

ICM ICM ICM ICM ICM ICM ICM ICM  
ICM ICM ICM ICM ICM ICM ICM ICM  
ICM ICM ICM ICM ICM ICM ICM ICM

INSURANCE COUNCIL OF MANITOBA

2009 ANNUAL REPORT | APRIL 1, 2008 - MARCH 31, 2009

2009

ANNUAL REPORT



Letter of Transmittal.....	3
Mission and Mandate.....	4
Vision and Values.....	5
Organizational Profile.....	6
Management and Staff.....	7
Members of the Councils 2008/2009.....	8
Chairperson's Message - Administrative Council.....	10
Chairperson's Message - Life Council.....	12
Chairperson's Message - General Council.....	14
Chairperson's Message - Adjusters Council.....	15
Executive Director's Message.....	16
Active Licenses.....	20
Examination Statistics.....	21
Complaint Statistics.....	22
Disciplinary Decisions.....	23



May 31, 2009

Mr. Jim Scalena  
Superintendent of Financial Institutions  
Financial Institutions Regulations Branch  
1115 – 405 Broadway  
Winnipeg, Manitoba  
R3C 3L6

Dear Mr. Scalena:

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, 2008 until March 31, 2009, 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, reading "Erin Pearson".

Erin Pearson  
Executive Director  
Insurance Council of Manitoba

466 - 167 Lombard Ave.  
Winnipeg, Manitoba  
R3B 0T6

T 204.988.6800  
F 204.988.6801

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

## WHAT WE DO

## WHY WE DO IT

### MANDATE

The mandate of the Council is to act in the public interest to protect Manitoba consumers of insurance products, and to regulate agents, brokers and adjusters to ensure adequate standards are maintained for public protection.

### 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.



# VISION AND VALUES

## WHO WE ARE

## WHAT WE STAND FOR

### VISION

The vision of the INSURANCE COUNCIL OF MANITOBA is to be recognized as an organization that provides superior consumer protection through proactive leadership within a regulatory framework and increased harmonization of insurance regulation.

### VALUES

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

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

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.

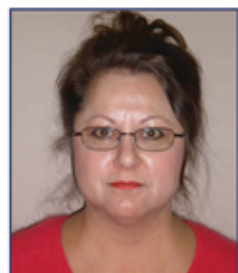
At March 31, 2009, there were over 8,200 licenses in force in three (3) separate disciplines:

- \* Life Insurance, including Accident & Sickness Insurance
- \* General Insurance
- \* Insurance Adjusters

## MANAGEMENT AND STAFF



**ERIN PEARSON, BA, FLMI, FALU**  
*Executive Director*



**ELLEN MORIN**  
*Manager, Licensing & Administration*



**JILL MACKENZIE**  
*Licensing Clerk*



**APRIL BERGMAN**  
*Receptionist*



**HEATHER A. WINTERS, MBA, FCIP, CRM**  
*Investigator*



**SANDI SALUK**  
*Licensing Officer*



**AMANDA CAMPBELL**  
*Administrative Assistant*

## MEMBERS OF THE COUNCILS 2008/2009

### Life Insurance Council

Name	Position	Representing
Bonnie Radcliffe	Chairperson	Public
Donna Winstone	Vice-Chairperson	Life Agents
Joan Miles	Member	Public
Nemesio Juan	Member	Life Agents
Emmie Joaquin	Member	Life Agents
Brian McKinnon	Member	Public

### General Insurance Council

Name	Position	Representing
Gerry Corrigan	Chairperson	General Agents
Rosemary Henderson	Vice-Chairperson	General Agents
Cheryl Madden	Member	Insurance Companies
Judy Bertrand	Member	General Agents
Wendy Gilroy	Member	General Agents
Donald Stord	Member	Public

### Insurance Adjusters Council

Name	Position	Representing
Elaine McCracken	Chairperson	Insurance Adjusters
James Magnan	Vice-Chairperson	Insurance Adjusters
Jacqueline Desrochers	Member	Insurance Adjusters
Ron Tardiff	Member	Public
Fred Dixon	Member	Insurance Adjusters

#### **Administrative Council of Manitoba (Manitoba Council)**

<b>Name</b>	<b>Position</b>	<b>Representing</b>
Gerry Corrigan	Chairperson	General Council
Elaine McCracken	Vice-Chairperson	Adjusters Council
Bonnie Radcliffe	Member	Life Council
Rosemary Henderson	Member	General Council
James Magnan	Member	Adjusters Council
Donna Winstone	Member	Life Council

