

COUNCIL DECISIONS: GENERAL INSURANCE

CANCELLATIONS

AURORA UNDERWRITING SERVICES INC.
(“AGENCY”)
EDMONTON, AB
(Corporate General Insurance Agent)

NONA ERIE MCCREEDY
(“NOMINEE”)
EDMONTON, AB
(Level 3 General Insurance Nominee)

LINDA DIANNE HAYNE
(“LICENSEE”)
EDMONTON, AB
(Level 2 General Insurance Agent)

Council determined the Agency, Nominee and Licensee failed to act in a trustworthy manner, in good faith and in accordance with the usual practice of the business of insurance. Council also found the Nominee made a material misstatement in reply to an inquiry from Council and ordered:

- the Agency’s, Nominee’s and Licensee’s licences be cancelled.

The Agency, Nominee and Licensee placed insurance coverage which did not meet the needs of the client when it had been clearly communicated to them what the client’s needs were and what was required in the circumstances.

Additionally, the Nominee and Licensee unilaterally altered policy documentation on at least seven occasions, concealing the actual cost of insurance and inserting a much higher figure, unbeknownst to any of the parties involved.

Based on the above findings, Council determined the Agency, Nominee and Licensee no longer meet the requirements for licensing under section 231 of the Act and Rule 3 of the Rules.

DEREK DAVID HENNEBERRY
(“FORMER LICENSEE”)
SURREY, B.C.
(Level 1 General Insurance Salesperson)

Council determined the Former 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 Former Licensee:

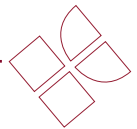
- is not suitable to hold an insurance licence for a minimum period of two years from the date Council’s order takes effect; and
- be assessed the costs of Council’s investigation.

The Former Licensee improperly accessed the Insurance Corporation of British Columbia’s (“ICBC”) computer system to obtain personal and confidential information about the registered owner of a vehicle and conveyed this information to a third party who used it to threaten the vehicle owner during a road rage incident.

The Former Licensee also used his position as an insurance agent to avoid AirCare for his own personal benefit and the benefit of his acquaintances.



www.insurancecouncilofbc.com
Visit our website to access information on licensing requirements, application forms, Notices, What’s New and much more.



SUSPENSIONS

APEX INSURANCE SERVICES LTD.

(“AGENCY”)

RICHMOND, B.C.

(Corporate General Insurance Agent)

APEX INSURANCE SERVICES (1993) LTD.

(“AGENCY”)

RICHMOND, B.C.

(Corporate General Insurance Agent)

APEX INSURANCE SERVICES (1996) LTD.

(“AGENCY”)

VANCOUVER, B.C.

(Corporate General Insurance Agent)

AMY MAN MEE LAU

(“AMY”)

RICHMOND, B.C.

(Level 3 General Insurance Agent)

BENKIN BONG WEI LAU

(“BENKIN”)

RICHMOND, B.C.

(Level 3 General Insurance Agent)

KENNETH LAU

(“KENNETH”)

RICHMOND, B.C.

(Level 3 General Insurance Agent)

JACKSON LAI LUNG CHAN

(“JACKSON”)

RICHMOND, B.C.

(Level 2 General Insurance Agent)

FELISA NG

(“FELISA”)

BURNABY, B.C.

(Level 1 General Insurance Salesperson)

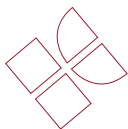
Council determined the Agencies, Amy, Benkin, Kenneth, Jackson and Felisa failed to act in a trustworthy and competent manner, in good faith and in accordance with the usual practice of the business of insurance and ordered:

- Amy be suspended for nine months;
- Benkin and Kenneth each be suspended for six months;
- Amy, Benkin and Kenneth are not suitable to be licensed as Level 3 general insurance agents for a minimum period of two years from the date Council’s order takes effect;
- Benkin and Kenneth each be fined \$10,000.00;
- Amy be fined \$5,000.00;
- Jackson and Felisa each be fined \$1,000.00;
- the Agencies each be fined \$20,000.00;
- as a condition of the Agencies’ licences, the Agencies’ employees are prohibited from processing Insurance Corporation of British Columbia (“ICBC”) transactions for any family member or staff of the Agencies; and
- Amy and the Agencies be assessed the costs of Council’s investigation.

During a four year period, Benkin, Felisa, Jackson and Kenneth processed Autoplan transactions on their own vehicles and, in some cases, the vehicles of other family members, for the primary purpose of generating commissions and fees. Amy allowed some of these Autoplan transactions to be processed at the Agency office where she was the nominee.

In considering the appropriate disposition, Council took into account that Jackson and Felisa were acting under the direction of family members, who were more experienced insurance agents, and that the amount of commissions and fees garnered as a result of ICBC transactions on their own vehicles was significantly lower than that of the other family members.

