RIBO

ANNUAL REPORT

2008/2009

"WITH THE DEDICATED TEAM OF BROKERS ELECTED BY OUR MEMBERSHIP, RIBO CONTINUES TO SERVE THE INTEREST OF CONSUMERS WHILE REGULATING THE PROFESSION."

2008 • 2009 RIBO COUNCIL

Standing (left to right):
John Gelston, Jack Lee, Jim Hawryluk, Al Chamney, Jeff Bear, Brian Purcell, Bob Carter.

Seated (left to right):
John Baizana, Paul Armstrong, Hania Amad, Laura Sheehan, Sharad Mistry.

Absent:
Doug Grahlman, Dominic Presta

REPORT FROM THE PRESIDENT

John Baizana
President

I wish to begin the 2008/ 2009 Report from the President by acknowledging the work of my fellow Council members as well as the staff of RIBO. Through their experience, suggestions and direction, they have greatly assisted me in fulfilling my duties as President. Participation on Council, as well as RIBO's Committees, demonstrates a true commitment to our profession and I encourage all members to give consideration to becoming more involved with the regulation of our profession through RIBO.

It is important that we remember that RIBO Council is elected by us and representative of us. Staff work to administer our legislation and the Code of Conduct included therein but they do so under the guidance and direction of elected members. Similarly, RIBO's Discipline and Complaints Committees are comprised of members. It is through the participation of members on Council and Committees and the attendant responsibilities of acting in the best interest of the Ontario public that the 'rubber' of self-regulating status truly 'meets the road'.

Insurance brokers in Ontario have enjoyed the privilege of self-regulation for over 25 years. RIBO was created under the Registered Insurance Brokers Act and is responsible for regulating our profession, including both the brokerages and the individual members. This is not without its challenges. Some brokers see themselves as lone wolves and do not embrace enthusiastically the presence of a regulator, despite the fact that it has been in existence for so long! That said, we can be proud of the work that we do as insurance brokers and similarly proud of how RIBO seeks to maintain a consistent level of professionalism in all our members.

One of the hallmarks of acting professionally is our overarching duty to place the interest of our clients ahead of our own. I have written in the RIBO Bulletin about the need to ensure clients are in a position to provide meaningful consent to the collection, use and sharing of personal information such as credit scores. RIBO has met with other regulators as well as industry participants to improve the quality of disclosure offered to clients, upon which they could decide whether or not to share personal information. While this remains a contentious issue amongst all industry participants, RIBO has and will continue to provide guidance to the members.

Another challenge for many in our industry, and one which I am particularly passionate about, is 'market blocking' as practiced by some brokers. As a broker I understand and support sending out a mass quote request to insurers in order to obtain quotes from those insurers. Where that request is sent with no intention of ever obtaining the quotes, it leaves the appearance of acting in a manner that furthers the interest of the broker and not necessarily those of the client. It may cross the regulatory line if a broker refuses to unblock a market at the request of another broker who has been given authorization by the client to obtain a quote from the blocked market. Our actions as brokers must always reflect the priority of our clients' interest.

RIBO was pleased this year to continue our transition to being a more green-friendly organization. Through financial incentives, we encouraged the membership to utilize the on-line membership renewal option. The response, both in terms of numbers and positive feedback, has been very encouraging. We will continue to seek ways to refine the process to your benefit as well as to explore other opportunities to deliver 'greener' services.

In that vein, Council also decided this year to distribute the Annual Report electronically. We also explored the feasibility of holding 'online' elections, the discussion of which is ongoing.

I wish to conclude by observing that a self-regulating profession such as ours must act and be seen to act in such a way as to promote effective professional regulation in furtherance of the public trust. It is through our dedication to this principle that helps assure we remain an effective and progressive regulator. The Council and Staff of RIBO keep this at the forefront of our collective mind as we aim to maintain RIBO as a thoughtful and progressive regulator. It has been my pleasure to serve as your President for 2008/ 2009 and I wish my successor much success in the coming year.

REPORT OF THE CHIEF EXECUTIVE OFFICER

Jeff Bear
Chief Executive Officer

I am pleased to offer my Report for the 2008/ 2009 year.

The 2008 elections to Council saw the election of Doug Grahlman as well as the re-election of John Baizana and Al Chamney for a second term. John Baizana was elected President by his colleagues on Council. Other officers of the Corporation for 2008/ 2009 included Al Chamney (Vice-President), Jack Lee (Secretary) and Brian Purcell (Treasurer). I want to thank the officers and all members of Council including Public members for their outstanding contributions to RIBO this year.

