2014 - 2015 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

Cover photo – Bow River, Alberta. Brian Maltman

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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 web site, 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’m honoured to contribute this message to GIO’s annual report. I say honoured as this task has been undertaken for the last 12 years by a truly remarkable person; Lea Algar. Under Lea’s visionary leadership, GIO has grown in reputation, industry recognition and customer satisfaction.

Lea began her career as a partner in a Hamilton insurance brokerage firm. She taught in the insurance program at Mohawk College of Applied Arts and Technology where she received the President’s Award for outstanding service to the College. In 1991, she became the first Director of Market Conduct at the Ontario Insurance Commission where she was a strong advocate for consumer protection – a role she continued for the rest of her career. She was the first Insurance Ombudsman for Ontario, the first such position in the country, and there she implemented processes for handling consumer concerns that brought accountability to insurers through a company-first approach and annual claims satisfaction surveys. GIO has benefited greatly from Lea’s extensive experience. She was a perfectionist who made everyone at GIO strive for excellence in service to the customers and fairness to the insurance companies. She will be a hard act to follow.

In recognition of her unique role in the formation and development of GIO, the Board decided that we needed to do something out-of-the-ordinary to mark Lea’s retirement from the Board. We knew that of all her many achievements, her time teaching at Mohawk College had a special place in her heart so we have established the Lea Algar GIO Scholarship in Insurance at the College. Each year one student in the insurance program will receive $2000 and, we hope, be inspired to be like Lea.

Lea’s retirement was not the only change to the governance of GIO. We also saw the retirement of the Honourable Doane Hallett, Independent Director for Atlantic Canada, after ten years with the GIO Board. Doane was the class valedictorian at his 1952 convocation from Saint Mary’s University - no doubt foreshadowing the eloquence he showed in the board debates. He went on to get a Law degree from Dalhousie and was called to the Bar in 1956. Doane practiced law in Halifax for most of his career but also found time to bring his talents to many charitable and community organizations. He was a very respected trial judge in the Trial Division of the Nova Scotia Supreme Court from 1970 until he was elevated to the Nova Scotia Court of Appeal in 1990. He brought from the judicial role thorough, careful attention to detail to his work on the Board. Doane’s wisdom, experience, and no-nonsense approach to governance were always welcome and contributed greatly to board deliberations.

Bernard Richard, former MLA, Ombudsman, and Youth and Child Advocate for New Brunswick succeeded Doane as Independent Director for Atlantic Canada. Bernard’s extensive public service and roles dealing with important issues to consumers have enabled him to “hit the ground running” and we wish him many years helping to steer GIO.

We were exceptionally fortunate that Bernard agreed to join the Board. Finding candidates of his caliber that are willing to serve on a small volunteer board seems increasingly difficult. The Board consists of two industry representatives (nominated by the Insurance Bureau of Canada) and five independent directors, one representing each region of the country. The remaining independent directors form the search committee when there is a board vacancy. The committee has met many times with the assistance of GIO counsel, Jacques Shore, from the firm of Gowlings WLG, to solicit and review the qualifications of potential candidates to fill the vacancy in Ontario that was created by Lea’s retirement. The real and perceived independence of the directors is critical to our mandate so the search will be exhaustive till the right person agrees to serve.

I have been pleased to be asked to be the Acting Chair in this inter-regnum. However, I remain the independent director for the Prairies, NWT and Nunavut and, in that role, I echo the words of our Executive Director and welcome the action of the Alberta and Saskatchewan governments in strengthening the role of GIO in their provincial jurisdictions. British Columbia, too, has moved toward greater linkage with GIO: a common, well structured consumer complaint resolution process will benefit all Canadians and create confidence in the insurance products they buy.

Roger Palmer, Ph.D.
Acting Chair of the Board
EXECUTIVE DIRECTOR’S MESSAGE

BRIAN MALTMAN
Executive Director, General Insurance OmbudService

This year we saw two cases escalate to Mediation and one of those, to Senior Adjudication. We have had seven cases go to this final stage of our dispute resolution process since this remedy was introduced. This year’s case was unique. The Non-binding Recommendation found against the insurer was on a point of policy interpretation, with no compromise solution to be found as in former cases. The member company accepted the Non-Binding Recommendation, and resolved the dispute in accord with it. We appreciate the member company for proceeding as it did. Although non-binding, the recommendations of our Senior Adjudicative Officer are a very good indication of how a court of law would see these cases.

