

**STANDARDS**

FOR

REGISTRANTS REGISTERED BY

RIBO

**UNRESTRICTED - TECHNICAL ONLY**

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**PREFACE TO  
STANDARDS FOR REGISTRANTS  
REGISTERED BY RIBO WITHOUT RESTRICTION - TECHNICAL ONLY**

These standards for Technical Skills of registrants registered by RIBO "without restriction-technical only" or "Unrestricted-Technical Only" have been adapted to conform to the provincially harmonized National Broker Skills Profile for general insurance brokers. They have been approved by RIBO Council for removal of the "Under Supervision" restriction on registration.

They describe in detail the skills which are required to pass the RIBO Technical examination.

Three levels of knowledge have been defined in the National Broker's Skills Profile by the Insurance Brokers Association of Canada and they are Basic, Intermediate and Advanced. The required level of knowledge is a measure of its importance to the skills which insurance brokers registered "Unrestricted-Technical Only" are required to possess. It should be noted that these are in addition to the skills required for registration by RIBO "Under Supervision".

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

## **SKILLS PROFILE FOR GENERAL INSURANCE BROKERS**

### **DEFINITION**

**Note: Throughout this entire document, the broker is required to have Advanced Skill Level in each area, except where stated otherwise.**

### **SKILLS LEVELS**

#### **ADVANCED SKILLS:**

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

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

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

#### **INTERMEDIATE SKILLS:**

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

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

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

## **BASIC SKILLS:**

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

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

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

Skill #1: Technical Skills

Outline: Maintain technical insurance and personal competence. Complete appropriate studies, including courses and seminars, to further own insurance, technical and personal competence and to comply with RIBO's Continuing Education requirements.

Description:

The broker must:

- 1) maintain skills and knowledge to levels imposed by the skills themselves.
- 2) keep well-informed of the technical education resources available to general insurance brokers in Ontario. This includes knowing where to obtain detailed information about the content of each course and seminar, and where and when they are held.
- 3) comply with RIBO's continuing education requirements.
- 4) know the resources offered by various industry trade associations (see Skill #4 – Industry Knowledge) and other accredited educators in planning for personal career development.
- 5) know automobile, property, casualty, E&O, D&O, cyber, crime, and boiler and machinery insurance, as well as surety, marine, aviation and specialized commercial coverages.
- 6) accept full responsibility to maintain the competence to perform efficiently as an insurance broker on behalf of the public.
- 7) be aware of general insurance literature of all kinds which relates to the overall competence of brokers. This includes material such as trade magazines, association newsletters and bulletins from insurers. As well, reading publications of these kinds will inform the broker of current and future trends in relevant technology.
- 8) know and understand the content of all RIBO Bulletins.
- 9) be aware of current developments which affect the broker's clients.
- 10) know and understand methods of loss prevention and the management of risk. The broker should enroll in courses and seminars to gain the required level of knowledge and understanding of these topics.

Skill #2: Client Service & Sales Skills

Outline: Manage new and existing clients. Manage and analyze risk for new and existing clients and provide ongoing service.

Description:

The broker must:

- 1) possess skills to prospect for new clients through referred leads, networking and other sources and apply those skills to gather relevant information in accordance with Standard Practices and Guidelines.
- 2) understand techniques to review and evaluate the risks and needs of each client and prospect.
- 3) be able to determine appropriate products and coverages for each client. The recommended product or service must be appropriate for the needs of the client, as determined by a needs-based assessment done by the broker and/or as directed clearly by the client or prospect.
- 4) be able to prepare proposals for insurers, assess the quotations obtained and explain them in detail to the client for a decision. This includes clear explanation of benefits, limitations and exclusions and costs. The client's decision must be implemented and coverage bound in compliance with RIBO Regulations, of which knowledge and understanding are required.
- 5) know the office procedures in order to process information accurately and timely.
- 6) be able to organize a daily schedule to permit client service work to be undertaken regularly and promptly, including insurance policy maintenance and claims processing.
- 7) develop skills to promote solid client relationships.