In welcoming our new Council member I would also like to thank departing Council member Caroline MacDonald for her six years of service and dedication to our industry.

I want to note the passing of some good friends of RIBO. Early this year we learned of the unfortunate and early passing of Byron Moffitt who had served on RIBO Council. In May we said goodbye to Dick Gardner, former RIBO President and long serving member of our Discipline Committee. I speak on behalf of RIBO Council and all RIBO staff when I say both will be greatly missed.

Strategic Planning sessions were held early in 2009 during which numerous issues were presented and discussed. Included amongst a variety of topics were the RIBO licensing regime and the process for elections to Council. One decision that flowed from these discussions was the move to electronic distribution of the RIBO Annual Report commencing in 2009.

The Spring meeting of CISRO (Canadian Insurance Services Regulatory Organizations) was hosted by RIBO at our offices. Our ongoing and active involvement with the other regulatory agencies that participate in CISRO, including the Financial Services Commission of Ontario and other provincial insurance regulators ensure we stay aware of emerging issues, trends and effective solutions. Where possible, we also search for a harmonized response so as to avoid duplication of efforts and to minimize the regulatory burden for industry participants.

RIBO continues to participate in discussions with FSCO over the possible licensing of insurance wholesalers in the Province of Ontario. We are also pleased by the number of wholesalers that have chosen to join RIBO on a voluntary basis.

We also continue to nurture our relationship with both the Insurance Brokers Association of Ontario and the Toronto Insurance Conference. We actively and successfully worked with them in the past year to better understand and where possible, co-ordinate responses on difficult issues. By way of example, RIBO issued Advisories relating to the use of credit information in the quoting and underwriting of insurance and we are currently working on an Advisory regarding the OSFI proposed changes to the federal Insurance Act. Whenever possible, we will offer guidance and *guidelines* to the membership.

As the CEO of RIBO I have had many occasions to meet with representatives of other regulatory bodies, not only in Ontario but throughout Canada and internationally. There are always opportunities to learn new things that might make RIBO an even better and more responsive regulator. Similarly, many of the things I learn demonstrate to me that, at RIBO, there are many things that we do very well. I am particularly pleased with the principles-based approach to regulation that we have aimed to implement. This approach favours overarching regulatory principles and standards of conduct rather than a prescriptive list of do's and dont's. Of course, some regulatory activities, such as running a trust fund, necessitate quite specific requirements. However, where possible, RIBO aims to establish guidelines that each member can adapt to their own unique circumstances. Small firms may approach a problem differently than a larger firm but the end result should be compliance with the underlying regulatory principles. This is one manifestation of a progressive regulator and I believe it is something the membership can be proud of.

In closing, I want to acknowledge the comments, suggestions and feedback I have received from members over the past year. As I have said in the past, RIBO is always open to fresh ideas. We also welcome any opportunity to come to speak to you on issues of interest. It is through this interaction and dialogue that, together, we can meet any challenges that lay ahead. Please do not hesitate to write, call, e-mail or fax any Council or Staff member with your concerns or suggestions.

REPORT OF THE PROFESSIONAL DEVELOPMENT COMMITTEE

John Gelston
Chairperson

The Registered Insurance Brokers Act and Regulations govern all general insurance brokers in Ontario. It is the responsibility of RIBO's Board of Directors, its committees and staff to administer the Act and the Regulations.

One of RIBO's essential operational duties is to ensure that when a complaint is received against a broker both sides of the inquiry are investigated promptly and fairly.

There are two main types of complaints handled by the Complaints and Investigations Department. The first is finance related, and is usually generated as a result of a spot check or a broker review. The most common types of finance complaints are due to trust deficits, followed by inadequate books and records.

The second type of complaint is conduct related, and is normally started by a consumer complaint. When a member of the public or a fellow broker initiates a complaint the Consumer Complaints Officer reviews it and decides whether or not there are probable grounds to substantiate the complaint against a registered broker. The complainant is asked to provide his/her written complaint to RIBO, along with any relevant supporting documentation.

Once the written complaint is received by RIBO, an inquiry file is opened, and assigned to an investigator for further examination. Additional evidence is gathered and statements are taken. If the investigation results in formal complaint charges being laid against a broker, then the matter is referred to a Complaints Committee for direction. If the Complaints Committee decides there is enough evidence to indicate possible misconduct, the matter is referred to the Discipline Committee for a hearing and final decision.

