

IN THE MATTER OF the *Insurance Act*, R.S.O. 1990, c.l.8, as amended (the “Act”), in particular sections 441.2 and 441.3;

AND IN THE MATTER OF Chris Oppong.

NOTICE OF PROPOSAL TO IMPOSE ADMINISTRATIVE PENALTIES

TO: Chris Oppong

TAKE NOTICE THAT pursuant to section 441.3 of the Act, and by delegated authority from the Chief Executive Officer of the Financial Services Regulatory Authority of Ontario (the “Chief Executive Officer”), **the Director, Litigation and Enforcement (the “Director”)** is proposing to impose three administrative penalties in the total amount of \$60,000 on Chris Oppong as follows:

- (i) **\$10,000 for using coercion and undue influence in order to secure insurance business, contrary to subsection 17(a) of Ontario Regulation 347/04;**
- (ii) **\$10,000 for fraudulently procuring payments of premiums on insurance policies, contrary to section 395 of the Act; and**
- (iii) **\$40,000 for reimbursing premiums, contrary to subsection 2(1)2 of Ontario Regulation 7/00 and subsection 7(1)(v) of the Unfair or Deceptive Acts or Practices Rule.**

Details of these contraventions and reasons for this proposal are described below. This Notice of Proposal includes allegations that may be considered at a hearing.

SI VOUS DÉSIREZ RECEVOIR CET AVIS EN FRANÇAIS, veuillez nous envoyer votre demande par courriel immédiatement à: contactcentre@fsrao.ca.

YOU ARE ENTITLED TO A HEARING BY THE FINANCIAL SERVICES TRIBUNAL (THE “TRIBUNAL”) PURSUANT TO SECTIONS 441.3(2) AND 441.3(5) OF THE ACT.

A hearing by the Tribunal about this Notice of Proposal may be requested by completing the enclosed Request for Hearing Form (Form 1) and delivering it to the Tribunal within fifteen (15) days after this Notice of Proposal is received by you. The Request for Hearing Form (Form 1) must be mailed, delivered, faxed or emailed to:

Address: Financial Services Tribunal
25 Sheppard Avenue West, 7th Floor
Toronto, Ontario
M2N 6S6

Attention: Registrar

Fax: 416-226-7750

Email: contact@fstontario.ca

TAKE NOTICE THAT if you do not deliver a written request for a hearing to the Tribunal within fifteen (15) days after this Notice of Proposal is received by you, orders will be issued as described in this Notice of Proposal. TAKE FURTHER NOTICE of the payment requirements in section 5 of Ontario Regulation 408/12, which states that the penalized person or entity shall pay the penalty no later than thirty (30) days after the person or entity is given notice of the order imposing the penalty, after the matter is finally determined if a hearing is requested or such longer time as may be specified in the order.

For additional copies of the Request for Hearing Form (Form 1), visit the Tribunal's website at www.fstontario.ca

The hearing before the Tribunal will proceed in accordance with the *Rules of Practice and Procedure for Proceedings before the Financial Services Tribunal* ("Rules") made under the authority of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended. The Rules are available at the website of the Tribunal: www.fstontario.ca. Alternatively, a copy can be obtained by telephoning the Registrar of the Tribunal at 416-590-7294, or toll free at 1-800-668-0128 extension 7294.

At a hearing, your character, conduct and/or competence may be in issue. You may be furnished with further and or other particulars, including further or other grounds, to support this proposal.

REASONS FOR PROPOSAL

I. INTRODUCTION

1. These are reasons for the proposal by the Director to impose three administrative penalties in the total amount of \$60,000 on Chris Oppong (“Oppong”).

II. BACKGROUND

A. Licensing History

2. Oppong is presently not licensed under the Act.
3. Oppong was previously licensed from September 14, 2020, to September 13, 2022, as a Life Insurance and Accident and Sickness Agent (licence number #20184498).
4. As an agent, Oppong was contracted with ivari through the Managing General Agency Greatway Financial Inc. (“Greatway”). Oppong was terminated on April 5, 2022.

B. Use of Coercion and Undue Influence

5. While contracted with Greatway, Oppong recruited and trained other people to become licensed insurance agents and join his sales team. In some cases, Oppong charged these recruits a fee to attend his training course.
6. In numerous instances Oppong took advantage of these recruits in order to generate insurance business for himself.
7. Oppong told some of these recruits that purchasing an insurance policy was a condition of enrolling in his insurance course. The recruits did not otherwise want to purchase an insurance policy.
8. In some cases, Oppong reimbursed the recruits for the first month’s premium payment. The recruits then let the policies lapse.

C. Fraudulent Representation for Procuring Payments of Premiums

9. Oppong signed other recruits up for insurance policies without their knowledge or consent.
10. In order to complete their policy applications, Oppong used the personal and financial information of the recruits that he had purportedly collected to enroll them in his insurance course.

11. Once the recruits learned they had been signed up for policies without their consent, they cancelled the policies or let them lapse.

D. Scheme to Reimburse Premiums

12. Oppong was interviewed by staff of the Financial Services Regulatory Authority of Ontario (“FSRA”) on May 11, 2022 (the “Interview”).
13. In the Interview, Oppong admitted that he had “helped” approximately 15% of his clients by directly reimbursing one to two months of premiums in respect of their insurance policies.
14. Oppong subsequently provided a spreadsheet to FSRA staff that identified 29 policies (belonging to 22 policy holders) for which Oppong admitted to having reimbursed the policy holder for premium payments.
15. Some of these 22 policy holders had been recruits that took Oppong’s training course.
16. Oppong received compensation of approximately \$39,600 in respect of the policies issued to these 22 policy holders. Greatway has commenced a civil action to recover these (and other) payments from Oppong, but has not yet recovered any funds.