So as we say thank you and farewell to two GIO pioneers, Lea Algar and Doane Hallett (and welcome a new director), we acknowledge that the ability of our CSOs to continue without missing a step is due to the accomplishments of our builders. They forged supportive relationships with governments and regulators. They also created a working model which allowed excellence to flourish in the GIO staff, and in the member company Complaints Liaison Officers who form part of our family. Quite a legacy.

Finally, thanks to Dr. Roger Palmer who as Acting Chair is steering the transition at the Board level. Along with his colleagues, he completes the team of people who make my work so enjoyable.

Brian Maltman
Executive Director, General Insurance OmbudService

I am very pleased to present my annual message as Executive Director of GIO. The 2014 - 2015 year was a remarkable one for us. It was at once a year of transition and renewal, one for new relationships, and at the same time, stability and continued excellence in the delivery of our service to Canadian consumers of home, auto and business insurance.

Transition and Renewal
The 2014-2015 year saw significant change in GIO’s Governance. The first Chair of GIO and Independent Director for Ontario, Lea Algar, and the Honourable Doane Hallett, Independent Director for Atlantic Canada, retired after long and stellar contributions to GIO. These are more fully described in the message of our Acting Chair on page 2 of this report. On behalf of the staff of GIO I thank them both for building and steering GIO in such a stable and supportive manner. It is a legacy we will continue to honour and enjoy into the future.

New Relationships
In 2012 both Alberta and British Columbia renewed their respective Insurance Acts and required that all insurance companies doing business there belong to either GIO or our Life & Health counterpart, the OmbudService for Life & Health Insurance. Since then we have been working with both provinces to serve this expanded mandate.

In March of 2015 GIO and Alberta entered into a Memorandum of Understanding (MOU), setting out our respective roles and expectations for this important relationship. Although a working relationship with Alberta is not new, this MOU is a first in Canada signaling the important place GIO occupies in the conduct of the insurance activity for provincial regulators. We look forward to the completion of similar initiatives in other provinces.

In 2014 we also saw the renewal of regulatory oversight for the insurance ombudservices. The Canadian Council of Insurance Regulators (CCIR) has succeeded the Joint Forum of Financial Market Regulators in this function and in 2015 we began the important work of confirming and updating our relationship with regulatory oversight. As in the past, our discussions confirmed the mutual goal of setting out the guiding principles of Independence, Accessibility, Fairness, Accountability and Transparency, and Independent Evaluation.

Stability and Excellence
With all of the change and renewal “behind the scenes”, GIO’s Consumer Service Officers (CSOs) continued to deliver state-of-the-art consumer assistance. One of the most delightful parts of my job is extracting the testimonials you see on page 9 of this report from our Consumer Satisfaction Surveys.

Growth in number of calls received continues gradually, reflecting increased public awareness when it is needed. We have done much to ensure that GIO is easy to find, and we are grateful for the part our member companies play in this, including reference to GIO in their own complaints procedures.
CASE STUDY 1

WHICH ADDRESS IS INSURED?
A HOME OWNER ADVISED HIS INSURANCE COMPANY OF HIS TEMPORARY ABSENCE BUT THE COMPANY RECORDED IT AS A CHANGE OF ADDRESS.

CASE
The consumer advised his insurance company that he was moving temporarily to his parent’s home to help care for a sick parent. The insurer recorded this as a change of address without confirming it with the consumer. Two years later there was a theft loss at the consumer’s home which the insurer denied, claiming that the consumer was no longer insured at that location.

RESOLUTION
The consumer contacted GIO after becoming confused when his company’s agent told him he was no longer insured. The insurer had recorded his temporary situation as a change of address. GIO’s Consumer Service Officer (CSO) suggested that the consumer ask when and why the address on his policy was changed by the insurer.

