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.

TABLE OF CONTENTS

P.01 Our Commitment to Consumers
P.02 Chair’s Message
P.03 Executive Director’s Message
P.04 Case Study 1
P.05 Calls Analysis
P.06 Case Study 2
P.07 Calls Analysis Continued
P.08 Case Study 3
P.09 Testimonials
P.10 Case Study 4
P.11 Governance
P.12 List of Members
P.13 Financials

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.

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.

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 — Oxtongue River, Ontario. Brian Maltman
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.

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.

FAIRNESS STANDARD
1. GIO shall pursue all communications and delivery of its services with consumers, insurance companies and their associated service providers, with what is fair to consumers, and their insurance companies in the circumstances.

2. GIO shall employ practices and processes in respect of complaint handling (including recommendations) that are demonstrably fair to both the consumer and the Member Company insurer.

3. GIO shall apply a broad and reasonable approach to complaint handling, with a view to fair business dealings and the reasonable expectations of consumers, as well as the laws of Canada and its Provinces.

4. GIO shall employ complaint handling procedures that are impartial and which provide a fair and balanced opportunity for both the consumer and the Member Company insurer to make presentations, present documentation and information to GIO.

5. GIO shall employ complaint handling procedures that aim to treat similar cases in a similar fashion in both process and outcome. Notwithstanding this, the fairness principle is paramount and GIO shall not be bound by any previous non-binding recommendation.

6. GIO shall employ complaint handling procedures that ensure that both the consumer and the Member Company insurer will have equal access to GIO staff in connection with the handling of a complaint.

Adopted by the GIO Board of Directors, February 23, 2012
I’m pleased to have this opportunity to present the Annual Report of the General Insurance OmbudService (GIO) for its 16th year of operation ending in April 2018.

GIO was established under federal legislation in 2002. The Government of Canada created financial ombudservices to protect consumers in three areas: general insurance (GIO), life and health insurance (OLHI), and banking and investment services (OBSI). All three were to provide independent dispute resolution services for consumers. GIO responds to about 4000 calls, emails or website contacts each year but very few are disputes that require resolution. Most contacts are from people looking for information about their insurance coverage and are grateful to find a knowledgeable and independent source to answer their questions.

The Board of Directors provides oversight to GIO. The board has two directors nominated by the Insurance Bureau of Canada to represent the industry and five independent directors appointed with the goal of providing social and geographical diversity to the governance of the organization.

We continue to be fortunate in the remarkable people who step forward to join our board. Joining the board at the 2017 AGM was the Hon. Graydon Nicholas as the independent director representing Atlantic Canada. Graydon is a member of the Tobique First Nation and was the first indigenous person to hold the office of Lieutenant Governor of New Brunswick (2009-2014), the first to be appointed a provincial judge, and the first in Atlantic Canada to obtain a law degree. He has worked on behalf of indigenous people in several roles and has taught university programs in native studies and theology. He is a member of the Order of New Brunswick and the Order of Canada.

Stan Griffin, our longest serving board member, retired from GIO in October 2017. The value of Stan’s service to the ombudservice cannot be overstated. His background as a former President and CEO of the Insurance Bureau of Canada gave him the gravitas but his wisdom came from far more than his industry experience. His calm, compassionate contribution to every board discussion was central to the development of the organization.

IBC nominated Don Forgeron as the industry director to replace Stan. Don joined the Insurance Bureau of Canada in 1993 as Vice-President, Atlantic Canada and was instrumental in the reforms of auto insurance in Ontario and Atlantic Canada in the 90’s. He went on to be Vice-President, Strategic Development of Investigative Services, where he was directly involved with law enforcement agencies to reduce the shipping of stolen cars. He has worked on issues of earthquake insurance and how governments and the industry need to respond to climate change and the risk of floods. He was appointed President and CEO of IBC in 2009.

