



# ANNUAL REPORT 2018



# CONTENTS

<b>3</b>	<b>LETTER OF TRANSMITTAL</b>
<b>4</b>	<b>MISSION AND MANDATE</b>
<b>4</b>	<b>VISION AND VALUES</b>
<b>5</b>	<b>ORGANIZATIONAL PROFILE</b>
<b>6</b>	<b>MEMBERS OF THE COUNCIL 2017/2018</b>
<b>7</b>	<b>CHAIRPERSON'S MESSAGE - MANITOBA COUNCIL</b>
<b>9</b>	<b>CHAIRPERSON'S MESSAGE - LIFE COUNCIL</b>
<b>10</b>	<b>CHAIRPERSON'S MESSAGE - GENERAL COUNCIL</b>
<b>12</b>	<b>CHAIRPERSON'S MESSAGE - INSURANCE ADJUSTERS COUNCIL</b>
<b>13</b>	<b>EXECUTIVE DIRECTOR'S MESSAGE</b>
<b>16</b>	<b>LICENCES ACTIVE</b>
<b>17</b>	<b>EXAMINATION STATISTICS</b>
<b>18</b>	<b>COMPLAINT STATISTICS</b>
<b>19</b>	<b>DISCIPLINARY ACTIONS</b>

---

# LETTER OF TRANSMITTAL



May 31, 2018

Mr. Scott Moore, Superintendent  
Financial Institutions Regulation Branch  
207-400 St. Mary Avenue  
Winnipeg, Manitoba  
R3C 4K5

Dear Mr. Moore:

I have the honour to submit, pursuant to Regulation 227/91 of *The Insurance Act* of Manitoba, the Annual Report for the Insurance Council of Manitoba.

This report, which covers the period from April 1, 2017 until March 31, 2018, provides an account of our main activities and a summary of our operations for the year, and includes the audited Financial Statements of the Council.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'B. Churchill', is positioned above the printed name.

**Barbara Palace Churchill**, LL.B., CPA, CMA  
Executive Director  
Insurance Council of Manitoba

/bck

466 - 167 Lombard Avenue  
Winnipeg, Manitoba  
R3B 0T6

T 204 988 6800  
F 204 988 6801

[www.icm.mb.ca](http://www.icm.mb.ca)

## MISSION AND MANDATE

## VISION AND VALUES

# WHAT WE DO

## WHY WE DO IT

### MISSION

The INSURANCE COUNCIL OF MANITOBA is committed to serving and protecting the public by regulating insurance licensees under *The Insurance Act* of Manitoba and by ensuring that licensees act within a professional framework which promotes fair and ethical conduct, integrity and competence.

### MANDATE

The mandate of the Council is to act in the public interest to protect Manitoba consumers of insurance products, and to regulate all licensees, agents, broker, sellers of incidental insurance (ISI) and adjusters to ensure standards are maintained for public protection.

# WHO WE ARE

## WHAT WE STAND FOR

### VISION

The vision of the INSURANCE COUNCIL OF MANITOBA, working within its Regulatory Framework, is to be recognized as an organization that:

1. Provides excellent consumer protection through proactive leadership;
2. Works toward increased harmonization of insurance regulations; and
3. Establishes a positive relationship with its industry licensees.

### VALUES/PRINCIPLES

INSURANCE COUNCIL OF MANITOBA has developed a set of core fundamental values which include:

- **Integrity**
- **Accountability**
- **Responsiveness**
- **Cooperation**
- **Accessibility**
- **Respect**
- **Professionalism**
- **Education**

# ORGANIZATIONAL PROFILE

The INSURANCE COUNCIL OF MANITOBA (Council) is responsible for administering and enforcing *The Insurance Act* of Manitoba, the regulations under the *Act* and the licensing rules as they relate to agents, brokers and adjusters.

## LEGISLATIVE AUTHORITY

Council was established by Regulation 227/91 through delegated authority of the Superintendent of Insurance. The Superintendent is authorized to delegate to Council all or any of the powers, functions and duties that the Superintendent has under the *Act* and the regulations.

*The Insurance Act* of Manitoba allows for Council through its delegation:

- The power to issue or refuse a licence
- The power to attach limitations or conditions to a licence
- The power to cancel or suspend a licence
- The power to fine or assess costs
- The power to carry out investigations

In addition, each Council may make rules for its own procedure; may prescribe the educational and other standards for agents, brokers and adjusters; may initiate and engage in programs of consumer protection; may make recommendations to the Minister; may establish ethical, operational and trade practices for agents, brokers and adjusters.

At March 31, 2018 there were over 15,278 licences in force in the following areas of licence classifications:

- Life Insurance, including Accident & Sickness Insurance
- General Insurance, including Hail
- Insurance Adjusters, including Hail
- Restricted Insurance Agents (RIA's)

## Administration

The Insurance Council of Manitoba is the administrative arm of the Life Insurance Council, the General Insurance Council, and the Insurance Adjusters Council of Manitoba. The Council staff carries out the administrative function of the industry Councils, which includes administering examinations for application for a licence, the issuance of licences, investigation of complaints and the implementation of disciplinary decisions of the Councils.