The consumer’s questions revealed that two years before the theft loss, the consumer had a different claim and had advised the insurer’s claims department that he was temporarily staying with his father. The claims department provided a policy update to the underwriting department that recorded a change of address without discussing this with the consumer.

After confirming that the insurer had misunderstood the message from its claims department, and that the consumer had always kept his possessions at his primary residence, and that his children were living there with the consumer travelling back and forth between both places, the insurer reversed its denial of the theft claim, corrected the address on the policy and paid the claim.

“THE CONSUMER CONTACTED GIO...WHEN HIS COMPANY’S AGENT TOLD HIM HE WAS NO LONGER INSURED.”
CALLS ANALYSIS

CALLS BY AREA OF CONCERN

5 YEAR TREND

2014-2015

CLAIMS
POLICY CANCELLATION / NON-RENEWAL
COVERAGE / POLICY RATING
AVAILABILITY
ADMINISTRATION / BILLING PROBLEMS
AFFORDABILITY

HOW DID CONSUMERS CONTACT GIO?

5 YEAR TREND

2014-2015

TELEPHONE
ONLINE COMPLAINT
FAX
LETTER

CALL RESOLUTION

5 YEAR TREND

2014-2015

PROVIDED INFORMATION
REFERRED TO COMPANY
REFERRED TO ANOTHER OMBUDSERVICE
COMPLAINT UNRELATED TO GIO’S MANDATE
REFERRED TO ANOTHER ORGANIZATION
REFERRED TO BROKER
CASE

The consumer was distraught when she found out that her automobile policy would not be renewed. She had a good driving record, and did not know that her husband’s driving violations could be used against her. She decided to contact GIO.

The Senior Consumer Service Officer explained that GIO could not compel an insurer to renew a policy, but suggested that the consumer contact her insurance company’s Complaint Liaison Officer (CLO) to enquire about getting her own insurance policy and let her husband obtain his own, separately.

RESOLUTION

The consumer contacted the CLO, who explained that she could get her policy renewed as long as her husband was designated as an excluded driver under her policy. The CLO explained the ramifications of excluding her husband from her policy.

The consumer was able to renew her policy with her insurer, and also find separate insurance elsewhere for her husband. She was thankful for the efforts of both GIO and her company’s CLO.

“THE CONSUMER WAS DISTRAUGHT...THAT HER AUTOMOBILE POLICY WOULD NOT BE RENEWED.”
CALLS ANALYSIS (Cont’d)

CALLS BY PROVINCE OF ORIGIN (2014-2015)

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<td>Phone Book</td>
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NOTES ON ESCALATION

Complaints & Inquiries:
Of the 3,894 calls received in 2014/2015, 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.

Mediation:
There were two mediations approved and held this year; one successful and one which was unsuccessful and proceeded to the Senior Adjudicative phase.

Senior Adjudication:
One case escalated to the Senior Adjudicative phase. A Non-Binding Recommendation was issued which was complied with by the insurer. The case is summarized in Case Study 3 on Page 8 of this report.

WEB SITE ACTIVITY

GIO’s web sites are designed to maximize “search-ability” for consumers. This year GIO recorded 32,779 visits; 30,341 to the English site and 2,438 to the French site. Of these, 72% were new visitors and 28% 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

A BUILDING OR A BARN?
A CONSUMER CONTACTED GIO AFTER 8 MONTHS OF DISCUSSION WITH HIS INSURER WITHOUT SATISFACTION.

CASE
The consumer’s building was destroyed by fire, thought to be electrical in origin. The consumer’s insurance policy included coverage for “any detached private structure on your premises.” The insurer took the position that the destroyed building was a barn or stable, limiting the consumer’s recovery for the loss. This was based on investigation that revealed that tractor parts, tools, some horse tackle and bee-keeping equipment had been in the building.

The consumer confirmed that these items had been stored in the building, but that there was no farming activity, and that no livestock of any kind had been in the building for many years. He described the building as a shed. Also, the insurer’s definition of “stable” did not fit as there were no individual stalls for animals and no animals stored there. Several neighbours provided letters confirming that no animals had been stored in the building.

