

BY-LAW NO. 3

A by-law relating to Licensees

REGISTERED INSURANCE BROKERS OF ONTARIO

March 2024

TABLE OF CONTENTS

	Page
ARTICLE 1 INTERPRETATION.....	3
1.1 Definitions.....	3
1.2 Interpretation.....	4
1.3 Severability and Precedence	4
ARTICLE 2 REGISTRATION & RELATED MATTERS.....	4
2.1 General.....	4
2.2 Registration Application	4
2.3 Issuance of Certificate of Registration.....	5
2.4 Renewal of Certificate of Registration	5
2.5 Conditions of Certificate of Registration.....	6
2.6 Request for Information.....	6
2.7 Notification Requirements.....	6
2.8 Fees	7
ARTICLE 3 INDIVIDUAL CLASSES OF REGISTRATION	7
3.1 Individual Classes of Registration	7
3.2 General Conditions Applicable to Individual Licensees	8
3.3 Level 1 Licensee	9
3.4 Level 2 Licensee	9
3.5 Level 3 Licensee	9
ARTICLE 4 FIRM CLASSES OF REGISTRATION	10
4.1 Firm Classes of Registration.....	10
4.2 Active Firm Licensee.....	10
4.3 Non-Active Firm Licensee.....	12
4.4 Consultant	13
ARTICLE 5 OUT OF PROVINCE LICENSEES	14
5.1 Out of Province Licensees	14
5.2 Out of Country Licensees	15
ARTICLE 6 PRINCIPAL BROKER, DEPUTY PRINCIPAL BROKER AND SUPERVISING BROKER.....	15
6.1 Principal Broker.....	15
6.2 Deputy Principal Broker	17
6.3 Supervising Broker	18
ARTICLE 7 CONTINUING EDUCATION REQUIREMENTS	18
7.1 Individual Licensee.....	18
7.2 Principal Broker, Deputy Principal Broker and Supervising Broker.....	19

TABLE OF CONTENTS
(continued)

	Page
7.3 Accredited Courses	20
ARTICLE 8 ADMINISTRATION OF REGISTRATION	20
8.1 Inactive Registration	20
8.2 Administrative Suspension of Registration	21
8.3 Removal of Suspension.....	22
8.4 Cancellation of Registration	23
8.5 Resignation of Registration.....	23
8.6 Continuing Jurisdiction of Corporation	24
ARTICLE 9 TRANSITIONAL PROVISIONS.....	24
9.1 Transition	24
ARTICLE 10 EFFECTIVE DATE AND REPEAL	25
10.1 Effective Date	25
10.2 Repeal	25

BY-LAW NO. 3

BE IT ENACTED as a By-law of the of the Registered Insurance Brokers of Ontario (the “Corporation”) relating to the Licensees, as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

(a) Unless otherwise specified or the context requires, terms defined in By-law No. 1 shall have the same meaning in this By-law No. 3.

(b) In this By-law, unless the context otherwise requires:

“**Active Firm Licensee**” has the meaning ascribed to it in Section 4.2.

“**Applicable Laws**” means the Act, By-laws, Guidelines, the Code of Conduct and Principal Broker Handbook, where applicable and as the case may be.

“**Certificate of Registration**” means the certificate of registration issued in accordance with Article 2.

“**Code of Conduct**” means the Code of Conduct enacted under the Act, as amended from time to time, and every regulation that may be substituted therefor and, in the case of such substitution, any references in the By-laws to the provisions of the Code of Conduct shall be read as references to the substituted provisions therefor in the new regulation.

“**Deputy Principal Broker**” means an Individual Licensee appointed pursuant to Section 6.2.

“**Guidelines**” means a set of policies and procedures adopted by the Corporation covering various matters including but limited to requirements related to the Code of Conduct, disclosure of conflicts of interest, the use of unlicensed insurers, marketing guidelines, and fair treatment of consumers.

“**Individual Licensee**” has the meaning ascribed to it in Section 3.1.

“**Firm**” means sole proprietorship, corporation or partnership.

“**Licensee**” means an Individual Member and/or a Firm Member.

“**Plan of Supervision**” means a written set of policies and procedures that is established by a Principal Broker to ensure compliance with the Corporation’s requirements.

“**Principal Broker**” means an Individual Licensee appointed pursuant to Section 6.1. A Principal Broker may also be referred to as a Designated Representative or Designated Individual.

“**Principal Broker Handbook**” means a written set of policies and procedures adopted by the Corporation in connection with the duties and responsibilities of Principal Brokers, Deputy Principal Brokers and Supervising Brokers.

“**sponsored**” means an Individual Licensee who is authorized to represent an Active Firm Licensee for the purposes of acting as an insurance broker.

“**Supervising Broker**” means an Individual Licensee appointed pursuant to Section 6.3.

1.2 Interpretation

Unless otherwise specified or the context requires,

- (a) the rules of interpretation set out in By-law No. 1 shall apply in this By-law No. 3;
- (b) references to Licensees shall include applicants for Registration.

1.3 Severability and Precedence

The invalidity or unenforceability of any provision of this By-law No. 3 shall not affect the validity or enforceability of the remaining provisions of this By-law No. 3. If any of the provisions contained in the By-law No. 3 are inconsistent with those contained in the Articles, the Act or the ONCA, the provisions contained in the Articles, the Act or the ONCA, as the case may be, shall prevail.

