



Life Insurance Council of Saskatchewan

Fall 2009 Newsletter

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.

LIFE INSURANCE REPLACEMENT DOCUMENT (LIRD)

"Information About the New LIRD" is on Council's website and will answer most questions.

Some common questions that Council is asked are:

- Q. Is the LIRD accepted in other provinces?
- A. The LIRD has been agreed to by all provinces but some provinces still need to amend their legislation in order to be able to accept it.

We understand the LIRD has been approved for the Maritime provinces and Manitoba. BC may also accept it.

An Agent should call the regulator in the province in which the agent is doing the replacement to verify if the LIRD is an accepted replacement document in that province.

- Q. Point # 8 on the LIRD says "The agent needs to give you copies of the documents used to compare the two policies".

What documents do I have to give the consumer?

- A. The LIRD does not require specific document(s) be used in a replacement. What is required is that if a comparison document(s) is used a copy of the document(s) must be given to the consumer.
- Q. Do I have to provide a copy of the LIRD to the insurance Company that is being replaced?
- A. No, you do not.
- Q. Do I have to provide a copy of the LIRD to the insurance company providing the new insurance?
- A. No you do not, but the insurer may require a copy and if so it should be provided.
- Q. Do I have to get a consent form signed?
- A. No the consent form is no longer required as you are not disclosing any information to the existing insurance company.

Agents should review the document entitled "**Information About The New LIRD**" that is on Council's web site as it will answer most of these common questions.

ERRORS & OMISSIONS INSURANCE

Licensees are reminded that Errors & Omissions Insurance must be maintained and that proof of a valid policy of errors and omissions insurance must be provided to Council with the annual reporting form.

Failure by a licensee to immediately notify Council in the event of a cancellation or non-renewal of errors and omissions insurance is misconduct.



A lapse in Errors & Omissions coverage may be grounds for disciplinary action against the licensee.

CONTINUING EDUCATION REQUIREMENTS

Licensees are reminded they must obtain continuing education credit hours that meet the Life Council Bylaws definition of continuing education:

- (1) Continuing education for a Life and/or Accident and Sickness licensee must be directly related to life and accident sickness insurance products or services, or the management of a financial services business.
- (2) Courses, programs or meetings related to sales production, promotion, motivation or computer training *do not qualify for credit hours*.

Courses approved in other provinces and taken by resident licensees may not necessarily qualify in Saskatchewan if it doesn't meet Council's continuing education definition.

LICENCE FEE INCREASE

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 to obtain a listing of Council staff and their email addresses.

COMMUNICATION BY EMAIL

The Life 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.

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.

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.

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 licence 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 Information

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

Life Insurance Council of Saskatchewan
310, 2631 – 28th Avenue
Regina SK S4S 6X3

www.skcouncil.sk.ca

Life Council Members

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

www.skcouncil.sk.ca/life_council.htm

EXAM AND STUDY MATERIAL SECTION

Ingrid Stroeder, Examination Coordinator

Exam scheduling 306.525.5900

www.ibas.sk.ca

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