

**In the Matter of**

**The *Insurance Act***  
**(the “Act”)**  
**(R.S.P.E.I. 1988, Cap. I-4)**

**and**

**The Superintendent of Insurance**  
**Department of Justice and Public Safety**  
**Province of Prince Edward Island**  
**(the “Superintendent”)**

**and**

**Marc Raymond Surette**  
**(the “Licensee”)**

**DECISION AND ORDER**  
**UNDER SECTION 350 OF THE ACT**

Whereas the Licensee holds a Certificate of Authority under the Act authorizing the Licensee to carry on business as a Life and Accident & Sickness insurance agent in the Province;

And Whereas the duly accredited representative of the Superintendent has completed an investigation pursuant to section 350 of the Act relating to allegations of certain complainants concerning the Licensee;

And Whereas the Superintendent is satisfied that:

1. The Licensee met with the complainants at various material times during the summer and fall of 2008.
2. During the course of these meetings the Licensee:
  - a) conducted a needs analysis for the complainants;
  - b) discussed the complainants’ Individual Variable Insurance Contracts (“IVICs”) which they had held since 2000;

- c) requested to conduct a comparison of the aforementioned IVICs and proposed IVICs which the Licensee was marketing;
  - d) recommended that the complainants redeem their historically held IVICs in favour of the IVICs the Licensee was then marketing; and
  - e) assisted the complainants in filling out Transfer Authorization Forms to carry out the aforementioned recommendation.
- 3) The complainants relied on the aforementioned recommendation and assistance of the Licensee.
- 4) This reliance resulted in the complainants redeeming their IVICs with a \$12,993.87 total guaranteed value as at July 12, 2010 (less than 24 months into the future), in favour of new IVICs, proposed by the Licensee, with a value of \$4,020.59, 75% of which became guaranteed 10 years into the future.

The Superintendent, after reviewing all evidence provided, finds as follows:

1. Pursuant to clause 350 (1) ( b) of the Act:
- a) in violation of subsection 376 (1) of the Act, the Licensee has, to the detriment of the complainants, induced or attempted to induce, directly or indirectly, the complainants to rescind, lapse or surrender for cash paid up or extended insurance, or other valuable consideration a contract of life insurance for the purposes of effecting another contract of life insurance; and
  - b) in violation of subsection 376 (2) of the Act, the Licensee has, to the detriment of the complainants, directly or indirectly, made or delivered an incomplete comparison of a policy or contract of insurance with that of the same or another insurer in the solicitation or negotiation of life insurance.
2. Pursuant to clause 350 (1) (e) of the Act, the Licensee has, to the detriment of the complainants, demonstrated his incompetency or untrustworthiness to transact the business of insurance for which his Certificate of Authority was granted.

Accordingly the Superintendent hereby Orders as follows:

- 1) The Licensee's Certificate of Authority to carry on business as a Life and Accident & Sickness insurance agent in Prince Edward Island is suspended for a period of 90 days commencing July 1, 2010.

- 2) The Licensee must satisfactorily complete a course about compliance and a course about ethics subject to the following conditions:
  - a) The Licensee must select the two courses and submit them for approval to the Superintendent by September 30, 2010.
  - b) The Licensee must pay for the approved courses.
  - c) The Licensee must provide to the Superintendent evidence of completion of the two approved courses by June 30, 2011.
  
- 3) The Licensee must be supervised by a supervisor approved by the Superintendent for a period of one year commencing the day after completion of the period of suspension subject to the following conditions:
  - a) The Licensee must select a supervisor and submit the name of the supervisor to the Superintendent by September 1, 2010.
  - b) The Licensee must arrange for the supervisor to provide a signed undertaking to the Superintendent that he or she will review all insurance applications prepared by the Licensee and will report to the Superintendent in late March 2011 and late September 2011 that the business on those applications in those six month periods complied with the law and good business practices.
  - c) The Licensee shall have the right to substitute supervisors subject to the written approval of the Superintendent.

Dated at Charlottetown, this 17<sup>th</sup> of June 2010.

Robert A. Bradley, CA  
Superintendent of Insurance  
Department of Justice and Public Safety  
Province of Prince Edward Island