REPORT BY THE INDEPENDENT

EVALUATORS TO THE BOARD OF

DIRECTORS

THE GENERAL INSURANCE OMBUDSERVICE (GIO)

July, 2017

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The Board of Directors

The General Insurance OmbudService (GIO)

Report of the Independent Evaluators

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Report of the Independent Evaluators to The Board of Directors of The General Insurance OmbudService

Executive Summary

Purpose of the Third Party Evaluation

The independent evaluators were retained by the Board of the General Insurance OmbudService (GIO) to carry out an evaluation as outlined in Guideline 7 of the OmbudService Cooperation and Oversight Framework developed by the Joint Forum of Financial Market Regulators and as endorsed by the OmbudServices Oversight Standing Committee (OOSC) of the Canadian Council of Insurance Regulators (CCIR). This Framework was last revised and approved by the CCIR in June 2015.

Guideline 7 of this Framework specifies that the independent evaluation should assess the extent to which the operations of the OmbudService:

> *(a) have achieved its public interest purpose, having reference among other things to the Guidelines of the Dispute Resolution (DR) Committee, and*
>
> *(b) the working protocols and standards of the Board of Directors of the Ombudservice.*
>
> *Where the evaluator concludes that shortfalls exist, the evaluator should make recommendations for improvement.*

Dispute Resolution (DR) Committee Guidelines

In order to ensure that the third party dispute resolution systems fulfil the public interest objectives of complaint resolution as set out by the Joint Forum, the DR Committee established six other guidelines. Each of these guidelines outlines the objective it seeks to achieve as well as the measures that would implement that objective. The DR Committee has set expectations that the OmbudService will be structured and function in a way which will fully achieve the stated objective in each guideline.

Approach and Scope of the Evaluation

In order to complete the evaluation, we undertook the following:

- extensive consultations and interviews with
    - the Executive Director of GIO;
    - GIO's customer service officers (CSOs);
    - a number of GIO directors, including the Chair and both industry representatives;
    - the GIO's external legal counsel;
    - representatives of the Financial Services Commission of Ontario, the Financial Institutions Commission of British Columbia, the Financial Sector Regulation and Policy Division of the Alberta Treasury Department, the Autorité des marches financiers (AMF) of Québec and the Consumer Advocacy Agency in New Brunswick;
    - representatives of the Financial Consumer Agency of Canada
    - a number of consumer liaison officers (CLOs - insurance company ombudspersons);
- a review of a statistically valid sample of case files (125) including all files that have gone to mediation and all files that were referred to the Senior Adjudicative Officer since the last independent evaluation;
- a review of the statistical reports produced from the GIO's database;
- a review of all minutes of Board and Committee meetings since the last report;
- a review of the Enterprise Risk Management framework and any changes and updates since the last report;
- a review of all Policies and Procedures Manuals, Terms of reference for Dispute Resolution and other procedures;
- a review of the GIO website;
- a review of other OmbudsService websites and all published reports issued by third party evaluators;
- a review of a significant number of property & casualty insurance company websites to determine if a link to the GIO website and other contact information was available;
- a review of the recent Annual Reports and audited financial statements of the GIO;
- a review of GIO's conflict of interest policies and guidelines; and
- the Board's self-assessment process and annual self-assessment results.

Evaluation Methodology

In order to evaluate the GIO against the Guidelines established by the Joint Forum and CCIR we developed an assessment framework similar to those used in other international and national evaluations by organizations such as the Financial Action Task Force.

This assessment process uses four grading categories for each Guideline. In assessing compliance with a Guideline, we considered the criteria as set out below compared to the implementation guidance provided by the Framework. The assessments are based on our review and judgement of the information we gathered prior to and during the evaluation. The following are the grading categories and criteria used in the observations of the Guidelines.

Assessment	Criteria
Compliant	An assessment of "compliant" is given when all criteria are met without any significant deficiencies, including instances where the requirements of the Guideline have been achieved by other means.
Largely Compliant	A "largely compliant" assessment is given when there are only minor shortcomings, which do not raise serious concerns about GIO's ability to achieve the objective of the Guideline and there is clear intent to achieve full compliance with the Guideline within a prescribed period of time (for instance, the framework is agreed but has not yet been fully implemented).
Materially Noncompliant	A Guideline is considered to be "materially noncompliant" in case of severe shortcomings, despite the existence of formal rules and procedures and there is evidence that processes have clearly not been effective, the practical implementation is weak or that the shortcomings are sufficient to raise doubts about the GIO's ability to achieve compliance.
Noncompliant	A Guideline is assessed "noncompliant" if it is not substantially implemented, several criteria are not complied with, or GIO's processes are manifestly ineffective.

Acknowledgements

We would like to acknowledge and thank those individuals both internal to GIO and external stakeholders who took the time to speak with us and share their thoughts, observations and suggestions. In particular Mr. Brian Maltman, Executive Director and Mr. Roger Palmer, Chair of the Board who provided us with tremendous insights and explanations. In each and every case it was evident that every person had the public interest in mind when responding to our enquiries.

In particular, GIO board members including the Chair of the Board, the Executive Director, management and staff were generous with their time and patient in answering our queries and information requests. We had full access to all information including the database containing all inquiries, complaints, mediations and other files. There were no restrictions on the scope of our review.

Overall Conclusion

Based on the scope of the work performed and the evaluation methodology used, we have determined that the GIO has achieved its public interest purpose having reference among other things to the prescribed Guidelines.

Respectively Submitted,

Andrew Poprawa & Georges Dessaulles
Independent Third Party Evaluators

Observations, Conclusions & Summary Evaluation

The following ratings are appropriate for the seven Guidelines:

Guideline	Objective	Rating
Independence	To assure insurance sector consumers who refer complaints to an OmbudService of its independence.	Compliant
Accessibility	To articulate a framework in which the OmbudService will (a) take active steps to promote knowledge of its services, (b) ensure that consumers have convenient, well identified means of access to its services, and (c) provide its services at no cost to consumers.	Compliant
Scope of Services	To identify terms of reference to provide both participating companies and their consumers with a clear understanding of the range of activities and nature of consumer complaints which will be taken up by the OmbudService.	Compliant
Fairness	To ensure that (a) the OmbudService approaches its work in respect of consumer complaints and makes its recommendation by reference to the standard of what is fair to both the company and the consumer in the circumstances, and (b) that the processes employed by the OmbudService are demonstrably fair to both parties.	Compliant
Methods and Remedies	To articulate (a) the nature of the dispute resolution methods to be employed by the OmbudService, (b) the result to be expected by a consumer from complaint resolution work of the OmbudService, including the remedies which should be available to a consumer whose complaint is assessed by the OmbudService, and (c) the consequences which should follow up from non-compliance by the company with the remedy recommended or non-cooperation by the company with the inquiries of the OmbudService.	Compliant
Accountability and Transparency	To provide an appropriate framework for accountability of the OmbudService in achieving its mission including (a) accountability to the public in respect of the public interest goals which the OmbudService is established to achieve, (b) accountability to regulators in meeting their reasonable information needs in respect of consumer complaint handling, and (c) transparency in provision of information regarding its operations and structures.	Compliant
Third Party Evaluation	To provide a framework in which the structure and operations of the OmbudService will be the subject of knowledgeable, independent third party evaluations on a regular basis to validate the effectiveness of the OmbudService in achieving its purpose and identify opportunities for improvement.	Compliant

Recommendations

In addition to the evaluation of compliance with the prescribed Guidelines, the evaluation process includes the objective of identifying opportunities for improvement. None of the recommendations for consideration made by the evaluators affect the overall conclusion that the GIO is achieving its public interest purpose. These are made to provide the Board of Directors and management with suggestions for improving the GIO's effectiveness and are based on our interviews with various stakeholders and our review of information and data available to us as well as our own independent judgement. If accepted, we also recommend that the GIO put timelines on the execution of these recommendations to ensure timely implementation.

