



RecProtect Insurance Brokers

As your broker, RecProtect Insurance acts as your advocate, reviewing your insurance needs to provide you with the best possible insurance protection and the best possible advice and, above all, consistently high levels of customer service.

Brokerage compensation is part of your insurance premium. For your information, we have listed below personal insurers that we represent in Ontario, with the compensation each provides as a percentage of your overall premium.

Insurance Company*	Personal/Commercial Auto Commission	Personal/Commercial Property Commission
Aviva Canada*	10% - 12.5%	20% - 22%
Definity Insurance Company*	10% - 12.5%	20% - 22%
Aviva Elite*	10% - 12.5%	20% - 22%
Four Points Insurance Ltd.	N/A	20%
Hagerty*	10% - 12.5%	N/A
Germania Mutual Insurance*	8% - 12.5%	17.5% - 20%
Facility/Nordic Insurance*	7.5% - 11%	N/A
The Mutual Fire Insurance Company of British Columbia	N/A	20%
Wawanesa Mutual Insurance*	7.5% - 12.5%	20% - 25%
Western General*	10% - 12.5%	20% - 25%
MGA/non-contracted carrier*	N/A	15%

When it is in the best interests of the client, we will arrange coverage through specialist intermediaries not listed above (MGA). These suppliers also pay us a commission, usually at a rate that is lower than the insurers listed. In some cases, coverage may be arranged at no commission. In these situations, we may charge a fee in lieu of, or in addition to, the normal commission payable. Our producers may also receive a percentage of the brokerage's commission noted above upon writing a new policy or upon the renewal of that policy. It is our intention to disclose our total compensation and to comply with the Code of Conduct Handbook – Commission Disclosure Protocol. For more information, please visit www.ribo.com/broker-resources/conduct-handbook.

We work with insurers to provide the types of business they desire to fit their own business mandate. To facilitate this, those insurers marked above with an asterisk (*) recognize our efforts through a Contingent (Profit) Commission contract. Contingent (Profit) Commission is payable to RecProtect Insurance only when specific growth, profitability, volume, retention and other measures have been met. Payment is neither guaranteed nor is it determined on individual policies. For more detailed information on Contingent (Profit) Commissions, please visit the website of the individual insurance company. RecProtect Insurance may also pay a referral fee for existing clients and centre's of influence that refer new clients to obtain a quote from our office.

If a policy is placed with an MGA (Managing General Agent) or a carrier that is not contracted with our office or when premium financing is not offered from the carrier, we will use a third party financing company for monthly installments. Our brokerage offers this service through First Insurance Funding of Canada and the details of each individual premium financing contract will be included for review upon binding coverage.

Our disclosure commitments are made in the best interest of consumers. For further details about the financial commitments made between insurance companies and insurance brokers, we encourage you to consult their respective websites.



Canadian Insurance Services Regulatory Organizations (CISRO)

Principles of Conduct for Insurance Intermediaries

Preamble

The CISRO Principles of Conduct for Insurance Intermediaries (the Principles) reflect common regulatory standards for insurance intermediaries in Canada. The Principles outline professional behaviour and conduct expectations for the fair treatment of Customers.

Intermediaries should conduct their business following the Principles that are relevant to them, while ensuring compliance with all applicable laws, regulations, rules, or regulatory codes within all jurisdictions where they carry on business. Any more stringent requirements, rules or standards of conduct take priority over the Principles.

The Principles are intended to supplement, complement and build upon the intermediary elements in the *Guidance on Conduct of Insurance Business and Fair Treatment of Customers* (FTC), issued by CISRO and the Canadian Council of Insurance Regulators (CCIR). The Principles also align with Insurance Core Principles (ICP) of the International Association of Insurance Supervisors (IAIS).¹

The Principles reinforce the fair treatment of Customers throughout the life cycle of the insurance product as a core component of the intermediary business culture. This includes conducting business in an honest and transparent manner. Expectations for the conduct of insurance business may differ depending on the nature of the relationship to the Customer, the type of insurance provided, and the distribution method. Intermediaries with oversight responsibilities must take appropriate measures to ensure that their employees and representatives meet high standards of ethics and integrity.²

Definition of Intermediary: Intermediary is given broad meaning, and will differ based on the applicable definitions within different jurisdictions across Canada. It encompasses adjusters, agents, brokers and representatives, as well as business entities that distribute insurance products and services, including managing general agencies and third party administrators. It also applies to all distribution methods, including over the internet.³

Definition of Customer: Customer refers to policyholder (which may include a certificate holder) or prospective policyholder with whom an insurer or intermediary interacts, and includes, where relevant, other beneficiaries and claimants with a legitimate interest in the policy. Customer may also refer to a consumer, which includes all actual and potential customers for insurance products.

