

# Annual Report 2016



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May 31, 2016

Mr. Jim Scalena, Superintendent  
Financial Institutions Regulation Branch  
207 – 400 St. Mary Avenue  
Winnipeg, Manitoba  
R3C 4K5

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, 2015 until March 31, 2016, 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 'Erin Pearson', is written over the typed name.

Erin Pearson  
Executive Director  
Insurance Council of Manitoba

/bck

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# 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, brokers, 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

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

- |                  |                   |
|------------------|-------------------|
| * Integrity      | * Accessibility   |
| * Accountability | * Respect         |
| * Responsiveness | * Professionalism |
| * Cooperation    | * 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, 2016 there were over 14,172 licenses 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 licenses, investigation of complaints and the implementation of disciplinary decisions of the Councils.

Name	Position
Erin Pearson	Executive Director
Heather Winters	Director, Licensing & Compliance
Lee Roth	Investigator
Stacey Aubrey	Manager, Licensing & Administration
Sandi Saluk	Senior Licensing Officer
Kristin Denkova-Gavranovic	Licensing Officer
Sean Lyon	Licensing Officer
Brenda Knight	Administrative Assistant
Colleen Davey	Receptionist & Examination Coordinator

# MEMBERS OF THE COUNCIL 2015 / 2016

## Life Insurance Council

Name	Position	Representing
Richard Fillion	Chairperson	Life Agents
Sonja Doran	Vice-Chairperson	Insurance Companies
Paul Brett	Member	Public
Jim Wilson	Member	Life Agents
Nancy Streuber	Member	Public
Gary McPherson	Member	Public
Bonnie Siemens	Member	Life Agents
Robert Cole	Member	Public
Carol-Ann Borody-Siemens	Member	Life Agents
Nelson Hoe	Past Member	Life Agents – term expired December 2015

## General Insurance Council

Name	Position	Representing
Keith Jordan	Chairperson	General Agents
Jeffrey Coleman	Vice-Chairperson	General Agents
Treena Piasta	Member	Insurance Companies
Wendy Stumpf	Member	General Agents
Harvey Armstrong	Member	Public
Maurice Therrien	Member	Public
Kristopher Moffat	Member	General Agents
Pamela Pyke	Member	General Agents
Peter Tessier	Member	General Agents

## Insurance Adjusters Council

Name	Position	Representing
Grant Rerie	Chairperson	Insurance Adjusters
Robert Filuk	Vice-Chairperson	Public
Timothy Bromley	Member	Insurance Adjusters
Mark James	Member	Public
David Lind	Member	Insurance Adjusters
Michelle Smith	Member	Public
Shelley Werner	Past Member	Public – term expired July 2015

## Manitoba Council

Name	Position	Representing
Keith Jordan	Chairperson	General Council
Jeffrey Coleman	Vice-Chairperson	General Council
Grant Rerie	Member	Insurance Adjusters Council
Robert Filuk	Member	Insurance Adjusters Council
Richard Fillion	Member	Life Council
Sonja Doran	Member	Life Council
Nelson Hoe	Past Member	Life Council – term expired December 2015

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

# MANITOBA COUNCIL - From the Chairperson



As Chair of the Manitoba Council, it is my privilege to report on the fiscal year 2015-2016.

This year we had two Council members retire. I would like to thank Nancy Streuber and Nelson Hoe for their dedication and commitment to the Manitoba Council. Two new members have joined the Manitoba Council. We welcome Life Council Chair Richard Fillion, and Life Council Vice-Chair Sonja Doran. In addition we have Jeff Coleman, Vice-Chair, Grant Rerie, and Robert Filuk.

ICM continues to grow. For the first time the remittance to the provincial Government exceeded \$1,000,000. This is a result of 13% growth in the number of licensee's, part of which is due to the RIA under the new ISI (Incidental Sale of Insurance) licensing. There are 447 licence holders under the ISI regime. ICM continues to have a strong financial position to invest in the future, for technology and human resources.

This fiscal year we held a Strategic Planning Session with all Council members attending. From this session strategic priorities were developed and approved at our Tri-Council meeting with the Minister of Finance and government officials. ICM will be working towards completing the strategic priorities over the next 3 years.

