

DECISION

IN THE MATTER OF THE LIFE INSURANCE COUNCIL OF SASKATCHEWAN ("Council")

MARKET PRACTICES COMMITTEE ("the Committee")

RESPECTING

Maruf Prodhan ("the Licensee")

The Committee is authorized under Council's Bylaw 2, section 2-3, to investigate complaints and adjudicate or mediate disputes respecting alleged non-compliance with *The Insurance Act* (the "Act"), *The Insurance Regulations* (the "regulations") or the Life Insurance Council's Bylaws by applicants, licensees or persons who are required to be licensees pursuant to clause 5-31(3)(i) of the regulations, and to make decisions respecting penalties and other charges pursuant to clause 5-31(3)(k) of the regulations.

The Compliance and Enforcement Branch of the Insurance Councils of Saskatchewan investigated the actions of the Licensee in relation to the fact his errors and omissions ("E&O") coverage lapsed for the period August 14, 2020 to January 21, 2021, and his failure to respond to Council's inquiries regarding the lapse. A Notice of Proposed Action including an investigation report (with exhibits) and consensual agreement and undertaking (the "charging package") were delivered to the Licensee notifying him that fines were being sought against him for breaching Council's Bylaws. The charging package was delivered to the Licensee on December 30, 2021.

After receipt of the charging package, the Licensee provided Council with a copy of an E&O certificate showing that coverage was in place from August 14, 2020 to August 14, 2021. A Supplemental Report was submitted to the Committee to provide them with updated information about the Licensee's E&O coverage and to determine what actions to take in regards to the Licensee's failure to respond to Council until 114 days after a demand for information was sent to him and 19 days after he received the charging package. The Supplemental Report was submitted to the Committee on April 12, 2022.

A Notice of Proposed Action dated April 14, 2022 enclosing a Consensual Agreement and Undertaking ("the Agreement") was served on the Licensee on April 21, 2022.

The Licensee sent an email on April 28, 2022, to the investigator, expressing his confusion regarding receipt of the registered mail dated April 14, 2022. The Licensee stated that he was under the impression that his response dated January 18, 2022 to the initial Investigation Report dated December 20, 2021, explained his reason for the delay in responding to Council. He stated that he believed his response was sufficient. The Licensee also stated that "[He] was surprised to see the same registered mail again with the same concerns that [he] had already addressed."

The investigator emailed the Licensee on April 29, 2022, clarifying that the package dated April 14, 2022 was a new investigation report. The investigator explained that this report was charging him for failing to respond to Council, and the charge of failing to provide his E&O certificate was dropped. The investigator asked if he wished to schedule a meeting to discuss this matter. To date, the Licensee has not responded to the investigator.

The Licensee did not provide written representations or request a hearing to advise the Committee why the Licensee felt that the actions identified in the Agreement should not be taken, pursuant to section 10-11(3) of the Act, within the required time.

As the Licensee failed to meet the requirements of section 10-11(3), of the Act within the required time, the Committee has confirmed that the actions outlined in the April 14, 2022 Agreement will be taken, pursuant to section 10-11(6) of the Act.

MISCONDUCT AND BYLAW VIOLATIONS BY THE LICENSEE:

Bylaw 4-1 Professional misconduct

(2) Without limiting the generality of subsection 4-1(1), a licensee may be guilty of misconduct if the licensee:

(u) fails to reasonably respond to inquiries from LICS or ICS;

REASON FOR THE DECISION:

As the Licensee failed to provide written representations or request a hearing, the Committee, pursuant to section 10-11(11) of the Act, considers the Agreement appropriate and makes the following order:

THE COMMITTEE HEREBY ORDERS THAT:

1. The Licensee pay the following fines:

Bylaw 4-1(2)(u) Pay a fine of:	\$500.00
Total:	<u>\$500.00</u>

Costs of investigation: 6 hours at \$110.00 per hour **\$660.00**

Total: \$1160.00

2. The Licensee must **pay the fine within 30 days of his receipt of this Decision**, pursuant to section 5-39(3) of the Act.

Dated at Regina, in the Province of Saskatchewan, this 16 day of May 2022.

originally signed by:

Grant Laube, Chair
Market Practices Committee

5-39(3) of the Act

If a penalty imposed against a holder of an insurance intermediary's licence pursuant to subsection (2) **is not paid within 30 days after the holder is served with the written notice of the penalty and the decision of the Superintendent is not appealed, the licence is automatically suspended** immediately following the last date for paying the penalty or appealing the decision, whichever is later, and remains suspended until the penalty is paid or the licence expires.