Guideline 1 - Governance

Recommendation #1

The GIO has implemented an Enterprise Risk Management Framework to ensure that all significant and material risks have been identified, measured and mitigated to the extent possible. Although the framework is a useful tool to manage risks, given the ongoing evolution of ERM practices, in our opinion it would benefit from being updated and upgraded in order to provide an optimum risk management process with particular attention to emerging risks.

It is recommended that the GIO update and upgrade its ERM Framework.

GIO Response

The GIO Board and Management will upgrade its ERM Framework with particular attention to identification of emerging risks, and continue to bring it forward for review at each Board meeting.

Recommendation # 2

During the previous evaluation, the evaluators commented that the process of selecting and electing independent directors to the Board could be improved. The concern was related to the fact that under the then current processes independent directors were in a position to select their successors. The Board of Directors has put in place new processes to ameliorate that concern by implementing a skills matrix and by seeking directors outside its own networks. While these steps have improved the perception of potential issues, we would also recommend that the Board consider advertising vacancies on its own website in addition to the other methods it currently employs to ensure that the board continues to have a diverse set of skills and other attributes.

It is recommended that the GIO also consider advertising board vacancies on the GIO website in order to broaden the potential pool of candidates.

GIO Response

The GIO Board of Directors will advertise future vacancies on the GIO website, together with the invitation for candidates used through other resources.

Guideline 3 – Scope of Services

Recommendation # 3

During our interviews and discussions with the Chair of the OOSC and representatives of other regulatory bodies, a common theme raised by them was that regulators and policy makers would benefit from more granular data and information on systemic issues and trends as observed by GIO in conducting its work. This issue has been raised in the past. While no specific examples of the types of data were provided, we believe that an effort should be made by both the OOSC and its representative regulatory bodies to identify what information would be helpful and how often it should be made available. The GIO would then be in a position to respond to this request.

It is recommended that, as part of its ongoing dialogue with the OOSC, both the regulators and GIO determine what additional information and data may be useful for regulatory and public policy purposes. It is also recommended that the GIO continue to work with the OOSC to develop an information sharing protocol.

GIO Response

GIO will reach out to the OOSC to discuss what additional information and data may be useful for regulatory and public policy purposes, and identify formats and publication frequency in an information sharing protocol.

Guideline 4 – Fairness

Recommendation # 4

In its Annual Report and on its website GIO publishes its mission, vision, role and commitment to consumers. While the Board of Directors has approved a fairness standard and it is embodied in the work performed the GIO, the fairness standard itself has not been widely published either in its Annual report or on its website. This is not consistent with the practice of the OmbudService for Health and Life Insurance (OLHI) which publishes its fairness standard in full.

It is recommended that the GIO publish its complete Fairness Standard on its website and in its Annual Report as required under this Guideline.

GIO Response

The GIO Fairness Standard will be placed on the Governance page of its website, and published in each successive Annual Report.

Guideline 5 – Methods and Remedies

Recommendation # 5

During our evaluation we noted that when calls from consumers are received, they are categorized into either “inquiries” or “cases” on the database. The vast majority, about 90% are classified as inquiries. GIO staff make a determination as to whether a call should be categorized as a complaint based on the criteria outlined in the policy and procedures manual using their best judgement. In some cases, from an independent evaluation perspective, it is difficult to appreciate why a call has been classified as a case versus an inquiry. It may be worthwhile to review the classification system being used to determine if a call is a real complaint about a company or whether it is simply an inquiry. This may provide better information to external stakeholders about the nature of consumers’ contact with the GIO.

It is recommended that the GIO review its classification system for “cases” to determine if these are valid complaints or merely inquiries.

GIO Response

The classification of “case” has been discontinued by GIO because of this confusion. A later classification of “complaint” versus “inquiry” has been used since 2014, but as observed, it is not completely satisfactory. GIO will review its binary classification of “complaint” versus “inquiry” to determine whether a third category (or more) is needed, and provide definitions for each category.

Recommendation # 6

During our interviews with company CLOs, we were advised that while the GIO provides each company with regular customized reports based on their needs (the i-sight reports), a number of CLOs indicated that these reports could be more helpful to companies. One CLO suggested and offered to participate in a working committee to make recommendations as to how these reports could be improved. In addition, based on these discussions, we also believe that it would beneficial for the GIO to review its data mining capabilities to ensure that it is optimizing the value of the data it currently collects.

It is recommended that the GIO consider forming a working committee of CLOs with the objective of making suggestions for improvements to the customized reports provided to companies.

GIO Response

GIO will form a working committee of member company CLOs to identify improvements to its data reports to companies.

Recommendation # 7

Based on our review of the files and interviews with the staff it is evident that the staff of the GIO are competent and well trained. A policy and procedures manual provides guidance to all its staff in dealing with inquiries and complaints. Appropriate expertise is available to the staff as needed. However, we noted that while training is provided on as needed basis, there is no formal training or employee development program for staff members.

It is recommended that the GIO consider formalizing its ongoing training and development program for its staff.

GIO Response

GIO will formalize its training program for staff to better identify training opportunities. (GIO already provides for staff training in its annual budgets.) This may be used as an additional opportunity to have all GIO staff meet face to face more than once per year.

Recommendation # 8

In discussions with regulatory agencies and company CLOs, it was noted that in some cases files that were referred to them were resolved in some fashion but that there was no feedback provided back to the agency or the company as to how the matter was resolved. They made the point that if they had information as to the resolution it would assist them in dealing with future files with the same or similar characteristics.

It is recommended that the GIO consider providing feedback to regulatory agencies and/or company CLOs that were involved in a file as to how the matter was resolved.

GIO Response

GIO will develop working procedures to provide resolution feedback to regulatory agencies and company CLOs who were involved in a GIO file, while maintaining the confidentiality of consumers as a first priority.

Guideline 6 - Accountability and Transparency

Recommendation # 9

As was noted in the 2013 evaluation, the GIO has not made connecting with consumer groups a priority. Other ombudservices have made outreach to consumer groups one of their strategies to broaden awareness of the services provided.

It is recommended that the GIO consider making outreach to relevant consumer groups one of its strategies.

GIO Response

GIO will explore outreach activities with specific provincial offices dealing with insurance consumer protection.

Assessment of Guidelines

Guideline 1 – Independence

Objective - To assure financial sector consumers who refer complaints to the OmbudService of its independence.

Implementation Guideline - For purposes of this Guideline, "independence" means the absence of relationships with the affected insurance sector industry, or companies within it, which would cause a reasonable person to question whether the person (officers, staff or any person engaged by the OmbudService to deal with consumer complaints) can fairly and effectively resolve complaints or provide objective and disinterested oversight (in the case of directors).