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

#### **Council Members whose terms expired during 2008/2009**

<b>Name</b>	<b>Position</b>	<b>Representing</b>
Donald Manson	Chairperson	Life Council
William Stewart	Vice-Chairperson	Life Council
Zbigniew Gryz	Member	Life Council
Claude Forest	Chairperson	General Council
Arthur Jonasson	Member	General Council
J. Miles Barber	Chairperson	Adjusters Council
Don Jodoin	Vice-Chairperson	Adjusters Council



# CHAIRPERSON'S MESSAGE

## ADMINISTRATIVE COUNCIL

The last year has seen extensive changes in the members appointed to the Life, General and Adjusters Councils. It is of significance to note that of a total of 18 Council members, the second and final terms of 7 members expired during 2008/2009.

The Administrative Council has not been immune from these changes. In 2008, the final term of Miles Barber, who served as Administrative Chairperson for the previous 3 years, expired. In addition to serving together on the Administrative Council of Manitoba, I have had the good fortune to work with Miles over the years on various industry issues and organizations. It was certainly no surprise that Miles would be a great leader and give willingly of his time for the betterment of our organization. This is the way Miles approaches everything, with a great deal of effort and professionalism, and the Insurance Council of Manitoba was fortunate to benefit from these qualities.

2008 also saw the second term of a number of other terrific members of the Administrative Council come to an end. I would like to thank Claude Forest (General Council), Don Manson (Life Council and Vice-Chairperson Administrative Council) and Bill Stewart (Life Council) for all their efforts over the years. I would like to also express my appreciation to Miles and Bill for their attendance at our off site strategic planning session even after their terms had expired. It was great of you to join us in this event and your experience, dedication and enthusiasm were a valuable contribution to our strategic plan. All of these four gentlemen have been instrumental in shaping the future of Council and I very much appreciated being involved with them in this process.

I also want to pass on my thanks to our current Administrative Council members, Vice-Chairperson Elaine McCracken, Bonnie Radcliffe, Jim Magnan, Rosemary Henderson and Donna Winstone. They bring a wealth of experience and a broad spectrum of backgrounds to the Administrative Council and the Audit Committee.

The fiscal period ending on March 31, 2009 revealed that ICM had completed a successful year, where budgetary and operational expectations were exceeded. Consequently, the Administrative Council has identified several areas where innovative goals and opportunities exist and have established strategies to move upon realizing these.

In October, 2008 all members of Council were offered the opportunity to participate in a re-examination of our existing strategic plan and the development of a new three year plan. Our previous plan extended over 2005-2008 and our goal was to develop a new strategic plan to provide direction and focus from 2009 through to 2012. The session included both former and current Council members, and was facilitated by outside consultants, Harris Consulting, who provided guidance and structure during the process. I would like to thank all who participated at the event itself and those who continued to provide input and review during the fine tuning process leading to the final Insurance Council of Manitoba 2009-2012 Strategic Plan. This plan includes a new vision statement and identifies strategic priorities for the next three years. Eight key areas were identified which were considered relevant to the organization:

1. Consumer protection | education | awareness
2. Brand building
3. Upgrade and strengthen IT environment of ICM
4. Regulatory oversight



5. Incidental Sale of Insurance (ISI)
6. Industry education
7. Harmonization
8. HR | operational issues

An ambitious but achievable list of action plans and/or strategies was established to address and support these key areas, and the items identified are in various stages of progression or completion. We were pleased to have completed a Disaster/Business Continuity Plan, revised Code of Conduct for Life and Accident & Sickness Insurance Agents, organizational review, and various IT enhancements which support and secure the efficient operation of the Insurance Council of Manitoba. It is our goal to begin the regulatory approval process requiring acts of fraud/dishonesty as a mandatory element of E&O policies for general and life agents by our June meeting. Outstanding and ongoing action items of this plan will be on the agenda of each meeting of the various Councils as well as the Administrative Council. This will be our roadmap to the future and will be reviewed regularly to ensure that we are on track and meeting our goals.

In December, 2008, Don Manson developed a profile to define the general knowledge, experience, education and character of Council members which was respectfully shared with the office of the Minister of Finance. While this profile was specific to the Life Council, the general characteristics are applicable to all the industry Councils and we are grateful to Don for his efforts in this regard. We have been very fortunate to have a tremendous amount of talent and wealth of knowledge with previous Council members and it is in the best interests of the consumer that we continue on that path.

As the business community and our industries continue to change and modernize, the Insurance Council of Manitoba continues to look for opportunities to operate efficiently and effectively in an innovative and forward thinking manner while serving Manitobans through the effective regulation of professionals licensed in our industries.