This year much of the focus was on internal systems development and enhancement. Initiatives begun or finished during the year include the completion of the technology roadmap, which detailed the past, current, and future state of ICM. System modification was completed to allow implementation of the new LLQP, and system enhancement was done to better monitor ongoing maintenance of E & O insurance and continuing education credits. As well, work has begun on an on-line application and examination scheduling system and an enhanced stakeholder portal. The Confluence system has now been in place for over a year. This system allows Council members to access all of the meeting documents through an ICM tablet. For Council members this electronic access saves shipping a lot of paper, and allows Council members to review the documentation at any time, along with the history of prior meetings.

A new disciplinary reporting platform was implemented, which allows enhanced search capabilities to the public. This is consistent with the platform used by the national CIRDA data base.

This year a Tri-Council committee was formed to review issues involving continuing education. It is intended that this committee will have a consistent approach to CE for ICM and that CE issues within the mandate of the committee can be addressed in an expedited manner.

A number of submissions were made to Government, including significant changes to the Adjusters licensing framework, for which we have received agreement in principle. A request to increase Council members from 7 to 9 was agreed to and has been put in place, and a request was made to change Regulation 227/91 to allow the reappointment of former Council members. This has become an important issue in particular for the Adjusters Council due to the small number of licensees. As well, a regulation change to allow charging fees for review of accredited course provider status and individual course provider fees was approved and implemented.

During the upcoming year there will be a significant change at ICM. Erin Pearson who has been with ICM for almost 20 years and for the last 8 years as the Executive Director, has decided to retire at the end of 2016. Erin will be missed by all stakeholders of ICM, from Council members, staff, and the public. Erin has done a terrific job preparing ICM for the future needs of the insurance industry. A Tri-Council recruitment committee has been formed to find Erin's replacement. From myself and all the Council members and staff I would like to express a heartfelt thank you to Erin for all of the years of dedication and hard work. We truly will miss you.

I would also like to thank all of the ICM staff for their hard work and assistance to Council members.

Respectfully submitted,

*Keith Jordan*

Keith Jordan, CPA, CA

## LIFE COUNCIL - From the Chairperson



I would like to take this opportunity to introduce myself. My name is Richard Fillion and I am the incoming Chairperson of the Life Insurance Council of Manitoba. I would like to thank Nelson Hoe, my predecessor, for all his hard work and years on the Council. We have the pleasure of welcoming Bonnie Siemens, Carol-Ann Borody-Siemens and Robert Cole as new members to the Council.

The Strategic Planning Session that took place in June 2015 was very successful determining the direction of the Manitoba Insurance Council moving forward. Priorities were set and, though we strive for continuous improvement, many have been or are being addressed.

One initiative that I am sure all licensees will appreciate is the upgrade to the licensing portal, making it easier to navigate, enter continuing education credits and review licenses. One of the main focuses of these changes was to make it more user friendly.

Items reviewed by the Council throughout the year included:

- Continued discussion and oversight of Incidental Sale of Insurance – committee chaired by Paul Brett and included Nancy Streuber and Nelson Hoe
- Continuing Education Committee with Sonja Doran and Jim Wilson as committee members
- Appropriate supervision of agents
- Conflict of interest for additional occupations
- E&O lapses and strategies to address
- Increased audits
- Implementation of new LLQP – truly national – effective January 1, 2016

One of the responsibilities of the Life Insurance Council is to investigate public concerns as they arise. Fifty-one complaints were received throughout the year (50 in the previous year). This led to five disciplinary actions which included one licence refusal, one suspension and four fines imposed. The disciplinary actions were imposed for misrepresentation on a licensing application, misrepresentation and dishonesty, unlicensed activity, lapse of errors and omissions insurance and failure to notify Council.

As the life insurance investigator, Lee Roth continues to make presentations to industry stakeholders regarding the top reasons for complaints being brought forward.

It is with sadness that we have accepted Erin's resignation effective later this year and begin the important task of finding someone to move forward as captain of the ship. Erin has been the Executive Director at the Insurance Council of Manitoba since 2008 and has been with the Council even longer. We thank her for her leadership and wish her well in her future endeavours.

Respectfully submitted,

*Richard Fillion*

Richard Fillion, CPA, CMA, CFP



## GENERAL COUNCIL - From the Chairperson



As Chair of the General Council I would like to present my report for the 2015 – 2016 year.

