4.2 Types and Benefits

The details of the Accident Benefits Coverage are set out in the Statutory Accident Benefits Schedule of the Insurance Act (Ontario). This Section outlines the benefits that you and other insured persons may be entitled to receive if injured or killed in an automobile accident. If there is a difference between the interpretation of the wording in this Section and the interpretation of the wording in the Statutory Accident Benefits Schedule, the Statutory Accident Benefits Schedule prevails.

Your insurance company is obligated to inform you and other insured persons about the benefits available.

The benefits in the Statutory Accident Benefits Schedule are:

Income Replacement Benefit

This benefit may compensate you and other insured persons for lost income.

Caregiver Benefit

This benefit may provide compensation for some expenses incurred if an insured person has been catastrophically injured and cannot continue as the main caregiver for a member of the household who is in need of care.

Non-Earner Benefit

This benefit may provide compensation if you and other insured persons are completely unable to carry on a normal life and do not qualify for an Income Replacement Benefit or Caregiver Benefit.

Medical Benefit

This benefit may pay for some medical expenses incurred when you or other insured persons are injured. These are expenses that are not covered by any other medical coverage plan.

Rehabilitation Benefit

This benefit may pay for some rehabilitation expenses incurred when you or other insured persons are injured. These are expenses that are not covered by any other plan.

Attendant Care Benefit

This benefit may compensate you and other insured persons for some of the expense of an aide or attendant, including transportation for an aide or attendant to accompany the insured person to and from medical and rehabilitation treatments.

Payment of Other Expenses

If you or other insured persons have been injured, this benefit may pay for some other expenses such as the cost of visiting an insured person during treatment or recovery, the repair or replacement of some items lost or damaged in the accident and some lost educational expenses. It may also pay for some housekeeping and home maintenance if the insured person sustains a catastrophic impairment.

Death Benefit

This benefit may pay money to some members of the family of a person who is killed.

Funeral Benefit

This benefit may pay for some funeral expenses.

Optional Benefits

You may purchase any one or more optional benefits to increase the standard level of benefits or change the eligibility requirements provided in this Section. The optional benefits are: Income Replacement; Medical, Rehabilitation and Attendant Care; Optional Catastrophic Impairment; Caregiver, Housekeeping and Home Maintenance; Death and Funeral; and Dependant Care. An optional Indexation Benefit may be purchased, which provides that certain weekly benefit payments and monetary limits will be adjusted on an annual basis to reflect changes in the cost of living.

4.3 How to Apply for Benefits

4.3.1 Applying for Benefits - Procedures and Time Limits

Anyone applying for Accident Benefits must tell us within 7 days of the accident or as soon after that as possible. We will send you or other insured persons an application for Accident Benefits.

The person applying for the benefits must send us the completed application within 30 days of receiving it.

You or other insured persons may still be entitled to benefits if these time limits are not met for good reason, but payment of the benefit may be delayed.

We must pay the Income Replacement Benefit, Non-Earner Benefit, Caregiver Benefit and Housekeeping and Home Maintenance Benefit within 10 business days of receiving the complete application for those benefits.

We must pay the Death Benefit, Funeral Benefit and Payment of Other Expenses within 30 days of receiving the complete application.

We must pay the Attendant Care Benefit within 10 business days of receiving a completed Assessment of Attendant Care Needs form.

If you or another insured person is claiming the Medical Benefit or Rehabilitation Benefit, your doctor or another member of a regulated health profession including a social worker must provide us with a treatment and assessment plan or other related forms.

In some cases, we can ask you or other insured persons to go for an independent assessment to assess your needs.

We may ask you or other insured persons to provide additional information in connection with the claim, such as a statutory declaration as to the circumstances that gave rise to the application, or proof of identity. We can also ask you or other insured persons to attend an examination under oath in connection with entitlement to benefits, on reasonable advance notice and at a time and place that are convenient to the person. If the person does not participate as requested, benefits may be delayed or suspended.

If the injuries fall within certain guidelines issued by the Chief Executive Officer of Financial Services Regulatory Authority of Ontario, you or other insured persons

may be entitled to some medical or rehabilitation treatments without our prior approval and before a completed application is submitted.

4.3.2 Choosing Which Benefit to Receive

If you or other insured persons qualify for more than one weekly benefit, we will notify you that you must choose which benefit you will receive. Your choice may be between the Income Replacement, Non-Earner or Caregiver Benefits. You or other insured persons will have 30 days to make your choice.

4.4 Limitations on Your Coverage

You or other insured persons are not entitled to the Income Replacement Benefit, Non-Earner Benefit or Payment of Other Expenses if you or they:

- knew, or should reasonably have known, that they were operating an automobile without insurance;
- were driving an automobile while not authorized by law to drive;
- were driving an automobile which they were specifically excluded from driving under this policy;
- knowingly operated, or should reasonably have known that the automobile was operated, without the owner's consent;
- made or knew about a material misrepresentation that induced us to issue this policy;
- intentionally failed to notify us of any significant changes as required under Section 1.4.1; or
- were convicted of a criminal offence involving the operation of an automobile.

Section 5

Section 5 - Uninsured Automobile Coverage

You only have a particular coverage for a specific automobile if your Certificate of Automobile Insurance shows a premium for it or shows the coverage is provided at no cost.

5.1 Introduction

5.1.1 Uninsured Automobile Coverage Schedule

This Section of the policy describes the terms and conditions of the coverage set out in the Uninsured Automobile Coverage Schedule under the Insurance Act (Ontario). If there is a difference between the interpretation of the wording of this Section and the interpretation of the wording in the Schedule, the Schedule prevails. However, 5.3.3 in this Section is an addition to the coverage provided by the Schedule.

5.1.2 What is an Uninsured Automobile?

An uninsured automobile is one for which neither the owner nor driver has liability insurance to cover bodily injury or property damage arising out of its ownership, use or operation, or the insurance is not collectible. However, this does not include an automobile owned by or registered in the name of the insured person or their spouse.

5.1.3 What is an Unidentified Automobile?

An unidentified automobile is one whose owner or driver cannot be determined.

5.2 What We Will Cover

5.2.1 Claims by You or Other Insured Persons for Bodily Injury

We will pay any amounts you or other insured persons have a legal right to recover as damages from the owner or driver of an uninsured or unidentified automobile for bodily injury resulting from an accident involving an automobile, up to the limits in this Section.

5.2.2 Claims by Others for Bodily Injury or Death

We will pay any amounts any person has a legal right to recover as damages from the owner or driver of an uninsured or unidentified automobile for bodily injury or death of an insured person in an accident involving an automobile, up to the limits in this Section.

5.2.3 Claims for Certain Property Damage

We will pay for damage to and for loss of use of the automobile or its contents, or to both, that you or other insured persons have a legal right to recover from the identified owner or driver of an uninsured automobile in an accident involving an automobile. Subject to the \$300 deductible, we will pay up to \$25,000.

Note: Damage to the automobile caused by an unidentified automobile is not covered under this Section, but optional Loss or Damage Coverages may be available.

5.3 Claims for Bodily Injury or Death

5.3.1 Who is Covered?

The following are insured persons for bodily injury or death:

- Any person who is an occupant of the automobile.
- You, your spouse, and any dependent relative of you or your spouse, o when an occupant of an uninsured automobile, or
 - o when not in an automobile, streetcar or railway vehicle if hit by an unidentified or uninsured automobile.
- **If you are a corporation, unincorporated association or partnership**, any director, officer, employee or partner for whose regular use the described automobile is provided, their spouse, and any dependent relative of you or your spouse, o when occupants of an uninsured automobile; or
 - o when not in an automobile, streetcar or railway vehicle if hit by an unidentified or uninsured automobile.

Note: If the director, officer, employee or partner, or their spouse is the owner of an automobile that is insured, this policy does not apply. The policy of that automobile will provide coverage.

5.3.2 Limitation on a Dependent Relative

A dependent relative who owns an insured automobile, or who suffers bodily injury or death while an occupant of his or her own uninsured automobile, is not covered under this Section of your policy.

5.3.3 If the Described Automobile is Leased or Rented

If this policy has been changed to allow the rental or lease of the described automobile for more than 30 days, the person or organization who is the lessee of the automobile is treated as the named insured.

5.3.4 Conditions Applying to Claims for Bodily Injury or Death

A person entitled to claim compensation for the bodily injury or death of an insured person must:

- give us written notice of the claim within 30 days of the accident or, if unable, as soon as possible after that.
- provide us with as much evidence as possible in support of the claim, giving details of the accident and the resulting loss. This should be done within 90 days of the accident or, if unable, as soon as possible after that.
- provide us with a certificate from the medical or psychological advisor of the insured person if we request it. The certificate must state the cause of injury or death and, if appropriate, the nature of the injury and how long any disability is expected to last.
- provide us with details of any other insurance policy, other than a life insurance policy, under which there is a right to compensation.

5.3.5 Accidents Involving Unidentified Automobiles

If an unidentified automobile causes bodily injury or death to an insured person, the insured person or their representative must report the accident within 24 hours, or, if unable, as soon as possible after that, to a police officer or similar authority.

You or other insured persons must give us a written statement within 30 days of the accident, or, if unable, as soon as possible after that, giving a detailed description of what happened. A representative can make the statement. The statement must say whether the accident was caused by someone whose identity cannot be determined. It must also detail the extent of the injuries suffered by you or other insured persons and any property damaged in the accident. The automobile in which you or other insured persons were an occupant at the time of the accident must be available for inspection at our request.

5.3.6 Medical Examinations May Be Required

You or other insured persons may be required to undergo examinations by a qualified medical or psychological advisor at reasonable intervals. When we require an examination, we will give reasonable notice.

We will pay for any examination we require. The person making the claim, or their representative, is entitled to a copy of the medical report, if requested.

5.4 Claims for Property Damage

5.4.1 Who is Covered?

In a claim for damage to the automobile, the owner of the automobile is covered for damage.

In a claim for damage to the contents of the automobile, the owner of the contents is covered for damage.

5.4.2 Conditions Applying to Claims for Property Damage

When making a claim for property damage, you and other insured persons must:

- notify us in writing within seven days of the accident (or, if unable because of incapacity, as soon as possible after that), giving us the best information available at that time concerning the loss or damage and circumstances.
- do as much as is reasonably possible to protect the automobile from further damage. We will pay for any reasonable protection provided. Further damage resulting from failure to provide reasonable protection will not be covered by this policy.
- make no repairs beyond those needed for protection of the automobile, or remove evidence of the damage, without our written consent or until we have had time to inspect the automobile.
- allow us to copy all documents in your or other insured persons' possession that relate to the accident.
- permit us to inspect the automobile at any reasonable time.
- complete a statutory declaration within 90 days of the accident, if requested. The declaration will describe what happened in detail, the cause and amount of the loss, those affected and how, and state that the loss was truly accidental. We will also need to know if any other insurance is involved.
- not leave us to dispose of the automobile unless we agree to accept it. If we decide to replace the automobile or pay its actual cash value, less the

deductible specified in your Certificate of Automobile Insurance, we own the salvage.

5.4.3 Our Right to Repair, Replace or Rebuild the Automobile

We have the right to repair, replace or rebuild the automobile rather than pay for the damage. If we choose to do this, we will let you or other insured persons know in writing within seven days of receiving notice of the claim. We will complete the work within a reasonable time using parts of similar kind and quality.

5.4.4 How Much We Will Pay

The most we will pay for the automobile is its actual cash value at the time it was damaged, less the deductible specified in your Certificate of Automobile Insurance.

The value of the loss or damage is based on actual cash value after taking into account depreciation. We will not pay more to repair the automobile than its actual cash value at the time it was damaged, less the deductible specified in your Certificate of Automobile Insurance.

We will pay the lower of the following:

- the cost to repair the loss or damage, less the deductible; or
- the actual cash value of the automobile at the time it was damaged, less the applicable deductible.

Example

Your car is four years old and is hit on the front left side by an identified but uninsured automobile. The damaged part of the body of your car is repaired. We will pay the cost of the repairs, less the \$300 deductible, including new paint for the damaged part of your automobile. If you want the entire car repainted, you will have to pay the cost of painting the rest of the car.

5.5 Claims for Both Bodily Injury and Property Damage

An accident may result in a valid claim for both bodily injury or death and for damage to the automobile or its contents. In that case, payments for bodily injury and death have priority on 95% of the total amount payable. Payment for damage to the automobile or contents will have priority on 5%.

Example

An accident in Ontario for which an identified but uninsured driver is responsible destroys your \$20,000 car, and results in injuries to you and your spouse, totaling \$350,000.

We will not pay more than the minimum liability limit of \$200,000. Of that money, 95%, or \$190,000, will go toward payment for bodily injury. The remaining 5%, or \$10,000, will apply to the loss of your car.

5.6 Settling a Claim

5.6.1 By Agreement

Questions about whether a claim is valid, and the amount of any payment, can be decided by agreement between us and you or other insured persons making the claim.

5.6.2 By Arbitration

If there is a disagreement, the matter may be settled by arbitration if you or other insured persons ask for it or if we ask for it and you agree. The arbitrator will be an individual acceptable to us and you or other insured persons. If both sides can't agree on an arbitrator, then each side will name an arbitrator. The two arbitrators will then appoint a third. A decision supported by at least two of the three will be binding. All arbitrations will be governed by the Arbitration Act, 1991 (Ontario).

5.6.3 In Court

The matter may be decided in a lawsuit brought against us by you or other insured persons in an Ontario court. If so, we have the right to ask the court to decide who is legally responsible and the amount of compensation owing, unless another Ontario court has already done so in an action that was defended.

5.7 Limitations and Exceptions

5.7.1 Payment Limits

1. We will not pay more than the minimum limits for automobile liability insurance in the jurisdiction in which the accident happens. This amount applies regardless of the number of persons injured or killed, or the damage to the automobile and contents.

In no event will we pay more than the minimum liability limits required in Ontario.

Example

You are travelling in a car outside Ontario when you are injured in an accident for which an uninsured driver is responsible. The minimum liability limit in that jurisdiction is \$100,000. Your injuries are serious and are assessed at \$300,000 or more. We will pay no more than \$100,000.

2. We will not pay:

- any amount, if you or other insured persons can make a valid claim under the liability section of a motor vehicle liability policy.
- any amount for an accident in a jurisdiction where a valid claim can be made on an unsatisfied judgment fund or similar fund created for the purpose of compensating victims of uninsured or unidentified motorists.
- for loss or damage caused by radioactive material.
- for the first \$300 worth of accidental damage to the automobile and its contents.
- any amount over \$25,000 in any one accident for damage to the automobile and its contents.
- for loss or damage while a person specifically excluded from this policy is driving the automobile.

5.7.2 Limit Where More Than One Policy Applies

You or other insured persons may have a right to claim benefits from more than one automobile insurance policy covering accidents involving uninsured or unidentified automobiles. In that case, anyone making a claim under this or any other coverage may only recover once for the same loss.

5.8 If You or Other Insured Persons Start a Lawsuit

5.8.1 Send Us the Documents

You or other insured persons or your representatives may decide to sue the owner, driver or operator of another automobile involved in the accident. In that case, a copy of the documents initiating the lawsuit must be provided to us as soon as the action is started. The documents must be delivered, or sent by registered mail, to our chief agent or head office in Ontario.

5.8.2 If You or Other Insured Persons Win, But Can't Recover Payment

If the court awards compensation but you or other insured persons can't recover from the person responsible, we will pay, if requested, either:

- the full amount of the award; or
- where some compensation has been paid, the difference between what you or other insured persons have been paid and the full amount awarded by the court.

What we pay, of course, is subject to the limits and conditions applying to coverage for accidents involving uninsured or unidentified automobiles.

5.8.3 Assignment of the Award

We may require you or other insured persons, or your representatives, to assign to us the amount or balance of the court award before we make any payment. If we collect more than what we have already paid, we will reimburse the difference, minus our costs.

5.9 Limitations on Legal Action

5.9.1 Conditions of This Policy Must be Met

No person has a right to sue us for compensation under this Section for injury or damage caused by an accident involving an uninsured or unidentified automobile, unless the conditions in this Section of your policy (Uninsured Automobile Coverage) have been met.

5.9.2 Time Limits for Lawsuits for Loss or Damage

Any lawsuit against us regarding loss or damage to the automobile or its contents must begin within a year after the loss or damage happens.

Any lawsuit against us regarding loss or damage to property other than the automobile and its contents must begin within two years after the cause of action arose.

5.9.3 Time Limits for Lawsuits for Bodily Injury or Death

Any lawsuit against us regarding bodily injury or death must begin within two years after the cause of action arose.

Section 6

Section 6 Direct Compensation - Property Damage Coverage

You only have a particular coverage for a specific automobile if your Certificate of Automobile Insurance shows a premium for it or shows the coverage is provided at no cost.

6.1 Introduction

This Section of your policy covers damage to the automobile and certain trailers not shown on the Certificate of Automobile Insurance, their equipment, contents, and loss of use of the automobile or contents caused by another person's use or operation of an automobile in Ontario.

The coverage under this Section applies only if the accident takes place in Ontario and at least one other automobile involved is insured under a motor vehicle liability policy. The policy covering the other automobile must be issued by an insurance company licensed in Ontario, or one that has filed with the Financial Services Regulatory Authority of Ontario to provide this coverage.

It is called direct compensation because you will collect from us, your insurance company, even though you, or anyone else using or operating the automobile with your consent, were not entirely at fault for the accident.

You have the option to elect not to recover damages under Direct Compensation – Property Damage Coverage if you provide written confirmation of this election to your insurer. If you make this election, you will not be entitled to recover from your insurer for damages to your automobile and its contents or for loss of use under Direct Compensation – Property Damage Coverage. Additionally, if you elect not to recover damages under this coverage, your insurer is prohibited from offering or issuing you Collision or Upset coverage as described in Section 7 of the policy.

6.2 What We Will Cover

Provided that you do not make an election to us not to recover damages under this coverage, we will pay the cost of damage to the automobile, its equipment, contents and for loss of use of the automobile or contents arising from an accident for which another person would have been legally responsible in the absence of section 263 of the Insurance Act (Ontario). Section 263 takes away your right to sue the other person for these losses. We will pay no more to repair or replace the automobile or property than its actual cash value at the time it was damaged, less the applicable percentage of the deductible shown on your Certificate of Automobile Insurance.

If a part needed to repair the automobile is no longer available, we will pay an amount equal to the manufacturer's latest list price for the part.

Note: You should be aware that this coverage does not apply if the automobile is described in another motor vehicle liability policy.

Example

You are driving a friend's car. That car is described in your friend's motor vehicle liability policy. You have an accident for which you are not at fault.

Your friend will claim under the direct compensation property damage provisions of his or her motor vehicle liability policy for the loss.

We will not pay for damage to, or loss of use of, contents that are being carried for reward.

6.3 Who is Covered

In a claim for damage to the automobile, the owner of the automobile is covered for damage.

In a claim for damage to the contents of the automobile, the owner of the contents is covered for damage.

6.4 How Much We Will Pay

6.4.1 Determining Fault

The amount we pay under this Section of your policy will be determined by the degree to which you or the driver were not at fault in the accident.

Responsibility for an accident is determined by the Insurance Act (Ontario) and the Fault Determination Rules. These may find you or the driver wholly or partially responsible.

The degree of responsibility is expressed as a percentage.

6.4.2 The Deductible

The amount we pay may be subject to a Direct Compensation - Property Damage deductible. The deductible is the amount you agree to pay toward the cost of any single claim you make under this Section. The deductible, if any, is the amount shown on the Certificate of Automobile Insurance, multiplied by the percentage to which you or the driver of the automobile were not at fault for the accident. You are not permitted to sue anyone (for instance the at-fault motorist) to recover this deductible.

If you have damage to both your automobile and its contents, the deductible will first be applied to your automobile loss. If there is any remaining deductible, the remainder will be applied to the contents loss.

You will need to make a separate claim for each accident that causes damage. The deductible applies each time you make a claim and separately to each automobile that is insured.

We will pay that portion of the total damages that is equal to the percentage to which you or the driver of the automobile were not at fault for the accident, less the applicable Direct Compensation-Property Damage deductible.

Example #1

(the other driver is entirely responsible)

Your car has an actual cash value of \$12,000. You are involved in an accident for which someone else is 100% responsible. Your car is a total loss.

Your Direct Compensation - Property Damage (DC-PD) deductible is \$500. We will pay \$11,500 (\$12,000 less \$500, the deductible). We will also pay for reasonable alternate transportation.

In sum: You receive \$11,500. You are responsible for \$500, the DC-PD deductible.

Example #2

(you are partly responsible - no optional Loss or Damage Coverages)

Your car has an actual cash value of \$12,000. You are involved in an accident and are 25% responsible. Your car is a total loss.

Your Direct Compensation - Property Damage (DC-PD) deductible is \$300. Under DC-PD, we cover the damages (less the deductible) for which the other driver would have otherwise been responsible. You are responsible for the deductible. We will pay \$8,775 (\$9,000 -- being 75% of the value of your automobile -- less \$225 -- being 75% of the deductible).

In sum: You receive \$8,775. You are responsible for \$225 (the DC-PD deductible), and will have to pay the remainder out of your own pocket. In this example, you will be out-of-pocket for a total of \$3,225. (However, you may be entitled to recover part of that amount if you have bought additional optional Loss or Damage coverages under Section 7.)

Example #3
(damage to contents)

Suppose you have just rented a floor sander currently worth \$600 from the local Rent-All when you are involved in an accident. You are 25% responsible for the accident. The sander is destroyed.

Your Direct Compensation – Property Damage (DC-PD) deductible is \$500. We will pay \$75 (\$450 – being 75% of the value of the sander – less \$375 – being 75% of the deductible.)

In sum: You will receive \$75. You are responsible for \$375 (the DC-PD deductible), and that portion of the damage for which you are responsible.

Example #4
(damage to automobile and contents)

You are involved in an accident for which you are not responsible. The repair of your car costs \$250. Contents worth \$125 are destroyed.

Your Direct Compensation - Property Damage (DC-PD) deductible is \$300. We will pay \$0 (\$250 less \$250) toward your car damage, and \$75 (\$125 less \$50) for the contents to the owner of the contents.

In sum: The owner of the contents receives \$75. You are responsible for \$300, the DC-PD deductible.

6.4.3 Election Not to Recover

If you make an election not to recover damages under Direct Compensation – Property Damage Coverage, you will not be entitled to recover damages for any amount under this Section of your policy.

6.5 Your and Other Insured Persons' Responsibilities

When making a claim for property damage, you and other insured persons must:

- notify us in writing within seven days of any accident (or, if unable, because of incapacity, as soon as possible after that), giving us the best information available at that time concerning the loss or damage and circumstances.
- do as much as is reasonably possible to protect the automobile from further damage. We will pay for any reasonable protection provided. Further damage resulting from failure to provide reasonable protection will not be covered by this policy.
- make no repairs beyond those needed for protection of the automobile, or remove evidence of the damage, without our written consent or until we have had time to inspect the automobile.
- allow us to copy all documents in your or other insured persons' possession that relate to the accident.
- permit us to inspect the automobile at any reasonable time.
- complete a statutory declaration within 90 days of the accident, if requested. The declaration will describe what happened in detail, the cause and amount of the loss, those affected and how, and state that the loss was truly accidental. We will also need to know if any other insurance is involved.
- not leave us to dispose of the automobile unless we agree to accept it. If we decide to replace the automobile or pay its actual cash value, less the applicable deductible, we own the salvage.

6.6 Our Right to Repair, Replace or Rebuild the Automobile

We have the right to repair, replace or rebuild the automobile rather than pay for the damage. If we choose to do this, we will let you or other insured persons know in writing within seven days of receiving notice of the claim. We will complete the work within a reasonable time using parts of similar kind and quality.

6.7 Other Limitations on Your Coverage

6.7.1 Contamination of Property

Under this Section, we won't cover claims arising from contamination of property carried in the automobile.

6.7.2 Nuclear Hazards

Nuclear energy hazards means radioactive, toxic, explosive or other hazardous properties of substances described in Regulations made under the Nuclear Safety and Control Act (Canada).

If you or other insured persons are involved in an accident where the loss or damage is directly or indirectly caused by a nuclear hazard, we will pay up to \$200,000 if you or other insured persons are covered under this policy for a nuclear hazard and you or other insured persons are also insured under a nuclear energy hazard liability policy. We will only pay after the limits of that policy have been paid out.

6.7.3 Settling a Claim

If you disagree with the degree of fault attributed to you under the Fault Determination Rules or with the amount of any proposed settlement, you can bring a law suit against us to have the matter determined by a judge.

Alternatively, if the disagreement is over the value of the vehicle or its contents or the nature, amount or cost of any repairs or the amount we should pay, the matter can be settled by an appraisal under the Insurance Act, if you ask for it or if we ask for it and you agree. You and we will each appoint an appraiser, who will either agree on the award or, if they disagree, will appoint an umpire to decide as between their respective positions.

Section 7

Section 7 - Loss or Damage Coverages (Optional)

You only have a particular coverage for a specific automobile if your Certificate of Automobile Insurance shows a premium for it or shows the coverage is provided at no cost.

7.1 Introduction

7.1.1 Coverage for Loss of or Damage to Your Automobile

We agree to pay for direct and accidental loss of, or damage to, a described automobile and its equipment caused by a peril such as fire, theft, or collision if the automobile is insured against these perils.

By direct loss or damage we mean loss or damage resulting directly from a peril for which coverage has been purchased.

This Section applies only to the extent that a claim for damage to an automobile and its equipment would not be covered by Section 6, Direct Compensation - Property Damage Coverage of a motor vehicle liability policy or to the extent that you have made an election not to recover damages under Direct Compensation - Property Damage Coverage. Where you have made an election not to recover damages from your insurer under Direct Compensation Property Damage Coverage, your insurer will not be permitted to issue or offer you Collision or Upset coverage as described under this section.

We may inspect the described vehicle and its equipment at any reasonable time. If you do not co-operate with any reasonable arrangements for inspection, your coverages under this Section may be cancelled and any claims under this Section may be denied.

Your Loss or Damage Coverages may apply to types of automobiles other than described automobiles. See Section 2 for details and additional conditions.

7.1.2 Coverage Options

You may choose from among the four types of protection listed below. Your choice will be shown on the Certificate of Automobile Insurance.

Note: All of the following coverages are subject to 7.2.

- A. **Specified Perils** - we will only pay for losses caused by fire; theft or attempted theft; lightning, windstorm, hail, or rising water; earthquake; explosion; riot or civil disturbance; falling or forced landing of aircraft or parts of aircraft; or the stranding, sinking, burning, derailment or collision of any kind of transport in, or upon which a described automobile is being carried on land or water.
- B. **Comprehensive** - we will pay for losses, other than those covered by Collision or Upset, including:
- perils listed under Specified Perils,
 - falling or flying objects, • missiles, and
 - vandalism.
- C. **Collision or Upset** - we will pay for losses caused when a described automobile is involved in a collision with another object or tips over. Object includes:
- another automobile that is attached to the automobile,
 - the surface of the ground, and • any object in or on the ground.

This coverage cannot be issued or offered to you if you have made an election not to recover damages from us under Section 6, Direct Compensation - Property Damage Coverage.

- D. **All Perils** -this option combines the coverages of Collision or Upset and Comprehensive. This coverage includes loss or damage caused if a person who lives in your household steals a described automobile. Coverage also applies if an employee who drives or uses, services or repairs a described automobile, steals it.

7.2 Loss or Damage We Won't Cover

7.2.1 General

We will not cover the following losses unless they result from a peril for which you are covered or they are caused by fire, theft or vandalism and your policy covers these perils:

- to tires;
- consisting of, or caused by mechanical fracture or breakdown of any part of the automobile; or
- consisting of, or caused by rusting, corrosion, wear and tear, freezing, or explosion within the engine.

Example

We will not pay for a tire blow-out in normal driving, but if the tire is destroyed in a collision and you have Collision or Upset Coverage, we will cover that loss up to the value of your tire at the time of the incident.

We won't pay for loss or damage:

- resulting from a dishonest claim of ownership, illegal disposal, or theft of the automobile by anyone who has legal possession of it under a written agreement (a mortgage, conditional sale, lease or other similar agreement);
- resulting from a change in ownership that is agreed to, even if that change was brought about by trickery or fraud;

Example

Late one evening at a party, you sell your car to a stranger in return for a cheque. A week later the cheque bounces. We will not cover the loss.

- caused by radioactive contamination;
- to contents of automobiles and trailers, other than their equipment; and
- in excess of \$25 for recorded material and equipment for use with a playing or recording unit. We will not pay for recorded material and equipment not contained within or attached to the playing or recording unit. Recorded material includes, but is not limited to, tapes, compact discs, video cassettes and digital video discs.

7.2.2 Illegal Use

We won't pay for loss or damage caused in an incident:

- if you are unable to maintain proper control of the automobile because you are driving or operating the automobile while under the influence of intoxicating substances;
- if you are convicted of one of the following offences under the Criminal Code of Canada relating to the operation, care or control of the automobile, or committed by means of an automobile, or any similar offence under any law in Canada or the United States:
 - causing bodily harm by criminal negligence o dangerous operation of motor vehicles o failure to stop at the scene of an accident
 - operation of an automobile while the concentration of alcohol or drug in the operator's blood exceeds the limit permitted by law

- o refusal to comply with a lawful demand to provide a breath sample, perform physical coordination tests or submit to an evaluation
 - o causing bodily harm during operation of a vehicle while impaired by alcohol or a drug or a combination of alcohol and a drug or while the concentration of alcohol or drug in the operator's blood exceeds the limit permitted by law, or
 - o operating a motor vehicle while disqualified from doing so;
- if you use or permit the automobile to be used in a race or speed test, or for illegal activity;
 - if you drive the automobile while not authorized by law; and
 - if another person, with your permission, drives or operates the automobile under any of these conditions.