It has been a pleasure for me to serve as Chairperson of the Administrative Council. I would like to take this opportunity to thank the Council members of the Administrative Council for your efforts over the last year. I would like to especially thank Erin and her team for their commitment to the organization and the hard work they put forward for the betterment of Council. Their valuable work and dedication is second to none and a job above and beyond the call of duty. Thanks so much.

Respectfully submitted,

*Gerry Corrigan*

GERRY CORRIGAL, FCIP, CIM, CCIB



# CHAIRPERSON'S MESSAGE

## LIFE COUNCIL

As recently appointed Chairperson of the Life Insurance Council of Manitoba, it is my privilege to provide a summary of our activities during the past year.

Many faces have changed around our Council table. We said good-bye to Don Manson, Bill Stewart, and Zbig Gryz and welcomed new appointees Donna Winstone (Vice-Chair), Emmie Joquin and Brian McKinnon to join existing members Joan Miles, Nemesio Juan and myself. We are now a Council comprised of three consumer and three industry representatives. Heartfelt thanks to Don, Bill and Zbig for their many years of dedication and service to the Life Council and to all existing members for their work on behalf of the life insurance consumer.

The life insurance industry continues to grow with licensees increasing from 4,630 to 4,840. The last year also saw a rise in complaint numbers from 47 to 50. In the disposition of these complaints we found 11 agents in violation of the *Insurance Act of Manitoba* or the Life Insurance Agent Code of Conduct. Disciplinary action took the form of one suspension with a fine and ten agents assessed fines and costs. Disciplinary matters included issues with respect to failure to properly complete a disclosure statement, failure to obtain continuing education credit hours and breach of understanding, and inappropriate recommendations for coverage. The balance of complaints were either unsubstantiated or were dealt with by way of a letter of caution.

Much progress was made on many of our initiatives last year:

- \* A new Code of Conduct has been approved that we trust will re-enforce to our agents principles which include the best interests and needs of the consumer, legitimate business interests, professionalism, confidentiality, conflict of interest, and information disclosure and documentation. The Code appears on our website and agents must attest that they have read and understand the new Code as part of the licence renewal process.
- \* We have approved in principle the Life Insurance Replacement Declaration (LIRD) subject to amendment of the Licensing Rules. The LIRD arose from the recommendations of a national initiative that considered requirements for the replacement of insurance. The new format ensures that consumers are alerted to and provided with the information required to make an informed decision when considering the replacement of life insurance. New guidelines to be implemented with the LIRD place an additional responsibility on the agent to ensure all relevant information is provided to the client along with a written analysis of the relative advantages and disadvantages unique and specific to the client's particular needs and circumstances.
- \* Through the utilization of an outside committee chaired by Council member Joan Miles, Continuing Education requirements were amended to 15 credit hours instead of 30 effective the 2010 renewal term. Although the number of credit hours has decreased the definition of a qualifying credit hour has been enhanced to focus specifically on life and accident & sickness insurance product knowledge.



- \* A committee, headed by Vice-Chair Donna Winstone, has been struck to review guidelines and requirements associated with the sale of segregated funds with the goal of reporting its recommendations to Council in the fall of 2009. Background work has been undertaken by way of comparing models in neighbouring jurisdictions, reviewing existing education and establishing continuing education components. The sale of segregated funds is also referenced in the new Code of Conduct.
- \* We are moving forward in determining the role Council will play and the level of regulation of intermediaries appropriate with respect to Incidental Sale of Insurance (ISI) using a definition that was developed by the joint committee of CCIR and CISRO. Intermediaries include auto dealerships, banks, finance companies, payday lenders, funeral insurance providers, mortgage brokers, travel health retailers, creditor insurance and credit cards. Letters requesting input have been sent to local and national stakeholders and our existing regulatory framework is under review.

In October we participated, in conjunction with the General and Adjuster Councils, in a two-day Strategic Planning session to develop a Strategic Plan for 2009-2012. Priorities specific to the Life Insurance Council include:

- \* ISI
- \* Segregated Funds  
(Guidelines and enforcement)
- \* Continuing Education  
(Harmonization and relevance)
- \* Licensing Rules
- \* Code of Conduct
- \* Life Insurance Replacement Declaration
- \* Committees (Council and Industry)

This intense and thought provoking session was quite beneficial as we focused on the past, present and future of the Life Insurance Council of Manitoba.

We welcome Heather Winters to ICM fulfilling the vital role of Investigator. Thank you Heather for the detailed and thorough reports provided on the disciplinary matters brought before the Life Council.

