2009 - 2010 Annual Report
MISSION + COMMITMENT

OUR MISSION
The General Insurance OmbudService mission is to provide consumers of car, home and business insurance in Canada with a cost-free, independent and impartial process to resolve their complaints. To achieve our mission, we are committed to:

- Making insurance consumers aware of the service we provide;
- Applying best practices and standards in addressing complaints;
- Providing access for consumers by toll-free telephone, mail, e-mail, internet and facsimile;
- Maintaining a knowledgeable and courteous consumer service staff;
- Ensuring that all cases are treated in a confidential, balanced and fair manner.

OUR COMMITMENT TO CONSUMERS
The General Insurance OmbudService treats all consumers with fairness, impartiality and integrity. We cultivate an environment characterized by the highest ethical standards and consistently adhere to the following principles:

ACCESSIBILITY
Providing convenient ease of contact for consumers to express and pursue their concerns. Consumers wishing to access our services may contact GIO in a variety of ways, including our national toll-free telephone number 1.877.225.0446, mail, electronic mail, facsimile and through our website, www.giocanada.org. Our Consumer Service Officers will assist consumers in either English or French.

TIMELINESS
Responding promptly to consumer inquiries and complaints. In the case of fax or e-mail messages, we strive to get back to the consumer within one business day. In most cases, our telephones are answered directly. When that is not possible, we will respond to messages within one business day. For all situations, GIO will strive to keep the consumer informed at all times of the status of their concern.

COURTESY
Always treating consumers with respect, civility and politeness.

CONSISTENCY
Treating similar cases in a similar fashion. We learn from each experience and use that knowledge to refine and enhance the perspective we can bring to recurring issues.

Acaccy
Always providing consumers with information that is accurate and correct. If we don’t fully understand any aspect of the issue, we will ask the appropriate party for clarification.

Fairness & Impartiality
Approaching every interaction with integrity and objectivity, dealing with each case on the basis of due diligence and factual information.

Clarity
Using simple, easy-to-understand language in all our communications, delivered in the consumer’s choice of English or French.

Knowledge
Demonstrating an understanding of the product and providing accurate information and guidance on the complaint resolution process.

Privacy/Confidentiality
Ensuring that personal/proprietary information is kept absolutely private and confidential. Our employees are bound by rigorous confidentiality standards and agreements as defined in our privacy policy.

Independence & Objectivity
Ensuring that GIO is independent and separate from government and industry, with its own Board of Directors, whose members represent a range of professional backgrounds, the majority coming from outside the insurance industry.
CHAIR’S REPORT

LEA ALGAR
Chair, General Insurance OmbudsService

It is with great pride that I present the Annual Report of the General Insurance OmbudsService (GIO) for its eighth year of operation, ending April 30, 2010.

This year was the beginning of GIO’s triennial cycle of independent third party evaluations of its operations. The results are gratifying. The evaluator found that GIO is achieving its public interest purpose and is providing a high quality OmbudsService, with good corporate governance.

The requirement for an independent third party evaluation on a three-year cycle comes from the Framework for Collaboration, an agreement between the Joint Forum of Financial Market Regulators and the Financial Services OmbudsNetwork (FSON), comprising the Ombudsmen for Banking Services and Investment (OBSIS), Ombudsman for Life and Health Insurance (OLHI) and GIO. The purpose of the evaluation is to validate the effectiveness of the OmbudsService in achieving its purpose and to identify opportunities for improvement.

To conduct the evaluation, we chose Laurie Savage and Associates, a firm well-known internationally for providing advice to governments of emerging market countries regarding modernization of insurance regulations, including market conduct regulation and the development of systems for dealing with consumer complaints. The strength of the firm is its understanding of how organizations such as GIO should function in the public interest and to point out where improvements could be made.