7.2.3 Certain Thefts Not Covered

We won't pay under either the Comprehensive or Specified Perils coverages for loss or damage caused when a person who lives in your household steals the automobile.

We also won't pay under these coverages for loss or damage caused when an employee of yours steals the automobile and the employee's duties include driving, maintaining or repairing the automobile. This applies at any time, and not simply during working hours.

7.3 The Deductible

The amount we pay to cover any losses may be subject to a deductible. The deductible is the amount you agree to pay toward the cost of any single claim you make under this Section. The deductible, if any, is shown on the Certificate of Automobile Insurance.

You will need to make a separate claim for each incident that causes loss or damage. The deductible applies each time you make a claim and separately to each automobile that is insured.

We will only pay for loss or damage that exceeds the amount of the deductible. If your claim is one to which Section 6, Direct Compensation - Property Damage (DC-PD) Coverage also applies, and to which no election not to recover damages under that coverage has been made, the amount we will pay under this Section will not include the DC-PD

deductible that applies to the claim. Your deductible under this Section will be the Collision deductible multiplied by the percentage to which you or the driver of the automobile were at fault for the accident.

Example #1

You have Comprehensive Coverage, and your deductible is \$500. Your car's windshield is broken by a fallen tree. You are responsible for the first \$500 of the cost of the windshield replacement. Any claim less than \$500 will be your responsibility.

Example #2

(you are fully responsible - with optional Loss or Damage Coverages)

Your car has an actual cash value of \$12,000. You are involved in an accident and are 100% responsible. Your car is a total loss.

You receive nothing under your Direct Compensation - Property Damage Coverage.

You have the optional Collision or Upset Coverage and your deductible is \$500. Under the optional coverage, we will pay \$11,500 (\$12,000 less \$500, the deductible).

In sum: You receive \$11,500. You are responsible for \$500, the Collision deductible.

Example #3

(you are partly responsible - with optional Loss or Damage Coverages)

Your car has an actual cash value of \$12,000. You are involved in an accident and are 25% responsible. Your car is a total loss.

Your Direct Compensation - Property Damage (DC-PD) deductible is \$300. Under DC-PD, we will pay \$8,775 (\$9,000 -- being 75% of the value of your automobile -- less \$225 -- being 75% of the deductible).

You have the optional Collision or Upset Coverage and your deductible is \$500. Under the optional coverage, we will pay a further \$2,875 (\$3,000 --being 25% of the value of your auto --less \$125 -- being 25% of the deductible).

In sum: You receive \$11,650. You are responsible for the deductibles totalling \$350.

Example #4

(you are partly responsible - with optional Loss or Damage Coverages)

You are involved in an accident for which you are 25% responsible. Your car sustains \$5,000 in damage.

Your Direct Compensation - Property Damage (DC-PD) deductible is \$300. Under DC-PD, we will pay \$3,525 (\$3,750 -- being 75% of \$5,000 --less \$225 -- being 75% of the DC-PD deductible).

You have the optional Collision or Upset Coverage and your deductible is \$500. Under the optional coverage, we will pay a further \$1,125 (\$1,250 --being 25% of \$5,000 --less \$125 -- being 25% of the deductible).

In sum: You receive \$4,650. You are responsible for the deductibles totalling \$350.

If you are insured for loss or damage caused by fire or lightning, there is no deductible for these losses.

7.4 Additional Benefits

Whatever Loss or Damage Coverage you choose under this Section, your coverage will include the following additional benefits.

7.4.1 Payment of Charges

We will pay general average, salvage and fire department charges and any Canadian or U.S. customs duties for which you are legally responsible as a result of an insured peril.

Example

Your car is damaged in a fire. The fire department properly bills you for the cost of putting out the fire. A new transmission must be imported before the car can be

repaired. We will pay the fire department's bill, import duties on the replacement part and for the parts and repairs themselves.

In this instance, salvage means any expense involved in recovering property to prevent loss from an insured peril.

General average charges may arise when a described automobile is shipped by water. If it becomes necessary to dump a portion of the ship's cargo overboard to save the ship, you may be legally responsible for a share of the resulting losses. We will cover that expense.

7.4.2 Foregoing Our Right to Recover

If someone else is using a described automobile with your permission when an insured loss occurs, we will pay for the resulting claim. We will also forego our right to recover the money from that person.

However, we will keep the right to recover payment:

- if the person has the automobile in connection with the business of selling, repairing, maintaining, storing, servicing or parking automobiles; or
- if the person using the automobile violates any condition of this policy, or operates it in circumstances referred to in 7.2.2.

Examples

1. You allow a friend to use your car and she runs into a fire hydrant and damages the car. We will pay for repairs and will not sue her to recover the money.
2. You hand over your car to a parking attendant or garage employee. He scratches the side while parking it. We will pay for repairs and recover from the garage owners because they had your automobile in connection with their business.
3. You allow a friend to use your car. Later, without your knowledge, he drives it while impaired by alcohol and hits a tree. We will pay for the repairs to the car, but we will recover from your friend. Driving while impaired is illegal and a violation of the terms of this policy.

7.4.3 Temporary Substitute Automobile Covered

If you or anyone else drives a temporary substitute automobile (described in Section 2), you may be responsible for any damage to it as a result of liability imposed by law or agreed to by you or the driver. In that case, we will pay for direct damage for which you or the driver are legally responsible, minus the deductible for that peril under this policy.

However, if the owner of the substitute automobile has it insured for such losses, and the deductible on that policy is larger than the one on your own policy for such loss, the most we will pay will be the difference between the two deductibles.

If there is a disagreement over who is responsible for the damage, we have the right just as we would under Section 3 - Liability Coverage, to settle the matter appropriately and we will cover the costs of any investigation, negotiation or lawsuit.

Example #1

You rent a car to replace your own, which is being repaired following an accident. While driving the rental car, you cause \$800 worth of damage to it. The rental company has a collision policy with a \$1,000 deductible. The Collision deductible in your policy is only \$500. In settling the matter, we will pay \$300 (\$800 less \$500).

Example #2

You rent a car to replace your own, which is being repaired following an accident. While driving the rental car, you cause \$2,800 worth of damage to it. The rental company has a collision policy with a \$1,000 deductible. The Collision deductible in your policy is only \$500. In settling the matter, we will pay \$500, the difference between the deductibles.

7.4.4 Loss of Use Due to Theft

If a described automobile is stolen, and you are protected by the All Perils, Comprehensive, or Specified Perils options, we will pay reasonable expenses for the rental of a similar substitute automobile.

If you choose not to rent an automobile, we will pay reasonable expenses incurred for taxis or public transportation.

We won't cover these costs until 72 hours after the theft has been reported to us or to the police. Even if your policy expires after the theft, coverage will continue until your automobile is repaired or replaced, or sooner if money is offered to settle the claim.

The most we will pay in either case for such expenses is \$900.

7.5 Your and Other Insured Persons' Responsibilities

When making a claim under this Section, you and other insured persons must:

- notify us in writing within seven days of the incident (or, if unable because of incapacity, as soon as possible after that), giving us the best information available at that time concerning the loss or damage and circumstances.
- do as much as is reasonably possible to protect the automobile from further damage. We will pay for any reasonable protection provided. Further damage resulting from failure to provide reasonable protection will not be covered by this policy.
- make no repairs beyond those needed for protection of the automobile, or remove evidence of the damage, without our written consent or until we have had time to inspect the automobile.
- allow us to copy all documents in your or other insured persons' possession that relate to the incident.
- permit us to inspect the automobile at any reasonable time.
- complete a statutory declaration within 90 days of the incident, if requested. The declaration will describe what happened in detail, the cause and amount of the loss, those affected and how, and state that the loss was truly accidental. We will also need to know if any other insurance is involved.
- not leave us to dispose of the automobile unless we agree to accept it. If we decide to replace the automobile or pay its actual cash value, less the deductible shown in your Certificate of Automobile Insurance, we own the salvage.

7.6 Our Right to Repair, Replace or Rebuild the Automobile

We have the right to repair, replace or rebuild the automobile rather than pay for the damage. If we choose to do this, we will let you or other insured persons know in writing within seven days of receiving notice of the claim. We will complete the work within a reasonable time using parts of similar kind and quality.

7.7 What We Will Pay

We will not pay more for the automobile than its actual cash value at the time it was damaged or stolen, less the deductible shown in your Certificate of Automobile Insurance.

The value of the loss or damage is also based on actual cash value after taking into account depreciation. We will not pay more to repair the automobile than its actual cash value at the time it was damaged or stolen, less the deductible.

We will pay the lower of the following:

- the cost to repair the loss or damage, less the deductible; or
- the actual cash value of the automobile at the time it was damaged or stolen, less the deductible.

Example

When your automobile was new, three years ago, it cost \$16,000. Today, its actual cash value is \$10,000. You have the optional Comprehensive Coverage and your deductible is \$500. If the automobile were totally destroyed in a fire or by lightning, the most we would pay under the optional coverage is \$10,000. If the automobile were stolen, the most we would pay under the optional coverage is \$9,500 (\$10,000 - \$500).

We will not pay more than \$1,500 for loss or damage to electronic accessories or equipment other than factory installed equipment. We will pay the actual cash value of the equipment up to \$1,500 in total.

“Electronic accessories and equipment” includes, but is not limited to, radios, tape players/decks, stereo players/decks, compact disc players, speakers, telephones, two-way radios including CB radios, ham radios and VHF radios, televisions, facsimile machines, electronic navigation assistance, positioning and location finding devices, computers, and items of a similar nature.

“Factory installed equipment” means electronic accessories and equipment which was included in the original new purchase price of the automobile.

7.8 Settling a Claim

If you disagree with us over the value of the vehicle or equipment or the nature or the amount or costs of any repairs or the amount we should pay, the issue can be submitted for an appraisal under the Insurance Act, if you ask for it, or if we ask for it and you agree. You and we will each appoint an appraiser, who will either agree on the award or, if they disagree, will appoint an umpire to decide as between their respective positions.

Section 8

Note: The Insurance Act (Ontario) requires that these conditions be printed as part of every automobile insurance policy in Ontario. For convenience, the conditions have been included in each Section of the policy where they apply. If there is a discrepancy between these conditions and the wording in the policy these conditions prevail.

Section 8 - Statutory Conditions

In these statutory conditions, unless the context otherwise requires, the word, “insured” means a person insured by this contract, whether named or not.

Material Change in Risk

1. (1) The insured named in this contract shall promptly notify the insurer or its local agent in writing of any change in the risk material to the contract and within the insured’s knowledge.

(2) Without restricting the generality of the foregoing, the words,

“change in the risk material to the contract” include:
 - (a) any change in the insurable interest of the insured named in this contract in the automobile by sale, assignment or otherwise, except through change of title by succession, death or proceedings under the *Bankruptcy and Insolvency Act* (Canada); and, in respect of insurance against loss of or damage to the automobile,
 - (b) any mortgage, lien or encumbrance affecting the automobile after the application for this contract;
 - (c) any other insurance of the same interest, whether valid or not, covering loss or damage insured by this contract or any portion thereof.

Incorrect Classification

2. (1) Where the insured has been incorrectly classified under the risk classification system used by the insurer or under the risk classification system that the insurer is required by law to use, the insurer shall make the necessary correction.

Refund of Premium Overpayment

- (2) Where a correction is made under sub condition (1) of this condition, the insurer shall refund to the insured the amount of any premium overpayment together with interest thereon for the period that the incorrect classification was in effect at the bank rate at the end of the first day of the last month of the quarter preceding the quarter in which the incorrect classification was first made, rounded to the next highest whole number if the bank rate includes a fraction.

Definition

- (3) In sub condition (2) of this condition,

“bank rate” means the bank rate established by the Bank of Canada as the minimum rate at which the Bank of Canada makes short term advances to the banks listed in Schedule I to the *Bank Act* (Canada).

Additional Premium

- (4) Where a correction is made under sub condition (1) of this condition within sixty days after this contract takes effect, the insurer may require the insured to pay any additional premium resulting from the correction, without interest.

Monthly Payments

3. Unless otherwise provided by the regulations under the *Insurance Act*, the insured may pay the premium, without penalty, in equal monthly payments totaling the amount of the premium. The insurer may charge interest not exceeding the rate set out in the regulations.

Authority to Drive

4. (1) The insured shall not drive or operate or permit any other person to drive or operate the automobile unless the insured or other person is authorized by law to drive or operate it.

Prohibited Use

- (2) The insured shall not use or permit the use of the automobile in a race or speed test or for any illicit or prohibited trade or transportation.

Requirements Where Loss or Damage to Persons or Property

5. (1) The insured shall,
 - (a) give to the insurer written notice, with all available particulars, of any accident involving loss or damage to persons or property and of any claim made on account of the incident;

- (b) verify by statutory declaration, if required by the insurer, that the claim arose out of the use or operation of the automobile and that the person operating or responsible for the operation of the automobile at the time of the accident is a person insured under this contract; and
 - (c) forward immediately to the insurer every letter, document, advice or statement of claim received by the insured from or on behalf of the claimant.
- (2) The insured shall not,
- (a) voluntarily assume any liability or settle any claim except at the insured's own cost; or;
 - (b) interfere in any negotiations for settlement or in any legal proceeding.
- (3) The insured shall, whenever requested by the insurer, aid in securing information and evidence and the attendance of any witness and shall co-operate with the insurer, except in a pecuniary way, in the defence of any action or proceeding or in the prosecution of any appeal.

Requirements Where Loss or Damage to Automobile

6. (1) Where loss of or damage to the automobile occurs, the insured shall, if the loss or damage is covered by this contract,
- (a) give notice thereof in writing to the insurer with the fullest information obtainable at the time;
 - (b) at the expense of the insurer, and as far as reasonably possible, protect the automobile from further loss or damage; and
 - (c) deliver to the insurer within ninety days after the date of the loss or damage a statutory declaration stating, to the best of the insured's knowledge and belief, the place, time, cause and amount of the loss or damage, the interest of the insured and of all others therein, the encumbrances thereon, all other insurance, whether valid or not, covering the automobile and that the loss or damage did not occur directly or indirectly through any wilful act or neglect of the insured.
- (2) Any further loss or damage accruing to the automobile directly or indirectly from a failure to protect it as required under sub condition (1) of this condition is not recoverable under this contract.
- (3) No repairs, other than those that are immediately necessary for the protection of the automobile from further loss or damage, shall be undertaken and no physical evidence of the loss or damage shall be removed,
- (a) without the written consent of the insurer; or;

- (b) until the insurer has had a reasonable time to make the examination for which provision is made in statutory condition 8.

Examination of Insured

- (4) The insured shall submit to examination under oath, and shall produce for examination at such reasonable place and time as is designated by the insurer or its representative all documents in the insured's possession or control that relate to the matters in question, and the insured shall permit extracts and copies thereof to be made.

Insurer Liable for Cash Value of Automobile

- (5) The insurer shall not be liable for more than the actual cash value of the automobile at the time any loss or damage occurs, and the loss or damage shall be ascertained or estimated according to that actual cash value with proper deduction for depreciation, however caused, and shall not exceed the amount that it would cost to repair or replace the automobile, or any part thereof, with material of like kind and quality, but, if any part of the automobile is obsolete and out of stock, the liability of the insurer in respect thereof shall be limited to the value of that part at the time of loss or damage, not exceeding the maker's latest list price.

Repairing, rebuilding or replacing property damaged or lost

- (6) The insurer may repair, rebuild or replace the property that is damaged or lost, instead of making the payment referred to in statutory condition 9, if the insurer gives written notice of its intention to do so within seven days after receipt of the proof of loss.

Time for repairs

- (6.1) The insurer shall carry out the repair, rebuilding or replacement referred to in subcondition (6),
 - (a) within a reasonable period of time after giving the notice required under subcondition (6), if an appraisal referred to in subcondition (2.1) of statutory condition 9 is not carried out in respect of the claim; or;
 - (b) within a reasonable period of time after the insurer receives the appraisers' determination of the matters in disagreement, if an appraisal referred to in subcondition (2.1) of statutory condition 9 is carried out in respect of the claim.

New or aftermarket parts

(6) For the purposes of subcondition (6), the insurer may repair, rebuild or replace the property with new parts provided by the original equipment manufacturer or with non-original or rebuilt parts of like kind and quality to the property that was damaged or lost. **No Abandonment; Salvage**

(7) There shall be no abandonment of the automobile to the insurer without the insurer's consent. If the insurer exercises the option to replace the automobile or pays the actual cash value of the automobile, the salvage, if any, shall vest in the insurer.

Time Limit

7. The notice required by sub condition (1) of statutory condition 5 and sub condition (1) of statutory condition 6 shall be given to the insurer within seven days of the incident but if the insured is unable because of incapacity to give the notice within seven days of the incident, the insured shall comply as soon as possible thereafter.

Inspection of Automobile

8. The insured shall permit the insurer at all reasonable times to inspect the automobile and its equipment.

Time and manner of payment of insurance money

9. (1) If the insurer has not chosen to repair, rebuild or replace the property that is damaged or lost, the insurer shall pay the insurance money for which it is liable under the contract,

- (a) within 60 days after the insurer receives the proof of loss, if no appraisal referred to in subcondition (2.1) is carried out in respect of the claim; or
- (b) within 15 days after the insurer receives the appraisers' determination of the matters in disagreement, if an appraisal referred to in subcondition (2.1) is carried out in respect of the claim.

Reasons for Refusal

(2) If the insurer refuses to pay a claim, it shall promptly inform the insured in writing of the reasons the insurer claims it is not liable to pay.

Resolution of disagreement by appraisal under s. 128 of the Act

(2.1) Section 128 of the Act applies to this contract if,

- (a) the insurer has received a proof of loss from the insured in respect of property that is lost or damaged;

- (b) the insured and the insurer disagree on,
 - (i) the nature and extent of repairs, rebuilding and replacements required or their adequacy, or
 - (ii) the amount payable in respect of the loss or damage; and
- (c) a request in writing that an appraisal be carried out in accordance with section 128 of the Act,
 - (i) is made by the insured, or
 - (ii) is made by the insurer and the insured agrees.

When Action may be Brought

- (3) The insured shall not bring an action to recover the amount of a claim under this contract unless the requirements of statutory conditions 5 and 6 are complied with.

Limitation of Actions

- (4) Every action or proceeding against the insurer under this contract in respect of loss or damage to the automobile or its contents shall be commenced within one year next after the happening of the loss and not afterwards, and in respect of loss or damage to persons or other property shall be commenced within two years next after the cause of action arose and not afterwards.

Who May Give Notice and Proofs of Claim

- 10. Notice of claim may be given and proofs of claim may be made by the agent of the insured in case of absence or inability of the insured to give the notice or make the proof, such absence or inability being satisfactorily accounted for or, in the like case or if the insured refuses to do so, by a person to whom any part of the insurance money is payable.

Deductible amounts

- (10.1) (1) Despite anything in this contract,
 - (a) the insurer shall be liable only for amounts in excess of the applicable deductible amount, if any, mentioned in this contract; and
 - (b) any provision in this contract relating to an obligation of the insurer to pay an amount or to repair, rebuild or replace property that is damaged or lost shall be satisfied by paying the amount determined by deducting any applicable deductible amount from,

- (i) the amount the insured would otherwise be entitled to recover, or
- (ii) the cost of repairing, rebuilding or replacing the property.

Deemed deductible amount

- (2) For the purposes of sub condition (1), an amount that an insurer is not liable to pay by reason of subsection 261 (1) or (1.1) or 263 (5.1) or (5.2.1) of the *Insurance Act* shall be deemed to be a deductible amount under this contract.

Termination

- 11. (1) Subject to section 12 of the Compulsory Automobile Insurance Act and sections 237 and 238 of the Insurance Act, the insurer may give to the insured a notice of termination of the contract by,
 - (a) registered mail;
 - (b) personal delivery;
 - (c) prepaid courier if there is a record by the person who has delivered it that the notice has been sent; or
 - (d) electronic means if the insured consents to delivery by electronic means.
- (1.1) If the insurer gives a notice of termination under sub condition (1) for a reason other than non-payment of the whole or any part of the premium due under the contract or of any charge under any agreement ancillary to the contract or if the insurer gives a notice of termination in accordance with sub condition (1.7), the notice of termination shall terminate the contract no earlier than.
 - (a) the 15th day after the insurer gives the notice, if the insurer gives the notice by registered mail; or
 - (b) the fifth day after the insurer gives the notice, if the insurer gives the notice by personal delivery, prepaid courier or electronic means.
- (1.2) Subject to sub condition (1.7), if the insurer gives a notice of termination under sub condition (1) for the reason of non-payment of the whole or any part of the premium due under the contract or of any charge under any agreement ancillary to the contract, the notice of termination shall comply with sub condition(1.3) and shall specify a day for the termination of the contract that is no earlier than,
 - (a) the 30th day after the insurer gives the notice, if the insurer gives the notice by registered mail; or
 - (b) the 10th day after the insurer gives the notice, if the insurer gives the notice by personal delivery, prepaid courier or electronic means.
- (1.3) A notice of termination mentioned in sub condition (1.2) shall,

- (a) state the amount due under the contract as at the date of the notice; and
- (b) state that the contract will terminate at 12:01 a.m. of the day specified for termination unless the full amount mentioned in clause (a), together with an administration fee not exceeding the amount approved under Part XV of the Act, payable in cash or by money order or certified cheque payable to the order of the insurer or as the notice otherwise directs, is delivered to the address in Ontario that the notice specifies, not later than

12:00 noon on the business day before the day specified for termination.

- (1.4) For the purposes of clause (a) of sub condition (1.3), if the insured and the insurer have previously agreed, in accordance with the regulations, that the insured is permitted to pay the premium under the contract in instalments, the amount due under the contract as at the date of the notice shall not exceed the amount of the instalments due but unpaid as at the date of the notice.
- (1.5) If the full amount payable under clause (b) of sub condition (1.3) is not paid by the time and in the manner that the notice specifies, the contract shall be deemed to be terminated, without any further action being required on the part of the insurer, as of 12:01 a.m. of the day specified for termination.
- (1.6) If the full amount payable under clause (b) of sub condition (1.3) is paid by the time and in the manner that the notice specifies, the contract shall not terminate on the day specified for termination and the notice shall have no further force or effect.
- (1.7) If, on two previous occasions in respect of the contract, the insurer has given a notice of termination mentioned in sub condition (1.2) and the full amount payable under clause (b) of sub condition (1.3) has been paid by the time and in the manner that the notice specifies and if a non-payment again occurs of the whole or any part of the premium due under the contract or of any charge under any agreement ancillary to the contract, the insurer may, by registered mail, personal delivery, prepaid courier if there is a record by the person who has delivered it that the notice has been sent, or electronic means if the insured consents to delivery by electronic means, give to the insured a notice of termination of the contract and sub condition (1.1) applies to the notice, instead of sub condition (1.2).
- (2) This contract may be terminated by the insured at any time on request.
- (3) Where this contract is terminated by the insurer,
 - (a) the insurer shall refund the excess of premium actually paid by the insured over the proportionate premium for the expired time, but in no event shall the proportionate premium for the expired time be deemed to be less than any minimum retained premium specified;

- (b) if the termination is for a reason other than non-payment of the whole or any part of the premium due under the contract or of any charge under any agreement ancillary to the contract or if the insurer gives a notice of termination in accordance with sub condition (1.7), the refund shall accompany the notice, unless the premium is subject to adjustment or determination as to the amount, in which case, the refund shall be made as soon as practicable; and
 - (c) if the termination is for the reason of non-payment of the whole or any part of the premium due under the contract or of any charge under any agreement ancillary to the contract and if sub condition (1.7) does not apply to the termination, the refund shall be made as soon as practicable after the effective date of the termination.
- (4) Where this contract is terminated by the insured, the insurer shall refund as soon as practicable the excess of premium actually paid by the insured over the short rate premium for the expired time, but in no event shall the short rate premium for the expired time be deemed to be less than any minimum retained premium specified.
- (5) For the purpose of clause (a) of sub conditions (1.1) and (1.2), the day on which the insurer gives the notice by registered mail shall be deemed to be the day after the day of mailing.
- (5.1) For the purpose of clause (b) of subconditions (1.1) and (1.2),
- (a) the day on which the insurer gives the notice by prepaid courier shall be deemed to be the day after the day there is a record by the person who delivered it that the notice has been sent; and
 - (b) the day on which the insurer gives the notice by electronic means shall be deemed to be the day after the day the notice is sent.
- (6) All references in this condition to times of day shall be interpreted to mean the time of day in the local time of the place of residence of the insured.

Notice

12. (1) Written notice may be given to the insurer in the following ways:
- 1. It may be personally delivered at the chief agency or head office of the insurer in the Province.
 - 2. It may be sent by registered mail to the chief agency or head office of the insurer in the Province.
 - 3. It may be delivered by electronic means.

(2) Written notice may be given to the insured named in this contract in the following ways:

1. It may be personally delivered.
2. It may be delivered by prepaid courier to the latest address of the insured on the records of the insurer if there is a record by the person who has delivered it that the notice has been sent.
3. It may be sent by registered mail to the latest address of the insured on the records of the insurer.
4. It may be delivered by electronic means if the insured consents to delivery by electronic means.

(3) In this condition, the expression “registered” means registered in or outside Canada.

Statutory Accident Benefits Protected

13. Despite a failure to comply with these statutory conditions, a person is entitled to such benefits as are set out in the *Statutory Accident Benefits Schedule*.

The Statutory Conditions in Section 8 have been included in each section of the policy where they apply. The chart below details where each condition appears in the policy.

Statutory Condition	Where It Appears
1(1)	1.4.1
1(2)a	1.4.2
1(2)b	1.4.3
1(2)c	1.4.3
2(1)	1.6.2
2(2)	1.6.2
2(3)	1.6.2
2(4)	1.6.2
3	1.6.3
4(1)	1.4.5, 7.2.2
4(2)	1.4.6, 7.2.2
5(1)a	1.4.4, 3.4
5(1)b	3.4
5(1)c	3.4
5(2)a	3.4
5(2)b	3.4
5(3)	3.4
6(1)a	5.4.2, 6.5, 7.5
6(1)b	5.4.2, 6.5, 7.5
6(1)c	5.4.2, 6.5, 7.5
6(2)	5.4.2, 6.5, 7.5
6(3)a	5.4.2, 6.5, 7.5
6(3)b	5.4.2, 6.5, 7.5

6(4)	5.4.2, 6.5, 7.5
6(5)	5.4.4, 6.2, 7.7
6(6)	5.4.3, 6.6, 7.6
6(6.1)	5.4.3, 6.6, 7.6
6(6.2)	5.4.3, 6.6, 7.6
6(7)	5.4.2, 6.5, 7.5
7	1.4.4, 3.4, 5.4.2, 6.5, 7.5
8	1.4.7, 2.2.1, 5.4.2, 6.5, 7.1, 7.5
9(1)	1.6.1
9(2)	1.6.1
9(2.1)	5.6.2, 6.7.3, 7.8
9(3)	5.8.1
9(4)	5.9.2, 5.9.3
10	1.5
10.1	5.2.3, 5.7.1, 6.2, 6.4.2, 7.3
11(1)	1.7.2
11(1.1)	1.7.3
11(1.2)	1.7.3
11(1.3)	1.7.3
11(1.4)	1.7.3
11(1.5)	1.7.3
11(1.6)	1.7.3
11(1.7)	1.7.4
11(2)	1.7.1, 1.7.5
11(3)(a)	1.7.5
11(3)(b)	1.7.5
11(4)	1.7.1
11(5)	1.7.3, 1.7.4
11(6)	1.7.3, 1.7.4
12	1.5

BY-LAW NO. 1

A by-law relating generally to the conduct of the affairs of

REGISTERED INSURANCE BROKERS OF ONTARIO

March 2024

BY-LAW NO. 1

BE IT ENACTED as a By-law of the of the Registered Insurance Brokers of Ontario (the “Corporation”), which amends and restates By-law No. 1 relating generally to the administrative and domestic affairs of the Corporation, as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this by-law and all other by-laws of the Corporation, unless the context otherwise requires:

“Act” means the Registered Insurance Brokers Act, R.S.O. 1990, c. R.19, and the regulations thereunder as from time to time amended and every statute and regulation that may be substituted therefor and, in the case of such substitution, any references in the Bylaws to the provisions of the Act shall be read as references to the substituted provisions therefor in the new statute or regulations.

“Appointed Individual” has the meaning ascribed to it in Section 4.3.

“Articles” means the original or restated articles of incorporation or articles of amendment, amalgamation, continuance, arrangement, continuance, dissolution, reorganization, or revival of the Corporation.

“By-law” means, unless otherwise specified, this By-law and any other By-law of the Corporation which are, from time to time, in force and effect.

“CEO” or “Chief Executive Officer” means the Manager of the Corporation as the term defined in the Act.

“Committee” means any committee of the Council.

“Complaints Committee” means the Complaints Committee of the Council established under the Act.

“Committee Member” means a member of a committee of the Council established pursuant to Article 7.

“Corporation” means the Registered Insurance Brokers of Ontario.

“Council” means the board of directors of the Corporation.

“Director” means a member of the Council, including Appointed Individuals.

“Discipline Committee” means the Discipline Committee of the Council established under the Act.

“Expense Policy” means an expense policy as approved and amended from time to time by Council.

“Firm Member” has the meaning ascribed to it in Section 4.2.

“Individual Member” has the meaning ascribed to it in Section 4.2.

“Investment Policy” means an investment policy as approved and amended from time to time by Council.