Our Executive Director, Erin Pearson, continually provides dedicated leadership, guidance and vision to the Life Council. Thank you Erin on behalf of myself and all of the Life Council members.

With the assistance of our experienced and talented ICM staff, we remain committed to our mission statement of "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".

Respectfully submitted,

*Bonnie Radcliffe*

BONNIE RADCLIFFE





## CHAIRPERSON'S MESSAGE

### GENERAL COUNCIL

Last year was a busy year for the General Council. I appreciate the hard work of our outgoing members including former Chairperson Claude Forest and consumer representative Art Jonasson whose second terms expired last year. The General Council welcomed the addition of Wendy Gilroy and Donald Storjord to Council and I appreciate their involvement over the last year. I would also like to thank Judy Bertrand, Cheryl Madden and our Vice-Chair Rosemary Henderson for all their efforts over the year. The team brings a wealth of experience to their responsibilities and their thoughtful approach to dealing with issues has served the public well.

As of March 31, 2009 there were 3,310 active general licenses compared to 3,112 the previous year. There were 24 complaints against general brokers; down from 30 the year earlier. All of these complaints were thoroughly investigated. There were 6 disciplinary actions taken as a result; 5 of which involved fines and costs and one application, that had been previously refused, was revisited and once again refused. We appreciate the assistance of our legal counsel Mike Richards, who has provided advice and guidance which has allowed Council to consider all relevant legal issues where appropriate.

Our Council has met several times over the past year and in addition to the regulatory matters before us, we found time to discuss several important topics. Some of the issues dealt with over the last year were as follows:

- \* Errors and omissions requirements
- \* Unlicensed activities
- \* Inducements to insure and referral fees
- \* Continuing education matters

All Councils were involved in a strategic planning process and a number of items were discussed and action plans were developed. Our strategic plan will be part of each and every meeting throughout this year to ensure that we are on target with the initiatives and goals that were established.

This is my last term ending my 6 years on Council in July. It has been a pleasure to serve on Council and as Chair over the last year. I would like to thank the members of the Council who have given their time to provide responsible leadership in dealing with the complaints from the public and other industry issues. I would also like to express my thanks to Erin and her team who have gone above and beyond the call of duty to serve the Council and the public well over the past year. I have seen a high level of professional public service over the years and the Council members, management and staff remain committed to this cause.

Respectfully submitted,

*Gerry Corrigan*

GERRY CORRIGAL, FCIP, CIM, CCIB



# CHAIRPERSON'S MESSAGE

## INSURANCE ADJUSTERS COUNCIL



The Adjusters Council experienced a variety of transitions over the last year.

As with all of the Councils, the "term" of appointed members is not an indefinite one. Each appointee is named to an initial three (3) year term, which *may* subsequently be renewed for a second and final three (3) year term.

The terms of service for both Miles Barber and Don Jodoin expired this past year. Their extensive knowledge, wisdom and wit were valuable contributions to the Adjusters Council for six (6) years. Their final involvement included their participation at a two day Strategic Planning Session, where all Councils had an opportunity to review the past, assess the present, and plan for the future. These sessions also included our most recent appointee, Fred Dixon, who brings with him experience and knowledge, as well as a fresh eye.

The Adjusters Council awaits the Minister's pleasure for the appointment of the final member of Council. We are pleased that Jim Magnan, Ron Tardiff and Jackie Desrochers continue to serve their respective terms with integrity and sincerity.

This year Council took action to finalize a change to the Insurance Adjusters Licensing Rules, which removed the requirement for an adjusting firm to have a physical office in Manitoba. We are making an effort toward harmonization with other provinces, and this puts Manitoba in concert with regulations in other provinces.

As our primary focus is consumer protection, we are undergoing a review of the Adjusters Code of Conduct, as well as guidance to standardize "Best Practices" for Manitoba adjusters. It is the intent of Council to provide every adjuster with clear guidelines to ensure professional conduct and clear communication with the insurance consumer.

In its role as disciplinary body for Manitoba adjusters, as of March 31, 2009, Council oversaw eighty three (83) licensees and responded to seven (7) complaints. Only one (1) disciplinary action was undertaken by Council resulting in the licensee being found unsuitable to hold a licence.

We are pleased to note that eleven (11) examinations were administered by Council, resulting in seven (7) passes. This is more than double the number of examinations administered in the previous year.

The ongoing support of the Executive Director, Erin Pearson, and the staff of the Insurance Council of Manitoba is invaluable in ensuring that the Adjusters Council takes appropriate action in response to the challenges related to our mandate of consumer protection. We would take this opportunity to express our appreciation and gratitude.

