

Ontario Self-Regulation Bill: Final Reading

It seems as if the long-stalled efforts of the Ontario government to introduce legislation granting self-regulation to Ontario's property/casualty insurance agents and brokers will become a reality by the fall of 1981.

The legislation, known as Bill 118, received a second reading in the Ontario legislature recently, and is presently before its Administration of Justice Committee. Bill 118 calls for the establishment of a self-regulation council, called the Registered Insurance Brokers of Ontario, to regulate, license, and set standards for insurance brokers operating in the province.

Speaking to the closing session of the annual convention IIABO, Ontario Consumer & Commercial Relations Minister Frank Drea said he expects the bill to be given the third and final reading shortly. Mr. Drea told the assembled delegates he plans to implement sections of the bill on a gradual basis to ensure a smooth transition into a self-regulatory system in the province. He added that this transition should be completed by October 1, 1981 — the renewal date for all insurance sales licences in Ontario.

Setting a Precedent

The Minister said that the passage of the legislation will mark "the first time that a totally regulated industry anywhere on this continent" has ever been changed into a self-regulatory body. Mr. Drea described the bill, which was developed largely by the RIBO 11-member Council, as "a precedent that may serve as a model to be used all across North America."

Eight of the RIBO members represent the Independent Insurance Agents & Brokers of Ontario and the Toronto Insurance Conference — an organisation representing the more than 30 major brokerage firms with operations throughout North America and overseas. Non-industry members of the Council include an accountant, a lawyer, and a representative from the Consumers Association of Canada.

Under the new legislation, all persons operating as independent agents and brokers automatically will become registered insurance brokers

on proclamation of the act. Those persons who wish to operate as single-company agents will have a two-year sundown period to relinquish their automatic broker status.

Provisions of New Act

Single-company agents will be regulated by the Ontario department of insurance and their companies will be responsible for their actions under the sponsorship provisions of the present insurance act. The new act will make it an offence for persons, partnerships or corporations to represent themselves as insurance brokers or insurance consultants unless they are registered.

A RIBO complaints committee will have authority to prosecute any broker found guilty of dealing fraudulently with the public. In extreme cases, the committee's emergency powers will allow it to put a stop order on brokers' bank accounts or appoint trustees to protect the public interest.

According to the president of RIBO, Donald Lambie of Toronto, the proposed act provides only for the framework and foundation of the self-regulation legislation. While the act spells out the powers entrusted to RIBO, the details of self-regulation are contained in regulations and bylaws, which are more flexible and can be changed more easily as, or if, the need arises.

(Best's Review) #

Confederation of Brokers: State Committees

The Confederation of Insurance Brokers of Australia has elected its first Victorian and New South Wales state committees.

Victoria

The chairman is Mr. Richard Oliver, of Richard Oliver & Co. Pty. Ltd.

The other six committeemen are Roger Becker of Bain Dawes Australia Pty. Ltd., Clive Fulcher, Sedgwick Pty. Ltd., Ross McKenzie, Reed Stenhouse Ltd., Charles McMillan, Hogg Robinson CCL Pty. Ltd., Peter Middleditch, Middleditch Insurances Pty. Ltd., and Keith Young, Keith R. Young Insurances Pty. Ltd.

New South Wales

The committee, with a chairman yet to be elected, is: Michael Bidey, Stewart Wrightson (Reinsurance Brokers) Pty. Ltd.; Brian Day, Lowndes Lambert Australia Insce. Ltd; Michael Galloway, Willis Faber Johnson & Higgins Pty. Ltd.; Peter Hicks, Insurance Brokers of N.S.W. Pty. Ltd.; John Marshall, Cranney Insurances (Aust.) Pty. Ltd., and Douglas Shaw, Australian Insurance Brokers Ltd. #

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