“member” means an Individual Member and Firm Member.

“Minister” means the Minister of Finance or any other member of the Executive Council to whom responsibility for the administration of the Act is assigned or transferred under the Executive Council Act;

“ONCA” means Not-for-profit Corporations Act, 2010, S.O. 2010, c. 15 and the regulations thereunder as from time to time amended and every statute and regulation that may be substituted therefor and, in the case of such substitution, any references in the Bylaws to the provisions of the ONCA shall be read as references to the substituted provisions therefor in the new statute or regulations.

“Officer” means an officer of the Corporation.

“President” means the member and a Director elected annually pursuant to the Act to serve as a chair of the Council.

“Qualification and Registration Committee” means the Qualification and Registration Committee of the Council established under the Act.

“recorded address” means:

- (a) in the case of a member, his or her address as recorded in the register of members of the Corporation;
- (b) in the case of an Officer, auditor, or Committee Member, his or her latest address as recorded in the records of the Corporation; and
- (c) in the case of a Director, his or her latest address as recorded in the most recent notice filed under the ONCA.

“Registration” means registration under the Act, or any other registration, licence, permit, certificate or other authorization required under the Act in order to carry out an activity governed by the Act.

“Registered” means having a Registration.

“Secretary” has the meaning ascribed to it in Section 9.2.

“Treasurer” has the meaning ascribed to it in Section 9.2.

“Vice President(s)” means the member(s) and a Director(s) elected annually pursuant to the Act to serve as vice chair of the Council.

1.2 Interpretation

In the interpretation of this By-law, unless the context otherwise requires, the following rules shall apply:

- (a) unless otherwise defined herein, the defined terms set out in the Act or the ONCA have the same meanings as when used in this By-law;
- (b) the words “include”, “includes” and “including” shall be deemed to be followed by the words “without limitation”;
- (c) the word “or” is not exclusive;
- (d) the words “herein”, “hereof”, “hereby”, “hereto” and “hereunder” refer to this Bylaw as a whole;
- (e) whenever the singular is used herein, the same shall include the plural, and whenever the plural is used herein, the same shall include the singular, where appropriate;
- (f) whenever a word importing gender is used herein, the same shall include all genders and gender identities;
- (g) unless the context otherwise requires, references herein:
 - (i) to sections mean the sections of this By-law;
 - (ii) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and
 - (iii) to a statute, including the Act and the ONCA, means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder.

1.3 Severability and Precedence

The invalidity or unenforceability of any provision of this By-law shall not affect the validity or enforceability of the remaining provisions of this By-law. If any of the provisions contained in the By-law are inconsistent with those contained in the Articles, the Act or the ONCA, the provisions contained in the Articles, the Act or the ONCA, as the case may be, shall prevail.

ARTICLE 2 GENERAL PROVISIONS

2.1 Location of Registered Office

The address of the registered office of the Corporation shall be in Ontario at the location specified in the Articles or at such location therein as the Council may from time to time determine. The Corporation may change the location of its registered office within a municipality or geographic township by resolution of Directors. The Corporation may change the municipality or geographic township in which its registered office is located to another place in Ontario by special resolution.

2.2 Books and Records

Any records maintained by the Corporation in the regular course of its business as required by the ONCA, including its register of members, books of account and minute books, may be in any form, provided that the records are capable of being reproduced in an accurate and intelligible form within a reasonable time. The Corporation shall make such records available for inspection under applicable law.

2.3 Seal

The seal of the Corporation shall be in such form as shall be approved by the Council. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise, as may be prescribed by law or custom or by the Council. If a seal is approved by the Council, the Secretary of the Corporation shall be the custodian of the seal.

2.4 Execution of Documents

Deeds, transfers, assignments, contracts, obligations and other instruments in writing requiring execution by the Corporation may be signed by:

- (a) the CEO;
- (b) any two Officers; or
- (c) any Director together with any Officer.

Notwithstanding the foregoing, the Council may from time to time direct the manner in which and the person by whom a particular document or type of document shall be executed. Any person authorized to sign any document may affix the corporation's seal (if any) to the document. Any signing Officer may certify a copy of any instrument, resolution, By-law or other document of the Corporation to be a true copy.

2.5 Annual Reports

Subject to Section 3.2, the Corporation shall, within four months after the termination of each financial year, provide to its members and the Minister an annual report relating to its activities in that year that contains information identified in Section 10 of the Act.

2.6 Conflict with Applicable Law or Articles

This By-law is enacted subject to any applicable law and the Articles. Whenever this By-law may conflict with any applicable law or the Articles, such conflict shall be resolved in favour of such law or Articles.

ARTICLE 3 FINANCIAL MATTERS

3.1 Financial Year

The financial year of the Corporation shall be determined by the Council.

3.2 Annual Financial Statements

The Corporation shall send copies of the annual financial statements and other documents referred to in Subsection 84(1) of the ONCA to all members who have informed the Corporation that they wish to receive a copy of those documents not less than 21 days before the day, or such other period as required by the Act or the ONCA, on which an annual meeting of members is held or before the day on which a written resolution in lieu of an annual meeting is signed.

3.3 Auditor and Financial Review

- (a) The Corporation shall be subject to the requirements relating to the appointment of an auditor and level of financial review required by the ONCA.
- (b) The auditor must meet the qualifications in the ONCA, including being independent of the Corporation and its affiliates, as well as the Directors and Officers of the Corporation and its affiliates. The Directors may fill any casual vacancy in the office of the auditor to hold office until the next following annual meeting. The remuneration of the auditor may be fixed by ordinary resolution of the Individual Members, or if not so fixed, shall be fixed by the Council.

3.4 Banking Arrangements

The banking business of the Corporation shall be transacted at such bank, trust company, credit union, caisse populaire or other firm or corporation carrying on a banking business in Canada as the Council may designate, appoint or authorize from time to time by resolution. The banking business or any part of it shall be transacted in such a way as the Council may by resolution from time to time designate, direct or authorize.

3.5 Borrowing Powers

- (a) Subject to the limitations set out in the applicable law, the Articles and this By-law, the Council may, without authorization of the Individual Members:
 - (i) borrow money on the credit of the Corporation;
 - (ii) issue, reissue, sell or pledge debt obligations of the Corporation;
 - (iii) give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and

- (iv) mortgage, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.
- (b) The Council may from time-to-time delegate to such one or more of the Directors and Officers as may be designated by the Council all or any of the powers conferred on the Council by Section 3.5 to such extent and in such manner as the Council shall determine at the time of each such delegation

3.6 Investments by Corporation

Subject to the Act and the ONCA, the Corporation may invest its funds in accordance with the Investment Policy.

ARTICLE 4 MEMBERS

4.1 Membership Classes

Subject to the Act and the Articles, membership in the Corporation shall be limited to persons interested in furthering its objects, and shall consist of the following classes: (a) the Individual Members; and

- (b) the Firm Members.

4.2 Conditions of Membership

- (a) General. The following conditions of membership shall apply to all Members:
 - (i) Each person who is Registered shall become a member of the Corporation, and such membership shall continue for so long as any such person is so Registered and complies with all applicable requirements set out in the Act, the Articles and By-laws.
 - (ii) Each person that is Registered on the date that this By-law comes into force, shall be deemed to have met the conditions of membership and been accepted as a member of the Corporation.
- (b) Individual Members. Individual Members are natural persons that have been Registered as an insurance broker within the meaning of the Act and accepted into membership in the Corporation as Individual Members. Each natural person who is Registered as an insurance broker is an Individual Member. Each Individual Member shall be entitled to receive notice of and to attend all meetings of members, to move or second motions, and shall have one vote at any meeting of members, provided that an Individual Member shall not be entitled to vote at any meeting of members of the Corporation if, at the time of the commencement of such meeting:
 - (i) he or she is in default of payment of any fees, dues, costs, charges, annual contribution, annual fees, or other amounts, including without limitation, any

insurance premiums or other insurance-related payments, fines, interest, or administrative penalty, owing to the Corporation, fines payable as a result of a conviction for an offence under the Act, or orders for compensation or restitution in relation to an offence under the Act;

(ii) his or her Registration is suspended;

(iii) he or she is not in compliance with a condition of Registration, order, direction, or other requirement under the Act.

(c) Firm Members. All insurance brokers that are sole proprietorships, partnerships or corporations shall be Firm Members of the Corporation. A sole proprietorship is also required to be registered as an Individual Member. Except as required under the Act, Firm Members shall not be entitled to receive notice of meetings of members (but nevertheless may attend any members' meeting), nor shall they be entitled to vote at any meeting of members, to move or second motions.

4.3 Appointed Individuals

Appointed Individuals are individuals who are not members of the Corporation and are appointed by the Lieutenant Governor in Council in accordance with the Act. Appointed Individuals shall be entitled to receive notice of and to attend all meetings of members. Appointed Individuals cannot move or second motions and cannot otherwise vote at any meeting of members.

4.4 Termination of Membership for Members

A member's membership in the Corporation terminates on the death of an Individual Member, dissolution or liquidation of a Firm Member or when the member's membership ceases by virtue of a provision of this By-law. Breaches of the following shall result in the immediate termination of a member's membership in the Corporation:

(a) the member dies, or, in the case of a Firm Member that is a body corporate, the body corporate is liquidated, dissolved or merged or consolidated whereby the body corporate ceases to exist;

(b) the member fails to maintain any qualifications or conditions of membership, including the loss of a member's Registration for any reason, including cancellation, cessation, termination, revocation, expiry, and lapse;

(c) the failure to pay on or before their respective due dates annual contribution or annual dues solely attributable to their being members of the Corporation; or

(d) the Corporation is dissolved or liquidated and dissolved under the ONCA.

4.5 Termination of Rights

Subject to the Act and the Articles, upon any termination of membership, the rights of the member, including any rights in the property of the Corporation, automatically cease to exist.

4.6 Membership is not Transferable

Membership in the Corporation is not transferable.

ARTICLE 5 MEETINGS OF THE MEMBERS

5.1 Annual Meetings

An annual meeting of members shall be held at such time in each year, as the Council may from time to time determine, provided that the annual meeting must be held no later than 15 months after holding the preceding annual meeting and no later than six months after the end of the Corporation's preceding financial year.

5.2 Special Meetings

The Council may at any time call a special meeting of members for the transaction of any business which may properly be brought before the members. Subject to the ONCA, the Council shall call a special meeting of members on written requisition of Individual Members carrying not less than ten percent (10%) of the voting rights of the Corporation.

5.3 Place of Meetings

All meetings of members shall be held at such place in Ontario as the Council determines or, in the absence of such a determination, at the place stated in the notice of meeting.

5.4 Fixing the Record Date

The Council may fix a date as the record date for determining members or any other persons entitled to receive notice of or to vote at a meeting of the members or determining members for any other purpose; provided that the record date must not be more than 50 days before the day of the event or action to which it relates. If no record date is fixed:

- (a) the record date for the determination of members or any other persons entitled to receive notice of a meeting of members or to vote shall be,
 - (i) at the close of business on the day immediately before the day on which the notice is given, or
 - (ii) if no notice is given, the day on which the meeting is held; and
- (b) the record date for the members for any other purposes shall be at the close of business on the day on which the Directors pass the relevant resolution

5.5 Notice of Meeting

- (c) Notice of the time and place of a meeting of the members shall be given not less than ten (10)

days and not more than fifty (50) days before the meeting, to each member or any other

persons entitled to receive notice of the meeting, each Director and the auditor of the Corporation in accordance with the manner provided in Article 12 of this By-law. Notwithstanding the foregoing, a notice of a meeting of members need not specify a place of the meeting if the meeting is to be held entirely by one or more telephonic or electronic means.

- (d) If a person may attend a meeting of the members by telephonic or electronic means, the notice of the meeting must include instructions for attending and participating in the meeting by the telephonic or electronic means that will be made available for the meeting, including, if applicable, instructions for voting by such means at the meeting.
- (e) Notice of a meeting of members at which special business is to be transacted shall state the nature of that business in sufficient detail to permit a member to form a reasoned judgment on the business; and state the text of any special resolution to be submitted to the meeting.

5.6 Waiver of Notice

A member and any other persons entitled to notice of a meeting of members may in any manner and at any time waive notice of a meeting of members, and attendance of any such person at a meeting of members is a waiver of notice of the meeting, except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

5.7 Persons Entitled to Attend

The only persons entitled to be present at a meeting of members are members, the Directors, the Minister and his or her advisors, and the auditor of the Corporation and such other persons who are entitled or required under the Act, the ONCA or By-law to be present at the meeting. Any other person may be admitted only on the invitation of the chair of the meeting or with the majority consent of the members present at the meeting.

5.8 Quorum

A quorum at any meeting of members shall be twenty-five (25) Individual Members entitled to vote at the meeting, whether present in person or by telephonic and/or by other electronic means or represented by proxy. Once a quorum is established, it does not need to be maintained throughout the meeting. If, however, such quorum is not present at the opening of a meeting of members, the Individual Members present may adjourn the meeting to a fixed time and place but may not transact any other business.

5.9 Conduct of Meetings

At every meeting of members, the President or, in his or her absence or inability to act, another Director or, in his or her absence or inability to act, one of the Individual Members who is present at the meeting chosen by the Individual Members present in person and entitled to vote at the meeting, shall act as the chair of, and preside at the meeting. The Secretary or, in his or her absence or inability to act, the person

whom the chair of the meeting shall appoint the Secretary of the meeting, shall act as Secretary of the meeting and keep the minutes thereof. The chair of any meeting of the members shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chair, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Council or prescribed by the chair of the meeting, may include the following:

- (a) establishing an agenda or order of business for the meeting;
- (b) determining when the polls shall open and close for any given matter to be voted on at the meeting;
- (c) establishing rules and procedures for maintaining order at the meeting and the safety of those present;
- (d) limiting attendance at, or participation in, the meeting to members of the Corporation, their duly authorized and constituted proxies or such other persons as the chair of the meeting shall determine;
- (e) restricting entry to the meeting after the time fixed for the commencement thereof; and
- (f) limiting the time allotted to questions or comments by participants.

5.10 Participation by Electronic Means

If the Corporation chooses to make available a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during a meeting of members, any person entitled to attend such meeting may participate in the meeting by means of such telephonic, electronic or other communication facility or by any combination of in-person attendance and by one or more telephonic or electronic means in the manner provided by the ONCA. A person participating in a meeting by such means is deemed to be present at the meeting. Notwithstanding any other provision of this By-law, any person participating in a meeting of members under this Section 5.10 who is entitled to vote at that meeting may vote, in accordance with the ONCA, by means of any telephonic, electronic or other communication facility that the Corporation has made available for that purpose.

5.11 Deemed Place of Meeting

A meeting of the members held in any manner described in Section 5.10 is deemed to be held at the place where the registered office of the Corporation is located.

5.12 Voting

(a) Subject to Subsection 5.12(b) and unless otherwise required by the Act, the ONCA, or the Articles, business arising at any meeting of the members shall be decided by a majority of votes cast by Individual Members on the question provided that:

- (i) Subject to Section 7 of the Act, each Individual Member shall be entitled to one vote at any meeting;
- (ii) Subject to Subsection 5.12(iv), votes shall be taken by a show of hands among all Individual Members present and the chair of the meeting, if an Individual Member, shall have a vote;
- (iii) Abstention shall not be considered a vote cast;
- (iv) Before or after a show of hands has been taken on any question, the chair of the meeting may require, or any Individual Member may demand, a written ballot. A written ballot so required or demanded shall be taken in such manner as the chair of the meeting shall direct;
- (v) In the case of an equality of votes on a show of hands, on a ballot or on the results of electronic voting, the chair of the meeting shall have a second or casting vote in addition to an original vote as an Individual Member, provided the chair of the meeting is not an Appointed Individual;
- (vi) A vote at a meeting of the members may be conducted entirely by one or more telephonic or electronic means or by a combination of one or more telephonic or electronic means and voting in person; and
- (vii) Whenever a vote by a show of hands or by electronic means is taken on a question, unless a written ballot is required or demanded, a declaration by the chair of the meeting that a resolution has been carried or lost and an entry to that effect in the minutes shall be conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against the motion.

(b) Voting on the election of Directors shall be in accordance with By-law No. 2 relating to nomination and election of Directors.

5.13 Absentee Voting

An Individual Member entitled to vote at a meeting of members may vote by proxy by appointing in writing a proxyholder who need not be a member, and one or more alternative proxyholders to attend and act at the meeting in the manner and to the extent authorized by the proxy and with the authority conferred by it subject to the following requirements:

- (a) The Corporation shall send, or otherwise make available, a form of proxy that complies with the ONCA to each Individual Member who is entitled to receive notice of the meeting concurrently with or before giving notice of the meeting.
- (b) The proxy must be signed or electronically authorized by the Individual Member.

- (c) The Directors may by resolution fix a time not exceeding 48 hours, excluding Saturdays and holidays, before any meeting or continuance of an adjourned meeting of the members before which time proxies to be used at that meeting must be deposited with the Corporation or an agent of the Corporation, and any period of time so fixed must be specified in the notice calling the meeting.
- (d) The proxy is valid only at the meeting for which it is given or, if that meeting is adjourned, at the meeting that continues the adjourned meeting.
- (e) An Individual Member may revoke a proxy by:
 - (i) signing a revocation by the Individual Member or by the Individual Member's attorney or in any other manner permitted by law; and
 - (ii) depositing a revocation signed by the Individual Member or by the Individual Member's attorney with the Corporation and the revocation must be received (i) at the registered office of the Corporation at any time up to and including the last business day before the day of the meeting or, if the meeting is adjourned, of the continued meeting, at which the proxy is to be used; or (ii) by the chair of the meeting on the day of the meeting or, if it is adjourned, of the continued meeting.
- (f) A person who is appointed a proxyholder shall comply with the directions of the Individual Member who appointed the person.
- (g) A proxyholder or an alternate proxyholder has the same rights as the Individual Member who appointed the proxyholder to speak at a meeting of the members in respect of any matter, to vote by way of ballot at the meeting and, except where a proxyholder or an alternate proxyholder has conflicting instructions from more than one Individual Member, to vote at the meeting in respect of any matter by way of a show of hands.
- (h) Despite the foregoing, if the chair of a meeting of the members declares to the meeting that, to the best of the chair's belief, if a ballot is conducted, the total number of votes of Individual Members represented at the meeting by proxy required to be voted against a matter or group of matters to be decided at the meeting is less than five percent (5%) of all the votes that might be cast at the meeting on such ballot, and if an Individual Member, proxyholder or alternate proxyholder does not demand a ballot, then (i) the chair may conduct the vote in respect of that matter or group of matters by a show of hands; and (ii) a proxyholder or alternate proxyholder may vote in respect of that matter or group of matters by a show of hands.
- (i) A vote referred to in Subsections 5.13(g) and (h) at a meeting of members may be conducted entirely by one or more telephonic or electronic means or by a combination of one or more telephonic or electronic means and voting in person but only if the Individual Member are permitted to vote by telephonic or electronic means at that meeting of members in accordance with Section 5.12.

5.14 Scrutineers at Meetings of Members

- (a) The Council, in advance of any meeting of members, may appoint one or more scrutineers, who may be employees of the Corporation, to act at the meeting or any adjournment thereof and make a written report thereof. The Council may designate one or more persons as alternate scrutineers to replace any scrutineer who fails to act. If no scrutineer or alternate is able to act at a meeting, the chair of the meeting shall have a right to appoint one or more scrutineers to act at the meeting.
- (b) Each scrutineer, if appointed, shall faithfully execute the duties of a scrutineer with strict impartiality and according to the best of his or her ability.
- (c) The scrutineers, if appointed, shall:
 - (i) ascertain the number of Individual Members and the voting rights of each;
 - (ii) determine the Individual Members represented at the meeting, the existence of a quorum and the validity of ballots; and
 - (iii) count all votes and ballots.
- (d) No person who is a candidate for office at an election may serve as a scrutineer at such election.

5.15 Resolution in Writing of Individual Members

- (a) A resolution in writing signed by all Individual Members entitled to vote on that resolution at a meeting of members is as valid as if it had been passed at a meeting of the members unless, in accordance with the ONCA:
 - (i) in the case of the resignation or removal of a Director or the appointment or election of another person to fill the place of that Director, a written statement is submitted to the Corporation by the Director giving the reasons for his or her resignation or the reasons why he or she opposes any proposed action or resolution for the purpose of removing him or her from office or the election of another person to fill the office of the Director; or
 - (ii) in the case of the removal or resignation of an auditor, or the appointment or election of another person to fill the office of auditor, representations are made to the Corporation by the auditor concerning its proposed removal, the appointment or election of another person to fill the office of auditor or its resignation.
- (b) A copy of every resolution of the Individual Members shall be kept with the minutes of meetings of members.

5.16 Adjournments

- (a) Any meeting of the members, annual or special, may be adjourned from time to time.
- (b) If a meeting of the members is adjourned by one or more adjournments for an aggregate of less than 30 days, it is not necessary that any person be notified of the meeting that continues the adjourned meeting, other than by announcement of all of the following at the time of an adjournment:
 - (i) The time of the continued meeting;
 - (ii) If applicable, the place of the continued meeting; and
 - (iii) If applicable, instructions for attending and participating in the continued meeting by the telephonic or electronic means that will be made available for the meeting, including, if applicable, instructions for voting by such means at the meeting.
- (c) If a meeting of the members is adjourned by one or more adjournments for an aggregate of 30 days or more, the Corporation shall give notice of the meeting that continues the adjourned meeting in the manner as if it is an original meeting.
- (d) Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

ARTICLE 6 THE COUNCIL

6.1 General Powers

Subject to the applicable law, and the Articles, the Council shall be the governing body and board of directors of the Corporation and shall manage and administer its affairs.

6.2 Qualifications of Directors

Each person who is an Individual Member of the Corporation is eligible to stand for election to the Council subject to the following requirements:

- (a) is an individual who is at least 18 years of age, has not been found under the Substitute Decisions Act, 1992 or under the Mental Health Act to be incapable of managing property; has not been found to be incapable by any court in Canada or elsewhere, does not have the status of a bankrupt;
- (b) an Individual Member
 - (i) who has not had a finding of professional misconduct, incompetence or incapacity against him or her by the applicable Committee in the three years preceding the date of nomination;

- (ii) whose conduct is not the subject of a complaint referred to the Discipline Committee or the subject of disciplinary or incapacity proceedings before the applicable Committee;
 - (iii) who is Registered and whose Registration is not subject to a term, condition or limitation arising from a professional misconduct, incompetence or incapacity matter and that has not been revoked or suspended in the six years before the date of nomination as a result of a professional misconduct, incompetence or incapacity proceeding; and
 - (iv) who is not in default in the payment of any fees.
- (c) is nominated in accordance with the provisions of By-law No. 2 relating to nomination and election of Directors;
 - (d) is not an employee of the Corporation and has not been an employee of the Corporation in the twelve months prior to the date of nomination;
 - (e) is in agreement and agrees to further the purposes of the Corporation as contained in the Articles; and
 - (f) agrees to abide and abides by the provisions in the Act, ONCA, Articles and Bylaw.

6.3 Composition of Council

- (a) Subject to the Act, the Council shall be composed of,
 - (i) nine persons who are Individual Members of the Corporation and are elected by the Individual Members in accordance with By-law No. 2 relating to nomination and election of Directors; and
 - (ii) four persons who are Appointed Individuals.
- (b) The Council or its Committee may adopt policies from time to time to govern the composition of the Council, including but not limited to regional diversity, personal skills, and needs of the Corporation. Copies of such policies shall be available to Individual Members upon request.

6.4 Election and Term

- (a) Subject to the Act, Directors shall be elected by the Individual Member by ordinary Resolution at each meeting of members at which an election of Directors is required.
- (b) Director candidates shall be nominated and elected in accordance with By-law No. 2 relating to nomination and election of Directors.

- (c) The Director's term of office shall be three (3) years calculated from the date of the meeting at which they are elected until the close of the third annual meeting following or until their successors are elected.
- (d) The Director whose term expires is eligible for one additional term. For clarity, the total term that a Director is eligible to serve is two terms.
- (e) A Director not elected for an expressly stated term ceases to hold office at the close of the first annual meeting of members following the Director's election. If Directors are not elected at a meeting of members, the incumbent Director shall continue in office until their successors are elected.

6.5 Consent

An individual who is elected or appointed to hold office as a Director is not a Director, and is deemed not to have been elected or appointed to hold office as a Director, unless:

- (a) the individual consented in writing to hold office as a Director before or within ten days after the election or appointment,
- (b) the individual elected or appointed consents in writing at any time after ten days after the election or appointment; or
- (c) the individual elected is re-elected where there is no break in the term of office.

6.6 Vacancies

- (a) The office of a Director shall be vacated immediately if the Director:
 - (i) resigns office by written notice to the Corporation, which resignation shall be effective at the time it is received by the Corporation or at the time specified in the notice, whichever is later;
 - (ii) dies;
 - (iii) has been found under the Substitute Decisions Act, 1992 or under the Mental Health Act to be incapable of managing property; has been found to be incapable by any court in Canada or elsewhere, have the status of a bankrupt;
 - (iv) ceases to hold a certificate of Registration;
 - (v) is removed, at a meeting of the Individual Members, by ordinary resolution of the Individual Members, with or without cause, before the expiration of the Director's term of office;
 - (vi) whose appointment as an Appointed Individual is expired and not renewed or rescinded by the Lieutenant Governor in Council; or

- (vii) ceases to be a person who meets any or all of the qualification requirements set out Section 6.2;
- (b) A Director who is the subject of a disciplinary or incapacity proceeding before the Qualification and Registration Committee or the Discipline Committee, as the case may be, shall be suspended as a Director pending the outcome of such proceeding and shall not participate in any meeting or other proceeding of the Council.

6.7 Filling Vacancies

Subject to the Act and the Articles, a quorum of the Directors may fill a vacancy in the Council, except if there has been a failure to elect the number or minimum number of Directors provided for in the Act and Articles. If there is not a quorum of Directors or if there has been a failure to elect the number or minimum number of Directors provided for in the Act and Articles, the Directors then in office shall without delay call a special meeting of the members to fill the vacancy and, if they fail to call a meeting or if there are no Directors then in office, the meeting may be called by any member. A Director appointed or elected to fill a vacancy holds office for the unexpired term of their predecessor.

6.8 Remuneration of Directors

The Directors and Committee Members shall be paid a per diem allowance in an amount as shall be fixed from time to time by resolution of the Council. No confirmation by Individual Members of any such payment shall be required.

6.9 Reimbursement for Expenses

The Directors, Committee Members and Officers including the CEO shall be reimbursed in respect of their out-of-pocket expenses incurred in attending Council, Committee or members' meetings or otherwise in respect of the performance by them of their duties in accordance with the Expense Policy.

ARTICLE 7 THE COUNCIL COMMITTEES

7.1 Statutory Committees

- (a) In accordance with the Act, the Corporation shall establish the following Committees:
 - (i) Qualification and Registration Committee
 - (ii) Complaints Committee(s); and
 - (iii) Discipline Committee.
- (b) Powers and duties of each statutory committee along with their respective procedures and requirements shall be in accordance with Act and set out in the respective Committee charters.

7.2 Other Committees

The Council may establish such other or additional Committees as the Council from time to time considers necessary and delegate to the Committee any of the powers of the Council, except those prohibited in Subsection 36(2) of the ONCA.

ARTICLE 8 THE COUNCIL MEETINGS

8.1 Regular Meetings

The Council may appoint a day or days in any month or months for regular meetings of the Council at a place and time to be named. A copy of any resolution of the Council fixing the time and place of such regular meetings of the Council shall be sent to each Director immediately after being passed, but no other notice shall be required for any such regular meeting, except if the purpose of the meeting or the business to be transacted includes:

- (a) submitting to the members any question or matter requiring the approval of the members;
- (b) filling a vacancy among the Directors or appointing additional Directors;
- (c) filling a vacancy in the office of auditor;
- (d) issuing debt obligations except as authorized by the Council;
- (e) approving any annual financial statements;
- (f) adopting, amending or repealing By-law; or
- (g) establishing contributions to be made, or dues to be paid, by members.

8.2 Calling of Council Meetings

Meetings of the Council may be called by the President or Vice-President or any two or more Directors at any time.

8.3 Participation by Telephonic or Electronic Means

Subject to the Articles or By-law, a meeting of Directors may be held entirely by one or more telephonic or electronic means that permit all participants to communicate with each other simultaneously and instantaneously during the meeting or by any combination of in-person attendance and by one or more telephonic or electronic means. Participation by a Director or a member of a Committee in a meeting under this Section 8.3 shall constitute presence in person at such meeting.

8.4 Notice of Council Meetings

- (a) Notice of the time and place for the holding of a meeting of the Council shall be given in the manner provided in Article 12 of this By-law to every Director of the Corporation not

less than 48 hours before the time when the meeting is to be held. Notwithstanding the foregoing, a notice of a meeting of Directors need not specify the place of the meeting if the meeting is to be held entirely by one or more telephonic or electronic means.

- (b) If a Director attends a meeting of the Council by telephonic or electronic means, the notice of the meeting must include instructions for attending and participating in the meeting by the telephonic or electronic means that will be made available for the meeting, including, if applicable, instructions for voting by such means at the meeting.
- (c) Notice of a meeting that continues an adjourned meeting of the Council is not required to be given if all of the following are announced at the time of an adjournment:
 - (i) the time of the continued meeting;
 - (ii) if applicable, the place of the continued meeting; and
 - (iii) if applicable, instructions for attending and participating in the continued meeting by the telephonic or electronic means that will be made available for the meeting, including, if applicable, instructions for voting by such means at the meeting.