In addition, Benkin and Kenneth used their own personal credit cards to pay for clients’ ICBC insurance where the clients had paid in cash or cheque, thereby enabling them to earn reward points, Air Miles or cash rebates. Council found this conduct to be contrary to the usual practice of the business of insurance.



DOUGLAS HAROLD HUGHES
(“NOMINEE”)

MISSION, B.C.

(Level 3 General Insurance Nominee)

SUSSEX INSURANCE AGENCY (MISSION) INC.
(“AGENCY”)

MISSION, B.C.

(General Insurance Corporate Agent)

Council determined the Nominee and the Agency knowingly permitted an unlicensed individual to act as an insurance salesperson at the Agency and ordered the:

- Nominee be suspended for two weeks;
- Agency be fined \$4,000.00; and
- Agency be assessed the costs of Council’s investigation.

The unlicensed employee engaged in insurance activities for a three week period while his application for licensing was pending with Council. The Nominee and the unlicensed employee were aware during this time that the application had not been processed by Council due to an outstanding requirement.

FINES

BASIL IAN SOTHEBY BRODIE KETCHEN
(“LICENSEE”)

COQUITLAM, B.C.

(Level 1 General Insurance Salesperson)

Council determined the Licensee breached a condition of his licence by failing to successfully complete the Insurance Corporation of British Columbia’s (“ICBC”) Autoplan Basics for Brokers course and ordered the Licensee be:

- fined \$1,000.00; and
- required to successfully complete the ICBC Autoplan Basics for Brokers course by August 13, 2007.

Council had previously determined the Licensee had failed to act in accordance with the usual practice of the business of insurance by accessing

and using client information from his agency’s and ICBCs computer system for the purposes of prospecting. Council ordered the Licensee be fined; be required to complete the above noted ICBC course within a six month period from the date of Council’s Order and be assessed the costs of Council’s investigation.

The Licensee apologized to Council, and advised that he had not complied with the licence condition requiring the completion of the course, as he had forgotten it was a requirement of the Order. Council noted the Licensee’s apology, and accepted that it was the Licensee’s intention to comply with the licence condition. Nonetheless, Council found that the Licensee should have exercised more diligence in meeting the licence condition as required under the Order.

JARNAIL SINGH SAHOTA
(“NOMINEE”)

BURNABY, B.C.

(Level 3 General Insurance Nominee)

C.G. GOYLE & ASSOCIATES (2005) LTD.
(“AGENCY”)

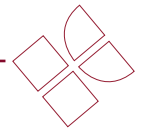
BURNABY, B.C.

(General Insurance Corporate Agent)

Council determined the Nominee and the Agency breached a condition of their licences and ordered:

- as a condition of his licence, the Nominee successfully complete an errors and omissions course offered through the Insurance Brokers Association of British Columbia, or an equivalent course as determined by Council;
- the Agency be fined \$5,000.00; and
- the Agency be assessed the costs of Council’s investigation.

Council found the Nominee and the Agency failed to ensure the Agency’s insurance activities were actively supervised by a Level 3 general insurance agent. In particular, the Nominee and the Agency allowed a Level 1 general insurance salesperson with limited experience to work alone and unsupervised at the Agency for three months.



JOHN ROSS INSURANCE SERVICE LTD.
(“AGENCY”)
VANCOUVER, B.C.

(General Insurance Corporate Agent)

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

- fined \$2,000.00; and
- assessed the costs of Council’s investigation.

The Agency failed to provide a homeowner’s insurance policy or other evidence of coverage to a client for almost one year. The client was also not notified that, on renewal, one of her properties had been deleted from the policy, leaving it uninsured for approximately one year.

SHERYL KATHERINE BIESICK
(“LICENSEE”)
KELOWNA, B.C.

(Level 2 General Insurance Agent)

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

- fined \$2,000.00; and
- assessed the costs of Council’s investigation.

The Licensee disregarded her obligation to physically sight vehicle identification numbers for two out-of-province commercial vehicles prior to registering and insuring them in B.C. The Licensee also misrepresented to the Insurance Corporation of British Columbia (“ICBC”) that she had in fact sighted the vehicles.

SILVER WING INSURANCE SERVICES LTD.
(“AGENCY”)
SURREY, B.C.

(General Insurance Corporate Agent)

Council determined the Agency failed to act in a trustworthy manner and in accordance with the

usual practice of the business of insurance and ordered the Agency be:

- fined \$1,000.00; and
- assessed the costs of Council’s investigation.

The Agency failed to deal with a client in a proper manner when advising her of its decision not to renew her homeowner’s insurance policy. Although the Agency provided the client with 30 days notice of the non-renewal by assuming any time on risk charges she would have incurred following the date of renewal, there was no reason why it did not provide her with sufficient notice prior to the policy’s expiry, as per the usual practice of the business of insurance. The Agency also misrepresented to the client that the insurer had chosen to lapse the policy when it was actually one of the Agency’s managers, a licensed agent, who made the decision not to renew her coverage.