RESOLUTION
The matter was mediated without success and was escalated to the Senior Adjudicative phase of GIO’s complaints process.

The Senior Adjudicative Officer (SAO) rejected the conclusions of the insurer. The evidence established that the building was a storage building or shed and not a barn or stable as claimed by the insurer. There was nothing in the policy which supported the definition of the building as a barn or stable.

The SAO made a Non-Binding Recommendation that the insurance company pay the loss in full with interest and reasonable costs. The insurer complied and paid the loss as recommended.

“THE CONSUMER’S BUILDING WAS DESTROYED BY FIRE, THOUGHT TO BE ELECTRICAL...”
THANK YOU SO MUCH FOR YOUR SUPPORT. YOU HAVE MADE THE WORLD OF DIFFERENCE IN BEING ABLE TO MOVE FORWARD.

YOU RE-AFFIRMED MY HOPE IN FINDING A DOOR WITH THE RIGHT ANSWERS BEHIND IT IN THE COMPLICATED WORLD OF INSURANCE.

I GREATLY APPRECIATE THE FAST HELPFUL INFORMATION I RECEIVED.

YOU WERE AMAZING. YOUR PROMPT RESPONSE TO MY PHONE CALL AND THOROUGH EXPLANATION OF MY RIGHTS AND OPTIONS WAS WHAT I NEEDED.

PROMPT, COURTEOUS, PLEASANT, INFORMATIVE, POSITIVE EXPERIENCE.

EXCELLENT SERVICE AND VERY INFORMATIVE. GREAT PERSONALITY TOO. BEST CUSTOMER SERVICE I HAVE EVER HAD.

YOU MADE A VERY DIFFICULT SITUATION A LOVELY RAY OF SUNSHINE! YOU JUST DON’T COME ACROSS PEOPLE LIKE THIS VERY OFTEN! I’M SO GRATEFUL FOR YOUR HELP!

I AM VERY PLEASED WITH THE RESPONSE AND HOW QUICKLY YOUR CONSUMER SERVICE OFFICER RESPONDED. THANKS VERY MUCH.

I AM EXTREMELY SATISFIED WITH THE SERVICE YOU OFFERED.

VERY PROFESSIONAL. YOU GAVE ME THE INFORMATION I NEEDED TO MOVE FORWARD. YOU HELPED ME TO KNOW WHAT THE RULES ARE AND HENCE I WAS ABLE TO MAKE A DECISION.

YOU WERE PLEASANT TO SPEAK WITH, TOOK YOUR TIME, AND WERE ABLE TO ANSWER ALL MY QUESTIONS AND MORE. FUNNY TOO.

YOU PROVIDED ME WITH INFORMATION THAT WAS EASY TO UNDERSTAND AND HELPED ME HAVE A CLEAR PICTURE OF MY INSURANCE POLICY AND MY RIGHTS AS A CONSUMER.

THE CUSTOMER SERVICE WE RECEIVED WAS TOP-NOTCH.

I WAS REALLY IMPRESSED WITH THE SERVICE I RECEIVED. MY TASK WAS MADE SO MUCH EASIER WITH THE HELP I WAS GIVEN.
CASE STUDY 4

“JADED” JEWELRY CLAIM
A CONSUMER WAS NOT SATISFIED WITH HER INSURER’S OFFER TO HELP REPLACE A DAMAGED BRACELET.

CASE
The consumer bought a high-quality jade bracelet while travelling in the Orient. The bracelet was damaged in a fall. The consumer claimed the amount she had paid for the bracelet, supporting her claim with two estimates from local jewellers. The insurance company provided an appraisal showing a lower estimate of the value of the bracelet and would not offer more than that.

RESOLUTION
When the consumer approached GIO, the Consumer Service Officer noted a number of challenges presented by this claim. She examined all of the appraisals and estimates provided, noting that the one provided by the insurer relied on comparison with an item that bore little resemblance to the damage bracelet. The estimates provided by the consumer were not done by qualified gemologists. All noted that the quality of the jade in the bracelet was very high.

The insurance policy did not contain a provision addressing disputes in value for lost or damaged items. The consumer was seeking full replacement based on the opinions of the jewellers she consulted. Because the bracelet was purchased overseas there were no similar items available for direct comparison.

