

**IN THE MATTER OF THE FINANCIAL INSTITUTIONS ACT
R.S.B.C. 1996, C. 141, AS AMENDED**

- AND -

**IN THE MATTER OF DENNIS WENCE
AND
DENNIS WENCE DOING BUSINESS AS NORTH WEST PACIFIC**

ORDER UNDER SECTIONS 244(2) AND 238, AND

**NOTICE OF RIGHT OF HEARING OR APPEAL
UNDER SECTIONS 238(2) AND 242**

UPON REVIEWING THE SUBMISSIONS AND EXHIBITS OF STAFF, it appears to the Superintendent of Financial Institutions (the "Superintendent") that:

1. On January 25, 2006, the Insurance Council of British Columbia (the "Council") forwarded a complaint to the Financial Institutions Commission ("FICOM") that had been received from [REDACTED] an adjuster at CGI Adjusters Inc. ("CGI") of Kelowna, British Columbia.
2. This complaint alleged that Dennis Wence ("Wence") and his firm, North West Pacific, ("NWP") were acting as adjusters in British Columbia while not licensed to do so. The Council, in their letter of complaint, confirmed that neither Wence nor NWP were licensed to act as adjusters in British Columbia.
3. The first instance related to a large loss at strata corporation [REDACTED] situated at [REDACTED], Kelowna, British Columbia. Specifically, NWP had been engaged by a [REDACTED] of unit # [REDACTED] to assist with her insurance claim.
4. The second instance related to a loss claim at [REDACTED], Kelowna, British Columbia, where NWP acted for [REDACTED].
5. An investigation was commenced and conducted by Colin Parcher ("Parcher") Manager, Investigative Services of FICOM.

6. The Financial Institutions Act, (the "Act") Section 168, defines insurance adjuster as a person who:

"Makes an adjustment or settlement of a claim under a contract of insurance other than a contract of marine insurance."

7. Section 180 of the Act states:

"(1) A person must not act in British Columbia as an insurance adjuster or as an employed insurance adjuster unless the person is licensed as an insurance adjuster or as an employed insurance adjuster as the case may be,

(2) subsection (1) does not apply to a person or a class of persons exempted by the Regulations."

8. The Insurance Licensing Exemptions Regulation Section 6 states:

"Section 180(1) of the Act does not apply to a person who

- (a) does not act for compensation or hope or the promise of it,
- (b) is employed as an expert by an insurance adjuster to make an appraisal or adjustment in a special case,
- (c) is a solicitor or an employee of one in the solicitor's regular practice of law,
- (d) is an insurance agent licensee acting on behalf of an insurer,
- (e) is the Branch Manager in British Columbia of an insurer authorized to conduct insurance business or is a salaried employee of that insurer, and who in either case is acting for that insurer, or
- (f) is a government employee or agent in the administration of any program established under the Insurance for Crops Act or the Farm Income Insurance Act.

9. As staff point out the Act does not define the term 'adjust', however they point me to the Canadian Dictionary of Law, 2nd Edition, which defines 'adjust' and related terms in an insurance context as follows:

"Adjust is to determine the amount to be paid by an insurer to an insured when a loss occurs."

"Adjuster" is a person who,

- (a) on behalf of an insurer or an insured, for compensation, directly or indirectly, solicits the right to negotiate the settlement of or investigate a loss or claim under a contract or fidelity, surety or guarantee bond issued by an insurer, or investigates, adjusts or settles any such loss or claim, or
- (b) holds himself, herself or itself out as an adjuster, investigator, consultant or adviser with respect to the settlement of such losses or claims."

"Adjustment" is defined as a settlement or ascertainment of the amount of indemnity which an insured may receive under a policy."

10. Staff also point me to the Insurance Institute of Canada's Dictionary of Insurance which provides the following definitions:

"Adjuster – one who represents the insurer on investigations and dealings with respect to settlement of claims. This may be a salaried employee of an insurer, or one who operates as an independent adjuster."

"Adjustment – the process of arriving at an amount of settlement for a claim. It may consist of a series of computations to arrive at the amount of a loss, as in a complicated fire loss. It may involve discussions of liability, quantum and other such matters as might be the case in a problem liability claim. It may contain both."

11. As well, the Insurance Institute's "Essentials of Loss Adjusting" (2004) course materials state:

"Claims adjusters interpret insurance policies to determine whether a loss is covered."

12. In order to be licensed as an adjuster in British Columbia, one has to complete the courses based on the materials published by the Insurance Institute of Canada.

13. Efforts were made by staff to contact Wence by phone and pager to no avail.
14. Subsequently on March 20, 2006, a letter was sent to Wence advising that a complaint was received, that staff believed he was acting as an adjuster without a license and seeking a response.
15. On April 18, 2006, Wence responded by refusing to comment without further information from FICOM.
16. Wence was contacted by the Investigator on June 6, 2006 and agreed to meet with the Investigator, only on a without prejudice basis, on June 8, 2006.
17. On June 8, 2006, after the Investigator had left a message June 7, 2006 confirming the meeting, Wence denied ever agreeing to meet and would only meet for five minutes in a coffee shop.
18. Wence called back at 7:00 am and again at 4:00pm denying agreeing to meet and wanting to know basis for the complaint.
19. The Investigator stated that privacy concerns prohibited that and a letter with FICOM's concerns would be forthcoming.
20. I note that it appears no further follow up letter was sent to Wence.
21. [REDACTED] then provided additional information relating to three other claims being handled by Wence and/or NWP at [REDACTED]. These related to [REDACTED] of unit # [REDACTED], [REDACTED] of unit # [REDACTED], and [REDACTED] of unit # [REDACTED].
22. A review of these additional claims found they related to the [REDACTED] claim of unit # [REDACTED]. In all cases, NWP and/or Wence had been engaged by the insured to assist in their loss.
23. [REDACTED] also advised that [REDACTED] had told her the funds being paid out on this loss were being forwarded to NWP, as an intermediary between the insurer and the insured's under Wence's instructions.
24. On June 21, 2006, Parcher contacted [REDACTED] at which time she forwarded a series of emails between herself and Wence commencing November 21, 2005, at 11:11 P.M.
25. Included was a December 1, 2005 email from [REDACTED] to Wence inquiring as to where the cheque from the [REDACTED] should be sent, and Wence's December 1, 2005 response advising her to send the cheque to him rather than directly to the insured.

