

**DECISION**  
**of the**  
**LIFE INSURANCE COUNCIL OF MANITOBA**  
**(“Council”)**  
**Respecting**  
**AIME GRENIER**  
**(“Licensee”)**

**INTRODUCTION**

The Life Insurance Council of Manitoba (“Council”) derives its authority from *The Insurance Act* C.C.S.M. c. 140 (“*Act*”) and the *Insurance Councils Regulation 227/91*.

In response to a complaint, pursuant to sections 375(1) and 396.1(7)(d)(e) of the *Act*, and section 7(2)(e) of *Regulation 227/91*, Council undertook an investigation of the Licensee to determine whether he had violated the *Act*, its *Regulations*, and/or the Life Insurance and Accident and Sickness Agent’s Code of Conduct (“*Code of Conduct*”). During the investigation the Licensee was given an opportunity to make submissions with respect to Council’s concerns.

On June 15, 2016, during a meeting of Council, the evidence compiled during the investigation was presented; upon review Council determined its intended decision. Pursuant to section 375(1) of the *Act* and *Regulation 227/91*, Council hereby renders its intended decision and corresponding reasons.

**ISSUES**

1. Did the Licensee misrepresent policy benefits for existing and/or new life insurance in violation of section 375(1)(a) of the *Act* and/or the *Code of Conduct*?
2. Did the Licensee hold out and carry on the activities of an agent for a business entity (the “Business Entity”) he had no authority to represent, in violation of sections 375(1)(a) and 391 of the *Act* and/or the *Code of Conduct*?

## **FACTS AND EVIDENCE**

1. A complaint was received alleging the Licensee:
  - a. Failed to disclose that the death benefit for an existing life insurance policy would decrease as the result of a cash withdrawal.
  - b. Misrepresented that a new life insurance policy would be paid by way of the account value earnings.
2. The investigation revealed:
  - a. The Insured signed a letter of direction acknowledging the coverage would decrease by the amount of the cash withdrawal.
  - b. The Insurer notified the Insured that the coverage had decreased.
3. Council recognized that the Insurer allows coverage to be illustrated at eight percent (8%) and that no revised illustration was explicitly required.
4. The Licensee completed a policy illustration (“the Policy Illustration”), with which a policy was issued, using the name of a Business Entity he has never been licensed to represent.
5. A search revealed the Licensee was holding out to the public on LinkedIn wherein he claimed 26 years of experience as the President of a Business Entity.
6. The Licensee has never held an insurance agent’s licence authorizing him to hold out to the public and/or carry on the activities of an agent in the name of the Business Entity he claimed to represent.
7. The President and Owner of the Business Entity informed Council that the Licensee has never been a director, shareholder or an employee of his company.
8. By letter dated March 17, 2016, the Licensee:
  - a. Advised Council that the name of the Business Entity was saved on his computer as an innocent mistake; and he,
  - b. Acknowledged that he is not a shareholder or the President of the Business Entity.

9. By email dated March 30, 2016, the Licensee:

- a. Acknowledged that he has not been nor does he intend to be part of the Business Entity;
- b. Advised Council that the LinkedIn profile had been active for four (4) years;
- c. Admitted that he embellished his experience for his school anniversary; and,
- d. Disclosed that he performed tasks such as picking up cheques on behalf of the Business Entity.

### **ANALYSIS**

With respect to the initiating allegations, Council determined that sufficient information was provided to the Insured regarding the death benefit on existing coverage.

The Licensee has been cautioned that his illustration of coverage at eight percent (8%) was too ambitious in its expectations given the conservative funds selected.

The Licensee knew, or ought to have known, that the potential existed for the new life insurance policy to be underfunded as the premium deposit was substantially decreased from what had been illustrated and earnings from conservative funds were unlikely to sustain the contract.

The Licensee should have re-illustrated the new life insurance policy for consideration by the client – discussion of the possibilities of the new life insurance policy was not well documented.

Pursuant to section 375(1)(a), of the *Act*, misrepresentations in the business of insurance are prohibited.

Pursuant to section 391, of the *Act*, any person who, not being duly licensed as an agent, a broker, or an adjuster, represents or holds himself out to the public as being an agent, broker, or adjuster, or as being engaged in the insurance business, by means of advertisements, cards, circulars, letterheads, signs or other methods, or being duly licensed as such an agent, broker, or adjuster, advertises as aforesaid or carries on such a business in any other name than that stated in the licence, is guilty of an offence.

Section 4 – Professionalism – Holding Out and Advertising and other Client Communications, of the *Code of Conduct*, mandates an agent to inform clients of the business name of any firm under which he or she is authorized to operate and requires all references to business activities, services and products to be clear, descriptive and not misleading.

Section 7 – General Information Disclosure and Documentation, of the *Code of Conduct*, mandates an agent to disclose their agency name, firm or employer; this must be according to how the agent is licensed.

By his own evidence, the Licensee confirmed that his representations that he was an agent of the Business Entity were false in stating he has not been nor does he intend to be part of the Business Entity.

The President and Owner of the Business Entity confirmed to Council that the Licensee has never been a director, shareholder or employee of the company.

Council noted the Licensee's statements that his LinkedIn profile was active for four (4) years and that he embellished his experience for a school anniversary.

Council did not accept the Licensee's response that the Business Entity name was saved on his computer as an innocent mistake nor his statement that he does not present himself as an agent of the Business Entity.

Council concluded that the Licensee misrepresented that he was an agent of the Business Entity by holding out to the public and carrying on business in a name other than he was licensed as evidenced by the illustration used to issue a policy of insurance; his LinkedIn profile and his disclosure that he completed tasks on behalf of the Business Entity. Falsely presenting himself as the President of the Business Entity was intended to and may have resulted in presenting an inaccurate impression of his business standing.

The Licensee misrepresented his authority to carry on business as an insurance agent of the Business Entity; presented misleading information on the Policy Illustration and engaged in misleading advertising.

Council concluded the Licensee's conduct to be in violation of sections 375(1)(a) Misrepresentation and 391 Holding Out, of the *Act* and sections 4 – Professionalism, Holding Out and Advertising and other Client Communications and 7 – General Information Disclosure and Documentation, of the *Code of Conduct*.

Based on the foregoing, Council determined that disciplinary action is warranted.

## **DECISION AND PENALTY**

Council's Intended Decision dated July 12, 2016 outlined the foregoing background, analysis and conclusions on a preliminary basis. Having regard to its initial determination that the foregoing violations had occurred, Council imposed the following penalty and sanction pursuant to section 375(1.1)(c)&(d) of the *Act* and section 7(1) of *Regulation 227/91*:

1. The Licensee be fined \$1,000.00 and assessed investigation costs of \$500.00.

As part of its Intended Decision, Council further informed the Licensee of his right to request a Hearing to dispute Council's determinations and its penalty/sanction. The Licensee expressly declined his right to a Hearing and chose not to pursue a statutory Appeal; he instead expressly accepted the Intended Decision and duly paid the levied fine and investigation costs.

This Decision is therefore final. In accordance with Council's determination that publication of its decisions are in the public interest, this will occur, in accordance with sections 7.1(1) and (2) of *Regulation 227/91*.

Dated in Winnipeg, Manitoba on August 8, 2016.