

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

**and**

**The INSURANCE COUNCIL OF BRITISH COLUMBIA**  
**("Council")**

**and**

**GEORGE EDWARD JAMES**  
**(the "Licensee")**

**ORDER**

As Council made an intended decision on October 15, 2013, pursuant to sections 231 and 236 of the Act; and

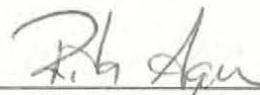
As Council, in accordance with section 237 of the Act, provided the Licensee with written reasons and notice of the intended decision dated November 18, 2013; and

As the Licensee has not requested a hearing of Council's intended decision within the time period provided by the Act;

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

1. The Licensee is fined \$500.00.
2. A condition is imposed on the Licensee's life and accident and sickness insurance licence that requires him to pay the above-ordered fine no later than **April 1, 2014**. If the Licensee does not pay the ordered fine in full by this date, the Licensee's life and accident and sickness insurance licence is suspended as of **April 2, 2014**, without further action from Council and the Licensee will not be permitted to complete any annual filing until such time as the ordered fine is paid in full.

This order takes effect on the **31<sup>st</sup> day of January, 2014**.



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Rita Ager, GFP, CLU, CHS, CPCA, FEA  
Chairperson, Insurance Council of British Columbia

## **INTENDED DECISION**

of the

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

**respecting**

**GEORGE EDWARD JAMES**  
(the “Licensee”)

### **INTRODUCTION**

Pursuant to section 232 of the *Financial Institutions Act* (the “Act”), Council conducted an investigation into an allegation the Licensee failed to obtain the required continuing education (“CE”) credits.

As part of Council’s investigation, on August 19, 2013, an Investigative Review Committee (the “Committee”) met with the Licensee. The Committee was comprised of one voting member and three non-voting members of Council. Prior to the Committee’s meeting with the Licensee, an investigation report was distributed to the Committee and the Licensee for review. A discussion of this report took place at the meeting and the Licensee was provided an opportunity to clarify the information contained therein and make further submissions. Having reviewed the investigation materials and after discussing this matter with the Licensee, the Committee made a recommendation to Council as to the manner in which this matter should be disposed.

A report setting out the Committee’s findings and recommended disposition, along with the aforementioned investigation report, was reviewed by Council at its October 15, 2013 meeting and it 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 Licensee of the action it intends to take under sections 231 and 236 of the Act before taking any such action. The 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 Licensee.

## **FACTS**

1. The Licensee was first licensed in British Columbia as a life and accident and sickness insurance agent in 1999.
2. Council sent the Licensee a CE audit letter, dated April 18, 2012, seeking to audit the June 1, 2010 to May 31, 2011 annual filing period. Based on his licensing history, the Licensee was required to have completed 10 technical CE credits for that period.
3. The Licensee was unable to provide proof of his CE credits for the annual filing period ending May 31, 2011. The Licensee's only explanation was that he must have discarded proof of his CE credits in error, during a relocation of his home office.
4. The Licensee was able to provide proof that he had completed the minimum amount of CE for the annual filing period ending May 31, 2012.
5. The Licensee acknowledged that he had a responsibility to maintain records of his CE credits and that he was in violation of Council Rules by not being able to provide proof that he met the CE requirements for the 2011 annual filing period.

## **ANALYSIS**

It is a licensee's responsibility to be in compliance with Council's CE program, which includes maintaining the appropriate records to demonstrate a minimum amount of CE is completed during each annual filing period.

The Licensee explained that he had changed where he was obtaining his CE in 2011, after he found that insurance companies and MGA's were offering fewer courses on Vancouver Island. He is now taking most of his courses through providers other than his MGA, and those providers maintain backup copies of attendance records.

Based on his explanation and the fact that the Licensee was able to demonstrate he had completed CE requirements for the annual filing period ending May 31, 2012, Council concluded the Licensee had completed the required CE for the annual filing period ending May 31, 2011.

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Overall, Council found the Licensee to be forthright and accepting of his responsibilities. However, Council found that the Licensee failed to maintain proof of completion of CE for the annual filing period ending May 31, 2011, as required under Council Rules.

Council considered prior decisions relating to unintentional breaches of Council Rule 7(5) and was of the view that a fine of \$500.00 was appropriate in the circumstances.

### **INTENDED DECISION**

Pursuant to sections 231 and 236 of the Act, Council made an intended decision to fine the Licensee \$500.00.

The Licensee is advised that should the intended decision become final, the fine will be due and payable within 90 days of the date of the order. In addition, failure to pay the fine within the 90 days will result in the automatic suspension of the Licensee's life and accident and sickness insurance licence and the Licensee will not be permitted to complete any annual filing until such time as the fine is paid in full.

The intended decision will take effect on **December 4, 2013**, subject to the Licensee's right to request a hearing before Council pursuant to section 237 of the Act.

### **RIGHT TO A HEARING**

If the Licensee wishes to dispute Council's findings or its intended decision, the 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 Licensee must give notice to Council by delivering to its office written notice of this intention by **December 3, 2013**. 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 Licensee does not request a hearing by **December 3, 2013**, the intended decision of Council will take effect.

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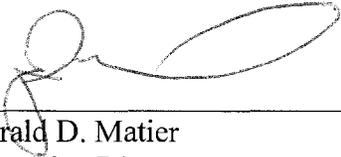
Even if this decision is accepted by the Licensee, pursuant to section 242(3) of the Act, the Financial Institutions Commission still has a right to appeal this decision of Council to the Financial Services Tribunal ("FST"). The Financial Institutions Commission has 30 days to file a Notice of Appeal,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

Dated in Vancouver, British Columbia, on the **18<sup>th</sup> day of November, 2013.**

For the Insurance Council of British Columbia



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Gerald D. Matier  
Executive Director

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