To achieve the objective:

Criteria	Observations, Findings & Assessment
1. The governance structure of the OmbudService must be robust. To that end:	
(a) The Board of Directors of the OmbudService should meet evolving best practices of organizational governance, adapted to the special nature and purposes of the OmbudService.	Based on our review of the Bylaws (which are published on the GIO website), governance materials, terms of reference of Committees, minutes of meetings of both committees and the Board as well as other governance materials it is evident that the Board of Directors has implemented appropriate governance processes and procedures. Of particular relevance to the GIO given the small size of the organization and the complexity of its mandate is the maintenance of a sound Enterprise Risk Management (ERM) Framework. While the GIO has in place such a framework, given the ongoing evolution of ERM practices, it would be appropriate to update and upgrade its framework. One of the significant risks identified through the ERM process is operational risk related to human resources. Given the small size of the GIO, the inability of current senior staff to fulfill their responsibilities would have a serious impact on the operations of the GIO. While the Board has

Criteria	Observations, Findings & Assessment
	implemented a contingency plan to mitigate this possible vulnerability, it would be prudent to ensure that the GIO contingency plan continues to be updated regularly. **Recommendation – that the GIO update and upgrade its ERM Framework with particular attention to emerging risks.**
(b) The OmbudService should have a strong and committed Board of Directors a substantial majority of whose members meet the independence relationship standard. There should be an appropriate mechanism for the appointment of Board members, which ensures continued Board strength and commitment and independence from the industry.	The majority of the Board of Directors is independent of the industry with 5 of 7 directors being unaffiliated with the general insurance sector. Directors are selected by an independent committee of the Board through a well-defined process. In 2017, the Board has sought out potential directors by accessing the Institute of Corporate Directors (ICD) database. This process expands the potential pool of candidates significantly beyond the personal networks of the existing Board. These new processes will also ensure that the board continues to have a diverse set of skills and other attributes. **Recommendation – it is recommended that the GIO also consider advertising board vacancies on the GIO website in order to broaden the potential pool of candidates.** The caliber and experience of the past and existing Board members indicates a strong commitment to a robust director selection process. The Board has also enhanced its governance practices through ongoing training and development processes through membership in the Institute of Corporate Directors (ICD) and by introducing director education for independent directors in insurance industry trends and issues. Industry representatives volunteer and are nominated by the industry to serve on the Board. In discussions with independent directors it is clear that the industry nominees provide a valuable resource to the Board and to the OmbudService but in no way interfere with or influence the independence of the GIO.

Criteria	Observations, Findings & Assessment
(c) In accordance with good governance practice, all directors of the OmbudService need to act in the best interests of the OmbudService to achieve its public interest objectives, notwithstanding that they may not meet the independence relationship standard.	From discussions with several independent directors, management and staff of the GIO, there is unanimous agreement that all directors, including those nominated by the industry, act in the best interests of the GIO. This was confirmed during interviews with the industry nominated directors as well. In addition, the Board engaged the services of an outside legal advisor to ensure that it was meeting the independence and other related standards.
(d) The charter documents of the OmbudService should enshrine appropriate independence criteria.	Based on our review of the Bylaws and other governance materials it is evident that the Board of Directors has established clear and appropriate independence criteria.
(e) There should be a written mandate for the Board which clearly sets forth its responsibilities. They should include, among other things, the responsibility: (i) to engage, evaluate and dismiss the Ombudsperson and/or Senior Executive Officer, (ii) to approve standards and policies, (iii) to establish and monitor human resource and compensation practices, (iv) to approve funding levels and budgets which will provide adequate resources to the OmbudService, (v) to establish appropriate funding assessments to member companies, and (vi) to ensure sound relations with regulators and the accountability of the OmbudService,	The Bylaws and Board of Directors' governance materials set out the various responsibilities of the Board and its committees. There are four Committees of the Board including: • Budget & Audit • Governance & Standards • Human Resources • Independent Directors These mandates include the responsibilities for the required elements in the implementation guidelines. In particular: (i) engaging appropriate management; (ii) approving policies and standards; (iii) establishing and monitoring human resources and related compensation; (iv) approving an annual budget and funding levels to provide for adequate resources; (v) establishing adequate assessments to fund operations; (vi) engaging with regulators and other stakeholders.

Criteria	Observations, Findings & Assessment
all with a view to providing sound oversight of the activities of the OmbudService so as to achieve the public interest objectives for which the OmbudService is created.	Based on our evaluation of governance practices we conclude that the Board and its committees effectively carry out their respective oversight obligations in accordance with the Board mandate.
(f) The role of Board Chair is of special importance in fostering independence. The Chair should be an independent director elected or appointed by the Board of Directors following a recommendation of a Nominating Committee of the Board consisting solely of independent directors.	The Bylaws set out the role of the Board Chair in some detail. The Board Chair is (and always has been) an independent director. The appointment of the Chair follows the process as outlined in the terms of reference of the Committee of the Board which is comprised solely of independent directors.
2. To ensure independence, the OmbudService should also be appropriately funded to achieve its objectives. Budgets and mandatory assessments to member companies should be approved by the Board of Directors on the recommendation of a Committee of the Board consisting solely of independent directors.	Our review included an evaluation of the financial performance and position, business model and assessment methodology to determine the appropriateness of the funding for the GIO. The Budget & Audit Committee which is comprised solely of independent directors makes recommendations to the Board on annual budgets and assessment methodologies and levels. It was also noted during the review that the level of retained earnings of the GIO is roughly equivalent to one year's assessment which appears to be a prudent level of surplus.
	Assessment - Compliant

Guideline 2 – Accessibility

Objective - To articulate a framework in which the OmbudService will (a) take active steps to promote knowledge of its services, (b) ensure that consumers have convenient, well identified means of access to its services, and (c) provide its services at no cost to consumers.

Implementation Guideline - To achieve the objective the following criteria must be met:

Criteria	Observations, Findings & Assessment
1. The OmbudService should ensure that its existence, processes and the services it provides are well-known to insurance consumers within the scope of its operating mandate. To achieve this goal, the OmbudService should provide the companies in the insurance sector it serves with illustrative information material for use by the companies to inform their consumers of their right to have complaints that are unresolved at the company level considered by the OmbudService.	The GIO's primary mechanism to ensure that its existence, processes and services are accessible to consumers is through the internet and its website. A Google search for "insurance complaint" by province yielded the GIO in the top two or three results. The other primary result was the regulatory body responsible for oversight of the insurance industry. GIO's website is very comprehensive and easy to navigate. Consumers are able to quickly find information about how the GIO process works and how to make a complaint. GIO is also available on social media through a Facebook page. In addition to the website, the GIO provides brochures and other materials both on the website and in paper form as required. In our interviews with company various stakeholders including CLOs, regulators, GIO board members and staff, it was acknowledged that awareness of GIO has improved since our last review but that this is an area that requires continued focus. Our review of other ombudservice websites indicated that these also contain case studies that provide useful guidance to company CLOs on dealing with particular types of situations. GIO's Annual Report provides some examples of these types of case studies. It may be useful to consider publishing these and others on the website to enhance guidance to CLOs and consumers.
2. The OmbudService should provide consumers who have complaints with ready means of access including: (a) toll-free telephone; (b) email and regular mail; and (c) fax lines and internet.	As noted above, consumers who have complaints have access through the internet by way of e-mail. The GIO also has toll free telephone access for all of Canada. Also available is a mailing address and a fax number.