This fiscal year we did not have any Council members terms expire. At our request the provincial Government did approve two more Council members. We made this request so that Council had continuity as members terms expired in the upcoming year. Pamela Pyke and Peter Tessier joined Council in December 2015 to join Jeff Coleman, Vice-Chair, Treena Piasta, Wendy Stumpf, Kristopher Moffat, Maurice Therrien, and Harvey Armstrong. Council now has a full complement of nine.

As of March 31<sup>st</sup> 2016 there were 5,488 General Insurance licensees, which include 139 hail agents. This is a 10.5% increase. A significant number of these new licensees are out of province.

This year there were 36 complaints filed this year compared to 24 last year, and 26 the year before. This resulted in 6 disciplinary actions compared to 4 the prior year. There were no hearings or appeals. The disciplinary actions were a result of failure to obtain proper documentation from an applicant, not acting in good faith, dishonesty, allowing unlicensed activity, unauthorized accessing of information, acting without a licence, and failure to obtain E & O insurance.

Council had a number of other issues that were considered this year. A few of them were: the new offering by insurers of overland water coverage, and related to this was the exemption of agents and insurers to allow negative billing. Two new Level 3 exams were completed, and an informative brochure on condo insurance for consumers was approved and is in production. Licensing courses and continuing education is an ongoing subject for review and improvement. Education and curriculum has become a national project, with a joint meeting of the Western Brokers Associations, Councils in Western Canada, and IBAC. There will be continuing emphasis on continuing education and licensing in the future to harmonize with our western counterparts and to ensure that Manitoba is meeting professional excellence.

During the course of the year a number of committees have been meeting and providing recommendations to Council and staff. I would like to thank all of the volunteers and staff that were on the Examination Committee, Condo Committee, Continuing Education Committee, and ISI Committee. As well, Heather Winters and Lee Roth co-chaired a National Inspection and Audit – Best Practices Committee through a subcommittee of CISRO.

I would like to thank Erin Pearson and all of the staff of ICM for assisting Council members and committee members. Council could not function without the tremendous support of this staff.

Respectfully submitted,

*Keith Jordan*

Keith Jordan, CPA, CA

# INSURANCE ADJUSTERS COUNCIL - From the Chairperson



As chair of the Adjusters Council it is my pleasure to submit this summary of activity for the 2015/2016 fiscal year.

There were a couple of changes to the Council membership this past year. Firstly, we saw the exit of Shelly Werner with her term on Council coming to an end in July 2015. Her often spirited contribution to our meetings was greatly appreciated and we thank her for her service. With that came the appointment of Michelle Smith who brings with her a wealth of board experience and we thank her for stepping forward and accepting this position. We would also like to acknowledge and thank Council member David Lind for accepting the additional challenge of sitting on our committee looking at the reviewing issues related to continuing education.

As we saw in the previous year, there was again an increase in the number of licenses issued in Manitoba. There were a total 371 licenses issued (an overall increase of 31) including 85 hail licenses.

This past year also saw a significant increase in the number of complaints filed (12 versus 3 last year) however, none that resulted in disciplinary action. Six were found to be unsubstantiated and one resulted in a letter of caution. The remaining five remain open and were carried forward to the current fiscal year.

Administratively we received approval in principle by the provincial Government on the recommended changes to the Adjuster Licensing Rules. After much work it is pleasing to see this matter moving forward toward implementation. A submission was also made to the Government to allow for the re-appointment of Council members after a “cooling off period”. This was deemed necessary due to the limited pool of resident adjusters available to fill Council positions and to avoid the possibility of the Adjusters Council not being able to maintain the required number of members to function. Lastly a new application process was approved to enable non-resident adjusters obtain the required licence when responding to catastrophic events in our jurisdiction. The issuance of this non-resident licence will be specific to the event and will allow for quicker response times to said events when they occur.

On a personal note this current fiscal year will see a change at the helm of the Insurance Council of Manitoba with the retirement of Erin Pearson. I would like to take this opportunity to thank Erin for her dedicated service and leadership over the years. She leaves Council in a very strong position and I am sure I speak for all Council members in wishing her the best in a well-deserved retirement.

