2013 - 2014 Annual Report
ABOUT US

The General Insurance OmbudService (GIO) is an independent organization, created in 2002, with the sole purpose of helping Canadian consumers resolve disputes or concerns with their home, auto or business insurers. Our goal is to use our extensive experience and industry-related insight to work towards a fair resolution between individuals and their insurance providers.

Any home, auto or business insurance consumer in Canada who has a concern or dispute with one of GIO’s member insurance companies can initiate the process by contacting us with the details of his or her complaint. GIO’s services are available free of charge, in both English and French. The majority of issues GIO deals with concern claims, interpretation of policy coverage, policy processing and handling.

OUR VISION

The General Insurance OmbudService will be recognized as the destination of choice for complaint resolution for the General Insurance Industry, its Customers, and Governments, by being a Centre of Excellence.

HOW TO REACH US

GIO can be accessed right across Canada. For help with problems with your insurance company, call General Insurance OmbudService on its national toll free number at 1-877-225-0446 or visit www.giocanada.org

Head Office
10 Milner Business Court, Suite 701 • Toronto, Ontario M1B 3C6
Tel. 416-299-6931 • Fax 416-299-4261

Front cover illustration: Untitled, original acrylic on canvas by Lea (Algar) Lauren.
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.

ACCURACY
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.
I am pleased to present the Annual Report of the General Insurance OmbudService (GIO) for its twelfth year of operation ending April 30, 2014.

GIO was established in 2002 as an independent, impartial organization to provide a cost-free dispute resolution service for consumers with unresolved complaints about car, home and business insurance. Since that time we are proud that we have helped many consumers to resolve their concerns and complaints with their insurance companies in a fair, impartial, and cooperative way.

We operate in accordance with the 2007 Framework of Guidelines that was developed in cooperation with the Dispute Resolution Committee of the Joint Forum of Financial Regulators which until recently had oversight of the OmbudServices. Oversight was transferred this year to the Canadian Council of Insurance Regulators (CCIR) which has established an Ombudsman Oversight Committee. We look forward to working with CCIR as we continue to work to improve our services.

We value our relationships with federal and provincial governments and their agencies and recognize how important it is to continue to keep them informed about GIO activities.

For many years we have held the June meeting of the Board of Directors of GIO in different cities throughout Canada. It is an ideal opportunity to invite government officials to meet with our Board of Directors to discuss our operation and share more about us. This year, our June meeting was held in Ottawa where we were pleased to welcome several Parliamentarians interested in learning more about GIO and with senior officials from Department of Finance.

Recently the Financial Consumers Agency of Canada (FCAC) announced the appointment of the first Financial Literacy Leader. Our work has shown us that many of our consumers’ concerns arise from misunderstanding of the insurance policy that they had purchased. As a result, we were delighted by the recent appointment of a Financial Literacy Leader at the FCAC. We fully support this innovative measure by FCAC to improve financial literacy and GIO looks forward to working with FCAC on this important initiative.

It is also important to note GIO is a member and active participant in the International Network of Financial Ombudsmen (INFO), a source for information about new developments and best practices around the world in the field of complaint resolution. We are deeply committed to best practices and will continue to engage in finding better ways to serve consumers and our members.

We want to learn firsthand from our consumers about their experience with GIO. To provide easier methods to communicate with us, we have established an automated Customer Satisfaction Survey. When a complaint file is completed, our electronic system sends the consumer an automated electronic survey to complete and return anonymously commenting on GIO’s process. The results of the surveys help management to determine how well the process is working and which areas might require attention. I am pleased to report that to date, the surveys have shown that a great majority of customers have expressed satisfaction with the service GIO has provided.

We work continually at raising public awareness of our services. During the past year, our management and staff again participated in numerous consumer conferences, broker conferences and other insurance events, giving them an opportunity to speak with people in many parts of Canada. This year, GIO began writing a blog and we anticipate that the number of readers will continue to grow. GIO’s website and on-line complaint service continue to attract a large number of new visitors.

Many people contributed to GIO’s success this past year. I again thank the Board of Directors for their great contribution, with special thanks to committee chairs and our general counsel and, on behalf of the Board of Directors, I thank Executive Director Brian McAlpine, and his highly skilled team.

GIO is committed to fairness and impartiality to consumers and our member companies. We will continue to strive for excellence in resolving property and casualty insurance consumer complaints in all we do.

Lea Algar
Chair, General Insurance OmbudService
I am pleased to present my annual message as Executive Director of GIO. Looking back over 2013/2014 I see that GIO has progressed significantly in the realization of our Mission to apply Best Practices in complaint resolution, and in our Vision of being recognized as the destination of choice for insurance complaint resolution.

Like the fable of the race between the tortoise and the hare, true success is built slowly and consistently, step by step. This year we have seen this revealed in three very different ways.