Criteria	Observations, Findings & Assessment
3. The in-take process should provide the consumer with prompt direct personal contact with a competent staff member, whatever means of access may have been used by the consumer in the first instance.	During our evaluation, we observed the process by which consumers contact the GIO either by telephone, e-mail or any other means of communication. All calls, emails and other forms of consumer inquiries or complaints are entered into GIO's database immediately upon receipt. In most cases, responses are provided to consumers within 24 hours of receipt.
4. Clear information on the services provided by the OmbudService should be made available through brochures and a website. The OmbudService should request the member companies provide to consumers a clear description of the recourse available to the OmbudService and the means of access. Services should be delivered consistently across Canada.	Both GIO's website and brochure clearly explain the process by which a consumer is able to obtain independent information on the question or concern that they have raised along with the means to access the services that GIO offers. Our review of files and feedback from consumer surveys after interaction with GIO indicated that consumers were satisfied with the level of information and the manner in which it was delivered. To ensure consistency of the service throughout the country, senior management review the files of customer service officers (CSOs). During the evaluation we noted that certain CSOs had different styles of communication, however there was no indication of inconsistent service. From our discussions with the CSOs at the GIO, we noted that awareness of its services varies from province to province. As indicated elsewhere in this report, a Google search indicates that the GIO is a prominent search result in every jurisdiction and region. Notwithstanding the GIO's efforts to raise awareness of its services, there are other factors which may impact awareness levels. For example, in Québec, the provincial regulatory authority (AMF) has implemented a well-designed and advertised consumer complaint process for consumers. This policy has resulted in a lower awareness level for the GIO in that province. GIO management has indicated that further steps will be taken to increase its visibility in Québec. GIO has two CSOs who are bilingual and therefore have

Criteria	Observations, Findings & Assessment
	the ability to deal with French language complaints or inquiries. One of them is based in Quebec.
5. The OmbudService should be fully funded by its member companies with the result that all of its services are provided to consumers at no cost.	GIO is fully funded by its member companies through an assessment process and there is no cost of any services to consumers. There was no indication throughout our evaluation of any concern by member companies regarding the level of assessments.
6. All services of the OmbudService must be made available in both English and French.	GIO has bilingual capacity at the Board and staff levels as well as mediators. It was also noted that the website and telephone system support fully bilingual capacity. There were no instances noted that any consumer was unable to obtain service in the language of their choice.
	Assessment - Compliant

Guideline 3 – Scope of Services

Objective - To identify terms of reference to provide both participating companies and their consumers with a clear understanding of the range of activities and nature of consumer complaints which will be taken up by the OmbudService.

Implementation Guideline - To achieve the objective the following criteria must be met:

Criteria	Observations, Findings & Assessment
1. Each OmbudService should have terms of reference that permit access to its services by consumers of all companies which meet the OmbudService's membership criteria and which provide products of a similar nature, regardless of the jurisdiction of incorporation and regulation of the company and regardless of its membership in a particular industry association.	GIO's terms of reference provide access of its services by consumers of all member companies that meet GIO's membership criteria. A list of member companies is provided on GIO's website for the benefit of consumers and the public. There are no membership restrictions based on jurisdiction of incorporation, regulation or membership in a particular industry association.

Criteria	Observations, Findings & Assessment
2.The terms of reference should be comprehensive enabling the OmbudService to deal with substantially all complaints within a sector except where there is a compelling policy or practical reason to exclude them from the services offered, or the complaint exceeds a published dollar threshold set by the Board of Directors.	Our review did not indicate that there were any complaints or inquiries where the GIO felt it could not deal with them. In some instances, where a consumer requested mediation, the GIO assists the process by identifying potential mediators, and with the exchange of any additional documentation for the mediator. Costs of the mediation are initially paid by the GIO and then charged back to the member company involved.
3. As an operating principle, the OmbudService should adopt a generous interpretation of its terms of reference so that, if doubt exists as to jurisdiction in a particular case, the doubt would be resolved in favor of dealing with the complaint rather than rejecting it.	Our review of a statistically valid sample of files did not indicate that there were any situations where the GIO rejected dealing with a complaint or inquiry. GIO has however, referred inquiries and complaints from consumers back to the CLOs at companies after providing the consumer with information and direction on how best to navigate the complaints process. In discussions with CLOs at companies, we received positive feedback on the approach taken by the GIO in assisting companies in understanding how their responses to consumers could be enhanced. In particular, many CLOs indicated that in certain situations, they would discuss a Final Position Letter with GIO to obtain an independent perspective on whether the issues raised and the proposed positions taken were reasonable and supportable (no personal information would be shared). This process is seen as useful and effective in resolving matters at an early stage.
4. The terms of reference of the OmbudService should include the authority to identify and investigate systemic or widespread issues an OmbudService may find in the course of its work arising from	GIO maintains an extensive database of information and codes every inquiry or complaint to ensure it has adequate data to identify specific issues with a company, systemic or other trends. During the evaluation process we noted that the

Criteria	Observations, Findings & Assessment
complaints regarding an individual company or more broadly in a sector.	GIO produces reports on the data collected and that this data is published in the Annual Report and on its website. GIO also provides a five-year trend on the type of inquiries and complaints it receives. During our discussions with various regulatory bodies a common theme raised by them was that regulators and policy makers would benefit from more granular data and information on systemic issues and trends as observed by GIO. **Recommendation – it is recommended that, as part of its ongoing dialogue with the OOSC, both the regulators and GIO determine what additional information and data may be useful for regulatory and public policy purposes.**
5. Where an OmbudService does not accept a complaint because it concludes that it is beyond its terms of reference, it should communicate that fact to the consumer, with a full explanation for its decision, where requested.	Based on our review of selected files, we obtained reasonable assurance that, for those complaints that are beyond GIO's scope and terms of reference, a full explanation was provided to the consumer of its rationale. We also observed that GIO went further - staff provided guidance to the consumer as to what the options were for the consumer to pursue their concern.
6. An OmbudService should provide assistance to consumers to help them register and, where necessary, articulate their complaint, or to guide them to services or agencies which could help them if their issue is beyond the mandate of the OmbudService.	Based on our review of selected files, we concluded that in all cases GIO staff provided assistance to the consumer by guiding them to the appropriate company personnel, insurance agents or brokers, regulatory agencies or other bodies to resolve the inquiry or complaint.
7. Substantive changes to the terms of reference should be approved by the Board of Directors of the OmbudService after consultation with appropriate stakeholders and the OOSC.	There have been no changes to the terms of reference of GIO since the last independent evaluation. However, it is the policy of GIO to have the Board of Directors approve any change in its terms of reference and discuss

Criteria	Observations, Findings & Assessment
	these changes with the OOSC.
	Assessment - Compliant

Guideline 4 – Fairness

Objective - To ensure that (a) the OmbudService approaches its work in respect of consumer complaints and makes its recommendations by reference to the standard of what is fair to both the company and the consumer in the circumstances, and (b) that the processes employed by the OmbudService are demonstrably fair to both parties.

Implementation Guideline - To achieve the objective the following criteria must be met:

Criteria	Observations, Findings & Assessment
1.The OmbudService should, as it assesses complaints, guard against adopting an unduly legalistic approach to complaint resolution. The objective of complaint resolution through the OmbudService is not to provide a parallel court system, but to establish a dispute resolution framework which will encourage fair business dealings, broadly and reasonably conceived.	Based upon our review of selected files and our discussions with staff, company representatives and other stakeholders we observed that GIO's approach to inquiries and complaints is very consumer friendly. While insurance matters can be complex, GIO staff go out of their way to ensure that the consumer understands the questions at issue and respond in a non-technical manner. Should a matter proceed to an advanced stage of complaint or mediation, GIO takes care to ensure that the consumer is treated fairly.
2.Accordingly, the OmbudService should publish a clear fairness standard it will use to assess complaints. The fairness standard should be approved by the OmbudService Board of Directors and should be harmonized across participating OmbudServices in the Insurance OmbudsNetwork where possible.	In its Annual Report and on its website GIO publishes its mission, vision, role and commitment to consumers. While the Board of Directors has approved a fairness standard and it is embodied in the work performed by the GIO, the fairness standard itself has not been widely published either in its Annual report or on its website. The OmbudService for Life and Health Insurance does publish its fairness standard as required under this guideline on its website. A comparison of the two fairness standards indicates a high level of harmonization.

