



**INSURANCE BROKERS ASSOCIATION OF ONTARIO**  
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May 2, 2022

Mr. Tim Bzowey  
Executive Vice President, Auto Insurance Products  
Financial Services Regulatory Authority of Ontario  
5160 Yonge Street, 16<sup>th</sup> Floor  
Toronto, Ontario M2N 6L9

**PRIVATE & CONFIDENTIAL**

Dear Tim:

Thank you for the opportunity to comment on the Proposed Principles of Conduct for Insurance Intermediaries.

To reiterate, the IBAO is very supportive of any clarification that can be provided in the practical implementation of the Broker's role in supporting the Fair Treatment of Consumers Guidance (FTC). As such, we would like to thank FSRA for their interpretation on how CISRO's Principles of Conduct for Insurance Intermediaries are consistent with the Ontario Insurance Act, its regulations and FSRA rules and the FSRA Act and the approach on how to incorporate them within your regulatory framework.

I have a couple of comments and questions on the document as presented.

We are very pleased to see that RIBO has been acknowledged in the document and that it has been made clear that RIBO licensees should review the RIBO Guidance for specific direction. We also acknowledge that the document makes it clear that all insurance intermediaries and insurers should conduct their business following the Principles of Conduct that are relevant to their role in the industry.

Your Guidance is also clear that it includes intermediaries not licensed with FSRA that have a role to play in distributing or servicing insurance product.

Given that intermediaries are accountable for the actions of the representatives and intermediaries in ensuring the fair treatment of consumers, I can confirm that IBAO will be hosting a round table discussion within the industry on how to evolve a more proactive and coordinated approach to FTC Monitoring and Compliance. I am sure you can appreciate that a coordinated approach for intermediaries with multiple insurance company relationships should lead to a more cohesive approach to the Ontario consumer and avoid a potentially overbearing administrative burden. From initial reactions this approach may very well benefit our collective assessment and oversight on performance in achieving the Principles of Conduct. We will of course keep you informed as these discussions progress and would welcome your team's involvement as we determine whether such an approach within the industry would be desirable.

Questions with regards to the document itself:

On page 4, The Industry processes and practices text, moves from including the collective term 'intermediaries' as defined in the document, to then only referring to 'Agents' on page 5. For example, the expectation ... 'that insurers use the Principles of Conduct as a tool in screening

each agent for suitability.’ Does this by definition, only relate to Agent’s as stated and if so, are there overarching expectations of such screening behaviours for broker selection and would they fall under FSRA’s umbrella or that of RIBO’s?

Also on Page 5, Incorporating the Principles of Conduct in the complaint review process clearly states the expectation that assessments will be undertaken by both insurers and intermediaries, but your ‘Reactive Approach Based on Non-Compliance’ only allows for one directional complaints and reports from insurers. Given that intermediaries also fall under FSRA’s Guidance, should there not be a principal that allows for multi directional complaints, for example from the intermediaries about the insurance companies? Maybe you could clarify with your expectations specific to brokers whether this process and practice would be expected to be administered by RIBO for example?

We are very pleased to see the statement that the Principles reinforce the fair treatment of Consumers throughout the lifecycle of the insurance product and in particular the principle on Advice and Disclosure. IBAO will continue to liaise with RIBO on ensuring Ontario brokers have full access to open dialogue of their responsibilities and accountabilities. We will also continue to look for opportunities to foster open and productive dialogue to evolve industry oversight within the FTC.

If you have any questions regarding the above, please do not hesitate to contact either myself or Joseph Carnevale, President, IBAO directly.

Regards,

A handwritten signature in black ink, appearing to read 'Colin Simpson', with a long horizontal flourish extending to the right.

Colin Simpson  
Chief Executive Officer  
Insurance Brokers Association of Ontario