¹ International Association of Insurance Supervisors. Insurance Core Principles, ICP 18 and ICP 19, updated November 2019. <https://www.iaisweb.org/page/supervisory-material/icp-on-line-tool>

² The Insurer is responsible for fair treatment of Customers throughout the life cycle of the insurance product, as it is the Insurer that is the ultimate risk carrier. The Insurer's ultimate responsibility does not absolve Intermediaries of their own responsibilities for which they are accountable.

³ This definition aligns with the CCIR/CISRO FTC guidance. These Principles apply to all Intermediaries that are authorized to do business within any jurisdiction, whether licensed, registered or exempted from licensing or registration.

The Principles outline professional behaviour and conduct expectations for the fair treatment of Customers:



1. Compliance / Outcomes: Intermediaries must comply with all applicable laws, regulations, rules and regulatory codes to which they are subject.



2. Customers' Interests: Intermediaries are expected to place Customers' interests ahead of their own. This includes when an Intermediary is developing, marketing, recommending, distributing and servicing products.



3. Conflicts of Interest: Intermediaries are expected to identify, disclose and manage any actual or potential conflict of interest that is associated with a transaction or recommendation. They are expected to avoid entering into or pursuing agreements for which conflicts of interest cannot be managed, or if they interfere with the fair treatment of Customers.



4. Advice: When providing advice to or for a Customer, Intermediaries are expected to seek appropriate information from the Customer in order to understand and identify their unique needs. Intermediaries are expected to provide objective, accurate and thorough advice that enables the Customer to make an informed decision. Advice is expected to be suitable for the needs of the Customer based on the Customer's disclosed circumstances.



5. Disclosure: Intermediaries are expected to provide Customers with objective, appropriate, relevant, timely and accurate information and explanations so that they can make informed decisions. Intermediaries are expected to:

- Properly disclose the information to all necessary parties, including the insurer; and
- Disclose information and explanations in a manner that is clear and understandable for Customers, regardless of the distribution model or medium used.



6. Product and Service Promotion: Intermediaries are expected to ensure that products and services are promoted in a clear and fair manner. Regardless of the distribution model or medium used, Intermediaries are expected to ensure that promotions are not misleading, and are easy to understand. Product promotions are expected to disclose all necessary and appropriate information.



7. Claims, Complaints Handling, and Dispute Resolution: Intermediaries are expected to handle or cooperate in the handling of claims, complaints and disputes in a timely and fair manner.



8. Protection of Personal and Confidential Information: Intermediaries are expected to take necessary and appropriate measures to protect and manage personal and confidential information. They must comply with all applicable privacy legislation.

Customers should be confident that Intermediaries:

- Only collect and retain information that is necessary and appropriate for the fulfillment of the service or product provided; and
- Use and disclose the information only for purposes and for the duration for which the Customer has given consent or as required by law.



9. Competence: Intermediaries are expected to maintain an appropriate level of professional knowledge, and should stay current through continuing education to ensure the fair treatment of Customers. Where applicable, continuing education requirements must be fulfilled. Intermediaries are expected to not misrepresent their level of competence or conduct business beyond their level of professional knowledge and experience, and duties must match training/education.



10. Oversight: Intermediaries with contractual or regulatory oversight obligations are also responsible for the conduct of any employee or third party involved in the marketing, distribution or servicing of an insurance product. Intermediaries are expected to have tools at their disposal such as policies and procedures, training and control mechanisms to ensure the fair treatment of Customers is achieved in relation to their oversight obligations.

Registered insurance brokers offer independent advice and Property & Casualty (P&C) insurance products from a variety of companies. Brokers must be licensed by the Registered Insurance Brokers of Ontario (RIBO). All RIBO licensees must carry an errors & omissions policy, as well as a fidelity bond, which is designed to provide customers coverage in the unlikely event that a broker mishandles their premiums. RIBO licensees are required to follow the RIBO Code of Conduct, which establishes rules and standards of professional conduct.

As a customer, you have the right to professional advice from a broker who is well informed about the products they are selling. You have the right to be treated with fairness and integrity.