**Barbara Palace Churchill**  
Executive Director

### COMPLIANCE DEPARTMENT

**Heather Winters**  
Director, Licensing & Compliance

**Lee Roth**  
Investigator

**Ruby Calvez**  
Investigator

### ADMINISTRATION

**Brenda Knight**  
Office Administrator

### LICENSING DEPARTMENT

**Stacey Aubrey**  
Manager, Licensing & Administration

**Sandi Saluk**  
Senior Licensing Officer

**Kristin Denkova-Gavranovic**  
Licensing Officer

**Kimberley Mireault**  
Licensing Officer

**Colleen Davey**  
Receptionist & Examination Coordinator

# MEMBERS OF THE COUNCIL 2017/2018

## Life Insurance Council

NAME	POSITION	REPRESENTING
<b>Richard Fillion</b>	Chairperson	Life Agents
<b>Carol-Ann Borody-Siemens</b>	Vice-Chairperson	Life Agents
<b>Gary McPherson</b>	Member	Public
<b>Bonnie Siemens</b>	Member	Life Agents
<b>Robert Cole</b>	Member	Public
<b>Andrew Anderson</b>	Member	Life Agents
<b>Patricia Horncastle</b>	Member	Insurance Companies
<b>Sonja Doran</b>	Past Member	Insurance Companies – term expired Dec 2017

## General Insurance Council

NAME	POSITION	REPRESENTING
<b>Jeffrey Coleman</b>	Chairperson	General Agents
<b>Pamela Pyke</b>	Vice-Chairperson	General Agents
<b>Treena Piasta</b>	Member	Insurance Companies
<b>Wendy Stumpf</b>	Member	General Agents
<b>Harvey Armstrong</b>	Member	Public
<b>Peter Tessier</b>	Member	General Agents
<b>Irwin Kumka</b>	Member	General Agents
<b>Maurice Therrien</b>	Past Member	Public – term expired August 2017
<b>Kristopher Moffat</b>	Past Member	General Agents – term expired August 2017

## Insurance Adjusters Council

NAME	POSITION	REPRESENTING
<b>Grant Rerie</b>	Chairperson	Insurance Adjusters
<b>Robert Filuk</b>	Vice-Chairperson	Public
<b>Timothy Bromley</b>	Member	Insurance Adjusters
<b>Mark James</b>	Member	Public
<b>Michelle Smith</b>	Member	Public
<b>Darrell Reschke</b>	Member	Insurance Adjusters
<b>David Lind</b>	Past Member	Insurance Adjusters – term expired October 2017

## Manitoba Council

NAME	POSITION	REPRESENTING
<b>Jeffrey Coleman</b>	Chairperson	General Council
<b>Robert Filuk</b>	Vice-Chairperson	Insurance Adjusters Council
<b>Grant Rerie</b>	Member	Insurance Adjusters Council
<b>Richard Fillion</b>	Member	Life Council
<b>Carol-Ann Borody-Siemens</b>	Member	Life Council
<b>Pamela Pyke</b>	Member	General Council
<b>Kristopher Moffat</b>	Past Member	General Council – term expired August 2017
<b>Sonja Doran</b>	Past Member	Life Council – term expired Dec 2017

*The Manitoba Council is composed of two (2) members appointed by each of the aforementioned industry Councils.*

## MANITOBA COUNCIL from the Chairperson



**A**s Chair of the Manitoba Insurance Council, I am pleased to report on the Council's activities for the year April 1, 2017 to March 31, 2018.

We have now had Barbara Palace Churchill

on board for over a year and it is safe to say Barbara is making a significant impression on the Council's activities. Barbara's background in law and accounting offers a unique perspective on Council processes and procedures a number of which have been under review and amendment.

As of March 31st, 2018, the Manitoba Council and the 3 "Industry Councils" administered a total of 15,278 licences comprised of 4,243 Life licences, 4,200 Accident and Sickness licences, 5,831 General Agent licences, 608 Restricted Insurance Agent licences and 396 Adjuster licences. This compares to 14,998 active licences in the 2016/2017 year.

A significant number (almost 50%) of licences issued by ICM are for "non-residents". This influx of out of Province licensees causes an enormous amount of work for ICM staff in both the administrative and compliance areas. ICM has long discussed the notion of issuing "corporate" licences rather than having individual licences which would be more consistent with other jurisdictions. In the future, Council may review our licensing structure to recognize that insurance products and technology allow for significantly more inter-Provincial commerce. ICM recognizes that its mandate is first and foremost to protect Manitoba consumers; the options available to Manitobans for access to insurance products have certainly expanded outside of provincial borders.

Over the course of 2017/2018, ICM dealt with 197 complaints. There were 132 new complaints received and 65 that had been open/carried over from the previous year. Of the 197 complaints, 26 remain open as of March 31/2018. There were

83 new incidents reported to or acted on by the General Insurance Council, 46 by the Life Council and 3 by the Adjusters Council. ICM closed 171 files over the past year and it is very important to note that not all required a formal disciplinary decision. A number of the files are closed administratively if there is no substantiated violation or compliant; a number of investigations were dealt with by Council by way of a letter of caution to the agent who had been investigated; some were dismissed by Council as being unsubstantiated and others resulted in fines & costs being assessed. All of the industry Councils examine and review reported allegations of violation thoroughly and fairly.

ICM has consistently wrestled with the licence requirement for agents & brokers to maintain current Errors and Omissions coverage. In the past ICM has provided numerous warnings, has provided many different informational notices, and had ongoing discussions with insurance industry partners in an attempt to ensure that agents/brokers are aware of the requirement for them to provide ICM with up to date E&O policy information within the required timeline. ICM has now developed a new enhanced "on-line" system of reporting E&O information. This will enable ICM to provide automated notices to agents/brokers of upcoming E&O coverage renewals and the need to renew coverage and update the system. Failure to do so will result in the licence holder's licence being disqualified.

Another major accomplishment is the completion of our on-line application system for NEW applicants. Effective June 1st, 2018, paper applications will no longer be accepted for NEW applicants. New applicants include those individuals who have never held a licence, or those who have not held a licence for over 12 months. Over the course of the past year, the system was tested and over 800 applications were submitted on-line. Given the success of that test period, as of June 1st, 2018, paper applications will no longer be accepted for applications for new applicants. At this time the



## MANITOBA COUNCIL from the Chairperson

new system does not accommodate transactions that are not “new” so licence “transfers”, or “reinstatements” are not part of this system. Of course Council’s on-line “renewal” system has been up and running for several years, and efficiently processes the vast majority of the 15,000 or so licences that require renewal annually.