We get fabulous consumer feedback. Our remarkable staff get kudos from satisfied clients that clearly demonstrate that they do a great job in resolving concerns and in getting objective information if they contact GIO. But – and it is a very big but – we have struggled to let people know about us and make use of the services we provide. Our excuse is that nobody wants to hear about insurance coverage until they have a claim. That is true. However, this spring was the second anniversary of the Fort McMurray fire and some claims were still unsettled. The usual two-year limitation clause was a concern to many but neither the provincial officials nor the media in Alberta directed consumers to GIO to assist in resolution of their claims. We advertised in local papers and sent reminders to local politicians but still we were involved in few cases from what was a massive disaster. Our inability to be better known to consumers that could benefit from our free services is an ongoing problem.

The executive director’s message mentions that this will be our – his and mine - final “messages” for the annual report. I have enjoyed 13 years on the board and, as is always the case, it is not the work, it’s the people. I have had the pleasure of working with some really remarkable people on this board and I will sorely miss them all.
EXECUTIVE DIRECTOR’S MESSAGE

BRIAN MALTMAN
Executive Director, General Insurance OmbudService

I am pleased to present this message for the 2017 – 2018 year, as GIO’s Executive Director. This year we saw increased involvement with stakeholders - regulators and member companies, both of whom seek to have a deeper understanding of consumer complaints that involve them. We also saw the highest number of calls received in one year – 3,972, capping a consistent growth trend over the last ten years.

GIO’s staff continue to excel at addressing concerns and complaints about insurance. As in recent years, we have included a page of testimonials received by our Consumer Service Officers over the year. This feedback reinforces our CSOs’ passion for helping people, and gives us a better understanding of what works, as we continue to refine our craft.

This is a year of transition for GIO, as our Chair, Dr. Roger Palmer, passes the torch to the Vice-Chair, Anne-Marie Trahan, our Independent Director for Quebec. She will become the third Chair in GIO’s life.

Stakeholder involvement: Insurance regulators across Canada liaise with GIO through the Canadian Council of Insurance Regulators (CCIR). Both insurance ombudservices (GIO and OLHI – the Ombudservice for Life & Health Insurance) operate under a Cooperation and Oversight Framework with the CCIR, outlining the oversight of our governing principles and ensuring the continued independence of both services. This year our discussions have focused on utilizing data from GIO’s work to give regulators a better picture of complaints. We are developing new forms of data to assist regulators with this, while maintaining the confidentiality of consumer information that is critical to our independence.

Similarly, our member companies are interested in knowing how complaints involving them get resolved. We have established a Complaints Liaison Officer (CLO) Advisory Council, to meet with and develop better intelligence for member companies. Again, this will always respect the confidentiality of consumers who approach us. Our first meeting was in January 2018, identifying a series items to be mined from our data, and we anticipate this initiative to continue, keeping the lines of communication open in new ways.

Continuing improvement: We are reminded on a daily basis that the complex world of insurance (one we have become adept at navigating) is often a source of great stress and financial risk for many. At the extreme end of the spectrum of people we encounter, are those who need both a solution for their complaint, and the kind of compassion and support that is a hallmark of the healing arts. Increasingly we find that this intersects with our discipline. Those few cases put our skills to the highest test, and reveal our finest moments.

To hone their skills even further, the entire GIO staff took a two-day course, training them in Mental Health First Aid, a skill set that has (occasionally) been utilized by us, and by many of our member company CLOs. We can recommend this for anyone working in the field of direct consumer assistance.

Transition: Two years ago GIO instituted term limits for directors, ensuring that a certain amount of turnover takes place at an orderly rate. Following that principle, GIO’s Chair, and longest serving director, will step down and be succeeded by our Vice-Chair. Dr. Roger Palmer gives new meaning to the word “versatile”. He holds a doctorate in theoretical physics, has served at the Deputy Minister level of several ministries in the Alberta government, and teaches in the graduate business program at the University of Alberta. These accomplishments are only a partial list. Roger’s extraordinary experience has brought the governance of GIO an impressive perspective, and the entire organization is richer for it. Thank you Roger.

Finally, after ten wonderful years leading GIO, I am retiring in the fall of 2018. The first thought that comes to mind, is gratitude, to our board, to our stakeholder colleagues with our member companies, regulators and governments, the international community of ombudsmen, and above all to the GIO staff whose diligence and integrity have made this the most enjoyable of leadership positions. This relatively young discipline, this “ombuds” work, is profoundly ethical, and will reward any who come to it with a desire to see their vocation matter. My successor will be fortunate indeed.