8.5 Waiving Notice

Whenever notice to Directors is required by applicable law, the Articles or this By-law, a waiver thereof, in writing signed by the Director entitled to the notice, whether before or after such notice is required, shall be deemed equivalent to notice. Attendance by a Director at a meeting shall constitute a waiver of notice of such meeting except when the Director attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting was unlawfully called. Neither the business to be transacted at, nor the purpose of any meeting of the Council or Committee need be specified in any waiver of notice.

8.6 Organization

At each meeting of the Council, the President or, in his or her absence, another Director selected by the Council shall preside. The Secretary shall act as Secretary at each meeting of the Council. If the Secretary is absent from any meeting of the Council, an assistant Secretary shall perform the duties of Secretary at such meeting; and in the absence from any such meeting of the Secretary and all assistant secretaries, the person presiding as chair at the meeting may appoint any person to act as Secretary of the meeting.

8.7 Quorum

A majority of the Directors, including at least one Appointed Individual, constitutes a quorum.

8.8 Majority Vote

Except as otherwise expressly required by this By-law, the Articles or by applicable law, the vote of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Council. Each Director may exercise one vote. In the case of an equality of votes, the chair of the meeting

shall have a second or casting vote in addition to his or her original vote as a Director. 8.9 Consent of Director at Meeting

- (a) A Director who is present at the meeting of the Council or a Committee is deemed to have consented to any resolution passed or action taken at the meeting, unless:
 - (i) the Director's dissent is entered in the minutes of the meeting;
 - (ii) the Director requests that the Director's dissent be entered in the minutes of the meeting;
 - (iii) the Director gives the Director's dissent in writing to the Secretary of the meeting before the meeting is terminated; or
 - (iv) the Director submits (in such manner required by the ONCA) the Director's dissent immediately after the meeting is terminated to the Corporation;
- (b) A Director who votes for or consents to a resolution is not entitled to dissent under Subsection 8.9(a).
- (c) A Director who was not present at a meeting at which a resolution was passed or action taken is deemed to have consented to the resolution or action unless, within seven (7) days after becoming aware of the resolution or action, the Director:
 - (i) causes the Director's dissent to be placed with the minutes of the meeting; or
 - (ii) submits (in such manner required by the ONCA) the Director's dissent to the Corporation.

8.10 Resolution in Writing

Unless otherwise restricted by Act, the Articles or this By-law, any resolution required or permitted to be passed at any meeting of the Council or of any Committee thereof may be taken without a meeting if all Directors or Committee Members, as the case may be, consent thereto in writing or by electronic transmission, and the writings or electronic transmissions are filed with the minutes of proceedings of the Council or Committee in accordance with the ONCA.

ARTICLE 9 OFFICERS

9.1 Appointment of Officers

The Council may designate the offices of the Corporation, appoint Officers on an annual or more frequent basis, specify their duties and, subject to Section 36(2) of the ONCA, delegate to such Officers the power to manage the affairs of the Corporation. A Director may be appointed to any office of the Corporation. An Officer may, but need not be, a Director unless this By-law otherwise provides. Two or more offices may be held by the same person, except for the President position.

9.2 Description of Offices

Unless otherwise specified by the Council (which may, subject to the ONCA, modify, restrict or supplement such duties and powers), the offices of the Corporation, if designated and if Officers are appointed, shall have the following duties and powers associated with their positions:

- (a) President of the Council. The President shall be a Director. The President shall, when present, preside at all meetings of the Council and of the members. The President shall have such other duties and powers as the Council may specify;
- (b) Vice-President. The Vice-President or if more than one, the Vice-Presidents in order of seniority shall be vested with all the powers and shall perform all the duties of the President in the absence or disability or refusal to act of the President. The Vice-President(s) shall have such other duties and powers as the Council may specify. The Vice-President(s) shall be a Director(s).
- (c) CEO. The CEO shall be the Chief Executive Officer of the Corporation and subject to the authority of the Council, shall have general supervision of the business and affairs of the Corporation. Furthermore, the CEO shall have, in addition to the duties prescribed by the Act and subject to the authority of the Council and the supervision of the President, the power to appoint and remove any and all employees and agents of the Corporation not elected or appointed by the Council and to settle the terms of their employment and remuneration. Subject to the written approval of the Council, the CEO may in writing delegate any of the CEO's powers and duties that have been conferred on or assigned to the CEO to an officer or other employee of the Corporation and may impose conditions and restrictions on such delegation.
- (d) Secretary. The Secretary, if one appointed, shall attend and act as the secretary of all meetings of the members, Council, and Committees. The Secretary shall enter, or cause to be entered, in the Corporation's minute book minutes of all proceedings at such meetings. The Secretary shall give, or cause to be given, as and when instructed, notices to members, Directors, the auditor and Committee Members. The Secretary shall be the custodian of all books, papers, records, documents and other instruments belonging to the Corporation; and
- (e) Treasurer. The Treasurer, if one appointed, shall be responsible for the maintenance of proper accounting records in compliance with the Act and the ONCA as well as the deposit of money, the safekeeping of securities and the disbursement of funds of the Corporation; whenever required, the Treasurer shall render to the Council an account of all such person's transactions as Treasurer and of the financial position of the Corporation.

9.3 Other Officers

The duties of all other Officers of the Corporation shall be such as the terms of their engagement call for or the Council, the President or the CEO requires of them. The Council may from time to time and subject to the Act and the ONCA vary, add to or limit the powers and duties of any Officer.

9.4 Term of Office

In the absence of a written agreement to the contrary, the Council may remove, whether for cause or without cause, any Officer. Unless so removed, an Officer shall hold office until the earliest of the Officer's:

- (a) successor being appointed;
- (b) resignation;
- (c) ceasing to be a Director (if being a Director is a necessary qualification of appointment);
or
- (d) death.

9.5 Vacancy in Office

Should any vacancy occur among the Officers, the position shall be filled for the unexpired portion of the term by appointment made by the Council.

9.6 Remuneration

Subject to the Articles, the Directors may fix the reasonable remuneration of the Officers and may delegate any or all of this function as it determines to be appropriate. An Officer may receive reimbursement for their expenses incurred on behalf of the Corporation in their respective capacities as an Officer, subject to any policy in this regard that may be adopted by the Council from time to time.

9.7 Duties of Officers May Be Delegated

In case any Officer is absent, or for any other reason that the Council may deem sufficient, the Council may delegate for the time being the duties or powers of such Officer to any other Officer or to any Director.

9.8 Agents and Attorney

Subject to the By-law, the Council may authorize any Officer from time to time to appoint agents or attorney for the Corporation in or out of Canada with such powers of management, administration or otherwise as the Council considers fit.

9.9 Disclosure: Conflict of Interest

An Officer shall disclose such Officer's interest in a material contract or transaction or proposed material contract or transaction with the Corporation in accordance with Section 10.1.

ARTICLE 10 CONFLICT OF INTEREST AND CONFIDENTIALITY

10.1 Conflict of Interest

- (a) Pursuant to the ONCA, a Director, Committee Member, and an Officer shall disclose, at the time and in the manner required by the ONCA, in writing to the Corporation or request to have entered in the minutes of the Council or Committee meetings, the nature and extent of any interest that the Director, Committee Member or the Officer has in any material contract or transaction or proposed material contract or transaction with the Corporation if the Director, Committee Member or the Officer:
 - (i) is a party to such material contract or transaction or proposed material contract or transaction with the Corporation; or
 - (ii) is a director or an officer of, or has a material interest in, any person who is a party to such material contract or transaction or proposed material contract or transaction with the Corporation.
- (b) Generally, a conflict of interest is considered "material" if the conflict may be reasonably expected to influence the decision of the Director, Committee Member,

or the Officer in question. The determination of materiality shall be referred to and made by the Council or Committee.
- (c) The chairperson of Council or Committee meetings shall request a Director, Committee Member, or an Officer who has made a disclosure referred to in Section 10.1 to be absent during the discussion of the matter, with such action being recorded in the minutes. The Director, Committee Member, or the Officer shall not vote on any resolution to approve such contract except as provided by the ONCA.

10.2 Confidentiality

- (a) Subject to Subsection 10.2(b), Director, Committee Member, Officer, and employee, shall respect the confidentiality of matters brought before the Council or Committee, or any matter dealt with in the course of employment or involvement of such person in the activities of the Corporation. All materials whether in print or electronic format shall be the property of the Corporation and every Council, Committee Member, Officer, employee or volunteer shall, when requested by the Corporation, return or destroy such materials upon termination of their association with the Corporation.
- (b) Subject to Subsection 10.2(c), confidential information may be communicated by a person employed in the administration of the Act, including a person making an inquiry or investigation under Section 25 of the Act and any member of the Council or a Committee,

- (i) as may be required in connection with the administration of the Act and Bylaw or any proceedings under the Act;
 - (ii) to his or her attorney; or
 - (iii) with the consent of the person to whom the information relates.
- (c) Any information, document, record, statement or thing made or disclosed to the CEO, the Council or a Committee concerning a member or a person applying for Registration is privileged and shall not be used as evidence in any civil action or proceeding in any court brought by or on behalf of such member or person.

ARTICLE 11
PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

11.1 Duties of Directors, Committee Members and Officers

Every Director, Committee Member, Officer in exercising such person's powers and discharging such person's duties shall act honestly and in good faith with a view to the best interests of the Corporation and shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Every Director, Committee Member, or Officer shall comply with the Act, the ONCA, Articles, By-law and policies of the Corporation.

11.2 Limitation of Liability

- (a) No Director, Committee Member or Officer shall be liable for the acts, omissions, failures, neglects or defaults of any other Director, Officer or employee, or for joining in any act for conformity, or for any loss, damage or expense suffered or incurred by the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any of the monies, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on his or her part, or for any other loss, damage or misfortune that shall happen in the execution of the duties of his or her office or in relation thereto. Nothing herein shall relieve any Director, Committee Member or Officer from the duty to act in accordance with the applicable law or from liability for any breach thereof.
- (b) No action or other proceeding for damages shall be instituted against the Corporation, the Council, a Committee or any Director or Committee Member, or any employee or agent of the Corporation for any act done in good faith in the performance or intended performance of any duty or in the exercise or the intended exercise of any power under the Act or for any neglect or default in the performance or exercise in good faith of such duty or power.

11.3 Indemnity

Subject to the ONCA, the Corporation shall indemnify a Director, Committee Member or Officer, a former Director, Committee Member or Officer or another individual who acts or acted at the Corporation's request as a Director, Committee Member or Officer or in a similar capacity of another entity, and such person's heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by such person in respect of any civil, criminal, administrative or investigative or other action or proceeding in which the individual is involved because of that association with the Corporation or other entity if,

- (a) the individual acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which the individual acted as Director, Committee Member or Officer or in a similar capacity at the Corporation's request; and
- (b) in the case of a criminal or administrative proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the individual's conduct was lawful.

The Corporation may indemnify such person in all such other matters, actions, proceedings and circumstances as may be permitted by the Act or the law. Nothing in this By-law shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this Bylaw.

11.4 Insurance

The Corporation shall purchase and maintain insurance for the benefit of an individual referred to in Section 11.3 against any liability incurred by the individual,

- (a) in the individual's capacity as a Director, Committee Member or Officer; or
- (b) in the individual's capacity as a Director, Committee Member or Officer, or a similar capacity, of another entity, if the individual acts or acted in that capacity at the Corporation's request.

ARTICLE 12 NOTICE

12.1 Method of Giving Notice

Unless otherwise required by the Act, any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) to an Individual Member, Director, Appointed Individual, Committee Member, Officer, the auditor or any other person who is entitled to received notice shall be sufficiently given if:

- (a) delivered personally to the person to whom it is to be given or delivered to such person's address as shown in the records of the Corporation;
- (b) mailed to such person at such person's recorded address; or
- (c) sent to such person by facsimile, email or other electronic means.

12.2 Deemed Receipt of Notice

- (a) Unless otherwise required by the Act, a notice:
 - (i) delivered in accordance with Subsection 12.1(a) shall be deemed to have been given when it is delivered personally or to the recorded address as provided in Subsection 12.1(a);
 - (ii) mailed in accordance with Subsection 12.1(b) shall be deemed to have been received on the fifth day after it was sent; and
 - (iii) sent by any facsimile, email or other electronic means in accordance with Subsection 12.1(c) shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch.
- (b) The Secretary of the Corporation may change or cause to be changed the recorded address of any member, Director, Committee Member, Officer, or auditor in accordance with any information believed by the Secretary to be reliable. The declaration by the secretary that notice has been given under this By-law shall be sufficient and conclusive evidence of the giving of such notice. The signature of any Director or Officer of the Corporation to any notice or other document to be given by the Corporation may be written, stamped, typewritten or printed.

12.3 Undelivered Notices

If any notice given in accordance with Subsection 12.1 is returned on three consecutive occasions because such member cannot be found, the Corporation shall not be required to give any further notices until such person informs the Corporation in writing of the person's new address.

12.4 Proof of Service

A certificate of the President, the Vice- President, the Treasurer or the Secretary of the Corporation or of any other officer of the Corporation in office at the time of the making of the certificate as to facts in relation to the mailing or delivery of any notice to a member, a Director, Committee Member, Officer or auditor or publication of any notice shall be conclusive evidence thereof and shall be binding on every member, Director, Committee Member, Officer or auditor of the Corporation, as the case may be.

12.5 Omissions and Errors

The accidental omission to give any notice to any member, Director, Committee Member, Officer or auditor, the non-receipt of any notice by any such person where the Corporation has provided notice in accordance with this By-law or any error in any notice not affecting its substance shall not invalidate any action taken at any meeting to which the notice pertained or otherwise founded on such notice.

12.6 Waiver of Notice

Any member, proxyholder, Director, Committee Member, Officer, or auditor may waive or abridge the time for any notice required to be given to such person, and such waiver or abridgement, whether given before or after the meeting or other event of which notice is required to be given shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of members or of the Council or of a Committee, which may be given in any manner.

ARTICLE 13 AMENDMENTS

13.1 Amendments

Unless otherwise provided in the Act or in this By-law, the Council may make, amend or repeal any By-law in accordance with the ONCA.

ARTICLE 14 TRANSITION PROVISIONS

14.1 Members

Upon this By-law coming into effect, the members at the time when this By-law comes into effect shall continue to be the members under this By-law.

14.2 Directors and Officers

Upon this By-law coming into effect, the Directors and Officers then in office at the time when this By-law comes into effect shall continue to remain in office for the remainder of their respective term until their respective successors are elected in accordance with this By-law.

ARTICLE 15 EFFECTIVE DATE AND REPEAL

15.1 Effective Date

This By-law No. 1 shall be enacted by the Directors and confirmed, with or without variation, by the members at an annual or special meeting of members duly called for the purpose and shall come into effect upon confirmation by the members of the Corporation.

15.2 Repeal

- (a) General Operating By-law No. 1 is hereby repealed and replaced by General Operating By-law herein effective as of the date stated in Subsection 15.1.
- (b) The said repeal of By-law No. 1 shall not affect the previous operations of such Bylaw so repealed or affect the validity of any act done or right, privilege, obligation or liability

acquired or incurred under the validity of any contract or agreement made pursuant to any such By-law prior to its repeal. All Officers and persons acting under such By-law so repealed shall continue to act as if appointed under the provisions of this By-law. All Council's or members' resolutions, with continuing effect, passed under such repealed By-law shall continue to be valid, except to the extent inconsistent with this By-law, and until amended or repealed.

BY-LAW NO. 2

A by-law relating to the nomination and election of Directors
REGISTERED INSURANCE BROKERS OF ONTARIO

March 2024

BY-LAW NO. 2

BE IT ENACTED as a By-law of the Registered Insurance Brokers of Ontario (the "Corporation"), which amends and restates By-law No. 21 relating to the composition and election of Council, as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless otherwise specified or the context requires, terms defined in By-law No. 1 shall have the same meaning in this By-law No. 2.

1.2 Interpretation

Unless otherwise specified or the context requires, the rules of interpretation set out in By-law No. 1 shall apply in this By-law No. 2.

1.3 Severability and Precedence

The invalidity or unenforceability of any provision of this By-law No. 2 shall not affect the validity or enforceability of the remaining provisions of this By-law No. 2. If any of the provisions contained in the By-law No. 2 are inconsistent with those contained in the Articles, the Act or the ONCA, the provisions contained in the Articles, the Act or the ONCA, as the case may be, shall prevail.

ARTICLE 2 NOMINATION

2.1 Nomination Procedures

Except as otherwise provided by the Act, the ONCA and the Articles, only persons who are nominated in accordance with the procedures set out in this By-law No. 2 will be eligible for election as a Director of the Corporation.

2.2 Solicitation of Candidates

- (a) Not less than three (3) months prior to each meeting at which Directors are to be elected, in consultation with the Council, the Governance and Nominating Committee will set dates that mark the opening and close of the nomination period. The nomination closing date must be not less than forty-five (45) calendar days before the date set for the meeting and the nomination period must not be less than twenty one (21) days in total.
- (b) On the date set to open nominations, the Governance and Nominating Committee will circulate to all Directors and members a request for nominations, including but not limited to:
 - (i) the number of Director positions expected to be filled at the meeting;
 - (ii) the term of each position to be filled;

- (iii) a summary of the skill sets and other qualifications needed to match the approved Director profile;
- (iv) application form;
- (v) the date of close of nominations.

2.3 Submissions to the Governance and Nominating Committee

- (a) A Director or an Individual Member may apply or make a proposal to nominate another Individual Member in accordance with the ONCA to become a Governance and Nominating Committee Nominee [term is further defined in Subsection 2.4(b)] for election as a Director if the Individual Member reasonably believes that the individual:
 - (i) meets qualification requirements set out in Section 6.2 of By-law No. 1; and
 - (ii) possesses skills and expertise that is a significant match, as determined by the Governance and Nominating Committee, for the preferred skill profile set out in the request for nominations package.
- (b) For a candidate to be considered as a Governance and Nominating Committee Nominee, a Director or Individual Member must provide to the Governance and Nominating Committee within the time period specified by the Committee with the following:
 - (i) a dated and signed application form;
 - (ii) written consent of the candidate to hold office for the elected term for the position of a Director; and
 - (iii) a copy of the candidate's most recent resume along with a cover letter explaining how the candidate's profile matches the approved Director profile.
- (c) All nominations must be received by the Governance and Nominating Committee (at the address specified in the request for nominations) in writing before 4:00 p.m. EST on the date selected for close of nominations. Any nomination received after this time will not be entitled to be reviewed.
- (d) As soon as practicable after the receipt of a nomination, the Governance and Nominating Committee shall notify the candidate in writing that a nomination has been received, whether or not the nomination is in order and, where the nomination is not in order, where it is deficient.
- (e) The failure of the Governance and Nominating Committee to notify a candidate as required under Subsection 2.3(d) or the non-receipt of such a notification by a candidate does not invalidate the election.

2.4 Nomination by the Governance and Nominating Committee

- (a) Qualified candidates for election as Directors shall be determined and identified in accordance with the Director Criteria and in the manner provided in the Governance and Nominating Committee Charter.
- (b) The Governance and Nominating Committee will, prior to each meeting of members at which Directors are to be elected, recommend to the Council qualified candidates to stand for election as Directors, selected in accordance with Subsection 2.4(a). These candidates shall be the Governance and Nominating Committee Nominees.
- (c) The Governance and Nominating Committee will notify each candidate whether the candidate has been selected as a Governance and Nominating Committee Nominees, and if not, the reason why not.
- (d) Not less than 21 days prior to such meeting, the Council shall by notice advise the members of its proposed nominees and provide biographical profiles of such nominees.

2.5 Nomination from the Floor

- (a) An Individual Member may nominate another Individual Member to stand for election as a Director from the floor at a members meeting (“Nominating Member”), provided the Nominating Member complies with the following requirements:
 - (i) Entitled to Vote: A Nominating Member, at the close of business on the date of the giving of the notice pursuant to Subsection 2.5(a)(ii) and on the record date for notice of such meeting, is entered in the Corporation’s membership records being entitled to vote at such meeting in accordance with Subsection 3.5(b);
 - (ii) Timely Notice: In addition to any other applicable requirements set out in this By-law No. 2 as well as By-law No. 1, for a nomination to be made by a Nominating Member pursuant to this Section 2.5, the Nominating Member must have given timely notice (the “Notice”) not less than seven (7) days prior to the date of the meeting of members in proper written form to the Chair of the Governance and Nominating Committee at the registered office of the Corporation.
 - (iii) Proper Form: To be in proper written form, the Notice must set forth the (i) the name, address, occupation of the nominee, (ii) a brief description of how the nominee meets all of the qualification requirements of Directors;

and (iii) the name and address of the Nominating Member giving the Notice and confirmation that the person has the right to vote at the meeting of members where election is to be held. The Notice must also include written consent of the nominee to hold office for the elected term for the position of a Director. The Governance and Nominating Committee may also require any proposed nominee to furnish such other information, as may reasonably be required by the Governance and Nominating Committee to determine the eligibility of such proposed nominee to serve as a Director.

- (iv) Eligibility: No person shall be eligible for election as a Director unless nominated in accordance with the provisions of this Section 2.5. The Chair of the Governance and Nominating Committee shall have the power and duty to determine whether a nomination was made in accordance with the procedures set out in this Section 2.5 and, if any proposed nomination is not in compliance, to declare that such defective nomination shall be disregarded.
- (v) Notwithstanding the foregoing, the Governance and Nominating Committee may, in its sole discretion, waive any requirement in this Section 2.5.

ARTICLE 3 ELECTION

3.1 Timing of Election

An election of Directors shall take place as determined by the CEO from time to time but not later than fifteen (15) months after holding the preceding annual meeting.

3.2 Eligibility to Vote

Every Individual Member who is,

- (a) Registered under the Act; and
- (b) not in default of payment of any prescribed fee, is qualified to vote at an

election of Directors.

3.3 Staggering of Vacancies

The Council will strive to stagger the terms of its Directors such that at least two persons are coming up for election at each annual general meeting. However, due to circumstances beyond control, it is possible that a situation may arise where there are no Director positions up for election in a given year. In such a case, there is no need to hold an election at the annual general meeting.

3.4 Acclamation

Where the number of persons nominated as Governance and Nominating Committee Nominees for election to the Council is equal to or less than the number to be elected in that year and there are no nominations from the floor for which the Notice is received pursuant to Subsection 2.5(a)(ii), the persons so nominated shall be deemed to be elected as Directors in that year and there shall be no poll.

3.5 Election Process

- (a) Where the total number of persons nominated as candidates for election to the Council at an election is greater than the number to be elected in that year, there shall be a vote.

For clarity, the total number of persons nominated as candidates include Governance and Nominating Committee Nominees and nominations from the floor for which the Notice is received pursuant to Subsection 2.5(a)(ii), if any.

- (b) Prior to the election, the CEO or his or her designate shall compile and sign an alphabetical list of Individual Members who are qualified to vote at the election and provide the timing and instructions for accessing the electronic voting platform, acquiring all information relevant to the election, and participating in the election of the Directors.
- (c) The list referred to in Subsection 3.5(b) may be examined by any Individual Member during normal business hours of the Corporation or online at the Corporation's electronic voting platform, if available.
- (d) Where an Individual Member submits in writing to the CEO or his or her designate, in advance of the voting, of the improper omission from or insertion of any name on the list referred to in Subsection 3.5(b), the CEO shall forthwith examine the complaint and rectify any error he or she may find.
- (e) Every election of Directors shall be presided over and conducted by the CEO. The CEO may enter into an agreement or agreements for the purpose of the election, including, without limitation, for the purpose of using electronic means for voting and for counting and recounting results. Where such an agreement has been entered, voting shall be performed through the Corporation's electronic voting platform.
- (f) The accidental omission to give any notice or send any document required by this By-law to be sent to any Individual Member or Director or the non-receipt of any notice or document required by this By-law by any such person or any error in any notice or document required by this By-law not affecting the substance of the notice or document does not invalidate any action taken pursuant to the notice or document or invalidate any action taken at any meeting held pursuant to the notice or any action that results from any such meeting.

ARTICLE 4 VOTING

4.1 Voting at Election

- (a) A vote at a meeting of the members may be conducted entirely by one or more telephonic or electronic means or by a combination of one or more telephonic or electronic means and voting in person;
- (b) Voting shall be by secret ballot and be conducted such that reasonable efforts are made to ensure that any records that connect the name of an Individual Member who casts a vote and the vote(s) cast by the Individual Member remain confidential and are only used to the extent necessary for the purposes of voting and counting the results.
- (c) An Individual Member who is qualified to vote at an election of the Directors shall be entitled to one vote and may vote for a maximum of the number of vacant positions to

be elected in that year whose names are on a ballot but where the member votes for more than the number of candidates to be elected in that year the ballot is invalid.

- (d) An Individual Member entitled to vote at a meeting of members may vote by proxy in accordance with the requirements set out in Section 5.13 of By-law No. 1.
- (e) If a candidate, who was eligible for election at the time of nomination, ceases to be eligible for election or withdraws from the election on or prior to the date of the election, all votes cast for that candidate are void and shall be deemed to be rejected.
- (f) The CEO has authority to take such actions as are reasonably necessary in the circumstances to conduct the election and resolve any matters that may arise.

4.2 Counting of Ballots and Announcement of Results

- (a) Following the conclusion of the voting process, the CEO or his or her representative shall receive the total amount of ballots cast for each nominee.
- (b) The candidates who shall be certified forthwith by the CEO as being elected as a Director are the candidates that receive the highest number of votes necessary to fill vacancies.
- (c) Where two or more candidates receive an equal number of votes such that the election of one or more Directors is undecided, the CEO and the Chair of the Governance and Nominating Committee shall put into a box one paper for each candidate and having the name of each candidate written on it. The CEO shall draw by chance from the box one or more of such papers sufficient to make up the required number of Directors. The CEO shall declare the person whose name appears on the paper so drawn, as the nominee for the Director position at issue.
- (d) The CEO shall after making the certification referred to in Subsection 4.2(b)
 - (i) report the results of the election to the meeting; and
 - (ii) inform each Individual Member who is elected to the Council of the time and place of the first regular meeting of the Council following the election.

4.3 Destruction of Ballots

Unless an Individual Member requests a recount or confirmation of his or her vote or petitions against the election in accordance with Article 5, the CEO shall ensure that all ballots and any record thereof are destroyed after thirty-one (31) days have expired following the report to the members of the results of an election.

ARTICLE 5 APPEAL AND RECOUNT OF BALLOTS AND PETITION AGAINST THE ELECTION

5.1 Appeal and Recount of Ballots

- (a) An Individual Member who is qualified to vote at an election of the Directors may, within fourteen (14) days after the date of the election, submit to the Chair of the Governance and Nominating Committee a request in writing for a recount of ballots cast at the election if the Individual Member reasonably believes there was an error.
- (b) Upon receipt of a request referred to in Subsection 5.1(a), the Chair of the Governance and Nominating Committee shall, within thirty (30) days of the election, where in the Chair's opinion the request is reasonable having regard to the number of votes separating the candidates at the election, receive the list of all ballots cast in the election, with such list specifically excluding the name of or any identifying information about the Individual Member who cast the ballot, and cause a recount of the ballots to determine if the count was correct.
- (c) If, in the opinion of the Chair of the Governance and Nominating Committee, the electronic voting platform, for any reason, failed to accurately receive the ballots cast on the day of the election, the Chair of the Governance and Nominating Committee may, in his or her absolute discretion, cause a revote to be held within thirty (30) days from the day of the election.
- (d) A recount or a revote, as the case may be, shall be presided over by the Chair of the Governance and Nominating Committee who,
 - (i) shall set a date for the recount or revote;
 - (ii) shall give notice in writing to all candidates at least fifteen (15) days before the date set for the recount or revote that a recount or revote has been required and the date on which it will be held;
 - (iii) shall ensure that all ballots and any record thereof are destroyed after thirty-one (31) days have expired following the report to the members of the results of the recount or revote;
 - (iv) shall declare the results of the recount or revote in the same manner as set out in Section 4.2; and
 - (v) report the results of the recount or revote to the members as soon as is practicable.
- (e) Where two or more candidates receive an equal number of votes on the recount or revote, the Chair of the Governance and Nominating Committee and the CEO shall repeat the procedure referred to in Subsection 4.2(c) unless such procedure was followed on the original ballot count, in which event the Chair of the Governance and Nominating

Committee shall certify that the candidate originally certified by the CEO to be elected under the procedure set out in Subsection 4.2(c) is elected.

5.2 Petition Against the Election

- (a) An Individual Member who is qualified to vote at an election of Directors may, where the Individual Member files a petition in accordance with Subsection 5.2(b), petition the Council against the election of any Director as not being duly elected or qualified to stand for election.
- (b) A petition shall,
 - (i) be filed with the Chair of the Governance and Nominating Committee within fourteen (14) days following the day on which the results of the election certified by the CEO under Subsection 4.2(b) are announced to the members; and
 - (ii) contain a statement, signed by an Individual Member qualified to vote at an election of the Directors, of the grounds on which the election is disputed.
- (c) A copy of the petition shall be delivered within fourteen (14) days of the filing of the petition with the Chair of the Governance and Nominating Committee to the Director whose election or qualification is being disputed.
- (d) Where a petition is filed with the Chair of the Governance and Nominating Committee and the Chair is of the opinion that the petition sets out grounds that indicate that the election was not held in accordance with this By-law, the Chair of the Governance and Nominating Committee shall so inform the Council and the Council shall appoint a committee to inquire into the matters raised in the petition and the committee shall report thereon to the Council as soon as is practicable.
- (e) The committee that is appointed under Subsection 5.2(d) shall appoint a day, time and place for the hearing of the petition and give notice thereof to the petitioner and the person who is the subject matter of the petition.
- (f) Upon receipt of a report of the committee appointed under Subsection 5.2(d), the Council shall determine whether the person who is the subject matter of the petition was duly elected or not or if the person was qualified to stand for election.
- (g) Where the person who is the subject matter of the petition is found to be not duly elected or not qualified to stand for election, the person shall be deemed to no longer be a Director and his or her place on the Council shall be considered to be vacant and shall be filled in accordance with Section 6.7 of By-law No. 1.
- (h) Where there has been a petition against the election of any Director as not being duly elected or qualified to stand for election, the Chair of the Governance and Nominating Committee shall ensure that all ballots and any record thereof are destroyed after thirty-one (31) days have expired following the determination of the Council under Subsection 5.2(g).

