

BYLAWS AND SCHEDULES

Effective January 1, 2007, new **General 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.

Entry Requirements

Requirements for a Level 1 Adjuster/Adjuster Representative Licence

1. A person applying for a Level 1 licence must successfully complete the following:
 - a) If a resident of Saskatchewan, the General Insurance Council Bylaws examination; and
 - b) the C11 course and examination offered by the Insurance Institute of Canada; or
 - c) the General Insurance Essentials (GIE) course and examination offered by the Insurance Institute of Canada; or
 - d) the General Insurance Council Adjuster Qualifying examination; or
 - e) experience as an all classes other than life insurance agent/salesperson for no less than two years within the past five years; or
 - f) experience as a general claims adjuster in an insurance company, general agent or adjusting company for no less than one year within the past three years.
2. A Level 1 licensee shall not:
 - a) sign any reports or correspondence unless signed by a Level 2 or Level 3 Licensee; or
 - b) manage an adjusting firm; or
 - c) act as a supervisor; or
 - d) act as a public adjuster.

Requirements for a Level 2 Adjuster/Adjuster Representative Licence

1. A person applying for a Level 2 licence must meet the licensing qualifications for a Level 1 licence and successfully complete one of the following:
 - a) experience as a Level 1 licensee for a minimum of two years and C32, C110, C111 and C112 courses and examinations offered by the Insurance Institute of Canada; or
 - b) experience as a general claims adjuster in an insurance company, general agent or adjusting company for no less than five years within the past seven years.
2. A Level 2 licensee shall not:
 - a) manage an adjusting firm; or
 - b) act as a public adjuster.

Requirements for a Level 3 Adjuster/Adjuster Representative Licence

1. A person applying for a Level 3 licence must meet the licensing qualifications for a Level 2 licence and successfully complete:
 - a) the course of study leading to a Chartered Insurance Professional (CIP) or an Associate (AIC) designation through the Insurance Institute of Canada including Claims Professional Series courses and examinations for the C110, C111 and C112.
2. A Level 3 licensee shall not:
 - a) manage an adjusting firm unless he or she has at least two years experience as a licensed adjuster/adjuster representative within the past five years; or
 - b) manage or supervise more than three office locations.

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, adjusting firms are required to designate one licensee who is employed predominately by the adjusting firm to be responsible for the overall management and supervision of the adjusting firm and its office locations.

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

Supervision means reasonable and prudent oversight of insurance transactions.

The designated person means the person identified to Council by the 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 adjusting firm or its office locations may result in the suspension of the adjusting firm's licence.

Errors and Omissions Insurance

Effective July 2008 all Errors & Omissions Insurance policies must be underwritten by an insurance company licensed to do business in Canada. The bylaw has been amended as follows:

1. An adjusting firm or an adjuster shall maintain and provide annually proof of a valid policy of errors and omissions insurance that meets the following requirements:
 - a) a minimum of \$500,000 coverage and a minimum aggregate limit of \$1,000,000;
 - b) be broad enough to cover all insurance services which the licensee is licensed to offer as defined by The Saskatchewan Insurance Act; and
 - c) be underwritten by an insurance company licensed to do business in Canada.
2. Failure by a licensee to immediately notify Council in the event of cancellation or non-renewal of errors and omissions insurance is misconduct.

FINES AND COSTS

The General Insurance Council Bylaws were amended effective May 27, 2008. This will allow Council to assess fines and costs related to investigations.

1. A fine not exceeding \$5,000 for each finding and \$15,000 in the aggregate for all findings; and
2. The costs of the investigation and hearing into the licensee's conduct and related costs, including the expenses of the complaints and investigation committee and the discipline committee and the costs of legal services and witnesses; and
3. If a licensee fails to make payment in accordance with items (1) and (2) above, the licensee's licence will be suspended.

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.