1. This year marked the first time we listed a major provincially licensed company as a member of GIO. This was a voluntary step for this insurer, and they joined because they knew that GIO could enhance their customer relationships and that would be good for business. We look forward to serving consumers with this company and also look forward to other provincially licensed insurers following this significant lead.

2. 2013 Floods. The flooding events that took place in southern Alberta and in the Toronto region highlighted the effects of climate change, and the manner in which insurance policies in Canada usually respond to this peril. It also brought an additional series of calls to GIO which were unusual.

Unlike many calls we receive where we can address the intricacies of a home, auto or business insurance policy with the consumer, often finding solutions or a creative approach, most instances of overland flooding in Canada are simply not covered. How can we help in this difficult situation?

Our Consumer Service Officers found a way to make a very real contribution to the callers who contacted us, and it stems from our pursuit of excellence in dealing with people, practised and improved over several years. This was a unique experience for us and we have highlighted it in one of our Case Studies.

3. The Value of our Dispute Resolution Process: Our three step process has become increasingly familiar to our colleagues in our member companies who also deal with complaints. Our work with these people on a day to day basis over the last twelve years has created a deep understanding of when a complaint should escalate to the next step, and what can be expected to happen when this takes place.

This year we held no mediations, although seven were authorized. This means that a mediation is requested by the consumer, and authorized by the Manager of Complaints after Informal Conciliation has not generated a result satisfactory to the consumer.

Our experience this year shows that our member companies have enhanced their dispute resolution processes by taking another fresh look at the complaint at this stage. In each of those situations where a mediation was authorized, additional discussion and consideration led to a result agreed to with the consumer.

So, thanks to the continued pursuit of excellence by GIO’s Board and staff, and the CLOs in our member companies, our story is now known through the Canadian insurance industry and we are attracting new voluntary members.

Thanks to the passion our Consumer Service Officers have for making a meaningful impact on the people they serve, we find confirmation that this is taking place even in difficult and limiting circumstances.

And thanks to the foresight and good planning of GIO’s governance and operations, done by our Chair, Board of Directors and General Counsel, our Dispute Resolution Process is so respected that mere escalation of a complaint now prompts our member company colleagues to dig deeper for a solution on their own.

As always I am glad to recognize the work of “staff”. Buried in that term is one person who works with me behind the scenes, our Executive Assistant, Debbie Marshall. She keeps this machine running very smoothly indeed, and my task that much more enjoyable.

Brian Maltman
Executive Director, General Insurance OmbudService
CASE STUDY 1

AN OUNCE OF PREVENTION IS WORTH A POUND OF CURE
A HOME OWNER TOOK PREVENTIVE MEASURES BUT THE INSURER DID NOT WANT TO CONSIDER THIS AS PART OF A LOSS.

CASE
Following a severe storm, the consumer’s house was damaged and large trees were about to fall on the building, causing additional and serious damage. The consumer hired a tree removal service to quickly remove the trees threatening the house.

The consumer’s insurance company initially refused to pay the $4,000 cost of the tree removal because damage from the trees had not yet happened to the house, and there was an exclusion that said: “Your policy does not cover loss or damage to trees, plants, shrubs or lawns for wind damage.”

RESOLUTION
The consumer contacted GIO to determine if it made sense to take steps to avoid additional damage after a loss had happened. The GIO Consumer Service Officer suggested that the consumer escalate the complaint to the company’s Complaint Liaison Officer, and specifically to review the “Salvage clause” in the statutory conditions section of the insurance policy. (see below)

The insurer agreed to fund the prevention cost of tree removal in proportion to its share of the loss that was already covered, and offered a 50% settlement of $2,000. The consumer accepted this offer.

SALVAGE
(1) The Insured, in the event of any loss or damage to any property insured under the contract, shall take all reasonable steps to prevent further damage to such property so damaged and to prevent damage to other property insured hereunder including, if necessary, its removal to prevent damage or further damage thereto.
(2) The Insurer shall contribute pro rata towards any reasonable and proper expenses in connection with steps taken by the Insured and required under sub paragraph (1) of this condition according to the respective interests of the parties.

“THE CONSUMER’S INSURANCE COMPANY INITIALLY REFUSED TO PAY... BECAUSE DAMAGE... HAD NOT YET HAPPENED TO THE HOUSE...”
CALLS ANALYSIS

CALLS BY AREA OF CONCERN

5 YEAR TREND

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<thead>
<tr>
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<tr>
<td>CLAIMS</td>
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<td>76</td>
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<tr>
<td>POLICY CANCELLATION / NON-RENEWAL</td>
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<td>COVERAGE / POLICY RATING</td>
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<td>AVAILABILITY</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>ADMINISTRATION / BILLING PROBLEMS</td>
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<td></td>
<td></td>
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<tr>
<td>AFFORDABILITY</td>
<td>2397</td>
<td>486</td>
<td>405</td>
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How Did Consumers Contact GIO?