Brian Maltman, BA, LL.B.
Executive Director, General Insurance OmbudService
CASE STUDY 1

A TUB FULL OF WOES AND WATER
A consumer was quite irate that the damage to her hot tub would not be repaired and the valuation of her high-end luggage would not be accepted.

The insurer had advised that the damage to the hot tub was due to normal wear and tear and that there was no proper valuation for the luggage.

CASE
A basement flood loss led to interrupting power to the electric heating system while restoration was taking place. A drop in temperature caused the water in a hot tub to freeze and crack the tub. The consumer believed that she had provided the proper documentation to support her claim. The consumer felt that the adjuster and restoration company were not taking her seriously.

The consumer decided to contact the General Insurance OmbudService (GIO), and spoke to a Senior Consumer Service Officer (SCSO). She told the SCSO that she wanted her hot tub repaired and an increased settlement offer for her damaged luggage.

The SCSO advised that the best route was to contact the insurer’s Complaints Liaison Officer (CLO). The SCSO discussed the role played by the CLO and provided his contact information. The SCSO made the consumer aware of some provisions in the policy wordings and legislation that could strengthen her appeal. The SCSO stressed that the CLO could voluntarily make concessions but GIO could not compel such action.

The consumer was eager and enthusiastic to deal with the CLO in order to provide closure regarding her claim.

RESOLUTION
The consumer took GIO’s suggestions to the insurer. In the end, the consumer was able to get the damage to her hot tub repaired, and a mutually agreed upon settlement was reached for the high-end luggage. The consumer felt the insurer had listened to her and she was thankful for GIO’s help.

“THE CONSUMER WAS EAGER AND ENTHUSIASTIC TO DEAL WITH THE CLO IN ORDER TO PROVIDE CLOSURE REGARDING HER CLAIM.”
CALLS BY AREA OF CONCERN

5 YEAR TREND

<table>
<thead>
<tr>
<th>Area of Concern</th>
<th>2015-2016</th>
<th>2016-2017</th>
<th>2017-2018</th>
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<td>2427</td>
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<tr>
<td>Policy Cancellation/Non-Renewal</td>
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<td>200</td>
<td></td>
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<tr>
<td>Coverage/Policy Rating</td>
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<td></td>
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<td>Availability</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Administration/Billing Problems</td>
<td></td>
<td></td>
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<tr>
<td>Affordability</td>
<td>200</td>
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<td>64</td>
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HOW DID CONSUMERS CONTACT GIO?

5 YEAR TREND

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CALL RESOLUTION

5 YEAR TREND

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<th>2017-2018</th>
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<td>747</td>
<td>720</td>
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<td>REFERRED TO ANOTHER OMBUDSERVICE</td>
<td>243</td>
<td>217</td>
<td>209</td>
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<tr>
<td>REFERRED TO ANOTHER ORGANIZATION</td>
<td>161</td>
<td>116</td>
<td>115</td>
</tr>
<tr>
<td>COMPLAINT UNRELATED TO GIO'S MANDATE</td>
<td>110</td>
<td>93</td>
<td>54</td>
</tr>
<tr>
<td>REFERRED TO BROKER</td>
<td>37</td>
<td>24</td>
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</tbody>
</table>
CASE STUDY 2

PARTS PANIC: OEM, AFTERMARKET AND BETTERMENT

A consumer was stuck between the notion of betterment in his auto policy, and the fact that OEM used parts were the only parts available for his 2006 vehicle. (OEM = Original Equipment of the Manufacturer).

CASE

The consumer had been dealing with his claim for six months. Following an accident, the consumer’s insurer was attempting to secure aftermarket parts for the vehicle, however these were not available – only OEM used parts. There were also some safety modules that were damaged and had to be replaced. The consumer did not agree with the betterment charges being applied as those were the only parts available. He also claimed that there should be no betterment on items for safety because of requirements in the Insurance Act.

He received a Final Position Letter from his insurer and was referred to GIO.

After review of the file, correspondence and reports, it was the final position of the insurer that the betterment charges were fair and in keeping with the provisions of the policy. Where an item is not replaced with “like kind and quality” but rather with new or refurbished-new, applicable betterment is charged.

