

# BULLETIN



INSURANCE COUNCIL  
of British Columbia

300 – 1040 W. GEORGIA STREET, PO BOX 7, VANCOUVER, BC V6E 4H1

MARCH 2005

## CONTINUING EDUCATION SURVEY

Council is planning to conduct a review of the continuing education programs for insurance salespersons, agents and adjusters. In preparation for this review, we are seeking feedback from licensees on their respective continuing education programs. This feedback will be used by Council in developing recommendations for improvements to the programs. As soon as the recommendations are developed, Council will commence a formal discussion process with industry representatives on possible improvements to the continuing education programs. Council has drafted a questionnaire licensees are asked to complete and submit to Council. Completion of the questionnaire will earn a licensee continuing education credits. The questionnaire is available on our website under *Continuing Education*, and then clicking on the link CONTINUING EDUCATION SURVEY.

## REMINDER REGARDING COUNCIL RULES

In January 2005, Council published an *Overview of Legislative Changes* document to assist licensees in understanding key changes resulting from the revisions made to the Act and the introduction of the Rules. The *Overview of Legislative Changes* is available on our website under *What's New, Legislative Changes Affecting Licensees* or by contacting Council's office.

This document contains highlights of the changes in a non-legal format. It does not contain all of the information licensees need to ensure they are in compliance with governing legislation and the Rules. The Rules are available on our website under *Council Rules, Current Rules* or by contacting Council's office. Legislation is available through Crown Publications Inc.

## BULLETIN CONTENTS

### ◆ COUNCIL NEWS

Continuing Education Survey .....	1
Council Rules .....	1
Website Update .....	4

### ◆ INSURANCE PRACTICE

Updated Code of Conduct .....	3
FICom Decisions .....	6

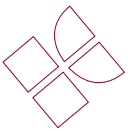
### ◆ COUNCIL DECISIONS

General .....	7
Life .....	9

### ◆ LICENSING

LLQP Transition Period Ending .....	2
Travel Insurance Agencies .....	2
Application Fees .....	3
New Licence Application Forms .....	3
New Exam Registration Forms & Process .....	3
Insurance Company Representation .....	4

For additional copies of this Bulletin, visit [www.insurancecouncilofbc.com](http://www.insurancecouncilofbc.com) – Publications



## REMINDER TO ALL LLQP RESTRICTED LICENSEES

At the time the LLQP was implemented, it was agreed that a transition period of four years would be provided. During this transition period, which will end on December 31, 2006, it is possible to complete the LLQP in two parts. An individual can complete the LLQP Part A to qualify for a restricted licence. The individual is then required to enroll in the LLQP Part B within 180 days of the effective date of the licence and to successfully complete the LLQP Part B, including Council's qualifying examination, within two years of the effective date of the licence or December 31, 2006, whichever comes first.

- Any individual who obtained a restricted licence on or prior to January 1, 2005 who does not complete the LLQP Part B prior to the licence expiry date will be required

to successfully complete the LLQP Full or successfully take the LLQP Part A again. For those that choose to retake the LLQP Part A, any licence issued will be subject to completing the LLQP Part B on or before December 31, 2006.

- For any individual who obtained a restricted licence after January 1, 2005, the LLQP must be completed by December 31, 2006 or the licence will automatically be suspended until the individual completes the LLQP Full.

The LLQP Part B qualifying examination will not be available as of January 1, 2007.

This includes first time writes and rewrites.

## ATTENTION ALL TRAVEL INSURANCE AGENCIES

Revisions to the Act that came into force on January 1, 2005 resulted in an exemption being established for employees and commission sales staff of a licensed travel insurance agency, if certain criteria are met. Council has therefore terminated, effective January 1, 2005, the active licences of all individuals who held restricted travel insurance agent licences, except for sole

proprietors. Further information on the licensing exemption is available on our website under *Publications*, Notices, Travel Agent Exemption Notice ICN# 05-001.

Details of all terminated licences, including the termination date, are available on our website under *Search Licensees*.

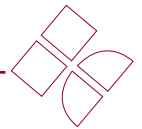
***Unless otherwise qualified in this Bulletin, read:***

**"Council"** as Insurance Council of British Columbia

**"Act"** as *Financial Institutions Act*

**"FICom"** as Financial Institutions Commission

**"Rules"** as Council Rules



## IMPORTANT INFORMATION REGARDING APPLICATION FEES

Effective March 2005, licence applications, including requests to amend information, that are received without the appropriate fee attached will not be recorded as received or reviewed by Council and will be returned to the applicant.