ARTICLE 2 REGISTRATION & RELATED MATTERS

2.1 General

- (a) Council, and where such powers are delegated to the Qualification and Registration Committee or the CEO, shall from time to time determine policies, procedures, forms, and other related matters respecting all categories of Registration.
- (b) The Qualification and Registration Committee shall determine the eligibility of applicants for a Certificate of Registration and renewals thereof.

2.2 Registration Application

- (a) An applicant for Registration as an Individual Licensee or Firm Licensee shall deliver to the CEO an application for Registration that is in the form, including supporting documentation, required by the CEO, and accompanied by a registration fee that may be fixed from time to time by resolution of the Council.

- (b) The CEO may require the applicant to provide additional information as may be determined upon review of the application for Registration. The applicant for Registration shall promptly respond and provide the requested information.
- (c) The CEO may return an application for Registration if it is incomplete, the registration fee is not paid, or the information requested in connection with the application for Registration is not provided in a timely manner.

2.3 Issuance of Certificate of Registration

- (a) The CEO shall issue a Certificate of Registration or renewal thereof to any applicant who is eligible, including an applicant for Registration as an Individual Licensee who is qualified and suitable to be Registered under the Act, and who has passed such examinations, and paid the applicable fee that may be fixed from time to time by resolution of the Council.
- (b) The CEO shall refer to the Qualification and Registration Committee every application for Registration or renewal thereof that the CEO proposes to refuse or impose conditions or limitations thereupon. The Qualification and Registration Committee may direct the CEO to issue or refuse to issue the Certificate of Registration and renewals thereof and/or impose conditions, limitations thereupon.
- (c) The Qualification and Registration Committee may require an applicant to take and pass such additional examinations as the Council may set or approve, complete such additional training as the Qualification and Registration Committee specifies or impose additional conditions in the Certificate of Registration as the Committee deems appropriate.
- (d) The Qualification and Registration Committee, and where such powers are delegated to the CEO, may exempt an applicant or waive any requirements of Registration upon the filing of an appropriate application.

2.4 Renewal of Certificate of Registration

- (a) A Licensee's Certificate of Registration is valid for one year – from October 1 to September 30.
- (b) Every Licensee's Registration shall be renewed each year by filing an application for renewal with the CEO and paying the annual renewal fee on or before August 31 of each year.
- (c) If a Licensee does not renew the Registration or pay the annual renewal fee, the Licensee's Registration will be put in administrative suspension in accordance with Subsection 8.2.
- (d) A Licensee whose Registration is suspended by virtue of Subsection 8.2 is not eligible to file an application for renewal.

- (e) Where no confirmation of the Registration reinstatement has been issued in accordance with Subsections 8.3(a), a Licensee's renewal application will be automatically refused by the CEO.

2.5 Conditions of Certificate of Registration

- (a) The Qualification and Registration Committee or Discipline Committee may impose specific restrictions on a Licensee's Registration as it considers appropriate.
- (b) The Qualification and Registration Committee may review the qualifications of a Licensee and may impose a limitation on the Licensee's Registration pending the demonstration of such standard of competence through the completion of such experience, courses of study or continuing education as the Committee specifies.

2.6 Request for Information

- (a) The CEO may request information at any time respecting the business of a Firm Licensee and the Firm Licensee shall file the requested information with the CEO within the prescribed timeframe.
- (b) The CEO may request information at any time regarding the Registration of an Individual Licensee and the Individual Licensee shall file the requested information with the CEO within the prescribed timeframe.

2.7 Notification Requirements

- (a) An Individual Licensee shall notify the CEO within ten (10) calendar days where the Licensee or any business the Licensee owns, or has participated in as a director, officer, or partner of the following:
 - (i) any discipline by any financial sector regulator or any professional or occupational body;
 - (ii) charges or convictions of any criminal offence;
 - (iii) a judgment rendered in relation to any insurance activities, fraud, or breach of trust;
 - (iv) bankruptcies;
 - (v) an Individual Licensee's employment or sponsorship is withdrawn or changed;
 - (vi) any change in name;
 - (vii) any change in contact information;
 - (viii) suspension of an authorization or withdrawal of a Principal Broker, Deputy Broker or Supervising Broker;

- (ix) any new or changes to the licensee's secondary employment outside of being an insurance broker, if one is approved in accordance with Subsection 3.2(b); and
 - (x) any additional information specified from time to time in Guidelines.
- (b) A Principal Broker shall notify the CEO within ten (10) calendar days if the Principal Broker's Firm:
- (i) has been disciplined by any financial sector regulator or any professional or occupational body;
 - (ii) has a judgment rendered in relation to any insurance activities, fraud, or breach of trust;
 - (iii) declares bankruptcy;
 - (iv) has appointed a new Principal broker and a former Principal Broker's authorization to represent the Firm is withdrawn;
 - (v) has appointed one or more Deputy Principal Brokers or Supervising Brokers as the case may be;
 - (vi) has changed its name, including trade names;
 - (vii) has changed coverage for Errors and Omissions or Fidelity insurance, or the policies in respect of such coverage has lapsed or been cancelled;
 - (viii) ownership has materially changed, including share purchase, asset purchase, and amalgamation transactions;
 - (ix) contact information has changed;
 - (x) has material changes in its brokerage contracts with insurers or the markets the Firm represents; and
 - (xi) any additional information specified from time to time in the Guidelines.

2.8 Fees

Council may fix and provide for the payment of fees by Licensees related to the administration of the Act.

ARTICLE 3 INDIVIDUAL CLASSES OF REGISTRATION

3.1 Individual Classes of Registration

Subject to the Act, there shall be three classes of individual Registration, namely:

- Level 1 Licensee;
- Level 2 Licensee; and
- Level 3 Licensee (together, “**Individual Licensees**”).