5 YEAR TREND

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<tbody>
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<td>TELEPHONE</td>
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<td>2675</td>
<td>2648</td>
<td>2597</td>
<td>2151</td>
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<td>ONLINE COMPLAINT</td>
<td>911</td>
<td>750</td>
<td>815</td>
<td>723</td>
<td>724</td>
</tr>
<tr>
<td>FAX</td>
<td>20</td>
<td>15</td>
<td>21</td>
<td>26</td>
<td>9</td>
</tr>
<tr>
<td>LETTER</td>
<td>16</td>
<td>26</td>
<td>7</td>
<td>30</td>
<td>27</td>
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Call Resolution

Of the 3,797 calls received in 2013 / 2014, 92% were Complaints, the other 8% were inquiries or requests for referral information. For the last five years, Complaints made up between 89% and 92% of total calls.

5 YEAR TREND

<table>
<thead>
<tr>
<th>Type of Resolution</th>
<th>2013-2014</th>
<th>2012-2013</th>
<th>2011-2012</th>
<th>2010-2011</th>
<th>2009-2010</th>
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<tbody>
<tr>
<td>PROVIDED INFORMATION/ASSISTANCE</td>
<td>2436</td>
<td>2185</td>
<td>2207</td>
<td>2058</td>
<td>1351</td>
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<tr>
<td>REFERRED TO COMPANY</td>
<td>873</td>
<td>860</td>
<td>850</td>
<td>880</td>
<td>868</td>
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<tr>
<td>REFERRED TO ANOTHER OMBUDSERVICE</td>
<td>186</td>
<td>198</td>
<td>178</td>
<td>168</td>
<td>172</td>
</tr>
<tr>
<td>COMPLAINT UNRELATED TO GIO’S MANDATE</td>
<td>77</td>
<td>65</td>
<td>128</td>
<td>80</td>
<td>100</td>
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<tr>
<td>REFERRED TO ANOTHER ORGANIZATION</td>
<td>137</td>
<td>118</td>
<td>106</td>
<td>153</td>
<td>233</td>
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<tr>
<td>REFERRED TO BROKER</td>
<td>27</td>
<td>40</td>
<td>22</td>
<td>55</td>
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</table>
WHAT IS THE VALUE OF A CAR FROM A TEN YEAR OLD ACCIDENT?
A CONSUMER HAD DIFFICULTY DEALING WITH HIS INSURER DUE TO EXTENSIVE TRAVEL, AND A DISAGREEMENT ABOUT THE VALUE OF HIS VEHICLE.

CASE
The consumer was involved in a car accident in 2001. At that time he had dealt with an adjuster and other personnel at his insurance company, without resolving the issue of the value of his damaged vehicle.

The consumer contacted the insurer’s Complaint Liaison Officer (CLO) in 2012 and asked that his claim file be re-opened. Even though the limitation period had expired, in order to extend good will and bring closure to the consumer’s complaint, the CLO agreed to reinstate the original offer given in 2002.

The consumer felt that the offer from 2002 was too low. He contacted GIO and spoke to a Senior Consumer Service Officer (SCSO). The consumer told the SCSO that his language barrier, serious injury and travels outside Canada had contributed to his inability to deal with his insurer and obtain a timely settlement which was fair.

The consumer wanted the SCSO to act as an interpreter with the insurer. While making it clear that GIO did not play an advocacy role, the SCSO decided that the best route was to help the consumer communicate with the insurer and provide assistance in comprehending the insurer’s responses. He worked with the CLO to determine if a deal could be negotiated.

RESOLUTION
The SCSO was able to facilitate a compromise between the consumer and the CLO regarding an acceptable value for the consumer’s vehicle. The documentation and final release papers were provided in the consumer’s language of preference in order to ensure a full understanding.

Since the consumer was leaving the country once again, the final settlement cheque was couriered to the consumer’s residence for his acceptance. The consumer confirmed receipt of the cheque and thanked the SCSO and CLO.