Respectfully submitted,

*Elaine McCracken*

ELAINE MCCracken, CIP, CRM

# EXECUTIVE DIRECTOR'S MESSAGE

## ACKNOWLEDGEMENTS

The 2008/2009 fiscal year has been an exceptionally busy year, with many changes and challenges for the Insurance Council of Manitoba.

The policy and direction of the Insurance Council of Manitoba is determined by the Councils and dependent on the collective and individual expertise and commitment of each of the members. In 2008/2009 the second and final terms of seven Council members expired. The service and contributions of Zbigniew Gryz and Arthur Jonasson are gratefully acknowledged. I would like to particularly highlight the contributions of those former members who also served on the Administrative Council in addition to the industry councils. J. Miles Barber, Don Manson, William Stewart, Don Jodoin and Claude Forest personified the professionalism, commitment and support so valuable in a Council member. These individuals brought a wealth of experience, energy and integrity to their positions and their legacy is an organization that is stronger for having had the benefit of their wisdom.

We are pleased to welcome six new appointees, Wendy Gilroy, Donald Storjord, Donna Winstone, Emmie Joquin, Brian McKinnon, and Fred Dixon to the Insurance Councils of Manitoba. We look forward to the energy and new perspective that these members will most certainly bring to the Councils.

Thank you also to the Financial Institutions Regulations Branch, in particular to Jim Scalena and J. Scott Moore, for the assistance, cooperation and patience shown. The Insurance Council of Manitoba is grateful for your continued support.

The staff of the Insurance Council of Manitoba is to be commended for their diligence and hard work, and willingness to embrace change and offer valuable suggestions for improvements to the efficient operation of ICM. I wish to acknowledge my gratitude to each and every member of the ICM team for their dedication and continued excellence.

## THE YEAR IN REVIEW

Two major conferences were held this year by the Insurance Council of Manitoba. In June, 2008 the first meeting of Compliance/Investigation Managers was hosted in Winnipeg. This conference allowed the exchange of ideas and policies amongst those responsible for the investigation function of regulatory bodies of insurance agents and adjusters in the various jurisdictions across Canada. The conference was considered to be a valuable and productive exercise for all, and will now be held annually and hosted on a rotating basis.

In October, 2008 a combination strategic planning session and multi Council think tank was held which was facilitated by professional consultants. The conference provided an opportunity for Council members to consider the future direction of the Insurance Council of Manitoba and to establish a new set of priorities and goals. The conference was attended by Management staff of the Insurance Council of Manitoba, active Council members, and a number of former Council members who offered their historical perspective and expertise. The 2009-2012 Strategic Plan





which evolved from this process includes a new vision statement reflecting the Council's desire to be more readily recognizable to the Manitoba consumer of insurance. Additional areas identified as relevant to the organization and for which actions were established included brand building, enhancement of the IT environment of ICM, regulatory oversight, incidental sale of insurance, industry education, harmonization, and internal human resource/operational issues.

As an organization, initiatives to improve the operations of the Insurance Council included the completion of a business continuity (disaster) plan, completion of an internal emergency response manual, updates to our communication system, including telephones and computer work stations, salary reviews and job descriptions, reorganization of job specifications, and increased cross training and the documentation of formalized procedures, development and update of policy and procedure manuals, additional refinement of the Continuing Education online reporting system, and continuous update and expansion of information available on the Insurance Council of Manitoba website.

Industry initiatives included finalization of approval in principle to the Life and Accident & Sickness Insurance Agents Code of Conduct, Life and Accident & Sickness Agent Licensing Rules, Continuing Education requirements, changes in procedures for disclosure in the replacement of life insurance (LIRD), approval in principle of fraud and dishonest acts as a mandatory element of errors and omissions insurance for the Life and General Insurance licensees, and changes to the Adjusters Licensing Rules.

## 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 licenses, investigation of complaints and the implementation of disciplinary decisions of the Councils.

## OFFICE SPACE

The Insurance Council of Manitoba is currently located at 466-167 Lombard Avenue, Winnipeg, Manitoba, R3B 0T6. A review is currently underway to determine if the existing premises are sufficient for current and future needs, and alternative locations are being considered.

## ORGANIZATIONAL CHANGES

As of March 31, 2009 the number of full time staff members of the Insurance Council of Manitoba was seven. Positions and duties were reevaluated and reorganized following the completion of professional position descriptions and salary reviews. Full time Investigator Heather Winters joined ICM, and the position of Manager, Operations & Systems was not



# EXECUTIVE DIRECTOR'S MESSAGE

...continued from page 17

filled following the resignation of Audrey Treichel, who left to pursue independent business opportunities.