3.2 General Conditions Applicable to Individual Licensees

- (a) An Individual Licensee shall be the Individual Member, who
 - (i) has attained the age of majority,
 - (ii) is of good character and has demonstrated reasonable grounds for belief that the individual will carry on insurance business in accordance with the Applicable Laws,
 - (iii) has not been convicted of any offence, the nature of which renders the individual unfit to act as an insurance broker,
 - (iv) has not been refused a licence under the *Insurance Act* or had a licence suspended or revoked for a reason that renders the individual unfit to act as an insurance broker,
 - (v) satisfies the educational and experience requirements established by the Qualification and Registration Committee, and
 - (vi) has complied with the Applicable Law.
- (b) the Individual Licensee’s only business or employment is that of,
 - (i) an insurance broker,
 - (ii) an insurance broker and life insurance agent, or
 - (iii) such other business as the Qualification and Registration Committee considers appropriate when carried on in accordance with such terms as the Committee stipulates;
- (c) An Individual Licensee shall comply with the continuing education requirements set out in Article 7.
- (d) An Individual Licensee is authorized to use the title “registered insurance broker” or “courtiers d’assurances inscrit” or the designation “R.I.B. (Ont.)” or “C.A.I. (Ont.)” or other designation representing or similar to the title.
- (e) An Individual Licensee shall only hold itself out as an insurance broker or conduct business under the Individual Licensee’s name that appears on their Certificate of Registration.

- (f) An Individual Licensee shall maintain a mailing address in Ontario, which address shall be suitable to permit service by registered mail and shall register the mailing address with the CEO.

3.3 Level 1 Licensee

- (a) A Level 1 Licensee shall be an Individual Member who:
 - (i) acts under the supervision of a Principal Broker;
 - (ii) is employed or sponsored by an Active Firm Licensee;
 - (iii) has passed the appropriate examination(s) or other equivalent courses or exams as established from time to time by the Council to be qualified as a Level 1 Licensee; and
 - (iv) if the Qualification and Registration Committee so requires, takes and/or passes any additional examinations and/or additional training that the Qualification and Registration Committee may specify.
- (b) A Level 1 Licensee shall not act in the capacity of Principal Broker, Deputy Principal Broker or Supervising Broker.

3.4 Level 2 Licensee

- (a) A Level 2 Licensee shall be an Individual Member who:
 - (i) acts under the supervision of a Principal Broker,
 - (ii) is employed or sponsored by an Active Firm Licensee;
 - (iii) has passed the appropriate examination(s) or other equivalent courses or exams as established from time to time by the Council to be qualified as a Level 2 Licensee; and
 - (iv) if the Qualification and Registration Committee so requires, takes and/or passes any additional examinations and/or additional training that the Qualification and Registration Committee may specify.
- (b) A Level 2 Licensee shall not act in the capacity of Principal Broker, Deputy Principal Broker or Supervising Broker

3.5 Level 3 Licensee

- (a) A Level 3 Licensee shall be an Individual Member who:
 - (i) has been licensed as either a Level 1 or Level 2 Licensee continuously for a period of 24 months;

- (ii) is employed or sponsored by an Active Firm Licensee;
 - (iii) has passed the appropriate examination(s) or other equivalent courses or exams as established from time to time by the Council to be qualified as a Level 3 Licensee; and
 - (iv) if the Qualification and Registration Committee so requires, takes and/or passes any additional examinations and/or additional training that the Qualification and Registration Committee may specify.
- (b) The Qualification and Registration Committee may waive the experience requirement set out in Subsection 3.5(a)(i) upon filing an application and supporting documentation, as may established by the Qualification and Registration Committee from time to time.
- (c) A Level 3 Licensee shall not be a Principal Broker, Deputy Principal Broker or Supervising Broker unless the Level 3 Licensee is appointed in accordance with Article 6.

ARTICLE 4 FIRM CLASSES OF REGISTRATION

4.1 Firm Classes of Registration

Subject to the Act, there shall be three classes of Firm Registration, namely:

- Active Firm Licensee;
- Non-Active Firm Licensee; and
- Consultant Firm Licensee.

4.2 Active Firm Licensee

- (a) An Active Firm Licensee is a Firm Member.
- (b) The following terms and conditions apply to an Active Firm Licensee:
- (i) The Active Firm Licensee's only business conducted by it is that of,
 - an insurance broker;
 - an insurance broker and life insurance agent; or
 - such other business as the Qualification and Registration Committee considers appropriate when carried on in accordance with such terms as the Committee stipulates.