CONDITIONS

SPECIAL RISK INSURANCE BROKERS LTD.
(“AGENCY”)
WHITE ROCK, B.C.

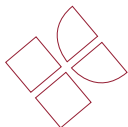
(General Insurance Corporate Agent)

RAYMOND EDWARD WILLIE
(“FORMER LICENSEE”)
WHITE ROCK, B.C.

(Former Level 3 General Insurance Nominee)

As previously communicated in Council’s October 2006 Bulletin, the Agency and the Former Licensee were disciplined by Council after they failed to act in a competent manner and in accordance with the usual practice of the business of insurance. Council’s October 2006 Bulletin can be viewed on our website under *Publications, Bulletins*.

The Superintendent of Financial Institutions appealed Council’s decision to the Financial Services Tribunal (“FST”) on grounds that the disciplinary action taken by Council did not adequately address the seriousness of the conduct in question.



The FST considered the matter and upheld the following sections of Council’s Order:

- that the Former Licensee’s licence be downgraded to a Level 2 general insurance agent’s licence and that Council will not consider an application from the Former Licensee to upgrade his licence for a minimum period of five years;
- that as a condition of the Agency’s licence and for a minimum period of five years:
 - any share holdings, which provide the Former Licensee with either a direct or an indirect interest in the Agency, be held in a blind trust;
 - the Agency has a director who meets Council’s approval; and
 - the Agency and its employees will not solicit, obtain or take applications for insurance, negotiate for or procure insurance, for any person with an insurer that is not authorized to engage in insurance business in Canada;
- that the Former Licensee be fined \$10,000.00;
- that the Agency be fined \$20,000.00; and

- that the Former Licensee and the Agency be assessed the costs of Council’s investigation.

In addition to the above, the FST ordered the following:

- the Former Licensee be suspended for six months;
- effective immediately, and continuing for a minimum period of five years from the date of the Order, the Former Licensee is not permitted to be a director, officer or nominee of any agency and cannot solicit, obtain or take applications for insurance, negotiate for or procure insurance for any person with an insurer that is not authorized to engage in insurance business in Canada; and
- effective for the same period, the Agency must appoint an arms length nominee approved by Council who meets current experience and educational requirements.

The full FST decision can be viewed at: www.fic.gov.bc.ca/fst/pdf/FST_Decision_Willie.pdf

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.

COUNCIL DECISIONS: LIFE INSURANCE

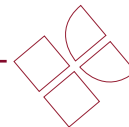
CONDITIONS

JILL ELLEN MACGREGOR-BOCK
("LICENSEE")
VANCOUVER, B.C.
(Life Insurance Agent)

Council determined the Licensee’s actions as a securities registrant brought into question her

ability to carry on the business of insurance in a competent manner. Council further found the manner in which the Licensee had been marketing herself and her services was contrary to the usual practice of the business of insurance. Council ordered the Licensee:

- have the following conditions placed on her insurance licence:



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.

- the Licensee must successfully complete the four courses comprising Advocis' CFP program or a program with an equivalent curriculum, within two years from the date Council's order takes effect;
- the Licensee must appoint a life insurance agent with a minimum of five years experience, subject to approval by Council, to supervise and be accountable for her insurance activities for a minimum period of two years from the date Council's order takes effect; the supervising life insurance agent will have a condition placed on his/her insurance licence making him/her accountable for the Licensee's insurance business conduct;
- the Licensee must immediately notify any insurance companies she is currently contracted with, and any insurance companies she intends to contract with in the future, prior to signing a contract, of the British Columbia Securities Commission's ("BCSC") decisions, on both findings and sanctions, and provide Council with proof that she has done so;
- the Licensee must submit any and all self-marketing materials to her supervising life insurance agent for his/her review and approval, and the Licensee must then file these materials with Council, prior to publication and/or distribution; and

- be assessed the cost of Council's investigation.

In June 2007, an order was made under the *Securities Act* prohibiting the Licensee from working in the exempt product market or engaging in any investor relations activities for a three year period, and imposing on her an administrative penalty of \$25,000.00. The order arose from findings made by the BCSC that the Licensee had recommended exempt products to her clients that were not suitable for them given their overall financial circumstances.

Council reviewed the issue of the Licensee's suitability to hold an insurance licence and determined that, with conditions, it would not be contrary to the public interest to permit her to remain licensed.

FINES

TYLER HOFFMAN
 ("LICENSEE")
VANCOUVER, B.C.
(Life Insurance Agent)

Council determined the Licensee made a material misstatement on his insurance licence application and ordered the Licensee be:

- fined \$200.00; and
- assessed the costs of Council's investigation.

Council found the Licensee knew, or ought to have known had he exercised reasonable diligence, that the information he provided on the application was not true.

CONTINUING EDUCATION CHANGES

Changes to all Continuing Education Programs will be published on Council's website in November 2007. Mark your calendars and check the *What's New* section in November for further information.