## INFORMATION TECHNOLOGY

The Insurance Council of Manitoba has continuously upgraded its infrastructure, and major enhancements occurred during 2008/2009. ICM has moved to a two server system, including a "mirrored" server and off site online back up and additional enhancements that increase security and function of our existing system. The services of a consulting firm have been engaged, and they have completed extensive work with respect to our existing database and the interface with the online continuing education online reporting system and developed proprietary documentation and manuals for internal reference. The Insurance Council of Manitoba expects to commence strategic planning with respect to the upgrading or conversion of our Licensing and Complaint Management systems in August, 2009, concurrent with a strategic analysis of the potential for increased web based activities and opportunities to further computerize routine functions.

## 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 it is obligated to report any disclosures of wrongdoing that are received. As of March 31, 2009 no disclosures of wrongdoing were received by the Insurance Council of Manitoba.

## LICENCE AND EXAMINATION FEES

There were no changes to the fee regulation for the 2008/2009 fiscal year.

## EXAMINATIONS

During the fiscal 2008/2009 year, the Insurance Council of Manitoba administered a total of 520 examinations with respect to agents and insurance adjusters in the Life, General and Insurance Adjusters industries.



## COMPLAINTS AND DISCIPLINARY ACTION

The Insurance Council of Manitoba opened a total of 81 complaint files from April 1, 2008 - March 31, 2009. The following is an industry specific breakdown of the complaint matters received:

Life Insurance Council	50
General Insurance Council	24
Insurance Adjusters Council	7

Complaint statistics are included in further detail in the Disciplinary Actions section of this report.

## APPEALS

A total of five appeal hearings were scheduled for the 2008/2009 fiscal year. One appeal was withdrawn prior to the scheduled hearing date. The Insurance Agents' and Adjusters' Licensing Appeal Board reduced the fine and maintained the costs in one instance, and maintained the fine and increased costs in two instances. One decision is outstanding as of the date of this report.

## FINANCIAL REPORT

The Insurance Council of Manitoba continues to remit 44% of all licence and miscellaneous fees and 15% of all examinations fees to the Minister of Finance. 100% of the fines assessed in disciplinary matters are also remitted to the Minister of Finance. In the 2008/2009 fiscal year, fees in the amount of \$620,942.30 and fines in the amount of \$15,000.00 were remitted to the Minister of Finance.

A copy of the audited Financial Statements for the year ending March 31, 2009 is included in this report.

## LOOKING FORWARD

While much has been accomplished in the preceding year, there are many areas in which the Insurance Council of Manitoba has the opportunity to improve its operations and efficiency, expand its role in consumer protection and look for opportunities to more efficiently, creatively and responsibly fulfill its mandate. We look forward to meeting the challenges of the year ahead and working in cooperation with industry and government in our common goal of consumer protection.

Respectfully submitted,

*Erin Pearson*

ERIN PEARSON, BA, FLMI, FALU





# LICENSES ACTIVE AT MARCH 31, 2009

Life Insurance Council		
Life	D/R	620
Life	Agent	2,072
Accident & Sickness	D/R	500
Accident & Sickness	Agent	1,648

**TOTAL LIFE INSURANCE COUNCIL LICENSES: 4,840**

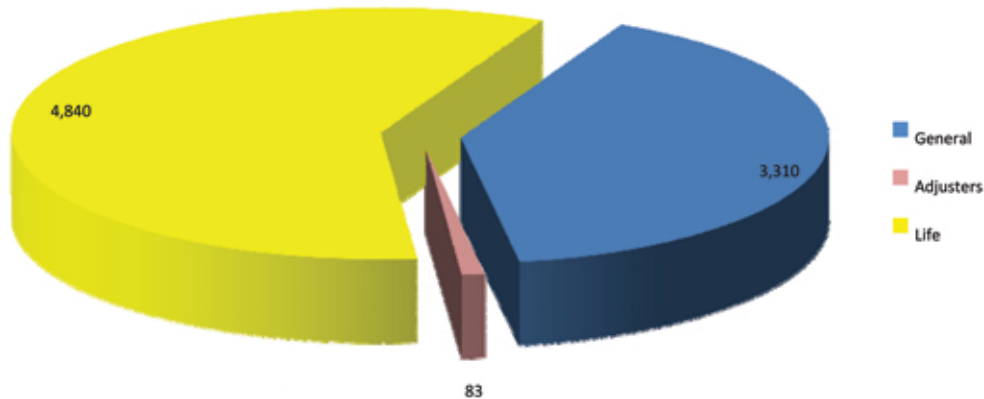
Insurance Adjusters Council		
Adjuster	D/R	20
Adjuster	Independent	54
Adjuster	Assistant	9

