Bulletin

No. G-06/96

- General

Prosecution and Hearing Decisions - First Half of 1996

Prosecutions

There were two agent prosecutions during the first half of 1996. The cases were disposed of as follows:

Charge: **Working as an agent while unlicensed**

Against: **Ronald Lacaille (Pembroke) sponsored by NN Life Insurance Company of Canada**

Verdict: **Guilty**

Mr. Lacaille pleaded guilty in provincial court on January 16, 1996 to a charge of acting as a life insurance agent without ensuring that he was properly licensed. The court imposed a fine of $1,000.

Charge: **Furnishing false information**

Against: **Diana Harripersaud (Toronto) sponsored by Canada Life Casualty Insurance Company**

Verdict: **Guilty**

Ms. Harripersaud was found guilty in provincial court on June 5, 1996 of a charge of providing false information to the Ontario Insurance Commission (OIC) in her application for an insurance agent's licence. She failed to disclose an earlier conviction. She was fined $1,000. Ms. Harripersaud is currently licensed.

Hearing decisions

An Advisory Board assists the Superintendent of Insurance (the Superintendent) in determining whether to grant or refuse a new licence or whether to revoke or suspend an existing licence for insurance agents and adjusters. The Board holds hearings to consider evidence presented by the applicant or agent and by counsel for the OIC.

The Commissioner of Insurance (the Commissioner) also holds hearings. These include appeals of Superintendent's decisions on agents' or adjusters' licences and matters relating to licences for insurers.

During the first half of 1996, one Advisory Board hearing and one Commissioner's appeal hearing took place.

Advisory Board hearings

Life Agent:	**Martin Wasserman (North York) sponsored by Royal Life Insurance Company of Canada Limited**
Date of Decision:	**April 12, 1996**
Result:	**Application Refused**

The Superintendent called for an Advisory Board hearing to consider the suitability of Mr. Wasserman to be granted a licence in light of Mr. Wasserman's suspension by the Ontario Securities Commission from holding a mutual fund registration. The Superintendent received the Advisory Board's report and followed its recommendation to refuse to grant Mr. Wasserman a life insurance agent's licence.

Appeals

Life agent / agency:	**Francis Wayne Fowler (Welland) formerly sponsored by Commercial Union Life Assurance Company of Canada**

Commissioner's Appeal:	**January 11, 1996**
Result:	**Superintendent's decision affirmed**

Mr. Fowler appealed the November 3, 1995 decision of the Acting Superintendent suspending his life insurance agent's licence for eight months (*see* the Superintendent's decision in OIC Bulletin G-2/96). Mr. Fowler argued that the period of suspension was too long. The Commissioner dismissed the appeal; he was satisfied that the Advisory Board and the Superintendent had imposed an appropriate period of suspension.

Other OIC hearings and related court actions

Action:	**Cease and Desist Order**
Against:	**Armada Assurance Limited (St. Vincent), Tri-Continental Exchange Ltd. (not registered as claimed), Tri-Continental Capital, Ltd. (British Virgin Islands), John O. Madsen (British Columbia), Robert L. Brown (British Columbia) and Tri-Continental Exchange (as a sole proprietorship of John O. Masden registered in British Columbia)**
Date:	**June 26, 1996**

The Superintendent convened a hearing on June 26, 1996 following the issue, on May 17, 1996, of a Cease-and-Desist Order (Order) and an extension of the Order, dated May 24, 1996, against Armada Assurance Limited, Tri-Continental Exchange Ltd., Tri-Continental Capital, Ltd., John O. Madsen, Robert L. Brown.

In his Reasons for Decision and Order, the Superintendent declared the May 24, 1996 Order permanent, directing that all the parties immediately cease selling, advertising, promoting or engaging in the business of insurance of any kind, either directly, indirectly or through any agent, or as an agent in Ontario. He also ordered that Ontario residents who dealt with the parties should have the opportunity to receive the information contained in his Reasons for Decisions and Order and be entitled to claim a full refund of any monies paid to these parties, and that payment must be made jointly and severally by all the parties within 30 days from the date of request for the refund.

D. Blair Tully

Commissioner

October 15, 1996

Financial Services Commission of Ontario
5160 Yonge Street
Toronto, ON M2N 6L9
1-800-668-0128
(416) 250-7250