"THE CONSUMER FELT THAT THE OFFER FROM 2002 WAS TOO LOW."
## Calls Analysis (Cont’d)

### Calls by Province of Origin (2013-2014)

<table>
<thead>
<tr>
<th>Province</th>
<th>2013-2014</th>
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<tbody>
<tr>
<td>AB</td>
<td>833</td>
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<tr>
<td>BC</td>
<td>217</td>
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<tr>
<td>MB</td>
<td>48</td>
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<tr>
<td>NB</td>
<td>16</td>
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<tr>
<td>NL</td>
<td>30</td>
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<tr>
<td>NS</td>
<td>45</td>
</tr>
<tr>
<td>NT</td>
<td>1</td>
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<tr>
<td>ON</td>
<td>2118</td>
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<tr>
<td>Outside Canada</td>
<td>8</td>
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<tr>
<td>PE</td>
<td>6</td>
</tr>
<tr>
<td>QC</td>
<td>202</td>
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<tr>
<td>SK</td>
<td>39</td>
</tr>
<tr>
<td>YT</td>
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### How Did Consumers Find GIO? (2013-2014)

<table>
<thead>
<tr>
<th>Source</th>
<th>2013-2014</th>
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<tbody>
<tr>
<td>GIO Website</td>
<td>1936</td>
</tr>
<tr>
<td>Government</td>
<td>547</td>
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<tr>
<td>Insurance Company</td>
<td>371</td>
</tr>
<tr>
<td>Family/Friend</td>
<td>237</td>
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<tr>
<td>Other</td>
<td>198</td>
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<tr>
<td>IBC</td>
<td>140</td>
</tr>
<tr>
<td>Unknown</td>
<td>124</td>
</tr>
<tr>
<td>Insurance Broker</td>
<td>106</td>
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<tr>
<td>Regulator/Supt. of Insurance</td>
<td>69</td>
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<tr>
<td>Phone Book</td>
<td>19</td>
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<tr>
<td>Trade Associations (CAMIC, CBA, CLHA)</td>
<td>16</td>
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<tr>
<td>Media</td>
<td>11</td>
</tr>
<tr>
<td>Insurance Adjuster</td>
<td>9</td>
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<tr>
<td>Financial Services Associations (CLHO, OISS)</td>
<td>8</td>
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<tr>
<td>Brochure</td>
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<tr>
<td>FSON</td>
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<tr>
<td>FCAC</td>
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</table>

### Calls That Became Cases

#### 5 Year Trend

<table>
<thead>
<tr>
<th>Year</th>
<th>Calls</th>
</tr>
</thead>
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<tr>
<td>2013/2014</td>
<td>53</td>
</tr>
<tr>
<td>2012/2013</td>
<td>67</td>
</tr>
<tr>
<td>2011/2012</td>
<td>57</td>
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<tr>
<td>2010/2011</td>
<td>44</td>
</tr>
<tr>
<td>2009/2010</td>
<td>63</td>
</tr>
</tbody>
</table>

#### 2013-2014

- Resolved by GIO: 35
- Not Categorized: 8
- Resolved by the Company: 5
- Escalated to Mediation: 7

### Notes on Escalation

There were no mediations held this year, although seven cases were authorized to proceed to the mediation phase. Following authorization, further discussions took place between the consumers and their insurers, leading to resolution. No cases proceeded to Senior Adjudication.

### Website Activity

GIO’s web sites were re-designed this year to improve appearance and to renew their “search-ability” for consumers. At the same time different criteria for measuring individual visits to the new sites were introduced by leading search engines. This generates a more restrictive count for total visits to web sites.

With these new measures GIO recorded 41,314 visits: 35,124 to the English site and 6,190 to the French site. Of these, 67.5% were new visitors and 32.5% were return visitors.

GIO introduced a Weblog (“Blog”) to the website, along with the ability for visitors to “single click” share this on social media. We also continue to maintain a controlled presence on Facebook. We encourage all visitors to our site to share our Blog through social media and to “like” us on Facebook. These actions will help visitors to contribute to GIO’s public awareness.
CASE STUDY 3

ALBERTA WAS FLOODING!

The floods in Southern Alberta in 2013 created many complaints that had similar characteristics. They are captured here as a case study that summarizes our experience.

CASE

Many callers faced extensive damage to their homes due to flooding. Some of this manifested itself as drains backing up, but most of the flooding was overland (water coming in the windows and doors), something that is not covered by most residential insurance policies.

RESOLUTION

GIO’s Consumer Service Officers took the time to listen and appreciate the catastrophic situation in which many consumers found themselves. The CSOs provided direction, support and sympathy to consumers, clarifying and helping them understand the contractual obligations of their insurers, and too, the limitations to coverage which often applied. They were also able to direct consumers to other resources including Alberta Disaster Recovery, or to advise of how to limit or prevent further damage.

In each case the CSOs guided consumers through their insurance policy to determine if there was any coverage for their loss. Even though overland flooding is generally not covered, each insurance company had their own policy wording and each was examined to determine if any coverage was present, or possible.

In spite of the limitations to “concrete results” that could be offered by GIO in many cases, our CSOs provided timely responses with a standard of excellence that earned many expressions of gratitude and relief from consumers who were experiencing devastating loss. These floods produced Canada’s largest catastrophe loss to date, and revealed GIO’s significant value in assisting consumers in such critical circumstances.

