

Mr. Jim Fox  
Senior Policy Analyst  
Licensing and Market Conduct Division  
Financial Services Commission of Ontario  
5160 Yonge Street, Box 85  
Toronto, Ontario  
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September 25, 2013

Re: Consultation paper on new model for disciplinary hearings.

Dear Mr. Fox;

Please find enclosed my comments on the above mentioned proposals relating to the disciplinary hearings for Insurance agents and adjusters in Ontario.

I like to thank you for the opportunity given to comment on this consultation paper.

Sincerely;

**Question 1:** Would the substitution of the AB with the FST provide a more fair and streamlined disciplinary process for insurance agents and adjusters?

The Advisory board(AB) consists of at least two industry representatives and a Chair the industry representatives have hands on experience and product knowledge of a licensed representative and in my opinion understand the sales process to a larger extent because of this. A lot of cases deal with agent conduct where this sales process experience and product knowledge I believe is of great benefit to the Advisory Board.

The Financial Services tribunal (FST) although very distinguished does not have this experience.

Another argument heard was that the Superintendent did not have the opportunity to hear the evidence. My understanding is that if a hearing is requested by a licensee before the FST the superintendent has to prove his case and may also not have heard the evidence.

The other issue mentioned was Administrative Monetary penalties (AMP) this is something that came into effect on Jan. 1 2013. AMP's have not been used before by the AB as a means of a penalty and the FST has the legal authority to impose these where as the AB does not. I don't know if it is a big problem to grant the AB the authority to propose an AMP and have the superintendent impose this.

Overall, although having the FST substitute the AB may make the process more streamlined in that the dealings are with one body I do not believe it will be a fairer process or even a speedier process as the element of experience in product knowledge and sales process at the licensee level is lost.

I also like to refer to the mutual fund industry and in particular to the MFDA who uses the hearing process involving approved persons on the panel to have this experience assist in the process.

**Question 2:** Does the proposal to clarify the Superintendent's authority to issue interim orders achieve an appropriate balance between protecting consumers, and providing agents and adjusters access to justice?

In giving the Superintendent that authority I believe it provides additional protection to the public in that a license can be suspended or revoked in short order. I would like to see in these circumstances that if the licensee requested a hearing priority be given to this hearing as to balance the process in fair dealing.

**Question 3:** Are there any other factors that the Superintendent should consider when approving licence surrender requests from agents and adjusters?

I cannot think of any other factors besides the ones mentioned in the proposals. I find the one referring to what arrangements have been made to ensure services continue an interesting statement as the contract/policy is between the policyholder and the insurance company where the insurance company appoints a new agent upon departure of the existing agent whatever the reason. I do not believe that the agent surrendering his/her licence has the authority to appoint another agent for servicing without the approval of the insurance company in particular for those Insurers with a captive agency force.