We are pleased that Mr. Savage’s report concluded that GIO is a first class complaint investigation system for property and casualty insurance. The report also contained a few suggestions for improvement. GIO has implemented most of the suggestions and is working well under the new framework. An important recommendation was that GIO clarify its operations in Quebec. We are pleased to report that this has been done and GIO opened an independent office in Quebec in May 2010.

Our top priority remains raising public awareness of our services. During the past year we continued our work with Keynote Associates across Canada. In keeping with our practice of holding meetings of our Board of Directors in various cities to share information with provincial regulators and other stakeholders, this year we met in Hamilton.

Raising awareness is a big job and we would like to thank the Joint Forum of Financial Market Regulators for including Information about our services on its website and the member companies who include GIO Information on their websites. As well, GIO’s website continues to generate new contacts.

The excellent working relationship that exists between the members of the FSON Joint Committee is a valuable factor that can only benefit consumers who need assistance with their unresolved complaints.

In the eight years since GIO was established, we have built a strong organization that responds effectively to help consumers resolve their concerns. Our dedicated directors have led the way to make GIO the professional organization that our independent review found it to be. For this, I would like to thank them and add special thanks to the committee chairs and our general counsel.

On behalf of the Board of Directors, I wish to thank our management and staff. We are proud of them. Together they have created an effective operation, based on fairness to all who come to us for assistance. The many thank you letters from satisfied consumers to staff are evidence of the exemplary service. Our executive director deserves special thanks for a terrific job strengthening our Quebec presence.

GIO continues to be committed to working with consumers, member companies and governments to reach our goal of being a centre of excellence in the resolution of disputes.

Lea Algar
Chair, General Insurance OmbudsService

EXECUTIVE DIRECTOR’S MESSAGE

BRIAN MALTMAN
Executive Director, General Insurance OmbudsService

I am pleased to present my annual report message as Executive Director and thank GIO’s progress during the last year.

GIO has eight years’ experience assisting consumers of home, auto and business insurance. We are now delivering independent service in all regions of Canada. The addition of our Quebec based Consumer Service Officer, Senior Adjudicative Officer and Mediators completes our fulfillment of this mandate.

We continue to practice prudent financial management. Examples of this are the successful renewal of our Toronto office lease for a reduced cost over the next five years, and our ability to avoid budgetary revenue increase while expanding our capacity to serve consumers. Our web-based and largely paperless operations continue to allow GIO the ability to achieve both high efficiency and flexibility – so important for an organization with a modest staff complement.

Our efforts to improve public awareness of GIO are bearing fruit. We have started to work effectively with Provincial brokers’ associations to convey to their members how GIO can be a valuable resource in serving their customers. We are also receiving assistance from the Federal and Provincial governments who have taken steps to make GIO visible to consumers via their websites. Special mention is deserved for our member company Complaints Liaison Officers who work with us on a daily basis and have done much to educate their customers about GIO. Together with all of these stakeholders we are shaping Canada and the world that consumer assistance measures for our insurance industry are transparent, professional and fair.

Total calls to GIO increased by 21% over the previous year. Our expertise all serving callers continue to grow too. Of all 2,911 calls dealt with, only three proceeded to Mediation and one to Senior Adjudication. That means that the remaining 99.9% was successfully handled by our Consumer Service Officers. Bravo!

GIO has developed monthly statistical exhibits for our member companies, available on request. We also deliver statistical information on a quarterly basis to Provincial governments for calls that originate in their region. The information is organized in a similar manner to the statistics presented elsewhere in this report, and consumer confidentiality is maintained. This information sharing helps our stakeholders understand where consumer concerns are while maintaining GIO’s commitment to independence and confidentiality.

GIO has come to the attention of the international community. Early in the year we were contacted by the Secretary General of the Committee for Reinstatement of Insurance Insurers and Validators, of the Saudi Arabian Monetary Agency. He and a colleague visited us, to learn about our governance and operations, and to watch our Consumer Service Officers in action. They were impressed and left us proud to be part of a financial services system that is proving to be one of the best in the world.