26. On August 1, 2006, [REDACTED] was interviewed and she provided details relating to her dealings with Wence.
27. Her first dealings with Wence came by way of a NWP letter to [REDACTED] marked to her ([REDACTED]) attention, dated October 23, 2005, which states "We have been engaged by [REDACTED] to assist them in the presentation of their loss. Our involvement is confirmed by [REDACTED] co-signing this correspondence."
28. This correspondence included a NWP/Dennis K Wence business card. Based on this [REDACTED] was of the impression that he was acting as a Public Adjuster.
29. This letter deals with a number of issues including additional living expenses, contents loss, E-djuster schedules, the [REDACTED] schedules, unit owner improvements, potential unit owners assessment, interpretation of policy terms including limitation dates. Additionally the letter requests a meeting between [REDACTED] and [REDACTED], Ms. [REDACTED] (Insured's Daughter) and Dennis Wence, North-West Pacific.
30. Based on the above [REDACTED] was satisfied that Wence was a public adjuster and named him as such on her file.
31. On August 1, 2006, the investigator obtained a statement from [REDACTED] ([REDACTED]) of Huston Grant Adjusters of Kamloops British Columbia. [REDACTED] advised he had once dealt with Wence back in the fall of 2003 when he was on a contract to adjust a claim for Federation Insurance.
32. It was during this claim adjustment that Wence had shown up with the insured at the scene of a loss and [REDACTED] says Wence began interfering with the claim adjustment process. [REDACTED] accepted that Wence was a public adjuster until he began making some inquiries and determined that he was not.
33. [REDACTED] advised that it was during this file that Wence became such a problem that he ([REDACTED]) had to pass the handling of the file to his partner however it was his opinion that Wence was acting as an insurance adjuster with his involvement in this file.
34. On August 1, 2006, the investigator spoke to [REDACTED] who advised that Wence had told her of the FICOM investigation. [REDACTED] made it very clear that she was unhappy with the conduct of her insurance adjuster and credits Wence for assisting her in this matter; however, she did state that she paid Wence by the hour for his work and in the end she paid him \$750.00 for helping dealing with her claim.
35. On the same date the investigator attended to # [REDACTED] in West Bank and spoke to [REDACTED]

36. ██████ confirmed that she and her husband had engaged Wence to assist them with their claim. When asked how much Wence is charging them ██████. ██████ replied "We haven't paid him yet". She was then asked "But you are paying him?" and she responded "Yes". To the question "How much?" ██████. ██████ replied "I don't know".
37. ██████ was then asked how they got involved with Wence to which she responded "He was referred by a friend." She was then asked "So is he charging you, a set fee or by the hour, or is there a contract?" ██████ responded "I do not know, what ever we decide is fair."
38. Wence's conduct is ongoing as late as August 24, 2006 when he is due to meet with ██████ and the ██████ to negotiate their claim.
39. The licensing requirements of the Act are in place to protect the public and ensure properly trained and accountable persons are adjusting claims.
40. Staff estimates that a minimum of six witnesses would be required for a hearing which would last approximately one week. In order to schedule and prepare for a hearing it is estimated that a hearing would not be able to be held for at least two months.

AND WHEREAS the Superintendent finds that:

1. From a review of the documentation and the witness statements I find that Dennis Wence and Dennis Wence doing business as North West Pacific are investigating his clients' insurance claims, holds himself out as a consultant and adviser with respect to settlement of loss claims, interprets policy provisions for clients, solicits the right to negotiate claims, and negotiates the settlement of claims which constitutes "adjusting" under the Act.
2. Dennis Wence and Dennis Wence doing business as North West Pacific acts for compensation or in the hope or promise of compensation.

AND WHEREAS the Superintendent is of the opinion that by the above acts or conduct, pursuant to Section 244(2)(a) of the Act, Dennis Wence and Dennis Wence doing business as North West Pacific are committing an act or pursuing a course of conduct that does not comply with the Act.

AND WHEREAS the Superintendent considers, pursuant to Section 238(1)(b) of the Act that the length of time that would be required to hold a hearing would be detrimental to the due administration of the Act since this conduct is ongoing and the public is at risk at this time..

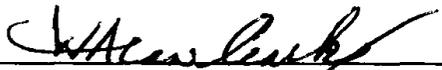
AND WHEREAS the Financial Institutions Commission has delegated to the Superintendent the powers and duties under section 244 of the Act in the Instrument of Delegation executed June 2, 2005.

NOW THEREFORE the Superintendent orders pursuant to Sections 244(2)(f) and 238 that Dennis Wence and Dennis Wence doing business as North West Pacific:

1. Cease and desist from acting as an adjuster in the Province of British Columbia.

TAKE NOTICE THAT Dennis Wence and Dennis Wence doing business as North West Pacific may request a hearing before the Superintendent under section 238(2)(a) of the Act or appeal to the Financial Services Tribunal under section 238(2)(b) of the Act.

Dated at the
City of Surrey,
Province of British Columbia
this 24th day of August, 2006.



W. Alan Clark
Superintendent of Financial Institutions
Province of British Columbia

TO: Dennis Wence

Kelowna, British Columbia
