

In the Matter of the

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

and the

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

and

**KURT ARON MORLEY**  
(the “Licensee”)

### **ORDER**

As Council made an intended decision on March 11, 2025, pursuant to sections 231 and 241.1 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 April 28, 2025; and

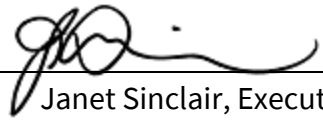
As the Licensee has not requested a hearing of Council’s intended decision within the time period provided by the Act;

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

- 1) The Licensee’s General Insurance Agent licence is cancelled;
- 2) The Licensee’s Life and Accident and Sickness insurance licence is cancelled;
- 3) Any application by the Licensee for an insurance licence will not be considered for a period of four years, commencing on May 22, 2025 and ending at midnight on May 21, 2029;
- 4) The Licensee is fined in the amount of \$10,000, to be paid by August 20, 2025;
- 5) The Licensee is assessed Council’s investigation costs in the amount of \$1,500, to be paid by August 20, 2025; and

- 6) Any application by the Licensee for an insurance licence will not be considered before the Licensee has completed the Ethics and the Insurance Professional course available through the Insurance Institute of Canada, or an equivalent course acceptable by Council.

This order takes effect on the **22<sup>nd</sup> day of May, 2025**



---

Janet Sinclair, Executive Director  
Insurance Council of British Columbia

## **INTENDED DECISION**

of the

### **INSURANCE COUNCIL OF BRITISH COLUMBIA**

(“Council”)

respecting

### **KURT ARON MORLEY**

(the “Licensee”)

1. Pursuant to section 232 of British Columbia’s *Financial Institutions Act* (the “Act”), Council conducted an investigation to determine whether the Licensee had acted in compliance with the requirements of the Act, Council Rules and Code of Conduct, with regards to allegations that between 2022 and 2024, the Licensee had changed the premium amounts reflected on the face of insurance documents, without permission from the associated insurers, in order to mislead or deceive insurance clients as to the amount of premiums being charged for insurance policies, and that he had intended to personally benefit from the proceeds of this scheme by receiving a portion of the proceeds as part of his commissions.
2. On January 29, 2025, as part of Council’s investigation, legal counsel assisting with the investigation conducted an interview of the Licensee via videoconference, under oath, with the Licensee’s legal counsel in attendance. Prior to the interview, the Licensee was provided with details of the allegations and copies of all documents relevant to the interview. At the interview, the Licensee was given an opportunity to provide further information regarding the matter. Based on the investigation materials, an investigation report was then prepared for Council.
3. The investigation report was reviewed by Council at its March 11, 2025 meeting, where it was determined that the matter should be disposed of in the manner set out below.

## **PROCESS**

4. 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 241.1 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

5. The Licensee has been licenced with Council as a level 2 general insurance agent since April 2017. He previously held a level 1 general salesperson licence from June 2014 to April 2017. The Licensee has also held a life and accident and sickness insurance agent license since November 2019. Both of the Licensee's licences are currently inactive.
6. Between March 11, 2020 and September 23, 2024, the Licensee held an authorization to represent Alteri Insurance Brokers Inc. (the "Agency"). The Licensee does not currently hold an authorization to represent any agency.
7. On November 19, 2024, Council received a letter from a law firm representing the Agency, which stated that following the purchase of a majority equity interest in the Agency by a new owner, a series of discrepancies were uncovered with respect to premiums charged to commercial insurance clients by the Licensee. The discrepancies had occurred while the Licensee was under the direction and oversight of the prior controlling owner of the Agency, "JK".
8. The new owner of the Agency reported that it had identified 29 policies involving 15 clients which had been altered by the Licensee to show premiums which were higher than those permitted to be charged by the insurers (the "Manipulated Insurance Documents"). The increased premiums were charged to the insurance clients without any disclosure to either the clients or insurers of the fact that the premiums had been increased.
9. It was further stated that, following discovery of the Manipulated Insurance Documents, the Agency provided reimbursement to each of the 15 insureds impacted, with reimbursement to all clients totaling "approximately \$70,000".
10. On December 17, 2024, Council's investigator wrote to the Licensee advising him of the allegations and the investigation, and giving notice that the matter could be brought to Council for consideration under s. 238 of the Act. The Licensee was invited to respond with any response or evidence relevant to the matter.
11. On January 13, 2025, the Licensee provided a written response to the allegations. In his written response, the Licensee readily admitted that he had altered the policy documents as alleged and provided details regarding the scheme. He also stated that he recognized that he should not have modified the policy documents, and that he should have reported JK to Council and resigned from the Agency as soon as he was directed to alter policy documents. He agreed to cooperate fully with Council's investigation and offered to take courses or undergo training if ordered to do so.
12. On January 29, 2025, the Licensee was interviewed under oath by legal counsel assisting Council with the investigation. According to the Licensee, in or around February 2022, he began to face financial pressure when his base salary at the Agency was reduced and he became more reliant on