Brian Maltman
Executive Director, General Insurance OmbudsService

This year GIO welcomes a new member to our forces, our Quebec based Consumer Service Officer. He is so passionate about helping people as she is skilled and knowledgeable. Just like her colleagues. I am proud to be associated with them. Our board continues to provide direction, wisdom, strength and integrity. For this and so much more, my sincere thanks.
CASE STUDY

SOME DENTS ARE COVERED, SOME ARE NOT

BE SURE YOU UNDERSTAND WHAT YOUR POLICY COVERS; PARTICULARLY WHERE THERE ARE OPTIONAL FORMS OF COVERAGE AVAILABLE.

CASE

The consumer suffered a hail storm loss to his metal covered outbuilding. The metal cladding on the building was dented but there were no holes in the metal caused by the hail.

The outbuilding was covered for all risks of direct physical loss or damage, except “loss or damage to insured barns, buildings or structures caused by hail, whether driven by wind or not, to the outer metal cover unless the cover is punctured by the hail.”

RESOLUTION

The consumer felt that this definition should encompass the damage to his building because the word “puncture” seemed ambiguous in this situation. The insurance company used the most common definition of puncture: “to make a hole”. The case proceeded to mediation where the definitions, the consumer’s coverage and available optional coverage were fully discussed. It was concluded that there was no coverage for this loss.

It was pointed out that the consumer could have purchased additional coverage for dents caused by hail. Unlike auto insurance, where dent damage caused by hail is usually covered, this is not always done for metal buildings unless the hail actually breaks through the metal covering.

Disclaimer: Names, places and facts have been modified in the above example in order to protect the privacy of the individuals involved.

"THE CONSUMER FELT THAT THIS DEFINITION SHOULD ENCOMPASS THE DAMAGE TO HIS BUILDING..."
CASE STUDY

THE PERSISTENT SQUEAK
TIME TAKEN TO DIG INTO THE DETAILS OF A CASE CAN REVEAL THE TRUE CAUSE OF A PROBLEM

CASE
The consumer had his car repaired following an auto accident. He returned several times following the repairs complaining of a noise coming from the rear of the vehicle. The source was determined to be the rear glass windshield. A dispute arose over whether the noise was caused by the accident and the following repairs, or was a defect in the windshield which would be covered by warranty.

RESOLUTION
Informal Conciliation allowed GIO to go behind all of the opinions about the cause of the squeak and determine to everyone’s satisfaction that this problem only emerged after the repairs and was not a latent defect. The insurance company agreed to pay for the glass repair needed to correct the problem.

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“HE RETURNED SEVERAL TIMES FOLLOWING THE REPAIRS…”

INQUIRY RESOLUTION

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<th>Category</th>
<th>Cases</th>
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<td>Referred to Broker</td>
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<td>Referred to Another OmbudService</td>
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<td>Referred to Another Organization</td>
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<tr>
<td>Complaint is Outside of GIO’s Mandate</td>
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CALLS THAT BECAME CASES

<table>
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<tr>
<th>Category</th>
<th>Cases</th>
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</thead>
<tbody>
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<td>4</td>
</tr>
<tr>
<td>Resolved by GIO</td>
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</tr>
<tr>
<td>Resolved by the Company</td>
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</table>

ADDITIONAL NOTES ON ESCALATION
This year, 3 mediations were held: one successful, two with no agreement reached, and one Senior Adjudication. That accounts for less than 0.2% of the total calls in the year.

WEB SITE ACTIVITY

The English and French web sites recorded 126,929 sessions for the fiscal year, marking a 66% increase over the previous fiscal year.

Earned media with select radio, print advertising spots and media interviews added to GIO’s enhanced awareness and traffic. Wherever possible, the web site address was promoted as a resource for consumers to access GIO’s online complaint form and complete member listing.