Criteria	Observations, Findings & Assessment
	Recommendation – it is recommended that the GIO publish its complete Fairness Standard on its website and in its Annual Report as required under this Guideline.
3.The procedures employed in resolving complaints should be impartial with a clear framework which provides a fair and balanced opportunity for both the company and the consumer to present documents and other information to the OmbudService in support of their respective positions in a non-legalistic manner. Neither the company nor the consumer should have special access to the staff of the OmbudService.	Based upon our review of the processes followed and validated by our review of selected files we conclude that the procedures to address inquiries and resolve complaints are balanced and impartial. There is no evidence to conclude that either the company or the consumer have special access to GIO staff. This opinion is supported by a review of the surveys received from consumers as well our interviews with company representatives.
	Assessment - Compliant

Guideline 5 – Methods and Remedies

Objective - To articulate (a) the nature of dispute resolution methods to be employed by the OmbudService, (b) the result to be expected by a consumer from complaint resolution work of the OmbudService, including the remedies which should be available to a consumer whose complaint is assessed by the OmbudService, and (c) the consequences which should follow from non-compliance by the company with the remedy recommended or non-cooperation by the company with the inquiries of the OmbudService.

Implementation Guideline - To achieve the objective the following criteria must be met:

Criteria	Observations, Findings & Assessment
1. The OmbudService should adopt clearly stated complaint resolution methods which are well-suited to the nature of the dispute including conciliation, mediation, investigation	The GIO has adopted a well-defined process and methodology to address inquiries, resolve complaints and facilitate the resolution of disputes. Inquiries are addressed through direct contact with consumers via e-mail, telephone or mail. Equally,

or non-binding adjudication. The OmbudService may employ a variety of methods in attempting to resolve the same dispute including, for example, a facilitative method (such as conciliation or mediation) followed by an assessment method (including investigation and non-binding adjudication).	complaints are resolved through similar communication channels with the consumer and the company. Finally, in the very few instances where a complaint cannot be resolved, mediation is recommended to both parties at no cost to the consumer and if accepted, is organized by GIO. With the support of all stakeholders, the GIO has adopted a neutral position in all complaints or disputes and thus does not normally undertake investigations or non-binding adjudication. During our evaluation we noted that when calls from consumers are received, they are categorized into either "inquiries" or "cases" on the database. The vast majority, about 90% are classified as inquiries. GIO staff make a determination as to whether a call should be categorized as a case based on the criteria outlined in the policy and procedures manual using their best judgement. In some cases, from an independent evaluation perspective, it is difficult to appreciate why a call has been classified as a case versus an inquiry. It may be worthwhile to review the classification system being used to determine if a call is a real complaint about a company or whether it is simply an inquiry. This may provide better information to external stakeholders about the nature of consumers' contact with the GIO. **Recommendation – it is recommended that the GIO review its classification system for "cases" to determine if these are valid complaints or merely inquiries.**
2. The OmbudService should establish working protocols describing reasonable and practical time frames for the completion of relevant milestones in the dispute resolution process and should communicate these to both the company and the consumer. Time frames should be sufficiently flexible to take into account the differences in the complexity of disputes.	Based on a review of selected files and a scan of all inquiries and complaints since the last independent review in 2013, it is evident that files are dealt with on a timely basis – in most cases within 2 or 3 days of the file being opened. For the 13 files that were referred to a mediator over the past 3 years the times for completion of the mediation process ranged from a low of three months to a high of 11 months with an overall average of about 6 months. Given the complexity of these files, these timeframes appear to be

	reasonable. The Executive Director of the GIO acts as a ”gatekeeper” in deciding whether a case should be escalated to mediation. Unless there is clear evidence, given the circumstances of the matter, that mediation would not be successful, the GIO errs on the side of caution and recommends that the case proceed to mediation. Should the mediation not be successful and a resolution is not achieved even after the mediation process, the consumer is provided the opportunity to proceed to the next stage. Again, the Executive Director of the GIO, after consultation with GIO staff and the mediator, makes a determination if the case should proceed to the adjudication process. We noted that 80% of cases referred to mediation result in an agreement. We noted that very few files have ever been escalated to the Senior Adjudicative Officer (SAO). The last file that was referred to the SAO was in 2014. The 2015 Annual Report provided a summary of the case and indicated that the company had accepted the non-binding recommendation of the SAO.
3.The OmbudService’s services are an alternative to recourse available through other available means such as the legal process. As such, (a) the company and the consumer should confirm in writing that the OmbudService’s files and work product will be confidential and not admissible in any legal proceedings, and that staff of the OmbudService will not be required to testify in any legal proceedings. (b) to promote recourse to alternative dispute resolution,	(a) The GIO confirms in its correspondence with both the consumer and the company that its files and outputs are confidential and not subject to admission in legal or other proceedings. Similarly, it is made clear that staff will not be required to testify in any legal proceedings. (b) In those cases where a dispute arises the resolution of which may potentially exceed

where a statutory limitations period issue may arise, the company and the consumer should agree in writing that they will suspend the application of the limitations period until the OmbudService has had an opportunity to attempt to resolve the dispute (where the law permits).	the limitation period, the GIO explains the issue and advises the consumer to seek legal advice on the matter.
4. The complaint resolution methods employed by the OmbudService should lead either to (a) a result acceptable to both parties or (b) a written recommendation by the OmbudService for the resolution of the complaint.	The GIO's success rate in closing the inquiries and the cases which are referred to it, is very high. In the situations where a company has issued a Final Position Letter the GIO will assist the consumer in understanding their options. Where appropriate, the GIO will provide its assessment to either party as to whether the resolution offered is reasonable in the circumstances and undertake informal conciliation with the parties to reach a mutually acceptable resolution.
5. The staff of the OmbudService and any consultants engaged by it to deal with consumers should be competent and well trained, with expertise suitable to the nature of the complaint in question.	Based on our review of the files and interviews with the staff it is evident that the staff of the GIO are competent and well trained. A policy and procedures manual provides guidance to all staff in dealing with inquiries and complaints. Appropriate expertise is available to the staff as needed. However, we noted that while training is provided on as needed basis, there is no formal training or employee development program for staff members. To provide the level of service that it does, GIO has implemented a sophisticated communications system and flexible work arrangement for staff. While these working arrangements significantly improve productivity and response time, they also reduce the interaction by staff with each other. It may be useful for the GIO to consider having periodic in-office working days to ensure that staff have an opportunity to share information and experiences.

	Recommendation – it is recommended that the GIO consider formalizing its ongoing training and development program for its staff.
6. If the process leads to a settlement, the OmbudService should take reasonable steps to ensure that the consumer understands it and has accepted it in an atmosphere free from any reasonable impression of coercion.	Based on our review of the files and interviews with staff, we concluded that the GIO takes the appropriate measures to ensure that consumers understand their options with respect to resolution or settlement as the case may be without any impression of coercion.
7. A recommendation of the OmbudService should specify a proposed remedy or remedies suitable to the nature of the dispute, which may include (a) a non‑binding recommendation for financial restitution for direct loss and/or (b) a non‑binding recommendation that the company take a particular course of action to resolve the matter, which may include compensation for non‑financial loss.	The GIO has taken the strategic position that it should remain neutral in any dispute between a consumer and a company. In effect, the GIO feels that it can "level the playing field" for the consumer by providing education, information and insight. We observed that GIO staff are very effective in educating the consumer of their options when dealing with a complaint or issue and providing sound guidance as to which approach might be best suited to resolve the matter. Equally, GIO staff have been effective in providing companies with their view of the legitimacy of a consumer's position. As a result, most complaints or disputes are dealt with in a timely manner and without the need to move to mediation.
8. If a company does not follow a recommendation within a reasonable time, or does not cooperate with an OmbudService in an inquiry or investigation within a reasonable time, the OmbudService should publicly disclose that the company has failed to comply or cooperate. The disclosure should be made in a way that preserves the confidentiality of the consumer.	The GIO has taken the position that unless a company is being unreasonable in dealing with a complaint or dispute or does not do so in a timely manner, it will raise the matter with the CLO/ombudsperson of the company. Should that not resolve the matter, the GIO then advises the consumer of their options to deal with the matter. The GIO has never had the situation of having to publicly disclose that a company has failed to comply with a recommendation or to cooperate. The Board and management of the GIO have considered and determined how best to disclose a situation where a company might fail to comply or