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

STATISTICAL SUMMARIES

The following statistical summaries are a reflection of the excellent work done by our Complaints and Investigations Department. The Manager, Tim Goff, continues to review the internal procedures of the Department, and constantly looks for ways to improve efficiency.

- RIBO received well over **1400** inquiry telephone calls last year, which is the same as the previous year. The Consumer Complaints Officer attempts to resolve as many of the complaint calls within RIBO's jurisdiction as possible. Of the **1400** consumer inquiry calls, approximately **90%** of the "telephone complaints" were resolved in this manner.

- **113** new files were opened this year, which required investigation by RIBO staff. (Please refer to *Chart 1* to review the sources and types of complaints).

- We began this year with **47** active files, meaning investigations or complaints proceedings were already in progress from the previous year.

- **103** files were resolved and closed this year, leaving **57** in progress which will be carried over.

- The Complaints Committee consists of a three-member panel, comprised of two brokers and a public member. The Complaints Committees met on **8** separate occasions.

- In each case, the broker who is the subject of the complaint is invited to the meetings. Brokers attended **90%** of the time.

- During the Complaints Committee meetings, **9** of the files were closed in the broker's favour, with **29** cases raising issues regarding misconduct, and were referred to the Discipline Committee for further review.

- Of the **29** cases that raised issues regarding misconduct, **27** were referred directly to the Discipline Committee for hearings and **2** were offered a resolution on a consent basis. None of the cases were deferred to a later date.

- The Discipline Committee consists of a five-member panel, comprised of four brokers and one public member. These panels held hearings on **11** days during the year, on which **2** cases were presented for approval on a consent basis, and **17** hearings were held.

- Multiple penalties were assigned in many of the cases, which is the reason that the dispositions in *Chart 2* add up to more than the total of the cases presented.

- The random spot-check program this year resulted in **306** spot checks of which only **8** resulted in any kind of formal proceeding. Our target number of annual spot checks has increased due to the addition of another financial investigator to the Complaints and Investigation Department, from **240** per year to **350** spot checks per year. There were **27** spot checks in progress or with follow up at fiscal year end included in the total number of **306** spot checks. This year the goal is to conduct **350** brokerage visits.

I would like to take this opportunity to thank my fellow committee members who willingly volunteer their time. A special thank you goes to the staff of the Complaints and Discipline Department for their hard work and support, in particular, to Tim Goff, for his guidance throughout the year.

It has been a pleasure serving as the Chairperson of the Professional Development Committee this year. I thank you for the opportunity.

PROFESSIONAL DEVELOPMENT CHARTS

SOURCE AND TYPE OF COMPLAINT FILES

SOURCE

	08/09	07/08
Non – Compliance	46	48
Public	36	26
Member Brokers	25	15
Insurers	2	1
Lawyers	3	0
Government & Other Sources	0	2
Total	**112**	**92**

TYPE

	08/09	07/08
Code of Conduct	60	44
Other Misconduct	7	2
Delinquent Filing	1	4
Trust Funds	39	32
Equity Requirements	1	0
Financial Records	4	10
Non-Compliance (other regs.)	0	0
Criminal Allegations	0	0
Total	**112**	**92**

DISPOSITION OF DISCIPLINARY PROCEEDINGS

	08/09	07/08	06/07
Certificate of Registration Revoked	4	6	4
Certificate of Registration Suspended	4	1	11
Certificate of Registration Restricted	5	2	2
Attendance at Education Course Ordered	1	1	2
Additional Financial Reports Ordered	7	6	2
Investigation Cost Recovery	0	1	0
Fines, Payable to Ministry of Finance	3	4	3
Registrant Reprimanded	4	5	0
Dismissed in Broker's Favour	0	1	0

REPORT OF THE QUALIFICATION & REGISTRATION DEPARTMENT

Al Chamney
Chairperson

Thank you for the opportunity to serve as Chairperson of the Qualification and Registration Committee.

The committee establishes and sets RIBO's qualification and education standards. Throughout the year we monitor and refine our procedures and guidelines in order to meet industry changes. At it's monthly meetings, the Qualification and Registration Committee makes all its decisions keeping in mind the protection of the public and the maintenance of the professional competence of brokers in Ontario.