ARTICLE 6 EFFECTIVE DATE AND REPEAL

6.1 Effective Date

This By-law No. 2 shall be enacted by the Directors and confirmed, with or without variation, by the members at an annual or special meeting of members duly called for the purpose and shall come into effect upon confirmation by the members of the Corporation.

6.2 Repeal

- (a) By-law No. 21 relating to the composition and election of Council is hereby repealed and replaced by By-law No. 2 herein effective as of the date stated in Subsection 6.1.
- (b) The said repeal of By-law No. 21 shall not affect the previous operations of such By-law so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under the validity of any contract or agreement made pursuant to any such By-law prior to its repeal, except to the extent inconsistent with this By-law, and until amended or repealed.

ENACTED by the Directors of the Corporation this 6th day of March 2024.

BY-LAW NO. 3

A by-law relating to Licensees

REGISTERED INSURANCE BROKERS OF ONTARIO

March 2024

BY-LAW NO. 3

BE IT ENACTED as a By-law of the of the Registered Insurance Brokers of Ontario (the "Corporation") relating to the Licensees, as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

(a) Unless otherwise specified or the context requires, terms defined in By-law No. 1 shall have the same meaning in this By-law No. 3.

(b) In this By-law, unless the context otherwise requires:

"Active Firm Licensee" has the meaning ascribed to it in Section 4.2.

"Applicable Laws" means the Act, By-laws, Guidelines, the Code of Conduct and Principal Broker Handbook, where applicable and as the case may be.

"Certificate of Registration" means the certificate of registration issued in accordance with Article 2.

"Code of Conduct" means the Code of Conduct enacted under the Act, as amended from time to time, and every regulation that may be substituted therefor and, in the case of such substitution, any references in the By-laws to the provisions of the Code of Conduct shall be read as references to the substituted provisions therefor in the new regulation.

"Deputy Principal Broker" means an Individual Licensee appointed pursuant to Section 6.2.

"Guidelines" means a set of policies and procedures adopted by the Corporation covering various matters including but limited to requirements related to the Code of Conduct, disclosure of conflicts of interest, the use of unlicensed insurers, marketing guidelines, and fair treatment of consumers.

"Individual Licensee" has the meaning ascribed to it in Section 3.1.

"Firm" means sole proprietorship, corporation or partnership.

"Licensee" means an Individual Member and/or a Firm Member.

"Plan of Supervision" means a written set of policies and procedures that is established by a Principal Broker to ensure compliance with the Corporation's requirements.

"Principal Broker" means an Individual Licensee appointed pursuant to Section 6.1. A Principal Broker may also be referred to as a Designated Representative or Designated Individual.

“Principal Broker Handbook” means a written set of policies and procedures adopted by the Corporation in connection with the duties and responsibilities of Principal Brokers, Deputy Principal Brokers and Supervising Brokers.

“sponsored” means an Individual Licensee who is authorized to represent an Active Firm Licensee for the purposes of acting as an insurance broker.

“Supervising Broker” means an Individual Licensee appointed pursuant to Section 6.3.

1.2 Interpretation

Unless otherwise specified or the context requires,

- (a) the rules of interpretation set out in By-law No. 1 shall apply in this By-law No. 3;
- (b) references to Licensees shall include applicants for Registration.

1.3 Severability and Precedence

The invalidity or unenforceability of any provision of this By-law No. 3 shall not affect the validity or enforceability of the remaining provisions of this By-law No. 3. If any of the provisions contained in the By-law No. 3 are inconsistent with those contained in the Articles, the Act or the ONCA, the provisions contained in the Articles, the Act or the ONCA, as the case may be, shall prevail.

ARTICLE 2 REGISTRATION & RELATED MATTERS

2.1 General

- (a) Council, and where such powers are delegated to the Qualification and Registration Committee or the CEO, shall from time to time determine policies, procedures, forms, and other related matters respecting all categories of Registration.
- (b) The Qualification and Registration Committee shall determine the eligibility of applicants for a Certificate of Registration and renewals thereof.

2.2 Registration Application

- (a) An applicant for Registration as an Individual Licensee or Firm Licensee shall deliver to the CEO an application for Registration that is in the form, including supporting documentation, required by the CEO, and accompanied by a registration fee that may be fixed from time to time by resolution of the Council.
- (b) The CEO may require the applicant to provide additional information as may be determined upon review of the application for Registration. The applicant for Registration shall promptly respond and provide the requested information.
- (c) The CEO may return an application for Registration if it is incomplete, the registration fee is not paid, or the information requested in connection with the application for Registration is not provided in a timely manner.

2.3 Issuance of Certificate of Registration

- (a) The CEO shall issue a Certificate of Registration or renewal thereof to any applicant who is eligible, including an applicant for Registration as an Individual Licensee who is qualified and suitable to be Registered under the Act, and who has passed such examinations, and paid the applicable fee that may be fixed from time to time by resolution of the Council.
- (b) The CEO shall refer to the Qualification and Registration Committee every application for Registration or renewal thereof that the CEO proposes to refuse or impose conditions or limitations thereupon. The Qualification and Registration Committee may direct the CEO to issue or refuse to issue the Certificate of Registration and renewals thereof and/or impose conditions, limitations thereupon.
- (c) The Qualification and Registration Committee may require an applicant to take and pass such additional examinations as the Council may set or approve, complete such additional training as the Qualification and Registration Committee specifies or impose additional conditions in the Certificate of Registration as the Committee deems appropriate.
- (d) The Qualification and Registration Committee, and where such powers are delegated to the CEO, may exempt an applicant or waive any requirements of Registration upon the filing of an appropriate application.

2.4 Renewal of Certificate of Registration

- (a) A Licensee's Certificate of Registration is valid for one year – from October 1 to September 30.
- (b) Every Licensee's Registration shall be renewed each year by filing an application for renewal with the CEO and paying the annual renewal fee on or before August 31 of each year.
- (c) If a Licensee does not renew the Registration or pay the annual renewal fee, the Licensee's Registration will be put in administrative suspension in accordance with Subsection 8.2.
- (d) A Licensee whose Registration is suspended by virtue of Subsection 8.2 is not eligible to file an application for renewal.
- (e) Where no confirmation of the Registration reinstatement has been issued in accordance with Subsections 8.3(a), a Licensee's renewal application will be automatically refused by the CEO.

2.5 Conditions of Certificate of Registration

- (a) The Qualification and Registration Committee or Discipline Committee may impose specific restrictions on a Licensee's Registration as it considers appropriate.

- (b) The Qualification and Registration Committee may review the qualifications of a Licensee and may impose a limitation on the Licensee's Registration pending the demonstration of such standard of competence through the completion of such experience, courses of study or continuing education as the Committee specifies.

2.6 Request for Information

- (a) The CEO may request information at any time respecting the business of a Firm Licensee and the Firm Licensee shall file the requested information with the CEO within the prescribed timeframe.
- (b) The CEO may request information at any time regarding the Registration of an Individual Licensee and the Individual Licensee shall file the requested information with the CEO within the prescribed timeframe.

2.7 Notification Requirements

- (a) An Individual Licensee shall notify the CEO within ten (10) calendar days where the Licensee or any business the Licensee owns, or has participated in as a director, officer, or partner of the following:
 - (i) any discipline by any financial sector regulator or any professional or occupational body;
 - (ii) charges or convictions of any criminal offence;
 - (iii) a judgment rendered in relation to any insurance activities, fraud, or breach of trust;
 - (iv) bankruptcies;
 - (v) an Individual Licensee's employment or sponsorship is withdrawn or changed;
 - (vi) any change in name;
 - (vii) any change in contact information;
 - (viii) suspension of an authorization or withdrawal of a Principal Broker, Deputy Broker or Supervising Broker;
 - (ix) any new or changes to the licensee's secondary employment outside of being an insurance broker, if one is approved in accordance with Subsection 3.2(b); and
 - (x) any additional information specified from time to time in Guidelines.
- (b) A Principal Broker shall notify the CEO within ten (10) calendar days if the Principal Broker's Firm:

- (i) has been disciplined by any financial sector regulator or any professional or occupational body;
- (ii) has a judgment rendered in relation to any insurance activities, fraud, or breach of trust;
- (iii) declares bankruptcy;
- (iv) has appointed a new Principal broker and a former Principal Broker's authorization to represent the Firm is withdrawn;
- (v) has appointed one or more Deputy Principal Brokers or Supervising Brokers as the case may be;
- (vi) has changed its name, including trade names;
- (vii) has changed coverage for Errors and Omissions or Fidelity insurance, or the policies in respect of such coverage has lapsed or been cancelled;
- (viii) ownership has materially changed, including share purchase, asset purchase, and amalgamation transactions;
- (ix) contact information has changed;
- (x) has material changes in its brokerage contracts with insurers or the markets the Firm represents; and
- (xi) any additional information specified from time to time in the Guidelines.

2.8 Fees

Council may fix and provide for the payment of fees by Licensees related to the administration of the Act.

ARTICLE 3 INDIVIDUAL CLASSES OF REGISTRATION

3.1 Individual Classes of Registration

Subject to the Act, there shall be three classes of individual Registration, namely:

- Level 1 Licensee;
- Level 2 Licensee; and
- Level 3 Licensee (together, "Individual Licensees").

3.2 General Conditions Applicable to Individual Licensees

- (a) An Individual Licensee shall be the Individual Member, who

- (i) has attained the age of majority,
 - (ii) is of good character and has demonstrated reasonable grounds for belief that the individual will carry on insurance business in accordance with the Applicable Laws,
 - (iii) has not been convicted of any offence, the nature of which renders the individual unfit to act as an insurance broker,
 - (iv) has not been refused a licence under the Insurance Act or had a licence suspended or revoked for a reason that renders the individual unfit to act as an insurance broker,
 - (v) satisfies the educational and experience requirements established by the Qualification and Registration Committee, and
 - (vi) has complied with the Applicable Law.
- (b) the Individual Licensee's only business or employment is that of,
- (i) an insurance broker,
 - (ii) an insurance broker and life insurance agent, or
 - (iii) such other business as the Qualification and Registration Committee considers appropriate when carried on in accordance with such terms as the Committee stipulates;
- (c) An Individual Licensee shall comply with the continuing education requirements set out in Article 7.
- (d) An Individual Licensee is authorized to use the title "registered insurance broker" or "courtiers d'assurances inscrit" or the designation "R.I.B. (Ont.)" or "C.A.I. (Ont.)" or other designation representing or similar to the title.
- (e) An Individual Licensee shall only hold itself out as an insurance broker or conduct business under the Individual Licensee's name that appears on their Certificate of Registration.
- (f) An Individual Licensee shall maintain a mailing address in Ontario, which address shall be suitable to permit service by registered mail and shall register the mailing address with the CEO.

3.3 Level 1 Licensee

- (a) A Level 1 Licensee shall be an Individual Member who:
- (i) acts under the supervision of a Principal Broker;
 - (ii) is employed or sponsored by an Active Firm Licensee;

- (iii) has passed the appropriate examination(s) or other equivalent courses or exams as established from time to time by the Council to be qualified as a Level 1 Licensee; and
 - (iv) if the Qualification and Registration Committee so requires, takes and/or passes any additional examinations and/or additional training that the Qualification and Registration Committee may specify.
- (b) A Level 1 Licensee shall not act in the capacity of Principal Broker, Deputy Principal Broker or Supervising Broker.

3.4 Level 2 Licensee

- (a) A Level 2 Licensee shall be an Individual Member who:
- (i) acts under the supervision of a Principal Broker,
 - (ii) is employed or sponsored by an Active Firm Licensee;
 - (iii) has passed the appropriate examination(s) or other equivalent courses or exams as established from time to time by the Council to be qualified as a Level 2 Licensee; and
 - (iv) if the Qualification and Registration Committee so requires, takes and/or passes any additional examinations and/or additional training that the Qualification and Registration Committee may specify.
- (b) A Level 2 Licensee shall not act in the capacity of Principal Broker, Deputy Principal Broker or Supervising Broker

3.5 Level 3 Licensee

- (a) A Level 3 Licensee shall be an Individual Member who:
- (i) has been licensed as either a Level 1 or Level 2 Licensee continuously for a period of 24 months;
 - (ii) is employed or sponsored by an Active Firm Licensee;
 - (iii) has passed the appropriate examination(s) or other equivalent courses or exams as established from time to time by the Council to be qualified as a Level 3 Licensee; and
 - (iv) if the Qualification and Registration Committee so requires, takes and/or passes any additional examinations and/or additional training that the Qualification and Registration Committee may specify.

- (b) The Qualification and Registration Committee may waive the experience requirement set out in Subsection 3.5(a)(i) upon filing an application and supporting documentation, as may established by the Qualification and Registration Committee from time to time.
- (c) A Level 3 Licensee shall not be a Principal Broker, Deputy Principal Broker or Supervising Broker unless the Level 3 Licensee is appointed in accordance with Article 6.

ARTICLE 4 FIRM CLASSES OF REGISTRATION

4.1 Firm Classes of Registration

Subject to the Act, there shall be three classes of Firm Registration, namely:

- Active Firm Licensee; Non-Active Firm Licensee; and
- Consultant Firm Licensee.

4.2 Active Firm Licensee

- (a) An Active Firm Licensee is a Firm Member.
- (b) The following terms and conditions apply to an Active Firm Licensee:
 - (i) The Active Firm Licensee's only business conducted by it is that of,
 - an insurance broker;
 - an insurance broker and life insurance agent; or
 - such other business as the Qualification and Registration Committee considers appropriate when carried on in accordance with such terms as the Committee stipulates.
 - (ii) An Active Firm Licensee shall designate, and maintain such designation at all times, a Level 3 Licensee qualified in accordance with Section 6.1 to be the Principal Broker of the Active Firm Licensee.
 - (iii) An Active Firm Licensee shall act as an insurance broker under the direction and supervision of a Principal Broker in accordance with Article 6.
 - (iv) An Active Firm Licensee shall maintain a Registration and ensure the Certificate of Registration is renewed annually pursuant to Subsection 2.4.
 - (v) An Active Firm Licensee shall obtain and maintain at least two letters of intent or two brokerage contracts with insurance companies that are licensed in the Province of Ontario, and shall comply with any Guidelines, exemptions and/or limitations that the Qualification and Registration Committee may establish.

- (vi) An Active Firm Licensee and/or a member who is licensed or registered as an insurance broker or agent in other provinces of Canada shall comply with the trust funds and trust accounts related requirements set out in the Act. The Council or if delegated to a Committee or the CEO, may impose additional terms and conditions as it considers appropriate.
- (vii) An Active Firm Licensee shall maintain, at all times, an equity capitalization of not less than an amount equal to the maximum deductible amount of the Active Firm's Errors and Omissions and Fidelity insurance policies or in the case of a Firm Licensee who is a
 - (A) sole proprietor, \$2,500; or
 - (B) corporation or partnership, \$5,000, whichever is the greater.
- (viii) Subject to the Act, an Active Firm Licensee shall maintain and provide copies of mandatory insurance policy documents to the CEO, annually and upon request, which satisfy the following minimum requirements:
 - (A) Professional Errors and Omissions insurance with extended coverage for loss resulting from fraudulent acts, of at least \$3 million per claim and \$6 million in aggregate for each Licensee or some other form of financial guarantee;
 - (B) Fidelity Bond or Crime Insurance insuring against losses arising from fraudulent or dishonest acts of employees, a proprietor or partners, directors, officers, and shareholders of at least \$100,000 per claim for each Licensee.

Such policy documents shall be issued in the Active Firm's registered name, including trade names, and shall be underwritten by insurers licensed in the Province of Ontario and contain an endorsement that stipulates that the CEO shall be given written notice of any cancellation or non-renewal of such policy and that the cancellation or non-renewal of such policy does not become effective until thirty (30) days after the receipt of such notice by the CEO.

- (ix) An Active Firm Licensee is required to complete and file with the CEO annually –
 - (A) within ninety (90) days following the Active Firm Licensee’s fiscal year-end, and
 - (B) within ninety (90) days of the day that falls six (6) months after the most recent fiscal year-end

a position report in the form approved by the Council presenting fairly the Active Firm Licensee’s financial and trust positions as of its fiscal year-end, and providing such details as may be required with respect to the Active Firm Licensee’s financial guarantees and the markets with which the Active Firm Licensee places insurance, and such other information as is required on the form.

- (x) An Active Firm Licensee shall only hold itself out as an insurance broker and conduct business under the name(s) that has been registered with the appropriate government authority in Ontario, and the proof of which has been submitted to the Corporation.
- (xi) An Active Firm Licensee shall maintain a mailing address in Ontario, which address shall be suitable to permit service by registered mail and shall register the mailing address with the CEO.

4.3 Non-Active Firm Licensee

- (a) A Non-Active Firm Licensee is a Firm Member that receives payment for insurance brokering services, including but not limited to commissions payments.
- (b) Non-Active Firm Licensee’s only business conducted by it is that of,
 - (i) an insurance broker, brokerage or
 - (ii) an insurance broker and life insurance agent, agency and
 - (iii) such other business as the Qualification and Registration Committee considers appropriate when carried on in accordance with such terms as the Committee stipulates.
- (c) A Non-Active Firm Licensee’s corporate structure is characterised by one or more of the following parameters:
 - (i) clusters affiliated with an Active Firm Licensee doing the trading and holding the insurer contracts;
 - (ii) corporate partnerships where two or more corporations join to form a partnership; or

- (iii) personal services businesses whereby the majority of the issued and outstanding shares of the corporation shall be legally and beneficially owned by one or more Individual Licensee(s) or Active Firm Licensee(s).
- (d) The Qualification and Registration Committee may waive the requirement for a Non-Active Firm Licensee to act under the direction and supervision of a Principal Broker, when the Non-Active Firm Licensee is a personal services business whereby the issued and outstanding shares of the Non-Active Firm Licensee are owned by an individual who is a Level 1 or Level 2 Licensee (“Individual Owner”).
- (e) A Non-Active Firm Licensee shall maintain Errors and Omissions insurance at least equal to the minimum coverage applicable to an Active Firm Licensee. A Non Active Firm may be added to the Errors & Omissions policy of the Active Firm Licensee under whom the Individual Owner is employed or personally registered.
- (f) The Principal Broker designated to represent the Non-Active Firm Licensee or the Individual Owner shall maintain Licensee’s Registration, and ensure the Non Active Firm’s Registration is renewed annually pursuant to Subsection 2.4.
- (g) A Non-Active Firm Licensee is not permitted to:
 - (i) hold trust funds;
 - (ii) hold any insurance contracts;
 - (iii) be paid any moneys from insureds; and
 - (iv) hold itself in any way to the public as an insurance broker including but not limited to names on signage, letterhead, or business cards; or carry on any business other than that of a non-active insurance broker.
- (h) A Non-Active Firm Licensee shall maintain a mailing address in Ontario, which address shall be suitable to permit service by registered mail and shall register the mailing address with the CEO.

4.4 ConsultantA Consultant Firm Licensee shall maintain Errors and Omissions insurance at least equal to the minimum coverage applicable to an Active Firm Licensee.

- (b) A Consultant Firm Licensee shall hold a Fidelity bond or Crime Insurance at least equal to the minimum coverage applicable to an Active Firm Licensee.
- (c) A Consultant Firm Licensee is restricted to providing consulting services, and is not authorized to:
 - (i) deal directly with any member of the public in the sale of general insurance products, including acting or aiding in the soliciting or placing of any insurance policy or programme;

- (ii) have agreements with insurers allowing them to bind coverage or countersign insurance documents on behalf of insurers;
 - (iii) hold shares in or being a partner of any insurance agent or insurer, or of any other member whose registration is not also restricted to consulting.
 - (iv) receive compensation of any kind from any insurance agent or insurer or from any other member whose registration is not also restricted to consulting;
 - (v) have shareholders who are insurance agents or insurers or who are members whose Registration is not also restricted to consulting; or
 - (vi) hold itself out or advertise by means of advertisements, cards, circulars, letterhead, signs or be associated in any way with the general public in the trading of general insurance.
- (d) A Consultant Firm Licensee shall maintain a Registration and ensure their Certificate of Registration is renewed annually pursuant to Subsection 2.4.
- (e) A Consultant Firm Licensee shall maintain a mailing address in Ontario, which address shall be suitable to permit service by registered mail and shall register the mailing address with the CEO.

ARTICLE 5 OUT OF PROVINCE LICENSEES

5.1 Out of Province Licensees

- (a) Where a licensee is a resident of a jurisdiction within Canada, other than the province of Ontario, the applicant is required to:
- (i) be licensed as an insurance agent or insurance broker for the same class of insurance in the applicant licensee's home jurisdiction; or
 - (ii) provide evidence that activities authorized under the class of licence being applied for are exempt from licensing in the applicant's home jurisdiction.
- (b) Reciprocal qualification requirements contained in Article 705: Certification of Worker of the Canadian Free Trade Agreement (2017), as amended from time to time, apply to Out of Province Licensees who also maintain a licence as an agent

or broker for the same class of insurance in the licensee's home jurisdiction; and are incorporated by reference into this By-law
- (c) Where an applicant or licensee is a resident of a jurisdiction within Canada, other than the province of Ontario, the applicant or licensee shall be subject to the Applicable Laws to the extent applicable.

5.2 Out of Country Licensees

- (a) Where a licensee is a resident of a jurisdiction outside of Canada, the applicant is required to:
 - (i) be licensed as an insurance agent or insurance broker for the same class of insurance in the applicant licensee's home jurisdiction; or
 - (ii) provide evidence that activities authorized under the class of licence being applied for are exempt from licensing in the applicant's home jurisdiction.
- (b) The reciprocal requirements referred to in Subsection 5.1(b) do not apply to Out of Country Licensees.

ARTICLE 6 PRINCIPAL BROKER, DEPUTY PRINCIPAL BROKER AND
SUPERVISING BROKER

6.1 Principal Broker

- (a) A Level 3 Licensee may be appointed as a Principal Broker of a Firm Licensee provided the Individual Licensee:
 - (i) is the sole proprietor or an employee of a sole proprietorship, a partner or an officer or director of the corporation, as appropriate;
 - (ii) is not in default of paying any fees due under the Act or the By-laws;
 - (iii) is not, at the time the notification referred to in Subsection 6.1(b) is the subject of a complaint referred to the Discipline Committee or the subject of disciplinary proceedings before the Discipline Committee;
 - (iv) is not the subject of an outstanding order of the Discipline Committee;
 - (v) directs and supervises an Active Firm Licensee, its employees and other Individual Licensees that are sponsored by an Active Firm Licensee in acting as an insurance broker; and
 - (vi) has the authority to act in its name and on its behalf regarding applications or reports required under the Act or the By-laws.
- (b) A Level 3 Licensee shall not be designated as a Principal Broker until the Licensee has notified the CEO in writing and provided evidence that the Licensee meets the criteria described in Subsection 6.1(a) and the CEO has acknowledged the notice in writing.
- (c) In order to maintain their status as a Principal Broker, the Principal Broker shall meet the continuing education requirements set out in Section 7.2 and comply with the Applicable Laws.
- (d) The provision of direction and supervision by the Principal Broker shall include but not be limited to the following responsibilities:

- (i) all Licensees for whom the Principal Broker has responsibilities of direction and supervision comply with the Applicable Laws.
 - (ii) all Licensees for whom the Principal Broker has responsibilities of direction and supervision are provided with and use all information respecting insurance necessary for them to act in accordance with the Applicable Laws and without misconduct or incompetence as defined or described in the Act;
 - (iii) all trust accounts and books, records and accounts are maintained in accordance with the Act;
 - (iv) all Errors and Omissions Liability insurance, and/or other forms of financial guarantee, and all fidelity insurance are maintained in accordance with the Act and in the form specified in the By-laws;
 - (v) all required filings are made in accordance with the Act and related directions provided by and within the time period specified by the CEO in respect of those filings;
 - (vi) applications for renewal and annual renewal fees and assessments are paid in accordance with the Act;
 - (vii) no director, partner or employee of the Principal Broker's Active Firm who is not Registered acts as an insurance broker; and
 - (viii) procedures and a written Plan of Supervision are established and followed to ensure compliance with the relevant requirements set out in the Applicable Laws.
- (e) In discharging responsibilities set out in Subsection 6.1(d), the Principal Broker is required to exercise reasonable diligence.
- (f) The Principal Broker of a sole proprietorship shall be the sole proprietor or owner of the business, unless the sole proprietor notifies the Corporation in writing that the sole proprietorship acts as an insurance broker under the direction and supervision of an employee who is an Individual Member and such employee, naming him, has the authority to act in the name of and on behalf of the sole proprietorship regarding applications or reports made to the CEO under the Act or By-laws.
- (g) The Principal Broker shall, at the request of the CEO, attend any hearing or attend before any panel of any Committee concerning the conduct or competence or qualifications of any Licensee, for whom the Principal Broker has responsibilities of direction and supervision.
- (h) A Principal Broker may appoint one or more Deputy Principal Brokers or Supervising Brokers and if so appointed, shall prescribe duties in writing that are consistent with the Applicable Laws. A Principal Broker who has been named by a sole proprietor in

accordance with Section 6.1(f) to act in the name of and on behalf of the sole proprietorship regarding applications or reports made to the CEO, may also appoint a Deputy Principal Broker or Supervising broker as the case may be.

- (i) Despite any appointment and delegation of the duties made pursuant to Subsection 6.1(h), a Principal Broker continues to be subject to and remains responsible for compliance with the responsibilities set out in the Applicable Laws.

6.2 Deputy Principal Broker

(a) A Level 3 Licensee may be appointed as a Deputy Principal Broker of a Firm Licensee provided the Individual Licensee:

- (i) is an employee or a person authorized to represent a sole proprietorship, a partner or an officer or director of the corporation, as appropriate;
 - (ii) is not in default of paying any fees due under the Act or the By-laws;
 - (iii) is not, at the time the notification referred to in Subsection 6.2(b) is made, the subject of a complaint referred to the Discipline Committee or the subject of disciplinary proceedings before the Discipline Committee;
 - (iv) is not the subject of an outstanding order of the Discipline Committee.
- (b) A Level 3 Licensee shall not be appointed as a Deputy Principal Broker until he or she has notified the CEO in writing and provided evidence that he or she meets the criteria described in Subsection 6.2(a) and the CEO has acknowledged the notice in writing.
- (c) Except for Subsection 6.1(h), the duties and powers of a Principal Broker set forth in Subsection 6.1 may be performed or exercised by a Deputy Principal Broker appointed by the Principal Broker, or if there are more than one appointed, by the Deputy Principal Brokers in order of seniority (as determined by the Principal Broker). A Deputy Principal Broker shall perform such duties and exercise such powers as may from time to time be prescribed to him or her in writing by the Principal Broker.
- (d) Responsibilities set out in the Act and By-laws for a Principal Broker apply to a Deputy Principal Broker to the extent those duties and powers have been prescribed to a Deputy Principal Broker in writing by the Principal Broker.
- (e) In order to maintain their status as a Deputy Principal Broker, the Deputy Principal Broker shall meet the continuing education study requirements set out in Section 7.2.

6.3 Supervising Broker

(a) A Level 3 Licensee may be appointed as a Supervising Broker of a Firm Licensee provided the Individual Licensee:

- (i) is not in default of paying any fees due under the Act or the By-laws;

- (ii) is not, at the time the notification referred to in Subsection 6.3(b) is made, the subject of a complaint referred to the Discipline Committee or the subject of disciplinary proceedings before the Discipline Committee;
 - (iii) is not the subject of an outstanding order of the Discipline Committee.
- (b) A Level 3 Licensee shall not be appointed as a Supervising Broker until he or she has notified the CEO in writing and provided evidence that he or she meets the criteria described in Subsection 6.3(a) and the CEO has acknowledged the notice in writing.
 - (c) Except for Subsection 6.1(h), the duties and powers of a Principal Broker set forth in Subsection 6.1 may be performed or exercised by a Supervising Broker appointed by the Principal Broker, or if there are more than one appointed, by the Supervising Brokers in order of seniority (as determined by the Principal Broker). A Supervising Broker shall perform such duties and exercise such powers as may from time to time be prescribed to him or her in writing by the Principal Broker.
 - (d) Responsibilities set out in the Act and By-laws apply to the Supervising Broker to the extent those duties and powers have been prescribed to a Supervising Broker in writing by the Principal Broker.
 - (e) In order to maintain their status as a Supervising Broker, the Supervising Broker shall meet the continuing education study requirements set out in Section 7.2.