- (ii) An Active Firm Licensee shall designate, and maintain such designation at all times, a Level 3 Licensee qualified in accordance with Section 6.1 to be the Principal Broker of the Active Firm Licensee.
- (iii) An Active Firm Licensee shall act as an insurance broker under the direction and supervision of a Principal Broker in accordance with Article 6.
- (iv) An Active Firm Licensee shall maintain a Registration and ensure the Certificate of Registration is renewed annually pursuant to Subsection 2.4.
- (v) An Active Firm Licensee shall obtain and maintain at least two letters of intent or two brokerage contracts with insurance companies that are licensed in the Province of Ontario, and shall comply with any Guidelines, exemptions and/or limitations that the Qualification and Registration Committee may establish.
- (vi) An Active Firm Licensee and/or a member who is licensed or registered as an insurance broker or agent in other provinces of Canada shall comply with the trust funds and trust accounts related requirements set out in the Act. The Council or if delegated to a Committee or the CEO, may impose additional terms and conditions as it considers appropriate.
- (vii) An Active Firm Licensee shall maintain, at all times, an equity capitalization of not less than an amount equal to the maximum deductible amount of the Active Firm's Errors and Omissions and Fidelity insurance policies or in the case of a Firm Licensee who is a
 - (A) sole proprietor, \$2,500; or
 - (B) corporation or partnership, \$5,000, whichever is the greater.
- (viii) Subject to the Act, an Active Firm Licensee shall maintain and provide copies of mandatory insurance policy documents to the CEO, annually and upon request, which satisfy the following minimum requirements:
 - (A) Professional Errors and Omissions insurance with extended coverage for loss resulting from fraudulent acts, of at least \$3 million per claim and \$6 million in aggregate for each Licensee or some other form of financial guarantee;
 - (B) Fidelity Bond or Crime Insurance insuring against losses arising from fraudulent or dishonest acts of employees, a proprietor or partners, directors, officers, and shareholders of at least \$100,000 per claim for each Licensee.

Such policy documents shall be issued in the Active Firm's registered name, including trade names, and shall be underwritten by insurers licensed in the Province of Ontario and contain an endorsement that stipulates that the CEO

shall be given written notice of any cancellation or non-renewal of such policy and that the cancellation or non-renewal of such policy does not become effective until thirty (30) days after the receipt of such notice by the CEO.

- (ix) An Active Firm Licensee is required to complete and file with the CEO annually –
 - (A) within ninety (90) days following the Active Firm Licensee’s fiscal year-end, and
 - (B) within ninety (90) days of the day that falls six (6) months after the most recent fiscal year-end

a position report in the form approved by the Council presenting fairly the Active Firm Licensee’s financial and trust positions as of its fiscal year-end, and providing such details as may be required with respect to the Active Firm Licensee’s financial guarantees and the markets with which the Active Firm Licensee places insurance, and such other information as is required on the form.

- (x) An Active Firm Licensee shall only hold itself out as an insurance broker and conduct business under the name(s) that has been registered with the appropriate government authority in Ontario, and the proof of which has been submitted to the Corporation.
- (xi) An Active Firm Licensee shall maintain a mailing address in Ontario, which address shall be suitable to permit service by registered mail and shall register the mailing address with the CEO.

4.3 Non-Active Firm Licensee

- (a) A Non-Active Firm Licensee is a Firm Member that receives payment for insurance brokering services, including but not limited to commissions payments.
- (b) Non-Active Firm Licensee’s only business conducted by it is that of,
 - (i) an insurance broker, brokerage or
 - (ii) an insurance broker and life insurance agent, agency and
 - (iii) such other business as the Qualification and Registration Committee considers appropriate when carried on in accordance with such terms as the Committee stipulates.
- (c) A Non-Active Firm Licensee’s corporate structure is characterised by one or more of the following parameters:

- (i) clusters affiliated with an Active Firm Licensee doing the trading and holding the insurer contracts;
 - (ii) corporate partnerships where two or more corporations join to form a partnership; or
 - (iii) personal services businesses whereby the majority of the issued and outstanding shares of the corporation shall be legally and beneficially owned by one or more Individual Licensee(s) or Active Firm Licensee(s).
- (d) The Qualification and Registration Committee may waive the requirement for a Non-Active Firm Licensee to act under the direction and supervision of a Principal Broker, when the Non-Active Firm Licensee is a personal services business whereby the issued and outstanding shares of the Non-Active Firm Licensee are owned by an individual who is a Level 1 or Level 2 Licensee (“**Individual Owner**”).
- (e) A Non-Active Firm Licensee shall maintain Errors and Omissions insurance at least equal to the minimum coverage applicable to an Active Firm Licensee. A Non-Active Firm may be added to the Errors & Omissions policy of the Active Firm Licensee under whom the Individual Owner is employed or personally registered.
- (f) The Principal Broker designated to represent the Non-Active Firm Licensee or the Individual Owner shall maintain Licensee’s Registration, and ensure the Non-Active Firm’s Registration is renewed annually pursuant to Subsection 2.4.
- (g) A Non-Active Firm Licensee is not permitted to:
- (i) hold trust funds;
 - (ii) hold any insurance contracts;
 - (iii) be paid any moneys from insureds; and
 - (iv) hold itself in any way to the public as an insurance broker including but not limited to names on signage, letterhead, or business cards; or carry on any business other than that of a non-active insurance broker.
- (h) A Non-Active Firm Licensee shall maintain a mailing address in Ontario, which address shall be suitable to permit service by registered mail and shall register the mailing address with the CEO.

4.4 Consultant A Consultant Firm Licensee shall maintain Errors and Omissions insurance at least equal to the minimum coverage applicable to an Active Firm Licensee.

- (b) A Consultant Firm Licensee shall hold a Fidelity bond or Crime Insurance at least equal to the minimum coverage applicable to an Active Firm Licensee.

