

REQUIREMENTS FOR REGISTERING AS A GENERAL INSURANCE BROKER

AN OUTLINE OF PROCEDURES FOR EXAMINATION AND REGISTRATION

This document is organized into the following sections:

- Registration requirements
- How to apply to write the examination
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- Information about the examination
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- Helpful hints for successful exam writing

Sections marked with an * may be tested on the examination

REGISTRATION REQUIREMENTS

Individuals must attach an original current-dated criminal/police record check or “Criminal Record Verification” letter from the local police detachment or RCMP. The document must be dated within 60 days of the date RIBO receives the application. Applications will not be processed without this document.

The individual must also meet the “qualifications” outlined Ontario Regulation 991, Section 5 of the RIB Act. This includes, but is not limited to:

1. Passing the Entry Level examination;
2. Satisfying the “only business or employment” requirement;
3. Employment with a RIBO registered general insurance brokerage firm.
Employment (sponsorship) is **not** required to **write** the examination but is a requirement for registration.

HOW TO APPLY TO WRITE THE EXAMINATION

1. Send to RIBO the following:

- a) Registration Application Form 2A - **fully completed and signed**
- b) Examination Fee of \$180.00 - make cheque or money order payable to "RIBO" (**postdated cheques and credit cards are not accepted**). Please print your name on the back of the cheque or money order.
- c) Two (2) current passport sized photographs (black/white or colour) with your signature on the back of the photographs
- d) **Original current-dated** criminal/police record check or "Criminal Record Verification" letter from the local police detachment or RCMP. **The document must be dated within 60 days of the date RIBO received the application.**

2. For "**TORONTO**" Examination Centre

RIBO will send you confirmation once all the items listed in #1 above have been received, regarding the place, date and the time of the examination. **DO NOT CALL RIBO** to reserve an Exam Date. Dates are assigned on a first come first serve basis and will **not** be reserved over the telephone.

3. For "**OTHER THAN TORONTO**" Examination Centres

RIBO will send an exam to the examination centre that you have selected. Notice of who you should contact at that centre to arrange an examination date will be sent once the application has been processed. **All exams must be written within 30 days of the date of the letter.** RIBO **does not** set the date or time for these exams. Please send the application **when you are prepared to write** the examination.

PREPARING FOR THE EXAMINATION

COURSES

RIBO **DOES NOT** conduct courses. For information on courses, please contact:

Insurance Brokers Association of Ontario (I.B.A.O.)
1 Eglinton Avenue East, Suite 700
Toronto, Ontario M4P 3A1
Telephone: (416) 488-7422 / 1-800-268-8845
Fax: (416) 488-7526
www.ibao.org

The RIBO examination is written on the last day of the course. Please consult the instructor for the specific date.

SELF STUDY

Self study may be adequate for those with significant experience in general insurance; otherwise, we **highly recommend** a course of instruction.

Study Texts:

1. The enclosed RIB Act
2. A self study package called ***“RIBO Licencing Kit”*** available from:

The Insurance Institute of Ontario
18 King Street East, 16th Floor
Toronto, Ontario M5C 1C4
Telephone: (416) 362-8586
Fax: (416) 362-1126
www.insuranceinstitute.ca

A study of policy forms is also important in addition to the explanation and coverage of material in the text.

The Insurance Institute of Ontario offers in-house tutorials to those individuals self-studying the examination material. Please contact the Insurance Institute of Ontario for availability, locations and registration information.

INFORMATION ABOUT THE EXAMINATION

The examination consists of ninety (90) multiple choice questions and one (1) short answer case study. Each multiple choice question is worth one (1) mark and the case study is worth ten (10) marks. The pass mark is 75%. The time allowed to write the examination is three (3) hours.

The examination was developed by a team of experienced insurance professionals. It is reviewed and revised regularly, reflecting any legislative changes to the insurance industry. It represents a practical minimum of insurance knowledge for an individual to deal directly with the public. It is expected that knowledge and understanding of the business will expand after the individual is registered and working in the industry.

SCOPE OF THE EXAMINATION *

The majority of the questions are on personal lines, however there are also a few basic commercial lines questions. Sound knowledge of the main habitational and automobile policy forms and of travel insurance is important.