ARTICLE 7 CONTINUING EDUCATION REQUIREMENTS

7.1 Individual Licensee

- (a) An Individual Licensee who is not appointed as a Principal Broker, Deputy Principal Broker or Supervising Broker shall, on or before September 30th, and within each 12-month period thereafter, complete to the satisfaction of the CEO

such number of accredited continuing education study hours in respect of the courses, determined and/or approved by the Council or, if delegated, by the Qualification and Registration Committee or the CEO.
- (b) A Principal Broker, Deputy Principal Broker or Supervising Broker may apply to the CEO on behalf of an Individual Licensee for an exemption from the continuing education requirements, or extension of the time period referred to in Subsection 7.1(a), and upon being satisfied that there is sufficient reason to do so, the CEO may exempt the Individual Licensee from the requirements, or extend the time period, for a specified period. Such a specified period may be extended for another specified period or periods upon a similar application or applications by the Principal Broker.
- (c) The CEO may exempt the Individual Licensee from the requirements or may extend the period referred to in Subsection 7.1(a) in circumstances of illness, disability of an individual member and/or other approved leave under the Employment Standards Act, 2000.

- (d) Unless an Individual Licensee is exempted pursuant to Subsections 7.1(b) or 7.1(c), the Individual Licensee who fails to comply with continuing education requirements will have his or her Registration suspended pursuant to Subsection 8.2(a)(iii).

7.2 Principal Broker, Deputy Principal Broker and Supervising Broker

- (a) Each Principal Broker, Deputy Principal Broker or Supervising Broker shall, on or before September 30th, and within each 12-month period thereafter, complete to the satisfaction of the CEO such number of accredited continuing education study hours, as determined and/or approved by Council or, if delegated, by the Qualification and Registration Committee or the CEO.
- (b) A Principal Broker, Deputy Principal Broker, or Supervising Broker may apply to the CEO for an exemption from the requirements of, or extension of the time period referred to in Subsection 7.2(a), and upon being satisfied that there is sufficient reason to do so, the CEO may exempt the Principal Broker, Deputy Principal Broker, or Supervising Broker from the requirements, or extend the time period, for a specified period. Such specified period may be extended for another specified period or periods upon a similar application or applications by the principal broker.
- (c) The CEO may extend the period referred to in Subsection 7.2(b) in circumstances of illness of a Principal Broker, Deputy Principal Broker, or Supervising Broker or in circumstances of the appointment of another Principal Broker after the death of a Principal Broker.
- (d) Unless exempted in accordance with section 7.2(c), if a Principal Broker, Deputy Principal Broker or Supervising Broker fails to comply with continuing education requirements, the Individual Licensee's
 - (i) Appointment as a Principal Broker, Deputy Principal Broker, or Supervising Broker shall be automatically removed, and the Licensee shall not be entitled to become a Principal Broker, Deputy Principal Broker or Supervising Broker until they have completed the study hours referred to in section 7.2(a); and
 - (ii) Registration shall be suspended in accordance with Subsection 8.2(a)(iii)

7.3 Accredited Courses

The CEO may accredit certain courses that meet criteria as established from time to time by Council within a category or a knowledge area that can allow Individual Licensees, Principal Brokers, Deputy Principal Brokers or Supervising Brokers, to satisfy annual continuing education requirements that have been set by the Council, or if so, delegated to a Committee or the CEO. The CEO may charge fees that the Council may set in relation to their accreditation of courses.

Council may establish criteria to authorize third-party organizations to self-accredit courses that meet criteria for self-accreditation and that adhere to requirements applying to courses that are required to satisfy the annual continuing education requirements. The CEO may charge fees that the Council may set in relation to the self-accreditation of courses.

ARTICLE 8 ADMINISTRATION OF REGISTRATION

8.1 Inactive Registration

- (a) If the Individual Licensee ceases to act as a sole proprietor or be employed or sponsored by an Active Firm, the Individual Licensee's Registration becomes inactive, and the Individual Licensee shall not carry on business as an insurance broker ("Inactive Registration").
- (b) If an Individual Licensee, while holding an Inactive Registration, becomes employed by a business that (i) is not an insurance business or (ii) was not previously approved by the Qualification and Registration Committee in accordance with Subsection 3.2(b)(iii), the Individual Licensee shall:
 - (i) give notice in writing to the CEO within ten (10) calendar days of becoming employed by such business, and
 - (ii) resign their Registration in accordance with Section 8.5.
- (c) Subject to Subsection 8.1(e), when an Individual Licensee holds Inactive Registration, and such Registration has not been suspended in accordance with Section 8.2 or cancelled in accordance with Sections 8.4 and 8.5, Inactive Registration shall be returned to active status within 12 months of becoming inactive by filing with the CEO a written confirmation that the Individual Licensee has become employed or is being sponsored by an Active Firm and providing supporting documentation.
- (d) If the Individual Licensee does not (i) give notice in writing to the CEO and/or (ii) resign the Registration in accordance with Subsection 8.1(b), the Inactive Registration will be suspended in accordance with Section 8.2.
- (e) An Individual Licensee may apply within 12 months of becoming inactive to the CEO to extend the Licensee's Inactive Registration. The CEO may approve or deny such application and if the CEO intends to deny will be referred to Q&R.
- (f) If the CEO approves the application submitted pursuant to Subsection 8.1(e), the Individual Licensee shall:
 - (i) comply with the continuing education requirements set out in Article 7;
 - (ii) file a renewal application and pay annual renewal fees in accordance with Subsection 2.4; and
 - (iii) comply with the Applicable Laws;
 - (iv) comply with any other conditions that may be set by the Qualification and Registration Committee.
- (g) The CEO shall refer to the Qualification and Registration Committee every application submitted pursuant to Subsection 8.1(e) that the CEO proposes to refuse or impose

conditions or limitations thereupon. The Qualification and Registration Committee may direct the CEO to approve or deny extending the Licensee's Inactive Registration.

- (h) The Applicable Laws continue to apply to an Individual Licensee who hold Inactive Registration to the extent applicable.

8.2 Administrative Suspension of Registration

- (a) In order to avoid administrative suspension, the Licensee must:
 - (i) renew the Licensee's Registration in accordance with Section 2.4;
 - (ii) pay annual renewal fees;
 - (iii) in the case of an Individual Licensee, comply with the continuing education requirements set out in Article 7;
 - (iv) in the case of an Individual Licensee who holds Inactive Registration, maintains Inactive Registration in accordance with Section 8.1;
 - (v) in the case of an Active Firm Licensee, the Firm must:
 - (A) maintain at all times an Individual Licensee appointed as a Principal Broker; and
 - (B) meet the financial and insurance requirements set out in Subsections 4.2(b)(vi), 4.2(b)(vii) and 4.2(b)(viii).
- (b) If the Licensee fails to meet its obligations pursuant to Subsection 8.2(a), the CEO shall serve a Notice of Suspension identifying the terms to be fulfilled before the administrative suspension can be lifted and allowing the Licensee 30 calendar days to comply with such Notice.
- (c) If the Licensee fails to fulfill the terms included in the Notice of Suspension given pursuant to Subsection 8.2(b), the CEO shall suspend the Licensee's Registration without further notice.
- (d) Any Notice of Suspension delivered to an Individual Licensee under Subsection under 8.2(a)(i), 8.2(a)(ii) and 8.2(a)(iii) shall be provided to the Principal Broker responsible for supervising the Individual Licensee.
- (e) Despite Subsection 8.2(b), the CEO shall suspend the Licensee Registration immediately if:
 - (i) There are reasonable and probable grounds to believe that the Licensee is operating in a manner that creates an immediate risk to the public;
 - (ii) The Active Firm fails to maintain the required Errors and Omissions and Fidelity or Crime insurance policy coverage;

- (iii) An Individual Licensee's qualifying exam(s) results become nullified.
- (f) The CEO shall serve on the Licensee whose Registration is suspended in accordance with Subsection 8.2(e) a Notice of Suspension notifying the Licensee of the suspension and identifying the terms outlined in the Notice to be fulfilled before the Licensee Registration can be reinstated.
- (g) A Licensee whose Registration is suspended pursuant to this Section 8.2 shall not carry on business as an insurance broker.
- (h) The Applicable Laws continue to apply to the extent applicable to the Licensee whose Registration is suspended.

8.3 Removal of Suspension

- (a) Where a Licensee's Registration is suspended pursuant to Section 8.2, the suspension shall be removed once the following conditions are met:
 - (i) The fulfillment to the satisfaction of the CEO of the terms of the Notice of Suspension given pursuant to Subsections 8.2(b) and/or 8.2(f);
 - (ii) the payment of the fees specified in the Notice of Suspension; and
 - (iii) receipt of the CEO's confirmation that the suspension has been removed.

8.4 Cancellation of Registration

- (a) Where Licensee's Registration is suspended pursuant to Section 8.2, and if the Licensee – within 12 months of the date on which the Registration became suspended – has not fulfilled all conditions set out in the Notice of Suspension, the Licensee's Registration will be cancelled.
- (b) The CEO shall give Notice of Cancellation to the Licensee 30 calendar days prior to the Registration being cancelled.
- (c) If the Licensee's Registration is cancelled pursuant to Subsection 8.4(a), and the Licensee wishes to become Registered, a new application for Registration is required to be filed in accordance with Article 2.

8.5 Resignation of Registration

- (a) A Licensee may resign his or her Registration by filing with the CEO a resignation in writing, provided the following conditions are met at the time of the filing of a resignation:
 - (i) There are no outstanding matters in connection with the Registration, including but limited to required filings, fees, complaints and fines;

- (ii) The Licensee is not the subject of (i) a complaint referred to the Complaints or Discipline Committees or the subject of disciplinary proceedings before the Discipline Committee or (ii) an outstanding order of the Discipline Committee;
- (iii) In the case of a Firm Licensee,
 - (A) Processing and servicing of the book of business is completed;
 - (B) Endorsements and cancellations are transacted, issued, and sent;
 - (C) All trust obligations to insurers and insureds have been fulfilled;
 - (D) Errors and Omissions insurance tail coverage remains for prior acts in place for a minimum of one year.
- (b) Upon receipt of the resignation request and subject to the CEO confirming that there are no outstanding matters, the CEO will cancel the Registration and notify the Licensee in writing.
- (c) A Licensee that has resigned the Registration pursuant to Subsection 8.5(a) may, within 24 months of the date of resignation, request a reinstatement, provided the Licensee meets the following requirements:
 - (i) the Licensee completes an application for reinstatement and provides supporting documentation demonstrating the Licensee's eligibility to be Registered;
 - (ii) pays the applicable fee; and
 - (iii) in the case of an Individual Licensee, confirms that the Licensee has been complying with continuing education requirements as though the Licensee has always been Registered.

8.6 Continuing Jurisdiction of Corporation

A Licensee whose Registration is (i) suspended pursuant to Section 8.2, (ii) cancelled pursuant Sections 8.4 or 8.5 remains subject to the continuing jurisdiction of the Corporation in respect of an investigation or disciplinary proceeding arising from their conduct while Registered.

ARTICLE 9 TRANSITIONAL PROVISIONS

9.1 Transition

- (a) Upon this By-law coming into effect, the Licensees at the time when this By-law comes into effect in the following classes:
 - (i) Acting Under Supervision;

- (ii) Acting Under Supervision (no Travel, no Accident and Sickness); and (iii) Acting under Supervision (including Travel, no Accident and Sickness) shall continue to be the Level 1 Licensees.
- (b) Upon this By-law coming into effect, the Licensees at the time when this By-law comes into effect in the following classes:
 - (i) Unrestricted Technical;
 - (ii) Unrestricted Technical (no Travel, no Accident and Sickness); and (iii) Unrestricted Technical (including Travel, no Accident & Sickness) shall continue to be the Level 2 Licensees.
- (c) Upon this By-law coming into effect, the Licensees at the time when this By-law comes into effect in the following classes:
 - (i) Unrestricted;
 - (ii) Unrestricted (no Travel, no Accident and Sickness); and
 - (iii) Unrestricted (including Travel, no Accident & Sickness) shall continue to be the Level 3 Licensees.

ARTICLE 10 EFFECTIVE DATE AND REPEAL

10.1 Effective Date

This By-law No. 3 shall be enacted by the Directors and confirmed, with or without variation, by the members at an annual or special meeting of members duly called for the purpose and shall come into effect upon confirmation by the members of the Corporation.

10.2 Repeal

- (a) By-law No. 20 relating to the application for a certificate of registration and information changes along with any related forms are hereby repealed and replaced by this By-law No. 3 herein effective as of the date stated in Subsection 10.1.
- (b) The said repeal of By-law No. 20 shall not affect the previous operations of such By-law so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under the validity of any contract or agreement made pursuant to any such By-law prior to its repeal, except to the extent inconsistent with this By-law, and until amended or repealed.

ENACTED by the Directors of the Corporation this 6th day of March, 2024.

R.R.O. 1990, REGULATION 990
EXEMPTIONS

Consolidation Period: From December 31, 1990 to the [e-Laws currency date](#).

No amendments.

This Regulation is made in English only.

1. Every member in good standing of the Risk Management Consultants of Ontario who provides only risk management consulting services and who does not engage in any other activity normally carried out by an insurance broker is exempt from the provisions of the Act and the regulations. R.R.O. 1990, Reg. 990, s. 1.

ONTARIO REGULATION 308/98
COMPOSITION OF COUNCIL

Consolidation Period: From June 19, 1998 to the [e-Laws currency date](#).

No amendments.

This Regulation is made in English only.

1. Despite clauses 6 (2) (a) and (b) of the Act,
 - (a) the number of individual members of the Corporation elected to the Council by the members of the Corporation shall be nine; and
 - (b) the number of persons appointed to the Council by the Lieutenant Governor in Council shall be four. O. Reg. 308/98, s. 1.
2. OMITTED (REVOKES OTHER REGULATIONS). O. Reg. 308/98, s. 2.

R.R.O. 1990, REGULATION 991
GENERAL

Consolidation Period: From June 8, 2019 to the [e-Laws currency date](#).

Last amendment: 143/19.

Legislative History: 72/96, 309/98, 410/04, 125/18,
143/19. *This Regulation is made in English only.*

1. REVOKED: O. Reg. 410/04, s. 1.

2.-4. REVOKED: O. Reg. 309/98, s. 1.

5. (1) An individual is qualified to be issued and hold a certificate of registration as an insurance broker where,

(a) the individual,

(i) has attained the age of majority,

(ii) is of good character and has demonstrated reasonable grounds for belief that he or she will carry on business in accordance with law, integrity and honesty,

(iii) has not been convicted of any offence the nature of which renders him or her unfit to act as a broker,

(iv) has not been refused a licence under the *Insurance Act* or had a licence suspended or revoked for a reason that renders him or her unfit to act as an insurance broker,

(v) satisfies the educational and experience requirements established by the Qualification and Registration Committee, and

(vi) has complied with the provisions of this Regulation;

(b) the individual's only business or employment is that of,

(i) an insurance broker, or

(ii) an insurance broker and life insurance agent, and

(iii) such other business as the Qualification and Registration Committee considers appropriate when carried on in accordance with such terms as the Committee stipulates;

(c) the individual carries on the business of an insurance broker as a sole proprietor, as a partner of a partnership or as an employee of a member who is a sole proprietor, partnership or corporation; and

(d) the individual complies with the continuing education requirements established by the Council.
R.R.O. 1990, Reg. 991, s. 5 (1); O. Reg. 309/98, s. 2.

(2) Clause (1) (b) does not apply to disqualify an individual who,

(a) became registered under section 36 of the Act;

(b) conducted or was employed in the additional business immediately preceding the 1st day of October, 1981; and

(c) immediately preceding the 1st day of October, 1981, was not in contravention of the *Insurance Act* or the regulations thereunder by continuing the additional business. R.R.O. 1990, Reg. 991, s. 5 (2).

(3) Subclauses (1) (a) (iii) and (iv) do not apply to disqualify an individual who the Qualification and Registration Committee is satisfied will carry on business in accordance with law, integrity and honesty, after having had regard to,

(a) the circumstances under which the offence was committed or the licence was refused, suspended or revoked; and

(b) the time elapsed since the offence was committed or the licence was refused, suspended or revoked. R.R.O. 1990, Reg. 991, s. 5 (3).

6. (1) A corporation is qualified to be issued and hold a certificate of registration as an insurance broker where, (a) the only business conducted by it is that of,

(i) an insurance broker, or

(ii) an insurance broker and life insurance agent, and

(iii) such other business as the Qualification and Registration Committee considers appropriate when carried on in accordance with such terms as the Committee stipulates;

(b) the corporation acts as an insurance broker under the direction and supervision of a principal broker as described in section 7.2; and

(c) REVOKED: O. Reg. 410/04, s. 2 (1).

(d) it has complied with the provisions of this Regulation. R.R.O. 1990, Reg. 991, s. 6 (1); O. Reg. 72/96, s. 1; O. Reg. 410/04, s. 2 (1).

(2) Clause (1) (a) does not apply to disqualify a corporation that,

(a) became registered under section 36 of the Act;

(b) conducted the additional business immediately preceding the 1st day of October, 1981; and

(c) immediately preceding the 1st day of October, 1981, was not in contravention of the *Insurance Act* or the regulations thereunder by continuing the additional business. R.R.O. 1990, Reg. 991, s. 6 (2).

(3), (4) REVOKED: O. Reg. 410/04, s. 2 (2).

7. (1) A partnership is qualified to be issued and hold a certificate of registration as an insurance broker where, (a) the only business conducted by it is that of,

(i) an insurance broker, or

(ii) an insurance broker and life insurance agent, and

(iii) such other business as the Qualification and Registration Committee considers appropriate when carried on in accordance with such terms as the Committee stipulates;

(b) the partnership acts as an insurance broker under the direction and supervision of a principal broker as described in section 7.2;

(c) the majority equity interest and the majority voting interest are held by persons who are registered insurance brokers who are licensed or registered to act as intermediaries for insurance, other than life insurance, under the laws of another jurisdiction in which they reside; and

(d) it has complied with the provisions of this Regulation. R.R.O. 1990, Reg. 991, s. 7 (1); O. Reg. 72/96, s. 2.

(2) Clause (1) (a) does not apply to disqualify a partnership that, (a) became registered under section 36 of the Act;

(b) conducted the additional business immediately preceding the 1st day of October, 1981; and

(c) immediately preceding the 1st day of October, 1981, was not in contravention of the *Insurance Act* or the regulations thereunder by continuing the additional business. R.R.O. 1990, Reg. 991, s. 7 (2).

(3) Clause (1) (c) does not apply to a partnership that,

(a) became registered under section 36 of the Act; and

(b) does not conform to the majority ownership and control requirements of that clause, where the proportion of the equity interest and voting interest held by persons who are not registered insurance brokers or who are not licensed or registered to act as intermediaries for insurance, other than life insurance, under the laws of another jurisdiction in which they reside, has not increased above the proportion held by such persons on the 1st day of October, 1981. R.R.O. 1990, Reg. 991, s. 7 (3).

7.1 (1) A sole proprietorship is qualified to be issued and hold a certificate of registration as an insurance broker if,

(a) the only business conducted by it is that of an insurance broker or both an insurance broker and life insurance agent and such other business as the Qualification and Registration Committee considers appropriate when carried on in accordance with such terms as that committee stipulates;

(b) the sole proprietorship acts as an insurance broker under the direction and supervision of a principal broker as described in section 7.2; and

(c) the sole proprietorship has complied with this Regulation. O. Reg. 72/96, s. 3.

(2) Clause (1) (a) does not apply to disqualify a sole proprietorship that,

(a) became registered under section 36 of the Act;

(b) conducted the additional business immediately before October 1, 1981; and

(c) immediately before October 1, 1981 was not in contravention of the *Insurance Act* or the regulations under it by continuing the additional business. O. Reg. 72/96, s. 3.

7.2 (1) A sole proprietorship, partnership or corporation which holds or wishes to hold a certificate of registration as an insurance broker shall designate an individual who is an insurance broker to be the principal broker of the business. O. Reg. 72/96, s. 3.

(2) A member qualifies to be designated as a principal broker if the member,

(a) is not in default of paying any fee due under the Act or the by-laws of the Corporation;

(b) is not, at the time the notification referred to in subsection (3) is made, the subject of a complaint referred to the

Discipline Committee or the subject of disciplinary proceedings before the Discipline Committee;

(c) is not the subject of an outstanding order of the Discipline Committee;

(d) is not in a class of membership which restricts him or her to acting under supervision;

(e) is the sole proprietor or an employee of a sole proprietorship, is a partner or is an officer or director of the corporation, as appropriate; and

- (f) directs and supervises the sole proprietorship, partnership or corporation in acting as an insurance broker and has the authority to act in its name and on its behalf regarding applications or reports required under this Act or the by-laws of the Corporation. O. Reg. 72/96, s. 3.
- (3) A member shall not be designated as a principal broker until the member has notified the Corporation in writing that he or she meets the criteria described in subsection (2) and the Corporation has acknowledged the notice in writing. O. Reg. 72/96, s. 3.
- (4) In order to maintain his or her status as a principal broker, the member shall satisfy such educational requirements as are established by the Council within the time periods established by the Council. O. Reg. 72/96, s. 3.
- (5) The principal broker may appoint one or more deputies to perform such duties as may be delegated to him or her in writing by the principal broker. O. Reg. 72/96, s. 3.
- (6) This section, except subsection (5), applies to a deputy principal broker in the same way it applies to a principal broker. O. Reg. 72/96, s. 3.
8. No person shall be issued a certificate of registration as an insurance broker where the Qualification and Registration Committee is satisfied that,
- (a) the applicant; or
- (b) a person occupying office space in the same business premises as the applicant, is in a position to offer inducement or use coercion or undue influence in order to control, direct or secure insurance business. R.R.O. 1990, Reg. 991, s. 8.
9. (1) Every member acting on behalf of a member of the public in negotiating or placing contracts of insurance with one or more insurers shall provide a policy or a certificate of coverage to the member of the public for whom the member acts within twenty-one days after the placing of insurance certifying that the insurance has been placed, and at the same time shall send a copy of the policy or certificate of coverage to each of the insurers whose names appear on the policy or certificate. R.R.O. 1990, Reg. 991, s. 9 (1).
- (2) The certificate of coverage shall set out,
- (a) the name and mailing address of the insured;
- (b) a description of the coverage provided;
- (c) the full name of each insurer, or other person authorized to undertake the contract;
- (d) the amount of insurance placed with each insurer. R.R.O. 1990, Reg. 991, s. 9 (2).
10. (1) A member shall not act or assist in the placing of insurance with an unlicensed insurer unless,
- (a) the member has informed the member of the public for whom the member acts of the following risks of entering into a contract of insurance with an insurer not licensed under the *Insurance Act*:
1. That the insurer is not subject to regulation under the *Insurance Act*.
 2. Orderly payment of claims may be more difficult than with an insurer licensed under the *Insurance Act*.
 3. The Chief Executive Officer has no authority under the *Insurance Act* in respect of the insurer.
 4. Provincial and federal taxes payable;
- (b) the member has obtained the written consent of the member of the public for whom the member acts; and

- (c) sufficient insurance cannot be obtained at reasonable rates or on the form of contract required by the member of the public from insurers licensed under the *Insurance Act*. R.R.O. 1990, Reg. 991, s. 10 (1); O. Reg. 143/19, s. 1.
- (2) A member shall not act or assist in the placement of automobile insurance with an unlicensed insurer except automobile insurance in excess of the minimum liability coverage required by the *Insurance Act*. R.R.O. 1990, Reg. 991, s. 10 (2).
- (3) A member who places insurance with an unlicensed insurer shall, within thirty days after the last day of March, June, September and December of each year,
- (a) file with the Chief Executive Officer a return under oath or affirmation in the form and manner required by the Chief Executive Officer, containing particulars of all insurance effected under this section by the member during the period covered by the return; and
- (b) at the same time, in respect of all premiums on such insurance, pay to the Minister of Finance the premium taxes that would be payable if such premiums had been received by a licensed insurer. R.R.O. 1990, Reg. 991, s. 10 (3); O. Reg. 143/19, s. 1.
11. REVOKED: O. Reg. 410/04, s. 3.
12. (1) Where a member proposes to charge a fee for service in addition to retaining a portion of the premium charge, the member, before placing the insurance or providing a service for which a fee is to be charged, shall disclose to the person whom the member proposes to charge the amount of the fee, the portion of the premium retained and the total remuneration on the transaction. R.R.O. 1990, Reg. 991, s. 12 (1).
- (2) Interest charges with respect to overdue accounts or accounts paid on an instalment plan shall not be construed to be fees for services for the purposes of subsection (1). R.R.O. 1990, Reg. 991, s. 12 (2).
13. REVOKED: O. Reg. 309/98, s. 3.
14. All members shall act as insurance brokers in accordance with the following code of conduct:
1. A member shall discharge the member's duties to clients, members of the public, fellow members and insurers with integrity.
 2. A member owes a duty to the member's client to be competent to perform the services which the member undertakes on the client's behalf.
 3. A member shall serve the member's client in a conscientious, diligent and efficient manner and shall provide a quality of service at least equal to that which members would generally expect of a member in a like situation.
 4. A member shall be both candid and honest when advising the member's client.
 5. A member shall hold in strict confidence all information acquired in the course of the professional relationship concerning the business and affairs of the member's client, and the member shall not divulge any such information unless authorized by the client to do so, required by law to do so or required to do so in conducting negotiations with underwriters or insurers on behalf of the client.
 6. A member shall observe all relevant rules and laws regarding the preservation and safekeeping of property of the client entrusted to the member and, when there are no such rules or laws or the member is in doubt, the member must take the same care of such property as a careful and prudent person would take of the person's own property of like description.
 7. A member who engages in another business or occupation concurrently with the practice of the member's vocation shall not allow such outside interest to jeopardize the member's integrity, independence or competence.

- 7.1 A member shall disclose in writing to a client or prospective client any conflict of interest or potential conflict of interest of the member that is associated with a transaction or recommendation.
8. A member shall not stipulate, charge or accept any fee that is not fully disclosed, or the basis for which is not fully disclosed prior to the service being rendered, or which is so disproportionate to the service provided as to be unconscionable.
9. A member shall encourage public respect for and try to improve the practice of the member's vocation.
10. A member shall make the member's services available to the public in an efficient and convenient manner which will command respect and confidence and which is compatible with the integrity, independence and effectiveness of the member's vocation.
11. A member shall assist in maintaining the integrity of the member's vocation and should participate in its activities.
12. A member shall assist in preventing the unauthorized practice of the member's vocation.
13. A member's conduct towards other members, members of the public, insurers and the Corporation shall be characterized by courtesy and good faith.
14. A member shall cooperate in an investigation conducted by the Corporation.
15. A member shall notify the Corporation if the governing authority of the profession in a jurisdiction other than Ontario has made a finding of incompetence or misconduct or a similar finding against the member. R.R.O. 1990, Reg. 991, s. 14; O. Reg. 410/04, s. 4; O. Reg. 125/18, s. 1.
15. (1) For the purposes of the Act,
"misconduct" means any of the following:
 1. The use of methods of solicitation and advertising that are not compatible with the honour and dignity of the vocation including, without limiting the generality of the foregoing, the use of any illustration, circular or memorandum that misrepresents, or by omission is so incomplete that it misrepresents the terms, benefits or advantages of any policy or contract of insurance issued or to be issued, and the making of any false or misleading statement as to the terms, benefits or advantages of any contract or policy of insurance issued or to be issued.
 2. The use of any incomplete comparison of any policy or contract of insurance with that of any other insurer for the purpose of inducing, or intending to induce, an insured to lapse, forfeit or surrender a policy or contract.
 3. The use of any payment, allowance or gift, or any offer to pay, allow or give, directly or indirectly, any money or thing of value as an inducement to any prospective insured to insure.
 4. Directly or indirectly making or attempting to make an agreement as to the premium to be paid for a policy other than as set forth in the policy, or paying, allowing or giving, or offering or agreeing to pay, allow or give, a rebate of the whole or part of the premium stipulated by the policy or any other consideration or thing of value intended to be in the nature of a rebate of premium to any person insured or applying for insurance in respect of person or property in Ontario, but nothing in this paragraph shall be construed to affect any payment in the nature of a dividend, bonus, profit or savings that is provided for in the policy.
 5. Coercing or proposing, directly or indirectly, to coerce a prospective buyer of insurance through the influence of a professional or business relationship or otherwise to give a preference that would not otherwise be given on the effecting of an insurance contract or coercing, inducing or exercising undue influence in order to control, direct or secure insurance business.

6. Holding oneself out or advertising by means of advertisements, cards, circulars, letterheads, signs, or other methods, or carrying on business in any other manner than the name in which the individual or the corporation or partnership of which the individual is the designated representative is registered.
 7. The use of any practice or conduct that results in unreasonable delay or resistance to the fair adjustment of claims.
 8. Failure to carry on business in a manner consistent with the code of conduct.
 9. Failure to comply with the provisions of the Act, this Regulation and the by-laws of the Corporation.
 10. Acting as an insurance agent or holding himself, herself or itself out, advertising or conducting himself, herself or itself in such a manner as to lead a reasonable person to believe that the member is an insurance agent.
 11. Being convicted, after the 1st day of October, 1981, of a criminal offence or an offence under the *Insurance Act*, whether or not the offence was committed before the 1st day of October, 1981.
 12. The payment of any referral fee or finder's fee to, or the acceptance of a referral fee or finder's fee from, a person who is not,
 - i. licensed as an insurance agent or broker under the laws of any jurisdiction,
 - ii. licensed to sell mutual funds under the laws of any jurisdiction,
 - iii. licensed as a real estate agent or broker under the laws of any jurisdiction,
 - iv. licensed as a mortgage broker under the laws of any jurisdiction,
 - v. engaged in the business of a financial planner,
 - vi. engaged in the business of providing financing for the payment of insurance premiums, or
 - vii. engaged in the business of providing products or services that reduce insurance risk.
 13. A registered insurance broker who is a director, officer or principal broker of a corporation that is a member or who is a partner or principal broker of a partnership that is a member or who is the principal broker of a sole proprietorship that is a member has knowingly concurred in the misconduct of the sole proprietorship, partnership or corporation.
 14. Providing false or misleading information to the Corporation.
 15. Acting as a principal broker as described in section 7.2 when the member has failed to comply with the educational requirements established by the Council under that section.
 16. If a principal broker believes on reasonable and probable grounds that a member under the principal broker's direction, regardless of the member's registration class, has committed an act of misconduct, failure of the principal broker to report the potential misconduct. R.R.O. 1990, Reg. 991, s. 15 (1); O. Reg. 72/96, s. 4; O. Reg. 410/04, s. 5; O. Reg. 125/18, s. 2.
- (2) Nothing in this section shall be construed to prohibit a member from being licensed as and acting as a life insurance agent under the *Insurance Act*. R.R.O. 1990, Reg. 991, s. 15 (2).
- 15.1 A finding of incompetence, misconduct or a similar finding against a member by the governing authority of insurance brokers or insurance agents in a jurisdiction other than Ontario that is based on facts that would, in the opinion of the Discipline Committee, constitute incompetence as described in subsection 18 (4) of the Act or misconduct as defined in section 15 of this Regulation, constitutes

incompetence or misconduct, as the case may be, for the purposes of the Act and this Regulation. O. Reg. 125/18, s. 3.