Skill #3: Ethics & Professionalism

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

Description:

The broker must:

- 1) be aware and understand the ethics of the vocation. This entails strict adherence as a minimum, to the RIBO Code of Conduct (Ontario Regulation 991, Sections 14 & 15) and in particular, observance of the stipulations regarding confidentiality of client information and the Privacy Act (PIPEDA).
- 2) demonstrate knowledge of all sections of the RIB Act and Regulations and of RIBO By-laws.
- 3) know and understand the relevant sections of legislation which govern the day-to-day activity of brokers. These include the Insurance Act, and all revisions affecting automobile insurance, other relevant statutes and directives from the Financial Services Commission of Ontario (FSCO).
- 4) be aware and understand exposures to Errors and Omissions and of steps to eliminate, reduce and control them.

Skill #4: Industry Knowledge

Outline: Understand the structure of the insurance industry in Ontario and its various components. Be aware of market trends, and distribution network affiliated or related concepts. Build relationships with insurers.

Description:

The broker must:

- 1) know the role of Brokers/Agents, Insurers, Underwriters and Adjusters.
- 2) have Intermediate Level understanding of the role of RIBO, other regulatory bodies and of industry associations.
- 3) have Intermediate Level knowledge of market trends and the concepts of Reinsurance and Facility.

Skill #5: Administrative Skills

Outline: Understanding of all job functions to work efficiently as an insurance broker.

Description:

The broker must:

- 1) have skill in communication and literacy.
- 2) have an ability for analysis and mathematics.
- 3) possess skills to negotiate effectively.
- 4) possess Intermediate Level skill in non-verbal communication.
- 5) be aware of his/her own limitations.

Skill #6: Risk Management Skills

Outline: Identify and measure exposures to all types of loss and recommend methods to control the risks associated with them.

Description:

The broker must:

- 1) know and understand ways to identify exposures in personal and commercial risks.
- 2) understand moral and physical hazards, including: environmental, bonds, surety contractors, construction features and other physical characteristics of property, occupancies and extent of protection. This includes the ability to recognize types of building construction and building materials, as well as the effect of certain design characteristics and materials on exposures to loss.
- 3) have Basic Level understanding of safety features, inherent hazards and design faults.
- 4) have Basic Level ability to recognize problems that may arise from electrical and mechanical systems and installations in residential and small commercial properties.
- 5) understand the hazards inherent in the operations of such risks as gasoline service stations and contractors.
- 6) know and understand all elements of exposures to loss of private passenger and commercial automobiles.
- 7) know and understand basic exposures to indirect physical loss. This includes moral and physical hazards created by other occupants in the same premises and in adjacent premises, and the indirect consequences of physical damage to automobiles.
- 8) understand the significance of previous loss experience, how to interpret it, and prevent re-occurrence of losses.

- 9) understand the legal exposures to which risks may be subject. This requires the knowledge to identify contractual obligations, including those in lease agreements and the like, and to identify laws and by-laws affecting the risk and to advise the client to seek legal counsel if appropriate.
- 10) be able to interpret financial statements in order to understand financial exposures, such as loss of revenue and income, faced by property and small business owners after a loss. For automobile risks, this covers losses caused by uninsured or underinsured third parties and the forms and amounts of compensation provided under the Statutory Accident Benefits Schedule.
- 11) understand the liability exposures of residential and commercial risks, including products and completed operations exposures and contractual exposures, and of automobile owners and operators, and ways to identify them.
- 12) know how to categorize and assess the potential financial impact of all identified exposures on personal and commercial risks and on owned, non-owned, and leased automobile risks.
- 13) be able to assess potential causes of direct loss or damage, indirect/consequential loss or damage such as contingent business interruption to risks from every likely hazard in each class of exposure, i.e., fire and related perils; crime; liability; automobile; boiler and machinery; bonds; transportation; marine; aviation; and miscellaneous property such as glass.
- 14) know and understand methods which quantify or impact exposures in the designated classes of risk. This includes ways to recommend, establish and estimate property values (statutory requirements for automobile liability and accident benefits, and the social and economic necessity for them).
- 15) have knowledge and understanding to advise clients/prospects of ways to eliminate, reduce or assume minor property damage and liability exposures and to suggest the appropriate insurance response for the balance. This includes use of deductibles and their financial impact, and the value of loss reduction measures. It calls for an understanding of safety procedures, driver training and emergency contingency planning. It further entails correlating insurance coverages available from insurers with the client's needs.
- 16) have skills to monitor risk management programs and to modify them as changing circumstances demand.