The CSO suggested that the appraisal process under the Insurance Act be used to determine the fair value of the bracelet. A certified gemologist provided a detailed appraisal of value based on the size and quality of the jade in the damaged bracelet. The appraised value of an undamaged bracelet was much higher than the amount that the consumer had paid for it. The insurer offered to pay the full purchase price plus the cost of the three appraisals. The consumer accepted and the claim was settled.

“THE INSURANCE COMPANY PROVIDED AN APPRAISAL SHOWING A LOWER ESTIMATE...AND WOULD NOT OFFER MORE THAN THAT.”
**BOARD OF DIRECTORS**

**REGULATORY RELATIONSHIPS**

GIO maintains an ongoing collaborative relationship with government regulators who oversee insurance activity in Canada, while maintaining GIO’s independence. This is done through the Canadian Council of Insurance Regulators (CCIR). The CCIR replaces the Joint Forum of Financial Market Regulators who previously performed this function. The CCIR has a similar relationship with the OmbudService for Life & Health Insurance (OLHI). These relationships help GIO and OLHI to provide Canadian consumers of insurance products with high quality, effective and efficient complaint resolution services that are accessible, independent and impartial, transparent and fair.

Consumers can contact OLHI for complaints about Life and Health insurance at:
Tel: 1-416-777-9002
Toll Free: 1-888-295-8112
Fax: 1-416-777-9750
Website: [www.olhi.ca](http://www.olhi.ca)

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**THE SEVEN-MEMBER BOARD OF DIRECTORS IS COMPRISSED 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 and from government. 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.

**Independent Directors:**

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

Bernard Richard, Ph.D. (Hon), Q.C.
Member, Governance & Standards, Budget & Audit Committees
Independent Director, Atlantic Region
Former MLA, Ombudsman for New Brunswick and Child and Youth Advocate
Cap-Pelé, New Brunswick

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

Marguerite Vogel, BA, MA (CMNS), LL.B.
Chair, Governance & Standards Committee
Member, Human Resources 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, Governance & Standards Committee
Former President and CEO
Insurance Bureau of Canada
Toronto, Ontario

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

**Executive Director:**

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

* Mr. Palmer is a de facto member of the Governance & Standards Committee.
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 164 member companies, as follows:

ACE INA Insurance
Additional Municipal Hail Ltd. - (SK Only)
Affiliated RM Insurance Company
AIG Insurance Company 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
AVIA Art Insurance Corporation
AVIVA Assurances Inc. (Intact Financial Corporation)
AVIVA General Insurance Inc. (Intact Financial Corporation)
AVIVA Insurance (Canada) Inc. (Intact Financial Corporation)
AVIVA Pacific Insurance Company (Intact Financial Corporation)
AVIX Reinsurance Company- Canadian Branch
BCAA Insurance Corporation (BC only)
Belair Insurance Company Inc.
Berkley Insurance Company
Boiler Inspection & Insurance Company of Canada (The)
CAA Insurance Company (Ontario) (Ontario & Atlantic Provinces)
Canada Guaranty Mortgage Insurance Company
Canadian Direct Insurance Incorporated
Canadian Farm Insurance Corp.
Canadian Northern Shield Insurance
Capitale General Insurance Company (Quebec) Inc. - (BC Only)
Certas Direct Insurance Company
Certas Home 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 Exterieur-Canada Branch
Continental Casualty Company
CorePointe Insurance Company
Coseco Insurance Company
Cumis General Insurance
Danvin National Assurance Company - Canadian Branch
DAS Legal Protection Insurance Company Ltd.
Dominion of Canada General Insurance Company (The)
Ecclesiastical Insurance Office plc
Echelon General Insurance Company
Economical Mutual Insurance Company
Electric Insurance Company
Elite Insurance Company
Employers Insurance Company of Wausau
Equitable General Insurance Company
Equitable Life Insurance Company of Canada
Equitable Life Insurance Company of Canada (AB Only)
Euler Hermes North America Insurance Company

