

ICM REPORT



INSURANCE COUNCIL
OF MANITOBA

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Unlicensed activity... it matters for Restricted Insurance Agents too.

Restricted Insurance Agents (RIA) are businesses which may be licensed to sell certain types of insurance products in the course of selling other goods or services to their customers. Common examples of licensed RIAs are auto dealers or travel agencies, but there are many others eligible for RIA licensing under the Insurance Act.

Recently, Council has seen an increase in unlicensed activity being conducted by Restricted Insurance Agents. By regulation, every RIA licence application must be accompanied by a written designation of a Designated Official under the licence. The Designated Official is the person responsible for supervising the licence-holding entity's insurance activities under the restricted licence, and for receiving notices and other documents on the entity's behalf.

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Privacy and Confidentiality

Council reminds all licence holders of their obligations to ensure that client information is kept private and confidential.

Under the Codes of Conduct for Life and/or A&S agents, for General agents and for adjusters, each Code specifically addresses the need for the licence holder to protect their clients' personal information acquired

during the course of their business relationship. This confidentiality is essential to the trust relationship required to provide appropriate and professional service to the client, or in the case of adjusters, to the



Industry Councils

General Council:

Pete Tessier (**Chairperson**) (licensed Agent)

Grant Rerie (**Vice Chairperson**) (licensed Adjuster)

Harvey Armstrong (public representative)

Lyndon Friesen (company representative)

Elenor Nowosad (licensed Agent)

Cindy Cassils (licensed Agent)

Irwin Kumka (licensed Agent)

Keith Phillips (licensed Agent)

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Life Council:

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Carol-Ann Borody-Siemens (**Vice Chairperson**) (licensed Agent)

Gary McPherson (public representative)

Craig Shanks (public representative; licensed Adjuster)

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Carole Urias (licensed Agent)

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Manitoba Council:

Richard Fillion (**Chairperson**)

Pete Tessier (**Vice-Chairperson**)

Carol-Ann Borody-Siemens

Gary McPherson

Grant Rerie

Cindy Cassils

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principal, policy holder or claimant. You can find copies of your Code of Conduct at the ICM website under the Licensing Information for your licence class: <https://www.icm.mb.ca/licensing-info33>.

Failing to live up to the requirements and values of the Code of Conduct can result in disciplinary action, so it is important for licence holders to review and understand the Code of Conduct that applies to your licence.

In addition to the obligations set out under the Codes of Conduct, licence holders also have other legal obligations with respect to protecting personal information, and it is up to each licence holder to ensure they understand and fulfil these obligations. Examples of other legal obligations regarding privacy of client information include:

- Contractual terms with your agency/sponsor;
- The Personal Information Protection and Electronic Documents Act (PIPEDA), which is federal law that governs how private-sector businesses collect, use or disclose personal information in the course of a commercial activity. You can find information about PIPEDA through the [Office of the Privacy Commissioner of Canada's](#) website;
- Canada's Anti-Spam Legislation (CASL), which is federal law that governs how consumers may be sent electronic messages and avoid spam; businesses must understand rules about email marketing to ensure you get the appropriate consents from consumers to send them commercial emails. You can find information about [CASL through the Government of Canada's](#) website.

Learn Your Code of Conduct

To help licence holders understand their obligations, Council has developed Code of Conduct quizzes available on the ICM website: <https://www.icm.mb.ca/compliance-and-enforcement>. Licensees may take a free online quiz, and once completed, they will qualify for a full hour of continuing education credit.

Mission

The INSURANCE COUNCIL OF MANITOBA is committed to serving and protecting the public by regulating insurance licensees under *The Insurance Act* of Manitoba and by ensuring that licensees act within a professional framework which promotes fair and ethical conduct, integrity and competence.

Mandate

The mandate of the Council is to act in the public interest to protect Manitoba consumers of insurance products, and to regulate all licensees, agents, brokers, sellers of incidental insurance (ISI) and adjusters to ensure standards are maintained for public protection.

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Disclosure of Material Change

Licensees must notify the Insurance Council of Manitoba in writing of any material change not previously disclosed **within fifteen (15) days** of such change. Council considers a material change to include any material fact which may influence Council to amend or review a licensee's licence(s). Listed below are examples of common material changes that may affect a stakeholder's licensing status. This is not an exhaustive list; when in doubt, please contact the ICM for clarification.

- Change in name (personal or business)
- Change in Operating Agent or Designated Representative
- Lapse of E&O insurance
- Disciplinary action from any other regulator
- Being Under Investigation by any Regulatory or Licensing Authority
- Criminal charges or convictions
- Other occupation or employment, or change in position
- Change in supervisor
- Defendant in court where fraud has been alleged
- Bankruptcy
- Dismissal for cause from an employer/sponsor
- Employee/agent changes: notice to come from the operating agent or designated representative
- Sponsor change
- Address change (residential or business)
- Contact Information (telephone or email)
- Agency/Adjusting firm change

SPOTLIGHT and PERSPECTIVE: Empathy and the Adjuster

In this personal view from a working adjuster, the writer highlights the importance of the values laid out in Council's Insurance Adjusters Code of Conduct – integrity, competence, quality of service, advising clients (including policy holders, principals and claimants), confidentiality, and as noted here – fundamentally - an adjuster's conduct towards others.