“...most of the flooding was overland... something that is not covered by most residential insurance policies.”
HELLO GIO: CONSUMERS SPEAK

I really appreciated the immediate response to my inquiries. The advice and information provided by phone seemed to be very thorough and has provided me with some useful direction in resolving issues. I also appreciated the reassurance that my concern was indeed valid and worth inquiring about.

Very knowledgeable and very helpful officer. You explained quite clearly what my options were, and how to proceed in a proactive way with my communications with the adjuster and insurance company. Thank you!

Very easy to talk with… answered all my questions in a way I could understand. I felt comfortable in addressing my concerns.

The CSO very clearly read through my rather lengthy email and was looking for a bit of clarification rather than for me to repeat. This was extremely refreshing. Guidance was helpful and we'll see how far it gets me but I am far more optimistic about my situation.

I felt very comfortable speaking to your CSO and he was able to answer all my inquiries. I feel comfortable knowing that with the clarity offered I can now make better informed decisions. Thank you.

I am really impressed with your CSO. Empathy and information provided in a professional manner. I would definitely recommend her to others.

Your CSO went beyond the call of duty and explained to me the mechanisms of the insurance business and advised me of what procedure to follow. It is always refreshing to talk to someone who shares your goals and expectations. Again, thank you.

It was your CSO’s knowledge and ability to work effectively with both parties that brought about the resolution of this dispute, and we really appreciate all of her efforts.

I want to give you a big hug!!! Thank you so much for all the help.

Your officer called within a very short time of my request. He was very clear and helpful. He discussed several strategies with me whereby I could get the best rates without endangering my coverage. I am very clear as to my options after this interaction.

The items listed in your consumer satisfaction survey form are not enough to describe the spirit and the essence of how you reach out to people.

The knowledge your senior consumer service officer has is overwhelming. His dedication to his job has floored me and his customer service skills are exceptionally excellent. You have empowered me with more resources than I could ever find on my own.

Your CSO was just so good and patient with my questions, also because I do not have much knowledge about insurance. She was extremely helpful and guided me to where and how I should proceed.
AN UNSEALED DEAL
A CONSUMER ISSUED A COMPLAINT ABOUT BUILDING DEFICIENCIES UNDER THE NEW HOME WARRANTY PROGRAM, WHICH IS BACKED BY A MAJOR CANADIAN INSURANCE COMPANY.

CASE
A Home Warranty claim was submitted regarding a defect in the driveway. The finishing work was incomplete, discoloured and “crazed” or full of small cracks. These defects were noted on the supplier’s technical assessment reports as not meeting industry standards, and requiring repair by the builder.

Attempts to repair the work by washing, staining and re-applying sealant failed to correct the problem. The sealant did not adhere and the driveway finish flaked and peeled.

The insurer stated that the driveway had passed technical approval, and that the situation had moved on to a maintenance issue and was therefore no longer covered by the warranty policy.

RESOLUTION
The consumer approached GIO, where the Consumer Service Officer completed Informal Conciliation, identifying merit to both sides of the dispute. The consumer elected to proceed to Mediation.

After Mediation was approved, the insurer completed an additional internal review and made an offer of settlement to the consumer. The offer was accepted and the consumer used the funds to grind and reseal the surface of the driveway. Mediation was averted.

“THE SITUATION HAD MOVED ON TO A MAINTENANCE ISSUE AND WAS THEREFORE NO LONGER COVERED BY THE WARRANTY POLICY.”
**FINANCIAL SERVICES OMBUDSNETWORK (FSON)**

GIO is a member of the Financial Services OmbudsNetwork. Members of the FSON co-operate and co-ordinate to provide Canadian financial consumers with high quality, efficient and effective dispute resolution services that are accessible, independent and impartial; also to co-ordinate discussions with government regulatory and industry-related communities in the context of improving services. The other members include:

**Ombudsman for Banking Services and Investments (OBSI)**
(Banking Services and Investments)
Tel: 1-888-451-4519
Fax: 1-888-422-2865
E-mail: ombudsman@obsi.ca
Website: www.obsi.ca

**OmbudsService for Life & Health Insurance (OLHI)**
(Life and Health Insurance)
Tel: 416-777-9002
Toll-free: 1-888-296-8112
Fax: 416-777-9750
Website: www.olhi.ca

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**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 that the public can be confident that they operate independently from the property & casualty 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 Governance & 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.

