

COUNCIL DECISIONS: ADJUSTERS

REPRIMANDS

ROBERT EMILE LAIR
("FORMER LICENSEE")
WHITE ROCK, BC

(Former Level 3 Adjuster Nominee)

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

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

The Former Licensee wrote a personal cheque at the request of another adjuster in his office, knowing the other adjuster would represent the funds to an

insurer as recovery from salvage. The Former Licensee believed he was assisting the other adjuster in closing his file while awaiting the actual salvage proceeds, which had not yet been received. However, by issuing the cheque, the Former Licensee unwittingly helped the other adjuster misrepresent the amount of salvage recovery to the insurer.

The other adjuster was a principal of the firm and the Former Licensee's manager. Notwithstanding, even if the Former Licensee believed he was helping his manager for a legitimate purpose, he knew or ought to have known his conduct would mislead the insurer about the true source of the salvage funds.

The other adjuster is not currently licensed.

COUNCIL DECISIONS: GENERAL INSURANCE

CONVICTIONS

KERRI DIANE STOCKAND
("FORMER LICENSEE")
COURTENAY, BC

(Former Level 2 General Insurance Agent)

On July 22, 2004, the Former Licensee plead guilty to one count of theft under \$5,000 and was sentenced as follows:

- suspended sentence;
- one year probation; and,
- 20 hours community service.

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

DEBRA LOUISE UNDERWOOD
("FORMER LICENSEE")
KELOWNA, BC

(Former Level 1 General Insurance Salesperson)

On April 15, 2004, the Former Licensee was convicted of one count of theft over \$5,000 and sentenced as follows:

- one day in prison;
- eighteen months probation; and,
- a victim impact surcharge of \$50.

This matter arose after it was established the Former Licensee had misappropriated insurance monies.

JAYNE SUSAN SCOTT
(“FORMER LICENSEE”)
LANGLEY, BC

(Former Level 1 General Insurance Salesperson)

On June 22, 2004, the Former Licensee plead guilty to one count of theft under \$5,000 and was sentenced as follows:

- a conditional sentence with six months probation.

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

MELINDA MAY JOHNSON
(“FORMER LICENSEE”)
PRINCE GEORGE, BC

(Former Level 1 General Insurance Salesperson)

On May 25, 2004, the Former Licensee was convicted of one count of theft over \$5,000 and sentenced as follows:

- a one year conditional sentence; and,
- required to make restitution in the amount of \$55,572.86.

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

YIU CHUNG PETER YIP
(“FORMER LICENSEE”)
WHITE ROCK, BC

(Former Level 2 General Insurance Agent)

On March 5, 2004, the Former Licensee was convicted of one count of theft over \$5,000 and sentenced as follows:

- a six month conditional sentence.

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

SUSPENSIONS

BRIAN ANTHONY BIDDLE
(“LICENSEE”)
VANCOUVER, BC

(Level 2 General Insurance Agent)

Council determined the Licensee failed to act in a

trustworthy manner, in good faith and in accordance with the usual practice of the business of insurance, and ordered the Licensee be:

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

The Licensee had placed commercial insurance for a client since 1994. Twice during this time, the client requested the Licensee disclose the amount of income earned by the agency for placing the insurance coverage. On both occasions, the Licensee intentionally understated the earned income for several policy terms, in one case by up to 45 percent.

The Licensee repaid \$10,000 to the agency, which represented his incentive income attributable to placing the client’s coverage in his final year of employment with the agency. The agency also refunded to the client the difference between the income actually earned by the agency and the amount disclosed to the client by the Licensee.

CAREY JAMES STEWART
(“LICENSEE”)
NORTH VANCOUVER, BC

(Level 3 General Insurance Agent)

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

- the Licensee be suspended for two weeks;
- as a condition of the Licensee’s licence, he must successfully complete an Errors and Omissions seminar offered through the Insurance Brokers Association of BC, or an equivalent course as determined by Council, within one year; and,
- the Licensee be assessed the costs of Council’s investigation.

While employed as a Level 3 general insurance agent, the Licensee failed to renew insurance under a commercial program for nine clients prior to expiry of their existing coverage.