Respectfully submitted,

*Grant Rerie*

Grant Rerie, CRM

## EXECUTIVE DIRECTORS MESSAGE



It is an honour for me to offer my report for the 2015/2016 fiscal year.

This has been another exciting and productive year for the Insurance Council of Manitoba. The focus of the Council's and staff this fiscal year has been continuing to improve the administration of the Council through its systems and its processes with an emphasis on efficiency and effectiveness. Our priorities were guided by a Strategic Planning Session which occurred in June 2015 and was attended by Council members and senior staff, and the subsequent administrative planning to align with the Councils' direction.

The **Mission** of the Insurance Council of Manitoba has stood the test of time, and while closely reviewed at the Strategic Planning Session, it is unchanged. "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".

The **Mandate** of the Insurance Council of Manitoba was revised slightly to be inclusive of the new restricted insurance agent licenses that were enabled by legislation and issued for the first time in 2015. "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, brokers, sellers of incidental insurance (ISI) and adjusters to ensure standards are maintained for public protection".

The **Vision** of the Insurance has evolved with the maturity and expanding potential of this organization, and accordingly has been revised to "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".

With this in mind, the Strategic Priorities of the Insurance Council of Manitoba were established as follows:

**1. QUALIFIED: Ensure qualifications/education of licence holders continues to be appropriate and up to date, and revise and improve where required**

**Actions:**

- Adopt and administer the Harmonized Life Licensing Qualifications Program (LLQP)
- Revise and implement Amendments to the Insurance Adjusters Rules
- Examine and make recommendations/changes where required to the General Insurance Agents Qualifications
- Establish Continuing Education Committee, confirm terms of reference, and meet to consider issues related to continuing education on a regular basis

**2. EFFECTIVE AND EFFICIENT: Ensure the efficient, effective and technologically advanced operation of the ICM**

**Actions:**

- Complete Information Technology (IT) projects including Technology Roadmap, LLQP, New Complaint Management System, On-Line Application, Licence Management System (LMS) accounting function
- Establish Video Conferencing Capabilities
- Complete Licensing Strategic Planning
- Complete Licensing Continuous Improvement project, engage Value Stream Mapping process, and complete Job Matrixes
- Ensure Alignment of Staff with strategic priorities
- Initiate Succession Planning process
- Support and encourage Staff Continuing Education
- Increase Education/Engagement of Council Members
- Explore opportunities and determine restrictions for E-Commerce in a Regulatory Environment



# EXECUTIVE DIRECTORS MESSAGE

## 3. SERVICE: Enhance the ICM relationship with the licence holder

### Actions:

- Conduct Licence Holder Survey(s)
- Initiate Meetings with Licence Holders
- Create and make available On-line Tutorials
- Conduct Agency Visits for both compliance and information purposes
- Establish Social Media / Communication Plan
- Circulate and Publish Strategic Priorities to stakeholders
- Increase activity and resources supporting “Best Practices” for licence holders

## 4. AWARENESS: Improve recognition of the ICM by consumers

### Actions:

- Develop ongoing consumer “Recognition of ICM” Strategy
- Develop additional Consumer Information Resources

## 5. INFORMED ADVICE: Improve/Enhance the ongoing review by the ICM of regulatory matters and proactively seek the change where required

### Actions:

- Review issues with Regulations / Act on an annual (minimum) basis and pursue amendments as required
- Pursue Changes to ISI Regulation 389/87
- Pursue Changes to Insurance Councils Regulation 227/91 regarding Council member terms

The ICM is confident that this plan provides an excellent guide for the next three years, and we are pleased to advise that many of the initiatives identified are complete or well underway.

### Council Members

Council members may serve two terms of three years each, and it is with regret that we say goodbye to Shelley Werner and Nelson Hoe who's second and final terms have expired. These members each contributed in significant ways to the strength and integrity of the Council. Nelson Hoe was the Chairperson of the Life Insurance Council, and also served on the ISI Committee. Our sincere gratitude is extended to Shelley and Nelson for their service.

