



# General Insurance Council of Saskatchewan

## All Classes other than Life Newsletter

### Fall 2009

#### CHANGE IN ICS MANAGEMENT

After almost seventeen years of sharing the management responsibilities for both the Insurance Councils of Saskatchewan (ICS) and the Insurance Brokers' Association of Saskatchewan (IBAS) current Executive Director, Ernie Gaschler will begin devoting his entire time and energy to the activities of IBAS.

The ICS wishes to express its appreciation for the leadership he provided to the Insurance Councils during this period and for his dedication to the regulatory process.

After an extensive executive search, the ICS is pleased to announce the **appointment of Mr. Ron Fullan as the new Executive Director of the Insurance Councils of Saskatchewan (ICS)** effective January 1, 2010.

Ron will work with the ICS to develop strategic and business plans to ensure their long-term success and to manage the licensing of insurance brokers, agents and adjusters in Saskatchewan on behalf of the three Councils.

Ron has over 25 years of progressive and senior experience in the financial services and insurance industries and has been actively involved with the Insurance Councils of Saskatchewan for a significant period of time so he has a good grasp of the work that lies before him.

The Councils would like to extend best wishes to Ernie as he moves forward with the brokers association and to welcome Ron as he begins his new role as the Executive Director of ICS.

#### MANDATORY ETHICS TRAINING

Effective January 1, 2010 resident licensees must complete a Council approved ethics course that is at least three hours in duration.

A list of approved ethic courses will be published on the Council website within the next few months.

The bylaw respecting the ethics training indicates all *existing resident licensees* must, within 3 years from January 1, 2010, complete an ethics course.

Individuals that *become licensed on or after January 1, 2010*, must within three years of becoming licensed, complete an ethics course.

All resident licensees will then be required to complete an ethics course within subsequent 5 year cycles.

Credit hours earned for an ethics course can be applied towards a licensee's continuing education requirements.

#### REINSTATEMENT OF LICENCE

This guideline will be used as the general practice of Council respecting the reinstatement of licenses.

Council reviews each file on a case by case basis to determine the reinstatement requirements for each file which may include application forms, continuing education, criminal record checks, etc.

1. Where a licensee has allowed their licence to lapse, they may, within 2 years of the date of their licence lapse, be granted a licence at the level they previously held.
2. Where a licensee has allowed their licence to lapse for more than 2 years, the Licensing Committee will review the request on a case by case basis to determine the terms under which the licence may be reinstated.
3. If a criminal record check has not been provided to Council within the past two years, a new criminal record check will be required.

#### NON-ACCREDITED COURSE PROVIDERS

Courses offered by non-accredited course providers must be submitted and approved by the ICS before continuing education hours can be granted to the licensee.

Effective September 1, 2009 the approval of courses submitted by a non-accredited course provider will be subject to a \$40 per course fee.



## LICENCE FEE CHANGE

As a result of the decision to restructure management and to acquire additional office space, the ICS will increase the licence fee by \$20 in 2010 instead of the \$10 originally contemplated.

## ANNUAL REPORTING FORMS

The annual reporting forms are now being sent by email to the email address licensees provided on previous annual reporting forms.

If the annual reporting forms are returned to Council because of email security reasons or invalid email addresses, the forms will be mailed.

If you wish to add Council staff as acceptable email recipients, please contact our office at [info@skcouncil.sk.ca](mailto:info@skcouncil.sk.ca) to obtain a listing of Council staff and their email addresses.

## COMMUNICATION BY EMAIL

The General Insurance Council of Saskatchewan has begun sending annual reporting forms, newsletters and other licence notices by email rather than Canada Post.

Licensees will be provided notice and directed to a link on the Council website. Those licensees who do not have email addresses will continue to receive service by mail or fax.

If you have not identified an email address or not provided council with your current email address, please do so by emailing your updated email address to [info@skcouncil.sk.ca](mailto:info@skcouncil.sk.ca).

## COUNCIL WEBSITE

The Council website provides a licence search function for industry and public use.

The site can be used to confirm the status of a licence or to determine if the licence has been renewed.

The bylaws, schedules, licence forms and other information are also available.

Visit [www.skcouncil.sk.ca](http://www.skcouncil.sk.ca).

## COUNCIL BULLETINS

Licensees may access all Council bulletins from the main page of the Council website.

Past issues of all bulletins are also available on the website.

## DISCIPLINARY SECTION

Please note this particular link provides information on [Council's Disciplinary Decisions](#) from June 2006 to present. For information regarding disciplinary decisions made prior to June 2006, please refer to the previously published Council Bulletins posted on the website under [Bulletins](#).

Any licensee who uses disciplinary decisions to discredit another licensee or any other person may be guilty of misconduct.

**Bradley Gerald Kinchen** (Kinchen) a hail agent sponsored by Wray Agencies Ltd. was found to have contravened three sections of The Hail Insurance Council Bylaws.

