

## **Superintendent of Financial Services**

**REGARDING** the *Insurance Act*, R.S.O. 1990, c. I.8, as amended (the "Act"), in particular, sections 393(9) – 393(11)

**AND REGARDING** Theresa Ellen McCall, life insurance and accident and sickness insurance agent

### **DECISION AND ORDER**

#### **Introduction:**

A Notice of Opportunity for Hearing dated August 27, 2010 (the Notice) informed Ms. McCall of allegations against her and the opportunity for a hearing before an Advisory Board. The Notice advised Ms. McCall 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. McCall was also advised that such decision could include suspension or revocation of her licence as a life insurance agent.

I have received an affidavit from Ms. Wanda Gibson, Legal Secretary at the Commission that the Notice was successfully served by registered mail. I have received an affidavit from Shaifa Chandani, Licensing and Registration Specialist at the Commission that no request for a hearing was received. I am satisfied that the Notice was properly served in accordance with the provisions of the Insurance Act.

A copy of the allegations is attached to this Decision.

#### **The Evidence:**

Since Ms. McCall has not requested a hearing, the evidence of Commission staff in the particulars attached to the Notice is uncontroverted.

The evidence can be summarized as follows. The Commission received notification from Ms. McCall's insurance company that Ms. McCall's errors and omissions insurance policy was cancelled. The Commission made several attempts to contact her by mail, registered mail, email and by telephone without success

## Findings of Fact

I find the allegation that Ms. McCall has failed to maintain the required errors and omissions insurance to be established. The reasons for this finding are the notification of cancellation of the policy by Ms. McCall's insurance company and Ms. McCall's failure to respond to the several attempts by the Commission to contact her.

I do not find the allegation that Ms. McCall has failed to maintain a mailing address suitable to receive registered mail to be established since Canada Post has confirmed successful delivery of registered mail.

However, I do find that Ms. McCall is unsuitable to hold a licence as an insurance agent. The reasons for this finding are also the notification of cancellation of the policy by Ms. McCall's insurance company and Ms. McCall's failure to respond to the several attempts by the Commission to contact her.

In the absence of testimony by Ms. McCall, I am not aware of any explanations for her behaviour or mitigating circumstances.

## Decision:

I have found that Ms. McCall is unsuitable to hold a licence as a life insurance agent.

Findings of unsuitability frequently result in revocation of the licence of an insurance agent.

Errors and omissions insurance is necessary to protect consumers from negligence by insurance agents. Insurance agents without errors and omissions insurance may not have sufficient assets to indemnify policy holders or applicants for insurance from such losses. Accordingly insurance agents that do not have errors and omissions insurance cannot be allowed to be engaged in the business of insurance.

In this case, Ms. McCall would not respond to the Commission on this matter. Insurance agents must be governable and amenable to being regulated. The Insurance Act imposes a duty on licensed persons to facilitate an examination. Responding to information requests is an attribute of a person suitable to be an insurance agent.

Since Ms. McCall has not requested a hearing, there are no explanations for her behaviour, nor is there any demonstrated interest in maintaining her licence as an insurance agent.

Accordingly considering the lack of suitability as demonstrated by the failure to facilitate an examination, the absence of the necessary insurance to protect the public and lack of any explanation for such behaviour, I believe that the appropriate penalty is revocation of Ms. McCall's licence as an insurance agent.

**ORDER**

Accordingly, the life and accident and sickness insurance agent licence of Theresa Ellen McCall is hereby revoked by this order.

Dated at Toronto, this second day of December 2010

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

## **Schedule 1**

The following allegations were set out in the Notice:

1. McCall has failed to maintain appropriate errors and omissions insurance (“E&O”), as is required by section 13 of Regulation 347/04.
2. McCall’s apparent failure to comply with the requirements under sections 4(1)(l) and 13 of Ontario Regulation 347/04 since May 23, 2010 affords reasonable grounds for belief that she is ungovernable, and therefore she is unsuitable to hold a life insurance and accident and sickness insurance agent licence in Ontario