RIBO

Annual Report

2009•2010

“WITH THE DEDICATED TEAM OF BROKERS ELECTED BY OUR MEMBERSHIP AS WELL AS PUBLIC MEMBERS, RIBO CONTINUES TO SERVE THE INTERESTS OF CONSUMERS WHILE REGULATING THE PROFESSION.”

2009 • 2010 RIBO COUNCIL

Standing (left to right):
Sharad Mistry, Al Chamney, Jim Hawryluk, Jeff Bear, Brian Purcell, Bob Carter, Doug Grahlman.

Seated (Left to Right):
John Gelston, John Baizana, Hania Amad, Beth Pearson, Paul Armstrong

Absent:
Domenic Presta

REPORT FROM THE PRESIDENT

Al Chamney
President

I am pleased to offer my Report for the 2009/ 2010 year.

I wish to begin by thanking my fellow Council members as well as RIBO staff.

As in past years, the duties and responsibilities of RIBO President are guided by their experience and direction.

My term commenced shortly after the 2009 Council elections in which Beth Pearson joined us on Council, and both Brian Purcell and Jim Hawryluk were returned for another term. RIBO elections continue to be of interest to me as they are integral to the privilege of self-regulation. We can be proud of an annual participation rate that is typically in the area of 25-30%, while many other self-regulating professions' participation rate is closer to 5-15%. Nevertheless, we continue to consider ways to increase the percentage of members who take the time to vote. For example, at some point in the future, I suspect RIBO will introduce an online election process, or perhaps a hybrid approach that allows for both paper-based and secure online voting.

Brokers' strength is our ability to deliver hands-on service. While the Ontario Government's changes to auto insurance this past year continue to present significant changes and challenges, they also present opportunities to brokers to renew and strengthen our client relationships. By refreshing our understanding of client needs, it allows us to demonstrate our skills as brokers and to afford them the service they expect of us. The news we give them may not always be sunny and bright but our clients always deserve openness and transparency.

While I am writing about the auto insurance changes, I must note the excellent ‘road shows’ and ‘webinars’ put on by the IBAO, as well as courses offered by the Insurance Institute aimed at helping educate brokers on how those changes would impact their business operations and clients. RIBO prepared a ‘best practices’ document that included a summary of these changes as well as practices brokers could adopt to best serve their clients and manage risk to their brokerage.
That document was distributed to all members by e-mail and placed on the RIBO website.

RIBO also remains focused on amendments to the Unfair or Deceptive Acts or Practices Regulations introduced as part of the 2010 auto reforms. In particular, two key broker issues flowed from these amendments. Firstly, they helped clarify concerns surrounding the collection of client consent by brokers to the use of credit information by insurers prior to issuing a quote or renewing a policy. Secondly, they introduced a requirement on insurers (as well as brokers) to quote the lowest rate available amongst affiliated companies.

When brokers are faced with regulatory and other changes that impact their business, RIBO continues to make every effort to provide the members with Guidelines and other information to help them understand and execute their compliance requirements. We are also committed to responding to questions from members and to providing opinions and recommendations in a timely manner.

I wrote this year about how the role of the Principal Broker comes with great accountability and is integral to the proper functioning of an insurance brokerage in Ontario. RIBO distributed a Principal Broker Handbook in 2007 in order to assist Principal Brokers to understand and effectively administer their responsibilities. All Principal Brokers should have policies and procedures in place, reflecting both the requirements set out in the Handbook and the unique qualities of each brokerage operation. RIBO’s spot check program now includes a check for such policies and procedures.

RIBO has also continued its efforts to ‘green’ many of our activities. The Annual Report and RIBO Bulletins are now produced only electronically. We have been offering online registration renewals, an option more and more members are choosing. Within a few years, online renewals will likely be the only option as it is not only more environmentally friendly, but it streamlines the registration process considerably. We are open to ways to better utilize the website as a communication tool and resource for information members need. We are pleased with the degree to which members have embraced these changes.