A Discipline Committee of the Hail Insurance Council on May 19, 2009 determined the following:

1. That contrary to Bylaw 8, Section 1, subsection (a), Kinchen failed to act in the best interests of DL and/or Wray Agencies Ltd. and/or Palliser Insurance Company Limited when:

On July 11, 2008 Kinchen took an application for hail insurance from DL and received payment from DL in the amount of \$580. Kinchen did not submit the application or payment for the insurance to Wray Agencies Ltd.

DL trusted Kinchen to place the hail insurance for which he had applied and paid for. Even when DL contacted Kinchen he still took no action to correct a problem that he had to know existed. This is a most fundamental breach of the duty owed to a consumer by an agent.

When a licensee violates the trust of a consumer all licensees are, to a degree, tarnished.

2. That contrary to Bylaw 8, Section 2, subsection (k), Kinchen failed to carry out the lawful instructions of DL when:

Kinchen was contacted by DL on or about August 1, 2008 and asked why he had not received his hail insurance policy Kinchen told him he would look after it but Kinchen never did.



The evidence shows Kinchen failed to place the application with Wray Agencies Ltd. and/or Palliser Insurance Company. When DL made him aware of what may have been an omission on Kinchen's part, Kinchen did nothing to correct the problem. Kinchen's inaction forced DL to seek outside assistance to confirm he had insurance coverage in place. Kinchen failed to carry out DL's lawful direction.

3. That contrary to Bylaw 8, Section 2, subsection (b), Kinchen demonstrated an unsuitability and untrustworthiness to act as a licensee when:

Kinchen failed to pay to Wray Agencies Ltd. the premium Kinchen received from DL in the amount of \$580. The premium was paid to Kinchen in trust and he was obligated to pay the premium over to Wray Agencies Ltd.

The intentions of Kinchen at the time he took the application and premium payment can not be known with any degree of certainty, however, what is known is that when he was contacted by DL he promised to take care of it but never did. This is a demonstrated unsuitability and untrustworthiness to act as a licensee.

The Discipline Committee ordered that for each contravention of Council Bylaws the following concurrent penalties were to be imposed upon Kinchen:

1. Kinchen's license be cancelled;
2. Kinchen pay hearing costs in the amount of \$950;
3. Kinchen pay investigation costs in the amount of \$2,420; and
4. Kinchen pay a fine of \$500.

**Gregory Kenning Schierbeck** sponsored by Sun life Assurance Company of Canada entered into a Consensual Agreement and Undertaking with the Life Insurance Council wherein he agreed that:

He contravened Section 416 of *The Saskatchewan Insurance Act* (The Act) and Council Bylaw 8, Section 2, (g), when:

1. He did, between October, 2006 and September, 2007, sell five (5) life insurance policies to four (4) Saskatchewan residents;
2. The five (5) life policies were issued by Sun Life Assurance Company of Canada (Sun life); and
3. At all relevant dates he did not hold an existing insurance licence under The Act that would permit

him to act as a life insurance agent in Saskatchewan. And further agreed:

To pay a fine in the amount of \$500 for each of the five (5) life insurance policies he sold in Saskatchewan while he was unlicensed; and

Reimburse Council's investigation costs in the amount of \$250.

**Marcy Dawn Vizina** who was not at the time sponsored by an agency, entered into a Consensual Agreement and Undertaking with the General Insurance Council wherein she agreed that she did:

Contrary to Bylaw 8, Section 1, (a) and (b) of the General Insurance Council of Saskatchewan (Council) Vizina did engage in conduct that was:

1. Contrary to the best interests of the consumer and licensees when:
  - a. She did, in an email dated August 6, 2009, recommend to several persons whom she considered to be friends that they cancel their insurance with her former employer; and
  - b. She did, in the same email, allege that a licensee knew nothing about insurance.

**Vizina** further agreed to:

1. Not to engage in any further communications that may injure the reputation of another licensee or cause a consumer to take action that may not be in their best interest; and
2. To reimburse Council's investigation costs in the amount of \$220 prior to the reinstatement of her insurance licence that is currently suspended.



## CONTACT SECTION

### Council Staff

Ernie Gaschler	Executive Director
Penny Barlow	Licensing/Compliance Assistant
Annette Graff	Manager of Licensing
Diane Lindsay	Licensing/Continuing Education Coordinator
April Stadnek	Compliance Officer
Cindy Swales	Licensing
John Waugh	Director of Compliance

### Contact Information

Licensing	306.347.0862	
Complaints	306.352.7870	John
	306.757.1988	April
Fax	306.569.3018	
Email	info@skcouncil.sk.ca	

General Insurance Council of Saskatchewan  
310, 2631 – 28<sup>th</sup> Avenue  
Regina SK S4S 6X3

[www.skcouncil.sk.ca](http://www.skcouncil.sk.ca)

### Council Members

The names of the Council members may be obtained from the web site at the following addresses:

[www.skcouncil.sk.ca/general\\_council.htm](http://www.skcouncil.sk.ca/general_council.htm)

## EXAM AND STUDY MATERIAL SECTION

Ingrid Stroeder, Examination Coordinator

Exam scheduling 306.525.5900

[www.ibas.sk.ca](http://www.ibas.sk.ca)