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**Independent Directors:**

Lea Algar, BA, CIP *
Chair of the Board
Independent Director, Ontario Region
Retired Ontario Insurance Ombudsman
Thornhill, Ontario

The Honourable Doane Hallett, LL.B., D.Ed. (Hon.), D.C.L. (Hon.)
Chair, Governance & Standards Committee
Member, Human Resources Committee, Budget & Audit Committee
Independent Director, Atlantic Region
Retired Justice of the Nova Scotia Court of Appeal
Halifax, Nova Scotia

The Honourable Anne-Marie Trahan, Q.C.
Member, Budget & Audit Committee
Independent Director, Québec Region
Retired Justice of the Superior Court of Quebec

Roger Palmer, Ph.D.
Vice Chair of the Board
Chair, Budget & Audit Committee
Member, Human Resources Committee
Independent Director, Prairies, Northwest Territories and Nunavut
Director, Public Policy & Management, School of Business, University of Alberta
Edmonton, Alberta

Marguerite Vogel, BA, MA (CMNS), LL.B.
Chair, Human Resources Committee
Member, Governance & Standards Committee
Independent Director, British Columbia & Yukon
Past President, BCSPCA
Past President, Animal Welfare Foundation Canada
Duncan, British Columbia

**Industry Directors:**

Stanley Griffin, MA, CIP
Member, Standards Committee
Former President and CEO
Insurance Bureau of Canada
Toronto, Ontario

Wayne Ross, BA, CIP
Member, Human Resources Committee
Vice President, National Property Claims
Aviva Canada
Toronto, Ontario

**Executive Director:**

Brian Maltman, BA, LL.B.
General Insurance OmbudsService

**General Counsel:**

Jacques J.M. Shore LL.L., LL.B.
Partner, Gowling Lafleur Henderson LLP

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* Ms. Algar is Chair of the Nominating Committee. Ms. Algar is a de facto member of the Governance & Standards, Budget & Audit, and Human Resources Committees.
LIST OF MEMBERS

Membership in GIO is available to all federally regulated property and casualty (P&C) insurers, including companies that no longer sell insurance, but continue to have policy liabilities, to comply with the obligations of the Insurance Companies Act. Also, all insurance companies doing business in Alberta and British Columbia are required to be members of GIO. Some other 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; 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 159 member companies, as follows:

ACE INA Insurance
Affiliated FM Insurance Company
AIG Insurance Company of Canada
Alberta Motor Association Insurance Company (AB & BC Only)
Allianz Global Risks US Insurance Company
Allstate Insurance Company
Allstate Insurance Company of Canada
American Bankers Insurance Company of Florida
American Road Insurance Company- Canadian Branch
Arch Insurance Company
Ascentus Insurance Ltd.
Aspen Insurance UK Limited
Associated Electric & Gas Insurance Services Limited (AEGIS)
Atradius Credit Insurance N.V. (AB & BC Only)
Aviva Insurance Company of Canada
AXA Art Insurance Company
AXA Assurances Inc. (Intact Financial Corporation)
AXA General Insurance (Intact Financial Corporation)
AXA Insurance (Canada) (Intact Financial Corporation)
AXA Pacific Insurance Company (Intact Financial Corporation)
AXIS Reinsurance Company- Canadian Branch
BCAA Insurance Corporation (BC only)
Beair Insurance Company Inc.
Berkeley Insurance Company
Boiler Inspection & Insurance Company of Canada (The)
C&Q Insurance Company (Ontario) (Ontario & Atlantic Provinces Only)
Canada Guaranty Mortgage Insurance Company
Canadian Direct Insurance Incorporated
Canadian Farm Insurance Corp.
Canadian Northern Shield Insurance
Capital General Insurance (Montreal, La) - (BC Only)
Celtas Direct Insurance Company
CertaHome and Auto Insurance Company
Cherokee Insurance Company
Chicago Title Insurance Company
Chubb Insurance Company of Canada
Co-Operators General Insurance Company
Compagnie Francaise d’Assurance pour le Commerce Extérieur-Canada Branch
Continental Casualty Company
CorePointe Insurance Company
Cosco Insurance Company
Curtiss General Insurance
Darwin National Assurance Company - Canadian Branch
DAS Legal Protection Insurance Company Ltd.
Dominion of Canada General Insurance Company (The)
Ecclisiasical Insurance Office pic
Echelon General Insurance Company
Economical Mutual Insurance Company
Electric Insurance Company
Emery Mutual Insurance Company of Wausau
Equitable General Insurance Company
Euler Hermes North America Insurance Company
Everest Insurance Company of Canada
Factory Mutual Insurance Company
FCT Insurance Company Ltd.
Federal Insurance Company
Federated Insurance Company of Canada
Federation Insurance Company of Canada
Fenchurch General Insurance Company
First American Title Insurance Company
First North American Insurance Co.
Fortress Insurance Company (AB & BC Only)
General Reinsurance Corporation
Genworth Financial Mortgage Insurance Company of Canada
Gone Mutual Insurance Company (AB & BC Only)
Great American Insurance Company
Groupama SA
Guarantee Company of North America (The)
Harford Fire Insurance Company
HDI-Geeling Industrie Versicherung AG
Intact Insurance Company
International Insurance Company of Hannover Limited
Ironshore Insurance Ltd. Canada Branch (AB Only)
Jecvo Insurance Company (Intact Financial Corporation)
Jewelers Mutual Insurance Company
Lawyers Professional Indemnity Company (AB & BC Only)
Legacy General Insurance Company
Liberty Mutual Insurance Company
Lloyd’s
Lumbermen’s Underwriting Alliance
Mennonite Mutual Insurance Co. (Alberta Ltd.) (Alberta Only)
Metro General Insurance Corporation Ltd.
Millennium Insurance Corporation
Mississippi Casualty Company
Mitsui Sumitomo Insurance Company
Motorists Insurance Corporation
Mutual Fire Insurance Company (The) (AB & BC Only)
National Liability & Fire Insurance Company
Nipponkoa Insurance Company Limited
Norcada Insurance Company of Canada (The)
North American Farmers Mutual Insurance Company (Alberta Only)
Northbridge Commercial Insurance Corporation
Northbridge General Insurance Company
Northbridge Personal Insurance Corporation
Novae Insurance Company
Old Republic Insurance Company of Canada
Omega General Insurance Company
Optimum West Insurance Company (AB & BC Only)
Orion Travel Insurance Company
Palco Insurance Company
Palmer Insurance Company Limited (Alberta Only)
Peace Hills General Insurance Company
Pembridge Insurance Company
Personal Insurance Company of Canada (The)
Perth Insurance Company
Pilot Insurance Company
Portage La Prairie Mutual Insurance Company (AB & BC Only)
Primumm Insurance Company
Progressive Casualty Insurance Company
Protective Insurance Company
Quinte Assurance Company
RBC General Insurance Company
RBC Insurance Company of Canada
Royal & Sun Alliance Canada
Safety National Casualty Corporation
Saskatchewan Mutual Insurance Company (Alberta Only)
Scotia General Insurance Company
Scotifin & York Insurance Company Ltd.
Security Insurance Company of Hartford
Security National Insurance Company
Sentry Insurance a Mutual Company
SGI Canada Insurance Services Ltd. (AB & BC Only)
Shipwrights Mutual Protection & Indemnity Association (Luxembourg) (Canada Branch)
Sompou Japan Insurance Inc.
Sovereign General Insurance Company
State Farm Fire and Casualty Company
State Farm Mutual Automobile Insurance Company
Stewart Title Guaranty Company
St-Paul Fire & Marine Insurance Company
SAY Insurance Company
TD Direct Insurance Inc.
TD General Insurance Company
TD Home and Auto Insurance Company
Temple Insurance Company
TIG Insurance Company
Tokio Marine & Nichido Fire Insurance Co. Ltd
Traders General Insurance Company
Trafalgair Insurance Company of Canada
Trans Global Insurance Company (AB & BC Only)
Travelers Insurance Company of Canada
Trussa Guarantee Insurance Company
Triton Insurance Company - Canadian Branch
T.H.E. Insurance Company
Ultima Insurance
Ullfond Assurnce Company
Unique General Insurance Inc. (L.) (AB & BC Only)
Virginia Surety Company Inc
Waterloo Insurance Company
Wawanese Mutual Insurance Company
Western Assurance Company
Western Financial Insurance Company
Western Surety Company
Westland Insurance Company Limited (BC Only)
Westport Insurance Corporation (Kia ERC)
Wynyard Insurance Group
XL Insurance Company Limited
Zenith Insurance Company
Zurich Canadian Holdings Limited
INDEPENDENT AUDITORS’ REPORT

To the Members of the General Insurance OmbudService

We have audited the accompanying financial statements of the General Insurance OmbudService, which comprise the statement of financial position as at April 30, 2014, the statements of operations and changes in general fund balance and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of the General Insurance OmbudService as at April 30, 2014, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

KPMG LLP
Chartered Accountants, Licensed Public Accountants

June 17, 2014
Toronto, Canada
FINANCIAL STATEMENTS

Statement of Financial Position

April 30, 2014, with comparative information for 2013

<table>
<thead>
<tr>
<th>Assets</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$1,343,000</td>
<td>$1,147,154</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>66,325</td>
<td>64,694</td>
</tr>
<tr>
<td><strong>Total Current assets:</strong></td>
<td>$1,409,325</td>
<td>$1,211,848</td>
</tr>
</tbody>
</table>

| Liabilities and General Fund Balance | | |
| **Current liabilities:** | | |
| Accrued expenses and other payables | $76,522 | $74,510 |
| General fund balance | 1,332,803 | 1,137,338 |
| **Total Current liabilities:** | $1,409,325 | $1,211,848 |

See accompanying notes to financial statements.