- (c) A Consultant Firm Licensee is restricted to providing consulting services, and is not authorized to:
 - (i) deal directly with any member of the public in the sale of general insurance products, including acting or aiding in the soliciting or placing of any insurance policy or programme;
 - (ii) have agreements with insurers allowing them to bind coverage or countersign insurance documents on behalf of insurers;
 - (iii) hold shares in or being a partner of any insurance agent or insurer, or of any other member whose registration is not also restricted to consulting.
 - (iv) receive compensation of any kind from any insurance agent or insurer or from any other member whose registration is not also restricted to consulting;
 - (v) have shareholders who are insurance agents or insurers or who are members whose Registration is not also restricted to consulting; or
 - (vi) hold itself out or advertise by means of advertisements, cards, circulars, letterhead, signs or be associated in any way with the general public in the trading of general insurance.
- (d) A Consultant Firm Licensee shall maintain a Registration and ensure their Certificate of Registration is renewed annually pursuant to Subsection 2.4.
- (e) A Consultant Firm Licensee shall maintain a mailing address in Ontario, which address shall be suitable to permit service by registered mail and shall register the mailing address with the CEO.

ARTICLE 5 OUT OF PROVINCE LICENSEES

5.1 Out of Province Licensees

- (a) Where a licensee is a resident of a jurisdiction within Canada, other than the province of Ontario, the applicant is required to:
 - (i) be licensed as an insurance agent or insurance broker for the same class of insurance in the applicant licensee's home jurisdiction; or
 - (ii) provide evidence that activities authorized under the class of licence being applied for are exempt from licensing in the applicant's home jurisdiction.
- (b) Reciprocal qualification requirements contained in Article 705: *Certification of Worker* of the *Canadian Free Trade Agreement* (2017), as amended from time to time, apply to Out of Province Licensees who also maintain a licence as an agent

or broker for the same class of insurance in the licensee's home jurisdiction; and are incorporated by reference into this By-law

- (c) Where an applicant or licensee is a resident of a jurisdiction within Canada, other than the province of Ontario, the applicant or licensee shall be subject to the Applicable Laws to the extent applicable.

5.2 Out of Country Licensees

- (a) Where a licensee is a resident of a jurisdiction outside of Canada, the applicant is required to:
 - (i) be licensed as an insurance agent or insurance broker for the same class of insurance in the applicant licensee's home jurisdiction; or
 - (ii) provide evidence that activities authorized under the class of licence being applied for are exempt from licensing in the applicant's home jurisdiction.
- (b) The reciprocal requirements referred to in Subsection 5.1(b) do not apply to Out of Country Licensees.

ARTICLE 6 PRINCIPAL BROKER, DEPUTY PRINCIPAL BROKER AND SUPERVISING BROKER

6.1 Principal Broker

- (a) A Level 3 Licensee may be appointed as a Principal Broker of a Firm Licensee provided the Individual Licensee:
 - (i) is the sole proprietor or an employee of a sole proprietorship, a partner or an officer or director of the corporation, as appropriate;
 - (ii) is not in default of paying any fees due under the Act or the By-laws;
 - (iii) is not, at the time the notification referred to in Subsection 6.1(b) is the subject of a complaint referred to the Discipline Committee or the subject of disciplinary proceedings before the Discipline Committee;
 - (iv) is not the subject of an outstanding order of the Discipline Committee;
 - (v) directs and supervises an Active Firm Licensee, its employees and other Individual Licensees that are sponsored by an Active Firm Licensee in acting as an insurance broker; and
 - (vi) has the authority to act in its name and on its behalf regarding applications or reports required under the Act or the By-laws.

- (b) A Level 3 Licensee shall not be designated as a Principal Broker until the Licensee has notified the CEO in writing and provided evidence that the Licensee meets the criteria described in Subsection 6.1(a) and the CEO has acknowledged the notice in writing.
- (c) In order to maintain their status as a Principal Broker, the Principal Broker shall meet the continuing education requirements set out in Section 7.2 and comply with the Applicable Laws.
- (d) The provision of direction and supervision by the Principal Broker shall include but not be limited to the following responsibilities:
 - (i) all Licensees for whom the Principal Broker has responsibilities of direction and supervision comply with the Applicable Laws.
 - (ii) all Licensees for whom the Principal Broker has responsibilities of direction and supervision are provided with and use all information respecting insurance necessary for them to act in accordance with the Applicable Laws and without misconduct or incompetence as defined or described in the Act;
 - (iii) all trust accounts and books, records and accounts are maintained in accordance with the Act;
 - (iv) all Errors and Omissions Liability insurance, and/or other forms of financial guarantee, and all fidelity insurance are maintained in accordance with the Act and in the form specified in the By-laws;
 - (v) all required filings are made in accordance with the Act and related directions provided by and within the time period specified by the CEO in respect of those filings;
 - (vi) applications for renewal and annual renewal fees and assessments are paid in accordance with the Act;
 - (vii) no director, partner or employee of the Principal Broker's Active Firm who is not Registered acts as an insurance broker; and
 - (viii) procedures and a written Plan of Supervision are established and followed to ensure compliance with the relevant requirements set out in the Applicable Laws.
- (e) In discharging responsibilities set out in Subsection 6.1(d), the Principal Broker is required to exercise reasonable diligence.
- (f) The Principal Broker of a sole proprietorship shall be the sole proprietor or owner of the business, unless the sole proprietor notifies the Corporation in writing that the sole proprietorship acts as an insurance broker under the direction and supervision of an employee who is an Individual Member and such employee,

naming him, has the authority to act in the name of and on behalf of the sole proprietorship regarding applications or reports made to the CEO under the Act or By-laws.