REPRIMANDS

JEANETTE ANDREASEN

(“LICENSEE”)

SORRENTO, BC

(Level 2 General Insurance Agent)

BARTON INSURANCE BROKERS LTD.

(“AGENCY”)

SORRENTO, BC

(General Corporate Agent)

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

- the Licensee be reprimanded; and,
- the Agency be assessed the costs of Council’s investigation.

The Licensee failed to advise a client, prior to expiry of the client’s homeowner’s policy, that the policy could not be renewed through the insurer on risk without a reduction in coverage.

Upon dealing with the renewal after expiry of the policy, the Licensee found herself unable to secure unreduced coverage for the client given unprecedented forest fires in the area. Her supervisor, a Level 3 general insurance agent, intervened in the matter, secured a two month extension of the client’s lapsed coverage from the previous insurer, and then returned the file to the Licensee for handling.

Believing the client had pursued replacement coverage elsewhere, the Licensee did not revisit the client’s extension of coverage until the date of its expiry, at which time she issued a letter to the client advising the coverage had been extended for an additional two weeks. This action was carried out without the insurer’s authority.

CONDITIONS

RUPINDER KAUR BADHAN

(“LICENSEE”)

SURREY, BC

(Level 2 General Insurance Agent)

Council determined the Licensee failed to act in a trustworthy manner, in good faith and in accordance with the usual practice of the business of insurance, and ordered:

- the Licensee be reprimanded;
- as a condition of her licence, if the Licensee seeks to transfer her insurance licence to another insurance agency, she must first inform the intended employer of the circumstances surrounding Council’s investigation; and,
- the Licensee be assessed the costs of Council’s investigation.

The Licensee processed discounted vehicle insurance for a customer that was based on a claim history record provided by the customer which she knew to be false.

In reaching its decision, Council took into consideration the Licensee had been unlicensed for a period of six months while her conduct was investigated.

COUNCIL DECISIONS: LIFE INSURANCE

LICENCE CANCELLATIONS

MICHAEL STEPHEN WELLS

(“FORMER LICENSEE”)

VANCOUVER, BC

(Former Level 2 Life Insurance Agent)

In February 2004, Council attached the following conditions to the Former Licensee’s life insurance agent licence while it undertook an investigation into allegations of misconduct that occurred during the time he was licensed as a general insurance salesperson:

- the Licensee is prohibited from accepting, in his name or that of a corporation controlled by him, any funds from a member of the public; and,
- the Licensee must be under the direct supervision of a named life insurance agent, who is accountable to Council for the Licensee’s activities as a life insurance agent. Should the named life insurance agent cease to act as a supervisor, the Licensee’s licence is automatically suspended until another life insurance agent, acceptable to Council, agrees to fulfill this condition.

In April 2004, Council determined the Former Licensee was not trustworthy, financially reliable and could not be relied upon to publicly carry on the business of insurance in good faith and in accordance with the usual practice, and ordered the Former Licensee’s:

- life insurance agent licence be cancelled.

While principal of an insurance agency, the Former Licensee carried out the following activities:

- he raised capital for the agency from clients without disclosing they were investing in the agency and without providing material information to them about the investment, such as agency financial statements and disclosure on how the investments would be used;

- he copied a life insurance company’s annuity application onto the agency’s letterhead and used the document when taking investment applications from the clients. The applications included language which was misleading and inappropriate in the circumstances, such as: guaranteed; annuitant; single premium; non-registered; beneficiary; and, variable investment plan;
- he misinformed clients that interest earned on their investments was not taxable income until received;
- at least three investment cheques he issued to clients were returned as either “insufficient funds” or “account closed”;
- he is unable to pay investment monies owed to clients; and,
- he failed to disclose the agency’s outstanding financial liabilities respecting the investments during his sale of the agency to a third party.

In reaching its disposition on this matter, Council also considered the following:

- the Former Licensee was a principal of the agency when it used or applied premiums for purposes other than permitted and it failed to remit premiums to insurers as required;
- the Former Licensee previously declared bankruptcy as a consequence of defaulting on loans which he personally guaranteed and the Former Licensee recently defaulted on residential mortgage payments and a tax payment; and,
- the Former Licensee refused to disclose to Council the source of financing for his current mortgage.