

Superintendent of Financial Services

Regarding the Insurance Act, R.S.O. 1990, c.1.8, as amended, particularly Part XIV

AND a hearing concerning the suspension or revocation of the life insurance agent licence of Carolina Magsano

DECISION

Introduction:

Pursuant to a Notice of Hearing dated May 4, 2010, an Advisory Board was duly appointed under Subsection 393 (9) of the Insurance Act. The hearing was conducted on June 17, 2010. While Ms. Magsano requested a hearing, neither she nor a representative attended the hearing.

The allegation was set out in Schedule "1" as attached.

The report of the Advisory Board is attached.

Findings of Fact

The Advisory Board found that Ms. Magsano has failed to maintain errors and omissions insurance.

Recommendation of Advisory Board

The Advisory Board recommended that the life insurance agent licence of Carolina Magsano be revoked.

The Advisory Board set out the factors it considered in making its recommendation. It noted the length of time during which no errors and omissions insurance coverage was maintained, the lack of response by the agent to communication from the Commission, and attempts by the agent to mislead the Commission. The Advisory Board found that there were no mitigating circumstances.

Decision:

The Advisory Board has found that Ms Magsano has failed to maintain errors and omissions insurance as is required by Regulation 347/04.

Errors and omissions insurance is necessary to protect consumers from negligence by insurance agents. Insurance agents without errors and omissions insurance may not have sufficient assets to indemnify policy holders or applicants for insurance from such losses. Accordingly insurance agents that do not have errors and omissions insurance cannot be allowed to be engaged in the business of insurance.

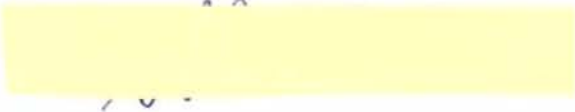
In this case, Ms. Magsano ignored repeated attempts by the Commission to contact her by letter, registered mail, telephone and email on this matter. In response to the Notice she provided false information. Insurance agents must be governable and amenable to being regulated. The Insurance Act imposes a duty on licensed persons to facilitate an examination. Responding to information requests is an attribute of a person suitable to be an insurance agent.

Since Ms. Magsano did not attend the hearing that she requested, there are no explanations for her behaviour, nor is there any demonstrated interest in maintaining her licence as an insurance agent.

Accordingly considering the lack of suitability as demonstrated by the failure to facilitate an examination, the absence of the necessary insurance to protect the public and lack of any explanation for such behaviour, I believe that the appropriate penalty is revocation of Ms. Magsano's licence as an insurance agent.

Accordingly, I hereby revoke the life insurance agent licence of Carolina Magsano.

Dated at Toronto, this 5th day of July, 2010



Grant Swanson
Executive Director, Licensing and Market Conduct
by delegated Authority from
Superintendent of Financial Services

Schedule 1

The following allegation was set out in the Notice:

1. Ms. Magsano is unsuitable to hold this licence for the following reason:
 - a. Magsano has failed to maintain appropriate errors and omissions insurance, as is required by Section 13 of Regulation 347/04.