**TOTAL INSURANCE ADJUSTER LICENSES: 83**

General Insurance Council		
General	D/R-Level3	445
Auto Only Broker		124
General Insurance Agent	Level 1	1,361
General Insurance Agent	Level 2	802
General Insurance Agent	Level 3	575
General (Restricted to Aviation)	Agent	1
Automobile	Agent	2

**TOTAL GENERAL INSURANCE COUNCIL LICENSES: 3,310**

**Total Licenses - 8,233**



## Active Licenses at March 31, 2009

Description	2008/2009	2007/2008
Life Agents	2,692	2,586
General Agents	3,310	3,112
Accident & Sickness Agents	2,148	2,044
<b>Agents Total</b>	<b>8,150</b>	<b>7,742</b>
Adjusters	74	72
Assistant Adjusters	9	12
<b>Adjusters Total</b>	<b>83</b>	<b>84</b>
<b>Grand Total</b>	<b>8,233</b>	<b>7,826</b>

# EXAMINATION STATISTICS

APRIL 1, 2008 - MARCH 31, 2009

Life Insurance Council			
Full LLQP			
Written	480		
Passed	288	60%	
Failed	192	40%	

General Insurance Council			
All Classes			
Written	27		
Passed	11	41%	
Failed	16	59%	

Insurance Adjusters Council			
All Levels			
Written	11		
Passed	7	64%	
Failed	4	36%	