- (g) The Principal Broker shall, at the request of the CEO, attend any hearing or attend before any panel of any Committee concerning the conduct or competence or qualifications of any Licensee, for whom the Principal Broker has responsibilities of direction and supervision.
- (h) A Principal Broker may appoint one or more Deputy Principal Brokers or Supervising Brokers and if so appointed, shall prescribe duties in writing that are consistent with the Applicable Laws. A Principal Broker who has been named by a sole proprietor in accordance with Section 6.1(f) to act in the name of and on behalf of the sole proprietorship regarding applications or reports made to the CEO, may also appoint a Deputy Principal Broker or Supervising broker as the case may be.
- (i) Despite any appointment and delegation of the duties made pursuant to Subsection 6.1(h), a Principal Broker continues to be subject to and remains responsible for compliance with the responsibilities set out in the Applicable Laws.

6.2 Deputy Principal Broker

- (a) A Level 3 Licensee may be appointed as a Deputy Principal Broker of a Firm Licensee provided the Individual Licensee:
 - (i) is an employee or a person authorized to represent a sole proprietorship, a partner or an officer or director of the corporation, as appropriate;
 - (ii) is not in default of paying any fees due under the Act or the By-laws;
 - (iii) is not, at the time the notification referred to in Subsection 6.2(b) is made, the subject of a complaint referred to the Discipline Committee or the subject of disciplinary proceedings before the Discipline Committee;
 - (iv) is not the subject of an outstanding order of the Discipline Committee.
- (b) A Level 3 Licensee shall not be appointed as a Deputy Principal Broker until he or she has notified the CEO in writing and provided evidence that he or she meets the criteria described in Subsection 6.2(a) and the CEO has acknowledged the notice in writing.
- (c) Except for Subsection 6.1(h), the duties and powers of a Principal Broker set forth in Subsection 6.1 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 or her in writing by the Principal Broker.

- (d) Responsibilities set out in the Act and By-laws for a Principal Broker apply to a Deputy Principal Broker to the extent those duties and powers have been prescribed to a Deputy Principal Broker in writing by the Principal Broker.
- (e) In order to maintain their status as a Deputy Principal Broker, the Deputy Principal Broker shall meet the continuing education study requirements set out in Section 7.2.

6.3 Supervising Broker

- (a) A Level 3 Licensee may be appointed as a Supervising Broker of a Firm Licensee provided the Individual Licensee:
 - (i) is not in default of paying any fees due under the Act or the By-laws;
 - (ii) is not, at the time the notification referred to in Subsection 6.3(b) is made, the subject of a complaint referred to the Discipline Committee or the subject of disciplinary proceedings before the Discipline Committee;
 - (iii) is not the subject of an outstanding order of the Discipline Committee.
- (b) A Level 3 Licensee shall not be appointed as a Supervising Broker until he or she has notified the CEO in writing and provided evidence that he or she meets the criteria described in Subsection 6.3(a) and the CEO has acknowledged the notice in writing.
- (c) Except for Subsection 6.1(h), the duties and powers of a Principal Broker set forth in Subsection 6.1 may be performed or exercised by a Supervising Broker appointed by the Principal Broker, or if there are more than one appointed, by the Supervising Brokers in order of seniority (as determined by the Principal Broker). A Supervising Broker shall perform such duties and exercise such powers as may from time to time be prescribed to him or her in writing by the Principal Broker.
- (d) Responsibilities set out in the Act and By-laws apply to the Supervising Broker to the extent those duties and powers have been prescribed to a Supervising Broker in writing by the Principal Broker.
- (e) In order to maintain their status as a Supervising Broker, the Supervising Broker shall meet the continuing education study requirements set out in Section 7.2.

ARTICLE 7 CONTINUING EDUCATION REQUIREMENTS

7.1 Individual Licensee

- (a) An Individual Licensee who is not appointed as a Principal Broker, Deputy Principal Broker or Supervising Broker shall, on or before September 30th, and within each 12-month period thereafter, complete to the satisfaction of the CEO

such number of accredited continuing education study hours in respect of the courses, determined and/or approved by the Council or, if delegated, by the Qualification and Registration Committee or the CEO.

- (b) A Principal Broker, Deputy Principal Broker or Supervising Broker may apply to the CEO on behalf of an Individual Licensee for an exemption from the continuing education requirements, or extension of the time period referred to in Subsection 7.1(a), and upon being satisfied that there is sufficient reason to do so, the CEO may exempt the Individual Licensee from the requirements, or extend the time period, for a specified period. Such a specified period may be extended for another specified period or periods upon a similar application or applications by the Principal Broker.
- (c) The CEO may exempt the Individual Licensee from the requirements or may extend the period referred to in Subsection 7.1(a) in circumstances of illness, disability of an individual member and/or other approved leave under the *Employment Standards Act, 2000*.
- (d) Unless an Individual Licensee is exempted pursuant to Subsections 7.1(b) or 7.1(c), the Individual Licensee who fails to comply with continuing education requirements will have his or her Registration suspended pursuant to Subsection 8.2(a)(iii).

7.2 Principal Broker, Deputy Principal Broker and Supervising Broker

- (a) Each Principal Broker, Deputy Principal Broker or Supervising Broker shall, on or before September 30th, and within each 12-month period thereafter, complete to the satisfaction of the CEO such number of accredited continuing education study hours, as determined and/or approved by Council or, if delegated, by the Qualification and Registration Committee or the CEO.
- (b) A Principal Broker, Deputy Principal Broker, or Supervising Broker may apply to the CEO for an exemption from the requirements of, or extension of the time period referred to in Subsection 7.2(a), and upon being satisfied that there is sufficient reason to do so, the CEO may exempt the Principal Broker, Deputy Principal Broker, or Supervising Broker from the requirements, or extend the time period, for a specified period. Such specified period may be extended for another specified period or periods upon a similar application or applications by the principal broker.
- (c) The CEO may extend the period referred to in Subsection 7.2(b) in circumstances of illness of a Principal Broker, Deputy Principal Broker, or Supervising Broker or in circumstances of the appointment of another Principal Broker after the death of a Principal Broker.
- (d) Unless exempted in accordance with section 7.2(c), if a Principal Broker, Deputy Principal Broker or Supervising Broker fails to comply with continuing education requirements, the Individual Licensee's