Everest Insurance Company of Canada
Factory Mutual Insurance Company
FCT Insurance Company Ltd.
Federal Financial Corporation
Federated Insurance Company of Canada
Federation Life 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
Gore Mutual Insurance Company (AB & BC Only)
Great American Insurance Company
Groupama SA
Guarantee Company of North America
(Hong Kong Branch)
Hartford Fire Insurance Company
HDI-Gerling Industrie Versicherung AG
Intact Insurance Company
International Insurance Company of Hannover SE
Ironshore Ltd. Canada Branch (AB Only)
Jewelers Mutual Insurance Company
Jewelers Professional Indemnity Company (AB & BC Only)
Legacy General Insurance Company
Liberty Mutual Insurance Company
Lloyd’s
Lumbermen’s Underwriting Alliance
Minnonite Mutual Insurance Co. (Alberta) Ltd. (AB Only)
Metro General Insurance Company Ltd.
Millennium Insurance Corporation
Mississauga Insurance Company
Mitsui Sumitomo Insurance Company
Motors Insurance Corporation
Mutual Fire Insurance of B.C. (The) (AB & BC Only)
National Liability & Fire Insurance Company
Norcon Insurance Company of Canada (The)
Northwestern Farmers Mutual Insurance Company (AB Only)
Northbridge Commercial Insurance Corporation
Northbridge General Insurance Corporation
Northbridge Personal Insurance Corporation
Novex Insurance Company
Old Republic Insurance Company of Canada
Omega General Insurance Company
Optimum West Insurance Company (AB & BC Only)
Orion Travel Insurance Company
Pacifi c Insurance Company
Palisader Insurance Mutual Company Limited (AB Only)
Peace Hills General Insurance Company
Pembroke Insurance Company
Personal Insurance Company of Canada (The)
Perth Insurance Company
Polaris Insurance Company
Portage La Prairie Mutual Insurance Company (AB & BC Only)
Primum Insurance Company
Progressive Casualty Insurance Company

Protective Insurance Company
Quebec Assurance Company
RBC General Insurance Company
RBC Insurance Company of Canada
Red River Valley Mutual Insurance Company (AB Only)
Royal & Sun Alliance Canada
Safety National Casualty Corporation
Saskatchewan Mutual Insurance Company (AB Only)
Scotia General Insurance Company
Scottish & York Insurance Company Ltd.
Security Insurance Company of Hartford
Security National Insurance Company
Sentirey Mutual Insurance Company
SGI Canada Insurance Services Ltd. (AB & BC Only)
Shipowners Mutual Protection and Indemnity Association (Luxembourg) (Canada Branch)
Sompo Japan Nipponkoa Insurance Inc.
Sovereign General Insurance Company
State Farm Fire and Casualty Company
State Farm Mutual Automobile Insurance Company
Stewart Title Guarantee Company
St. Paul Fire & Marine Insurance Company
Sunderland Marine Insurance Company Ltd.
(Switzerland) (Canada Branch) - (AB Only)
SUNY Insurance Company
TD Direct Insurance Inc.
TD General Insurance Company
TD Home and Auto Insurance Company
Technology Insurance Company, Inc.
Temple Insurance Company
TIG Insurance Company
Tokio Marine & Nichido Fire Insurance Co. Ltd
Tropicare General Insurance Company
Trafalgar Insurance Company of Canada
Trans Global Insurance Company (AB & BC Only)
Travelers Insurance Company of Canada
Tirustra Guarantee Insurance Company
Triton Insurance Company - Canadian Branch
T.H.E. Insurance Company
Unica Insurance
Unifund Assurance Company
Unique General Insurance Inc. (AB & BC Only)
Virginia Surety Company Inc
Waterloo Insurance Company
Wawanessa Mutual Insurance Company
Western Assurance Company
Western Financial Insurance Company
Western Surety Company
Westland Insurance Company Limited (BC Only)
Westport Insurance Corporation (The ERC)
Wynward Insurance Group
XL Insurance Company SE
XL Specialty Insurance Company
Zenith Insurance Company
Zurich Canadian Holdings Limited

LIST OF MEMBERS
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, 2015, 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, 2015, 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.

