

Superintendent of Financial Services

Regarding the life insurance agent licence of
Hao Qin

AND the Insurance Act, R.S.O. 1990, c.1.8, as amended,
particularly subsections 393(9) – 393(11)

DECISION

Introduction:

A Notice of Opportunity for Hearing dated February 26, 2009 (the Notice) informed Hao Qin of an allegation against him and the opportunity for a hearing before an Advisory Board. The Notice advised Mr. Qin 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). Mr. Qin was also advised that such decision could include suspension or revocation of his licence as a life insurance agent.

Mr. Qin replied to the Commission on February 23, 2009 stating that he was not engaged in business as an insurance agent and agreeing to a “suspension” of his licence. I am satisfied that the Notice been properly served.

A copy of the allegation is attached to this Decision.

The Evidence:

Since Mr. Qin 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 was advised of the cancellation of Mr. Qin’s errors and omissions insurance by his insurance company. Commission staff sent Mr. Qin requests for information about his errors and omissions insurance through regular mail, registered mail, email, and telephone. Mr. Qin did not respond. When the Notice was served on Mr. Qin, he responded with a request that his licence be “suspended”.

Findings of Fact

I find that the allegation is established by virtue of the notice by the insurance company of the cancellation of Mr. Qin's coverage and Mr. Qin's failure to provide evidence to the Commission of any replacement coverage, in spite of numerous opportunities provided to Mr. Qin to do so. Since Mr. Qin was clearly aware of his non-compliance and failed to rectify it, I find that he demonstrated incompetence or untrustworthiness.

In the absence of testimony by Mr. Qin, there are no explanations for his behaviour or mitigating circumstances to consider.

Decision:

I have found that Mr. Qin has demonstrated incompetence and untrustworthiness.

Maintenance of errors and omissions insurance is necessary to protect the public. Errors and omissions insurance coverage is provided on a "claims made" basis, and accordingly claims can be made regardless if the agent is, or is not currently doing business. These claims would only be covered if an insurance policy is in force.

Mr. Qin has not purchased the required errors and omissions insurance. By virtue of his request that his licence be "suspended" it is clear that he does not intend to purchase the insurance. Regulation 347/04 imposes a requirement to maintain errors and omissions insurance as a requirement of holding a licence as an insurance agent. Accordingly in the circumstances, the only appropriate penalty is revocation of Mr. Qin's licence as an insurance agent.

I hereby revoke the insurance agent licence of Mr. Hao Qin.

Dated at Toronto, this 31st day of March, 2009

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

Schedule 1

The following allegation was set out in the Notice

1. Qin demonstrated his incompetence or untrustworthiness to transact the business of insurance per section 8(d) of Regulation 347/04 by:
 - a. Failing to maintain appropriate errors and omissions insurance (E&O), as is required by section 13 of Regulation 347/04.