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**IN THE MATTER OF** the *Insurance Act*, R.S.O. 1990, c.I.8, as amended (the “Act”), in particular sections 392.5 and 407.1;

**AND IN THE MATTER OF** Liset Jimenez Rodriguez

**AMENDED NOTICE OF PROPOSAL TO REVOKE LICENCE**

**TO:** Liset Jimenez Rodriguez

Section 392.5 of the Act provides that the Chief Executive Officer of the Financial Services Regulatory Authority of Ontario (the “Chief Executive Officer”) may revoke an insurance agent licence in certain specified circumstances.

Section 407.1 of the Act provides that where the Chief Executive Officer proposes to revoke an insurance agent licence without the agent’s consent, the Chief Executive Officer shall give written notice of the proposal to the agent, including the reasons for the proposal.

**TAKE NOTICE THAT** pursuant to sections 392.5 and 407.1 of the Act, and by delegated authority from the Chief Executive Officer, **the Director, Litigation and Enforcement (the “Director”)** is proposing to revoke the insurance agent licence (licence # 15148581) issued to Liset Jimenez Rodriguez. The reasons for this proposal are described below.

**SI VOUS DÉSIREZ RECEVOIR CET AVIS EN FRANÇAIS**, veuillez nous envoyer votre demande par courriel immédiatement à: [contactcentre@fsrao.ca](mailto:contactcentre@fsrao.ca).

**[deleted]**

**YOU ARE ENTITLED TO A HEARING BY THE FINANCIAL SERVICES TRIBUNAL (THE “TRIBUNAL”) PURSUANT TO SECTION 407.1(2) and (3) OF THE ACT.** A hearing by the Tribunal about this Notice of Proposal may be requested by completing the enclosed Request for Hearing Form (Form 1) and delivering it to the Tribunal within fifteen (15) days after this Notice of Proposal is received by you. The Request for Hearing (Form 1) must be mailed, delivered, faxed or emailed to:

**TO:** Financial Services Tribunal  
25 Sheppard Avenue West  
7th Floor  
Toronto ON M2N 6S6

Attention: Registrar

Fax: 416-226-7750

Email: [contact@fstontario.ca](mailto:contact@fstontario.ca)

**TAKE NOTICE THAT if you do not deliver a written request for a hearing to the Tribunal within fifteen (15) days after this Notice of Proposal is received by you, an order will be issued as described in this Notice of Proposal.**

For additional copies of the Request for Hearing Form (Form 1), visit the Tribunal's website at [www.fstontario.ca](http://www.fstontario.ca).

The hearing before the Tribunal will proceed in accordance with the *Rules of Practice and Procedure for Proceedings before the Financial Services Tribunal* ("Rules") made under the authority of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended. The Rules are available at the website of the Tribunal: [www.fstontario.ca](http://www.fstontario.ca). Alternatively, a copy can be obtained by telephoning the Registrar of the Tribunal at (416) 590-7294, or toll free at 1-800-668-0128 extension 7294.

At a hearing, your character, conduct and/or competence may be in issue. You may be furnished with further and or other particulars, including further or other grounds, to support this proposal.

## REASONS FOR PROPOSAL

### I. INTRODUCTION

1. These are the reasons for the proposal by the Director to revoke the insurance agent licence issued to Liset Jimenez Rodriguez ("Rodriguez") due to the fact that she has demonstrated incompetence or untrustworthiness to transact insurance agency business, is guilty of a fraudulent act or practice, and has contravened the Act or Regulations as described below.
2. Effective, June 8, 2019, pursuant to the Financial Services Regulatory Authority of Ontario Act, 2016, S.O. 2016, c. 37, Sched. 8, the Financial Services Regulatory Authority of Ontario ("FSRA") became the regulator under the Act and the powers and duties previously vested in the Superintendent were vested in the Chief Executive Officer.

### II. BACKGROUND

3. Rodriguez currently holds license #15148581 as a life insurance and accident and sickness agent. Due to the impending expiration of her licence and the ongoing assessment of her suitability, Rodriguez's licence was renewed pending a determination by the Director regarding her suitability to be licensed as an insurance agent. Her current insurance agent licence expires on December 9, 2021.