The followings statistical summary details the work of the committee and department over the last fiscal year (August 1, 2008 – July 31, 2009):

NEW BROKERS — ACTING UNDER SUPERVISION

	08/09	07/08
Exams Written (including equivalency exams)	2249	2111
Pass Rate (including equivalency exams)	61%	63%
Pass Rate (full basic-broker exam) for those attending a course	63%	69%
Pass Rate (full basic-broker exam) for those not attending a course	58%	58%

LEVEL II — REMOVAL OF RESTRICTION

	08/09	07/08
Technical Exams Written	**35**	**46**
Pass Rate	43%	39%
Management Exams Written	**77**	**145**
Pass Rate	56%	68%

The low number and passing ratio in the technical exams is mainly due to our decision to accept CAIB and CIP designations as an equivalency and the candidates that do write are mainly new to the commercial lines field.

COMMITTEE DECISIONS

	Granted	Refused
Application for Secondary Business Exemption	180	3
Application for Removal of Restrictions	0	1
Other	7	2

The Committee reviewed a total of 193 requests. The majority (183) were requests for secondary business exemptions. These requests require exemption from Regulation 991, Section 5 (i) (b). Over the course of the year the Committee granted 180 secondary business exemptions. Fifteen of the requests were for exemptions to sell financial products. Requests for secondary business exemptions are mainly from individuals who need to supplement their incomes.

In the decision process the Committee evaluates each request, taking all comments and concerns into consideration, including the possibility of a conflict of interest, or undue influence.

In the other category, the Committee recommended that Council grant permission to seven brokerage firms in other provinces to hold their Ontario Trust Monies in their home province on the condition that they comply with the listed RIBO Regulations. The Committee also refused two cases where an individual firm did not meet the suitability of qualification for RIBO registration or no qualified Principal Broker.

Of the six refusals, one made a request for a hearing, two subsequently withdrew their requests, RIBO withdrew one proposal due to compliance by the firm and two are currently pending. The Committee also confirmed its proposed decision in two cases from the prior year.

HEARING SUMMARY

		08/09	07/08	06/07	05/06
Review of Qualification to hold a certificate	Granted	1	0	0	0
	Refused	0	1	2	0
Application for Exemption Secondary Occupation	Granted	0	1	0	1
	Refused	0	0	1	1
Application for Removal of Restriction	Granted	0	0	0	1
	Refused	0	0	0	1
Other	Granted	0	0	0	0
	Rrefused	0	0	0	0
Total		**1**	**2**	**3**	**4**

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

REGISTRATION

	08/09	07/08	06/07	05/06
Individual Registrants	16,483	16,221	16,055	15,773
Partnerships & Corporations	1,187	1,200	1,180	1,181
Sole Proprietorships	18	18	21	26
Consultants & Wholesalers	26	26	22	13
Active Businesses	*1,231	*1,244	*1,223	*1,220
Average number of registrants per business	13.4	13.0	13.1	12.9

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

Even with further consolidation and amalgamation, we have remained consistent over the past few years. At the same time, individual registrations have increased.

CHRIS WARD MEMORIAL AWARD

This award is presented in memory of RIBO's late president Christopher J. Ward, to the individual who receives the highest mark on the first attempt of either the Management or Technical examination. I'm happy to announce that this year's recipient is Geoffrey Miller of D.I.S. Financial Solutions Group Limited.

DONALD W. LAMBIE AWARD

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

The Donald W. Lambie Award is presented to the individual with the highest mark in the initial RIBO qualification examination. This year's winner is Brian Cook of Grey Power Insurance Brokers Inc.

Please join us in congratulating the award winners. We look forward to recognizing their achievements at the Annual Meeting on November 5, 2009.

I would like to take this opportunity to thank my fellow Committee members for their support over the last year and offer special thanks to the volunteer members of the various sub-committees and individual brokers who willingly give their time to assist this Committee and department.

In closing, I would like to express my thanks to Lilian Croucher and the Qualification and Registration staff who work hard throughout the year to ensure that all our qualification and education needs are met.

At any time please feel free to contact staff or Committee members for advice or to address any issues you may have.

"UNDER THE DIRECTION OF CEO JEFF BEAR, RIBO STAFF CONTINUES TO MAKE EVERY EFFORT TO PROVIDE PROFESSIONAL SERVICE TO OUR MEMBERS AND THE PUBLIC AND TO BE FAIR AND REASONABLE IN THE PERFORMANCE OF THEIR DUTIES."

