

Hail Insurance Council of Saskatchewan

Newsletter

Fall 2008

BYLAWS AND SCHEDULES

Effective January 1, 2007, new [Hail Council Bylaws and Schedules](#) were implemented.

A current version of the bylaws and schedules can be obtained from the Council office or by visiting the Council website.

Misconduct

The misconduct section of the bylaw has been completely rewritten and licensees are urged to familiarize themselves with Bylaw 8 to ensure compliance.

Requirement for designated person

Effective January 1, 2007, Hail Insurance Agencies and Hail Adjusting Firms were required to designate one licensee who is employed predominately by the agency or adjusting firm to be responsible for the overall management and supervision of the agency or adjusting firm and its office locations.

Management includes direction and/or control of the operations of an insurance agency or adjusting firm or an office location of an agency or adjusting firm.

Supervision means reasonable and prudent oversight of insurance transactions.

The designated person means the person identified to Council by the insurance agency or adjusting firm in an application or report to Council.

Failure to designate a person to be responsible for the overall management and supervision of the agency/adjusting firm or its office locations may result in the suspension of the agency's/adjusting firm's licence.

Errors and Omissions Insurance

Licensees must ensure the Errors & Omissions Insurance is renewed on an annual basis.

1. A Hail agency or an agent sponsored by an insurer must maintain and provide proof of a valid policy of errors and omissions insurance on an annual basis that meets the following requirements:
 - a) A minimum of \$250,000 coverage and a minimum aggregate limit of \$500,000; and

- b) Be broad enough to cover all insurance products which the licensee is licensed to sell as defined by The Saskatchewan Insurance Act.

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

HAIL INSURANCE STUDY MATERIAL

The Hail Insurance Council of Saskatchewan is expanding the Hail Bylaw Exam to include information about The Saskatchewan Insurance Act and Statutory Conditions.

A course of study has been developed that gives a basic overview of hail insurance regulations.

All new applicants will be required to use this study material to prepare themselves to write the Hail Insurance Qualifying Exam.

Existing Hail Insurance licensees will not be subject to the mandatory course of study.

However, licensees who allow their licence to lapse for a period of one year or more may be required to re-qualify by passing the Hail Insurance Qualifying Exam.

The hail study material will be available on the Council website early 2009.

SETTLEMENT OF LOSS UNDER A HAIL INSURANCE POLICY

The process of settling a loss under a hail insurance policy is based on the Statutory Conditions set out in Section 286(1) of *The Saskatchewan Insurance Act*. The Statutory Conditions are terms included in the insurance contract and are printed on the back of the insurance policy.

The adjustment process, appraisal process and umpire process is described in this document and can be obtained from the Council website at www.skCouncil.sk.ca/hail_brochure.htm.

This document may be distributed to insured's for their reference.

LICENCE FEE INCREASE

As a result of increased operating costs including a major redevelopment of our licensing system, Council will increase all licence fees in 2009 and 2010.

The following licence fee increase is scheduled for implementation effective January 1, 2009.

Hail Adjusting Firm and Hail Agency	\$10 increase in 2009; and a further \$10 increase in 2010
Hail Adjuster Rep, Hail Adjuster, Hail Agent/ Salesperson	\$5 increase in year 2009; and a further \$5 increase in 2010

The Hail Insurance Council of Saskatchewan has maintained the same licence fees for the past thirteen years.

CROP HAIL ADJUSTER MANUAL

Hail Adjuster's and Hail Adjuster Representatives must adjust crop hail insurance claims using established crop adjusting procedures. Adjuster must use the current version of the crop hail adjuster manual as approved by Council.

Please contact a hail insurer or hail managing general agent to obtain the current version of the manual for 2009.

COMMUNICATION BY EMAIL

The Hail Insurance Council of Saskatchewan will begin sending 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.

COUNCIL WEBSITE

The Council website provides a licensee search function available to the industry and the public.

A licensee can confirm their licence status or determine if their licence has been renewed.

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

Visit www.skcouncil.sk.ca.

OTHER BULLETINS

Licensees may access the Life, Adjuster, Travel and All Classes Bulletins from the main page of the Council website.

Past bulletins may also be obtained from the website.

AUDITED FINANCIAL STATEMENT

The December 31, 2007 Audited Financial Statement is available on the Council web site.

DISCIPLINARY SECTION - ALL LICENCE CLASSES

June 1, 2006 – August 1, 2008

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

Gerhard Bosman representing The Canada Life Insurance Company on August 13, 2007 entered into a consensual agreement in which he agreed to the cancellation of his Life and Accident & Sickness Licence.

In the consensual agreement he acknowledged that he had accepted a premium payment in the amount of \$7,000 from a client which he did not give to the insurance company. He used it for his own expenses. He then misled the client about the investment the client believed they had by providing false investment updates.

Mr. Bosman was as well charged with theft as result of Canada Life's investigation and on April 9, 2008 was convicted under Sections 332 (1) and 334 (a) of the criminal code. He was sentenced to 9 months imprisonment in the community.