The “Restricted Insurance Agent” (RIA) regime is now approaching 3 years of age. The initial period for licensing of RIAs saw 447 licences issued. This year the number of licences in force is 608. There are still a number of RIA issues outstanding and a special thank you goes to the ISI Committee made of Paul Brett, Keith Jordan, Nelson Hoe, Sonja Doran and Robert Cole for continuing to shepherd this project forward.

There has been a significant delay / interruption in appointments to all 3 Councils. We have been working with the Minister’s office and the Agencies, Boards & Commissions office to get a sense of how ICM can be involved in the process. Very recently ICM was notified by the Minister’s office that as soon as practical (Fall of 2018) the Superintendent’s office will coordinate a merger of the Adjuster’s Council and the General Council. To date we are not yet certain how the transition will take place or how the terms of current members of either Council will be dealt with, but the Superintendent’s office has begun consultations with stakeholders regarding the changes.

On the topic of terms of Council members, it is extremely important to recognize the efforts of those Council members who either did not have their terms renewed, or whose terms came to an end or are now coming to an end. It was with surprise that ICM was advised that both Maurice Therrien and Kris Moffatt would finish their time on ICM’s General Council after only one 3-year term. Both Maurice and Kris were exceptional members whose opinions and insights were much valued, as was their candor. As of this coming July, Treena Piasta will complete her second 3-year term, and while representing the insurance company

perspective on General Council, Treena’s experience in the field dealing with agents & brokers at that level has been invaluable to ICM. Council also said a regretful goodbye to Sonja Doran, who had completed her two terms with the Life Council, and had also served so ably on the Manitoba Council. Finally, the Adjusters Council’s David Lind completed his first term, but stepped down from consideration for a second term due to a change in his career direction. We wish all of our former Council members all the best, and we thank them for their time, diligence and expertise. During the fiscal year, Council welcomed new Council members Irwin Kumka, Andy Anderson, Patricia Horncastle and Darrell Reschke.

My term on the Manitoba Council is also coming to an end in July of 2018. During the two terms that I have had the good fortune of working with ICM Council members and the exceptional staff that work so hard on Council’s behalf, I can say without reservation that the time has been more valuable to me than I could possibly have expected. The work that ICM does in protecting Manitoba consumers of insurance and providing the regulatory oversight to our industry cannot easily be measured, but I am confident that Manitobans are well served by ICM.

Respectfully submitted,



**Jeffrey A. Coleman, B.A., CAIB**



## LIFE COUNCIL from the Chairperson



**A**nother eventful year on the Life Insurance Council. We had 4,243 Life licences and 4,200 Accident and Sickness licences issued, though many individuals hold both licences simultaneously. The

number of licences were up approximately 5% from last year. There were 9 disciplinary decisions taken during this period and 46 complaints (65 the previous year).

It is the Council's mandate to protect the consumer while regulating licensees. I believe this benefits the public but also the industry as a whole by ensuring that the individuals who do not conduct themselves in a professional manner are identified and the issues corrected, so as to not taint all those who have chosen to be in this profession.

One area of concern that we have been addressing at the Council is licensees who choose not to continuously hold Errors and Omissions insurance coverage. Surely if someone is licensed to provide insurance solutions for others, they are expected to understand the need to cover possible perils for clients and liability for themselves. Licensees are not qualified to be licensed if they do not hold adequate E&O insurance coverage. We have heard that licensees did not have the money to purchase it, did not have the time to deal with it, or forgot, and even some that thought it was not necessary if they were not actively selling policies at the time.

**To clarify, licence holders must have valid E&O coverage at all times when licensed or they are not qualified to hold a licence.** We have made changes to the process where all licence holders must have secured E&O insurance coverage and reported the new coverage through the ICM on-line portal before their previous coverage ends. If this is not done, licensees are disqualified from holding a licence.

Another area that is becoming more of an issue is how licensees advertise or hold themselves out to the public. Licensees can only use the name on their licence for business cards, email signatures, website, etc. If a business name is not registered in Manitoba and listed on the insurance licence, it cannot be used by a licensee for any advertising purposes.

ICM has invested dearly to ensure that applicants and licensees have quick and easy access to their information through the on-line portal. Hopefully these benefits are appreciated. Further upgrades are currently being explored.

I would like to thank Sonja Doran for completing her second term and the time she dedicated to various committees and both the Manitoba and Life Councils. I would also like to welcome both Patricia Horncastle, who brings a company perspective and Andy Anderson, a licensed representative, to the Life Council. Finally, I would like to thank Lee Roth and Ruby Calvez, ICM's Investigators, and Heather Winters, ICM's Director of Licensing and Compliance, for their diligence in bringing investigations to Council. All members of the Council, current and past, including staff should be recognized for the commitment they make for this industry.

Respectfully submitted,

**Richard Fillion, CPA, CMA, CFP**

## GENERAL COUNCIL from the Chairperson



**A**s Chair of the General Insurance Council of Manitoba, it is my pleasure to report on the Council's activities for the period April 1, 2017 to March 31, 2018.