## **SUN LIFE COMPLAINT**

4. On January 5, 2018, the Financial Services Commission of Ontario (“FSCO”) received a Life Agent Reporting Form (“LARF”) from Sun Life Financial Distributors (Canada) Inc. (“Sun Life”) regarding Rodriguez.
5. In the LARF, Sun Life alleged that Rodriguez sold multiple insurance policies to the same individuals in an alleged scheme to unduly increase her commissions. Sun Life’s agents are paid commission when the policy is sold, not when the clients start paying premiums. There was also a trend of delayed premium payments and requests for extensions and waived fees.
6. The investigation by Sun Life identified several concerns from January 2016 to April 2017:
  - a. Repeat and multiple sales to Rodriguez herself and her immediate family;
  - b. [deleted];
  - c. Invalid banking information on 55 applications for 22 clients that resulted in delayed payments; and
  - d. Trend of repeat sales (85 repeat sales for 9 clients).
7. Sun Life estimates that this resulted in a loss of \$138,785.85 and that Rodriguez has made payments to it of \$12,000.
8. Between January 2016 and January 2017, Rodriguez sold 17 insurance policies to herself and 63 policies to various members of her family. As of January 2018, only two policies were still active.
9. [deleted].
10. Rodriguez also provided invalid banking information on 55 applications.
11. These acts appear to have been done to take advantage of Sun Life’s commission structure and to qualify for a sales campaign. In 2016, Rodriguez received over \$247,000 in commissions and \$86,000 in 2017 before she was terminated in April. IIn March 2017, the bank account that Rodriguez used to receive commissions was closed and emptied.
12. Rodriguez also failed to disclose to Sun Life that the life insurance policies she was selling were replacements for existing policies. This might have been done to take advantage of Sun Life’s commission structure. When a replacement policy is sold, the commission is only on the additional coverage sold. Rodriguez also failed to disclose the required Life Replacement Declaration to the clients.
13. Based on the results of its investigation, Sun Life terminated Rodriguez on April

- 16, 2017, for failing to adhere to various Sun Life administrative rules including failure to provide full and fair disclosure to clients and the company when replacing inforce insurance policies and failing to conduct her business as a Sun Life Financial advisor with honesty, good faith, and in the best interest of the company, and with the highest standard of professional ethics.
14. On April 25, 2018, a FSCO investigator delivered a Demand notice to Rodriguez and requested an interview.
  15. Rodriguez denied all allegations and provided two sworn declarations dated May 25, 2018, and November 29, 2019.
  16. In these declarations, Rodriguez stated that she explored multiple opportunities for all her clients for all available products. She stated that she had ongoing knowledge of her family's financial situations and that all the policies for her family were reviewed and approved by Sun Life.
  17. Rodriguez stated that she completed all risk assessments for her clients including her family and did not make recommendations to boost reward targets for commission.
  18. In the declarations, Rodriguez provided explanations for 20 policies that her and her family had with Sun Life. Rodriguez stated that they were all for different purposes and all legitimate. She provided no explanation about the other policies as she stated that she did not have records of every policy she serviced.
  19. There were 55 incidents where banking information was entered incorrectly. Rodriguez states that she can only recall one or two instances when this happened and it was corrected quickly. She stated that this occurred when a client did not have a blank cheque and provided banking information instead.
  20. Rodriguez stated that she recalled instances of making a request to waive fees. She said that this occurred when a client had the funds to pay the premium but did not fund the account on time and that it was common for advisors to request such fees to be waived as long as premiums were being paid.
  21. [deleted].

### **ASSUMPTION LIFE COMPLAINT**

- 21.1 On April 3, 2020, Assumption Life submitted a complaint against Rodriguez.
- 21.2 The complaint alleged that Rodriguez engaged in "fronting" by allowing an unlicensed individual to sell life insurance policies using Rodriguez's name and credentials, premium rebating, and failing to inform Assumption Life that policies she was selling were replacements for existing policies.
- 21.3 Assumption Life informed FSRA that Rodriguez had been terminated.