In closing, I wish to encourage all members to become more involved with the regulation of our profession through RIBO. Participation on Council and committees, especially by those in the further regions of our province, demonstrates a true commitment to our profession.

REPORT OF THE CHIEF EXECUTIVE OFFICER

Jeff Bear
Chief Executive Officer

I am pleased to offer my Report for the 2009/ 2010 year.

The 2009 elections to Council saw the election of Beth Pearson as well as the re-election of both Brian Purcell and Jim Hawryluk. Al Chamney was elected President by his colleagues on Council. Other officers of the Corporation for 2009/2010 included Brian Purcell (Vice-President), Jim Hawryluk (Secretary) and John Gelston (Treasurer). I want to thank the officers and all members of Council including Public members for their outstanding contributions to RIBO this year. I would also like to thank departing Council Member Jack Lee for his tremendous service and dedication to our industry.

RIBO's status as a self regulatory body requires us to ensure that hearings conducted by the Qualification and Registration Committee and Discipline Committee are held in accordance with the principles of administrative law. Accordingly, Council's 2010 Strategic Planning sessions focused on RIBO's hearings process and served as an administrative law refresher for Council, who also serve as the panel for Q and R hearings. The multi-day sessions included an overview of administrative law, laws relating to RIBO Committees, principles of administrative decision making and a review of the decision making process. It is expected that these sessions will be repeated for the Discipline Committee in 2011.

The major changes to Ontario's automobile insurance regime kept Council and staff fully engaged, especially during the first half of 2010. The auto reforms Best Practices document issued by RIBO was one by-product of that hard work and was received enthusiastically by the membership as a valuable tool in helping manage the challenges ahead. We will continue to monitor developments on this and related issues and share relevant information in a timely fashion.

In past reports I have noted the strong relationship between RIBO and both the Insurance Brokers Association of Ontario and the Toronto Insurance Conference. We continue to actively and successfully work with them to co-ordinate responses to issues of the day. The tireless efforts of the IBAO on the auto reform file are of particular note this year. I believe that the membership benefited from our working in tandem with the IBAO and other interested organizations in an effort to, where possible, develop a coordinated message and strategy.

RIBO continues its active involvement with CISRO ("Canadian Insurance Services Regulatory Organizations"). Through discussions with the other Canadian insurance regulatory agencies that participate in CISRO, we are often able to minimize the regulatory burden for industry participants who operate in multiple jurisdictions. CISRO also seeks to identify emerging issues, trends and harmonized effective solutions to common issues.

While the Financial Services Commission of Ontario ("FSCO") is also a member of CISRO, RIBO staff meet with FSCO representatives at least quarterly in order to discuss issues that chiefly impact Ontario registrants and their clients. In the past year, major agenda items have included the auto insurance reforms and the use of credit scoring in quoting and underwriting.

This year also saw us move closer toward a paperless work environment. Most RIBO correspondence with members, for example, the auto reform best practices document mentioned above, is electronic. We continue to issue the RIBO Bulletins and Annual Report electronically. We have also continued to offer financial incentives to members for using the online registration renewal option. Within a few years, I expect we will phase out paper renewals and more fully take advantage of the cost savings and process improvements gained from the online option.

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 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

Bob Carter
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 **1200** inquiry telephone calls last year, which is approximately 200 fewer calls over the previous year. The Consumer Complaints Officer attempts to resolve as many of the complaint calls within RIBO's jurisdiction as possible. Of the **1200** inquiry calls, approximately **90%** of the "telephone complaints" were resolved in this manner.

- **96** 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 **49** active files, meaning investigations or complaints proceedings were already in progress from the previous year.

- **97** files were resolved and closed this year, leaving **63** 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 **7** 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, **5** of the files were closed in the broker's favour, with **27** cases raising issues regarding misconduct, and were referred to the Discipline Committee for further review.