In the past Council has accepted post-dated cheques for renewal applications, where the cheque was dated prior to the renewal date. As Council's work on these applications occurs in advance of the cheque date, Council will no longer accept post-dated cheques for

licensing transactions. Any application received with a post-dated cheque will also not be recorded as received or reviewed by Council and will be returned to the applicant.

Where any application has been made and is subsequently withdrawn, denied or not proceeded with, the file will be closed and a refund of \$50, representing the fee collected by Council on behalf of the provincial government, will be returned to the payor.

## NEW EXAMINATION REGISTRATION FORMS AND PROCESS

Council has modified the registration forms for all LLQP qualifying examinations and the Adjuster Level 1 examination.

The examination registration process has also changed. Examinees are now required to advise Council of the method they choose for delivery of

examination results at the time they register for the exam.

More information on the examination registration process and the new registration form and instructions is available on our website under *Council Exams*, LLQP or Adjuster Level 1.

## NEW LICENCE APPLICATION FORMS

With the revisions to the legislation, Council has taken the opportunity to update all of its licence applications. Sections which no longer apply, such as sponsorship, have been deleted and the forms have been reformatted to make them easier to complete. Questions on the applications have been altered to reflect the revised Act and the Rules, so applicants should read all questions and the new condensed instruction forms carefully.

The new application forms are available on our website under the applicable licence type and transaction, or by contacting Council's office.

Council is committed to improving the application forms on an ongoing basis, so if you have any suggestions or comments please let us know. Council's contact information is available on our website under *Contact Us*.

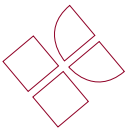
## UPDATED CODE OF CONDUCT

With the implementation of the Rules on January 1, 2005, it is a condition of every licence issued that the licensee comply with Council's Code of Conduct (the "Code").

Due to the changes in legislation, Council undertook a review of its Code to update legislative references, guidelines and examples of misconduct. While there

were no substantive changes made to the fundamental nature of the Code, all licensees are encouraged to re-familiarize themselves with the Code and review the new examples provided.

The current version of the Code is available on our website under *Publications*, Code of Conduct or by contacting Council's office.



## CHANGES TO COUNCIL'S WEBSITE

The website has been updated in order to incorporate information on the recent legislative changes, including the Rules, and to make the website easier to navigate.

### New Menu Items:

*Form Links:* This section provides a quick link to a number of forms (in PDF format) including: licence applications and instructions; exam registration forms; and the licensing fee schedule.

*Council Rules:* This section provides general information on the Rules and has the following sub-menus attached. Through COUNCIL RULES you may obtain a copy of the current Rules in effect. CURRENT REQUESTS FOR COMMENTS will be used when changes to the Rules are under consideration. ARCHIVED contains data relating to previous versions of the Rules.

### Change in Frequently Asked Questions (FAQs):

You may now access all the FAQs on our system or you may narrow the request to FAQs relating to a particular topic. As an example, if you have a question relating to Continuing Education, you no longer have to go through all FAQs, you may click on the Continuing Education section and view only Questions and Answers specific to that topic.

We have also altered the layout of the FAQs. Only the question now appears on the webpage. When you click on the word ANSWER at the end of a question, the response will appear on the screen. This enables you to view more questions on your screen at one time.

## INSURANCE COMPANY REPRESENTATION

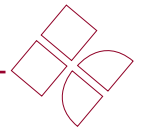
The revisions to the legislation removed the requirement that an insurance company must sponsor agent licences. Agents must now demonstrate they have the authority to represent at least one insurance company. Council is receiving inquiries regarding how existing licensees and new applicants meet this requirement and what evidence they must provide to Council to demonstrate compliance. The following provides an overview by class of licence. If you have any questions after reading the article, further information is available on our website under *FAQs* or by contacting Council's office. Insurance Company Representation is not a requirement for adjusters.

General Insurance: Typically, general insurance agencies are provided the authority to represent a general insurance company, with the agency being granted permission to pass that authority on to its authorized licensed representatives. Under these circumstances, the agency must provide Council with proof of that authority to delegate. Proof can be in the form of a letter from the insurance company stipulating that the agency and all of its licensed

representatives have the authority to represent the company. Copies of agency agreements are not required. Once this letter is on file with Council, individual licensees and applicants of the agency are not required to provide additional evidence.