The ICM welcomed new members Michelle Smith, Pamela Pyke, Peter Tessier, Bonnie Siemens, Robert Cole, and Carol-Ann Borody-Siemens. We are fortunate to have the wealth of expertise and diverse backgrounds of these new members, and look forward to working with them in the coming years. Both the Life and General Insurance Councils now consist of the maximum nine (9) members. The ICM hopes to maintain the maximum number of members with timely appointments following the expiration of the second terms of three Life Council members and one General Council member in July of 2016. In the past, timely appointment of Council members has been an operational issue however the Council is hopeful that timely appointments will be given appropriate attention in the future.

The Insurance Council of Manitoba has made a submission to the Government to amend Regulation 227/91 to allow the reappointment of former Council members following a suitable “cooling off” period. This amendment would be of particular benefit to the Insurance Adjusters Council given the limited pool of suitable candidates resulting from a small number of licensed resident Adjusters. The Council looks forward to a favourable response some time in the near future.

### Incidental Sale of Insurance

The licensing of all identified prescribed sellers of incidental insurance occurred in an orderly fashion by issuing Restricted Insurance Agent (RIA) licenses by June 1, 2015. We are pleased to report that the regulatory framework established in Manitoba has largely accomplished the goal of ensuring the Manitoba consumers of “incidental” insurance products are afforded appropriate government mandated protection. However, during the first year of licensing the difficulties presented by a limitation of organizations and insurance types to those prescribed in regulation became apparent. The ISI Committee has made recommendations to the Government for amendment to Regulation 389/87 which would allow organizations and types of insurance that were not prescribed to be incorporated in the Regulatory framework.

# EXECUTIVE DIRECTORS MESSAGE

## **Compliance and Investigation**

A major project for the ICM involved the development and implementation of a web based Complaint Management System (CMS). The new system provides an “at a glance” view of the investigation files by Council and status, and enhanced reporting and search capabilities. The system enables virtual storage of file documents.

Council also changed the platform by which Manitoba disciplinary decisions are published on its website. Decisions, published in full, are published through a platform that allows search by name, year, Council, or key words. This is the same platform used on the national CIRDA database, and enables the public and industry to better make informed decisions.

The Compliance Department continued to expand the ICM outreach philosophy by making multiple presentations to industry groups regarding the most common reasons for complaints and disciplinary actions, participating on national panels discussing complaint issues, and working on resource material for occupants of life leases, condominiums, cooperative and rentals as it relates to the purchase of insurance. Heather Winters and Lee Roth co-chaired a national committee providing best practices for Compliance inspections and audits.

Investigation statistics and comparatives follow in the Complaint Statistics portion of this report.

## **Licensing**

There has been continued growth in the number of licenses issued in all industries, with an overall increase in active licenses of over 14% including the Restricted Insurance Agent licenses associated with incidental sellers of insurance, and Hail Agents and Adjusters.

The ICM successfully implemented the new Life Licensing Qualification Program (LLQP) in January 2016. This national program ensures that applicants for Life Insurance Agent Licenses are proficient in each of the major areas of the life insurance industry. The provincial examination is modular, and an applicant for a licence must pass each of the Life Insurance, Accident and Sickness Insurance, Segregated Funds and Annuities, and Ethics and Professional practice modules.

Renewal through the on-line renewal system (ORS) was mandatory for all agents and independent adjusters and continues to increase the efficiency of the renewal process. Enhancements to the ORS system to incorporate new licence classes and other improvements occurred during the course of the fiscal year.

Under the leadership of Stacey Aubrey, Manager of Licensing and Administration, the Licensing department of the ICM undertook a Value Stream Mapping project. This project was intended to identify areas where process improvements were possible, and to determine the best ways to implement these changes. This was a valuable process which resulted in identifiable improvements, and has provided the Licensing Department with a new process to best identify and implement process improvements.

## **Continuing Education**

Continuing education is a mandatory annual requirement of insurance agents and independent adjusters in order to ensure the maintenance and improvement of professional competence. A Continuing Education Committee consisting of representatives from the Life, General and Insurance Adjusters Council was formed. The broad mandate of the CEC is to review and consider all issues involving continuing education in order to maximize expertise of a panel of Council members in this area, ensure review of continuing education matters is conducted in an expeditious manner, and provide a multiple Council perspective in issues which may benefit from harmonization.

Licensing numbers and comparatives follow in the statistics portion of this report.

## **Administrative Matters**

The ICM currently has nine full time positions, and is fully staffed as of March 31, 2016.