- Of the **27** cases that raised issues regarding misconduct, **18** were referred directly to the Discipline Committee for hearings and **9** 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 **10** days during the year, on which **5** cases were presented for approval on a consent basis, and **18** 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 **408** spot checks of which only **10** 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 **360** spot checks per year. There were **14** spot checks in progress or with follow up at fiscal year end included in the total number of **408** spot checks. This year the goal is to conduct **360** 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

	09/10	08/09
Non – Compliance	52	46
Public	23	36
Member Brokers	22	25
Insurers	3	2
Lawyers	0	3
Government & Other Sources	3	0
Total	**103**	**112**

TYPE

	09/10	08/09
Code of Conduct	48	60
Other Misconduct	6	7
Delinquent Filing	3	1
Trust Funds	37	39
Equity Requirements	1	1
Financial Records	4	4
Non-Compliance (other regs.)	0	0
Criminal Allegations	0	0
Total	**99**	**112**

DISPOSITION OF DISCIPLINARY PROCEEDINGS

	09/10	08/09	07/08
Certificate of Registration Revoked	7	4	6
Certificate of Registration Suspended	3	4	1
Certificate of Registration Restricted	2	5	2
Attendance at Education Course Ordered	2	1	1
Additional Financial Reports Ordered	5	7	6
Investigation Cost Recovery	0	0	1
Fines, Payable to Ministry of Finance	5	3	4
Registrant Reprimanded	1	4	5
Dismissed in Broker's Favour	1	0	1

REPORT OF THE QUALIFICATION & REGISTRATION DEPARTMENT

Brian Purcell
Chairperson

I have thoroughly enjoyed my year as Chairperson of the Qualification & Registration Committee.

Our industry continues to be challenged with many issues. In order to ensure that we fulfill our regulatory responsibilities, the Qualification & Registration Committee meets on a monthly basis to address key issues and to discuss any implications they may have on our standards. Industry changes are monitored and our educational and professional requirements are reviewed and amended to make certain that brokers maintain a high standard of professional competence, ensuring public confidence and protection.

The followings statistical summary details the work of the committee and department over the last fiscal year (August 1, 2009 – July 31, 2010):

NEW BROKERS — ACTING UNDER SUPERVISION

	09/10	08/09
Exams Written (including equivalency exams)	2179	2249
Pass Rate (including equivalency exams)	64%	61%
Pass Rate (full basic-broker exam) for those attending a course	64%	63%
Pass Rate (full basic-broker exam) for those not attending a course	64%	58%

LEVEL II — REMOVAL OF RESTRICTION

	09/10	08/09
Technical Exams Written	**42**	**35**
Pass Rate	26%	43%
Management Exams Written	**117**	**77**
Pass Rate	39%	56%

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.

Although there have been no dramatic changes made to the examination, the pass ratio for the Management exams is down 17% from last year. We will continue to monitor the results in addition to conducting an in depth review of each exam question in relation to the available study materials.

COMMITTEE DECISIONS

	Granted	Refused
Application for Secondary Business Exemption	181	0
Application for Removal of Restrictions	0	0
Other	1	3

The Committee reviewed a total of 185 requests. The majority (181) 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 181 secondary business exemptions. Thirteen 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 one brokerage firm in another province 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 three cases where an individual did not meet the suitability of qualification for RIBO registration.

Of the three refusals, RIBO subsequently withdrew two proposals due to new information being received and the Committee confirmed its proposed decision on the third. Of the two cases pending from the prior year, one was withdrawn due to compliance by the individual and the Committee confirmed its proposed decision following a hearing.