As we move forward with new online communication initiatives, we will continue to reach out to consumers and industry groups in an effort to enhance the role of GIO.
CASE STUDY

DELAY IS A TWO WAY STREET THAT LEADS NOWHERE

OFTEN AFTER THE LOSS OF PROPERTY A CONSUMER NEEDS HELP ASSEMBLING ALL OF THE INFORMATION NEEDED TO COMPLETE A CLAIM. THERE ARE TIME LIMITS TO BE AWARE OF.

CASE

The consumer suffered a theft claim and reported it to his insurance company. The requirement to find invoices for stolen items and provide estimates for replacement of same items took a long time. The consumer was advised that payment would be made once all items were documented and the Proof of Loss completed. There was no mention of any time limit for doing this.

Almost three years passed without completion. Proof of loss forms were sent to the consumer with no response. Finally the company closed its file.

RESOLUTION

The company agreed to attend mediation in the hope of finding some resolution of the claim. An independent adjuster was assigned to help the consumer finish the paper work, the mediation was adjourned, an agreement was reached, and the claim was paid and closed.

Disclaimer: Names, places and facts have been modified in the above example in order to protect the privacy of the individuals involved.

“PROOF OF LOSS FORMS WERE SENT TO THE CONSUMER WITH NO RESPONSE.”

HELLO GIO: TESTIMONIALS

“YOU HELPED ME UNDERSTAND MY RIGHTS, OBLIGATIONS AND THE LIMITATIONS OF MY POLICY. MY INSURANCE COMPANY WAS ASTOUNDED AT MY LEVEL OF KNOWLEDGE.”

“IF ANY OF MY RELATIVES AND FRIENDS EVER HAPPEN TO FIND THEMSELVES IN THE UNFORTUNATE CIRCUMSTANCES THAT I DID, I WILL MOST DEFINITELY DIRECT THEM TO GIO.”

“It was a great pleasure speaking with you, and we could only wish the whole world was as kind and helpful as you were.”

“For the first time through the entire ordeal, someone took the time to listen carefully to our side and consider that there might be more to the claim and advised us how to express those points.”

“Your information helped tremendously and our insurance company has now taken the appropriate steps to correct my record and delete the at fault accident from my file.”

“Spoke to your CSO for approximately 15 - 20 minutes yesterday and received the answer that I had been trying to get from my insurance company for months.”

“I was very pleased with the service provided. Your CSO was very easy to deal with. She was very helpful and steered me in the right direction to solve the problem I was having.”

“Your CSO was pleasant and provided enough timely advice to avoid legal action. A satisfactory settlement was reached with my insurance company by patiently following your suggestions.”

“Once again, I would like to express my sincere appreciation and admiration for the help and support you provided. 2009 was a challenging year for me, fortunately, your kindness made the bad memories fade away.”
CASE

The consumer had opened her car door, which was hit by another driver. The consumer reported the accident to her insurance company. She could not understand how the accident could be considered her fault. She was confused about the determination of fault. She believed that the company had recorded incorrect information about what happened. As a policy holder she believed that she was entitled to a full and clear explanation.

She had escalated her concerns to her agent, the adjuster assigned to her claim, and a Claims Manager. The consumer became frustrated with the technical insurance jargon being used, and with the delays in people responding to her.

RESOLUTION

A GIO Consumer Service Officer first explained the Fault Determination Rules. The GIO advised the consumer to escalate her concerns to the company’s Complaints Liaison Officer and stressed the need to clarify the facts of the accident.

The Complaints Liaison Officer and the Adjuster contacted GIO to review the situation. After internal Conciliation the determination of fault was reversed by the company and the consumer was recorded to be 100% not at fault for the accident.

**Statement:** Names, places and facts have been modified in the above example in order to protect the privacy of the individuals involved.

"SHE WAS CONFUSED ABOUT THE DETERMINATION OF FAULT."

THE SEVEN-MEMBER BOARD OF DIRECTORS IS COMPRISED OF FIVE INDEPENDENT MEMBERS AND TWO INDUSTRY DIRECTORS.