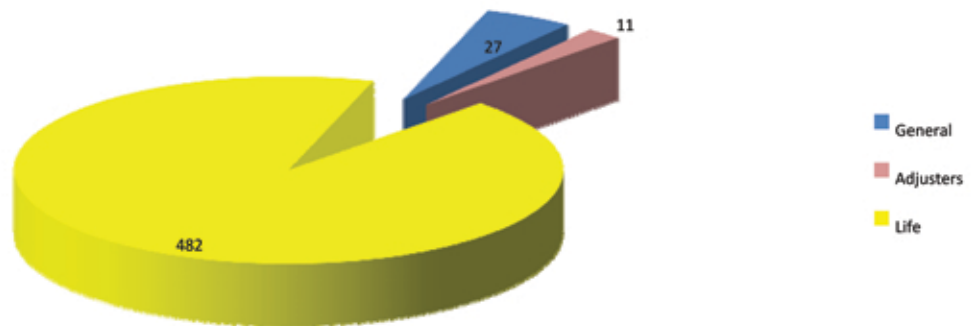
TOTAL GENERAL COUNCIL EXAMINATIONS: 27

TOTAL ADJUSTERS COUNCIL EXAMINATIONS: 11

Life Insurance Council			
A&S Portion			
Written	2		
Passed	2	100%	
Failed	0	0%	

TOTAL LIFE COUNCIL EXAMINATIONS: 482

Total Examinations - 520



## Insurance Agent and Adjuster Licensing Examinations

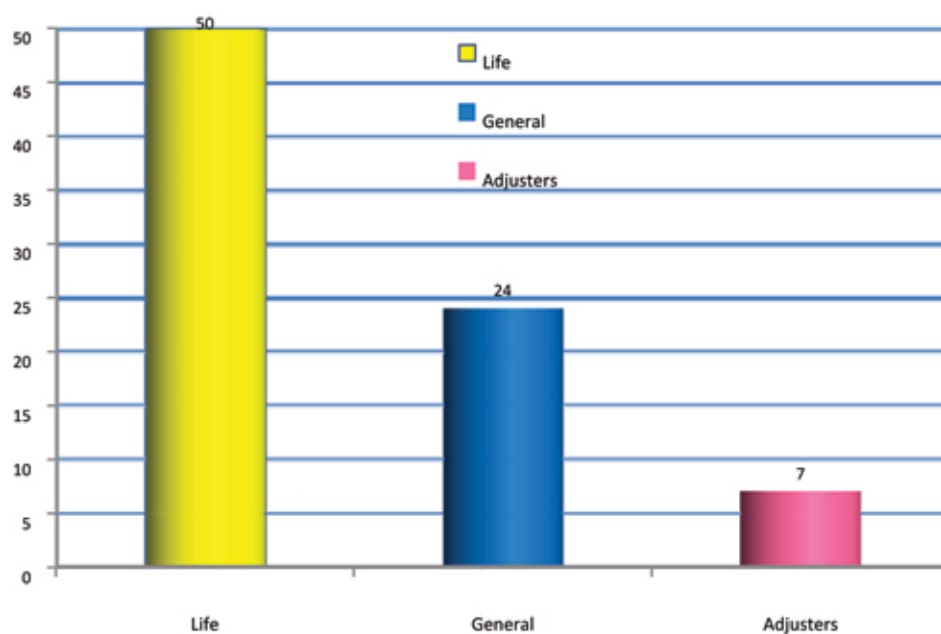
	Written		Passed		Failed	
	2008/2009	2007/2008	2008/2009	2007/2008	2008/2009	2007/2008
Life	480	429	288	314	192	115
General	27	38	11	14	16	24
Accident & Sickness	2	2	2	2	0	0
<b>Agents Total</b>	<b>509</b>	<b>469</b>	<b>301</b>	<b>330</b>	<b>208</b>	<b>139</b>
<b>Adjusters Total</b>	<b>11</b>	<b>5</b>	<b>7</b>	<b>3</b>	<b>4</b>	<b>2</b>
<b>Grand Total</b>	<b>520</b>	<b>474</b>	<b>308</b>	<b>333</b>	<b>212</b>	<b>141</b>

# COMPLAINT STATISTICS

APRIL 1, 2008 - MARCH 31, 2009

Total number of complaints opened between April 1, 2008 and March 31, 2009	81
Total number carried forward from previous year	22
Total number of complaints dealt with in 2008/2009	72
Total number of complaints outstanding at March 31, 2009	31

New Complaints Per Council	
Life	50
General	24
Adjusters	7



## Disciplinary Action Taken

Action	Life	General	Adjusters	Total
Unsuitable for licensing	0	0	1	1
Application for licensing refused	0	1	0	1
Fines and costs	10	5	0	15
Suspension and costs	1	0	0	1
<b>Grand Total</b>	<b>11</b>	<b>6</b>	<b>1</b>	<b>18</b>

# DISCIPLINARY ACTIONS

APRIL 1, 2008 - MARCH 31, 2009

## Unsuitable to Hold a Licence, Fines and Costs by Council

General Insurance Agent/Broker	Found unsuitable to hold a licence
Insurance Adjuster	Found unsuitable to hold a licence

## Suspension and Costs

Life Insurance Agent	Suspended for two weeks and assessed costs of \$750.00
----------------------	--

## Fines and Costs

*Life Insurance Agent	Fined \$1500.00, assessed costs of \$500.00
Life Insurance Agent	Fined \$1000.00, assessed costs of \$1000.00
Life Insurance Agent	Fined \$1,500.00, assessed costs of \$500.00
Life Insurance Agent	Fined \$1,500.00, assessed costs of \$500.00
Life Insurance Agent	Fined \$1,000.00, assessed costs of \$500.00
Life Insurance Agent	Fined \$250.00, assessed costs of \$750.00
Life Insurance Agent	Fined \$500.00, assessed costs of \$250.00
Life Insurance Agent	Fined \$250.00, assessed costs of \$250.00
Life Insurance Agent	Fined \$1,000.00, assessed costs of \$2,000.00
Life Insurance Agent	Fined \$1500.00, assessed costs of \$500.00
General Insurance Agent/Broker	Fined \$2,000.00, assessed costs of \$1,500.00
General Insurance Agent/Broker	Fined \$1,000.00, assessed costs of \$500.00
General Insurance Agent/Broker	Fined \$500.00, assessed costs of \$250.00
General Insurance Agent/Broker	Fined \$1,000.00, assessed costs of \$250.00
General Insurance Agent/Broker	Fined \$2,000.00, assessed costs of \$750.00

- 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

*\*Fine and costs uncollected as of March 31, 2009*

## Appeals to the Provincial Licensing Appeal Board

### Total Appeals Filed - 5

Decision	Number of Appeals
Varied (Costs increased)	2
Varied (Fine decreased)	1
Awaiting Decision by Appeal Board	1
Appeal Withdrawn	1
<b>Total Appeal Hearings</b>	<b>4</b>

[WWW.ICM.MB.CA](http://WWW.ICM.MB.CA)



466-167 Lombard Avenue  
Winnipeg, Manitoba  
R3B 0T6

P. (204) 988-6800  
F. (204) 988-6801  
E. [contactus@icm.mb.ca](mailto:contactus@icm.mb.ca)