HEARING SUMMARY

		09/10	08/09	07/08	06/07
Review of Qualification to hold a certificate	Granted	0	1	0	0
	Refused	0	0	1	2
Application for Exemption Secondary Occupation	Granted	0	0	1	0
	Refused	0	0	0	1
Application for Removal of Restriction	Granted	0	0	0	0
	Refused	1	0	0	0
Other	Granted	0	0	0	0
	Rrefused	0	0	0	0
Total		**1**	**1**	**2**	**3**

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

	09/10	08/09	07/08	06/07
Individual Registrants	16,802	16,483	16,221	16,055
Partnerships & Corporations	1,182	1,187	1,200	1,180
Sole Proprietorships	16	18	18	21
Consultants & Wholesalers	33	26	26	22
Active Businesses	*1,231	*1,231	*1,244	*1,223
Average number of registrants per business	13.6	13.4	13.0	13.1

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 Neil Moloney of Globalex Risk Management (Ottawa) Inc.

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 Anne Vincent 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 4, 2010.

There are more challenges ahead. I encourage all members to continue to communicate your thoughts and concerns with both Council and RIBO staff. Your input is an important part of self-regulation and assists in our daily decision making process.

It's been a pleasure working with Lilian Croucher and the Q&R staff who work hard to ensure all our qualification and registration needs are met. A special thanks goes to my fellow committee members and the volunteer sub-committee members for their commitment in furthering the professionalism of our industry.

"RIBO STAFF CONTINUES TO MAKE EVERY EFFORT TO PROVIDE FAIR AND HELPFUL SERVICE TO OUR MEMBERS AND THE PUBLIC."

RIBO STAFF PHOTO 2009 • 2010

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):
Fenton Fong, Vivian Lee, Laurie Reynolds, Valrie Bailey, Chris Thorn, Erica Lo, Nadine Austin, Lise Clements, Barbara Dalgleish-Reid, Irene Chung, Gustavo Blandon, Debbie Lee, Tracy Cullen, Crystal Skyvington, Madeline Ross, Diana Campoli.

Absent:
Michael Buck, Wendy Wu, Angela Daley.

REGISTERED INSURANCE BROKERS OF ONTARIO

Outgoing President John Baizana Chairs the 28th Annual General Meeting

MINUTES of the Twenty-Eighth Annual General Meeting of Registrants of the Registered Insurance Brokers of Ontario held on Thursday, November 5, 2009 at 2:00 p.m. in the Arcadian Room of the Simpson Tower, Toronto, Ontario.

OPENING OF MEETING

The outgoing President, John Baizana, introduced members of the Board for 2009 that were in attendance. They were: Hania Amad, Paul Armstrong, Bob Carter, Al Chamney, John Gelston, Doug Grahlman, Jim Hawryluk, Sharad Mistry, Beth Pearson, and Brian Purcell.

The Chairperson, John Baizana, 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 Tracy Cullen, Fenton Fong and Laurie Reynolds 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 5, 2008 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 Doug Grahlman and **seconded** by Bob Carter that the Minutes of the November 5, 2008 Annual Meeting be approved as presented. **Motion Carried.**

PRESIDENT'S REPORT

John Baizana thanked those who took time to vote in this year's RIBO election as well as those who gave him the privilege to serve as RIBO President this past year. He also thanked his fellow Council members and RIBO staff members for their support and encouragement throughout his term. His report included the following comments.

While the work of RIBO Council is important, the real strength of RIBO comes from its members. RIBO Council is made up largely of brokers as well as public members. RIBO's Committees, including the Discipline, Complaints and Qualification and Registration Committee allow matters to be considered by our peers. Ours is a self-regulating profession where we have been given the duty and responsibility to govern ourselves, but to do so in the public interest. RIBO performs this function exceptionally well and it is through the support of our members and stakeholders such as the TIC, IBAO, FSCO and CISRO that RIBO is empowered.

RIBO has relied on these stakeholders to provide input and guidance during an especially interesting year. Earlier in 2009, the Financial Services Commission of Ontario issued bulletins relating to automobile insurance quoting and underwriting practices. They discussed in detail existing restrictions on the use of credit scoring in underwriting and risk classification for automobile insurance.