RIBO STAFF PHOTO 2008 • 2009

Seated (left to right):
Management: Tim Goff (Complaints & Investigation), Patrick Ballantyne (General Counsel), Jeff Bear (Chief Executive Officer), Lilian Croucher (Qualification & Registration), Winston Koo (Administration & Finance).

Standing (left to right):
Valrie Bailey, Erica Lo, Tracy Cullen, Crystal Skyvington, Christopher Thorn, Vivian Lee, Sharon Bentley, Michael Buck, Debbie Lee, Angela Daley, Lise Clements, Fenton Fong, Laurie Reynolds, Gustavo Blandon, Diana Campoli, Madeline Ross, Irene Chung, Nadine Austin.

Absent:
Wendy Wu

REGISTERED INSURANCE BROKERS OF ONTARIO

Outgoing President Paul Armstrong Chairs the 27th Annual General Meeting

Minutes of the Twenty-Seventh Annual General Meeting of Registrants of the Registered Insurance Brokers of Ontario held on Wednesday, November 5, 2008 at 2:00 p.m. in the Arcadian Room of the Simpson Tower, Toronto, Ontario.

Opening of Meeting

The outgoing President, Paul Armstong, introduced members of the Board for 2008 that were in attendance. They were: Hania Amad, John Baizana, Bob Carter, Al Chamney, John Gelston, Jim Hawryluk, Jack Lee, Caroline MacDonald, Sharad Mistry and Brian Purcell. Board members not in attendance today are: Domenic Presta and Laura Sheehan.

The Chairperson, Paul Armstrong, then introduced Jeff Bear, Chief Executive Officer of RIBO and then introduced the rest of RIBO staff and thanked everyone for their dedication and hard work throughout the year.

The Chairperson then introduced the representative from Network Court Reporting Limited who was requested to act as Recording Secretary of the meeting.

Appointment of Scrutineers: Report as to Quorum

The Chairperson called for the appointment of Diana Campoli, Fenton Fong and Christopher Thorn to act as scrutineers of the meeting. As there were no objections, these individuals were so appointed.

The scrutineers informed the Chairperson that a quorum of members was present at the meeting.

Notice of Meeting

The Chairperson advised that the Secretary had received the Declaration of Mailing from Postage Savers Inc., declaring that the Notice calling the meeting, together with the Annual Report and Financial Statements of the Corporation, were mailed in accordance with the By-Laws of the Corporation.

Constitution of Meeting

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

The Chairperson then introduced invited guests present at the meeting, as well as members of the insurance press and a number of RIBO Past Presidents.

Question Period Procedures

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

Minutes of the November 8, 2007 Annual General Meeting:

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

It was **moved** by Jim Hawryluk and **seconded** by Don Lambie that the Minutes of the November 8, 2007 Annual Meeting be approved as presented. **Motion Carried.**

President's Report

Paul Armstrong thanked everyone for their attendance on this day and for giving him the privilege to serve as RIBO President this past year. He particularly thanked Caroline MacDonald for her two terms on RIBO Council. His report included the following comments.

Earlier this year, Council focused on the RIBO election process to ensure as much as possible that we were able to attract bright, energetic and knowledgeable candidates to throw their hat in the ring. An Election sub-committee was created and after research, discussion and debate, made recommendations to Council on how to better reach out to the members to encourage participation in the affairs of RIBO, whether through RIBO Committees or by running for Council, by way of example. Our involvement with RIBO affords us all an opportunity to give something back to the profession. As important, it affords us a unique opportunity to be active in the overall management and development of our profession.

For over 25 years RIBO has had the responsibility and the privilege of regulating insurance brokers in the Province of Ontario. Ours is a self-regulating profession, a privilege we share with physicians, nurses, lawyers and engineers, among others. In fact, we are the only self-regulating insurance sector in Canada. At its core is an understanding by government and the public that we who practice the profession are best able to regulate it effectively.

This privilege is not absolute. Public members appointed by the Provincial Government have four seats on Council. Similarly, at least one public member must be on each Complaint and Discipline Committee in order for there to be a quorum. The role of the public member is to ensure the interest of the public is being considered in all RIBO proceedings. RIBO has been well served by our public members as they help to ensure that we regulate our profession and are seen to regulate our profession. It is that obligation to act in the best interest of the public that defines RIBO. We have been delegated authority to regulate ourselves and we must do so in the best interest of the public.