The General Council has been dealing with a lack

of timely appointments for Council members and a significant degree of uncertainty with respect to the future terms of current or retiring members. Maurice Therrien and Kris Moffatt finished their time with Council after one 3-year term, which came as quite a surprise. We have met with the Minister's office to express concern over the matter of timely appointments and were advised that all Government Agencies, Boards and Commissions were being tasked with a reduction in their boards and appointments to those boards. We have also been advised that effective as soon as practical (Fall of 2018), under the direction of the Superintendent of Insurance, the Adjusters Council will be merged into the General Council. At this point we are not certain of the effect on current Council members. However, General Council is fully prepared to take on the added responsibility and will work with the Financial Institutions Regulation Branch to make the transition as seamless as possible.

At the close of the 2017/2018 year the General Insurance Council administered 5,831 licences. Of that number, 18 were "auto only" licences; 128 were "hail licences" and the balance are "general licences". There are a total of 608 Restricted Insurance Agent (RIA) licences which are broken down by class of licence required, based on the industry which they represent. The largest single group of licensees by far are those in the "automobile and equipment dealership" class, with a total of 346 licences. It is important to note the licences for RIAs are reflective of the number of entities involved, not the number of individuals. In the RIA class

the licence is acquired for the entire complement of sales people involved in the "incidental sale" of insurance. The RIA group is very complex and ICM is spending a considerable amount of time dealing with whether the sale is "incidental" to the sale of the car, for example, or to the sale of the financing agreement. This matter will continue to be monitored by Council and the ISI committee.

Over the past year the General Insurance Council opened 83 new complaint files which generated 14 disciplinary actions. Among the 14 were a number of situations/complaints that arose from the increasingly large "non-resident" component of our licence holders. Manitoba licenses "individuals" and other jurisdictions license "entities". All of our Councils are obligated to uphold Manitoba regulations to protect Manitoba insurance consumers. However, there are differences between our requirements and those of other jurisdictions. One particular concern is where licensed agents in other jurisdictions are working remotely outside of an agency (from home). Our Provincial guidelines require "on-site supervision" for level one licensees. The advances in technology that exist suggest that Manitoba may need to review some parts of our regulatory framework and understand the implications of changes in technology. In addition to the disciplinary actions taken, a number of files were closed with a letter of caution and some were closed as being unsubstantiated complaints. Each file opened and brought before Council is investigated thoroughly and reviewed by Council before any action is taken.

General Council is made up of a group of very dedicated and insightful individuals. While Maurice Therrien and Kris Moffatt were not able to finish a second 3-year term, we were delighted to have Irwin Kumka be a new appointment in July 2017. Irwin is an excellent resource for ICM with many years of insurance industry experience to offer. In early July 2018, Treena Piasta's second 3-year term will come to an end and we thank Treena for valuable input representing the insurance company perspective.

## GENERAL COUNCIL from the Chairperson

From a staffing perspective, we completed a full year under Barbara Palace Churchill's executive leadership. Barbara's skillset is a tremendous advantage for ICM and the General Council has been supported immensely by her. Of course, the licensing department under Stacy Aubrey and the compliance team led by Heather Winters are also to be given a huge thank you for the work they do. Added to the compliance team this year was Ruby Calvez, who was hired as an Investigator. Ruby's experience as a broker brings a practical knowledge and insight to her investigations for General Council.

My term as Chair of the General Insurance Council is complete as of July 2018. The opportunity to serve both consumers and agents & brokers in Manitoba has been extremely rewarding. The education I have received simply by being around such tremendously dedicated staff and Council members is invaluable and I thank all of you for your efforts as we have worked together for the good of our insurance industry.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Jeffrey A. Coleman', with a stylized flourish at the end.

**Jeffrey A. Coleman, B.A., CAIB**

## INSURANCE ADJUSTERS COUNCIL from the Chairperson



**A**s Chair of the Adjusters Council I am pleased to report on Council activities for the 2017/2018 fiscal year.

This was again a quiet year for the Adjusters Council. There was one change in the board this

year, that being the stepping down of David Lind because of a change in career direction. This led to the appointment of Darrell Reschke to Council. Darrell will bring a wealth of experience to Council and we very much look forward to working with him. Welcome aboard Darrell.

The 2017/2018 year saw a slight increase in the number of licensees in the Province from 390 to 396. This includes resident, non-resident and hail licence holders. This year's increase of 6 was on the hail licence side.

I am pleased to report this was a very uneventful year for complaints. There were a total 3 investigations opened, none of which resulted in any disciplinary action.

The most significant news this year has been the announcement by Government that the Adjuster's Council will be amalgamated with the General Council. Through the Financial Institutions Regulation Branch, Government has initiated consultations regarding the merger with industry, including discussions with the Manitoba branch of the Canadian Independent Adjusters Association (CIAA). It is anticipated this change will be taking effect in the very near future and as such this will be the last report I will file as Chair of this Council. This has been a rewarding experience for sure and I hope the newly amalgamated Council will continue to provide the needed support to my peers in the industry and public alike.

Last year we reported that we were waiting on approval from Government on recommendations to amend the Insurance Adjusters Licensing Rules reducing the current 5 licence levels to 3. Regretfully I must report we continue to wait for final approval on this matter but are hopeful this will move forward with the upcoming changes to the General Council and Adjuster Council structures.

I would like to extend my great thanks and appreciation to Heather Winters, Director of Licensing and Compliance, for her hard work in support of the Adjusters Council during my time as Chair.

In closing this year also saw the first full year for ICM under the guidance of new Executive Director Barbara Palace Churchill. No surprise Barbara is everything and more than we expected. Thank you Barbara for your excellent leadership.

Respectfully submitted,

A blue ink handwritten signature, appearing to read 'Grant Rerie', with a stylized flourish at the end.

**Grant Rerie, CRM**

# EXECUTIVE DIRECTOR'S MESSAGE



I am pleased to provide my report for the 2017/2018 fiscal year for the Insurance Council of Manitoba. Growth and change are continuing themes in the work of the ICM, from a policy development, licensing, compliance and operational perspective.