Statement of Cash Flows

Year ended April 30, 2014, with comparative information for 2013

<table>
<thead>
<tr>
<th>Cash provided by (used in) operating activities:</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess of revenue over expenses</td>
<td>$195,465</td>
<td>$49,608</td>
</tr>
<tr>
<td>Change in non-cash operating working capital:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(1,631)</td>
<td>(318)</td>
</tr>
<tr>
<td>Accrued expenses and other payables</td>
<td>2,012</td>
<td>(13,986)</td>
</tr>
<tr>
<td>Increase in cash</td>
<td>195,846</td>
<td>35,304</td>
</tr>
<tr>
<td>Cash, beginning of year</td>
<td>1,147,154</td>
<td>1,111,850</td>
</tr>
<tr>
<td><strong>Cash, end of year:</strong></td>
<td>$1,343,000</td>
<td>$1,147,154</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
Statements of Operations and Changes in General Fund Balance

Year ended April 30, 2014, with comparative information for 2013

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member assessments</td>
<td>$1,527,177</td>
<td>$1,489,493</td>
</tr>
<tr>
<td>(note 3)</td>
<td>15,504</td>
<td>15,576</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>1,542,681</td>
<td>1,505,069</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>679,314</td>
<td>689,966</td>
</tr>
<tr>
<td>(note 2)</td>
<td>183,661</td>
<td>162,455</td>
</tr>
<tr>
<td>Office and administration</td>
<td>187,516</td>
<td>255,598</td>
</tr>
<tr>
<td>Professional services</td>
<td>159,766</td>
<td>204,785</td>
</tr>
<tr>
<td>(notes 2 and 4)</td>
<td>87,280</td>
<td>91,974</td>
</tr>
<tr>
<td>Board of Directors</td>
<td>49,219</td>
<td>50,522</td>
</tr>
<tr>
<td>Information technology</td>
<td>460</td>
<td>161</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>1,347,216</td>
<td>1,455,461</td>
</tr>
<tr>
<td><strong>Excess of revenue</strong></td>
<td>195,465</td>
<td>49,608</td>
</tr>
<tr>
<td>over expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>General fund</strong></td>
<td>1,137,338</td>
<td>1,087,730</td>
</tr>
<tr>
<td>balance, beginning of</td>
<td></td>
<td></td>
</tr>
<tr>
<td>year</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>General fund</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>balance, end of year</td>
<td>$1,332,803</td>
<td>$1,137,338</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.

Notes to Financial Statements

Year ended April 30, 2014

The General Insurance OmbudsService ("GIO") is a not-for-profit corporation incorporated under the Canada Not-for-profit Corporations Act. GIO was established to provide a bilingual, integrated, consumer assistance service for general insurance consumers with concerns or complaints relating to general insurers that are members of GIO. GIO was incorporated and began operations on May 31, 2002.

1. Significant accounting policies:
The accompanying financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. The most significant accounting policies are described below:

(a) Basis of presentation and use of estimates:
These financial statements follow the restricted fund method of accounting, whereby the activities of the general fund and restricted fund are separately disclosed. The general fund reports unrestricted resources. GIO does not have any restricted funds at the present time.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.
FINANCIAL STATEMENTS

(b) Revenue recognition:
   GIO derives its revenue primarily through assessment fees. Fees are recognized as revenue in the membership year to which they relate.

(c) Financial instruments:
   The carrying amounts of all financial assets and liabilities approximate their fair values due to the short-term maturity of these financial instruments.

(d) Income taxes:
   GIO is exempt from income taxes provided certain requirements of the Income Tax Act (Canada) continue to be met. As a result, no provision for income taxes is required in these financial statements.

2. Due to Insurance Bureau of Canada:
   During 2014, certain operating costs totalling $53,495 (2013 - $54,305) were incurred by the Insurance Bureau of Canada on behalf of GIO, and these costs have been charged to GIO at cost.

3. Member assessments:
   During 2014, the Board of Directors approved a member assessment fee discount of 10% (2013 - 10%), which resulted in a discount of $169,688 (2013 - $165,763) on member assessments for the year ended April 30, 2014.

4. Professional services:
   Professional services expenses for the year ended April 30, 2014 amounted to $187,516 (2013 - $255,598) and comprised legal fees, audit fees, accounting fees, consultants, professional membership fees, publication fees and convention costs.

5. Commitments:
   GIO is committed to lease costs through September 30, 2016 as follows:

<table>
<thead>
<tr>
<th>Year ending April 30</th>
<th>Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$30,776</td>
</tr>
<tr>
<td>2016</td>
<td>20,841</td>
</tr>
<tr>
<td></td>
<td>$51,617</td>
</tr>
</tbody>
</table>