The Insurance Council of Manitoba considers retention of qualified and educated staff a priority, and values staff continuing education. This fiscal year, staff education expenditures increased over 200%, and all salaried staff participated in outside education.

# EXECUTIVE DIRECTORS MESSAGE

## Technology

A System Technology Roadmap was prepared for the ICM by Norima Technology Inc., who have been the ICM technology consultant for all of the innovative and progressive IT projects undertaken in recent years. In addition to the new Complaint Management System, systems changes required to implement the new LLQP were made, and the stakeholder portals were enhanced. Work is currently underway on a substantial project which would enable licensing applications to be completed and submitted on-line, licensing documents to be stored virtually, and stakeholders to review and access most elements of the licensing information. This project will have a significant impact on the efficiency of application processing, and is much anticipated by both ICM staff and the industry.

## 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, 2016, no disclosures of wrongdoing were received by the Insurance Council of Manitoba.

## Financial Report

The Insurance Council of Manitoba continues to maintain a favourable financial position.

The Insurance Council of Manitoba continues to remit 44% of licence and miscellaneous fees (excluding Restricted Insurance Agent licenses) 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 2016 fiscal year, fees in the amount of \$4,700 and fines in the amount of \$18,500 were remitted to the Minister of Finance.

A copy of the audited Financial Statements for the year ending March 31, 2016 is included in this report.

Statistical information with respect to licenses, examinations, complaints and disciplinary actions follows this report.

## In Closing

The Insurance Council of Manitoba plays an important role in the protection of Manitoba consumers by ensuring and administering an effective regulatory framework for insurance intermediaries which includes appropriate and robust qualification requirements, and by ensuring ongoing compliance and continuing professional standards. To do this effectively, Council requires the effort, participation, assistance and guidance from a number of different sources including government, industry, outside professionals and staff.

On March 31, 2016 a provincial election was pending, however as of the date of this report the Insurance Council is pleased to welcome Cameron Friesen as the new Minister of Finance. The Insurance Council of Manitoba looks forward to working with Minister Friesen in the future.

I wish to take this opportunity to thank the Financial Institutions Regulations Branch, in particular Jim Scalena and J. Scott Moore, for their continued support and the ability to work together in a cooperative manner. Thank you also to industry members and associations for their cooperation, comments, and feedback. Our outside legal counsel, Michael Richards, has been a continuous source of expertise and guidance, and has allowed the ICM to have full confidence in the fairness and integrity of our disciplinary process.

On a personal note, this is my last Annual Report as Executive Director as I prepare to pursue new adventures and challenges outside the ICM at the end of 2016. I have been honoured to have met and worked with so many generous, creative, innovative, dedicated and ethical people and organizations over the last twenty years. I have continued to be inspired and educated by Council members who represent the best that the insurance industry has to offer. I have been supported by a core of exceptional staff who continuously go above and beyond for the benefit of the consumer and licence holders, and have whose pursuit of excellence is the most valuable asset of this organization.

Respectfully submitted,

*Erin Pearson*

Erin Pearson  
Executive Director

# LICENSES ACTIVE at March 31, 2016

## Life Insurance Council

Life	3,989
Accident & Sickness	3,877

**TOTAL LIFE INSURANCE COUNCIL LICENSES: 7,866**

## Insurance Adjusters Council

Adjuster	D/R	28
Adjuster	Independent	202
Adjuster	Assistant	56
Hail	Adjuster	85

**TOTAL ADJUSTERS COUNCIL LICENSES: 371**

## General Insurance Council

General Insurance Agent	Level 1	2,666
General Insurance Agent	Level 2	1,219
General Insurance Agent	Level 3	957
General Operating Agent	Level 3	473
Auto Only	Agent	33
Automobile	Agent	1
Hail	Agent	139