## Compliance and Investigation

A total of 132 new compliance-related matters were opened in 2017/18, down slightly from 153 the prior year. 171 complaints were closed during the year, with industry Councils imposing 26 formal disciplinary actions. In reviewing disciplinary investigations, industry Councils have a number of options available to them:

- find a complaint is unsubstantiated;
- issue a Letter of Caution – used where although the investigation found concerns, in the circumstances of the case Council deems that a formal sanction would not be required. These are instructive tools that illustrate where violations occurred so the individual may ensure the conduct is not repeated;
- review the suitability of an individual to hold a licence;
- impose conditions on an individual's licence;
- impose a fine and costs of investigation;
- suspend or revoke a licence.

Types of issues resulting in disciplinary action included: failing to provide adequate client service or advice; misrepresentations to clients; conflict of interest; breach of confidentiality; unlicensed activity; use of altered or non-compliant forms. Disciplinary actions were taken for misrepresentations made to Council, both

regarding licensing documentation submitted to ICM and for misleading information submitted to ICM's investigator during an investigation. The Councils take these misrepresentations seriously; licence holders must be honest and forthright in their communications with ICM. ICM's compliance staff ensure that all relevant information and evidence is provided to the industry Councils for deliberation, and that licence holders are given the opportunity to provide their information as part of the investigation.

## Licensing

There were 15,278 active licences held as of March 31st, 2018. Over the past 5 years, there has been a 43% increase in the overall number of licences – from 10,730 in 2013 to 15,278 this year. This increase is due partially to the addition of the new Restricted Insurance Agent (RIA) licensing regime and hail agents to ICM's mandate, but there have been significant increases to all licensing categories. Licensing numbers reflect holders who are residents of Manitoba, as well as non-residents who are licensed to do business in Manitoba. Currently, approximately 50% of all licences issued by ICM are non-resident licences; this reflects the increasingly multi-jurisdictional nature of the industry. This ongoing increase in volume, as well as increased complexities in ensuring due diligence for licensing both residents and non-residents and the RIA regime, has put stress on ICM's resources. The increasing stress on ICM's capacity is serving as a catalyst to review and rationalize systems and processes, while maintaining due diligence in exercising our role as a regulator. ICM has an extremely dedicated team of licensing staff led by Stacey Aubrey, Manager, Licensing & Administration, who work diligently to deal with the many applications, inquiries and requests that ICM receives each day.

# EXECUTIVE DIRECTOR'S MESSAGE

## Technology

Improving licensing efficiency through technology has been part of ICM's strategic direction for several years. The on-line licence renewal system continues to demonstrate its effectiveness. This year, an on-line application system was pilot tested, and based on positive results, was opened to all NEW applicants for a licence. NEW applicants are those individuals who have never held a licence, who have not held a licence for more than 12 months, or who are applying for a secondary/supplemental licence. As of June 1st, NEW applicants will be able to apply exclusively on-line. This system improves the accuracy and completeness of applications submitted, allowing more efficient processing. In future, ICM will be developing its technology to include other licensing transactions, including amendments, transfers and reinstatements of licences on-line.

Work continued on development of an on-line reporting system for professional liability (E&O) insurance. Under *The Insurance Act*, licence holders must continually maintain E&O insurance to be eligible for a licence. E&O insurance is a critical protection for both Manitoba consumers and agents, and licence holders must be able to demonstrate that they have this insurance in place. The system will be launched on June 1st, and will require licence holders to provide updated E&O policy information in the on-line licensing portal prior the expiry of their existing policy. System-generated reminder notifications will be sent to licence holders prior to their individual policy expiry date. When fully implemented, failure to update information demonstrating in-force E&O will result in immediate disqualification of the licence. ICM has been communicating implementation of this system to industry through information provided at industry events and through individual notices sent to licence holders, agencies, carriers and brokers.

## Governmental Relations

ICM enjoys a strong relationship with the Superintendent of Financial Institutions through the Financial Institutions Regulation Branch (FIRB). Council Chairs had the opportunity to meet with the Honorable Cameron Friesen, Minister of Finance and Jim Hrichishen, Deputy Minister of Finance, during the fiscal year to discuss areas of mutual concern, including the timely appointment of Council members, the amendment of the Insurance Adjusters Licensing Rules and structural changes to Council. ICM has been notified by the Minister's office of upcoming regulatory amendments to merge the General and Adjusters Councils, and Council has been working with FIRB to provide Council's perspective on how the new merged Council can continue to fulfil ICM's mandate to protect the public. We have appreciated the assistance and advice during the year of Jim Scalena and J. Scott Moore of FIRB, and their ongoing willingness to provide ICM with feedback whenever needed.

## Administrative Matters

ICM's administrative structure consists of 11 full time staff positions, and had 10 employees as of the end of the fiscal year. Two permanent positions were added to the staff complement during the fiscal year – an additional Investigator and a Licensing Clerk position. Manitoba Council has been working on planning for the future through organizational succession planning, and staff recruitment and retention.

## Public Interest Disclosure

Regulation 173/2008 which took effect December 1, 2008 designated the Insurance Council of Manitoba as a body subject to the Public Interest Disclosure Act. The Insurance Council of Manitoba has been granted an exemption from the obligation to develop procedures to manage disclosures and designate an officer under Sections 5 and 6, however is obligated to report on any disclosures of wrongdoing that are received. As of March 31, 2018, no disclosures of wrongdoing were received by the Insurance Council of Manitoba.



# EXECUTIVE DIRECTOR'S MESSAGE

## Financial Report

The Insurance Council of Manitoba continues to maintain a favourable financial position, and exercises due diligence in its financial planning and forecasting.

