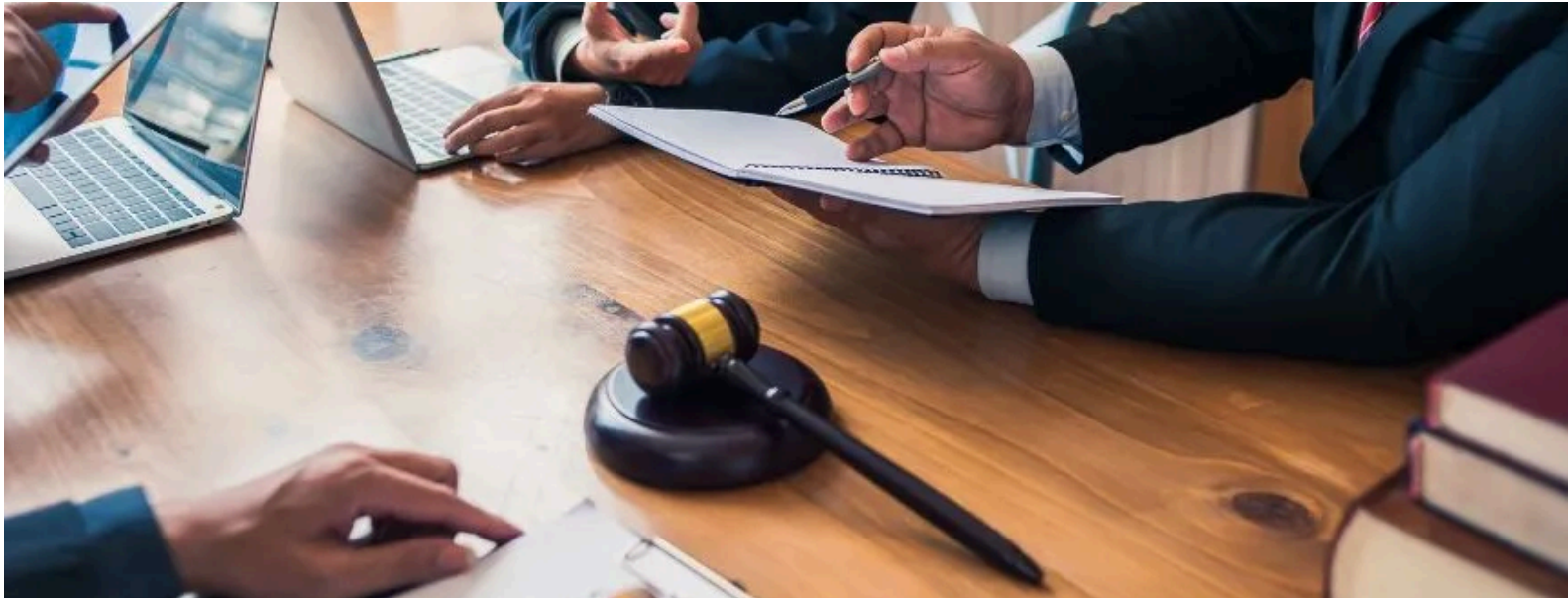


A NOT SO ARBITRARY DECISION

WHAT A RECENT ONTARIO COURT CASE TELLS US ABOUT
INSURANCE BOOK OF BUSINESS ARBITRATIONS



Insurance brokers may think they know what terms to look for when entering into contracts with brokerages, including their responsibilities, commission splits, and ownership over the book of business. However, brokers may have noticed that arbitration clauses are more frequently being added into their contracts. A recent decision from the Ontario Superior Court demonstrates why brokers should pay closer attention to the dispute resolution sections of their agreements.

Chiarantano v. RDA Inc., 2025 ONSC 4466

In 2001, Roberto Chiarantano joined RDA Insurance and entered into a Producer Agreement which stipulated the rights and obligations of the parties concerning Mr. Chiarantano's employment with RDA. Over 17 years Mr. Chiarantano grew his book of business and was eventually promoted to Vice President of Commercial Insurance. In August 2018 Mr. Chiarantano resigned from his employment at RDA Insurance and joined Ferrari & Associates Insurance.

When joining Ferrari & Associates Insurance, Mr. Chiarantano signed a Share Purchase Agreement where he attested to have ownership in the book of business he developed while at RDA Insurance and that he would bring his book of business to Ferrari & Associates Insurance. On August 8, 2018, Mr. Chiarantano sent a letter to his former clients advising them that he was leaving RDA Insurance to join Ferrari & Associates Insurance.

However, under the Producer Agreement RDA Insurance had the right to buyout Mr. Chiarantano's book of business upon termination of his employment, which the brokerage exercised on August 9, 2018. As a result, Mr. Chiarantano no longer owned his book of business. In addition to other disputes between the parties, by contacting clients of the book of business RDA Insurance accused Mr. Chiarantano of being in breach of the non-solicitation and restrictive covenant terms surviving under the Producer Agreement.

Mr. Chiarantano, RDA Insurance, and Ferrari & Associates Insurance agreed to handle their disputes through binding arbitration, rather than proceeding directly with litigation. The Arbitrator found that Mr. Chiarantano was in violation of the non-solicitation and restrictive covenant terms surviving under the Producer Agreement and was therefore liable for RDA Insurance's lost profits.

On September 26, 2024, Mr. Chiarantano's lawyer notified RDA Insurance that Mr. Chiarantano sought to appeal the Arbitrator's award. However, unlike a court's decision which is open to appeal, the Arbitrator's decision was final, binding, and non-appealable, thus leaving Mr. Chiarantano's only option to request that the court set aside the Arbitrator's award under [Section 46 of the Arbitration Act](#).



Courts do not easily set aside an arbitration award under the principles of [Section 46](#), as it is generally only intended to be used in situations dealing with legal incapacity, lack of jurisdiction, issues of fairness, corruption, fraud, or other matters which may cause undue prejudice to a party. In this case, Mr. Chiarantano was unable to meet the standards required for the Ontario Superior Court of Justice to apply [Section 46](#), as Justice Leiper found the Arbitrator's award to be "clear, detailed, comprehensive and final".

As a result, Mr. Chiarantano's application was dismissed, and the Arbitrator's original award was maintained.

For brokers and brokerages involved in disputes over the terms of a contract, arbitration can offer several potential advantages, including efficiency, confidentiality, and finality. However, that benefits of finality come with the cost of parties having to live with the outcome of the arbitration, as courts have shown that [Section 46](#) will only apply in situations of unfairness and injustice.

Therefore, when brokers are entering into employment or producer agreements with brokerages, they should review if their contracts contain an arbitration provision and consider the effects these sections may have in the event of a dispute between the parties.

RJS LAW has vast experience in the insurance industry, regularly assisting clients in the review of their producer agreement, aiding in the purchase and sale of books of business, setting up active and non-active brokerages, handling disputes between brokerages and their employees and contractors, and representing clients in front of RIBO's disciplinary committees. We would be happy to provide you with tailor-made solutions and advice to help you smoothly navigate any challenges you may face.



George Moshenski-Dubov
April, 2026