

**Superintendent of Financial Services**

**Regarding** the Insurance Act, R.S.O. 1990, c.1.8, as amended, particularly Part XIV

**AND REGARDING** a hearing concerning the suspension or revocation of the life insurance agent licence of Ms. Elianor Kvito

**DECISION**

Introduction:

A Notice of Opportunity for Hearing dated April 3, 2009 (the Notice) informed Ms. Kvito of allegations against her and the opportunity for a hearing before an Advisory Board. The Notice advised Ms. Kvito that if a hearing was not requested, the Superintendent would make a decision based on information in the possession of the Financial Services Commission of Ontario (the Commission). Ms. Kvito was also advised that such decision could include suspension or revocation of her licence as a life insurance agent.

A copy of the allegations is attached to this Decision.

An Advisory Board hearing was conducted on October 27, 2009 and November 10, 2009. The Advisory Board reminded Ms. Kvito of her right to legal representation at the hearing. A copy of the Advisory Board report is attached to this decision.

Findings of Fact

The Advisory Board found the two allegations to be established. No further allegations were made at the hearing. I adopt the findings of fact of the Advisory Board.

Recommendation of the Advisory Board

The Advisory Board recommended that Ms. Kvito's licence as an insurance agent be revoked. The Advisory Board noted the factors it considered in making its recommendation. The Advisory Board noted that

Ms. Kvito demonstrated a lack of honesty in cheating on a qualifying examination of the Registered Insurance Brokers of Ontario (RIBO) and was denied a licence as a result. Notwithstanding her understating to RIBO not to apply for another licence, she did so and answered questions on the application falsely. During this period she also demonstrated dishonesty by applying to the Commission for a licence as a life insurance agent and answered questions falsely. This pattern of dishonesty was repeated with each renewal of her licence as a life insurance agent.

The Advisory Board stated “Ms. Kvito’s original charge for cheating on an examination demonstrated a lack of honesty but this alone would not have made her unsuitable to hold a life insurance agent licence. However her pattern of concealment and deceit is crucial to this determination. She was not truthful on any of her renewal applications and has not taken responsibility for any of her actions. In fact at the hearing she refused to answer questions.”

The Advisory Board considered her service to her clients in making its recommendation.

#### Decision:

The Advisory Board has recommended that the life insurance agent licence of Ms. Kvito be revoked.

Revocation of a licence is the most severe penalty that can be imposed by the Commission.

This is a case in which the original behaviour is made worse by making false statements to the Commission. The application for a licence is one of the most important documents that an applicant for a licence or an agent renewing his or her licence provides the Commission. I am satisfied that the application form has a clear warning about the need to provide truthful answers. The effective operation of the system of regulation requires that these applications be answered truthfully. If the applications are not true, the impediments to applicants being able to enter the business and the size of the fees necessary to recover the cost of individual investigation would be a bar for many people to enter the industry. False applications are a serious matter.

If an agent is not truthful with his or her regulator, there can be no assurance that the agent will be truthful in dealing with his or her clients.

I have considered whether there are alternatives to the penalty proposed by the Advisory Board. In some cases, additional training or supervision

can mitigate behaviour. However, dishonesty to two regulators cannot be mitigated by licence conditions.

The Advisory Board “is concerned that agents within the insurance industry realize that they must conduct themselves with honesty and integrity and follow scrupulously the rules and regulations set out by the Superintendent.”

I recognize the consequence of the Advisory Board’s recommendation to Ms. Kvito is significant since she has been employed in the industry since 2001. However, by her actions Ms. Kvito has completely and irreparably destroyed any trust her regulator has in her suitability as an insurance agent. I also share the view of the Advisory Board that it is also necessary to send a message to other applicants for a licence that they must be completely honest in dealing with their regulator. Since it is not difficult to make a false statement on an application, it is essential to the insurance regulatory system that there is a clear message to all agents that dishonesty in dealing with their regulator will not be tolerated. The public also is entitled to expect that life insurance agents are completely trustworthy.

I hereby revoke the life insurance agent licence of Ms. Elianor Kvito.

Dated at Toronto, this 23<sup>rd</sup> day of December, 2009

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Executive Director, Licensing and Market Conduct  
by delegated Authority from  
Superintendent of Financial Services

## Schedule 1

The allegations referred to in the Notice of Opportunity for Hearing are as follows:

1. Elianor Kvido ("Kvido") is not a suitable person to hold a life insurance agent licence.
2. Kvido is not a suitable person to hold a life insurance agent licence because she demonstrated a lack of honesty and integrity by cheating on a qualifying examination for registration as an insurance broker, by furnishing false information to both insurance regulators in Ontario in order to conceal her cheating incident, and by failing to comply with an undertaking to the Registered Insurance Brokers of Ontario.
3. Such further allegations as the Superintendent may advise.