ICM remits 44% of licence and miscellaneous fees (excluding Restricted Insurance Agent licences) and 15% of all examination fees to the Minister of Finance. Additionally, 100% of all fines assessed in disciplinary matters are payable to the Minister of Finance. In 2017/2018, total fees in the amount of \$1,094,682 were remitted to the Minister, and fine payments in the amount of \$37,000 were forwarded.

A copy of the audited Financial Statements for the fiscal year 2017/2018 is included in this report.

## In Closing

I offer my sincere thanks to all Council members – past and present – who share their time, dedication, knowledge and expertise with the Insurance Council of Manitoba. The involvement of members of the industry and members of the public on our Councils is critical to ICM's ongoing success.

I would also like to recognize how fortunate ICM is in having an extremely talented, dedicated and hard-working group of staff members, without whom it would be impossible to achieve Council's goals. Although small in number, they are able to manage a workload that is continually increasing in volume and complexity. I want to express my sincere appreciation to each of them, as it is the people working day to day together who are the heart and soul of any organization.

Respectfully submitted,



**Barbara Palace Churchill, LL.B., CPA, CMA**  
Executive Director



# LICENCES ACTIVE at March 31, 2018

## Life Insurance Council

Life	4,243
Accident & Sickness	4,200
<b>Total Life Insurance Council Licences:</b>	<b>8,443</b>

## General Insurance Council

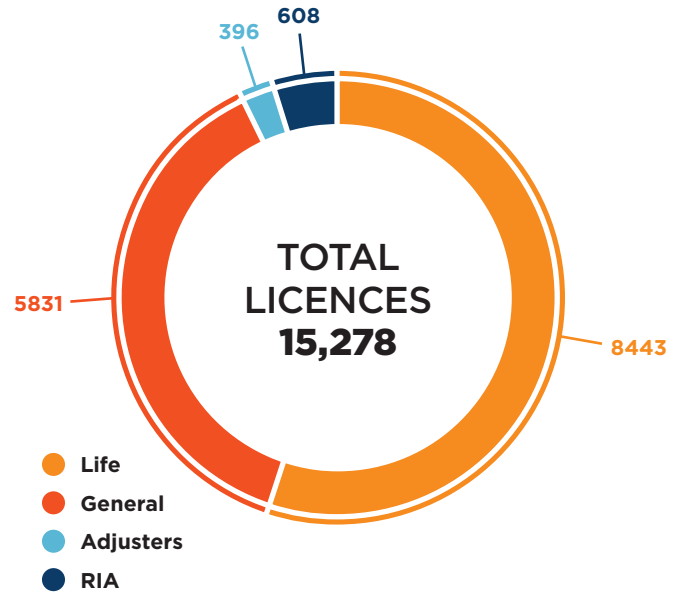
General Insurance Agent	Level 1	2,909
General Insurance Agent	Level 2	1,311
General Insurance Agent	Level 3	978
General Operating Agent	Level 3	486
Auto Only	Agent	18
Automobile	Agent	1
Hail	Agent	128
<b>Total General Insurance Council Licences:</b>		<b>5,831</b>

## Insurance Adjusters Council

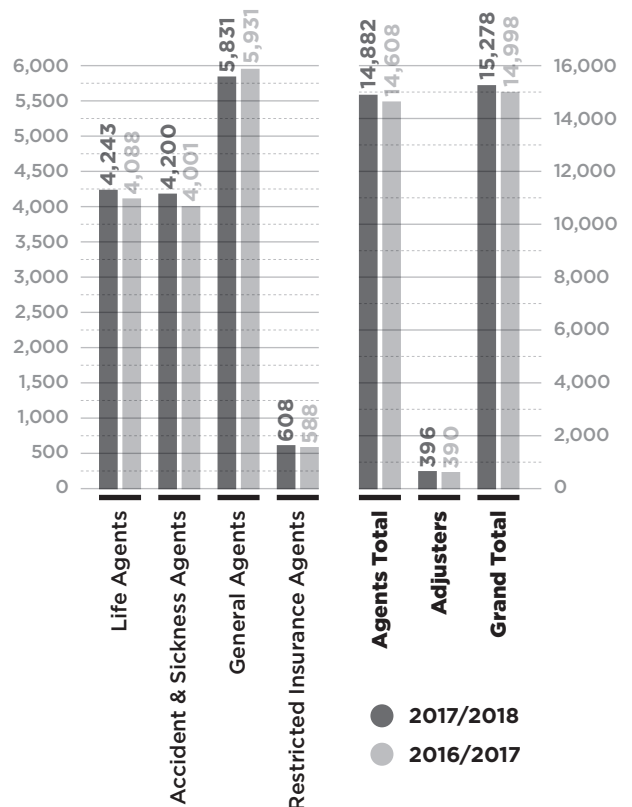
Adjuster	D/R	29
Adjuster	Independent	222
Adjuster	Assistant	54
Hail	Adjuster	91
<b>Total Adjusters Council Licences:</b>		<b>396</b>

## Restricted Insurance Agents

Auto/Equip Dealership	346
Customs Broker	0
Deposit Taking Institution	55
Freight Forwarding Business	1
Funeral Director	37
Mortgage Broker	31
Portable Electronics Vendor	5
Sales Finance Company	46
Transportation Service	0
Travel Agency	82
Vehicle Rental Business	5
<b>Total Restricted Insurance Agents Licences:</b>	<b>608</b>