- 21.4 SGA provided a signed statement to Assumption Life on January 30, 2020. In this statement, SGA stated that she was an employee of Rodriguez and engaged in the below conduct on Rodriguez's direction.
- 21.5 With respect to fronting, SGA was employed by Rodriguez starting in September 2017. SGA stated that she conducted life insurance sales under the direction of Rodriguez, in Rodriguez's name. SGA had an accident and sickness insurance agent licence and was not licensed to sell life insurance policies during the sales she conducted.
- 21.6 On May 25, 2020, Rodriguez provided a statutory declaration outlining her position on the allegations from Assumption Life.
- 21.7 Rodriguez denied the allegation of fronting stating that she was present over the phone for policies sold between January 2019 and March 2020. Rodriguez admitted that SGA was present in person during these meetings. SGA stated in her statement that Rodriguez was never present during these meetings.
- 21.8 With respect to premium rebating, Rodriguez admitted to paying the premiums for a life insurance policy for SGA, which Rodriguez herself sold. It is not improper to provide life insurance benefits to employees, however Rodriguez herself sold the policy and obtained a commission for doing so. It is an unfair and deceptive act for Rodriguez to rebate the premium on a policy she sold.
- 21.9 With respect to improper replacements, Rodriguez blames clients for failing to inform her that they had existing policies that they intended to cancel. However, as an insurance agent, Rodriguez should have confirmed with the client their intention with respect to existing policies.
- 21.10 SGA confirmed that the practice that Rodriguez informed her to engage in was to write a new policy for clients for the purpose of writing business for compensation without completing a Life Insurance Replacement Declaration.

### **III. GROUNDS FOR THE PROPOSAL**

22. Subsection 392.5(1) of the Act provides that the Director may revoke a licence where the agent has failed to comply with the Act, the regulations or a condition of the license.
23. Subsection 392.5(2) of the Act and section 8 of the Ontario Regulation 347/04 permit the Director to revoke a licence on any grounds on which an application can be refused or if it appears to the Director that the licensee has done any of the following:

- a. Violated any provision of the license in the licensee's operations as an agent;
  - b. Has made a material misstatement or omission in the application for the license;
  - c. Has been guilty of a fraudulent act or practice; or
  - d. Has demonstrated incompetence or untrustworthiness to transact the insurance agency business for which the license has been granted.
- 23.1 Paragraph 2 of Subsection 2(1) of Ontario Regulation 7/00 states that it is an unfair or deceptive act or practice for an agent of an insurer to pay a rebate of all or part of the premium stipulated by a policy to a person insured or applying for insurance in respect of life, person or property in Ontario.
24. The Director is satisfied that Rodriguez sold multiple repeat policies to the same clients in order to reach reward targets. The Director is further satisfied that Rodriguez intended to manipulate Sun Life's commission structure for her own benefit demonstrating incompetence or untrustworthiness to transact the insurance agency business for which her license has been granted.
25. In submitting incorrect banking information [deleted], the Director is satisfied that Rodriguez is guilty of a fraudulent practice with respect to these life insurance policies.
- 25.1 Further, the Director is satisfied that the conduct reported by Assumption Life demonstrates Rodriguez's untrustworthiness to transact insurance agency business and that Rodriguez is guilty of a fraudulent act or practice.
- 25.2 The Director is satisfied that Rodriguez is not suitable to be licensed as she has repeatedly demonstrated untrustworthiness to transact insurance business.
- 25.3 The Director is also satisfied that Rodriguez engaged in an unfair or deceptive act or practice by paying SGA's life insurance premiums. Pursuant to subsection 392.5(1) of the Act, the Director may revoke a licence due to Rodriguez's failure to comply with the Act or Regulations.
- 25.4 Given the repeated nature of untrustworthy conduct, the Director believes that Rodriguez is not suitable to be licensed as an insurance agent.

26. For all those reasons, and such further and other reasons as may come to the attention of the Director, the Director proposes to revoke Rodriguez's insurance agent license.

**DATED** at Toronto, Ontario, April 6, 2020.

**AMENDED** as of August 11, 2021.

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Elissa Sinha  
Director, Litigation and Enforcement

By delegated authority from the Chief Executive Officer