Existing agencies are encouraged to forward this proof to Council sooner rather than later, to avoid delays on any licence application.

Life Insurance: Life insurance agents, who do not work under the auspices of an insurance agency, must provide a letter from at least one life insurance company stating they have the authority to represent the company. For first time applicants, such a letter typically states the individual will have the authority, effective the date an insurance agent licence is issued. Existing licensees must have this authority, but are not required to provide evidence to Council at this time. Proof must be submitted with their next licence application.



Some life insurance companies may grant an agency permission to pass on its authority to the agency's individual licensed agents. Under these circumstances the agency must provide Council with proof of that authority to delegate. Such proof can be via a letter from the life insurance company stipulating the agency and all of its licensed agents have the authority to represent the company. Copies of agency agreements are not required. Once this is on file with Council, then individual licensees and applicants of the agency are not required to provide additional evidence.

Existing agencies are encouraged to forward such proof sooner rather than later, to avoid delays on any licence application.

Where an agency does not have permission to delegate an insurance company's representation, each individual agent must provide evidence in the same form as outlined above for agents not working under the auspices of a life insurance agency.

A&S Insurance: A&S insurance agents, who do not work under the auspices of an insurance agency, must provide a letter from at least one insurance company authorized to conduct A&S business stating that they have the authority to represent the company. For first time applicants, such a letter typically states that the

individual will have the authority, effective the date an insurance agent licence is issued. Existing licensees must have this authority but are not required to provide evidence to Council at this time. Proof must be submitted with their next licence application.

Some insurance companies may grant an agency permission to pass on its authority to the agency's individual licensed agents. Under these circumstances the agency must provide Council with proof of that authority to delegate. Such proof can be via a letter from the insurance company stipulating that the agency and all of its licensed agents have the authority to represent the company. Copies of agency agreements are not required. Once this is on file with Council, then individual licensees and applicants of the agency are not required to provide additional evidence.

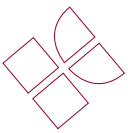
Existing agencies are encouraged to forward such proof sooner rather than later, to avoid delays on any licence application.

Where an agency does not have permission to delegate an insurance company's representation, each individual agent must provide evidence in the same form as outlined above for agents not working under the auspices of an insurance agency.



**[www.insurancecouncilofbc.com](http://www.insurancecouncilofbc.com)**  
 Visit our website to access information on licensing requirements, application forms, Notices, What's New, and much more.

Articles in this Bulletin are designed to provide licensees with concise information for use in their day-to-day business activities in a non-technical way. It is not intended to replace or provide legal advice or be a legal explanation of the Act, its regulations or the Rules. It is the responsibility of all licensees to ensure their practices and procedures are within the requirements of the Act, its regulations and the Rules.



## FICOM: CEASE AND DESIST ORDERS

**SLAVICA CHRISTINA NUKMANOVIC**  
**A.K.A. SANJA OR SLAVICA VUKMANOVIC**  
**(“FORMER LICENSEE”)**  
**BURNABY, BC**  
*(Former Life Insurance Agent)*

The Former Licensee was recently ordered by the Superintendent of Financial Institutions (the “Superintendent”) to cease from either directly or indirectly acting as an insurance agent in British Columbia.

The order was imposed by the Superintendent after the Former Licensee continued to act as a life insurance agent despite the expiry of her licence. In particular, while unlicensed, she solicited insurance policies, collected premiums and held herself out as a life insurance agent.

Council recently issued Notice ICN# 05-004 to all life insurance agents regarding this matter, since concerns had arisen that licensees were placing coverage which had been solicited by the Former Licensee. Two life insurance agents who assisted the Former Licensee in this regard have been suspended, fined and assessed investigative costs, and investigations into the conduct of other agents are continuing.

All licensees are reminded if they intend to work jointly with another agent or brokerage, they must take adequate steps to ensure the other party is properly licensed. This applies to all agents, including general insurance licensees who place coverage for clients through a sub-brokering process. Using the *Search Licensee* section on our website, you may determine if an individual is licensed with Council.

Licensees should also be aware that it is an offence to pay or allow to be paid, or offer or promise a commission or other compensation to an unlicensed person for acting as an insurance agent.