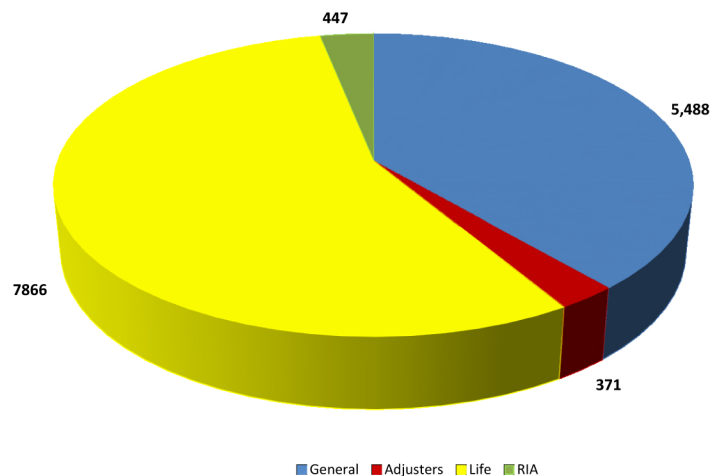
**TOTAL GENERAL INSURANCE COUNCIL LICENSES: 5,488**

## Restricted Insurance Agents

Auto/Equip Dealership	191
Customs Broker	0
Deposit Taking Institution	60
Freight Forwarding Business	1
Funeral Director	31
Mortgage Broker	25
Portable Electronics Vendor	5
Sales Finance Company	41
Transportation Service	0
Travel Agency	89
Vehicle Rental Business	4

**TOTAL RESTRICTED INSURANCE AGENTS LICENSES: 447**

**TOTAL LICENSES 14,172**



## Active Licenses at March 31, 2016

Description	2015/2016	2014/2015
Life Agents	3,989	3,639
Accident & Sickness Agents	3,877	3,521
General Agents	5,488	4,963
Restricted Insurance Agents	447	0
<b>Agents Total</b>	<b>13,801</b>	<b>12,123</b>
<b>Adjusters</b>	<b>371</b>	<b>340</b>
<b>Grand Total</b>	<b>14,172</b>	<b>12,463</b>



