In the Matter of

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

and

The INSURANCE COUNCIL OF BRITISH COLUMBIA
("Council")

and

FRANSEN INSURANCE SERVICES LTD.
dba SEA TO SKI INSURANCE SERVICES
(the "Agency")

DECISION AND ORDER
UNDER SECTIONS 231 & 238 OF THE ACT

WHEREAS the Agency holds an active general insurance licence;

AND WHEREAS, pursuant to section 232 of the Act, Council is investigating allegations that the Agency placed insurance coverage for clients and collected insurance premiums from those clients, but failed to remit all collected insurance premiums in accordance with its agreements with insurers, managing general agents, or sub-brokers ("Insurers");

AND WHEREAS Council has determined that the Agency has not remitted insurance premiums due to Insurers on more than one occasion, and the Agency continues to remain in arrears with regards to collected insurance premiums;

AND WHEREAS the Agency has not accounted for the insurance premiums it has failed to remit to Insurers;

AND WHEREAS Council determined the circumstances reflect on the Agency's financial reliability and competence, and that the Agency represents a potential risk to the public;

AND WHEREAS Council considers the length of time required to make a decision pursuant to section 231 of the Act would be detrimental to the due administration of the Act;

AND WHEREAS Council considers it to be in the public's interest to attach conditions to the Agency's general insurance licence, pursuant to section 231(1)(h) of the Act;

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NOW THEREFORE, pursuant to sections 231 and 238 of the Act, Council orders the following conditions be attached to the Agency's general insurance licence:

1. On or before **June 4, 2015**, the Agency is required to retain the services of a Chartered Professional Accountant ("CPA"), and, on or before **July 21, 2015**, the Agency is required to provide Council with an audit report from the CPA that attests to the Agency's current financial position, and includes:

   a) a current balance sheet for the Agency;

   b) monthly income statements for the Agency for the current month and the 12 preceding months;

   c) an account of insurance premiums collected by the Agency over the 12 months preceding the date of this order, including when the insurance premium was collected, when it was paid, and what has not been remitted to an insurer, managing general agent, or sub-broker in accordance with the Agency's agreement with the insurer, managing general agent, or sub-broker;

2. On or before **July 21, 2015**, the Agency is required to remit to Council a written business plan detailing how it has addressed its premium remittance deficiencies and how it will ensure its future compliance with Council Rules regarding the handling of insurance premiums.

3. Effective immediately, the Agency is prohibited from accepting premium payments from clients, except where the insurance premiums collected from clients are directly deposited into a trust account which is managed and controlled by a CPA and is held at a chartered Canadian bank or financial institution regulated under the *Financial Institutions Act*.

4. If the Agency fails to meet any of the above-listed licence conditions, the Agency's general insurance licence is automatically suspended without further action from Council, until such time as the Agency is in compliance with all of these licence conditions.

TAKE NOTICE that pursuant to section 238 of the Act, the Agency has the right to require a hearing on this order before Council by delivering written notice within 14 days of receipt of this order to Council at Suite 300, 1040 West Georgia Street, Vancouver, British Columbia, V6E 4H1; alternatively, the Agency may appeal this order to the Financial Services Tribunal.

Dated in Vancouver, British Columbia, on the **21st day of May, 2015**.
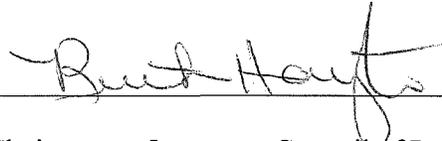
Ruth Hoyte
Chairperson, Insurance Council of British Columbia