RESOLUTION

GIO’s Consumer Service Officer spoke with the Complaints Liaison Officer, pointing out that an incorrect section of the policy (OAP 1) was being quoted. The insurer agreed to reduce the depreciation on the claim to 10%.

The consumer was satisfied with the revised settlement, which confirms the 10% betterment that the insurer agreed to. He is very thankful for GIO and advised that without us he would not have achieved this result.

“THE CONSUMER WAS SATISFIED WITH THE REVISED SETTLEMENT, WHICH CONFIRMS THE 10% BETTERMENT THAT THE INSURER AGREED TO.”
CALLS BY PROVINCE OF ORIGIN (2017-2018)

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<thead>
<tr>
<th>Province</th>
<th>Calls</th>
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<tbody>
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<td>MB</td>
<td>37</td>
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<td>27</td>
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<td>NL</td>
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<td>NS</td>
<td>55</td>
</tr>
<tr>
<td>NT</td>
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</tr>
<tr>
<td>ON</td>
<td>2,412</td>
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<tr>
<td>Outside Canada</td>
<td>15</td>
</tr>
<tr>
<td>PE</td>
<td>10</td>
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<tr>
<td>QC</td>
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<td>SK</td>
<td>50</td>
</tr>
<tr>
<td>YT</td>
<td>5</td>
</tr>
</tbody>
</table>

HOW DID CONSUMERS FIND GIO? (2017-2018)

- GIO Website: 2,364
- Government: 1,388
- Insurance Company: 1,176
- Other: 700
- Family/Friend: 57
- Insurance Broker: 52
- IBC: 25
- Regulator/Supt. of Insurance: 30
- Trade Associations (CAMIC, CBA, CLHIA): 5
- Insurance Adjuster: 5
- Phone Book: 2
- Financial Services Associations (CLHIO, OBSI): 5
- Media: 4
- Brochure: 1

NOTES ON ESCALATION

Cases:
Of the 3,972 calls received in 2017-2018, 75 were given Case status. A call becomes a case when:
- A Final Position Letter is received
- If any third party contact is made by GIO, including to the insurance company, broker, adjuster, government, industry association or regulating council.
- If there are follow up calls which require further review
- If we receive a large volume of documentation that requires analysis and review.

Mediation:
There were three mediations approved, of which two were successful and one which is still in process.

Senior Adjudication:
No cases escalated to the Senior Adjudicative phase this year.

WEB SITE ACTIVITY

GIO’s websites are designed to be easily found by consumers when they need us. This year GIO recorded 29,816 visits: 28,101 to the English site and 1,715 to the French site. 72% were new visitors and 28% were return visitors.

Mobile Devices (smartphones and tablets) were used 24% of the time to gain access to the websites. Both GIO sites are adapted for mobile usage.

GIO’s weblog had 879 visitors this year. The websites also feature the ability for visitors to single-click share on social media. There are also links to GIO’s Facebook page on both websites where insurance related articles and news items are provided.
CASE STUDY 3

CRUISE CONTROL
A consumer was surprised to have a travel medical claim denied after disclosing a life-long condition.

CASE

Upon purchasing travel insurance, insured disclosed a medical condition (seizures) that had existed since his birth. The agent for his insurer advised that as long as there had been no changes to medication, or frequency of seizures, his condition would be considered stable and coverage would apply. No further information was requested by the agent. The consumer suffered a seizure while on a cruise vacation, and the claim for medical expenses was denied, due to a pre-existing condition.

RESOLUTION

GIO’s Consumer Service Officer reviewed the positions of both the consumer and the insurer. The CSO presented the disclosure of the seizure condition, to the insurer, and suggested that the seizure which occurred on the cruise was not a new condition. Also, there was no evidence of an increase in frequency as these seizures had occurred all through the consumer’s life. The insurer agreed that the condition had been disclosed, and honoured the claim. The insurer noted that more could have been done to clarify the policy definition of stable, when the consumer was purchasing the policy.

“THE INSURER AGREED THAT THE CONDITION HAD BEEN DISCLOSED, AND HONOURED THE CLAIM.”
HELLO GIO: CONSUMERS SPEAK

YOUR CSO WAS VERY HELPFUL. I EXPECT TO CLEAR THINGS UP SHORTLY-THIS IS A GREAT SERVICE. FIVE STARS.