## Active Licences at March 31, 2018



# EXAMINATION STATISTICS April 1, 2017 to March 31, 2018

## Life Insurance Council

### HARMONIZED LLQP

Written	-	2,282
Passed	79%	1,799
Failed	21%	483

**Total Life Council Examinations: 2,282**

## General Insurance Council

### ALL CLASSES

Written	-	22
Passed	27%	6
Failed	73%	16

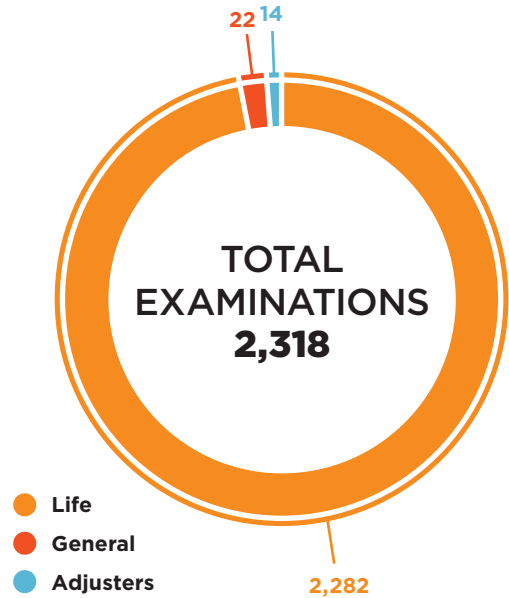
**Total General Council Examinations: 22**