Presentation of the Annual Donald Lambie Award to Joanne Shelley of Stevenson & Hunt Insurance Brokers Limited, Sherry McDonald of Canada Brokerlink (Ontario) Inc. and Ivo Fung of Grey Power Insurance brokers Inc.

Left to Right: Sherry McDonald, Donald Lambie, Joanne Shelley and Ivo Fung

Accordingly, our Council consists of brokers who have been elected by other brokers. It is brokers who sit on our Complaints and Discipline Committees. It is fellow brokers that decide issues of importance to our profession including who may practice our profession and how best to sanction those whose conduct has been substandard.

RIBO is neither a trade association nor an advocate, but a regulator charged with administering the *Registered Insurance Brokers Act and Regulations*. This distinction must be recognized and honoured and must never be compromised at the risk of losing the privilege of self-regulation. In order for us to be an effective regulator, we must maintain an open dialogue with our members and with those associations to which they may belong.

At a higher level, our ongoing dialogue with IBAO and TIC makes RIBO a more thoughtful and respective regulator. In addition, RIBO maintained its ongoing active involvement with other regulatory agencies, including the Financial Services Commission of Ontario and other provincial insurance regulators through CISRO.

While RIBO is responsible for overseeing the profession, brokers also have an obligation to keep an eye on their own businesses. Brokers are first in line in minimizing the risks to the public of any non-compliance with RIBO regulations. Principal Brokers are expected to have in place meaningful supervision practices that support compliance with RIBO requirements. RIBO published the *Principal Brokers Handbook* in 2006, and that document will be reviewed and updated as required. We will also continue our efforts to support our principal brokers, so that they may be more effective and be able to oversee their brokerages.

The Chairperson recognized industry or local awards given to the following: one of RIBO councillors, Brian Purcell received an award for having one of the best practices of a small broker in a small community. Greg James from Ottawa received an award for one of the best practices with 10 brokers or more. The overall recognized best individual broker award was given to Keith Miller from Oshawa. The young broker award was given to Monika Dale from Sault Ste. Marie and the award of excellence went to Steve Wagler.

In closing, Paul Armstrong stated that RIBO must remain vigilant in ensuring our profession continues to strive for excellence. RIBO plays a pivotal role through its efforts to hold all brokers to the standards set out in RIBO's governing legislation, guidelines and

Presentation of the Annual Chris Ward Memorial Award to Mark Perrin of Cambrian Insurance Brokers Limited.

Left to Right: John Baizana, Mark Perrin and Lilian Croucher

by-laws by our Council. He thanked the membership and Council for their encouragement and support throughout his year as, not only RIBO President, but for his term on Council. Paul also thanked Jeff Bear and RIBO staff for their commitment and dedication to RIBO.

Presentation of Chris Ward Memorial Award

The Chairperson requested that John Baizana, RIBO's Chair of the Qualification and Registration Committee and Lilian Croucher, Manager of Qualification and Registration present the Chris Ward Memorial Award to Mark Perrin of Cambrian Insurance Brokers Limited for receiving the highest mark on the first attempt of the Level II Examination.

Presentation of the Donald W. Lambie Education Award

The Chairperson requested that Donald Lambie present the Donald W. Lambie Education Awards to the three candidates that tied for receiving the highest mark in the initial RIBO Qualification Examintion to Ivo Fung of Grey Power Insurance Brokers Inc., Sherry Lynn McDonald of Canada Brokerlink (Ontario) Inc. and Joanne Shelley of Stevenson & Hunt Insurance Brokers Limited.

Presentation of Annual Report

The Chairperson introduced the first item of business, namely the presentation of the Annual Report of the Corporation for the year ended July 31, 2008. He requested that a copy of the Annual Report be filed with the Minutes of this meeting. He then requested Jonathan Simmons of PricewaterhouseCoopers to read the auditors' report to members.

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

It was **moved** by Bob Carter and **seconded** by Al Chamney that registrants approve the adoption of the Annual Report of the Corporation for the year ended July 31, 2008, including the standing Committee Reports and the Auditors' Report on the Financial Statements. **Motion Carried**.