The full text of the Superintendent’s Cease and Desist Order against the Former Licensee can viewed at: [www.fic.gov.bc.ca/pdfreports/news/enforce/trust/fia20050207.pdf](http://www.fic.gov.bc.ca/pdfreports/news/enforce/trust/fia20050207.pdf)

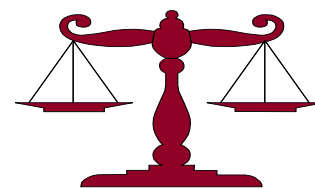
**RAYMOND WILLIE**  
**(“NOMINEE”)**  
**WHITE ROCK, BC**  
*(Level 3 General Insurance Nominee)*

**SPECIAL RISK INSURANCE BROKERS LTD.**  
**(“AGENCY”)**  
**WHITE ROCK, BC**  
*(General Insurance Corporate Agent)*

On December 21, 2004, the Superintendent of Financial Institutions (the “Superintendent”) ordered the Agency and Nominee cease from directly or indirectly soliciting residents of British Columbia for insurance contracts on behalf of unauthorized businesses, including Centennial Insurance Company A.V.V.S.A. doing business as CIC Insurance Company A.V.V. (“CIC”). The Superintendent also ordered CIC cease from directly or indirectly carrying on insurance business in British Columbia.

The full text of the Superintendent’s Cease and Desist Order may be viewed at: [www.fic.gov.bc.ca](http://www.fic.gov.bc.ca) under Enforcement, Financial Institutions.

Insurance agents are reminded that the Act prohibits any direct or indirect solicitation of insurance from an unauthorized insurer to British Columbia residents. Insurers authorized to carry on insurance business in British Columbia are listed on the above referenced website.



### CAUTION

*Warning: The use of any information in this Bulletin to discredit another licensee, or any other person, is not permitted and may result in disciplinary action against a licensee using the information in such a manner.*



## COUNCIL DECISIONS: GENERAL INSURANCE

### CONVICTIONS

**JANICE LORRAINE ROBINSON**  
 (“FORMER LICENSEE”)  
**DELTA, BC**

*(Former Level 1 General Insurance Salesperson)*

On August 20, 2004, the Former Licensee plead guilty to one count of fraud and was sentenced as follows:

- six month conditional sentence;
- 15 months probation; and
- restitution to her former employer.

This matter arose after it was established the Former Licensee had misappropriated ICBC funds.

### SUSPENSIONS

**LYNNE YVONNE SWERHUN**  
 (“LICENSEE”)  
**VANCOUVER, BC**

*(Level 3 General Insurance Nominee)*

Council determined the Licensee failed to act in accordance with the usual practice of the business of insurance and ordered the Licensee be:

- suspended for two weeks; and
- assessed the costs of Council’s investigation.

The Licensee signed another person’s name to an ICBC vehicle transfer/tax form (APV 9T) and subsequently processed the document as though it were genuine.

In 1997, the Licensee purchased a 1930 Model A Ford. For personal reasons, the Licensee registered ownership of the vehicle in the name of a close friend, with his agreement. Sometime later, the Licensee’s relationship with her friend deteriorated, and she took steps to transfer the vehicle into her own name. With his consent, the Licensee signed her friend’s name on the APV 9T and processed the document in her capacity as an insurance agent, transferring registered ownership of the vehicle into her name.

Council found the Licensee was not attempting to deprive anyone of rightful ownership of the vehicle, removing any suggestion she was acting in an untrustworthy manner or in bad faith. This was an isolated matter which arose out of a difficult personal situation and was generally unrelated to the Licensee’s practice as an insurance agent. Notwithstanding, it is improper to sign another person’s name on a document and process that document as though it is genuine.

### REPRIMANDS

**BEVERLY MAY PHILLIPS**  
 (“NOMINEE”)  
**CASTLEGAR, BC**

*(Level 3 General Insurance Nominee)*

**CHRISTINE ANNE MOTA**  
 (“LICENSEE”)  
**CASTLEGAR, BC**

*(Level 2 General Insurance Agent)*

**CASTLEGAR SAVINGS INSURANCE**  
**AGENCIES LIMITED**  
 (“AGENCY”)  
**CASTLEGAR, BC**

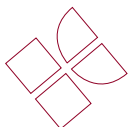
*(General Insurance Corporate Agent)*

Council found the Nominee and Licensee failed to act in a competent manner and in accordance with the usual practice of the business of insurance and ordered:

- the Agency, Nominee and Licensee each receive a reprimand; and
- the Agency be assessed the costs of Council’s investigation.

The Licensee failed to renew a contractor’s equipment policy which resulted in an uninsured loss for a client.