	cooperate while preserving the confidentiality of the consumer should the situation occur in the future.
9. These methods and remedies are equally applicable to systemic or widespread issues an OmbudService may find in the course of its work arising from complaints regarding an individual company or more broadly in an industry.	The GIO has determined that the two types of systemic issues (company vs industry) should be dealt with differently. In the case of individual companies, the GIO takes the initiative of raising the matter directly with the company in order to understand the particular circumstances and issues related to the systemic issue. It was noted that other than delays in processing claims during catastrophic events (i.e., floods, major fires) there have not been any company specific systemic events noted in recent years. The GIO has taken the position that any industry wide systemic issues that are identified during the course of its work should be discussed with the Insurance Bureau of Canada (IBC) as the industry representative to best determine how to resolve the matter. There have been no issues of this nature to report in the recent past. During our interviews with company CLOs, we were advised that while the GIO provides each company with regular customized reports based on their needs (the i-sight reports), a number of CLOs indicated that these reports could be improved to be more helpful to companies. One CLO suggested and offered to participate in a working committee to make recommendations as to how these reports could be improved. In addition, based on these discussions we also believe that it would beneficial for the GIO to review its data mining capabilities to ensure that it is optimizing the value of the data it currently collects. **Recommendation – it is recommended that the GIO consider forming a working committee of CLOs with the objective of making suggestions for improvements to the customized reports provided to companies.** In discussions with regulatory agencies and company CLOs, it was noted that in some cases files that were referred to them were resolved in

	some fashion but that there was no feedback provided back to the agency or the company as to how the matter was resolved. They made the point that if they had information as to the resolution it would assist them in dealing with future files with the same or similar characteristics. **Recommendation – it is recommended that the GIO consider providing feedback to regulatory agencies and/or company CLOs that were involved in a file as to how the matter was resolved.**
	Assessment – Compliant

Guideline 6 – Accountability and Transparency

Objective - To provide an appropriate framework for accountability of the OmbudService in achieving its mission including (a) accountability to the public in respect of the public interest goals which the OmbudService is established to achieve, (b) accountability to regulators in meeting their reasonable information needs in respect of consumer complaint handling, and (c) transparency in provision of information regarding its operations and structures.

Implementation Guideline - To achieve the objective the following criteria must be met:

Criteria	Observations, Findings & Assessment
1. The OmbudService should publish, and widely disseminate, an annual report in respect of its activities, including the dispute resolution process.	The GIO publishes its Annual Report and makes it available on its website. The Annual Report includes information regarding its mandate, mission, vision and commitment to consumers, a comprehensive analysis of the inquiries and complaints received, case studies, a summary of its audited financial statements, a summary of its governance processes as well as a listing of its member companies. Information regarding the dispute resolution process is found on the GIO's website.
2. The OmbudService should also make periodic efforts to consult with stakeholders, including member companies and consumer organizations, to discuss its	The GIO makes significant efforts to consult stakeholders by inviting members and other interested stakeholders to its Annual General Meeting. The feedback received from various stakeholders including company CLOs was that

success in fulfilling its mission and to identify opportunities for improvement.	attendance at the AGM was extremely helpful and provided an opportunity for them to personally meet and interact with GIO Board members, management and staff. In addition, the GIO Board meets in different locations once a year in order to provide an opportunity to engage directly with local regulators and industry officials. Stakeholder outreach processes have been top of mind for GIO since the last review in 2013. GIO also makes efforts to advise various local politicians through their constituency offices of potential issues related to property and casualty insurance issues when a significant event occurs. It is evident that this process assists consumers in understanding that the GIO is available to assist in the event of inquiries or complaints. As was noted in the 2013 evaluation, the GIO has not made connecting with consumer groups a priority. Other ombudservices have made outreach to consumer groups one of their strategies to broaden awareness of the services provided. **Recommendation – it is recommended that the GIO consider making outreach to relevant consumer groups one of its strategies.**
3. The OmbudService should enter into an information protocol with the regulators of its member companies describing in a mutually acceptable fashion the nature and extent of information to be provided by the OmbudService to regulators, all having regard to consumer confidentiality and privacy. The protocol should be reviewed and updated to the satisfaction of both the OmbudService and regulators on a regular basis.	The GIO has entered into a Memorandum of Understanding (MOU) with the regulators in Alberta and is exploring the possibility of developing one with the regulator in British Columbia. In the interview with the Alberta regulators feedback on the MOU was positive. Interviews of several other regulators (Ontario, Quebec, BC) indicated that there is an appetite for an information sharing protocol with them. In particular, regulators were interested in more information on systemic issues that may be of public policy interest in their respective jurisdictions. As noted below this issue was discussed at a recent meeting with the OOSC.
4. The Board of Directors of the OmbudService should meet on a	The GIO last met with the OOSC on March 2, 2017. The agenda included an update by the OOSC of

regularly scheduled basis with the OOSC. The purpose of these meetings will be to discuss: (a) material operating issues which are specific to the OmbudService in question (b) the governance of the OmbudService (c) the maintenance of consistency of services and harmonization of best practices in dispute resolution and (d) gaps in coverage of consumers of regulated insurance products, and (e) updates on the nature and disposition of complaints handled by the OmbudService".	CCIR's current initiatives, an update on the independent review of GIO, opportunities for information sharing (see above) and a discussion of emerging issues. In discussions with the Chair of the OOSC, it is evident that there is a desire by the regulators to work closely with the GIO as well as other ombudservices to enhance information sharing and coordination.
5. The OmbudService should publish, and make available appropriate documents regarding its operating structure, including the Terms of Reference, its governance practices and its Standards.	The GIO publishes on its website information regarding its mission, vision, commitment to consumers as well as its operating and governance structure and standards. As noted earlier, it is recommended that the fairness standard be published as well.
	Assessment – Compliant

Guideline 7 – Third Party Evaluation

Objective - To provide a framework in which the structure and operations of the OmbudService will be the subject of knowledgeable, independent third party evaluations on a regular basis to validate the effectiveness of the OmbudService in achieving its purpose and to identify opportunities for improvement.