The independent members of the Board meet stringent conflict of interest guidelines to ensure the public that they operate independently from the P&C insurance industry. They are chosen to reflect a diversity of experience, interests, backgrounds, and geographic representation. They are individuals known and respected on a national and regional basis.

GIO has established three Standing Committees of the Board: the Standards Committee, Budget & Audit Committee and Human Resources Committee. Each Committee is comprised of at least three members, the majority of whom are Independent Directors of the Board. The Committees assist the Board on matters related to standards and best practices, development and compliance, and supervision in the management of the financial and business affairs of the Corporation.

FINANCIAL SERVICES OMBUDSNETWORK (FSON)

GIO is a member of the Financial Services OmbudsNetwork. The other members include:

**Ombudsman for Banking Services and Investments (OBIS)** (Banking Services and Investments Questions and Concerns)
- Tel: 1-888-451-4519
- Fax: 1-888-451-4519
- E-mail: ombudsman@obis.ca
- Website: www.obis.ca

**Ombudsman for Life & Health Insurance (OLH)** (Life and Health Insurance)
- Tel: 416-777-9002
- Toll free: 1-888-295-8112
- Fax: 416-777-8750
- Email: info@olh.ca
- Website: www.olh.ca
LIST OF MEMBERS

Membership in GIO is available to all federally regulated property and casualty (P&C) insurers, including companies in run-off, to comply with the obligations of the Insurance Companies Act. Several provincially regulated insurance companies have joined GIO on a voluntary basis to offer consumers the same level of service as their federal counterparts.

GIO has two categories of members – voting and non-voting. Board members, made up of independent and industry directors, are voting members. Non-voting members include: insurers; re-insurers; companies discontinuing business, licensed in Canada to carry on the business of general insurance; and Lloyd’s which has been admitted pursuant to the by-laws of GIO. This structure was created to guarantee an appropriate degree of separation and independence from non-voting members who are in the insurance industry. As of printing, GIO had 148 member companies, as follows:

ACE INA Insurance
Allianz Global Risks US Insurance Company
Allstate Insurance Company
Alstate Insurance Company of Canada
American Bankers Insurance Company of Florida (Alberta only)
American Road Insurance Company- Canadian Branch
Arch Insurance Company
Ascentus Insurance Ltd.
Aspen Insurance UK Limited
Associated Electric & Gas Insurance Services Limited (AEGIS)
Aviation & General Insurance Company Limited c/o D.M. Williams & Assoc., Ltd.
Aviva Insurance Company of Canada
AXA Assurances Inc.
AXA General Insurance
AXA Insurance (Canada)
AXA Pacific Insurance Company
AXS Reinsurance Company- Canadian Branch
B&Ia Insurance Company
Berkley Insurance Company c/o D.M. Williams & Assoc., Ltd.
Boiler Inspection & Insurance Company of Canada (The)
British Aviation Insurance Company Limited (The)
Canada Guaranty Mortgage Insurance Company
Canadian Direct Insurance Incorporated
Canadian Northern Shield Insurance
Centennial Insurance Company c/o Focus Group Inc.
Certas Direct Insurance Company
Certas Home and Auto Insurance Company
Charlins Insurance Company of Canada
Cherokee Insurance Company
Chicago Title Insurance Company
Chrysler Insurance Company
Chubb Insurance Company of Canada
Co-Operators General Insurance Company
Commonwealth Insurance Company
Compagnie Francaise d’Assurance pour le Commerce Exterieur-Canada Branch
Continental Casualty Company
Cooseco Insurance Company c/o HB Group Insurance Management Ltd.
Curis General Insurance
Danau National Assurance Company - Canadian Branch
DAS Legal Protection Insurance Company Ltd.
Dominion of Canada General Insurance Company (The)
Eagle Star Insurance Company Limited
Ecclesiastical Insurance Office plc
Echelon General Insurance Company
Economical Mutual Insurance Company
Electric Insurance Company c/o Cassels Brock & Blackwell LLP
Elite Insurance Company
Employers Insurance Company of Wausau
Equitable General Insurance Company
Euler American Credit Indemnity
Factory Mutual Insurance Company
FCT Insurance Company Ltd.
Federal Insurance Company
Federated Insurance Company of Canada
Fedераtion Insurance Company of Canada
Fenchurch General Insurance Company
First American Title Insurance Company
First North American Insurance Co.
Fortress Insurance Company (Alberta only)
General Reinsurance Corporation
Genworth Financial Mortgage Insurance Company of Canada
Grah Insurance and Guarantee Company
Great American Insurance Company
Great American Insurance Company of New York
 Guarantee Company of North America
Hartford Fire Insurance Company
Industrial Alliance Pacific General Insurance Corporation
Intact Insurance Company
Jevo Insurance Company
Jewett’s Mutual Insurance Company
Lawyers Title Insurance Corporation
Legacy General Insurance Company
Liberty Mutual Insurance Company
Lloyd’s
Lombard General Insurance Company of Canada
Lombard Insurance Company
London and Midland General Insurance Company
Lumbermen’s Underwriting Alliance
Market Insurance Company of Canada
Metro General Insurance Corporation Ltd.
Millenium Insurance Corporation
Mississauga Insurance Company
Mitsui Sumitomo Insurance Company
Motors Insurance Corporation
National Liability & Fire Insurance Company
Nipponkoa Insurance Company Limited
Nordic Insurance Company of Canada
North Waterloo Farmers Mutual Insurance Company (Alberta only)
Novex Insurance Company
Old Republic Insurance Company of Canada
Omega General Insurance Company
Optimum West Insurance Company (Alberta only)
Palermo Insurance Company
Peake Hills General Insurance Company
Pembroke Insurance Company
Personal Insurance Company of Canada
Perth Insurance Company
Pilot Insurance Company
PMI Mortgage Insurance Company Canada
Portage la Prairie Mutual Insurance Company (Alberta only)
Prmium Insurance Company
Progressive Casualty Insurance Company
Protective Insurance Company
Quebec Assurance Company
RBC General Insurance Company
RBC Insurance Company of Canada
Royal & Sun Alliance Canada
Safety National Casualty Corporation c/o Cassels Brock & Blackwell LLP
Saskatchewan Mutual Insurance Company (Alberta only)
Scotia General Insurance Company
Scottish & York Insurance Company Ltd.
Securian General Insurance Company
Security Insurance Company of Hartford
Security National Insurance Company
Senbry Insurance a Mutual Company c/o Cassels Brock & Blackwell LLP
SGI Canada Insurance Services Ltd. (Alberta only)
Sampo Japan Insurance Inc.
Sovereign General Insurance Company
State Farm Fire and Casualty Company
State Farm Mutual Automobile Insurance Company
Stewert Title Guaranty Company
S.T. Paul Fire & Marine Insurance Company
SAX Insurance Company
TD Direct Insurance Inc.
TD General Insurance Company
TD Home and Auto Insurance Company
Temple Insurance Company
TIG Insurance Company
Toko Marine & Nichido Fire Insurance Co. Ltd
Traders General Insurance Company
Trafalgar Insurance Company of Canada
Travelers Guarantee Company of Canada
Trisura Guarantee Insurance Company
Triton Insurance Company - Canadian Branch
T.H.E. Insurance Company
Unifund Assurance Company
Ulitsa Mutual Insurance Company
Virgina Surety Company Inc c/o D.M. Williams & Assoc. Ltd.
Waterloio Insurance Company
Wawanesa Mutual Insurance Company
Western Assurance Company
Westport Insurance Corporation (Nw ERC)
XL Insurance Company Limited
York Fire & Casualty Insurance Company
Zenith Insurance Company
Zurich Insurance Company