The Agency placed the client’s Commercial General Liability (“CGL”) policy and contractor’s equipment policy through a sub-broker. Prior to expiry, the sub-broker faxed renewal terms to the Agency for the



CGL policy. The Licensee erroneously assumed the quote also included the contractor's equipment policy, resulting in only the CGL policy being renewed prior to expiry.

After learning the contractor's equipment policy had not been renewed, the sub-broker sent a facsimile to the Agency quoting a renewal premium for the upcoming term. The Agency discussed the new quote with the client, who expressed uncertainty about renewing his equipment policy altogether. The Agency informed him that the lease agreement for his Caterpillar Loader required he maintain insurance on it. The Licensee then requested the sub-broker provide a quote on this unit only.

The sub-broker faxed the Agency a quote for the Caterpillar. The client subsequently instructed the Licensee to renew coverage for all equipment. On the sub-broker's quote for the Caterpillar, the Licensee wrote "please renew" and forwarded her instructions via facsimile. In accordance with the Licensee's instructions, the sub-broker renewed coverage on the Caterpillar only.

The client's Skidsteer Loader was subsequently stolen and the insurer denied the claim.

Council identified that the Agency's staff were not accustomed to dealing with commercial business. The Licensee also erred by writing ambiguous renewal instructions on the sub-broker's facsimile. She should have clearly stated the client wished to renew all equipment. Additionally, several individuals had been involved with the client's file which contributed to the errors that were made. The Nominee, who is responsible for the Agency's insurance activities, should have ensured the client's file was only handled by those familiar with commercial risks and in accordance with the usual practice of the business of insurance.

**DIANE LOUISE HOLLAND**  
**("NOMINEE")**

**VERNON, BC**

*(Level 3 General Insurance Nominee)*

**BARBARA LYNN BROWN**

**("LICENSEE")**

**KELOWNA, BC**

*(Level 2 General Insurance Agent)*

**MCDONALD BYCHKOWSKI & HOLLAND LTD.**

**DBA SILVER STAR INSURANCE AGENCY**

**("AGENCY")**

**VERNON, BC**

*(General Insurance Corporate Agent)*

Council found the Nominee and Licensee failed to act in a competent manner and in accordance with the usual practice of the business of insurance and ordered:

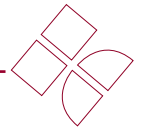
- the Nominee be reprimanded;
- the Licensee be reprimanded; and
- the Agency be assessed the costs of Council's investigation.

The Licensee, while employed with the Agency, cancelled the insurance on the wrong trailer unit insured under a client's ICBC fleet program, resulting in an uninsured loss. The Agency subsequently failed to respond to the claim in a proper and timely manner.

When the fleet plan was set up, two trailer units were registered with the same temporary vehicle identification number. This caused confusion when the client requested the insurance be terminated for one of the trailers, and resulted in the Licensee cancelling coverage on the wrong unit.

Shortly thereafter, the Licensee cancelled the insurance on the correct trailer but failed to identify her error and reverse the previous transaction. As a consequence, when the trailer that should not have been deleted from the fleet program was damaged in an accident, ICBC declined to respond to the loss.

While the client immediately reported the loss to the Agency, the Nominee did not take further action until the client's legal counsel contacted her seven months later. Council found the Nominee did not take sufficient steps to properly manage this incident consistent with the client's best interests. In particular, after learning of the erroneous cancellation



of coverage, the Agency should have immediately contacted ICBC to request consideration for the loss. Council also noted the Agency should have detected the error when the client returned the correct unit's plate and related documentation.

**DAVID MACGROTTY**  
 ("LICENSEE")  
**PORT COQUITLAM, BC**  
*(Level 2 General Insurance Agent)*

Council determined the Licensee failed to act in accordance with the usual practice of the business of insurance and ordered the Licensee be:

- reprimanded; and
- assessed the costs of Council's investigation.

At the request of a client and as a matter of convenience to the client, the Licensee signed the client's name on an ICBC document to facilitate cancellation of the client's vehicle insurance.

Regardless of the reason, it is improper to sign another person's name to a document as the proper execution of insurance documents is fundamental to their validity and enforceability.