YOUR EXCEPTIONAL SERVICE AND EFFORTS IN ENSURING THAT OUR CONCERNS WERE HEARD, WERE GREATLY APPRECIATED.

YOUR OFFICER WAS PROMPT, FRIENDLY, EXTREMELY KNOWLEDGEABLE, RESPECTFUL, AND ENTHUSIATICALLY AND PROFESSIONALLY DISCUSSED MY THOUGHTS AND HE PROVIDED THE OPTIONS I NEEDED TO MOVE FORWARD CONFIDENTLY WITH MY CONCERN!

I APPRECIATE YOUR SUPPORT AS I TRY TO NAVIGATE THIS FRUSTRATING SCENARIO. THANK YOU FOR SENDING ME THIS VERY THOROUGH AND EXTREMELY HELPFUL SUMMARY.

GREAT CUSTOMER SERVICE. CLEAR AND CONCISE. VERY COURTEOUS AND KNOWLEDGEABLE OFFICER.

I RECEIVED A TELEPHONE CALL A FEW HOURS AFTER SENDING MY EMAIL. YOUR OFFICER WAS A PLEASURE TO DEAL WITH.

VERY PROFESSIONAL. FANTASTIC INSIGHT AND INFORMATION PROVIDED IN A MANNER WHICH I UNDERSTAND.

I HAVE RECEIVED VERY GOOD SERVICE FROM YOUR CONSUMER SERVICE OFFICER. SHE UNDERSTOOD MY PROBLEM QUICKLY AND SUGGESTED PRACTICAL SOLUTIONS THAT I AM USING NOW.

YOUR OFFICER PROVIDED ME WITH COMPLETE AND ACCURATE INFORMATION, AND RESOURCES AND CONTACT INFORMATION SO THAT I COULD RESOLVE MY OWN PROBLEM. HE PROVIDED GUIDANCE WHEN I NEEDED IT THE MOST, AND PUT ME ON THE RIGHT TRACK.

THE CSO WAS POLITE AND PROFESSIONAL. THE INFORMATION SHE PROVIDED ME WILL YIELD RESULTS THAT ARE VERY NEEDED AT THIS TIME.

I RECEIVED MORE INFORMATION AND RESOURCES IN 1 CALL THAN I HAVE IN THE LAST 6 MONTHS IN TRYING TO RESOLVE MY INSURANCE ISSUE.

YOUR CONSUMER SERVICE OFFICER WAS PROFESSIONAL, INFORMATIVE, APPROACHABLE, CARING. I WAS VERY SATISFIED WITH HIS SERVICE.

AFTER ENDURING A CATASTROPHIC LOSS IT WAS NOT ONLY INFORMATIVE BUT VERY THERAPEUTIC TO HAVE SPOKEN TO SOMEONE THAT HAD COMPASSION FOR OUR CIRCUMSTANCES. THANK YOU!

I ACTUALLY WORK FOR AN OMBUDS OFFICE AND HAVE TO APPLAUD ANYONE WHO CAN MAKE THE PROCESS AS QUICK, EASY, AND FRIENDLY, AS YOUR OFFICER DID.
CASE STUDY 4

MISLEADING TITLE!
*A consumer was very surprised to find out that there was no coverage for his water damage loss, caused by a sump pump failure.*

CASE

The insurer denied the water damage claim caused by sump pump failure because the consumer had declined the “Sewer back up coverage” endorsement. He did this because he had installed a “back flow preventer” prior to renewing his policy. The consumer was under the impression that he was removing only the sewer backup coverage. He sent his request to amend coverage in writing, specifically stating the removal of “sewer back up”.

The consumer argued that if this endorsement was coverage for more than sewer backup, it should be called something other than this, in order to avoid confusion.

RESOLUTION

The consumer asked his insurer for a recording or other evidence stating that he rejected coverage for anything other than damage from sewer backup. With GIO’s assistance, he approached the Complaints Liaison Officer for his insurer, but still was not satisfied with the response.

GIO’s Consumer Service Officer contacted the CLO and asked if they could show that the endorsement was explained, and the ramifications of removing the sewer backup coverage.