It is often brokers that are caught in between the requirements of insurers in writing risks and the right of consumers for a transparent process. Working with FSCO and the IBAO, RIBO works hard to provide guidance to the membership as to what their obligations are with respect to their clients.

As brokers it is always our duty to place the client's interest first. While the landscape is still somewhat murky, members are now in a better position to assist their clients with respect to the consent and use of credit scoring than when this problem first came to light. It is through such stakeholder engagement that RIBO will remain a progressive and thoughtful regulator. Open and ongoing dialogue is critical to our success. Maintaining communication with our members, the associations to which they belong and to fellow regulators is important at all times. It is through ongoing meetings and discussions that meaningful and effective relationships can be developed so that, in times of crisis, all parties are ready and prepared to fashion a harmonious response. There is a strong positive identity brokerages have in their communities and consumers clearly depend on these brokerages. We can be proud of the quality of service we provide to our customers and the role we play in our communities. We must be vigilant, however, in ensuring our profession continues to strive for excellence. RIBO plays a pivotal role through its efforts to hold all of us to the standards set out in our governing legislation and in the guidelines and by-laws established by our Council.

In closing, John Baizana thanked the membership for their support not only through his term as President, but also through his term on Council. In particular, he thanked three RIBO Past Presidents, Toots Everley, Joanne Brown and Art Langley.

Presentation of the Annual Chris Ward Memorial Award to Geoffrey Miller of D.I.S. Financial Solutions Group Limited

Left to Right: Al Chamney, Geoffrey Miller and Lilian Croucher

PRESENTATION OF CHRIS WARD MEMORIAL AWARD

The Chairperson requested that Al Chamney, RIBO's Chair of the Qualification and Registration Committee and Lilian Croucher, Manager of Qualification and Registration present the Chris Ward Memorial Award to Geoff Miller of D.I.S. Financial Solutions Group Limited for receiving the highest mark on the first attempt of the Level II Examination.

Presentation of the Annual Donald Lambie Award to Brian Cook of Grey Power Insurance Brokers Inc.

Left to Right: Donald Lambie, Brian Cook and Lilian Croucher

PRESENTATION OF THE DONALD W. LAMBIE EDUCATION AWARD

The Chairperson requested that Donald Lambie and Lilian Croucher present the Donald W. Lambie Education Award to the candidate that received the highest mark in the initial RIBO Qualification Examination. He presented the award personally to Brian Cook of Grey Power Insurance Brokers Inc.

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, 2009. He requested that a copy of the Annual Report be filed with the Minutes of this meeting. He then requested Claire Cornwall 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 Jim Bonnay and **seconded** by Rod Finlayson that registrants approve the adoption of the Annual Report of the Corporation for the year ended July 31, 2009, including the standing Committee Reports and the Auditors' Report on the Financial Statements. **Motion Carried**.

APPOINTMENT OF AUDITORS

It was **moved** by Brian Purcell and **seconded** by Doug Grahlman 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: Beth Pearson, Brian Purcell, Jim Hawryluk and Jack Lee. Jeff further reported that the three successful candidates elected to Council were: Beth Pearson, Brian Purcell and Jim Hawryluk.

The Chairperson congratulated and welcomed Beth Pearson to RIBO Council and congratulated Brian Purcell and Jim Hawryluk on being re-elected for a second term on RIBO Council.

The Chairperson thanked Jack Lee for his contributions over the last 3 years and thanked retiring public member Laura Sheehan for her contributions as well.