General (47%)

RIB Act and Regulations, Registration By-law
Principles and Practices in Insurance
Theory of Insurance
Insurance Contract
Meaning and Usage of Insurance Terms
Classes of Insurance
Purpose of Common Policies
Types of Insurers

Habitational Lines (18%)

Residential Coverages:

Fire and Extended Coverage
Seasonal and Secondary Residences
Homeowner's Package
Tenant's Package
Condominium Package
Personal Floaters
Vacancy Permit
Mortgage Clauses

Liability:

Comprehensive Personal Liability
Voluntary Medical Payments
Voluntary Compensation
Voluntary Property Damage
Contractual Liability
Owner's Protective Liability

Travel Insurance (5%)

Policy Conditions, Limitations and Claim Procedures

Automobile (20%)

OAP #1 - Owner's Policy Form and Endorsements
Candidate should be familiar with coverage provided under OPF #2 - Driver's Policy Form and OPF #6 - Non-Owned Automobile Policy Form

Case Study (10%)

SAMPLE EXAMINATION QUESTIONS

- 1) Before an insured can recover a loss under a fire insurance policy, it is necessary that:
 - a) the premium be paid.
 - b) the policy be countersigned.
 - c) an insurable interest exists.
 - d) the insured prove that fraud had not been committed.
- 2) Negligence is:
 - a) the failure to exercise the care that a reasonable person would take in a similar set of circumstances.
 - b) behaving in a manner expected of a reasonable and prudent person.
 - c) payment of insurance monies to a person injured by the insured persons.
 - d) exercising rights under an insurance policy to recover money paid to a third person.

Correct Answers: 1 (c) 2 (a)

WHAT TO BRING FOR THE EXAMINATION

- **Calculator** – basic, non-programmable
- **Pen/pencil** – we recommend pencil
- **Photo identification** (i.e. Driver's License, Passport)

Please note:

- Only English/French translation dictionaries are permitted in the exam
- A policy wording booklet **will be provided** in the exam. Do not bring your own.

EXAMINATION RESULTS

Exam results are sent within three (3) **business days** of the completed examination **being received** at the RIBO office.

Confidentiality prohibits RIBO from giving results over the phone, fax or email. **Do not** telephone or otherwise contact RIBO or IBAO for your results.

REWRITES

The RIBO entry level examination may be written three (3) times within a twelve (12) month period. After three (3) unsuccessful attempts, there is a twelve (12) month waiting period from the date of the **last** attempt before re-application can be made.

REFUNDS

The examination fee is not refunded unless written notice has been received seven (7) days prior to the examination date.

If the examination is not written on the date scheduled at RIBO or any other examination centre and RIBO has not been contacted for a refund or to reschedule prior to the seven (7) days, the exam fee is automatically forfeited. A full additional examination fee will be required prior to rescheduling a new examination date.

HOW TO BECOME A REGISTERED BROKER

Individuals who pass the examination and are otherwise “qualified” will be sent an Employment Letter form attached to their passing letter. This form must be completed and signed by the Principal Broker of the brokerage and returned to RIBO with the required registration fee.

The annual registration fee (currently \$180.00 and subject to change without notice) covers the period from October 1st to September 30th. New registrations processed during the months of July, August and September are required to pay 50% of the current annual registration fee **plus** the full annual renewal fee (thus total fees required will be \$270.00). The certificate of registration will expire September 30th of the following year. Otherwise no reduction is allowed for part of a year. ***Fees are not refundable in whole or in part and are subject to change.***

Registration must be completed within twelve (12) months from the date of successful completion of the examination. If registration does not occur within twelve (12) months, the applicant will be required to write the examination again. We regret there are no extensions.

Individuals who have passed the examination but who have not registered and not received their certificate of registration CAN NOT hold themselves out as or act in the capacity of a broker. Acting as a broker without a certificate of registration will result in your file being reviewed by the Qualification and Registration Committee and may jeopardize your eligibility for licensing.

Individuals who have a Shell or Tax Corporation set up to receive commissions for tax purposes only **must also register** the corporation with RIBO as a “Non-Active Member Firm”. The registration fee for the non-active firm is the same as it is for an individual registration. Please contact RIBO for the “Non-Active Member Firm” registration kit.

CONTINUING EDUCATION

Once registered, all licensed insurance brokers must comply with RIBO continuing education requirements. Please refer to the Continuing Education section of our website (www.ribo.com) or consult your Principal Broker who will provide you with the specifics of the program.