- (i) Appointment as a Principal Broker, Deputy Principal Broker, or Supervising Broker shall be automatically removed, and the Licensee shall not be entitled to become a Principal Broker, Deputy Principal Broker or Supervising Broker until they have completed the study hours referred to in section 7.2(a); and
- (ii) Registration shall be suspended in accordance with Subsection 8.2(a)(iii)

7.3 Accredited Courses

The CEO may accredit certain courses that meet criteria as established from time to time by Council within a category or a knowledge area that can allow Individual Licensees, Principal Brokers, Deputy Principal Brokers or Supervising Brokers, to satisfy annual continuing education requirements that have been set by the Council, or if so, delegated to a Committee or the CEO. The CEO may charge fees that the Council may set in relation to their accreditation of courses.

Council may establish criteria to authorize third-party organisations to self-accredit courses that meet criteria for self-accreditation and that adhere to requirements applying to courses that are required to satisfy the annual continuing education requirements. The CEO may charge fees that the Council may set in relation to the self-accreditation of courses.

ARTICLE 8 ADMINISTRATION OF REGISTRATION

8.1 Inactive Registration

- (a) If the Individual Licensee ceases to act as a sole proprietor or be employed or sponsored by an Active Firm, the Individual Licensee's Registration becomes inactive, and the Individual Licensee shall not carry on business as an insurance broker ("Inactive Registration").
- (b) If an Individual Licensee, while holding an Inactive Registration, becomes employed by a business that (i) is not an insurance business or (ii) was not previously approved by the Qualification and Registration Committee in accordance with Subsection 3.2(b)(iii), the Individual Licensee shall:
 - (i) give notice in writing to the CEO within ten (10) calendar days of becoming employed by such business, and
 - (ii) resign their Registration in accordance with Section 8.5.
- (c) Subject to Subsection 8.1(e), when an Individual Licensee holds Inactive Registration, and such Registration has not been suspended in accordance with Section 8.2 or cancelled in accordance with Sections 8.4 and 8.5, Inactive Registration shall be returned to active status within 12 months of becoming inactive by filing with the CEO a written confirmation that the Individual Licensee has become employed or is being sponsored by an Active Firm and providing supporting documentation.

- (d) If the Individual Licensee does not (i) give notice in writing to the CEO and/or (ii) resign the Registration in accordance with Subsection 8.1(b), the Inactive Registration will be suspended in accordance with Section 8.2.
- (e) An Individual Licensee may apply within 12 months of becoming inactive to the CEO to extend the Licensee's Inactive Registration. The CEO may approve or deny such application and if the CEO intends to deny will be referred to Q&R.
- (f) If the CEO approves the application submitted pursuant to Subsection 8.1(e), the Individual Licensee shall:
 - (i) comply with the continuing education requirements set out in Article 7;
 - (ii) file a renewal application and pay annual renewal fees in accordance with Subsection 2.4; and
 - (iii) comply with the Applicable Laws;
 - (iv) comply with any other conditions that may be set by the Qualification and Registration Committee.
- (g) The CEO shall refer to the Qualification and Registration Committee every application submitted pursuant to Subsection 8.1(e) that the CEO proposes to refuse or impose conditions or limitations thereupon. The Qualification and Registration Committee may direct the CEO to approve or deny extending the Licensee's Inactive Registration.
- (h) The Applicable Laws continue to apply to an Individual Licensee who hold Inactive Registration to the extent applicable.

8.2 Administrative Suspension of Registration

- (a) In order to avoid administrative suspension, the Licensee must:
 - (i) renew the Licensee's Registration in accordance with Section 2.4;
 - (ii) pay annual renewal fees;
 - (iii) in the case of an Individual Licensee, comply with the continuing education requirements set out in Article 7;
 - (iv) in the case of an Individual Licensee who holds Inactive Registration, maintains Inactive Registration in accordance with Section 8.1;
 - (v) in the case of an Active Firm Licensee, the Firm must:
 - (A) maintain at all times an Individual Licensee appointed as a Principal Broker; and

- (B) meet the financial and insurance requirements set out in Subsections 4.2(b)(vi), 4.2(b)(vii) and 4.2(b)(viii).
- (b) If the Licensee fails to meet its obligations pursuant to Subsection 8.2(a), the CEO shall serve a Notice of Suspension identifying the terms to be fulfilled before the administrative suspension can be lifted and allowing the Licensee 30 calendar days to comply with such Notice.
- (c) If the Licensee fails to fulfill the terms included in the Notice of Suspension given pursuant to Subsection 8.2(b), the CEO shall suspend the Licensee's Registration without further notice.
- (d) Any Notice of Suspension delivered to an Individual Licensee under Subsection under 8.2(a)(i), 8.2(a)(ii) and 8.2(a)(iii) shall be provided to the Principal Broker responsible for supervising the Individual Licensee.
- (e) Despite Subsection 8.2(b), the CEO shall suspend the Licensee Registration immediately if:
 - (i) There are reasonable and probable grounds to believe that the Licensee is operating in a manner that creates an immediate risk to the public;
 - (ii) The Active Firm fails to maintain the required Errors and Omissions and Fidelity or Crime insurance policy coverage;
 - (iii) An Individual Licensee's qualifying exam(s) results become nullified.
- (f) The CEO shall serve on the Licensee whose Registration is suspended in accordance with Subsection 8.2(e) a Notice of Suspension notifying the Licensee of the suspension and identifying the terms outlined in the Notice to be fulfilled before the Licensee Registration can be reinstated.
- (g) A Licensee whose Registration is suspended pursuant to this Section 8.2 shall not carry on business as an insurance broker.
- (h) The Applicable Laws continue to apply to the extent applicable to the Licensee whose Registration is suspended.

