Bulletin

No. G-09/94

- General

Hearings and Prosecutions - Fourth Quarter 1993 and First Quarter 1994

Prosecutions

There were three agent prosecutions in these two quarters. The cases were disposed of as follows:

Charge: **Furnishing false information**

Against: **Robert D. Harrington (Ajax) formerly sponsored by The Manufacturers Life Insurance Company**

Verdict: **Guilty**

Robert Harrington pleaded guilty in provincial court on November 16, 1993, to a charge of providing false information to the Ontario Insurance Commission in his application for a life insurance agent's licence. Mr. Harrington failed to disclose 1980 convictions of conveying a false message, and 1984 convictions of making false statements. He was fined $500. Mr. Harrington has a second application for a life insurance agent's licence before the Commission.

Charge: **Furnishing false information**

Against: **Derek H. Beasley (Cambridge) formerly sponsored by The Prudential Assurance Company Limited**

Verdict: **Guilty**

Derek Beasley was found guilty in provincial court on January 4, 1994 of providing false information to the Ontario Insurance Commission in his application for renewal of his life insurance agent's licence. Mr. Beasley failed to disclose two outstanding charges for theft under $1,000 on his 1993/94 licence renewal application. He was fined $500. Mr. Beasley is currently licensed.

Charge: **Furnishing false information**

Against: **Karen M. Herbin (London) sponsored by Primerica Life Insurance Company**

Verdict: **Guilty**

Karen Herbin pleaded guilty in provincial court on March 8, 1994, to a charge of providing false information to the Ontario Insurance Commission in her application for a life insurance agent's licence. Ms. Herbin failed to disclose a 1987 conviction on eight counts of false pretences under $1,000, a 1988 conviction for theft under $1,000, and a 1989 conviction for driving with more than 80 mgs of alcohol in blood. She was fined $800. Ms. Herbin is currently licensed.

Hearings

An advisory board helps the Superintendent of Insurance determine whether a new licence will be refused or granted or whether an existing licence should be revoked or suspended. The board considers evidence presented by the applicant or agent as well as that put forward by counsel for the Commission.

During these two quarters, a total of four hearings took place. There was also a cease and desist order issued. Decisions are pending in three of the hearings, and the other cases were disposed of as follows:

Life agent:	**Satwant S. Gill (Brampton) formerly sponsored by Mutual of Omaha Insurance Company**
Advisory board hearing:	**November 18, 1993**
Superintendent's decision:	**Licence suspended (9 months)**

The Superintendent suspended Satwant Gill's licence. His suitability was questioned following allegations that he forged the signature of another agent on two applications for insurance, that he forged that same agent's signature on the subsequent commission cheques, and that he deposited the cheques into his personal accounts while he was a sponsored agent of Mutual of Omaha Insurance Company. The Superintendent accepted the advisory board recommendation and suspended Mr. Gill's licence for nine months ending February 28, 1994. Mr. Gill's licence was effectively suspended for ten months because Mutual of Omaha terminated sponsorship on April 22, 1993. The decision, dated February 10, 1994, also required that Mr. Gill submit a new application for licensing after the suspension and that he must successfully write the life and accident and sickness examinations. Upon successful readmission as a licensed agent, Mr. Gill's sponsor will have to provide progress and performance reports to the Superintendent every two months for the first year that he is relicensed. Mr. Gill currently has an application for relicensing before the Commission.

Superintendent's Order:	**James P. Childs, Childs and Associates Ltd., Security Plus, Security Plus Group Administration, and Security Plus Small Business Benefit Program (Toronto), formerly sponsored by Commercial Union Life Assurance Company of Canada**
Date:	**October 21, 1993**

On October 21, 1993, the Superintendent issued a Cease and Desist Order prohibiting Childs and Associates and Mr. Childs from carrying on business as an insurer, while unlicensed, in respect of the Security Plus insurance products.

Moreover, Childs was ordered to cease acting as a life agent pending a formal hearing before an Advisory Board. Subsequently, Mr. Childs' sponsor terminated his agency agreement and Mr. Childs and his agency are now unlicensed.

In addition, Mr. Childs, Childs and Associates, and Security Plus were ordered to produce to the Commission all information, records and books regarding the Security Plus program.

The proceeding arose as a result of numerous consumer complaints about the delays and non- payment of benefits under the Security Plus program administered by Mr. Childs and his company. Mr. Childs did not respond to the Superintendent's notice and the order was made in absentia.

Lawrie Savage

Superintendant of Insurance

May 19, 1994

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