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# Bulletin

No. G-16/92

- General

### Hearings and Prosecutions - Third Quarter-1992

## PROSECUTIONS

There were six company prosecutions and two agent prosecutions this past quarter. These were disposed of as follows:

**Charge:** **Filing 1991 annual return late**

**Against:** **The Orion Insurance Company PLC**

**Verdict:** **Guilty**

The Orion Insurance Company PLC pleaded guilty in provincial court on July 8, 1992 to a charge of filing its 1991 annual statement late, contrary to Ontario Regulation 691/90 of the Insurance Act. This was a second conviction in the past three years. The company was fined $8,000.

**Charge:** **Filing 1991 annual return late**

**Against:** **1) Ford Life Insurance Company**

**2) Lawyers' Professional Indemnity Company**

**3) Munich Reinsurance Company of Canada**

**4) The Portage La Prairie Mutual Insurance Company**

**Verdict:** **Guilty**

These companies all pleaded guilty in provincial court to charges of filing 1991 annual statements late, contrary to Ontario Regulation 691/90 of the Insurance Act. Each was fined $5,000.

**Charge:** **Paying commissions to unlicensed person**

**Against:** **NN Life Insurance Company of Canada**

**Verdict:** **Guilty**

NN Life Insurance Company of Canada pleaded guilty in provincial court on September 22, 1992, to the charge of paying commissions to a person not licensed to sell insurance. A senior official with the company allowed an agent whose licence had expired to continue selling insurance and receive commissions. The company was fined $3,000.

**Charge:** **Furnishing false information**

**Against:** **Anthony K. L. Cheng (Scarborough) sponsored by Sun Life Assurance Company of Canada**

**Verdict:** **Guilty**

Anthony K. Cheng pleaded guilty in provincial court on July 29, 1992, to the charge of furnishing false information to the Ontario Insurance Commission in his application for a life insurance agent's licence. He failed to disclose a 1970 conviction for armed robbery for which he served a jail term of two years less one day. He was fined $700.

Mr. Cheng's application for licensing was reviewed by an advisory board on August 19, 1992, and the outcome will be reported in the next quarter's bulletin.

**Charge:** **Unfair or deceptive business practices and improper replacements**

**Against:** **Donald M. Little (London) formerly sponsored by The Manufacturers Life Insurance Company**

**Verdict:** **Guilty**

Donald M. Little pleaded guilty in provincial court on August 25, 1992, to the charges of engaging in unfair or deceptive acts or practices, and failure to follow Regulation 8/86 rules regarding replacement. While sponsored by the Manufacturers Life Insurance Company, he replaced 49 policies and did not send the disclosure forms to the insurer holding the contracts within the specified three-day period. Many of the forms did not contain enough information on the new policy and many were not left with the consumers who, as a result, were denied the opportunity to review the proposed insurance purchase. He was fined $1,503.75 on each of three counts, for a total of $4,511.25. Mr.Little is not currently licensed.

## HEARINGS

An advisory board assists the Superintendent of Insurance in determining the granting or refusal of a new licence or the possible revocation or suspension of an existing licence. The board considers evidence presented by the applicant or agent as well as that put forward by counsel for the Commission.

Four hearings were scheduled this past quarter. In one case, the appeal period is still pending and in two others, the reports of the boards are outstanding. These cases will be reported in the next quarterly bulletin. The remaining case was disposed of as follows:

**Superintendent's order:** **Michael R. Czerwinski (Caledon) sponsored by The Empire Life Insurance Company**

**Date:** **July 9, 1992**

Michael R. Czerwinski's licence was suspended for three months ending October 9, 1992. Mr. Czerwinski filed minutes of settlement with the Superintendent before a hearing was held. He had signed as a witness to a client's cash surrender and loan request forms when he had not been present to see the documents signed.

Donald C. Scott

Commissioner

October 28, 1992



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