

## **PRINCIPAL BROKER**

### **KEY REGULATORY PROVISIONS**

#### **ONTARIO REGULATION 991 Sections**

6. (1) A corporation is qualified to be issued and hold a certificate of registration as an insurance broker where,
- (b) the corporation acts as an insurance broker under the direction and supervision of a principal broker as described in section 7.2
7. (1) A partnership is qualified to be issued and hold a certificate of registration as an insurance broker where,
- (b) the partnership acts as an insurance broker under the direction and supervision of a principal broker as described in section 7.2
- 7.1. (1) A sole proprietorship is qualified to be issued and hold a certificate of registration as an insurance broker if,
- (b) the sole proprietorship acts as an insurance broker under the direction and supervision of a principal broker as described in section 7.2
- 7.2 (1) A sole proprietorship, partnership or corporation which holds or wishes to hold a certificate of registration as an insurance broker shall designate an individual who is an insurance broker to be the principal broker of the business.
- (2) A member qualifies to be designated as a principal broker if the member,
- (a) is not in default of paying any fee due under the Act or the by-laws of the Corporation;
  - (b) is not, at the time the notification referred to in subsection (3) is made, the subject of a complaint referred to the Discipline Committee or the subject of disciplinary proceedings before the Discipline Committee;
  - (c) is not the subject of an outstanding order of the Discipline Committee;

- (d) is not in a class of membership which restricts him or her to acting under supervision;
  - (e) is the sole proprietor or an employee of a sole proprietorship, is a partner or is an officer or director of the corporation, as appropriate; and
  - (f) directs and supervises the sole proprietorship, partnership or corporation in acting as an insurance broker and has the authority to act in its name and on its behalf regarding applications or reports required under this Act or the by-laws of the Corporation.
- (3) A member shall not be designated as a principal broker until the member has notified the Corporation in writing that he or she meets the criteria described in subsection (2) and the Corporation has acknowledged the notice in writing.
- (4) In order to maintain his or her status as a principal broker, the member shall satisfy such educational requirements as are established by the Council within the time periods established by the Council.
- (5) The principal broker may appoint one or more deputies to perform such duties as may be delegated to him or her in writing by the principal broker.
- (6) This section, except subsection (5), applies to a deputy principal broker in the same way it applies to a principal broker.
15. (1) For the purposes of the Act, "misconduct" means any of the following:
- (16) Failure as a principal broker to properly supervise brokers whose registration is restricted to acting under his or her direction and supervision.

## **RIBO BY-LAW NO. 1, PART XV**

15.1(f) In this By-law “principal broker” shall be interchangeable with and shall have the same meaning as “designated individual”.

A member who is an individual may be a principal broker, subject to compliance with the Act, the regulations and the by-laws. The principal broker of a sole proprietorship, partnership or corporation which is a member shall provide direction and supervision of such member as an insurance broker and of all registered insurance brokers who are employees or partners of such member.

The provision of direction and supervision by the principal broker shall include but not be limited to the following responsibilities:

- (i) to ensure that all registered insurance brokers who are employees or partners comply with the Act, regulations and by-laws;
- (ii) to ensure that all registered insurance brokers who are employees or partners are provided with and use all information respecting insurance necessary for them to act in accordance with the Code of Conduct and without misconduct or incompetence as defined or described in the Act and/or regulations;
- (iii) to ensure that all registered insurance brokers who are employees or partners know and act in accordance with the Code of Conduct set forth in the regulations;
- (iv) to ensure that all trust accounts and books, records and accounts are maintained in accordance with the regulations;
- (v) to ensure that all errors and omissions insurance, and/or other forms of financial guarantee, and all fidelity insurance are maintained in accordance with the regulations;
- (vi) to ensure that all required filings are made and prescribed fees and assessments are paid in accordance with the regulations;
- (vii) to ensure that no director, partner or employee who is not a registered insurance broker acts as an insurance broker; and
- (viii) to ensure that procedures are established and followed such that the requirements of sub-paragraphs (i) through (vii) are met.

In discharging these responsibilities, the principal broker shall be required to exercise reasonable diligence only.

## **DEPUTY PRINCIPAL BROKER**

### **KEY REGULATORY PROVISIONS**

#### **ONTARIO REGULATION 991 Sections**

- 7.2 (2) A member qualifies to be designated as a principal broker if the member,
- (a) is not in default of paying any fee due under the Act or the by-laws of the Corporation;
  - (b) is not, at the time the notification referred to in subsection (3) is made, the subject of a complaint referred to the Discipline Committee or the subject of disciplinary proceedings before the Discipline Committee;
  - (c) is not the subject of an outstanding order of the Discipline Committee;
  - (d) is not in a class of membership which restricts him or her to acting under supervision;
  - (e) is the sole proprietor or an employee of a sole proprietorship, is a partner or is an officer or director of the corporation, as appropriate; and
  - (f) directs and supervises the sole proprietorship, partnership or corporation in acting as an insurance broker and has the authority to act in its name and on its behalf regarding applications or reports required under this Act or the by-laws of the Corporation.
- (3) A member shall not be designated as a principal broker until the member has notified the Corporation in writing that he or she meets the criteria described in subsection (2) and the Corporation has acknowledged the notice in writing.
- (7) In order to maintain his or her status as a principal broker, the member shall satisfy such educational requirements as are established by the Council within the time periods established by the Council.
- (8) The principal broker may appoint one or more deputies to perform such duties as may be delegated to him or her in writing by the principal broker.
- (9) This section, except subsection (5), applies to a deputy principal broker in the same way it applies to a principal broker.

## **RIBO BY-LAW NO. 1, PART XV**

- 15.12 (f) The duties and powers of a principal broker set forth in the regulations and the by-laws may be performed or exercised by a deputy principal broker appointed by the principal broker, or if there are more than one appointed, by the deputy principal brokers in order of seniority (as determined by the principal broker). A deputy principal broker shall perform such duties and exercise such powers as may from time to time be prescribed to him in writing by the principal broker. Notice of the appointment of a deputy shall be made to the Manager by the principal broker.
- (g) The Act, the regulations and the by-laws continue to apply to the principal broker regardless of any appointment of a deputy.
- (h) The Act, the regulations and the other provisions of the by-laws apply to the deputy principal broker as if he were a principal broker to the extent of the duties and powers prescribed to him in writing by the principal broker.
- (i) Subsections (a) through (d) of this section 15.12 apply to a deputy principal broker as if he were a principal broker.