

DECISION
of the
GENERAL INSURANCE COUNCIL OF MANITOBA
(“Council”)
respecting
PHILLIP WARREN (“Former Licensee”)

INTRODUCTION

The General Insurance Council of Manitoba (the “Council”) derives its authority from *The Insurance Act* C.C.S.M. c. 140 (the “Act”) and the *Insurance Councils Regulation 227/91*.

Upon receiving the reason for the withdrawal of licence sponsorship for the Former Licensee from his Former Agency, an investigation was conducted pursuant to sections 375(1) and 396.1(7) (e) of the *Act* and section 7(2) (e) of *Regulation 227/91*. The purpose of the investigation was to determine whether the Former Licensee had violated the *Act*, and/or *its Regulations*, and/or *its Rules*, and/or the General Insurance Agent Code of Conduct (“*Code of Conduct*”). During the investigation, the Former Licensee was provided an opportunity to make submissions.

On September 7, 2017, during a meeting of the Council, the evidence compiled during the investigation and the position of the Licensee was reviewed. Upon assessment of the evidence, Council determined its Intended Decision. Pursuant to section 375(1) and 375 (1.1) of the *Act* and *Regulation 227/91*, the Council now confirms its decision and corresponding reasons.

ISSUES

1. Did the Former Licensee fail to explain coverages to clients?
2. Did the Former Licensee fail to document conversations that occurred and/or falsify document notes, exposing the client to a potentially uninsured loss and the Agency to an Errors and Omissions exposure?
3. Did the Former Licensee fail to respond to the Council’s requests?
4. Is the Former Licensee currently suitable to hold a licence?

FACTS AND EVIDENCE

1. The Insurance Council of Manitoba (“ICM”) received notification of termination of licence sponsorship for the Former Licensee effective June 8, 2017. The reason provided by the Former Agency was that the Former Licensee had falsified information in customer files.
2. In an email to the ICM, dated June 27, 2017, the Team Lead/DC & Insurance Compliance, advised that the following issues had been identified by the Former Licensee’s Team Manager:
 - No follow up for drivers’ license numbers and other information required to assess risk
 - Clients disclosing information that was not added to system (claims occurrences)
 - No follow-ups set as required to match reports to assess risk
 - Policies setup with incorrect banking information
 - Policies set up with incorrect date of birth
 - Policy set up in the incorrect name
3. No formal report was available from the Former Agency.
4. Two letters were mailed to the Former Licensee’s last known home address on file with the ICM, on July 4, 2017, and on July 25, 2017, requesting the Former Licensee’s response to the information provided by the Former Agency.
5. The ICM did not receive a response from the Former Licensee to either of these letters and the letters were not returned as undelivered.

ANALYSIS

The Former Agency alleged that the Former Licensee failed to provide the advice and service required of an agent, in that, he failed to follow-up or establish follow-ups for required underwriting information. Further, he did not add claims information disclosed by clients to the Former Agency’s computer system. A number of errors were made with respect to banking information, dates of birth and names.

The Former Licensee failed to respond to the ICM’s requests for his comments as required by s.17 of the *Act*. Therefore, with the report from the Former Agency and no comments from the Former Licensee to explain or refute the allegations, Council based its findings on the probability of the allegations provided by the Former Agency.

Council determined that the Former Licensee was in violation of s.17 and s.375(1)(e) of the *Insurance Act* and s. 2, s. 3, s. 4, and s.10 of the *Code of Conduct*. Council concluded that the Former Licensee was currently unsuitable to hold a licence in Manitoba.

PENALTY AND FINAL DECISION

Council's Decision dated February 8, 2018, was delivered by registered mail to the Former Licensee on February 14, 2018. The Decision outlined the foregoing background, analysis, and conclusions. Having regard to the determination of the violations aforesaid, and pursuant to sections 375 (1.1) (b) of *the Act* and section 7 (1) of Regulation 227/91, the following penalties are imposed on the Licensee, namely:

1. The Former Licensee be found unsuitable to hold a general insurance agent licence in Manitoba.

As part of its Decision, Council further informed the Former Licensee of his right to request an Appeal to dispute Council's determinations and its penalty/sanction. The Former Licensee chose not to pursue a statutory Appeal.

The Decision is therefore final. In accordance with Council's determination that publication of its Decisions is in the public interest, this will occur, in accordance with sections 7.1(1) and (2) of *Regulation 227/91*.

Dated in Winnipeg, Manitoba on the 15th day of March, 2018.