Darwin Alexander Brown and Heartland Agencies Ltd. of Yorkton SK representing the Co-operators General Insurance Company, pleaded guilty to failing to act with integrity in their dealings with two clients when they accepted premium payments in the amount of \$14,645 from the clients over a two year period. The insurance for which the premiums were paid was never placed with an insurance company. The All Classes insurance licenses of Darwin Alexander Brown and Heartland Agencies Ltd. that were suspended at the time of the guilty plea, were cancelled for a minimum period of ten years.

Darwin Alexander Brown of Yorkton SK representing the Co-operators Life Insurance Company, was refused an application for a Life and Accident & Sickness licence. The refusal of licence by the Licensing Committee of the Life Insurance Council of Saskatchewan was a result of his demonstrated unsuitability to hold a licence as evidenced by his guilty plea before the General Insurance Council of Saskatchewan.

Donald Benjamin Beveridge, Carolyn Ann Beveridge and Ascent Financial Services Ltd. representing The Equitable Life Insurance Company of Canada were on September 13, 2007 found to have offered inducements to a client that caused a client to make decisions that were not in the client's best interests. They were as well found to have placed their interests before that of the client and in doing so potentially harmed the standing of licensees. The conduct involved one client who invested in a business owned by the licensees. A joint recommendation on penalty made by the Complaints and Investigation Committee, the client and the licensees was accepted by the Discipline Committee and was made an order of The Discipline Committee and the following conditions were applied to:

"The licence of Donald Beveridge is hereby subject to conditions imposed by the Discipline Committee of the Life Insurance Council pursuant to a penalty order dated October 22, 2007. In the event the licensee breaches a condition imposed by the penalty order, this licence will be immediately suspended and remain suspended until all conditions are met.

The licence of Carolyn Beveridge is hereby subject to conditions imposed by the Discipline Committee of the Life Insurance Council pursuant to a penalty order dated October 22, 2007. In the event the licensee breaches a condition imposed by the penalty order, this licence will be immediately suspended and remain suspended until all conditions are met.

The licence of Ascent Financial Services Ltd. is hereby subject to conditions imposed by the Discipline Committee of the Life Insurance Council pursuant to a penalty order dated October 22, 2007. In the event the licensee breaches a condition imposed by the penalty order, this licence will be immediately suspended and remain suspended until all conditions are met.

In making the order the committee wants to make it clear to all licensees that borrowing money from a client is never an acceptable practice. Further, it should never be assumed that the repaying of the monies, once discovered, will resolve the matter for the licensee.

In the matter before the committee there were exceptional circumstances that caused the committee to accept the penalty agreement that did not carry a suspension or cancellation of licence for the licensees involved. The main factor the committee carefully considered in arriving at its decision was the irreparable damage to the consumer from non reimbursement that would ensue if the agreement was rejected in favour of a licence suspension or licence cancellation."

Ted Dolinski of Regina SK representing Knight-Archer Insurance Ltd., entered into a Consensual Agreement and Undertaking with the General Insurance Council, whereby he accepted a letter of warning for his failure to report within thirty days the commencement of a civil action against him. The nature of the allegations set out in the civil law suit were such that he was obligated to notify Council of the commencement of the civil action.

Douglas K. Clarke Insurance Broker Limited of Markham ON representing Aviva Insurance Company of Canada and **Douglas Damon Clarke** received a letter of warning for their failure to notify Council within thirty days of the commencement of the Registered Insurance Brokers of Ontario proceedings against them.

Special Risk Insurance Brokers Ltd. of White Rock, BC representing Lloyds Underwriters, entered into a Consensual Agreement and Undertaking with the General Insurance Council, whereby the following conditions were placed on their licence:

1. For a minimum period of five years from June 24, 2006, they must appoint an arm's length designated licensee approved by the General Insurance Council.
2. For a minimum period of five years from June 24, 2006, neither Special Risk Insurance Brokers Ltd. nor any of its employees may take an application for or place any insurance with an insurer that is not authorized to engage in the insurance business in Canada.
3. They must notify Council immediately if the approved designate Level 3 licensee ceases to represent them and they must immediately submit for Council's approval an acceptable arm's length replacement designate licensee.

Failure to maintain Errors & Omissions Insurance

Licensees, as a condition of licence are required to maintain Errors & Omissions Insurance and where a licensee has not renewed their errors and omissions insurance, they must immediately notify Council of that fact.

1. **Jake Dyck** of Saskatoon SK representing the Industrial-Alliance Pacific Life Insurance Company received a thirty day suspension and in addition was required to attend a loss prevention course or seminar related to Errors & Omissions Insurance.
2. **Craig Stephen McCrystal** of Regina SK representing The Equitable Life Insurance Company of Canada received a 30 day suspension.
3. **Cheryl Ann McLean** of Regina SK representing the American Income life Insurance Company received a 30 day suspension.
4. **Stanley Harvey Neuman** of St. Albert AB representing The Equitable Life Insurance Company of Canada received a thirty day suspension.

CONTACT SECTION

Council Staff

Ernie Gaschler, Executive Director

Penny Barlow, Licensing

Annette Graff, Manager of Licensing

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Cindy Swales, Licensing

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Contact Information

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

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

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/hail_council.htm

EXAM AND STUDY MATERIAL SECTION

Ingrid Stroeder, Examination Coordinator

Exam scheduling 306.525.5900

www.ibas.sk.ca