- **How Insurance Works** – You have the right to be informed about how your insurance premiums are calculated. You have the right to access your policy and be clearly informed about the coverage and the claims settlement process.
- **Broker Compensation** – You have the right to ask how a broker is paid, the insurance companies they represent, and be informed about any potential conflicts of interest the broker may have. All RIBO licensed brokers must disclose commission information at the point of sale which outlines how they are paid.
- **Understand Your Insurance Needs** – You should consider your insurance needs and prepare relevant questions before you talk to a broker. Ask yourself if there have been changes in your personal or business life that could impact your insurance needs. Make sure you provide a detailed and accurate explanation of your circumstances to your broker so they can provide informed recommendations that meet your needs.
- **Insurance Quotes** – When obtaining a quote, your broker should always present the best value products available based on your current needs, and document why certain coverage and product options, including lower cost options, which may or may not be appropriate for you. Brokers are also expected to comply with the Take-All-Comers rule. For more information on buying auto insurance and the Take-All-Comers rule, visit [here](#).
- **Personal Information** – You have the right to understand how your personal information is used and protected. Ask for a copy of the privacy statement from your broker and the insurer.
- **Customer Obligations** – You need to ensure that you know and understand your obligations under your insurance policy. For example, your policy will require you to provide updates to your broker and insurer regarding any material changes in your circumstances.
- **Insurance Claims** – If you need to file a claim, you have the right to be informed about the procedures and typical timelines for settling your claim, and you may inquire about the status of your claim throughout the process. If your claim is denied, you have the right to an explanation as to why it was denied. Your broker is your advocate as you work through your claim with the insurance company and will liaise as required.
- **Making a Complaint** – You can submit a complaint to RIBO if you believe your insurance broker failed to comply with the Registered Insurance Brokers Act, its regulations, or RIBO by-laws. File a complaint [here](#).
- **OmbudServices** – In the event you have an insurance claim, your broker will provide you with information about the insurer's claims process. For any unresolved disputes with an insurer, you may contact the insurer's Ombudsman, who will attempt to resolve the conflict. If the conflict is not resolved, you will be referred to the General Insurance OmbudServices for P&C insurance.

KEY DEFINITIONS

CONFLICT OF INTEREST

A **conflict of interest** is a real, apparent, or perceived risk that a licensee (including a brokerage) may not be acting in the client's best interest because of the licensee/brokerage's other interests, e.g., personal, financial, or professional. Specifically, a conflict of interest exists when a broker's loyalty or representation of a client could be materially or adversely affected by the broker's/brokerage's own interests, or duties to other clients, or other third parties.

A **potential conflict of interest** requires brokers to consider the risk that a conflict could arise in the future. If it appears that a broker's personal, private, financial or professional interests or knowledge may influence how that broker transacts business with a client(s), even if that is not the case, such information has to be disclosed to the client.

CONTINGENT PROFIT COMMISSIONS

Contingent Profit Commissions refers to monetary incentives that are tied to a broker or brokerage's performance. Such commissions are not guaranteed. The payment of these commissions depends on the profitability (loss ratio) of a broker's total book of business with an insurer (and not on individual policies), or volume or growth targets in other cases.

INCENTIVES

Incentives include monetary and non-monetary incentives that are paid to brokers and brokerages based on performance targets set by insurers. Such incentives need to be disclosed. This includes travel, goods, hospitality, entertainment, and other non-cash benefits.

NETWORK AFFILIATION

A network affiliation is an arrangement where an insurance brokerage partners with other companies to offer their services, and may offer compatible or complementary products, and will often pass leads to each other.

NEW BUSINESS

New business includes, but may not be limited to, new clients, endorsements, and add-ons to the policy.

OWNERSHIP INTEREST(S) (INDIRECT/DIRECT)

An ownership interest may influence an insurance brokerage/broker to place a policy with a particular insurer because of the relationship between that broker and that insurer.

This includes any direct ownership interests that an insurance company may have in a broker/brokerage and indirect interests such as loan facilities or credit facilities extended by insurers to brokers/brokerages.

POINT OF SALE

Binding of the contract, including obtaining signatures and billing information.

KEY DEFINITIONS

(CONTINUED)

PREMIUM FINANCING COMPANIES

Some insurance brokerages have relationships with premium financing companies where the brokerage earns referral fees. In certain cases, the brokerage may also have a direct or indirect ownership interest in the premium financing company.

QUOTE

Recommendation of one or more policies/coverages that includes price.

SINGLE/EXCLUSIVE MARKETS

Insurance brokerages typically represent multiple insurance companies to provide clients with a range of products to meet their insurance needs. Some insurance brokerages may have exclusive contracts with an insurer to direct all or a substantial share of a certain product to that insurer.

There are other circumstances where a brokerage may offer only a single market due to market conditions (e.g., only one insurer offering that product, loss of markets, and/or when the broker has developed an innovative/niche product for which coverage is scarce).

Last Updated: April 17, 2024
In Force Date: October 1, 2024