## **APPENDIX A**

### **TECHNICAL SKILLS**

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

(1) **IDENTIFY RIDERS, WORDINGS, CLAUSES, EXCLUSIONS, WARRANTIES AND POLICY FORMS WITHIN EACH CLASS**

- **PROPERTY**
  - commercial named perils forms
  - commercial broad forms
  - replacement cost endorsements (delete same site)
  - store and office packages
  - commercial builders risk including delay in startup and soft costs
  - installation forms
  - farm forms (optional Farm Exam)
  - mortgage clause
  - consequential loss assumption clause
  - commercial floater forms
  - vacancy permit
  - scheduled articles/fine arts
  - business interruption forms
    - profits
    - gross earnings
    - contingent forms
    - rent or rental value
    - extra expense
  - valuable papers
  - accounts receivable
  - by-laws forms
  - E.D.P. forms
  - clauses which may limit the amount payable
    - deductibles
    - co-insurance (property – business interruption)
    - rebuilding clauses - deferred payment
    - by-laws
    - general provisions - extended coverage
    - pro-rata distribution
    - margin clause
    - clauses to deal with variations in stock values
  - transit/transportation

- LIABILITY - claims made and occurrence basis
  - commercial general
  - farm (optional Farm Exam)
  - garage endorsement
  - employers endorsement
  - general aggregate limits and completed operations
  - professional / errors & omissions
  - directors & officers
  - tenants' legal forms
  - personal injury/advertising injury
  - medical payments
  - additional insureds
  - non-owned automobile
  - voluntary compensation/property damage
  - employee benefits
  - commercial umbrella/excess liability
  - personal umbrella/excess liability
  - pollution/environmental impairment
  - host liquor liability
  - product recall
- CRIME
  - stock and safe burglary
  - inside/outside hold-up
  - 3D/comprehensive crime
  - broad form money and securities
  - fidelity forms (1<sup>st</sup> party and 3<sup>rd</sup> party)
  - cyber
- AUTOMOBILE
  - OAP 1; OPF #2; OAP 4; OPF #6; SPF #7; #8;
  - OPCF #5; #16; #17; #19; #19A; #20; #21A; #23A; #27; #27A; #28A; #32; #37; #38; #43; #44R; OEF #71; #73; #74; #75; #77; #80; #81; #82; #98A
- MISCELLANEOUS
  - miscellaneous property forms
  - composite mercantile and commercial package forms
  - boiler and machinery forms
  - surety forms (construction and miscellaneous)
  - home based business
  - marine/cargo/hull
  - legal expense

(2) DESCRIBE THE EXTENT AND LIMITATIONS OF COVERAGE PROVIDED BY

- Property forms
  - commercial limited forms
  - commercial broad forms
  - farm packages (optional Farm Exam)
  - by-laws
  - replacement cost endorsement
  - consequential loss assumption clause
  - E.D.P. riders
  - commercial floater forms
  - vacancy permit
  - business interruption forms
    - profits
    - gross earnings
    - contingent forms
    - rent or rental value
    - extra expense
- Liability forms, claims-made and occurrence basis
  - commercial general
  - farm (optional Farm Exam)
  - tenant's legal
  - non-owned automobile
  - directors' & officers'
  - commercial umbrella
- Crime forms:
  - mercantile stock and safe burglary
  - inside-outside hold-up
  - broad form money and securities
  - 3D/comprehensive crime
  - fidelity bonds
- Automobile forms:
  - OAP 1; OPF #2; OAP 4; OPF #6; SPF #7;
  - OPCF #5; #16; #17; #19; #19A; #20; #21A; #27; #27A; #28A; #32; #37; #38; #43; #44R; OEF #81; #82;
- Other forms
  - miscellaneous property
  - composite mercantile and commercial package forms
  - boiler and machinery
  - surety (construction and miscellaneous)

## **APPENDIX B**

### **RISK MANAGEMENT SKILLS**

The following skills and knowledge are required of the broker.

- **RISK MANAGEMENT**
  - (1) Evaluate all hazards / identify loss exposures
  - (2) Analyze loss exposures
  - (3) Examine risk management techniques
  - (4) Suggest appropriate risk management techniques
  - (5) Implementation of risk management techniques to reduce frequency and severity (loss prevention)
  - (6) Monitor results
  
- **INSURANCE**
  - Selection of appropriate coverage
  - Preparation of proposals
  - Analysis of quotations
  - Explanation of benefits
  - Explanation of limitations and exclusions
  - Explanation of costs
  - Implementation of client decision
  - Binding coverage