## Insurance Adjusters Council

### ALL LEVELS

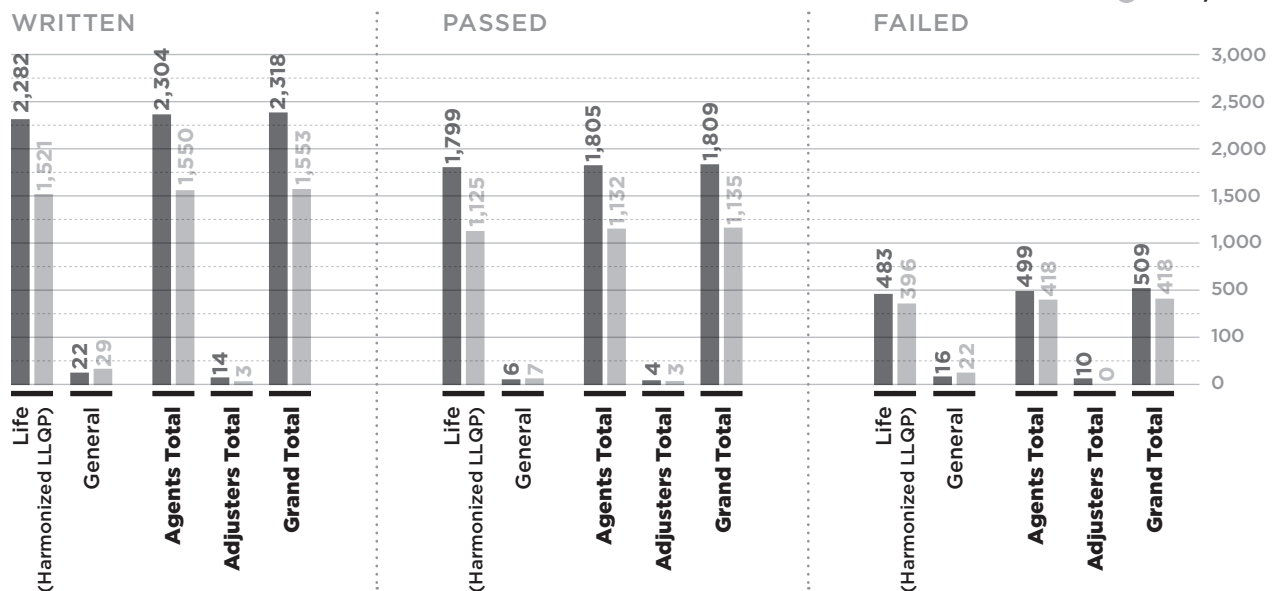
Written	-	14
Passed	29%	4
Failed	71%	10

**Total Adjusters Council Examinations: 14**



## Insurance Agent and Adjuster Licensing Examinations

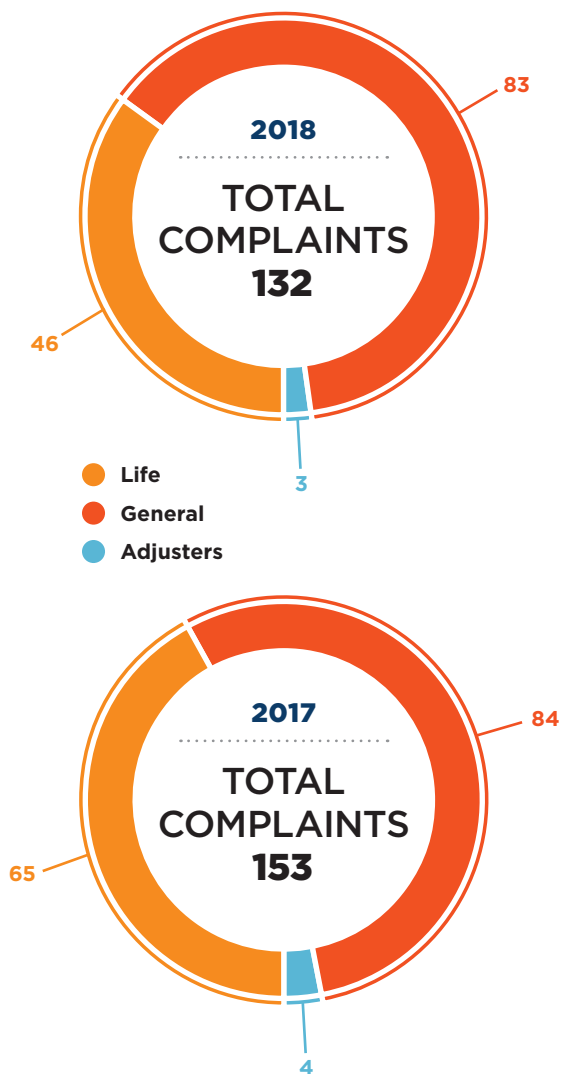
● 2017/2018  
● 2016/2017



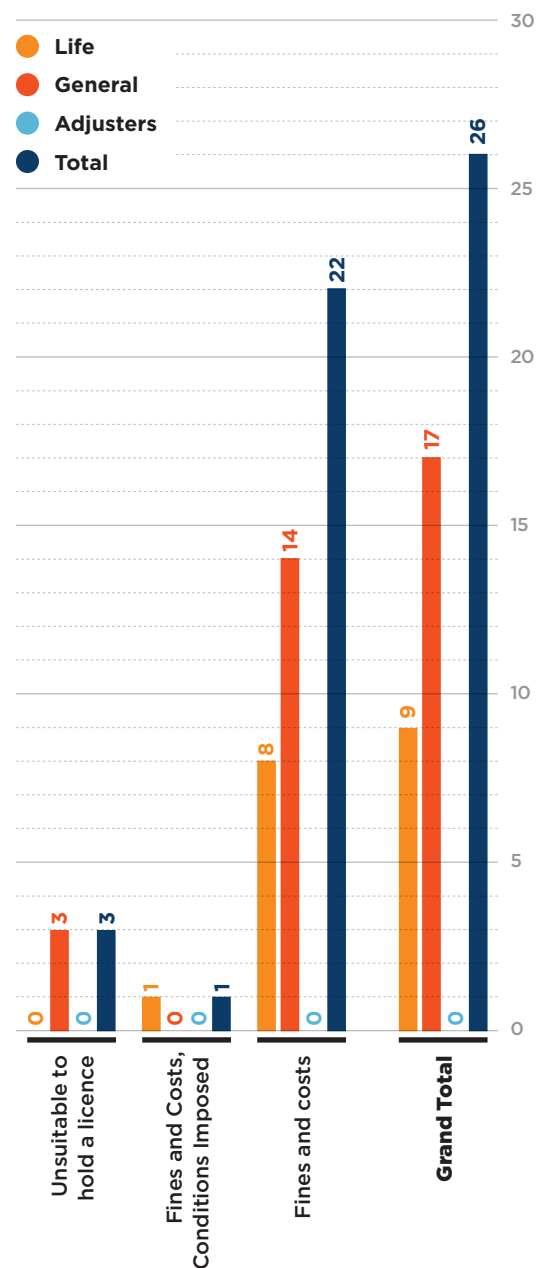
# COMPLAINT STATISTICS April 1, 2017 to March 31, 2018

Total number carried forward from previous year	65
Total number of complaints opened between April 1, 2017 and March 31, 2018	132
Total number of complaints closed between April 1, 2017 and March 31, 2018	171
Total number of complaints outstanding at March 31, 2018	26

## New Complaints Per Council



## Disciplinary Action Taken



# DISCIPLINARY ACTIONS April 1, 2017 to March 31, 2018

## Unsuitable to Hold a Licence

	RESULT
General Insurance Agent	Found unsuitable to hold a licence
General Insurance Agent	Found unsuitable to hold a licence
General Insurance Agent	Found unsuitable to hold a licence

## Fines and Costs, Conditions Imposed

	FINED	ASSESSED COSTS	CONDITIONS IMPOSED
Life Insurance Agent	\$1,000.00	\$1,000.00	Yes

## Fines and Costs

	FINED	ASSESSED COSTS
Life Insurance Agent	\$500.00	\$250.00
Life Insurance Agent	\$500.00	\$500.00
Life Insurance Agent	\$500.00	\$500.00
*Life Insurance Agent	\$1,500.00	\$2,850.00
*Life Insurance Agent	\$2,000.00	\$1,500.00
*Life Insurance Agent	\$3,000.00	\$1,250.00
Life Insurance Agent	\$5,000.00	\$1,000.00
Life Insurance Agent	\$15,000.00	\$6,000.00
General Insurance Agent/Broker	\$500.00	\$225.00
General Insurance Agent/Broker	\$500.00	\$300.00
General Insurance Agent/Broker	\$500.00	\$350.00
General Insurance Agent/Broker	\$500.00	\$350.00
General Insurance Agent/Broker	\$500.00	\$400.00
General Insurance Agent/Broker	\$500.00	\$500.00
General Insurance Agent/Broker	\$750.00	\$425.00
General Insurance Agent/Broker	\$750.00	\$450.00
General Insurance Agent/Broker	\$1,000.00	\$375.00
General Insurance Agent/Broker	\$1,000.00	\$400.00
General Insurance Agent/Broker	\$1,000.00	\$600.00
General Insurance Agent/Broker	\$1,000.00	\$800.00
General Insurance Agent/Broker	\$3,000.00	\$825.00
General Insurance Agent/Broker	\$3,000.00	\$3,400.00
<b>TOTAL</b>	<b>\$37,000.00</b>	<b>\$18,650.00</b>

• All fines imposed are payable to the Minister of Finance and are not retained by Council

• All or part of investigation costs may be assessed and are retained by Council

\* Fines and Costs uncollected as of March 31, 2018

## Appeals filed to the Provincial Insurance Agents' and Adjusters' Licensing Appeal Board

**TOTAL Appeals Filed – 1**



466-167 Lombard Avenue  
Winnipeg, Manitoba  
R3B 0T6

**T 204 988 6800**

**F 204 988 6801**

**[contactus@icm.mb.ca](mailto:contactus@icm.mb.ca)**

**[www.icm.mb.ca](http://www.icm.mb.ca)**