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 2:17 p.m., there being no further business, it was **moved** by John Gelston that the meeting be adjourned, whereupon the Chairperson declared the meeting adjourned. **Motion Carried.**

Registered Insurance Brokers of Ontario

Financial Statements
July 31, 2010

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 7, 2010

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, 2010 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, 2010 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, 2010

	2010 $	2009 $
Assets		
Current assets		
Cash (note 2)	4,408,960	4,254,861
Cash in trust (note 5)	943,306	939,825
Prepaid expenses and sundry assets (note 2)	63,960	209,232
Property and equipment (note 3)	85,600	-
	5,501,826	5,403,918
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 2)	61,578	39,693
Unearned revenue (note 2)	789,572	603,955
	851,150	643,648
Fund Balances		
RIBO Professional Indemnification Fund (note 5)	943,306	939,825
Operating Fund (note 5)	3,707,370	3,820,445
	4,650,676	4,760,270
	5,501,826	5,403,918

Approved by the Board of Directors

_______________ Director _______________ Director

Registered Insurance Brokers of Ontario

Statement of Operations

For the year ended July 31, 2010

	2010 $	2009 $
External costs of regulation		
Qualification and registration	138,897	127,510
Complaints and disciplinary investigations and hearings	247,967	227,655
Consumer protection expenses	62,312	64,568
	449,176	419,733
External costs of communication		
Bulletins and mailings	13,142	10,243
Election expenses	22,305	15,165
Annual meeting	22,476	50,207
Other communication expenses	51,292	66,874
	109,215	142,489
Administration costs		
Salaries and employee benefits	2,214,829	2,129,810
Rent, property taxes and utilities	344,848	324,650
Office and general	321,266	263,746
Professional fees	18,000	16,500
Committees	117,261	122,266
Computer expenses	116,191	137,455
Amortization	21,400	-
	3,153,795	2,994,427
	3,712,186	3,556,649
Funding of operating costs		
Registration and examination fees	3,498,067	3,490,785
Investment and other income	101,044	156,172
	3,599,111	3,646,957
(Deficit) surplus of revenue over operating costs for the year	(113,075)	90,308
Operating Fund - Beginning of year	3,820,445	3,730,137
Operating Fund - End of year	3,707,370	3,820,445

Registered Insurance Brokers of Ontario

Statement of Changes in the RIBO Professional Indemnification Fund

For the year ended July 31, 2010

	2010 $	2009 $
Investment income	3,481	14,978
Fund balance - Beginning of year	939,825	924,847
Fund balance - End of year	943,306	939,825

Registered Insurance Brokers of Ontario

Statement of Cash Flows

For the year ended July 31, 2010

	2010 $	2009 $
Cash provided by (used in)		
Operating activities		
Registration fees collected	3,339,784	3,043,290
Examination fees collected	343,900	341,255
Investment and other income received	101,044	156,172
Cash paid to suppliers and employees	(3,630,629)	(3,575,869)
Increase (decrease) in cash during the year	154,099	(35,152)
Cash - Beginning of year	4,254,861	4,290,013
Cash - End of year	4,408,960	4,254,861

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 5).

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 received in the period relating to periods subsequent to July 31, 2010 are deferred and included as unearned revenue on the balance sheet. Unearned revenue consists of fees paid in advance for the 12-month membership period to October 1, 2011 of $244,590 (2009 - $70,800) and fees relating to the last two months of the membership period to October 1, 2010 of $544,982 (2009 - $533,155).

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

The Corporation has chosen not to adopt The Canadian Institute of Chartered Accountants Handbook Section 3862, Financial Instruments - Disclosures, and Section 3863, Financial Instruments - Presentation, in accordance with Section 4400, Not-for-Profit Organizations, 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 Property and equipment

The Corporation acquired $107,000 in property and equipment related to the development of a new membership system during fiscal 2010. The computer software is amortized on a straight-line basis over its useful life of five years. As at July 31, 2010, property and equipment consists of the following:

	Cost $	Accumulated amortization $	Net $
Computer software	107,000	21,400	85,600

4 Commitments

The Corporation is committed to make future minimum lease payments of $491,980 for office premises and equipment operating leases.

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

	$
2011	149,319
2012	155,405
2013	159,752
2014	68,139
	532,615

5 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.

As at July 31, 2010, the Fund comprised cash in trust of $943,306 (2009 - $939,825).

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

Operating Fund

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