# EXAMINATION STATISTICS - April 1, 2015 - March 31, 2016

## \*Life Insurance Council

### Full LLQP

Written	921	
Passed	577	63%
Failed	344	37%

## General Insurance Council

### All Classes

Written	15	
Passed	4	27%
Failed	11	73%

## Insurance Adjusters Council

### All Levels

Written	9	
Passed	6	67%
Failed	3	33%

**TOTAL GENERAL COUNCIL EXAMINATIONS: 15**

**TOTAL ADJUSTERS COUNCIL EXAMINATIONS: 9**

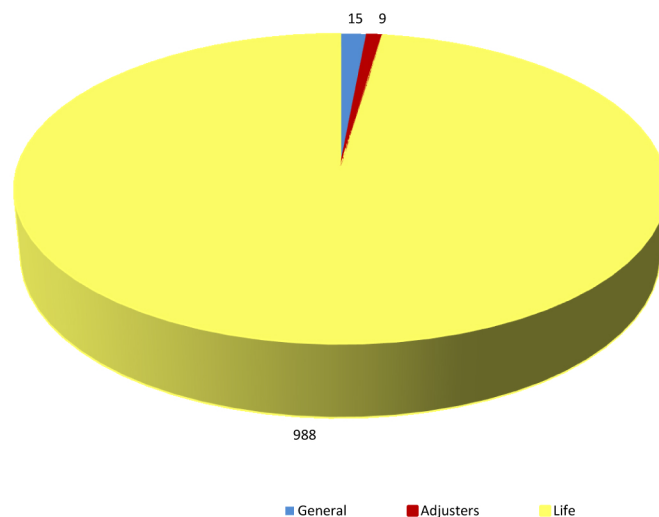
## \*Life Insurance Council

### A&S Portion

Written	67	
Passed	55	82%
Failed	12	18%

**TOTAL LIFE COUNCIL EXAMINATIONS: 988**

**TOTAL EXAMINATIONS 1,012**



\*Last quarter life statistics includes modular examinations

## Insurance Agent and Adjuster Licensing Examinations

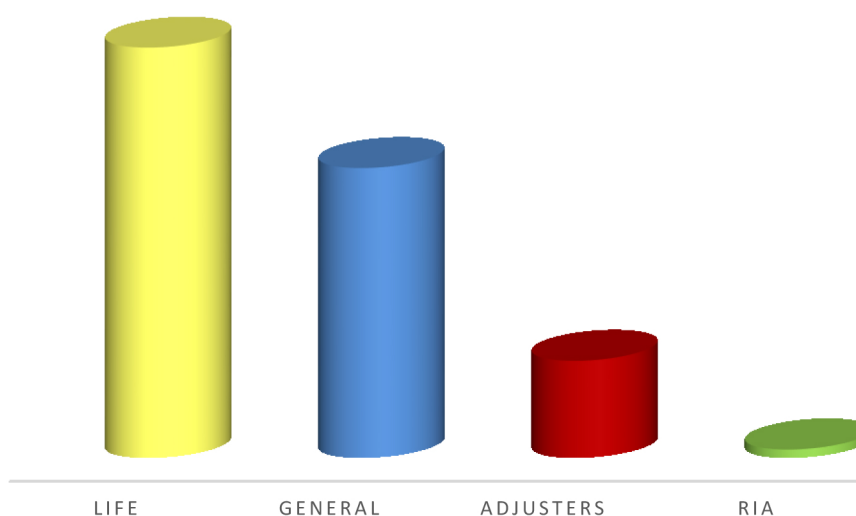
	Written		Passed		Failed	
	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015
Life	921	640	577	458	344	182
Accident & Sickness	67	16	55	15	12	1
General	15	37	4	8	11	29
<b>Agents Total</b>	<b>1,003</b>	<b>693</b>	<b>636</b>	<b>481</b>	<b>367</b>	<b>212</b>
<b>Adjusters Total</b>	<b>9</b>	<b>16</b>	<b>6</b>	<b>10</b>	<b>3</b>	<b>6</b>
<b>Grand Total</b>	<b>1,012</b>	<b>709</b>	<b>642</b>	<b>491</b>	<b>370</b>	<b>218</b>

# COMPLAINT STATISTICS - April 1, 2015 - March 31, 2016

Total number carried forward from previous year	18
Total number of complaints opened between April 1, 2015 and March 31, 2016	100
Total number of complaints closed between April 1, 2015 and March 31, 2016	93
Total number of complaints outstanding at March 31, 2016	25

New Complaints Per Council	2016	2015
Life	51	50
General	36	24
Adjusters	12	3
Restricted Insurance Agents (RIA)	1	0
<b>Total</b>	<b>100</b>	<b>77</b>

*Statistics include 1 test complaint for each Council*



## Disciplinary Action Taken

Action	Life	General	Adjusters	RIA	Total
Unsuitable for licensing	1	0	0	0	1
Fines and costs	4	5	0	0	9
Suspension, fine and costs	0	1	0	0	1
Suspension, fine and costs, licence conditions imposed, course work required	1	0	0	0	1
<b>Grand Total</b>	<b>6</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>12</b>

# DISCIPLINARY ACTIONS - April 1, 2015 - March 31, 2016

## Unsuitable to Hold a Licence

Life Insurance Agent	Found unsuitable to hold a licence
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## Suspension, Fine and Costs

General Insurance Agent	Suspended for 1 week, fined \$500.00, assessed costs of \$350.00
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## Suspension, Fine and Costs, Licence Conditions Imposed, Course Work Required

Life Insurance Agent	Suspended for 2 weeks, fined \$2,000.00, assessed costs of \$500.00, licence conditions imposed, course work required
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## Fines and Costs

Life Insurance Agent	Fined \$250.00, assessed costs of \$250.00
Life Insurance Agent	Fined \$500.00, assessed costs of \$500.00
Life Insurance Agent	Fined \$750.00, assessed costs of \$250.00
Life Insurance Agent	Fined \$1,000.00, assessed costs of \$1,000.00
General Insurance Agent/Broker	Fined \$250.00, assessed costs of \$150.00
General Insurance Agent/Broker	Fined \$1,000.00, assessed costs of \$350.00
General Insurance Agent/Broker	Fined \$2,000.00, assessed costs of \$350.00
General Insurance Agent/Broker	Fined \$2,000.00, assessed costs of \$500.00
General Insurance Agent/Broker	Fined \$2,000.00, assessed costs of \$500.00

- All fines imposed are payable to the Minister of Finance and are not retained by Council
- All or part of investigations costs may be assessed and are retained by Council

Total Fines - \$12,250.00

Total Costs - \$4,700.00

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

**Total Appeals Filed – 0**



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