## COUNCIL DECISIONS: LIFE INSURANCE

### SUSPENSIONS

**BRANISLAV NOVKO**  
 ("LICENSEE")  
**VANCOUVER, BC**  
*(Life Insurance Agent)*

Council determined the Licensee failed to act in good faith, in accordance with the usual practice of the business of insurance and contrary to a condition on his licence. Council ordered the Licensee be:

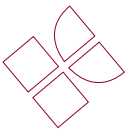
- suspended for two weeks;
- fined \$1,000; and
- assessed the costs of Council's investigation.

The Licensee was approached by former life insurance agent Slavica Nukmanovic ("Former Licensee"), who was unknown to the Licensee, to procure insurance coverage based on life insurance applications she had taken. The Former Licensee led the Licensee to believe she had solicited the business and taken the applications while licensed, but could not place the coverage herself due to licensing issues with Council. In fact, the Former

Licensee had solicited the insurance and taken the applications after the expiry of her licence.

Without determining the veracity of the Former Licensee's representations, the Licensee placed the requested insurance coverage through his agent contract. In particular, the Licensee accepted the applications and related documentation from the Former Licensee, signed as "witness" to applicant signatures without having met or discussed the transactions with any of the applicants, and then remitted the documentation to insurers as if he had produced the business. The Licensee also compensated the Former Licensee for her activities.

In reaching its disposition, Council noted that before these matters came to Council's attention, the Licensee met with the applicants in question and conducted a comprehensive review and analysis of their circumstances to ensure that the issued policies were in their best interests.



**MARIA PAVICIC  
("LICENSEE")  
BURNABY, BC**

*(Life Insurance Agent)*

Council determined the Licensee failed to act in good faith, in accordance with the usual practice of the business of insurance and contrary to a condition on her licence. Council ordered the Licensee be:

- suspended for two weeks;
- fined \$1,000; and
- assessed the costs of Council's investigation.

The Licensee was approached by former life insurance agent Slavica Nukmanovic ("Former Licensee"), who was unknown to the Licensee, to procure insurance coverage based on life insurance applications she had taken. The Former Licensee led the Licensee to believe she had solicited the business and taken the applications while licensed, but could not place the coverage herself due to licensing issues with Council. In fact, the Former Licensee had solicited the insurance and taken the applications after the expiry of her licence.

Without determining the veracity of the Former Licensee's representations, the Licensee placed the requested insurance coverage through her agent contract. In particular, the Licensee accepted the applications and related documentation from the Former Licensee, signed as "witness" to applicant signatures without having met or discussed the transactions with any of the applicants, and then remitted the documentation to insurers as if she had produced the business. The Licensee also compensated the Former Licensee for her activities.

In reaching its disposition, Council noted that before these matters came to Council's attention, the Licensee reported the circumstances and sought direction from Council on what steps to take to help ensure the applicants in question would not be prejudiced.

**REMINDER TO ALL LICENSEES REGARDING  
THE TWO PRECEDING COUNCIL DECISIONS**

All licensees are reminded that if they intend to work jointly with another agent or brokerage, they must take adequate steps to ensure the other party is properly licensed. This applies to all agents, including general insurance licensees who place coverage for clients through a sub-brokering process. Using the *Search Licensee* section on our website, you may determine if an individual is licensed with Council.

Licensees should also be aware that it is an offence to pay or allow to be paid, or offer or promise a commission or other compensation to an unlicensed person for acting as an insurance agent.

**REPRIMANDS**

**GORDON EINAR BRUCE HAYWARD  
("LICENSEE")**

**PRINCE GEORGE, BC**

*(Level 2 Life Insurance Agent Nominee)*

**GOCAR HOLDINGS**

**DBA GORDON E. HAYWARD AND  
ASSOCIATES INSURANCE AND FINANCIAL SERVICES  
("AGENCY")**

**PRINCE GEORGE, BC**

*(Life Insurance Corporate Agent)*

Council found the Licensee and Agency did not act in accordance with the usual practice of the business of insurance and ordered:

- the Licensee be reprimanded;
- the Agency be reprimanded;
- as a condition of their licences, the Licensee and the Agency must hold themselves out to the public in the manner in which they are licensed; and
- the Agency be assessed the costs of Council's investigation.

The Licensee sent a letter to a client which was intended to initiate replacement of the client's existing (\$100,000) 5 year term life insurance



policy with a (\$150,000) 10 year term policy being offered by her insurer under a new “health styles” rating system. The new rating system more closely scrutinized a person’s health and lifestyle enabling some clients to benefit from reduced insurance costs. Included with the letter sent to the client were the signature pages from a life insurance application and directions to the client to sign the forms and submit them along with a cheque for the first month’s premium. The letter and documents were sent to the client in this manner because the client had not responded to previous correspondence or voice messages left by the Agency. The client did not return the application forms to the Agency.

