



'Celebrating 40 Years of Self-Regulation'

RIBO REVIEW

"The RIBO News You Need To Know"



A MESSAGE FROM RIBO'S PRESIDENT HUGH FARDY

It is a true honour to be writing my first "President's Message" for the RIBO newsletter. I first want to recognize the steady leadership of Katie Mellor, who, along with Council, oversaw the implementation of numerous improvements to RIBO's operations. It is never easy to implement change, but with the able assistance of RIBO staff, we have succeeded in commencing some of the most significant modernization efforts in RIBO's forty year history.

Modernization efforts will continue as Council commences strategic planning discussions early in the year. Identified priorities will be published shortly thereafter.

Elsewhere in this newsletter, there is a Guidance relating to compliance with the Take-All-Comers (TAC) Rule. This follows the publication of the Interpretation & Approach Guidance document that the Financial Services Regulatory Authority of Ontario (FSRA) issued, in which they explain their interpretation of the TAC Rule. I urge all brokers who write Ontario auto to acquaint themselves with this important requirement, as compliance with it will be an ongoing priority for both FSRA and RIBO.

Full compliance with the TAC Rule by brokers is arguably made more complicated by forces outside the brokerage office. At the same time, many brokerages may have previously adopted workflows that narrow down their best coverage recommendations without offering the client a summary of all the quotes they have available.

It is a key element of RIBO's mandate to consider any complaints received about a broker's activities. In addition, the existence of a meaningful compliance regime is confirmed during RIBO's Broker Review/Spot check activities. It is always RIBO's expectation that a brokerage will take all reasonable steps to establish a meaningful compliance program that covers all conduct and financial requirements. This includes, but is not limited to, compliance with the TAC Rule.

Happy Holidays to all of you. On behalf of RIBO Council and Staff, I wish you all the very best for 2022!

IMPORTANT UPDATES!

CORRECTION NOTICE

In our November newsletter, under 'RIBO OFFICERS', it was reported that Thomas Watson is Secretary for 2021-22. **PLEASE NOTE** that **RICK ORR** is Secretary for 2021-22. We apologize for this oversight. A full list of the executive members may be found [here](#).

TAKE ALL COMERS RULE AND BROKER RESPONSIBILITIES

By now you should have seen the Interpretation & Approach Guidance that the Financial Services Regulatory Authority of Ontario (FSRA) recently

released. For more information, see Take-All-Comers (TAC) Rule, [FSRA Guidance No. AU0135INT](#).

As part of the TAC Rule, RIBO registered brokers have responsibilities while quoting and delivering automobile insurance coverage to consumers.

RIBO will continue reviewing brokers' compliance with the TAC Rule as well as the brokerage practices while conducting routine spot checks in brokers' offices.

While providing an auto insurance quote to consumers, brokers are expected to:

- **provide a quote for every auto insurance market that the brokerage represents;**
- **inform the consumer if a market has declined to provide a quote; and**
- **report any instance where they are dissuaded or forced to abandon a request for a quote to RIBO.**

If there are published rates on a specific auto risk and one of your auto markets does not provide a quote, the broker should be advising the consumer of this situation and report this situation to RIBO. Examples of a failure to provide a quote can include:

- **an inability to obtain a quote or bind coverage through an insurance company portal or rating engine;**
- **a message indicating that a paper application is required; or**
- **a message indicating the risk does not meet an underwriting rule when there is no such underwriting rule.**

Similarly, if one of the markets verbally instructs the broker to not submit any auto insurance business in a particular city or particular area of Ontario, and that market has published rates in the same area, this should also be disclosed to the consumer. This situation should also be reported to RIBO.

RIBO understands that there may be questions or concerns regarding compliance with this Rule. We invite brokers to reach out to RIBO if they require assistance with compliance.

CONDOMINIUM INSURANCE - BEST TERMS PRICING

The Canadian Council of Insurance Regulators (CCIR) recently issued a news release stating that it would look at the practice of Best Terms Pricing. The CCIR stated that "Fair and transparent pricing is essential to a successful marketplace and CCIR Members expect insurers and brokers to cease BTP practices" and that "CCIR Members will work collaboratively with each other and the industry to ensure a timely transition from BTP". RIBO is interested in general market intelligence on the practice, and specifically, initial viewpoints from brokers on the [CCIR's release](#).

Please write us with your comments here: communications@ribo.com.

You may also participate in the current province-wide Condo Insurance issues consultation here: [Condominium Insurance Consultation \(ontariocanada.com\)](#) by **January 7, 2022**. If you or your organization has any questions about this consultation, or wishes to seek any clarification, please contact ONCondo@ontario.ca.

RIBO LEVEL 1 OPEN BOOK EXAM - REMOVAL OF THE RIBO HABITATIONAL POLICY

Effective **January 1, 2022** the Comprehensive Homeowner, Tenant, Condominium Unit Owner Package Policy [also referred to as the RIBO Habitational Policy (HAB) booklet] will no longer be available as an exam resource for Level 1 exam candidates, including candidates rewriting the Level 1 exam after that date. The OAP1 wordings/booklet will continue to be available as an open book resource for the entry level broker Level 1 and RIBO Auto equivalency exams.

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UPDATES TO THE PRINCIPAL BROKER HANDBOOK

To ensure the Principal Broker Handbook remains an effective compliance reference, RIBO has published draft updates to the Handbook with additional sections on remote work, cyber security, social media, working with MGAs and annual renewal procedures. To ensure the

Handbook remains relevant for today's brokerages, RIBO is posting the draft updates [online](#) for consultation. Your comments are welcome at communications@ribo.com. Please provide any comments by **March 15, 2022**.

You may also be interested in:

CONTINUING EDUCATION COURSES: For a list of recently approved CE courses, [\[Click Here\]](#)

DECISIONS OF THE DISCIPLINE COMMITTEE: For a list of current Decisions of the Discipline Committee, [\[Click Here\]](#)

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