Adjusting Firm	\$10 increase in 2009; and a further \$10 increase in 2010
Adjuster Representative	\$10 increase in year 2009; and a further \$10 increase in 2010

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

COMMUNICATION BY EMAIL

The General 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, Hail, Travel and All Classes Bulletins from the home 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 – November 3, 2008

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

Aon Reed Stenhouse Inc. (Aon) and **Murray G. Sali** (M. Sali), on October 14, 2008, entered into an Agreement and Undertaking (The Agreement) with the Complaints and Investigation Committee (The Committee) of the General Insurance Council of Saskatchewan (Council) whereby, Aon and M. Sali, the designated level 3 licensee, in Saskatchewan agreed that:

1. They would pay the costs Council incurred in respect of this matter in the amount of \$6,562.00;
2. M. Sali for a period of one year commencing October 15, 2008 through to and including October 15, 2009 be prohibited from acting as a designated level 3 licensee or a designated person for any of Aon's offices in Saskatchewan; and
3. M. Sali on or before March 31, 2009, attend and successfully complete an ethics course approved by Council and if he fails to do so his insurance salesperson licence will be suspended until he does successfully complete an ethics course approved by Council.
4. No further disciplinary or other action would be taken against Aon or M. Sali.

This resolution arose from an acknowledgement by Aon and M. Sali that:

1. An unlicensed employee of Aon had been allowed to engage in activities on behalf of Aon that required an all classes of insurance salesperson licence;

2. M. Sali was Aon's designated level 3 licensee and had overall management and supervision responsibilities for Aon's Saskatchewan offices;
3. M. Sali failed to exercise reasonable and prudent oversight of the employees activities after having received notice of the Council's unresolved concerns respecting the employees suitability to hold a licence; and
4. The unlicensed solicitation and/or negotiation of insurance was a contravention of Section 418 of *The Saskatchewan Insurance Act*, and Council's Bylaw 8 Section 2 (g).

Gerhard Bosman of Calgary AB 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. of Maple Creek SK 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.

Robert Bruce McFadyen (McFadyen) of Waseca SK representing McFadyen & Sons Agencies Ltd., on August 29, 2008, entered into an Agreement and Undertaking (The Agreement) with the Complaints and Investigation Committee of the General Insurance Council of Saskatchewan (Council) whereby, McFadyen agreed that:

1. His All Classes of insurance licence would be cancelled for a period of 2 years; and
2. He would, if he sought to be licensed after the 2 year cancellation period, need to;
 - a) Qualify for a level 1 licence by successfully completing one of the licensing requirements set out in the Council Bylaws;
 - b) Attend and successfully complete an ethics course approved by Council; and
 - c) Pay the costs of the investigation in the amount of \$400.

McFadyen in The Agreement acknowledged that he:

1. Altered inspection dates on two Breeding Soundness Evaluation forms (the forms) that were prepared by the insured's veterinarian;
2. The forms needed to be dated less than 30 days prior to the application for insurance. In one case the form was prepared on February 27, 2008 and was re dated to April 27, 2008. In the second case the form was prepared on March 31, 2008 and was re dated to June 20, 2008;
3. By submitting the fraudulently altered forms had there been a claim the insurance company could have denied the coverage; and
4. That he had acted alone and that neither McFadyen & Sons Agencies Ltd. or any other person employed by the agency assisted him or was aware of his altering the forms.

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. **Richard Scott Da Silva** of Toronto ON representing ACE Ina Life Insurance received a 30 day suspension.
2. **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.
3. **Bryan Edward Eppy** of Balgonie SK representing The Great-West Life Assurance Company received a 30 day suspension.
4. **Craig Stephen McCrystal** of Regina SK representing The Equitable Life Insurance Company of Canada received a 30 day suspension.
5. **Cheryl Ann McLean** of Regina SK representing the American Income life Insurance Company received a 30 day suspension.
6. **Stanley Harvey Neuman** of St. Albert AB representing The Equitable Life Insurance Company of Canada received a thirty day suspension.
7. **Robert Wayne Pyne** of Regina SK representing AIG Life Insurance Company of Canada received a 2 month suspension and was required to pay Council costs of the investigation in the amount of \$400.

CONTACT SECTION

Council Staff

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Contact Information

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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/general_council.htm

EXAM AND STUDY MATERIAL SECTION

Ingrid Stroeder, Examination Coordinator

Exam scheduling 306.525.5900

www.ibas.sk.ca