ONLY EMPLOYMENT REQUIREMENTS *

RIBO Regulation 991, Section 5 outlines the registration requirements for an individual. It is legislated that the “only business or employment” of an individual be that of an insurance broker, or an insurance broker/life agent.

An application for a Secondary Business Exemption must be made to the Qualification and Registration Committee for any other business involvement or employment. An individual must be granted an exemption from the Q & R Committee prior to any involvement in a secondary occupation.

Individuals who hold a license for the non-insurance financial services, i.e. mutual funds, must resign it and hold a RIBO license for two (2) consecutive years prior to applying for a Secondary Business exemption for the non-insurance financial service.

RESTRICTIONS ON REGISTRATION *

Upon completion of the Entry Level examination, an individual is registered with the restriction of “Acting Under Supervision”. A broker who is restricted to “Acting Under Supervision” cannot control trust funds, be a “Principal Broker/Designated Individual”, or operate as a sole proprietor. The restriction of “Acting Under Supervision” can be removed by passing the RIBO “Unrestricted - Technical Only” examination. Please note that **successfully passing this examination does not qualify an individual to be a sole proprietor, nor to be the Principal Broker of a member corporation or partnership or a sole proprietor. The individual will still be under the direction of the Principal Broker/Designated Individual of the firm they are employed by.**

In order to act as a Principal Broker or operate as a sole proprietor, it is mandatory that an individual be registered with RIBO and have worked consecutively for at least two (2) years with a RIBO registered firm before application can be made to write the “Unrestricted - Management” examination.

New registrants are also restricted to “General Insurance Other Than Accident & Sickness” (RIBO Regulation By-law Section 4). This class is most commonly included as part of a Life Insurance Agent’s License (from the Financial Services Commission). The Commission has a specific Accident & Sickness examination. The restriction can be removed from a RIBO registration by submitting a copy of a current life license including Accident & Sickness or evidence of passing the Accident & Sickness examination.

Since January 1, 1993, it has been mandatory for any insurance broker selling Travel Health Insurance to be licensed by RIBO to do so. Passing the current Entry level examination with a minimum of 60% in the Travel Health section meets this requirement.

SUCCESSFUL EXAM WRITING

1. Relax. "Examination Nerves" are your worst enemy.
2. Before starting, quickly assess the entire exam paper.
3. Make sure your writing is clearly legible.
4. Number all answers corresponding to the question asked. Be sure to leave space between each answer so there is no possibility of confusion by the marker.
5. Make sure you understand how the question should be answered. Ask yourself the following:
 - a. Is the question asking for a simple yes or no?
 - b. Did the question specify to give one or more examples?
 - c. Does the question ask for an explanation?
 - d. How many items does this question ask me to list?
6. Always keep track of the time and REMEMBER to move on to the next question if you are stuck on an answer.
7. Allow yourself some time to re-read and re-check the paper before handing it in.

Answering Multiple-Choice Questions

1. Read the question and try to answer it BEFORE looking at the answers but make sure to look at all the answers before choosing. Do not just take the first "correct" answer you see.
2. Read the question carefully and understand clearly what it is asking for. Some of the statements may be partly correct but only one will be entirely correct.
3. Eliminate the obvious wrong answers: this narrows down the possibilities.
4. Read the answers carefully – a word or two of a phrase can give a whole different meaning to an answer.
5. Do not spend too much time on any one question. Put a question mark against any question you cannot answer immediately and go to the next question. Always keep track of the time and REMEMBER to move on to the next question if you are stuck on an answer.
6. If the question asks you something you do not know, see if you can cross out any of the wrong answers before you guess.
7. Do not keep changing your answer. Research has shown that changing answers on a multiple-choice question is neither good nor bad: if you have a good reason for changing your answer, change it.
8. After you have finished the test, go back to those questions you passed over before. See if you can answer them now. Take as much time as you have. Never leave a test early, unless you are sure you have answered every question to the best of your ability. If you still cannot answer the question, then guess. You have a 25% chance of getting it right anyway; more if you can eliminate one or more of the wrong answers. Never leave a blank on a multiple-choice test.

WE WISH YOU SUCCESS IN YOUR ENDEAVOUR