16. (1) Subject to subsections (2) and (3), every member who is a sole proprietor, partnership or corporation shall maintain, for all trust funds received, a trust account or trust accounts at any Ontario branch of, (a) a bank listed in Schedule I or II to the *Bank Act* (Canada);

(b) a trust corporation;

(c) a loan corporation; or

(d) a credit union authorized by law to receive money on deposit,

(e) REVOKED: O. Reg. 410/04, s. 6 (1).

and each such account shall be kept in the name of the member and designated as a trust account. R.R.O. 1990, Reg. 991, s. 16 (1); O. Reg. 410/04, s. 6 (1).

(2) On application, the Council shall permit a member who is licensed or registered as an insurance broker or agent in four or more provinces of Canada and maintains offices in each of them to maintain the member's trust account in any such province at a branch of,

(a) a bank listed in Schedule I or II to the *Bank Act* (Canada);

(b) a trust corporation;

(c) a loan corporation; or

(d) a credit union authorized by law to receive money on deposit, that is not in Ontario, but the Council may, for good and due cause, (e) impose such terms and conditions as it considers appropriate; and

(f) revoke its permission at any time. R.R.O. 1990, Reg. 991, s. 16 (2).

(3) On application, the Council may permit a member who is licensed or registered as an insurance broker or agent in two or more provinces of Canada to maintain the member's trust account in any such province at a branch of, (a) a bank listed in Schedule I or II to the *Bank Act* (Canada);

(b) a trust corporation;

(c) a loan corporation; or

(d) a credit union authorized by law to receive money on deposit, that is not in Ontario, but the Council may,

(e) impose such terms and conditions as it considers appropriate; and

(f) revoke its permission at any time. R.R.O. 1990, Reg. 991, s. 16 (3).

(4) A member shall ensure that all trust money he or she receives, whether by cash, cheque or otherwise, is dealt with in accordance with the following:

1. The trust money must be deposited into a trust account or invested in an investment described in subsection (5) as soon as practicable after receipt.
2. The member shall not knowingly fail to make the deposit or investment referred to in paragraph 1 within three banking days after the day the trust money is received.
3. Money deposited into a trust account may be subsequently invested and held in trust in an investment described in subsection (5).
4. Subject to paragraph 5, the member shall not, except in accordance with the terms and conditions under which the money was received,

- i. disburse any money held in trust or the proceeds from any investment in which trust money was invested, or
 - ii. withdraw any money from a trust account.
5. The member may withdraw money belonging to him or her from a trust account and deposit it into the member's general account. O. Reg. 410/04, s. 6 (2).
- (5) Trust money may be invested in and held in trust in the following types of investments:
1. Deposits, guaranteed investment certificates and other forms of indebtedness,
 - i. that are issued by a bank listed in Schedule I or II to the *Bank Act* (Canada), a trust corporation, a loan corporation, a credit union, the Government of Canada or a Province of Canada,
 - ii. that have a term not exceeding five years, and
 - iii. that permit the repayment on demand of the principal sum evidenced by the deposit, guaranteed investment certificate or other form of indebtedness.
 2. Treasury bills and other instruments evidencing indebtedness,
 - i. that are issued or guaranteed by the government of Canada or a Province of Canada, and
 - ii. that are issued for a period of 30 days or less.
 3. Mutual or pooled funds that invest only in short-term money market instruments.
 4. Bankers' acceptances.
 5. Short-term debt securities issued by non-financial corporations for a term of one year or less, but only if the securities have a rating of the highest credit quality or a superior credit quality from the Dominion Bond Rating Service. O. Reg. 410/04, s. 6 (2).
- (6) A member shall ensure that the member is at all times able to meet all of the member's trust obligations from,
- (a) money in the member's trust account;
 - (b) investments held by the member in trust; and
 - (c) the member's trust funds receivable, excluding premiums that have been receivable for more than 90 days. O. Reg. 309/98, s. 4.
- (7) When so requested in writing by the Manager, Council, or a committee thereof or their representative, every member shall, within thirty days after the request, account for all trust funds received by the member. R.R.O. 1990, Reg. 991, s. 16 (7).
- (8) No member who is not a sole proprietor, partnership or corporation shall control trust funds or maintain a trust account in the member's own name. R.R.O. 1990, Reg. 991, s. 16 (8).
- (9) All cheques drawn on a trust account shall have the words "trust account" and the name of the member in whose name the trust account is kept imprinted thereon. R.R.O. 1990, Reg. 991, s. 16 (9).
17. (1) Every member who is required to maintain a trust account shall maintain books, records and accounts in connection with the member's business to record,
- (a) all money received in trust for insurers or members of the public;
 - (b) all disbursements out of money held in trust;
 - (c) all other money received and disbursed in connection with the business; and
 - (d) all specifically identified property other than money held in trust including marketable securities, stock certificates, bonds, debentures, deposit receipts, treasury bills or other negotiable instruments

and any other thing of value or instrument that could be negotiated by the broker. R.R.O. 1990, Reg. 991, s. 17 (1).

- (2) As a minimum requirement to comply with subsection (1), every member who is required to maintain a trust account shall maintain,
- (a) a book or other permanent account record showing all receipts and disbursements of money, distinguishing therein between,
- (i) the receipt of money in trust for insurers and members of the public and disbursements out of money held in trust, and
 - (ii) money received and money paid on his own account;
- (b) a record in the form of a remuneration book or file or copies of billings showing all commissions or fees charged or billings to members of the public;
- (c) bank statements or pass books, cashed cheques and detailed deposit slips for both trust and general accounts;
- (d) a record showing the monthly totals of the trust assets and trust liabilities as they appear from the books and records of the member; and
- (e) a listing or other record showing all specifically identified property held in trust from time to time for insurers or members of the public. R.R.O. 1990, Reg. 991, s. 17 (2).
- (3) The Manager, Council or a committee thereof or their representative is entitled to inspect the books and records required to be kept under this section at any time. R.R.O. 1990, Reg. 991, s. 17 (3).
- (4) Every member who is required to maintain a trust account shall provide the Manager with a current audited financial statement within thirty days after written request therefor from the Manager, Council or a committee thereof. R.R.O. 1990, Reg. 991, s. 17 (4).
- (5) Every member who is required to maintain a trust account shall maintain accounting records in accordance with generally accepted accounting principles. R.R.O. 1990, Reg. 991, s. 17 (5).
- (6) Where this Regulation requires a record to be kept by a member, it may be kept in a bound or looseleaf book, or by means of a mechanical, electronic or other device. R.R.O. 1990, Reg. 991, s. 17 (6).
- (7) Where a record is not kept in a bound book, the member shall,
- (a) take adequate precautions, appropriate to the means used, for guarding against the risk of falsifying the information recorded; and
- (b) provide means for making the information available in an accurate and intelligible form within a reasonable time to any person lawfully entitled to examine the record. R.R.O. 1990, Reg. 991, s. 17 (7).
- (8) The bound or looseleaf book or, where the record is not kept in a bound or looseleaf book, the information in the form in which it is made available under clause (7) (b) is admissible in evidence as proof, in the absence of evidence to the contrary, of all facts stated therein. R.R.O. 1990, Reg. 991, s. 17 (8).
- (9) Where this Regulation requires a record to be kept by a member, it shall be preserved for at least the six-year period previous to the most recent fiscal year-end of the member. R.R.O. 1990, Reg. 991, s. 17 (9).
18. (1) Council may, upon application, specify terms with which the applicant must comply in the alternative to complying with sections 16, 17 and 21. R.R.O. 1990, Reg. 991, s. 18 (1).

(2) Council must be satisfied that the terms specified in subsection (1) provide an equivalent level of protection to sections 16, 17 and 21. R.R.O. 1990, Reg. 991, s. 18 (2).

(3) Without limiting the generality of subsection (1), Council may, under subsection (1), specify as a term the posting of a surety bond by the applicant payable to the Corporation as obligee. R.R.O. 1990, Reg. 991, s. 18. R.R.O. 1990, Reg. 991, s. 18 (3).

19. Every member who is a sole proprietor, partnership or corporation is required to maintain, at all times, an equity capitalization of not less than an amount equal to the maximum deductible amount of the member's errors and omissions and fidelity insurance policies or,

(a) in the case of a member who is a sole proprietor, \$2,500;

or (b) in the case of a member who is a corporation or

partnership, \$5,000, whichever is the greater. R.R.O. 1990,

Reg. 991, s. 19.

20. (1) Every member who is a sole proprietor, partnership or corporation shall maintain and continue to maintain,

(a) errors and omissions insurance with extended coverage for loss resulting from fraudulent acts; or

(b) some other form of financial guarantee, in a form approved by the Manager in an amount of at least \$3,000,000 in respect of any one occurrence. R.R.O. 1990, Reg. 991, s. 20 (1); O. Reg. 309/98, s. 5; O. Reg. 125/18, s. 4.

(2) Every member referred to in subsection (1) shall maintain fidelity insurance against losses arising from dishonesty of employees, a proprietor or partners, directors, officers and shareholders in a form approved by the Manager for an amount of at least \$100,000 in respect of any one occurrence. R.R.O. 1990, Reg. 991, s. 20 (2).

(3) The insurance policies referred to in subsections (1) and (2) shall contain an endorsement that stipulates that the Manager must be given written notice of any cancellation or non-renewal of such policy and that the cancellation or nonrenewal of such policy does not become effective until thirty days after actual receipt of such notice by the Manager. R.R.O. 1990, Reg. 991, s. 20 (3).

(4) A member's certificate of registration as an insurance broker expires on the date of the effective cancellation or non-renewal of an insurance policy unless before that date the insurance is replaced or the member otherwise satisfies the Manager that the member is in compliance with subsections (1) and (2). R.R.O. 1990, Reg. 991, s. 20 (4).

21. (1) Every member who is a sole proprietor, partnership or corporation shall, within ninety days after the member's fiscal year-end, complete and file with the Manager a position report in the form approved by the Council presenting fairly the member's financial and trust positions as of the member's fiscal year-end, and providing such details as may be required with respect to the member's financial guarantees and the markets with which the member places insurance, and such other information as is required on the form. R.R.O. 1990, Reg. 991, s. 21 (1); O. Reg. 309/98, s. 6 (1).

(2) Every member to whom subsection (1) applies shall, within nine months after the member's most recent fiscal yearend, complete and file a position report in the form approved by the Council as of the day that falls six months after the member's most recent fiscal year-end. R.R.O. 1990, Reg. 991, s. 21 (2); O. Reg. 309/98, s. 6 (2).

(3), (4) REVOKED: O. Reg. 309/98, s. 6 (3).

22. The maximum fine that may be levied against a member for misconduct is \$100,000 unless the member is an individual, in which case the maximum fine is \$25,000. R.R.O. 1990, Reg. 991, s. 22; O. Reg. 125/18, s. 5.

23. All findings and decisions of the Qualification and Registration Committee and of the Discipline Committee, unless the respective Committee makes an order to the contrary, may be made available to any person on request and may be published in any manner. R.R.O. 1990, Reg. 991, s. 23; O. Reg. 410/04, s. 7.

24. (1) A member who carries on business as an insurance broker or who is a partner of or is employed by a member carrying on business as an insurance broker shall maintain a mailing address for the purpose of section 28 of the Act that is the address where the business is carried on and that is not a post office box number. O. Reg. 309/98, s. 7.

(2) Subsection (1) does not apply to an individual member whose certificate has been suspended. O. Reg. 309/98, s. 7.

(3) An individual member whose certificate has been suspended shall not maintain a mailing address for the purpose of section 28 of the Act that is the address of a residence and is a post office box number. O. Reg. 309/98, s. 7.

FORMS 1, 2A, 2B, 2C, 3A, 3B REVOKED: O. Reg. 309/98, s. 8.

Registered Insurance Brokers Act
R.S.O. 1990, CHAPTER R.19

Consolidation Period: From December 8, 2020 to the [e-Laws currency date](#).

Last amendment: [2020, c. 36, Sched. 14, s. 15](#).

Legislative History: 1993, c. 27, Sched.; 1997, c. 19, s. 21; 1997, c. 28, s. 227, 228; [2001, c. 8, s. 215](#); [2002, c. 30, Sched. E, s. 17](#); [2004, c. 31, Sched. 38, s. 3](#); [2006, c. 19, Sched. C, s. 1\(1\)](#); [2007, c. 7, Sched. 35](#); [2009, c. 33, Sched. 6, s. 82](#); [2016, c. 37, Sched. 21](#); 2017, c. 34, Sched. 36; [2018, c. 8, Sched. 29](#); [2020, c. 36, Sched. 14, s. 15](#).

Definitions

1 In this Act,

“applicant” means an individual, partnership or corporation that applies for registration under this Act; (“auteur d’une demande”)

“Authority” means the Financial Services Regulatory Authority of Ontario continued under subsection 2 (1) of the *Financial Services Regulatory Authority of Ontario Act, 2016*; (“Autorité”)

“board of inquiry” means a board of inquiry appointed by the Council; (“commission d’enquête”)

“certificate” means a certificate issued under this Act; (“certificat”)

“Chief Executive Officer” means the Chief Executive Officer appointed under subsection 10 (2) of the *Financial Services Regulatory Authority of Ontario Act, 2016*; (“directeur général”)

“Complaints Committee” means the Complaints Committee of the Council established under this Act; (“comité des plaintes”)

“contract” has the same meaning as in the *Insurance Act*, but does not include a contract of life insurance as defined under that Act; (“contrat”)

“Corporation” means the body corporate known as the Registered Insurance Brokers of Ontario; (“Association”)

“Council” means the Council of the Registered Insurance Brokers of Ontario; (“conseil”)

“Discipline Committee” means the Discipline Committee of the Council established under this Act; (“comité de discipline”)

“incapacitated member” means a member suffering from a physical or mental condition or disorder of a nature and extent making it desirable in the interest of the public or the member that he or she no longer be permitted to carry on business as a registered insurance broker or that his or her business be restricted; (“membre atteint d’une invalidité”)

“insurance” has the same meaning as in the *Insurance Act*, but does not include life insurance as defined under that Act; (“assurance”)

“insurance agent” means an agent within the meaning of the *Insurance Act*; (“agent d’assurances”)

“insurance broker” means any person who for any compensation, commission or other thing of value, with respect to persons or property in Ontario, deals directly with the public and,

- (a) acts or aids in any manner in soliciting, negotiating or procuring the making of any contract of insurance or reinsurance whether or not the person has agreements with insurers allowing the person to bind coverage and countersign insurance documents on behalf of insurers,
- (b) provides risk management services including claims assistance where required,
- (c) provides consulting or advisory services with respect to insurance or reinsurance, or

(d) holds himself, herself or itself out as an insurance consultant or examines, appraises, reviews or evaluates any insurance policy, plan or program or makes recommendations or gives advice with regard to any of the above; (“courtier d’assurances”)

“Manager” means the Manager of the Registered Insurance Brokers of Ontario; (“administrateur”)

“member” means an individual, partnership or corporation registered under this Act to carry on business as an insurance broker; (“membre”)

“Minister” means the Minister of Finance or any other member of the Executive Council to whom responsibility for the administration of this Act is assigned or transferred under the *Executive Council Act*; (“ministre”)

“misconduct” means misconduct as defined in the regulations; (“inconduite”)

“person” includes a partnership and an unincorporated association; (“personne”)

“public” means persons other than insurers, insurance brokers, insurance adjusters and insurance agents; (“public”)

“Qualification and Registration Committee” means the Qualification and Registration Committee of the Council established under this Act; (“comité des titres de compétence et des inscriptions”)

“registered insurance broker” means a person registered under this Act to carry on business as an insurance broker. (“courtier d’assurances inscrit”) R.S.O. 1990, c. R.19, s. 1; 1997, c. 28, s. 227; 2004, c. 31, Sched. 38, s. 3; 2016, c. 37, Sched. 21, s. 1; 2018, c. 8, Sched. 29, s. 1; [2020, c. 36, Sched. 14, s. 15 \(1\)](#).

Section Amendments with date in force (d/m/y)

1997, c. 28, s. 227 (1-2) - 01/07/1998

[2004, c. 31, Sched. 38, s. 3 \(1-2\)](#) - 30/04/2007

[2016, c. 37, Sched. 21, s. 1 \(1-4\)](#) - 08/12/2016

[2018, c. 8, Sched. 29, s. 1](#) - 08/06/2019

[2020, c. 36, Sched. 14, s. 15 \(1\)](#) - 08/12/2020

Prohibition re file

2 (1) No person shall act as an insurance broker unless the person is a registered insurance broker under this Act. R.S.O. 1990, c. R.19, s. 2 (1).

Exceptions

(2) Subsection (1) does not apply to,

- (a) lawyers, accountants or actuaries acting in their professional capacity;
- (b) an insurance agent licensed under the *Insurance Act*, while acting within the authority of his or her licence;
- (c) an insurance adjuster licensed under the *Insurance Act*, while acting within the authority of his or her licence;
- (d) any individual, partnership or corporation who acts solely as a reinsurance broker;
- (e) a person registered under the *Travel Industry Act, 2002*, acting in respect of travel accident and sickness, baggage or trip cancellation insurance;
- (f) an employee of a person registered under this Act when the employee is acting for or on behalf of his or her employer engaged solely in the performance of clerical or administrative duties in the office of his or her employer;
- (g) any regular salaried employee of an insured or of a subsidiary or affiliate or corporate insured whose duties in whole or in part are to negotiate for or procure insurance or render other services on behalf of such employer or employers in connection with the procuring or maintaining of insurance on the property or risks of such employer or employers if the employee does not receive

compensation, commission or other thing of value from any insurance agent, broker, or insurer for, or in connection with such services;

(h) a trustee appointed under this Act;

(i) an insurer or a subsidiary or an affiliate of an insurer or any employee, officer or director thereof if he or she is not acting in any manner in soliciting, negotiating or procuring the making of any contract of insurance;

(j) such other persons as are exempted by the regulations. R.S.O. 1990, c. R.19, s. 2 (2); 2002, c. 30, Sched. E, s. 17; 2016, c. 37, Sched. 21, s. 2.

Section Amendments with date in force (d/m/y)

[2002, c. 30, Sched. E, s. 17](#) - 01/07/2005

[2016, c. 37, Sched. 21, s. 2](#) - 08/12/2016

Prohibition re title

3 (1) No person shall hold himself, herself or itself out as an insurance broker or as the holder of a certificate under this Act unless the person is the holder of a certificate under this Act.

Use of title

(2) No person shall use the title “registered insurance broker” or “courtiers d’assurances inscrit” or the designation “R.I.B. (Ont.)” or “C.A.I. (Ont.)” or other designation representing or similar to the title unless the person is the holder of a certificate as a registered insurance broker under this Act. R.S.O. 1990, c. R.19, s. 3.

Corporation

4 (1) The Registered Insurance Brokers of Ontario is continued under the name Registered Insurance Brokers of Ontario in English and Courtiers d’assurances inscrits de l’Ontario in French, as a body corporate without share capital.

Powers

(2) The Corporation has the power to acquire, hold, dispose of and otherwise deal with real and personal property for the purposes of this Act.

Objects

(3) The Corporation shall have the general purpose of carrying out the powers and duties conferred on it by this Act. R.S.O. 1990, c. R.19, s. 4.

Membership

5 (1) Every person who is registered by the Corporation is a member of the Corporation.

Resignation of membership

(2) An individual member may resign his or her membership by filing with the Manager a resignation in writing and the registration is thereupon cancelled. 2017, c. 34, Sched. 36, s. 1 (1).

Cancellation for default of fees

(3) The Manager may cancel a registration for non-payment of any prescribed fee after giving the member at least one month notice in writing of the default and intention to cancel the registration. R.S.O. 1990, c. R.19, s. 5; 2017, c. 34, Sched. 36, s. 1 (2).

Section Amendments with date in force (d/m/y)

[2017, c. 34, Sched. 36, s. 1 \(1, 2\)](#) - 14/12/2017

Continuing jurisdiction

Former member

5.1 (1) An individual who resigns as a member of the Corporation or whose membership expires or is revoked, cancelled or otherwise terminated remains subject to the continuing jurisdiction of the Corporation in respect of an investigation or disciplinary proceeding arising from his or her conduct while a member. 2017, chap. 34, Sched. 36, s. 2.

Suspended member

(2) A member whose membership is suspended remains subject to the continuing jurisdiction of the Corporation for all purposes under this Act. 2017, chap. 34, Sched. 36, s. 2.

Section Amendments with date in force (d/m/y)

[2017, c. 34, Sched. 36, s. 2](#) - 14/12/2017

Council

6 (1) The Council shall be the governing body and board of directors of the Corporation and shall manage and administer its affairs.

Composition

(2) Subject to the regulations, the Council shall be composed of,

- (a) eight persons who are individual members of the Corporation and are elected by the members in the manner provided by the regulations;
- (b) three persons who are not members of the Corporation and are appointed by the Lieutenant Governor in Council.

Increased size of Council

(3) The Lieutenant Governor in Council may, by regulation, vary the size of the Council but at least one-quarter of the members of the Council shall be persons appointed by the Lieutenant Governor in Council who are not members of the Corporation.

Transition

(4) Despite clause (2) (a), when this Act comes into force, the Lieutenant Governor in Council shall appoint to the Council the eight persons who are individual members of the Corporation for a term of three years, in the case of four of the appointees, and five years, in the case of four of the appointees.

Appointment

(5) The appointment of every person appointed under clause (2) (b) shall be for a term not exceeding four years and a person whose appointment expires is eligible for one reappointment. R.S.O. 1990, c. R.19, s. 6.

Qualifications to vote

7 Every individual member who is,

- (a) registered under this Act; and
- (b) not in default of payment of any prescribed fee,

is qualified to vote at an election of members of the Council. R.S.O. 1990, c. R.19, s. 7.

Organization of Council

8 (1) The Council shall elect annually a President and one or more Vice-Presidents from among its members.

Manager and officers

(2) The Council shall appoint during pleasure a Manager and such other officers and servants as may from time to time be necessary or desirable in the opinion of the Council to perform the work of the Corporation.

Quorum

(3) A majority of the members of the Council, including at least one member who is not a member of the Corporation, constitutes a quorum. R.S.O. 1990, c. R.19, s. 8.

Chief Executive Officer

9 (1) The Chief Executive Officer shall be deemed to have an interest in the Corporation, as the representative of all persons who may be served by registered insurance brokers. 1997, c. 28, s. 228; 2018, c. 8, Sched. 29, s. 3.

Information

(2) The Corporation shall, within a reasonable time, furnish the Chief Executive Officer with the information and financial statements with respect to the Corporation that the Chief Executive Officer requires. 1997, c. 28, s. 228; 2018, c. 8, Sched. 29, s. 3.

Section Amendments with date in force (d/m/y)

1997, c. 28, s. 228 - 01/07/1998

[2018, c. 8, Sched. 29, s. 3](#) - 08/06/2019

Annual reports

10 (1) The Corporation shall, within four months after the termination of each financial year, provide to its members and the Minister an annual report relating to its activities in that year including,

- (a) financial statements of the Corporation and the auditor's report thereon;
- (b) a summary of the complaints received against members, categorized by source, type and disposition of the complaint;
- (c) a summary of disciplinary proceedings undertaken against members, categorized by source, type and disposition of the proceedings;
- (d) a summary of the applications for registration and the disposition of the applications;
- (e) membership statistics of the Corporation, categorized by size and type of member;
- (f) an identification of matters of policy currently under review by the Council and of any proposed changes in policies or programs; and
- (g) any other information considered relevant by the Corporation or requested by the Minister. R.S.O. 1990, c. R.19, s. 10 (1); 2018, c. 8, Sched. 29, s. 3.

Annual report of Chief Executive Officer

(2) The Chief Executive Officer shall make an annual examination of the affairs of the Corporation and shall report concerning the examination to the Minister and the Minister shall then lay the annual report of the Corporation and the report of the Chief Executive Officer before the Assembly if it is in session and, if not, at the next session. R.S.O. 1990, c. R.19, s. 10 (2); 2018, c. 8, Sched. 29, s. 3.

Section Amendments with date in force (d/m/y)

[2018, c. 8, Sched. 29, s. 3](#) - 08/06/2019

By-laws

11 (1) The Council may pass by-laws relating to the administrative and domestic affairs of the Corporation not inconsistent with this Act and the regulations and, without limiting the generality of the foregoing,

- (a) prescribing the seal of the Corporation;
- (b) providing for the execution of documents by the Corporation;
- (c) fixing the financial year of the Corporation and providing for the audit of the accounts and transactions of the Corporation;
- (d) providing procedures for the election of President, Vice-Presidents and other officers of the Corporation, the filling of a vacancy in those offices, and prescribing their duties;
- (e) respecting the calling, holding and conducting of meetings of the Council and the duties of members of the Council;
- (f) respecting the calling, holding and conducting of meetings of the membership of the Corporation;
- (g) prescribing the remuneration of the members of the Council and committees and providing for the payment of necessary expenses of the Council and committees in the conduct of their business;
- (h) providing for the appointment, composition, powers and duties of the committees of Council as may be required, including the filling of vacancies and the setting of quorums;

- (i) prescribing forms and providing for their use;
- (j) providing procedures for the making, amending and revoking of by-laws;
- (k) respecting management of the property of the Corporation;
- (l) fixing and providing for the payment of annual fees and special assessments by members and fees for certificates and examinations;
- (m) providing for the borrowing of money on the credit of the Corporation and the charging, mortgaging, hypothecating or pledging of any of the real or personal property of the Corporation to secure any money borrowed or other debt or any other obligation or liability of the Corporation;
- (n) respecting the application of the funds of the Corporation and the investment and reinvestment of any of its funds not immediately required in any investments that are from time to time authorized investments for joint stock insurance companies, other than companies licensed to transact the business of life insurance, under the provisions of the Acts and the regulations that are the old investment rules for the purposes of section 431.1 of the *Insurance Act*;
- (o) providing for classes of membership and for the designation of and the terms and conditions attaching to each class;
- (p) respecting the keeping of records by the Corporation, Council, committees and members;
- (q) respecting the duties and authority of the Manager;
- (q.1) respecting and governing the nomination, election and term of office of the members to be elected to the Council, the filling of vacancies on the Council and controverted elections;
- (q.2) governing the composition of the Council;
- (q.3) respecting any matter ancillary to the provisions of this Act with regard to the issuing, renewal, suspension and revocation of certificates;
- (q.4) providing for the expiration of certificates and governing and establishing the requirements and qualifications for the issuing and renewal of certificates;
- (q.5) governing standards of practice for registered insurance brokers;
- (q.6) providing for a program for the continuing education of members to maintain their standard of competence and requiring members to participate in such continuing education;
- (q.7) respecting returns, reports, information or disclosure to be provided or made by members to the Corporation, the Chief Executive Officer, members of the public or any other person or persons;
- (q.8) REPEALED: 2017, c. 34, Sched. 36, s. 3.
- (q.9) establishing rules of practice and procedure for hearings held under this Act;
- (r) respecting all other things that are considered necessary for the attainment of the objects of the Corporation and the efficient conduct of its affairs. R.S.O. 1990, c. R.19, s. 11 (1); 1997, c. 19, s. 21; 2007, c. 7, Sched. 35, s. 1; 2017, c. 34, Sched. 36, s. 3; 2018, c. 8, Sched. 29, s. 3.

Idem

- (2) A copy of the by-laws made under subsection (1) and amendments thereto,
 - (a) shall be forwarded to the Chief Executive Officer; and
 - (b) shall be available for public inspection in the office of the Corporation. R.S.O. 1990, c. R.19, s. 11 (2); 2018, c. 8, Sched. 29, s. 3.

Signed by-laws and resolutions

- (3) Any by-law or resolution signed by all the members of the Council is as valid and effective as if passed at a meeting of the Council duly called, constituted and held for that purpose. R.S.O. 1990, c. R.19, s. 11 (3).

Section Amendments with date in force (d/m/y)

1997, c. 19, s. 21 - 10/10/1997

[2007, c. 7, Sched. 35, s. 1](#) - 05/05/2008

[2017, c. 34, Sched. 36, s. 3](#) - 14/12/2017

[2018, c. 8, Sched. 29, s. 3](#) - 08/06/2019

Establishment of committees

12 (1) The Council shall establish and appoint as hereinafter provided the following committees:

- (a) a Qualification and Registration Committee;
- (b) one or more Complaints Committees;
- (c) a Discipline Committee,

and may establish such other or additional committees as the Council from time to time considers necessary.