8.3 Removal of Suspension

- (a) Where a Licensee's Registration is suspended pursuant to Section 8.2, the suspension shall be removed once the following conditions are met:
 - (i) The fulfillment to the satisfaction of the CEO of the terms of the Notice of Suspension given pursuant to Subsections 8.2(b) and/or 8.2(f);
 - (ii) the payment of the fees specified in the Notice of Suspension; and

- (iii) receipt of the CEO's confirmation that the suspension has been removed.

8.4 Cancellation of Registration

- (a) Where Licensee's Registration is suspended pursuant to Section 8.2, and if the Licensee – within 12 months of the date on which the Registration became suspended – has not fulfilled all conditions set out in the Notice of Suspension, the Licensee's Registration will be cancelled.
- (b) The CEO shall give Notice of Cancellation to the Licensee 30 calendar days prior to the Registration being cancelled.
- (c) If the Licensee's Registration is cancelled pursuant to Subsection 8.4(a), and the Licensee wishes to become Registered, a new application for Registration is required to be filed in accordance with Article 2.

8.5 Resignation of Registration

- (a) A Licensee may resign his or her Registration by filing with the CEO a resignation in writing, provided the following conditions are met at the time of the filing of a resignation:
 - (i) There are no outstanding matters in connection with the Registration, including but limited to required filings, fees, complaints and fines;
 - (ii) The Licensee is not the subject of (i) a complaint referred to the Complaints or Discipline Committees or the subject of disciplinary proceedings before the Discipline Committee or (ii) an outstanding order of the Discipline Committee;
 - (iii) In the case of a Firm Licensee,
 - (A) Processing and servicing of the book of business is completed;
 - (B) Endorsements and cancellations are transacted, issued, and sent;
 - (C) All trust obligations to insurers and insureds have been fulfilled;
 - (D) Errors and Omissions insurance tail coverage remains for prior acts in place for a minimum of one year.
- (b) Upon receipt of the resignation request and subject to the CEO confirming that there are no outstanding matters, the CEO will cancel the Registration and notify the Licensee in writing.
- (c) A Licensee that has resigned the Registration pursuant to Subsection 8.5(a) may, within 24 months of the date of resignation, request a reinstatement, provided the Licensee meets the following requirements:

- (i) the Licensee completes an application for reinstatement and provides supporting documentation demonstrating the Licensee's eligibility to be Registered;
- (ii) pays the applicable fee; and
- (iii) in the case of an Individual Licensee, confirms that the Licensee has been complying with continuing education requirements as though the Licensee has always been Registered.

8.6 Continuing Jurisdiction of Corporation

A Licensee whose Registration is (i) suspended pursuant to Section 8.2, (ii) cancelled pursuant to Sections 8.4 or 8.5 remains subject to the continuing jurisdiction of the Corporation in respect of an investigation or disciplinary proceeding arising from their conduct while Registered.

ARTICLE 9 TRANSITIONAL PROVISIONS

9.1 Transition

- (a) Upon this By-law coming into effect, the Licensees at the time when this By-law comes into effect in the following classes:
 - (i) Acting Under Supervision;
 - (ii) Acting Under Supervision (no Travel, no Accident and Sickness); and
 - (iii) Acting under Supervision (including Travel, no Accident and Sickness)shall continue to be the Level 1 Licensees.
- (b) Upon this By-law coming into effect, the Licensees at the time when this By-law comes into effect in the following classes:
 - (i) Unrestricted Technical;
 - (ii) Unrestricted Technical (no Travel, no Accident and Sickness); and
 - (iii) Unrestricted Technical (including Travel, no Accident & Sickness)shall continue to be the Level 2 Licensees.
- (c) Upon this By-law coming into effect, the Licensees at the time when this By-law comes into effect in the following classes:
 - (i) Unrestricted;
 - (ii) Unrestricted (no Travel, no Accident and Sickness); and

- (iii) Unrestricted (including Travel, no Accident & Sickness)
- shall continue to be the Level 3 Licensees.

ARTICLE 10
EFFECTIVE DATE AND REPEAL

10.1 Effective Date

This By-law No. 3 shall be enacted by the Directors and confirmed, with or without variation, by the members at an annual or special meeting of members duly called for the purpose and shall come into effect upon confirmation by the members of the Corporation.

10.2 Repeal

- (a) By-law No. 20 relating to the application for a certificate of registration and information changes along with any related forms are hereby repealed and replaced by this By-law No. 3 herein effective as of the date stated in Subsection 10.1.
- (b) The said repeal of By-law No. 20 shall not affect the previous operations of such By-law so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under the validity of any contract or agreement made pursuant to any such By-law prior to its repeal, except to the extent inconsistent with this By-law, and until amended or repealed.

ENACTED by the Directors of the Corporation this 6th day of March, 2024.

President of the Council

Secretary

CONFIRMED by the Individual Members of the Corporation this _____ day of _____.

Chair of the Meeting

Secretary