III. CONTRAVENTIONS OR FAILURES TO COMPLY WITH THE ACT

A. Use of Coercion and Undue Influence

17. Subsection 17(a) of Ontario Regulation 347/04 prohibits an agent from offering inducement or using coercion or undue influence in order to control, direct or secure insurance business.
18. Oppong told some recruits that purchasing an insurance policy was a condition of enrolling in his insurance course.
19. Accordingly, the Director is satisfied that Oppong used coercion and undue influence in order to secure insurance business and breached subsection 17(a) of Ontario Regulation 347/04.

B. Fraudulent Representation for Procuring Payments of Premiums

20. Section 395 of the Act states that it is an offence to knowingly procure, by fraudulent representations, payment or the obligation for payment of any premium on an insurance policy.
21. Oppong signed some recruits up for insurance policies without their knowledge or consent by fraudulently using their personal and financial information. Oppong misrepresented the purpose behind the collection of their personal and financial

information by claiming that the information was being collected to enroll them in the insurance course.

22. The Director is satisfied that Oppong fraudulently procured the obligation for the payments of premiums on insurance policies, thereby contravening section 395 of the Act.

C. Reimbursing Premiums

23. Subsection 2(1)2 of Ontario Regulation 7/00, which was in force until April 1, 2022, provides that it is an unfair or deceptive act or practice to pay a rebate of all or part of the premium stipulated by a policy to a person insured or applying for insurance in respect of life, person or property.
24. Ontario Regulation 7/00 was replaced by the Unfair or Deceptive Acts or Practices Rule (the "UDAP Rule"). Subsection 7(1)(v) of the UDAP Rule states that it is an unfair or deceptive act or practice to make a payment as an incentive or inducement to purchase, renew or retain an insurance product.
25. The Director is satisfied that Oppong contravened subsection 2(1)2 of Ontario Regulation 7/00 and subsection 7(1)(v) of the UDAP Rule by reimbursing premiums in respect of the 29 policies that he identified.

IV. GROUNDS FOR IMPOSING ADMINISTRATIVE PENALTIES

26. The Director is satisfied that imposing an administrative penalty on Oppong under section 441.3(1) of the Act will satisfy one or both of the following purposes under section 441.2(1) of the Act:
 1. To promote compliance with the requirements established under the Act.
 2. To prevent a person from deriving, directly or indirectly, any economic benefit as a result of contravening or failing to comply with a requirement established under this Act.
27. The Director is satisfied that three administrative penalties in the total amount of \$60,000 should be imposed on Oppong:
 - (i) \$10,000 for fraudulently procuring payments of premiums on insurance policies, contrary to section 395 of the Act;
 - (ii) \$10,000 for using coercion and undue influence in order to secure insurance business, contrary to subsection 17(a) of Ontario Regulation 347/04; and
 - (iii) \$40,000 for reimbursing premiums in respect of the 29 policies that he identified, contrary to subsection 2(1)2 of Ontario Regulation 7/00 and subsection 7(1)(v) of the UDAP Rule.

28. In determining the amount of the administrative penalties, the Director has considered the following criteria as required by section 4(2) of Ontario Regulation 408/12:
1. The degree to which the contravention or failure was intentional, reckless or negligent.
 2. The extent of the harm or potential harm to others resulting from the contravention or failure.
 3. The extent to which the person or entity tried to mitigate any loss or take other remedial action.
 4. The extent to which the person or entity derived or reasonably might have expected to derive, directly or indirectly, any economic benefit from the contravention or failure.
 5. Any other contraventions or failures to comply with a requirement established under the Act or with any other financial services legislation of Ontario or of any jurisdiction during the preceding five years by the person or entity.
29. In respect of the **first criterion**, the Director is satisfied that Oppong's actions were intentional. Oppong deliberately made payments to reimburse clients for premium payments in respect of 29 policies, deliberately signed some recruits up for insurance policies without their consent, and deliberately told some recruits that signing up for an insurance policy was mandatory. All of these activities were intended to generate insurance business and compensation for Oppong and increase his sales team.
30. In respect of the **second criterion**, the Director is satisfied that Oppong's actions had the potential to cause harm. By signing the recruits up for policies without their knowledge or consent, Oppong created financial liability for the recruits. By rebating premiums in respect of the insurance policies, Oppong was signing up policy holders for policies that they may have otherwise been unable to afford. This had the potential of resulting in lapsed policies, leaving clients uninsured.
31. In respect of the **third criterion**, the Director is not aware of any efforts by Oppong to mitigate any loss or take other remedial action.
32. In respect of the **fourth criterion**, Oppong received compensation of approximately \$39,600 in respect of the policies issued to people to whom he reimbursed premium payments.
33. In respect of the **fifth criterion**, the Director is unaware of any further contraventions or failures to comply in the preceding five years by Oppong.
34. Such further and other reasons as may come to my attention.

DATED at Toronto, Ontario, September 15, 2023

Elissa Sinha
Director, Litigation & Enforcement
By delegated authority from the Chief Executive Officer