

# General Insurance Council of Saskatchewan

## All Classes other than Life Newsletter

### Spring 2009

#### NOTICE OF TRANSITION IN ICS MANAGEMENT

The Insurance Councils of Saskatchewan (ICS) and the Insurance Brokers' Association of Saskatchewan (IBAS) have enjoyed an excellent business and working relationship since the Councils were established in 1985.

ICS and IBAS share a common boardroom, certain office systems, equipment and space, a receptionist, and an Executive Director. The business arrangement has provided financial and organizational benefits to both.

ICS and IBAS are experiencing an increased level of activity and have agreed to develop a separate management structure.

Executive Director Ernie Gaschler who successfully served in a joint management capacity since 1992 will continue to work with IBAS.

The ICS has initiated the search for a new chief officer and is pleased that Ernie will continue to assist the Councils during the search and transition process.

#### LICENCE FEE CHANGE

Licensees were previously advised of a \$10 increase in licence fees for 2009 and 2010.

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

#### ETHICS – SOMETHING TO THINK ABOUT?

What do you think it means to be ethical?

There are likely as many variations to the definition of ethics as there are people who are asked to define it?

Are you building trust relationships with your clients?

Are the actions you take based on fundamental values?

Ethics is the foundation your business is built on, but is every action you take and every decision you make done ethically?

As a licensee you may be faced with an absolutely distraught client that needs you to help them out. They've just been in an accident and have caused damage to their vehicle, their package policy expired three weeks ago and they just haven't had a chance to come in and renew it. They ask you to issue a new policy and could you please just date it yesterday, its okay, they would have been in to renew it anyway, they always do. The Insurance Company will never know, the client certainly won't tell them. The client has never made a claim, they are a good client and you have done a great deal of business with them. You all know the answer to this question is "No", but what if it is your parent, a sibling, your best friend?

Many licensees during their career will be faced with decisions that challenge their ethics. When emotions override good judgment, well intentioned actions may end in sanctions.

What is truly right or wrong may not always be clear and the line between right and wrong may become blurred. What is certain though is that when professionals face an ethical dilemma they must know the right thing to do and do the right thing. Our feelings must not get in the way of doing what is right.

Insurance professionals are expected to act ethically and with integrity, it is part of their fiduciary duty to their clients. An Insurance professional must always place the interest of their clients, their profession and the public before their own.

An ethical breach may not be illegal but it may be unlawful and may be dealt with severely.

Ethics training will become part of the Continuing Education Requirements set out in Schedule B Part 1 of the General Insurance Council Bylaws beginning in January 2010. Ethics training is intended to reinforce the ethical competence of insurance professionals, promote an understanding of the complexities of ethical decision making and assist industry professionals in identifying, preventing and/or resolving ethical dilemmas.

## SIGNATURE STAMP

A recent complaint to Council involved an unlicensed person at an insurance agency who altered a premium refund document and used the signature stamp of the agency owner on the altered document. The staff person was authorized to use the signature stamp and admitted to altering the document, but was not instructed by the owner to do so.

The staff person thought it was the easiest way to handle a refund as there was money owing to the agency so they reduced the premium refund by the amount owed to the agency.

Licensees are warned that if they give their signature stamp to another licensee or an unlicensed staff person to use they will be considered to have personally approved and signed the document.

## 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 license 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 (Life, Adjuster, Travel, Hail, Warranty) from the main page of the Council website.

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

## DISCIPLINARY SECTION - ALL LICENCE CLASSES

**May 1, 2008 – May 15, 2009**

Any licensee who uses information in this bulletin to discredit another licensee or any other person will be guilty of misconduct.

### **Richard Scott Da Silva**

Richard Scott Da Silva of Toronto ON representing ACE INA Life Insurance on July 16, 2008 entered into a Consensual Agreement and Undertaking (The Agreement) with the Complaints and Investigation Committee of the Life Insurance Council of Saskatchewan.

Da Silva, in the Agreement, acknowledged that he failed to maintain a valid policy of errors and omissions insurance and failed to immediately notify Council of the cancellation and/or non-renewal of his errors and omissions insurance policy.

Da Silva agreed to accept a 30 day suspension of his licence for the period August 1, 2008 to August 30, 2008.

### **Harry Douglas Homenick and H. Douglas Homenick Insurance Agency Ltd.**

H. Douglas Homenick Insurance Agency Ltd. and Harry Douglas Homenick of Winnipeg MB representing The Manufacturers Life Insurance Company on November 4, 2008 entered into a Consensual Agreement and Undertaking (The Agreement) with the Complaints and Investigation Committee of the Life Insurance Council of Saskatchewan.

