

**In the Matter of the**  
***FINANCIAL INSTITUTIONS ACT, RSBC 1996, c. 141***  
**(the “Act”)**

**and the**

**INSURANCE COUNCIL OF BRITISH COLUMBIA**  
**(“Council”)**

**and**

**PAUL BRIAN BRADBEER**  
**(the “Former Licensee”)**

**ORDER**

As Council made an intended decision on August 14, 2017, pursuant to sections 231, 236, and 241.1 of the Act; and

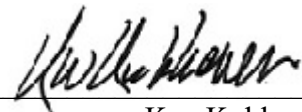
As Council, in accordance with section 237 of the Act, provided the Former Licensee with written reasons and notice of the intended decision dated September 14, 2017; and

As the Former Licensee, in accordance with section 237 of the Act, requested a hearing of Council’s intended decision, but no longer wishes to proceed with the hearing;

Under authority of sections 231, 236, and 241.1 of the Act, Council orders:

1. The Former Licensee is unsuitable to hold an insurance licence;
2. The Former Licensee is fined \$10,000.00, which is due and payable no later than March 19, 2019; and
3. The Former Licensee is assessed Council’s investigative costs of \$1,000.00, which are due and payable no later than March 19, 2019.

This order takes effect on the 19<sup>th</sup> day of December, 2018.



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Ken Kukkonen  
Chairperson, Insurance Council of British Columbia

## **INTENDED DECISION**

of the

### **INSURANCE COUNCIL OF BRITISH COLUMBIA** (“Council”)

respecting

### **PAUL BRIAN BRADBEER** (the “Former Licensee”)

Pursuant to section 232 of the *Financial Institutions Act* (the “Act”), Council conducted an investigation into allegations that the Former Licensee submitted over 100 fictitious applications for life insurance to an insurance company (the “Insurer”).

An investigation report was considered by Council at its August 15, 2017, meeting, where it was determined the matter should be disposed of in the manner set out below.

#### **PROCESS**

Pursuant to section 237 of the Act, Council must provide written notice to the Former Licensee of the action it intends to take under sections 231, 236, and 241.1 of the Act before taking any such action. The Former Licensee may then accept Council’s decision or request a formal hearing. This intended decision operates as written notice of the action Council intends to take against the Former Licensee.

#### **FACTS**

The Former Licensee had held a life and accident and sickness insurance agent (“life agent”) licence in British Columbia since 2007 and had an advisor agreement with the Insurer since 2010. The Former Licensee’s life agent licence was terminated in December 2016 after the Former Licensee voluntarily turned in his licence.

In November 2016, an investigation conducted by the Insurer concluded that, in 2015 and 2016, the Former Licensee submitted over 100 fictitious applications for life insurance certificates to it, accepted commissions on each of these fictitious applications, and then used part of the commissions he received to pay the monthly premium applicable to the applications.

The Insurer reported that approximately \$650,000.00 in commissions was paid to the Former Licensee in relation to the fictitious applications. After identifying these false applications, the Insurer terminated its advisor agreement with the Former Licensee and filed a Notice of Civil Claim in the Supreme Court of British Columbia on November 9, 2016 (the "Civil Claim"), seeking damages. The Former Licensee never filed a Response to Civil Claim and the matter was discontinued by the Insurer on March 17, 2017, following a settlement agreement entered into with the Former Licensee in late January 2017.

On December 1, 2016, the Former Licensee, through his legal counsel, acknowledged to Council that the applicants involved in the fictitious applications were not real people. It was at this time the Former Licensee turned in his life agent licence, stating he did not intend to return to the insurance industry.

#### **ANALYSIS**

Based on the Insurer's report and the admission by the Former Licensee, Council concluded that the Former Licensee's actions brought into question his trustworthiness and his ability to carry on the business of insurance in good faith. In particular, Council found the Former Licensee's actions were financially motivated and that he put his interests before everything else.

Council concluded that the Former Licensee's actions made him unsuitable to hold an insurance licence and if the Former Licensee make an application for an insurance licence in the future, the application will be declined, based on suitability.

Council also determined that, as the Former Licensee's actions were financially motivated, he should be fined. In determining the amount of the fine, Council noted that its maximum limit does not come close to the amount of commissions that the Former Licensee fraudulently collected from the Insurer but concluded that a fine equal to the maximum amount permitted under the Act is appropriate.

#### **INTENDED DECISION**

Pursuant to sections 231, 236, and 241.1 of the Act, Council made an intended decision that:

1. The Former Licensee is unsuitable to hold an insurance licence;
2. The Former Licensee is to be fined \$10,000.00; and
3. The Former Licensee is to be assessed Council's investigative costs of \$1,000.00.

The Former Licensee is advised that should the intended decision become final, the fine and investigative costs will be due and payable within 90 days of the date of the order.

The intended decision will take effect on **October 3, 2017**, subject to the Former Licensee's right to request a hearing before Council pursuant to section 237 of the Act.

### **RIGHT TO A HEARING**

If the Former Licensee wishes to dispute Council's findings or its intended decision, the Former Licensee may have legal representation and present a case at a hearing before Council. Pursuant to section 237(3) of the Act, to require Council to hold a hearing, the Former Licensee must give notice to Council by delivering to its office written notice of this intention by **October 2, 2017**. A hearing will then be scheduled for a date within a reasonable period of time from receipt of the notice. Please direct written notice to the attention of the Executive Director.

If the Former Licensee does not request a hearing by **October 2, 2017**, the intended decision of Council will take effect.

Even if this decision is accepted by the Former Licensee, pursuant to section 242(3) of the Act, the Financial Institutions Commission still has a right to appeal this decision of Council to the Financial Services Tribunal ("FST"). The Financial Institutions Commission has 30 days to file a Notice of Appeal, once Council's decision takes effect. For more information respecting appeals to the FST, please visit their website at [fst.gov.bc.ca](http://fst.gov.bc.ca) or contact them directly at:

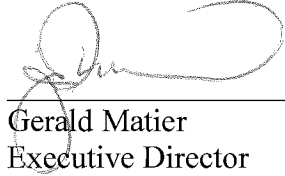
Financial Services Tribunal  
PO Box 9425 Stn Prov Govt  
Victoria, British Columbia  
V8W 9V1

Reception: 250-387-3464  
Fax: 250-356-9923  
Email: [FinancialServicesTribunal@gov.bc.ca](mailto:FinancialServicesTribunal@gov.bc.ca)

Intended Decision  
Paul Brian Bradbeer  
LIC-169689C104917R1 / COM-2016-00222  
September 14, 2017  
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Dated in Vancouver, British Columbia, on the **14<sup>th</sup> day of September, 2017.**

For the Insurance Council of British Columbia



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GM/rm