The CLO went through the consumer’s entire history and found the letter sent to him explaining changes to the endorsement shortly before the consumer removed the coverage. This letter explained and outlined what the endorsement covered.

The consumer was disappointed but accepted the letter as explanation of the coverage. The consumer was thankful for GIO’s assistance as he received a full explanation of his coverage.

“HE SENT HIS REQUEST TO AMEND COVERAGE IN WRITING, SPECIFICALLY STATING THE REMOVAL OF “SEWER BACK UP”.
GOVERNANCE

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 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 Fax: 1-416-777-9750
Toll Free: 1-888-295-8112 Website: www.olhi.ca

BOARD OF DIRECTORS

The seven-member board 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 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 and 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.
Chair of the board, ex-officio member of all committees
Independent director, Prairies, Northwest Territories and Nunavut
Former Director, Public Policy & Management, School of Business, University of Alberta
Edmonton, Alberta

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

Christine E. Hart
Chair, Budget & Audit Committee
Independent Director, Ontario Region
Former MPP and Cabinet Minister
President of Accord/Hart & Associates Inc.

Graydon Nicholas, CM ONB
Member, Budget & Audit Committee
Governance & Standards Committee
Independent Director for Atlantic Canada
Former Lieutenant Governor of New Brunswick

Marguerite Vogel, BA, MA (CMNS), LL.B.
Chair, Governance & Standards Committee
Member, Human Resources Committee
Independent Director, British Columbia & Yukon
Past Regional Director, Canadian Radio-television and Telecommunications Commission (CRTC)
Duncan, British Columbia

INFORMATION RELATIONSHIPS

GIO is a member of the INFO Network, an international association of financial service ombudsmen, with 61 members from 38 jurisdictions. INFO has identified six Fundamental Principles from worldwide standards relevant to dispute resolution, to which INFO members are committed to aspire. They are:

- Independence, to secure impartiality
- Clarity of scope and powers
- Accessibility
- Effectiveness
- Fairness
- Transparency and Accountability

These principles are in line with the resolutions of the G8 Economic Summit, and the International Association of Insurance Supervisors. INFO has also pursued Effective Approaches to implementing the Fundamental Principles, keeping in mind the spectrum of cultural, legal and economic circumstances of member countries. For more information see http://www.networkfso.org/.
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 153 member companies, as follows:

LIST OF MEMBERS

Additional Municipal Hull Ltd. - (AB Only)
Affiliated FM Insurance Company
AVIG Insurance Company of Canada
Alberta Mutual Insurance Company (AB & BC Only)
Allianz Global Risks US Insurance Company
Allied World Specialty Insurance Company
Allstate Insurance Company of Canada
American Bankers Insurance Company of Florida
American Road Insurance Company-Canadian Branch
Arth Insurance Company Inc.
Ascentus Insurance Ltd.
Aspen Insurance UK Limited
Associated Electric & Gas Insurance Services Limited (AEGIS)
Atradius Credit y Caucion, S.A. de Seguros y Reaseguros (AB & BC Only)
Atriva General Insurance Company
Atriva Insurance Company of Canada
AXA Insurance Company-Canada Branch
AXIS Reinsurance Company-Canadian Branch
BCAA Insurance Corporation (BC only)
Belair Insurance Company Inc.
Berkley Insurance Company
Boiler Inspection & Warranty Insurance Company of Canada (The)
CAI Insurance Company
Canada Guarantee Mortgage Insurance Company
Canadian Direct Insurance Incorporated
Canadian Farm Insurance Corp.
Canadian Northern Shield Insurance
Capitale General Insurance Inc. (La) - (BC Only)
Compagnie Francaise d Assurance pour le Commerce Exterieur-Canada Branch
Continental Casualty Company
CorePointe Insurance Company
Coseco Insurance Company
Cumis General Insurance
DAS Legal Protection Insurance Company Ltd.
Dominion of Canada General Insurance Company (The)
Ecclesiastical Insurance Office plc
Eshelman Insurance
Economical Mutual Insurance Company
Electric Insurance Company
Elite Insurance Company
Employers Insurance Company of Wausau
Esurance Insurance Company of Canada (AB & BC Only)
Euler Hermes North America Insurance Company
Everest Insurance Company of Canada
Factory Mutual Insurance Company
FCT Insurance Company Ltd.
Federal Insurance Company
Federated Mutual Insurance Company of Canada
Fenchurch General Insurance Company
First American Title Insurance Company
First North American Insurance Co.
Fortress Insurance Company (AB only)
General Reinsurance Corporation
Genworth Financial Mortgage Insurance Company of Canada
Gore Mutual Insurance Company (AB & BC Only)
Great American Insurance Company
Guarantee Company of North America (The)
Hartford Fire Insurance Company
HDI Global SE Canada Branch
Heartland Farm Mutual Inc. - (AB Only)
Industrial Alliance Pacific General Insurance Corporation (AB & BC Only)
Intact Insurance Company
International Insurance Company of Hannover SE
Ironshore Insurance Ltd. Canada Branch (AB & BC only)
Jevo Insurance Company
Jewlers Mutual Insurance Company
Lawyers Professional Indemnity Company (AB & BC Only)
Legacy General Insurance Company
Liberty Mutual Insurance Company
Lloyd’s
Max Insurance (AB & BC Only)
Mennonite Mutual Insurance Co. (Alberta) Ltd. (AB Only)
Missiquoi Insurance Company
Mitsui Sumitomo Insurance Company
Motors Insurance Corporation
Mutual Fire Insurance of B.C. (The) (AB & BC Only)
National Liability and Fire Insurance Company
New Home Warranty Insurance (Canada) Corporation (The)
Nordic Insurance Company of Canada (The)
Northbridge General Insurance Corporation
Novex Insurance Company
Old Republic Insurance Company of Canada
Omega General Insurance Company
Optimum West Insurance Company Inc. (AB & BC Only)
Orion Travel Insurance Company
Patco Insurance Company
Palliser Insurance Company Limited (AB Only)
Peaco Hills General Insurance Company
Pembroke Insurance Company
Personal Insurance Company of Canada (The)
Perth Insurance Company
Petline Insurance Company
Pilot Insurance Company
Portage La Prairie Mutual Insurance Company (AB & BC Only)
Primummum Insurance Company
Protective Insurance Company
Quebec Assurance Company
Red River Valley Mutual Insurance Company (AB Only)
Royal & Sun Alliance Canada
Safety National Casualty Corporation
Saskatchewan Mutual Insurance Company (AB Only)
Scor Insurance – Canadian Branch
Scotia General Insurance Company
Scottish & York Insurance Co. Limited
Security National Insurance Company
Sentry Insurance a Mutual Company
SGI Canada Insurance Services Ltd. (AB & BC & ON Only)
Shipowners Mutual Protection & Indemnity Association (Luxembourg)
(Saipan Branch)
Sampo Japan Nipponkoa Insurance Inc.
Sonnet Insurance Company
Sovereign General Insurance Company
Stewart Title Guaranty Company
S.T.Paul Fire & Marine Insurance Company
Sun Dealer Marine Insurance Company Ltd. (Canada Branch) - (AB Only)
S&Y Insurance Company
TD Direct Insurance Inc.
TD General Insurance Company
TD Home and Auto Insurance Company
Technology Insurance Company, Inc.
Temple Insurance Company
Tokio Marine & Nichido Fire Insurance Co. Ltd
Traders General Insurance Company
Tralgar Insurance Company of Canada
Trans Global Insurance Company (AB & BC Only)
Travelers Insurance Company of Canada
Trisura Guarantee Insurance Company
Triton Insurance Company - Canadian Branch
T.H.E. Insurance Company
Unica Insurance
Unifund Assurance Company
Unique General Insurance Inc. (L) (AB & BC Only)
United States Liability Insurance Company, Canada Branch
Varinence Insurance Company
Virginia Surety Company Inc
Waller Insurance Company
Wawanesa Mutual Insurance Company
Western Assurance Company
Western Surety Company
Westland Insurance Company Limited (BC Only)
Westport Insurance Corporation (Ria ERC)
Wynward Insurance Group
XL Reinsurance America Inc. (Canadian Branch)
XL Specialty Insurance Company
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, 2018, 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, 2018, 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 4, 2018
Toronto, Canada
### Statement of Financial Position

April 30, 2018, with comparative information for 2017

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</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>$2,028,472</td>
<td>$1,819,663</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>65,416</td>
<td>65,357</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>$2,093,888</strong></td>
<td><strong>$1,885,020</strong></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>$106,115</td>
<td>$127,594</td>
</tr>
<tr>
<td>General fund balance</td>
<td>1,987,773</td>
<td>1,757,426</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>$2,093,888</strong></td>
<td><strong>$1,885,020</strong></td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.