The package included all of the documents and instructions necessary for the client to make a change to her existing insurance without anyone having discussed replacement with her. Additionally, by signing the application, the client would be falsely declaring that she had read pages 1 through 16, which she had not been sent, and that the answers and statements were complete, current and accurate.

In determining the appropriate disposition in this matter, Council took into consideration that, although misguided, the Licensee was attempting to help the client increase her insurance coverage while reducing her monthly premium. He was not primarily motivated by the minimal financial gain to be achieved from the conversion.

Council also found the Licensee and Agency failed to hold themselves out to the public in the manner in which they were licensed.

**XUPING LIU**  
**(“LICENSEE”)**  
**RICHMOND, BC**

*(Level 2 Life Insurance Agent Nominee)*

Council determined the Licensee made two material misstatements in reply to inquiries from Council and failed to act in accordance with the usual practice of the business of insurance and ordered the Licensee be:

- reprimanded;
- fined \$400; and
- assessed the costs of Council’s investigation.

The Licensee signed as “witness” to the “Signature of the Policyowner” on a policy change form without actually witnessing the policyowner sign the document.

Council noted the Licensee did not personally benefit from this transaction and signed as witness as a matter of convenience only. Notwithstanding, the proper execution of insurance documents is fundamental to their validity and enforceability. Improperly executed documents could subject a client and/or insurer to future prejudice.

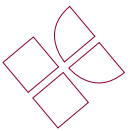
Council also found the Licensee knew or ought to have known had she exercised reasonable diligence that statements she provided in reply to inquiries from Council were not true.

**MATERIAL MISSTATEMENTS**

**RHONA KONNELLY**  
**(“LICENSEE”)**  
**BURNABY, BC**  
*(Life Insurance Agent)*

In June 1995, the Licensee made a material misstatement on her application for a Level 1 life insurance agent licence. Council learned of the misstatement in 2004 and ordered the Licensee be:

- fined \$200; and
- assessed the costs of Council’s investigation.



**VOTING COUNCIL MEMBERS**

Carl Abbott, CFP, CLU, CH.F.C.  
Rita Ager, CFP, CLU, RHU  
Giovanni Bitelli, CFP  
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Garth Holfeld  
David Lyons  
Deborah O'Leary, LLB  
Rick Parent, CIP  
E. Dave Pedley  
Gloria Vannan, FCIP

Life Agent  
Life Company  
Life Company  
General Company  
Life Agent  
Adjuster  
General Company  
Lay Person  
General Agent  
Lay Person  
General Agent

**COUNCIL EXECUTIVE**

Gloria Vannan  
Garth Holfeld  
Giovanni Bitelli

Chairperson  
Vice-Chairperson  
Past-Chairperson

**PASS IT ON**

*When you are finished reading this issue, put it up on your office notice board or circulate it among your office colleagues.*

**COUNCIL STAFF**

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Gerald Matier	Executive Director	311	EXT.
Agnes Healey	Deputy Executive Director	325	
Susan Dziubenko	Executive Assistant	326	

**LICENSING**

Patricia St. Marie	Manager	338
Lorena Dimma	Licensing Analyst	336
Elke Zellman	Licensing Analyst	307
Elizabeth Seta	Licensing Officer	339
Crystal Somers	Licensing Officer	331
Karen Vangelis	Licensing Officer	318
Gail Wong	Licensing Assistant	329
Susan Bello	Licensing Assistant	305
Switchboard		300
Reception		301

**ADMINISTRATION**

Lori-Ann Donaldson	Manager	308
Susan Palmer	Accountant	313
Katharine Nicholson	Administrative Assistant	328
Brenda Glenn	Examinations Coordinator	304
Adeline Fernandez	Cash Clerk	306
Ardelle Hawkes	File/Mail Room Clerk	332

**COMPLIANCE**

Scott Wallace	Manager	330
James Chee	Compliance Officer	312
Rob Tanaka	Compliance Officer	314
Shelly Rickerby-Kuris	Compliance Officer	320
Karen Mok	Compliance Officer	319
Kathy Lee	Compliance Coordinator	324
Sunday Apchkrum	Senior Compliance Assistant	309
Tracey Housden	Compliance Assistant	334