Appointment of Auditors

It was **moved** by Caroline MacDonald and **seconded** by John Gelston that PricewaterhouseCoopers be re-appointed as Auditors of the Corporation until the next Annual Meeting or until their successors are appointed, and their remuneration as such be fixed by the Council, and the Council be authorized to fix such remuneration. **Motion Carried**.

Election Results

The Chairperson called upon the CEO to announce the results of the election. The CEO, Jeff Bear, reported that the candidates in order of finish were: John Baizana, Al Chamney, Doug Grahlman and Bruce Cartwright. Jeff further reported that the three successful candidates elected to Council were: John Baizana, Al Chamney and Doug Grahlman.

The Chairperson congratulated and welcomed Doug Grahlman who was unfortunately unable to attend today and then congratulated John Baizana and Al Chamney on being re-elected for a second term on RIBO Council.

The Chairperson then called on John Baizana to step forward to make a presentation to our retiring Council member.

John Baizana thanked Caroline MacDonald for her hard work and dedication to RIBO for the past six years. He then presented a plaque in her honour.

Question Period

The Chairperson asked at this time if there were any questions from the assembly. There were no questions.

Termination of Meeting

On behalf of Council, the Chairperson expressed his appreciation to all registrants attending the meeting.

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

At 2:30 p.m., there being no further business, it was **moved** by Brian Purcell that the meeting be adjourned, whereupon the Chairperson declared the meeting adjourned. **Motion Carried.**

Registered Insurance Brokers of Ontario

Financial Statements
July 31, 2009

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
Chartered Accountants
PO Box 82
Royal Trust Tower, Suite 3000
Toronto Dominion Centre
Toronto, Ontario
Canada M5K 1G8
Telephone +1 416 863 1133
Facsimile +1 416 365 8215

September 15, 2009

Auditors' Report

To the Registrants of
Registered Insurance Brokers of Ontario

We have audited the balance sheet of **Registered Insurance Brokers of Ontario** as at July 31, 2009 and the statements of operations, changes in the RIBO Professional Indemnification Fund and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Corporation's management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at July 31, 2009 and the results of its operations, the changes in the RIBO Professional Indemnification Fund and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants, Licensed Public Accountants

Registered Insurance Brokers of Ontario

Balance Sheet

As at July 31, 2009

	2009 $	2008 $
Assets		
Current assets		
Cash (note 2)	4,254,861	4,290,013
Cash in trust (note 4)	939,825	924,847
Prepaid expenses and sundry assets (note 2)	209,232	183,495
	5,403,918	5,398,355
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 2)	39,693	33,176
Unearned revenue (note 2)	603,955	710,195
	643,648	743,371
Fund Balances		
RIBO Professional Indemnification Fund (note 4)	939,825	924,847
Operating Fund (note 4)	3,820,445	3,730,137
	4,760,270	4,654,984
	5,403,918	5,398,355

Contingencies (note 5)

Approved by the Board of Directors

_______________ Director   _______________ Director

Registered Insurance Brokers of Ontario

Statement of Operations

For the year ended July 31, 2009

	2009 $	2008 $
External costs of regulation		
Qualification and registration	127,510	136,222
Complaints and disciplinary investigations and hearings	227,655	179,470
Consumer protection expenses	64,568	48,784
	419,733	364,476
External costs of communication		
Bulletins and mailings	10,243	43,602
Election expenses	15,165	21,614
Annual meeting	50,207	34,406
Other communication expenses	66,874	77,698
	142,489	177,320
Administration costs		
Salaries and employee benefits	2,129,810	1,964,355
Rent, property taxes and utilities	324,650	332,014
Office and general	263,746	269,836
Professional fees	16,500	19,024
Committees	122,266	121,829
Computer expenses	137,455	198,436
	2,994,427	2,905,494
	3,556,649	3,447,290
Funding of operating costs		
Registration and examination fees	3,490,785	3,449,575
Investment and other income	156,172	305,823
	3,646,957	3,755,398
Surplus of revenue over operating costs for the year	90,308	308,108
Operating Fund - Beginning of year	3,730,137	3,422,029
Operating Fund - End of year	3,820,445	3,730,137

Registered Insurance Brokers of Ontario

Statement of Changes in the RIBO Professional Indemnification Fund

For the year ended July 31, 2009

	2009 $	2008 $
Investment income	14,978	34,834
Fund balance - Beginning of year	924,847	890,013
Fund balance - End of year	939,825	924,847