### Statement of Cash Flows

Year ended April 30, 2018, with comparative information for 2017

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</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>$230,347</td>
<td>$14,944</td>
</tr>
<tr>
<td>Change in non-cash operating working capital:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(59)</td>
<td>333</td>
</tr>
<tr>
<td>Accrued expenses and other payables</td>
<td>(21,479)</td>
<td>15,016</td>
</tr>
<tr>
<td>Increase in cash</td>
<td>208,809</td>
<td>30,293</td>
</tr>
<tr>
<td>Cash, beginning of year</td>
<td>1,819,663</td>
<td>1,789,370</td>
</tr>
<tr>
<td><strong>Cash, end of year</strong></td>
<td><strong>$2,028,472</strong></td>
<td><strong>$1,819,663</strong></td>
</tr>
</tbody>
</table>

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

Year ended April 30, 2018, with comparative information for 2017

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member assessments</td>
<td>$1,738,145</td>
<td>$1,531,156</td>
</tr>
<tr>
<td>Interest</td>
<td>28,162</td>
<td>17,961</td>
</tr>
<tr>
<td></td>
<td><strong>1,766,307</strong></td>
<td><strong>1,549,117</strong></td>
</tr>
<tr>
<td>Expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and benefits (note 2)</td>
<td>811,498</td>
<td>816,365</td>
</tr>
<tr>
<td>Office and administration</td>
<td>160,550</td>
<td>163,142</td>
</tr>
<tr>
<td>Professional services (notes 2 and 3)</td>
<td>210,532</td>
<td>173,632</td>
</tr>
<tr>
<td>Board of Directors</td>
<td>150,070</td>
<td>175,260</td>
</tr>
<tr>
<td>Information technology</td>
<td>97,906</td>
<td>98,124</td>
</tr>
<tr>
<td>Public affairs</td>
<td>105,404</td>
<td>107,650</td>
</tr>
<tr>
<td></td>
<td><strong>1,535,960</strong></td>
<td><strong>1,534,173</strong></td>
</tr>
<tr>
<td>Excess of revenue over expenses</td>
<td>230,347</td>
<td>14,944</td>
</tr>
<tr>
<td>General fund balance, beginning of year</td>
<td>1,757,426</td>
<td>1,742,482</td>
</tr>
<tr>
<td>General fund balance, end of year</td>
<td><strong>$1,987,773</strong></td>
<td><strong>$1,757,426</strong></td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.

Notes to Financial Statements

Year ended April 30, 2018

The General Insurance OmbudService (“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 2018, certain operating costs totalling $33,048 (2017 - $32,973) were incurred by the Insurance Bureau of Canada ("IBC") on behalf of GIO, and these costs have been charged to GIO at cost. In addition, a service fee of $25,990 (2017 - $25,990) was charged to GIO by IBC for certain administrative expenses.

3. Professional services:
Professional services expenses for the year ended April 30, 2018 amounted to $210,532 (2017 - $173,632) and comprised legal fees, audit fees, accounting fees, consultants, professional membership fees, publication fees and convention costs.

4. Commitments:
GIO is committed to future minimum payments under its leases of office premises as follows:

<table>
<thead>
<tr>
<th>Year ending April 30:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$29,982</td>
</tr>
<tr>
<td>2020</td>
<td>31,565</td>
</tr>
<tr>
<td>2021</td>
<td>27,294</td>
</tr>
<tr>
<td>2022</td>
<td>4,485</td>
</tr>
</tbody>
</table>

5. Financial risks:

(a) 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 2017.

(b) Credit risk:
Cash consists of the interest-bearing cash balance with highly rated Canadian financial institutions.