Implementation Guideline - To achieve the objective the following criteria must be met:

Criteria	Observations, Findings & Assessment
1. At least every five years the Board of Directors of the OmbudService should appoint an independent third party evaluator to conduct a review of the operations of the OmbudService	The GIO's last independent third party evaluation was conducted in 2013. The report of the third party evaluator is posted on the GIO's website along with the GIO responses to the recommendations made.

since the last evaluation. The OOSC should be kept informed by the OmbudService of the process of selecting and engaging the evaluator.	The OOSC has been kept informed by the GIO of the process of selecting and engaging the evaluator. This process included a Request for Proposal (RFP) which was also posted on the GIO website. The Board of Directors of the GIO makes the decision to appoint the evaluator. The Board of Directors has decided that its policy will be to commission an independent third party evaluation at least every five years as prescribed by the Guidelines.
2. The OmbudService's governance practices and Standards should facilitate clear and meaningful assessments of its operations as required to determine that the objectives of these Guidelines are being met.	The GIO's governance practices and standards as documented provide the basis for the evaluation process. Extensive review of files and interviews with internal and external stakeholders augment the review of documents in order to form an independent assessment of the compliance with the Guidelines.
3. The evaluator should have access to all materials and personnel, including the Board of Directors and its minutes.	The GIO provided access to all materials, its database, personnel, its Board of Directors and minutes to the evaluation team.
4. The evaluator should assess the extent to which the operations of the OmbudService (a) have achieved its public interest purpose, having reference among other things to the Guidelines of the OOSC, and (b) the working protocols and standards of the Board of Directors of the OmbudService. Where the evaluator concludes that shortfalls exist, the evaluator should make recommendations for improvement.	This report has concluded that overall the GIO has (a) achieved its public interest purpose as assessed against the Guidelines of the OOSC and (b) the protocols and standards as established by the Board of Directors. This report also includes recommendations for enhancements where appropriate.
5. The Board of Directors of the OmbudService and the OOSC	This report will be provided to the Board of Directors and the OOSC and request that the GIO

should, at their next meeting following the delivery of the evaluator's report, discuss the report and any response to it by the OmbudService.	provide responses to the comments and recommendations made.
6. The OmbudService should publish the evaluator's report and any response by the OmbudService.	The 2013 third party evaluation is published and posted on the GIO website. The expectation is that this report and the responses will be posted as well.
	Assessment – Compliant

APPENDIX A

THE INDEPENDENT EVALUATORS

Andrew (Andy) Poprawa, CPA, CA, C. Dir. – Regulatory Advisor & Consultant

Andy Poprawa is an advisor and consultant currently serving a number of financial services regulatory agencies, private corporations and not-for-profit organizations. Over the past year he has participated in and led the evaluation of several Canadian and international regulatory agencies and other organizations against international and Canadian standards.

He has extensive experience in the financial services industry gained over the past 38 years as a financial services regulator – both federally and provincially, the CEO of a deposit insurer, a credit union CEO and an external auditor.

He is past CEO of the Deposit Insurance Corporation of Ontario (DICO), former chief regulator of credit unions in Ontario as well as having spent 10 years with the Office of the Superintendent of Financial Institutions (Canada) in various capacities including banking supervision, general and life insurance company oversight and policy development. Over his career he has developed an in-depth understanding of the regulatory processes required to maintain confidence in financial institutions. He has also been the CEO of a major Ontario-based credit union and the Chief Financial Officer of an airline subsidiary. He is a Chartered Professional Accountant, Chartered Accountant and a former auditor with an international accounting firm. He is also a Certified Government Financial Manager and received his Bachelor of Commerce degree from the University of Toronto.

He currently serves on the Institute of Corporate Directors (ICD) Ontario Chapter Executive and has served on the Conference Board of Canada's Advisory Committee on Governance. He also participates as a faculty member in the Directors College at McMaster University in Ontario as well as the Caribbean Governance Training Institute. He serves as an independent director on several not-for-profit and corporate boards.

Andy is a founder and immediate past Chair of the International Credit Union Regulators Network (ICURN) and past Chair of the Credit Union Prudential Supervisors Association (CUPSA) in Canada. He is a frequent speaker at provincial, national and international conferences on issues related to credit union regulation, depositor protection and corporate governance. He has participated in several overseas missions with Canadian International Development Agency (CIDA) and US Aid to assist Eastern European, Asian, South American and Caribbean countries in establishing effective regulatory regimes for credit unions and other financial institutions.

Georges Dessaulles – Compliance and Business Ethics Consultant

Georges obtained his law degree from McGill University and was called to the Quebec Bar in 1974. After working in private practice in Montreal, he joined Royal Bank of Canada (RBC) in 1976 as corporate counsel and completed assignments with increasing levels of responsibility in Montreal, Miami and Toronto. His practice involved the negotiation and drafting of lending, sale and purchase and other agreements nationally and internationally, the management of litigation and relationships with external counsel. As Assistant General Counsel, Corporate & Investment Banking, he was part of the RBC Law Department's senior management team from 1991 to 1994. In 1994, he was appointed Vice President, Corporate Compliance, responsible for maintaining compliance assurance programs in federal banking, trust and insurance and privacy matters and in the securities area of the RBC's activities. He acted as RBC's Privacy Officer from 1994 to 1999. In 2003, he was appointed Compliance Director-RBC Canadian Banking responsible for overseeing compliance with Federal consumer banking laws and regulations and managing RBC's relationship with the relevant Federal government regulators and Canadian Banking Privacy matters. His role expanded in 2004, when he assumed compliance oversight over the Business Banking side of RBC's Canadian Banking business and leadership of a team of compliance professionals.

From 2007 to 2016, Georges was a director on the board of the Canadian Centre for Ethics & Corporate Policy. From 2011 to 2013 he served as Chairman and continues to serve on various committees of the Board of the Centre. He is a director of the Club canadien de Toronto. He was on the Advisory Committee of the Corporate Ethics Management Council of the Conference Board of Canada until his retirement from RBC. . In 2010 he successfully completed the course in Governance of financial institutions at Laval University. In 2013 he completed the *Get On Board* Governance Program of the Canadian Board Diversity Council.

He has spoken frequently on compliance matters both in Canada and internationally including at two Canadian Corporate Counsel Association events in 2011 on the topic of ethics and the corporate counsel and is a guest lecturer at several well-known Canadian universities. In 2012 he completed two certificates in Alternate Dispute Resolution with the University of Windsor and began work as an investigator with the ADR Chambers Canadian Banking Ombuds Office in Toronto. He is fluently bilingual in Canada's two official languages.

APPENDIX B

FOLLOW UP OF 2013 EVALUATION REPORT RECOMMENDATIONS

2013 Report	GIO Response	Status/Comments
1. **Company-Systemic Issues:** We suggest that GIO take whatever steps it considers appropriate to ensure that all staff members are aware of the GIO policy which requires that when there appear to be a disproportionate number of complaints with regard to a particular insurer, the nature of the complaints should be raised with the insurer so that it can take action to resolve whatever matters are giving rise to the issue for consumers.	GIO's policy on Systemic Issues is incorporated in its *Terms of Reference for Dispute Resolution.* These were reviewed in detail when GIO encountered its first systemic issue. This will be reviewed in staff discussion and reinforced in the *Policies & Procedures Manual* if needed.	**Implemented** GIO's management and Board are sensitive to this issue and have taken the necessary steps to identify potential systemic issues generally and by company.
2. **Consumer Awareness of GIO Services:** We suggest that the GIO Board continue to focus on various strategies for raising GIO's public profile so as to be able to be of assistance to a greater number of consumers. This could include measures such as (a) a brochure highlighting GIO's services, which could be distributed by insurers when they provide final position letters, (b) expansion of the GIO web site to provide additional consumer	The GIO Board addresses this topic at each meeting. The specific items mentioned above are addressed as follows: (a) Brochure This brochure is in place (*Working Towards Solutions*). Steps will be taken to reinforce that member companies are aware of GIO's services and that their customers are made aware of this when they receive Final Position Letters (b) Expansion of website Addition of case studies will be pursued for GIO's new website. CLOs will be involved in selection, with a	**Implemented** The GIO Brochure has been updated. **Implemented** The GIO website has been expanded and updated to provide additional information for consumers.

