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- General

Hearings and Prosecutions - Fourth Quarter 1992

Prosecutions

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

Charge:	**Using a class of risk exposure not approved by the Ontario Insurance Commission**
Against:	**Wellington Insurance Company**
Verdict:	**Guilty**

Wellington Insurance Company pleaded guilty in provincial court on December 3, 1992 to the above charge. The company had issued automobile insurance policies in the Sault Ste. Marie territory using rates other than those that had been approved for that territory. The company was fined $25,000.

Charge:	**Paying commissions to unlicensed person**
Against:	**Crown Life Insurance Company**
Verdict:	**Guilty**

Crown Life Insurance Company pleaded guilty in provincial court on December 8, 1992, to the charge of paying commissions to a person not licensed to sell insurance. Company officials allowed an agent with an expired licence to sell insurance and receive commissions. The company was fined $5,000.

The agent, Donald Nevile-Smith pleaded guilty in provincial court on December 8, 1992, to the charge of acting as an insurance agent without a required licence. He sold insurance and received commissions for more than a year after his licence expired March 31, 1991. He was fined $1,000.

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.

Two hearings are included in this bulletin. They took place in the previous quarter but were not finalized. The cases were disposed of as follows:

Life agent applicant:	**Anthony K. L. Cheng (Scarborough) sponsored by Sun Life Assurance Company of Canada**
Advisory board hearing:	**Aug. 19, 1992**
Superintendent's decision:	**Application refused**

Anthony Cheng's licence application was refused. His suitability was questioned because of an undisclosed criminal conviction in 1970 for armed robbery. The conviction involved a weapon, violence or threat of violence, and theft. On September 21, 1992, the Superintendent accepted the advisory board report and refused the application. The panel felt Mr. Cheng did not demonstrate the high standards of conduct, trust and honesty needed to become a life insurance agent because he didn't report this conviction.

Life agent applicant:	**Christopher J. Damphouse (Woodslee) sponsored by Commercial Union Life Assurance Company of Canada**
Advisory board hearing:	**July 20, & Sept. 24, 1992**
Superintendent's decision:	**Application refused**

Christopher Damphouse's licence application was refused by the Superintendent on October 21, 1992. His suitability to hold a licence was questioned because he failed to disclose a number of earlier criminal convictions including theft and possession of a narcotic. Mr. Damphouse also has a 1991 conviction for furnishing false information to the Ontario Insurance Commission in an earlier insurance agent's application The panel decided there is a pattern of non-disclosure and that Mr. Damphouse has not provided any evidence that he has changed.

Commissioner

Donald C. Scott

February 1, 1993

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