Chartered Professional Accountants, Licensed Public Accountants

June 16, 2015
Toronto, Canada
## Statement of Financial Position

April 30, 2015, with comparative information for 2014

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$1,523,502</td>
<td>$1,343,000</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>64,848</td>
<td>66,325</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,588,350</td>
<td>$1,409,325</td>
</tr>
<tr>
<td><strong>Liabilities and General Fund Balance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued expenses and other payables</td>
<td>$102,097</td>
<td>$76,522</td>
</tr>
<tr>
<td>General fund balance</td>
<td>1,486,253</td>
<td>1,332,803</td>
</tr>
<tr>
<td>Commitments (note 5)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,588,350</td>
<td>$1,409,325</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.

## Statement of Cash Flows

Year ended April 30, 2015, with comparative information for 2014

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash provided by (used in) operating activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excess of revenue over expenses</td>
<td>$153,450</td>
<td>$195,465</td>
</tr>
<tr>
<td>Change in non-cash operating working capital:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>1,477</td>
<td>(1,631)</td>
</tr>
<tr>
<td>Accrued expenses and other payables</td>
<td>25,575</td>
<td>2,012</td>
</tr>
<tr>
<td><strong>Increase in cash</strong></td>
<td>180,502</td>
<td>195,846</td>
</tr>
<tr>
<td>Cash, beginning of year</td>
<td>1,343,000</td>
<td>1,147,154</td>
</tr>
<tr>
<td><strong>Cash, end of year</strong></td>
<td>$1,523,502</td>
<td>$1,343,000</td>
</tr>
</tbody>
</table>

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

Year ended April 30, 2015, with comparative information for 2014

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member assessments</td>
<td>$1,557,532</td>
<td>$1,527,177</td>
</tr>
<tr>
<td>(note 3)</td>
<td>18,489</td>
<td>15,504</td>
</tr>
<tr>
<td><strong>Total Revenue:</strong></td>
<td>$1,576,021</td>
<td>$1,542,681</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>709,359</td>
<td>679,314</td>
</tr>
<tr>
<td>(note 2)</td>
<td>154,694</td>
<td>183,661</td>
</tr>
<tr>
<td>Office and administration</td>
<td>188,673</td>
<td>187,516</td>
</tr>
<tr>
<td>Professional services</td>
<td>219,876</td>
<td>159,766</td>
</tr>
<tr>
<td>(notes 2 and 4)</td>
<td>87,290</td>
<td>87,280</td>
</tr>
<tr>
<td>Board of Directors</td>
<td>60,653</td>
<td>49,219</td>
</tr>
<tr>
<td>Information technology</td>
<td>2,026</td>
<td>460</td>
</tr>
<tr>
<td>Public affairs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Services OmbudsNetwork</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Expenses:</strong></td>
<td>$1,422,571</td>
<td>$1,347,216</td>
</tr>
<tr>
<td><strong>Excess of revenue over expenses</strong></td>
<td>153,450</td>
<td>195,465</td>
</tr>
<tr>
<td><strong>General fund balance, beginning of year</strong></td>
<td>1,332,803</td>
<td>1,137,338</td>
</tr>
<tr>
<td><strong>General fund balance, end of year</strong></td>
<td>$1,486,253</td>
<td>$1,332,803</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.

### Notes to Financial Statements

Year ended April 30, 2015

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.
(b) Revenue recognition:
GIO derives its revenue primarily through member 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 2015, certain operating costs totalling $57,853 (2014 - $53,495) 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 2015, the Board of Directors approved a member assessment fee discount of 12% (2014 - 10%), which resulted in a discount of $212,391 (2014 - $169,688) on member assessments for the year ended April 30, 2015.

4. Professional services:
Professional services expenses for the year ended April 30, 2015 amounted to $188,673 (2014 - $187,516) 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></th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$20,841</td>
</tr>
</tbody>
</table>

6. Financial risks:
Liquidity risks: Liquidity risk is the risk that GIO will be unable to fulfill its obligations on a timely basis or at a reasonable cost. GIO manages its liquidity risk by monitoring its operating requirements. GIO prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2014.