2013 Report	GIO Response	Status/Comments
information, (c) working to ensure that GIO shows up near the top of the list of insurance consumer assistance programs under the Google search engine and (d) establishment of an "outreach and communications working group" comprised of Board members who would specifically focus on approaches to dealing with the consumer awareness issue.	view to consistency of GIO response. Also, opportunities for after- hours consumer tips on our telephone line will be explored. (c) Google search optimization Steps to revive optimization have begun. The new website, enhanced by a weblog and with links to GIO's Facebook page, will increase activity and restore website search rank. (d) Outreach & Communications Outreach activities are identified and prioritized in GIO's Strategic Plan, with extensive board engagement. High level goals are supported by the involvement of a Public Relations firm. Because this is so important the entire GIO Board addresses this subject at every meeting.	**Implemented** The GIO website has been renewed twice in the past two years. A Google search now appears as either the second or third on the list of results usually only after the regulatory agency for each province or the FCAC. As part of the upgrade of the website there is now a link to Facebook as well as a blog. This link makes the website accessible to mobile devices and improves search capacity across all platforms. **Implemented** While significant steps have been taken to improve outreach and communications, from discussions with internal and external stakeholders. It is evident that this is a continuing challenge.
3. **Increased Transparency:** We suggest that the GIO Board approve the inclusion of the annual report from GIO to the Insurance Bureau of Canada, on the GIO web site.	The report provided to the IBC Board is an internal IBC document. IBC and GIO are independent of each other as organizations and this distinction is important to consumers.	**Not Implemented** The GIO takes the position that internal and sensitive documents that may have commercial implications should not be disclosed.

2013 Report	GIO Response	Status/Comments
		However, sufficient information is available to the public to assess the effectiveness of the GIO processes.
3. Closer Collaboration with Consumer Groups: Related to point (2) on outreach, we suggest that GIO make targeted efforts to coordinate more closely with relevant consumer groups such as the Consumers' Association of Canada.	We agree that this is desirable and favour looking for presentation or information sharing opportunities with consumer groups. Annual Consultation Meetings with consumer groups will be explored.	**Partially Implemented** The GIO has made efforts to connect with consumer groups (i.e., the Consumer Council of Canada). This recommendation requires further consideration.
5. **Ensuring Consistency of Responses:** In an organization such as GIO it is essential to ensure that consumers raising similar issues or describing similar circumstances, will receive consistent advice from CSOs, even though the CSOs may be in different parts of the country. We suggest the Board consider enhancing consistency of responses by requiring periodic CSO seminars, sometimes by telephone and occasionally face-to-face, for the purpose of discussing various approaches and to arrive at consensus as to ideal ways of responding to particular situations. At a higher level, we also suggest that GIO establish a more formalized communication process with OHLI to ensure that from an overall insurance perspective, and to the extent considered appropriate, the two organizations are providing a	GIO staff conduct regular discussions on this topic. Quarterly discussions will be organized to marshal cases that can enhance consistency. OLHI, GIO and OBSI meet yearly to discuss progress and compliance with the guidelines in the *Framework for Collaboration,* which sets out our oversight relationships with regulators. Also, GIO and OLHI share a common board member who remains sensitive to consistency where appropriate.	**Partially Implemented** While the evaluation noted that there is a high level of consistency within the GIO in terms of response to consumers, it is recommended that a formal training and development plan be established to enhance consistency. There continues to be adequate communication between the GIO and OLHI with respect to developing a collaborative and consistent approach given the differing nature of inquiries and complaints.

2013 Report	GIO Response	Status/Comments
harmonized service to the public.		
6. **Insurer Web Sites:** We suggest that the Board consider a more pro-active approach to insurers in terms of raising the standard on industry web sites with regard to information on complaint handling and GIO's role in the process.	An internal audit of insurer websites is done periodically. As new members are introduced we will monitor their websites for consistency.	**Implemented** Our review of company websites noted that in almost all cases it was easy for consumers to identify the complaint handling process and the role that the GIO plays in the process. In some cases, foreign companies with limited contact with consumers did not have information on the GIO.
7. **Independent Directors:** We suggest that the Board consider revising its process for the appointment of independent directors so as to better ensure that those directors will represent a broad range of interests and perspectives.	Criteria for selection of Independent Directors is set out in GIO's By-law, requiring diversity in experience, interests, background, demographics and geographic representation. Independence from both government and the insurance industry remains a fundamental requirement for GIO, and is embodied in its Independent Directors. The selection process will be examined in order to ensure that these criteria continue to be met.	**Implemented** Our evaluation indicates that the Board of Directors has implemented an effective search and selection process to ensure that the Board represents a broad range of skills, experiences and diverse perspectives.
8. **Transparency:** We suggest that in the future, the Board ensure that the GIO annual report and the GIO web site include the audited financial statements for the organization.	GIO's financial statements are presented as follows: a) an audited statement is completed each year; b) the audited statement is presented at the annual meeting; c) audited financial statements	**Implemented** The GIO's annual report and audited financial statements are now published on the website.

2013 Report	GIO Response	Status/Comments
	are sent each year to subscriber company CEOs. Beginning 2013 the complete Audit Report and Financial Statement is included in GIO's Annual Report.	
9. **Internal Controls:** We suggest the Board take steps to ensure that the Board and staff members are well aware of the internal rules designed to ensure that neither the whole Board nor individual directors will have any involvement with specific consumer complaints. A reminder to both stakeholders about the Chairman's limited role as set out in the Terms of Reference would be advisable as well.	Board non-involvement with individual complaints is mandated by GIO's By-law and *Terms of Reference for Dispute Resolution*. GIO directors abide by this restriction. This will also be emphasized in a staff discussion. The limited role of the Chair in process–related complaints including recently amended protocols will be also reviewed.	**Implemented** Our evaluation indicated that appropriate processes are in place and being followed to ensure that there are no breaches of the protocols.
Use of Resources: Having in mind that a significant percentage of cases that go to mediation do not result in resolution of the complaint, and that the Senior Adjudicative Officer has substantial expertise that could conceivably be made available to complainants, we suggest the Board determine whether it would be in the public interest to revise the criteria for referring files to the SAO so that he or she would deal with an increased percentage of the total number of cases. **.**	Of the five cases that escalated to mediation last year, those that failed were reviewed carefully by GIO staff. Additional scrutiny will be given to any failed mediation in future to determine if referral to the SAO would be helpful.	**Partially Implemented** In the 2013 evaluation 50% of cases referred to mediation were not resolved through that process. During this evaluation 80% of the cases referred to mediation were resolved which is a substantial improvement. Only one case was referred to the SAO. Nevertheless, we would recommend that the criteria to advance a complaint to mediation and the SAO be continuously reviewed to ensure that the GIO is making the best use of its resources in the public interest.

2013 Report	GIO Response	Status/Comments
11. **Independence of Senior Staff:** An insurance industry background has been a valuable asset for the Executive Director and for GIO as a whole during these years when the organization is still developing. However, at some future date when a replacement is being sought for the current incumbent, we believe the Board should give consideration to the recruitment of a person who has not been affiliated with the insurance business. This would help to strengthen the organization's perceived objectivity and independence.	Broad knowledge and practical senior experience in property and casualty insurance is essential for the fulfillment of the Manager of Complaints role and effective staff mentoring.	**Implemented** It is the responsibility of the Board of Directors to ensure that the GIO has the appropriate leadership for the organization. As such, when considering the selection criteria for the Executive Director role, the Board will no doubt balance the need for industry experience with other attributes including independence and judgement.
12. Transparency: Rather than only publishing SAO reports which have not been accepted by insurers (an event that has never happened), the Board should consider publishing all SAO reports (with suitable modification to protect the privacy of the parties). This would provide beneficial guidance to insurers and also useful information to potential complainants.	Publication of SAO report extracts will be considered. GIO's standard of confidentiality requires that SAO reports not only be redacted for any personal information, but also sanitized so that factual content cannot identify the parties.	**Implemented** The GIO did not have any cases referred to the SAO in the last two years. One case which was referred in 2014 and resolved in 2015 was published in the 2015 Annual Report.