H. Douglas Homenick Insurance Agency Ltd. and Harry Douglas Homenick, in the Agreement, acknowledged they failed to notify Council within 30 days of regulatory proceedings that were initiated against them by the Manitoba Insurance Council, and they failed to disclose on their annual licence report(s) to Council the regulatory proceedings or penalty imposed upon them by the Manitoba Insurance Council.

H. Douglas Homenick Insurance Agency Ltd. and Harry Douglas Homenick agreed to pay Council's investigation costs in the amount of \$300 and to pay a fine of \$250 for each failure to disclose the regulatory proceedings against them. The total fine to be paid was \$500.

### **Glen Raymond Fisher**

Glen Raymond Fisher (Fisher) of Regina SK representing The Standard Life Insurance Company and the Cooperators Life Insurance Company was found to have contravened;

1. Life Insurance Council Bylaw 8 s. (1), (a) when; Fisher provided two emails to his client's lawyer, both of which contained erroneous information. He

represented the clients assets included four life insurance policies on his client's life with total death benefit of \$1,025,000 and that cash values in the policies was minimal and was being used to pay premiums. Fisher was aware this was erroneous as at that time three of the four policies had lapsed and only \$25,000 worth of insurance was in place.

A second communication to the lawyer was a beneficiary list sent that indicated there were four policies on the client's life when at the time three of them had lapsed. Also one policy was inaccurately portrayed as worth \$50,000, when in fact it was worth \$25,000. Fisher was aware this was erroneous.

The Discipline Committee determined Fisher's conduct of providing inaccurate information to a lawyer, who he knew was preparing a will for his client, was disgraceful and dishonourable and clearly harmed the standing of licensees in the insurance industry.

The Committee ordered that pursuant to Life Insurance Council Bylaw 10 s. 2:

- (a) Glen Raymond Fisher's licences be suspended for three (3) months (pursuant to Bylaw 10 s. 2(1)(b));
- (b) Glen Raymond Fisher pay to the Life Insurance Council prior to reinstatement a fine in the amount of \$2,500.00 (pursuant to Bylaw 10 s. 2(1)(c));
- (c) Glen Raymond Fisher pay to the Life Insurance Council prior to reinstatement costs in the amount of \$2,920.00 representing the costs of the investigation and Disciplinary Hearing (pursuant to Bylaw 10 s. 2(1)(d));
- (d) Glen Raymond Fisher successfully complete at his own expense and prior to reinstatement an "Ethics" course approved by the Life Insurance Council (pursuant to Bylaw 10 s. 2(1)(g)(iii)); and
- (e) Glen Raymond Fisher's licences will be suspended for three (3) months and will remain suspended until full compliance with paragraphs (b), (c) and (d) above.

2. Life Insurance Council Bylaw 8 s. (2), (c) when; Fisher provided false and misleading information on two occasions in the course of servicing his insurance business with his client. The information was the communications to the client's lawyer. Fisher's client had requested that he provide details of her insurance policies to her lawyer.

The Disciplinary Hearing Committee determined that Fisher provided false and/or misleading communications in the course of servicing Insured's insurance business.

The Committee orders that pursuant to Life Insurance Council Bylaw 10, s. 2:

- (a) Glen Raymond Fisher's licences be suspended for three (3) months (pursuant to Bylaw 10 s. 2(1)(b));
- (b) Glen Raymond Fisher pay to the Life Insurance Council prior to reinstatement a fine in the amount of \$2,500.00 (pursuant to Bylaw 10 s. 2(1)(c));
- (c) Glen Raymond Fisher pay to the Life Insurance Council prior to reinstatement costs in the amount of \$2,920.00 representing the costs of the investigation and Disciplinary Hearing (pursuant to Bylaw 10 s. 2(1)(d));
- (d) Glen Raymond Fisher successfully complete at his own expense and prior to reinstatement an "Ethics" course approved by the Life Insurance Council (pursuant to Bylaw 10 s. 2(1)(g)(iii)); and
- (e) Glen Raymond Fisher's licences will be suspended for three (3) months and will remain suspended until full compliance with paragraphs (b), (c) and (d) above.

The suspensions imposed in charge 1 and 2 are to run concurrently and successful completion of one Ethics course is sufficient to satisfy both decisions.

The fines totaled \$5,000 and costs totaled \$5,840.

Fisher's licence(s) were suspended April 24, 2009.

#### **Craig Stephen McCrystal**

Craig Stephen McCrystal of Regina SK representing The Equitable Life Insurance Company of Canada on April 21, 2008 entered into a Consensual Agreement and Undertaking (The Agreement) with the Complaints and Investigation Committee of the Life Insurance Council of Saskatchewan.