Registered Insurance Brokers of Ontario

Statement of Cash Flows

For the year ended July 31, 2009

	2009 $	2008 $
Cash provided by (used in)		
Operating activities		
Registration fees collected	3,043,290	3,148,669
Examination fees collected	341,255	332,631
Investment and other income received	156,172	305,823
Cash paid to suppliers and employees	(3,575,869)	(3,517,241)
(Decrease) increase in cash during the year	(35,152)	269,882
Cash - Beginning of year	4,290,013	4,020,131
Cash - End of year	4,254,861	4,290,013

1 Significant corporate information

Registered Insurance Brokers of Ontario (the Corporation) was continued as a corporate body without share capital under the Registered Insurance Brokers Act, R.S.O. 1980 (the Act). The Corporation operates as a non-profit organization with the general purpose of carrying out the powers and duties conferred on it by the Act. These powers and duties relate primarily to the regulation of insurance brokers in the Province of Ontario.

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

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

The Corporation is required to maintain an ability at all times to discharge its regulatory responsibilities under the Act. Certain costs of discharging these responsibilities, for example, those of disciplinary investigations and hearings, can vary significantly and, consequently, may not be accurately predicted and budgeted for in advance. Accordingly, the Corporation maintains a fund balance, designated as the RIBO Professional Indemnification Fund (the Fund), subject to a trust governed by independent trustees, to anticipate any requirement to finance investigative and trusteeship costs that increase significantly in excess of those budgeted (note 4).

The Corporation is exempt from income taxes under Section 149(1)(l) of the Income Tax Act (Canada), as a non-profit organization.

2 Summary of significant accounting policies

Registration and examination fees

Fees are recorded on an accrual basis. Registration fees cover the annual period from October 1 to September 30 and are received in advance. Registration fees of $533,155 (2008 - $535,475) relating to the period subsequent to the fiscal year-end are deferred and included as unearned revenue on the balance sheet. Also included in unearned revenue are fees paid in advance relating to the 2010 fiscal year-end of $70,800 (2008 - $174,720).

Financial instruments

The Corporation's financial assets and financial liabilities are classified as described below. The classification depends on the purpose for which these financial instruments were acquired or issued, their characteristics and the Corporation's designation of such instruments. Financial assets classified as held-for-trading are measured at fair value. Financial assets classified as held-to-maturity or loans and receivables are measured at amortized cost. Financial liabilities are measured at amortized cost. The Corporation's classifications with respect to financial instruments are as follows:

Cash	held-for-trading
Cash in trust	held-for-trading
Prepaid expenses and sundry assets	loans and receivables
Accounts payable and accrued liabilities	financial liabilities

Changes in accounting policies

The Corporation adopted The Canadian Institute of Chartered Accountants Handbook Section 1535, Capital Disclosures, which requires an entity to disclose information that enables users of its financial statements to evaluate an entity's objectives, policies and processes for managing capital, including disclosures of any externally imposed capital requirements and the consequences of non-compliance (note 4). This standard impacts the Corporation's disclosures but does not affect the Corporation's statement of operations or balance sheet.

On October 2, 2008, the Accounting Standards Board announced that application of the following standards was voluntary for non-profit enterprises: Section 3862, Financial Instruments - Disclosures, and Section 3863, Financial Instruments - Presentation. The Corporation has chosen not to adopt these standards, as the required disclosures would not provide additional useful information, given the simplicity of the Corporation's financial instruments, which are primarily held in cash.

3 Commitments

The Corporation is committed to make future minimum lease payments of $581,891 for office premises and equipment operating leases.

The listing of commitments below represents future minimum lease payments for office premises and equipment operating leases for the next five years:

	$
2010	134,550
2011	135,093
2012	126,838
2013	130,878
2014	54,532
	581,891

4 Fund balances

RIBO Professional Indemnification Fund

The Fund was established on July 29, 1992 by a deed of trust to cover losses on claims for premiums misappropriated by brokers to a maximum of $10,000 per claimant and the Corporation's expenses in connection with investigation(s) and appointment of a trustee(s) under the Act. The Fund is responsible for the first $500,000 of these claims and expenses and the Corporation purchased insurance coverage in the amount of $1,000,000 for aggregate claims and expenses exceeding $500,000.

As at July 31, 2009, the Fund comprised cash and investments in trust of $939,825 (2008 - $924,847).

Operating fund

The Corporation maintains an operating fund to assist in the ongoing funding of operations.

5 Contingency

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

RIBO