Empathy and the Adjuster

In today's new age, hectic-paced world of KPIs and cycle times, much like a surgeon grows accustomed to the sight of blood, we adjusters may sometimes lose perspective of the profound effect a claim may have on the emotional and psychological well-being of an Insured after they have suffered a loss.

(Empathy and the Adjuster, continued from page 3)

Even though we may have grown acclimated to these situations, an Insured may only encounter one or two instances in their lifetime where they have had to rely on their insurance company/adjuster to respond to their claim and exhibit the necessary and appropriate amounts of empathy, wisdom, professionalism and direction to ensure they are put back in the position they were in before the claim occurred.

Many of these attributes are enshrined in our Adjusters Code of Conduct but there is much more than the physical component of damaged contents and building repairs to consider. A timely claims process and how the adjuster deals with the claim, especially during the initial handling, can have a definitive impact on how an Insured is emotionally affected by the claim, including long-lasting or even permanent psychological effect. A May 2019 *Globe and Mail* article referred to a recent study on resilience that measured the impact on Fort McMurray residents that were evacuated after the forest fires. It surmises the claims that were handled quickly by Insurers and adjusters and allowed the affected people to rebuild and get back into their communities within one year of the loss fared far better in emotional rehabilitation than those that took longer for the process to be completed. The study suggests that if the first responders and adjusters/bankers dealt with the affected people in a timely and professional manner, the Insureds generally fared much better psychologically from the impact of the tragedy than those that didn't. *(for article, see [Put Down the Self-Help Books. Resilience is not a DIY Endeavour](#); Globe and Mail, May 25, 2019 Opinion, Michael Ungar)*

This appears to draw a correlation as to how important it is to the emotional welfare of the Insured that the claim be handled promptly and professionally. The claim could have profound negative effects if not handled properly from the start with the right amount of empathy, understanding, communication and direction provided by the adjuster, initially and throughout the claim process.

Let's not forget that there will always be a human component to adjusting that cannot be replaced or replicated by computers. There is no price tag or time measure that can be placed on a proper claim adjustment. Each one and each Insured is different. I have always adopted the claims handling philosophy of "listen to what they want but give them what they need." By gaining trust and respect early in the claim process and keeping your side of promises made, all sides benefit in the end and the Insured may just be a little less scarred from the experience.

In our harried and busy professional lives, take a moment to remember how you would like to be treated if you were on the other side of the fence. There is a real and long-lasting effect that cannot be measured by counting dollars and cents and making that the focus of the claims process.

So next time you are having a bad day, frustrated with the day to day pace, remember that the person on the other end of the line - who may just have lost everything they have ever owned - is undoubtedly having a much worse one.

How you handle the adjustment of the claim from that first phone call may make all the difference to the Insured to be able to navigate through the claim process and move on from the tragedy with a healthful state of mind.



Taking the extra moment to really listen to and empathize with the Insured will go a long way in establishing trust, but also be prepared to give proper and wise direction about the process. Build respect to let them know you are trying to help them so they can put their minds at ease. After all, that is what buying insurance is all about - "Peace of Mind".

(Unlicensed Activity, continued from page 1)

Examples involving unlicensed activity conducted by RIAs have included:

- When the Designated Official leaves the RIA entity, and no replacement Designated Official is appointed to renew the licence by the May 31st renewal deadline, and the entity continues to sell insurance after the licence expires;
- When the Designated Official remains with the entity but fails to renew the RIA licence due to an administrative oversight. With no licence in place, the entity has continued to sell insurance and hold itself out to members of the public as an agent.

Designated Officials of RIA licence holders must ensure that they follow the requirements of the Insurance Act and its regulations. Section 29 of [Regulation 389/87](#) sets out the requirement to notify ICM of a change of Designated Official without delay, as noted below:

Replacement or incapacity of designated official

29(1) If a restricted licence holder's designated official ceases to be eligible under subclause 28(a)(i) or (ii) or the designation of a person as the designated official under a restricted insurance agent licence is otherwise to be terminated, the restricted licence holder must, without delay, inform the superintendent and provide the superintendent with a designation of a replacement designated official.

29(2) If a restricted licence holder's designated official is unable to discharge the responsibilities expected of the designated official, the restricted licence holder must, without delay, inform the superintendent and provide the superintendent with a designation of a replacement designated official.

Council reminds Designated Officials to have operational practices in place to ensure that a Designated Official is in place when the entity holds a licence and that administrative procedures are implemented to ensure continuity of that licence in order for the entity to carry on the activities of an agent. The Insurance Act prohibits unlicensed insurance activity, and an RIA entity which fails to remain appropriately licensed may be subject to disciplinary action.

User Guides for Licence Holders

ICM has developed many helpful and easy-to-follow User Guides, which provide information about how to:

- *create an invoice for licence renewal payment or amendments*
- *enter your E&O insurance information*
- *apply for, amend, or renew a licence online*
- *enter your continuing education (CE) credits*

You can find the User Guides on the ICM website at <https://www.icm.mb.ca/user-guides-and-faqs>.