McCrystal, in the Agreement, acknowledged that he failed to maintain a valid policy of errors and omissions insurance and failed to immediately notify Council of the cancellation and/or non-renewal of his errors and omissions insurance policy.

McCrystal agreed to accept a 30 day suspension of his licence for the period April 21, 2008 to May 21, 2008.

#### **Cheryl Ann McLean**

Cheryl Ann McLean of Regina SK representing American Income Life Insurance Company on April 29, 2008 entered into a Consensual Agreement and Undertaking (The Agreement) with the Complaints and Investigation Committee of the Life Insurance Council of Saskatchewan.

McLean, in the Agreement, acknowledged that she failed to maintain a valid policy of errors and omissions insurance and failed to immediately notify Council of the cancellation and/or non-renewal of her errors and omissions insurance policy.

McLean agreed to accept a 30 day suspension of her licence for the period April 30, 2008 to May 30, 2008.

**Kevin Richard Scott Peyson**

Kevin Richard Scott Peyson of Regina SK representing RBC Life Insurance Company on November 19, 2008 entered into a Consensual Agreement and Undertaking (The Agreement) with the Complaints and Investigation Committee of the Life Insurance Council of Saskatchewan.

Peyson, in the Agreement, acknowledged that he failed to maintain a valid policy of errors and omissions insurance and failed to immediately notify Council of the cancellation and/or non-renewal of his errors and omissions insurance policy.

Peyson agreed to accept a fine in lieu of a licence suspension. The fine he paid was in the amount of \$1,200 and was based on \$200 for each week that he had failed to maintain his errors and omissions insurance.

**Trina Fay Barber and Carnduff Agencies Inc.**

Trina Fay Barber (Barber) of Carnduff SK representing Carnduff Agencies Inc. on March 11, 2009 entered into a Consensual Agreement and Undertaking (The Agreement) with the Complaints and Investigation Committee of the General Insurance Council of Saskatchewan.

Barber and Carnduff Agencies Inc., in the Agreement acknowledged, that between July 1, 2007 and July 2, 2008 Barber was permitted to act as a salesperson representing Carnduff Agencies Inc. During this period Barber did not hold an All Classes other than Life insurance salesperson's licence.

Barber and Carnduff Agencies Inc. agreed to pay Council's investigation costs in the amount of \$400 and to each pay a fine of \$500 for the contravention of *The Saskatchewan Insurance Act* and the General Insurance Council Bylaws. The total fines and costs paid were \$1,400.

**Lance James Emil LaCroix**

Lance James Emil LaCroix of Wakaw SK representing The Canada Life Assurance Company of Canada on January 30, 2009 entered into a Consensual Agreement and Undertaking (The Agreement) with the Complaints and Investigation Committee of the Life Insurance Council of Saskatchewan.

LaCroix in the Agreement acknowledged that he on two separate occasions failed to maintain a valid policy of errors and omissions insurance and failed to

immediately notify Council of the cancellation and/or non-renewal of his errors and omissions insurance policy.

LaCroix agreed to accept a 90 day suspension of his licence for the period January 30, 2009 to April 30, 2009 and pay Council's investigation costs in the amount of \$400.

**Ronald Joseph Blouin**

Ronald Joseph Blouin (Blouin) of Fort Qu'Appelle SK representing The Manufacturers Life Insurance Company on March 23, 2009 entered into a Consensual Agreement and Undertaking (The Agreement) with the Complaint and Investigation Committee of the Life Insurance Council of Saskatchewan.

Blouin, in the Agreement, acknowledged that he failed to maintain a valid policy of errors and omissions insurance and failed to immediately notify Council of the cancellation and/or non-renewal of his errors and omissions insurance policy.

Blouin agreed to accept a 30 day suspension of his licence for the period March 23, 2009 to April 22, 2009 and pay Council's investigation costs in the amount of \$200.

**Kenneth Lorne Percival**

Kenneth Lorne Percival (Percival) of Deloraine MB representing Co-operative Hail Insurance Company, on March 4, 2009 entered into a Consensual Agreement and Undertaking (The Agreement) with the Complaints and Investigation Committee of the Hail Insurance Council of Saskatchewan.

Percival, in the Agreement, acknowledged that he allowed his Saskatchewan Hail Adjuster licence to lapse on July 2, 2008 and while it was lapsed, adjusted 17 hail insurance claims.

Percival agreed to pay a fine in the amount of \$162 and pay Council's investigation costs in the amount of \$220.

## CONTACT SECTION

### Council Staff

Ernie Gaschler	Executive Director
Penny Barlow	Licensing/Compliance Assistant
Annette Graff	Manger 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
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Email	info@skcouncil.sk.ca	

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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)