Panel of lay persons

(2) The Lieutenant Governor in Council may appoint such number of persons as the Lieutenant Governor in Council considers appropriate who are not members of the Corporation or members of the Council to a panel of lay persons eligible to serve as members of a Complaints Committee and the Discipline Committee.

Term of appointment

(3) The appointment of every person under subsection (2) shall be for a term not exceeding four years and a person whose appointment expires is eligible for one reappointment. R.S.O. 1990, c. R.19, s. 12.

Issuance of certificates of registration

13 (1) The Manager shall issue a certificate or renewal thereof to any applicant therefor who is qualified under this Act and the regulations and has passed such examinations as the Council may set or approve and the Manager shall refer to the Qualification and Registration Committee every application for a certificate or renewal thereof that he or she proposes to refuse.

Powers and duties of Qualification and Registration Committee

(2) The Qualification and Registration Committee shall determine the eligibility of applicants for certificates or renewals thereof and may require an applicant to take and pass such additional examinations as the Council may set or approve and pay such fees therefor as the Qualification and Registration Committee fixes or to take such additional training as the Qualification and Registration Committee specifies.

Conditions of certificates

(3) The Qualification and Registration Committee may direct the Manager to issue or refuse to issue certificates and renewals.

Review of qualifications

(4) The Qualification and Registration Committee may review the qualifications of any member and may impose a limitation on the member's certificate pending the demonstration of such standard of competence through the completion of such experience, courses of study or continuing education as the Committee specifies.

Registers

(5) The Manager shall maintain one or more registers in which is entered every person to whom a certificate has been issued identifying the terms of the certificate or the registration and every revocation, suspension, cancellation and expiration or other termination and every renewal of the certificate and such other information as the Qualification and Registration Committee or Discipline Committee directs. R.S.O. 1990, c. R.19, s. 13.

Notice of proposal to refuse registration

14 (1) Where the Qualification and Registration Committee proposes to refuse to grant a certificate to an applicant, the Manager on behalf of the Committee shall serve notice of the proposal of the Committee together with written reasons therefor, on the applicant.

Exemptions

(2) Subsection (1) does not apply to a refusal to grant a certificate to a person who was previously registered and whose registration was suspended or revoked as a result of a decision of the Discipline Committee.

Notice requiring hearing or review

(3) A notice under subsection (1) shall inform the applicant that he, she or it is entitled to a hearing by the Qualification and Registration Committee if he, she or it mails or delivers within fifteen days after the notice under subsection (1) is served on the applicant, notice in writing to the Committee requiring a hearing.

Powers of Committee

(4) Where an applicant does not require a hearing by the Committee in accordance with subsection (3), the Committee may refuse the application.

Finding of facts

(5) The findings of fact of the Committee pursuant to a hearing shall be based exclusively on evidence admissible or matters that may be noticed under sections 15, 15.1, 15.2 and 16 of the *Statutory Powers Procedure Act*. 2017, c. 34, Sched. 36, s. 4 (1).

Procedures on hearings

(6) The provisions of subsections 19 (2), (3), (5), (7) and (8) apply with necessary modifications to proceedings before the Committee under this section. 2017, c. 34, Sched. 36, s. 4 (2).

Powers of Committee upon hearing or review

(7) The Committee shall, after the hearing or review,

- (a) confirm the proposed decision;
- (b) require the applicant to take qualifying examinations or additional training as a condition for registration, or both, as specified by the Committee; or
- (c) direct the Manager to register the applicant on any appropriate register subject to such conditions as the Committee considers appropriate in cases where the Committee finds that the applicant meets the requirements for registration. R.S.O. 1990, c. R.19, s. 14.

Section Amendments with date in force (d/m/y)

[2017, c. 34, Sched. 36, s. 4 \(1, 2\)](#) - 14/12/2017

Complaints Committee

15 (1) Each Complaints Committee shall be composed of such number of persons as the Council may determine but at least one member of the Committee shall be a person who is not a member of the Corporation and who is appointed to the Council or to the panel of lay persons by the Lieutenant Governor in Council.

Appointment

(2) The Council may appoint any individual member of the Corporation to a Complaints Committee.

Membership in other committees

(3) No person who is a member of the Discipline Committee shall be a member of a Complaints Committee.

Chair

(4) The Council shall name one member of each Complaints Committee to be chair of that Committee.

Quorum

(5) A majority of the members of a Complaints Committee constitutes a quorum. R.S.O. 1990, c. R.19, s. 15.

Duties

16 (1) A Complaints Committee shall consider and investigate complaints regarding the conduct or actions of any member of the Corporation, but no action shall be taken by the Committee under clause (2) (a) unless,

- (a) a written complaint has been filed with the Manager and the member whose conduct or actions are being investigated has been notified of the complaint and given at least two weeks in which to submit in writing to the Committee any explanation or representations the member may wish to make concerning the matter; and
- (b) the Committee has examined or has made every reasonable effort to examine all records and other documents relating to the complaint.

Idem

(2) The Committee in accordance with the information it receives may,

- (a) direct that the matter be referred, in whole or in part, to the Discipline Committee;
- (b) direct that the matter not be referred under clause (a);
- (c) take such action as it considers appropriate in the circumstances and that is not inconsistent with this Act or the regulations or by-laws. R.S.O. 1990, c. R.19, s. 16.

Discipline Committee

17 (1) The Discipline Committee shall be composed of such number of persons as the Council may determine but at least four members of the Committee shall be persons who are not members of the Corporation and who are appointed to the Council or to the panel of lay persons by the Lieutenant Governor in Council.

Appointment

(2) The Council may appoint any individual member of the Corporation to the Discipline Committee.

Chair

(3) The Council shall appoint one of the members of the Discipline Committee who is a member of Council to be the chair of the Committee.

Composition of panels

(4) The chair of the Discipline Committee may assign a panel of five members of the Committee to hold a hearing of whom one shall be a person appointed to the Council or to the panel of lay persons by the Lieutenant Governor in Council and a panel of the Discipline Committee is sufficient to exercise the jurisdiction and powers of the Discipline Committee if a quorum is present.

Quorum and votes

(5) Three members of a panel assigned under subsection (4), of whom one shall be a person appointed to the Council or to the panel of lay persons by the Lieutenant Governor in Council, constitute a quorum for a hearing and all disciplinary decisions require the vote of a majority of members of the Discipline Committee presiding at the hearing.

Disability of lay member

(6) Where a panel of the Discipline Committee commences a hearing and the member thereof who is appointed to the Council or to the panel of lay persons by the Lieutenant Governor in Council becomes unable to continue to act, the remaining members may complete the hearing despite his or her absence.

Reference by Council

(7) The Council may direct the Discipline Committee to hold a hearing and determine any specified allegation of misconduct or incompetence on the part of a member. R.S.O. 1990, c. R.19, s. 17.

Duties and powers of Discipline Committee

18 (1) The Discipline Committee shall,

- (a) when so directed by the Council or by a Complaints Committee, hear and determine allegations of misconduct or incompetence against any member;

- (b) hear and determine matters referred to it under sections 16 and 22; and
- (c) perform such other duties as are assigned to it by the Council.

Idem

- (2) In the case of hearings into allegations of misconduct or incompetence, the Discipline Committee shall,
- (a) consider the allegations, hear the evidence and ascertain the facts of the case;
 - (b) determine whether upon the evidence and the facts so ascertained the allegations have been proved;
 - (c) determine whether in respect of the allegations so proved the member is guilty of misconduct or incompetence;
 - (d) determine the penalty to be imposed as hereinafter provided in cases in which it finds the member guilty of misconduct or of incompetence.

Misconduct

- (3) A member may be found guilty of misconduct by the Committee if,
- (a) the member has been found guilty of an offence relevant to the member's suitability to carry on business as a registered insurance broker upon proof of such conviction; or
 - (b) the member has been guilty in the opinion of the Discipline Committee of misconduct as defined in the regulations.

Incompetence

- (4) The Discipline Committee may find a member to be incompetent if in its opinion the member has, while acting as an insurance broker, displayed a serious lack of knowledge, skill or judgment or a serious disregard for the welfare of a member of the public.

Powers of Discipline Committee

- (5) Where the Discipline Committee finds a member guilty of misconduct or incompetence it may by order,
- (a) revoke the certificate of the member;
 - (b) suspend the certificate of the member for a stated period;
 - (c) impose such restrictions on the certificate of the member for such a period and subject to such conditions as the Committee designates;
 - (d) reprimand the member and, if deemed warranted, direct that the fact of such reprimand be recorded on the register;
 - (e) impose such fine as the Committee considers appropriate to a maximum amount prescribed in the regulations to be paid by the member to the Treasurer of Ontario for payment into the Consolidated Revenue Fund;
 - (f) direct that the imposition of a penalty be suspended or postponed for such period and upon such terms as the Committee designates;
 - (g) impose a requirement that the member reimburse any person who made a complaint against the member for any costs incurred by such person in the proceedings,

or any combination thereof.

Costs

- (6) Where the Discipline Committee is of the opinion that the commencement of the proceedings was unwarranted, the Committee may order that the Corporation reimburse the member for the member's costs or such portion thereof as the Discipline Committee fixes.

Stay

(7) Where the Discipline Committee revokes, suspends or restricts the certificate of a member on the grounds of misconduct or incompetence, the decision takes effect immediately even though an appeal is taken from the decision unless the court to which the appeal is taken orders otherwise.

Service of decision of Discipline Committee

(8) Where the Discipline Committee finds a member guilty of misconduct or incompetence, a copy of the decision shall be served upon the person complaining in respect of the conduct or action of the member.

Continuation on expiry of Committee membership

(9) Where a proceeding is commenced before the Discipline Committee and the term of office on the Council or on the Committee of a member sitting for the hearing expires or is terminated before the proceeding is disposed of but after evidence has been heard, the member shall be deemed to remain a member of the Discipline Committee for the purpose of completing the disposition of the proceeding in the same manner as if his or her term of office had not expired or been terminated. R.S.O. 1990, c. R.19, s. 18.

Discipline proceedings

19 (1) In proceedings before the Discipline Committee, the Corporation and the member of the Corporation whose conduct is being investigated in the proceedings are parties to the proceedings.

Examination of documentary evidence

(2) A member whose conduct is being investigated in proceedings before the Discipline Committee shall be afforded an opportunity to examine before the hearing any written or documentary evidence that will be produced or any report the contents of which will be given in evidence at the hearing.

Members holding hearing not to have taken part in investigation, etc.

(3) Members of the Discipline Committee holding a hearing shall not have taken part before the hearing in any investigation of the subject-matter of the hearing other than as a member of the Council considering the referral of the matter to the Discipline Committee or at a previous hearing of the Committee, and shall not communicate directly or indirectly in relation to the subject-matter of the hearing with any person or with any party or the party's representative except upon notice to and opportunity for all parties to participate.

(4) REPEALED: 2017, c. 34, Sched. 36, s. 5 (1).

Recording of evidence

(5) The oral evidence taken before the Discipline Committee shall be recorded and, if so required, copies or a transcript thereof shall be furnished to the parties at their own cost.

Findings of fact

(6) The findings of fact of the Discipline Committee pursuant to a hearing shall be based exclusively on evidence admissible or matters that may be noticed under sections 15, 15.1, 15.2 and 16 of the *Statutory Powers Procedure Act*. 2017, c. 34, Sched. 36, s. 5 (2).

Only members at hearing to participate in decision

(7) No member of the Discipline Committee shall participate in a decision of the Committee pursuant to a hearing unless he or she was present throughout the hearing and heard the evidence and argument of the parties.

Release of documentary evidence

(8) Documents and things put in evidence at a hearing of the Discipline Committee shall, upon the request of the person who produced them, be released to the person by the Committee within a reasonable time after the matter in issue has been finally determined. R.S.O. 1990, c. R.19, s. 19.

Section Amendments with date in force (d/m/y)

[2017, c. 34, Sched. 36, s. 5 \(1, 2\)](#) - 14/12/2017

Reference to board of inquiry

20 (1) Where the Manager receives information leading him or her to believe that a member may be an incapacitated member, the Manager shall make such inquiry as he or she considers appropriate and report to the Council who may, upon notice to the member, appoint a board of inquiry composed of at least two members of the Corporation and one member of the Council appointed thereto by the Lieutenant Governor in Council who shall inquire into the matter.

Examination

(2) The board of inquiry shall make such inquiries as it considers appropriate and may require the member to submit to physical or mental examination by such qualified person as the board designates and if the member refuses or fails to submit to such examination the board may order that his or her certificate be suspended until he or she complies.

Hearing by Qualification and Registration Committee

(3) The board of inquiry shall report its findings to the Council and deliver a copy thereof and a copy of any medical report obtained under subsection (2) to the member about whom the report is made and if, in the opinion of the Council, the evidence so warrants, the Council shall refer the matter to the Qualification and Registration Committee to hold a hearing and may suspend the member's certificate until the determination of the question of his or her capacity becomes final.

Parties

(4) The Corporation, the person whose capacity is being investigated and any other person specified by the Qualification and Registration Committee are parties to a proceeding under this section.

Medical evidence

(5) A legally qualified medical practitioner is not compellable to produce at the hearing his or her case histories, notes or any other records constituting medical evidence but, when required to give evidence, shall prepare a report containing the medical facts, findings, conclusions and treatment and such report shall be signed by him or her and served upon the other parties to the proceeding,

- (a) where the evidence is required by the Corporation, at least five days before the hearing commences; and
- (b) where the evidence is required by the person about whom the report is made, at least five days before its introduction as evidence,

and the report is receivable in evidence without proof of its making or of the signature of the legally qualified medical practitioner making the report but a party who is not tendering the report as evidence has the right to summon and cross-examine the medical practitioner on the contents of the report.

Powers of Qualification and Registration Committee

(6) The Qualification and Registration Committee shall, after the hearing,

- (a) make a finding as to whether or not the member is an incapacitated member; and
- (b) where the member is found to be an incapacitated member, by order,
 - (i) revoke his or her certificate,
 - (ii) suspend his or her certificate for such period as the Committee considers appropriate, or
 - (iii) attach such terms and conditions to the certificate as the Committee considers appropriate.

R.S.O. 1990, c. R.19, s. 20.

Appeal to court

21 (1) Any party to proceedings before the Discipline Committee or the Qualification and Registration Committee may appeal from its decision or order to the Divisional Court.

Powers of court on appeal

(2) An appeal under this section may be made on questions of law or fact or both and the court may affirm or may rescind the decision of the Committee appealed from and may exercise all powers of the Committee and may direct the Committee or the Corporation to take any action which the Committee or the Corporation may take and as the court considers proper, and for such purposes the court may

substitute its opinion for that of the Committee, or the court may refer the matter back to the Committee for rehearing, in whole or in part, in accordance with such directions as the court considers proper. R.S.O. 1990, c. R.19, s. 21.

Restoration of registration or certificate

22 (1) A person whose certificate has been revoked or suspended for cause under this Act may apply at any time in writing to the Manager for the issuance of a certificate or removal of the suspension.

Reference to Discipline Committee

(2) The Manager shall refer the application to the Discipline Committee or, where the revocation or suspension was on the grounds of incapacity, to the Qualification and Registration Committee, which shall hold a hearing and decide upon the application, and shall report its decision and reasons to the Council and to the former member. R.S.O. 1990, c. R.19, s. 22.

Restraining orders

23 (1) Where it appears to the Corporation that a person does not comply with a provision of this Act or the regulations, despite the imposition of any penalty in respect of such non-compliance and in addition to any other rights it may have, the Corporation may apply to a judge of the Superior Court of Justice for an order directing such person to comply with such provision, and upon the application the judge may make such order or such other order as the judge thinks fit. R.S.O. 1990, c. R.19, s. 23 (1); 2006, c. 19, Sched. C, s. 1 (1).

Appeal

(2) An appeal lies to the Divisional Court from an order made under subsection (1). R.S.O. 1990, c. R.19, s. 23 (2).

Section Amendments with date in force (d/m/y)

[2006, c. 19, Sched. C, s. 1 \(1\)](#) - 22/06/2006

Stop-orders and other orders

24 (1) Where the Corporation in the absence of evidence to the contrary made a case that a member has been or may be guilty of misconduct in connection with any property in the member's possession or under the member's control, a judge of the Superior Court of Justice may, upon an application made without notice by the Corporation, order that the property described in the order shall not be paid out or dealt with by the person or persons named in the order without the leave of a judge of the Superior Court of Justice. R.S.O. 1990, c. R.19, s. 24 (1); 1993, c. 27, Sched.; 2006, c. 19, Sched. C, s. 1 (1).

Appointment of trustee

(2) Where the Corporation in the absence of evidence to the contrary makes a case that the business of a member or former member is neglected to the prejudice of any person or that the interests of the clients of the member or former member are not being protected or that the member or former member has converted trust funds, a judge of the Superior Court of Justice may, upon application made without notice by the Corporation, by order appoint a person as trustee with or without bond, to take possession of any property or undertaking in the possession of or under the control of the member or former member for the purpose of preserving, carrying on or winding up the business of the member or former member. R.S.O. 1990, c. R.19, s. 24 (2); 1993, c. 27, Sched.; 2006, c. 19, Sched. C, s. 1 (1).

Idem

(3) A person appointed under subsection (2) shall, in respect of any trust property of the member or former member, be the trustee thereof, and the person shall in respect thereof take the place of a personal representative, committee or other representative, if any, of the member or former member. R.S.O. 1990, c. R.19, s. 24 (3).

Variation, discharge of order

(4) Any person may apply to a judge of the Superior Court of Justice for an order varying or discharging any order made under subsection (1) or (2). R.S.O. 1990, c. R.19, s. 24 (4); 2006, c. 19, Sched. C, s. 1 (1).

Remuneration

(5) The judge may, in an order made under subsection (2), make provision for the remuneration, disbursements and indemnification of the trustee out of such money or otherwise as the judge may specify. R.S.O. 1990, c. R.19, s. 24 (5).

Section Amendments with date in force (d/m/y)

1993, c. 27, Sched. - 31/12/1991

[2006, c. 19, Sched. C, s. 1 \(1\)](#) - 22/06/2006

Investigation of members

25 (1) Where the Manager, or in his or her absence, a person designated by the Manager, believes on reasonable and probable grounds that a member has committed an act of misconduct or incompetence, the Manager or the Manager's designate may by order appoint one or more persons to make an investigation to ascertain whether such an act has occurred, and the person appointed shall report the result of the investigation to the Manager or the Manager's designate. R.S.O. 1990, c. R.19, s. 25 (1).

Idem

(2) Where the Manager or the Manager's designate appoints persons to make an investigation to ascertain whether a member has committed an act of misconduct or incompetence involving trust funds, the persons appointed shall include two persons representing the insurers for whom funds were or ought to have been held in trust. R.S.O. 1990, c. R.19, s. 25 (2).

Powers of investigator

(3) For purposes relevant to the subject matter of an investigation under this section, a person appointed to make the investigation may inquire into and examine the practice of the member in respect of whom the investigation is being made and, upon production of his or her appointment, may enter at any reasonable time the business premises of such person and examine books, records, documents and things relevant to the subject matter of the investigation. 2009, c. 33, Sched. 6, s. 82.

Application of *Public Inquiries Act, 2009*

(3.1) Section 33 of the *Public Inquiries Act, 2009* applies to an inquiry. 2009, c. 33, Sched. 6, s. 82.

Obstruction of investigator

(4) No person shall obstruct a person appointed to make an investigation under this section or withhold from him or her or conceal or destroy any books, records, documents or things relevant to the subject-matter of the investigation. R.S.O. 1990, c. R.19, s. 25 (4).

Search warrant

(5) Where a justice of the peace is satisfied, upon an application made without notice by a person making an investigation under this section, that the investigation has been ordered and that such person has been appointed to make it and that there is reasonable ground for believing there are in any building, dwelling, receptacle or place any books, records, documents or things relating to the person whose affairs are being investigated and to the subject-matter of the investigation, the justice of the peace may, whether or not an inspection has been made or attempted under subsection (3), issue an order authorizing the person making the investigation, together with such police officer or officers as he or she calls upon for assistance, to enter and search, if necessary by force, such building, dwelling, receptacle or place for such books, records, documents or things and to examine them, but every such entry and search shall be made between sunrise and sunset unless the justice of the peace, by the order, authorizes the person making the investigation to make the search at night. R.S.O. 1990, c. R.19, s. 25 (5).

Removal of books, etc.

(6) Any person making an investigation under this section may, upon giving a receipt therefor, remove any books, records, documents or things examined under subsection (3) or (5) relating to the member whose practice is being investigated and to the subject-matter of the investigation for the purpose of making copies of such books, records or documents, but such copying shall be carried out with reasonable dispatch and the books, records or documents in question shall be promptly thereafter returned to the member whose practice is being investigated. R.S.O. 1990, c. R.19, s. 25 (6).

Admissibility of copies

(7) Any copy made as provided in subsection (6) and certified to be a true copy by a person making the investigation is admissible in evidence in any action, proceeding or prosecution as proof, in the absence of evidence to the contrary, of the original book, record or document and its contents. R.S.O. 1990, c. R.19, s. 25 (7).

Report of Manager

(8) The Manager shall report the results of the investigation to the Council or such other committee as he or she considers appropriate. R.S.O. 1990, c. R.19, s. 25 (8).

Section Amendments with date in force (d/m/y)

[2009, c. 33, Sched. 6, s. 82](#) - 01/06/2011

Matters confidential

26 (1) Every person employed in the administration of this Act, including any person making an inquiry or investigation under section 25 and any member of the Council or a Committee, shall preserve secrecy with respect to all matters that come to his or her knowledge in the course of his or her duties, employment, inquiry or investigation under section 25 and shall not communicate any such matters to any other person except,

- (a) as may be required in connection with the administration of this Act and the regulations and by-laws or any proceedings under this Act or the regulations;
- (b) to his or her counsel; or
- (c) with the consent of the person to whom the information relates.

Testimony in civil suit

(2) No person to whom subsection (1) applies shall be required to give testimony in any civil suit or proceeding with regard to information obtained by him or her in the course of his or her duties, employment, inquiry or investigation except in a proceeding under this Act or the regulations or by-laws.

Privileged information

(3) Any information, document, record, statement or thing made or disclosed to the Manager, the Council or a committee of Council concerning a member or a person applying for registration under this Act is privileged and shall not be used as evidence in any civil action or proceeding in any court brought by or on behalf of such member or person. R.S.O. 1990, c. R.19, s. 26.

27 REPEALED: 2001, c. 8, s. 215.

Section Amendments with date in force (d/m/y)

[2001, c. 8, s. 215](#) - 29/06/2001

Mailing address

28 (1) Every member shall maintain a mailing address in Ontario, which address shall be suitable to permit service by registered mail, and shall register the mailing address with the Manager.

Personal service

(2) Any legal process and any notice or document served personally or served by registered mail at the mailing address registered with the Manager shall be deemed for all purposes to have been served personally upon the member.

Deemed resident

(3) For the purpose of any civil action brought against a member, the member shall be deemed to be a resident of the county in which the mailing address is located. R.S.O. 1990, c. R.19, s. 28.

Service of notice and oaths

29 (1) Subject to section 28, any notice or document required by this Act to be served may be served personally or by mail addressed to the person to whom notice is to be given at his or her last known address and, where notice is served by mail, the service shall be deemed to have been made on the fifth day after the day of mailing unless the person to whom notice is given establishes that the person, acting

in good faith, through absence, accident, illness or other cause beyond the person's control, did not receive the notice, or did not receive the notice until a later date. R.S.O. 1990, c. R.19, s. 29 (1); 2016, c. 37, Sched. 21, s. 3.

Idem

(2) For a period of one year after the date on which a former member ceased to be a member of the Corporation, the mailing address of the former member registered with the Manager under section 28 shall be deemed to be the former member's last known address unless the former member registers a new mailing address with the Manager. R.S.O. 1990, c. R.19, s. 29 (2).

Administering oaths

(3) Every member of the Qualification and Registration Committee, the Discipline Committee and each Complaints Committee has power to administer oaths and affirmations for the purposes of any of its proceedings. R.S.O. 1990, c. R.19, s. 29 (3).

Section Amendments with date in force (d/m/y)

[2016, c. 37, Sched. 21, s. 3](#) - 08/12/2016

Registrar's certificate as evidence

30 Any statement containing information from the records required to be kept by the Manager under this Act, purporting to be certified by the Manager under the seal of the Corporation is admissible in evidence in all courts as proof, in the absence of evidence to the contrary, of the facts stated therein without proof of the appointment or signature of the Manager and without proof of the seal. R.S.O. 1990, c. R.19, s. 30.

Immunity

31 No action or other proceeding for damages shall be instituted against the Corporation, the Council, a Committee or any member of the Council or committee, or any officers, servants, agents or appointees of the Corporation, for any act done in good faith in the performance or intended performance of any duty or in the exercise or the intended exercise of any power under this Act, a regulation or a by-law, or for any neglect or default in the performance or exercise in good faith of such duty or power. R.S.O. 1990, c. R.19, s. 31.

Trust funds

32 (1) All funds received or receivable by a member in the course of business on behalf of insurers from members of the public or on behalf of members of the public from insurers are deemed to be trust funds.

Idem

(2) No member shall assign, pledge, hypothecate or mortgage or in any way charge the funds referred to in subsection (1) whether or not such funds have been received or remain receivable.

Idem

(3) Any assignment, pledge, hypothecation, mortgage or other charge of or on funds referred to in subsection (1) is null and void as against the beneficial owner of the funds. R.S.O. 1990, c. R.19, s. 32.

Falsification of certificates

33 (1) No person shall make or cause to be made any wilful falsification in any matter relating to a register or issue a false certificate or document with respect to registration.

False representations, etc.

(2) No person shall wilfully procure or attempt to procure himself, herself or itself or any other person to be registered under this Act by knowingly making any false representation or declaration or by making any fraudulent representation or declaration, either orally or in writing. R.S.O. 1990, c. R.19, s. 33.

Offence

34 (1) Every person who contravenes any provision of this Act and every director or officer of a corporation or unincorporated association and every member of a partnership who knowingly concur in such contravention is guilty of an offence and on conviction is liable to a fine of \$100,000 or to imprisonment for a term of not more than six months, or to both. R.S.O. 1990, c. R.19, s. 34 (1); 2016, c. 37, Sched. 21, s. 4.

Corporation

(2) Where a corporation is convicted of an offence under subsection (1), the maximum penalty that may be imposed upon the corporation is \$200,000 and not as provided therein. R.S.O. 1990, c. R.19, s. 34 (2).

Limitation period

(3) No proceeding under this section shall be commenced more than five years after the time when the subject-matter of the proceeding arose. R.S.O. 1990, c. R.19, s. 34 (3).

Section Amendments with date in force (d/m/y)

[2016, c. 37, Sched. 21, s. 4](#) - 08/12/2016

Regulations

35 The Lieutenant Governor in Council may make regulations,

- (a) respecting and governing the nomination, election and term of office of the members to be elected to the Council, the filling of vacancies on the Council and controverted elections;
- (b) governing the size and composition of the Council;
- (c) respecting any matter ancillary to the provisions of this Act with regard to the issuing, renewal, suspension and revocation of certificates;
- (d) providing for the expiration of certificates and governing and establishing the requirements and qualifications for the issuing and renewal of certificates;
- (e) providing for the maintenance and inspection of registers;
- (f) governing standards of practice for registered insurance brokers;
- (g) defining misconduct for the purposes of this Act and providing for a code of conduct;
- (h) providing for a program for the continuing education of members to maintain their standard of competence and requiring members to participate in such continuing education;
- (i) respecting the reporting and publication of decisions in disciplinary matters;
- (j) providing for the compilation of statistical information on the supply, distribution and business activities of members and requiring members to provide the information necessary to compile such statistics;
- (k) respecting returns, reports, information or disclosure to be provided or made by members to the Corporation, the Chief Executive Officer, members of the public or any other person or persons;
- (l) fixing maximum fines that may be imposed upon members found guilty of misconduct;
- (m) establishing rules of practice and procedure for hearings held under this Act;
- (n) respecting trust funds and the keeping of trust accounts by members;
- (o) respecting the reporting and auditing of members' accounts and specifying the type and nature thereof;
- (p) requiring the filing of financial guarantees by members of the Corporation and respecting the collateral security for terms, conditions and form of financial guarantees;
- (q) establishing and governing minimum indemnity insurance requirements for members and requiring and respecting errors and omissions insurance;
- (r) establishing and governing minimum equity capitalization requirements for members;
- (s) establishing and respecting restrictions and limitations on the sale and ownership of insurance brokers and the businesses of insurance brokers;
- (t) prescribing forms and providing for their use;
- (u) exempting any person or group of persons from all or part of the provisions of this Act and the regulations subject to such terms and conditions as may be set out in the regulations. R.S.O. 1990, c. R.19, s. 35; 2018. c. 8, Sched. 29, s. 3.

Section Amendments with date in force (d/m/y)

[2018, c. 8, Sched. 29, s. 3](#) - 08/06/2019

35.1 REPEALED: 2020, c. 36, Sched. 14, s. 15 (2).

Section Amendments with date in force (d/m/y)

[2018, c. 8, Sched. 29, s. 2](#) - 08/06/2019

[2020, c. 36, Sched. 14, s. 15 \(2\)](#) - 08/12/2020

Transition

36 Despite any other provision of this Act, a person holding a valid licence as an insurance agent or an insurance broker under the *Insurance Act* issued before the 1st day of October, 1981, who was an insurance broker within the meaning of insurance broker contained in this Act, shall be deemed to be a registered insurance broker under this Act and the person shall be so registered as a member by the Manager. R.S.O. 1990, c. R.19, s. 36.