commissions. Then, in or around June 2022, a major insurer left the Agency which necessitated finding a new insurer to take on policies for the departing insurer's clients. When the Licensee found a new insurer offering a lower premium for a client, he was instructed by JK to change the premium amount shown on the policy documents so that the client would continue to pay the higher premium that it had previously been paying with the prior insurer, rather than the actual (lower) premium that was being charged by the new insurer. According to the Licensee, he felt "threatened" by JK to change the policy premiums and believed that his employment would be terminated if he refused. The Licensee modified the policy premium as instructed using an electronic document editing program to change the amount appearing on the face of the policy. He then sent the manipulated policy to the client who paid inflated premium to the Agency. The Licensee received 35% of the proceeds of the fraudulent scheme through his regular commission payments, and the Agency kept the remaining 65%.

13. According to the Licensee, the same scheme of altering policy premiums to overcharge clients was repeated in the case of each of the other manipulated policies. In each case, the Licensee stated that he was either directed by JK to manipulate the premiums on the policies or continued to feel pressure to do so. In each case, the Licensee received 35% of the proceeds. The amounts by which the Licensee increased the premium for each individual policy ranged from \$200 to \$10,000.
14. The Licensee confirmed that a total of approximately \$70,000 was misappropriated from insurance clients through the fraudulent scheme.

## ANALYSIS

15. Based on the evidence before Council in this matter, including the admissions by the Licensee, and the analysis that follows, Council has determined that between June 2022 and July 2024, the Licensee knowingly and intentionally changed the premium amounts reflected on the Manipulated Insurance Documents, without permission from the associated insurers, in order to mislead or deceive insurance clients as to the amount of premiums being charged for the policies, and that the Licensee intended to personally benefit from the proceeds of the fraudulent scheme by receiving a portion of the proceeds as part of his commissions.
16. The Licensee breached Code of Conduct sections 3 (Trustworthiness), 4 (Good Faith), 5 (Competence), 6 (Financial Reliability), 7 (Usual Practice: Dealing with Clients), 8 (Usual Practice: Dealing with Insurers), and 13 (Compliance with Governing Legislation and Council Rules) and Council Rule 7(2), which prohibits licensees from improperly encumbering, using, or failing to remit funds to insurers, and Rule 7(8), which requires licensees to comply with Council's Code of Conduct.

17. The Licensee has admitted to engaging in very serious misconduct. The fraudulent scheme involved forgery, intentional fraud, and dishonesty towards both clients and insurers. While the Licensee may have faced pressure from his supervisor or employer to engage in the fraud, this does not detract from his responsibility for his own actions in carrying it out.
18. Further, the misconduct was not an isolated incident. The scheme was deliberately carried out to target numerous clients over several years. This pattern of ongoing behaviour demonstrates a serious disregard for Council's Code of Conduct and Rules and is a serious breach of the duties owed to both clients and insurers.
19. Overall, the Licensee's misconduct substantially calls into question his trustworthiness and good faith in dealing with clients and insurers as a licensee of Council, as well as his competence and financial reliability. The actions engaged in by the Licensee clearly also violate the usual practice in dealing with clients and insurers. Further, by collecting more funds from clients than was permitted by the insurers and failing to remit the total amounts collected, the Licensee has breached Rule 7(2).

## PRECEDENTS

20. Prior to making its intended decision, Council took into consideration several past decisions of Council in cases involving fraud or misappropriation of funds. While Council is not bound by precedent and each matter is decided on its own facts and merits, Council found that these decisions were instructive in terms of providing a range of sanctions for similar types of misconduct.
21. [\*Ateeya Zaffar Lail aka Ateeya Manzoor and Trifecta Risk Management Solutions, Inc. \(August 2014\)\*](#) ("Ateeya Zaffar") involved a licensee, who was also an agency owner, who misappropriated more than \$340,000 in funds from three clients by failing to secure coverage for the clients; overcharged clients by misleading them as to premium values; failed to remit premiums to insurers; and obtained a loan under false pretenses. Council ordered that the licensee was permanently prohibited from holding an insurance licence and from being a director, officer, partner, or controlling shareholder of an insurance licensee. The licensee was also ordered to pay Council's investigative costs.
22. [\*Vladimir Prokopchik \(September 2019\)\*](#) involved a former licensee who misappropriated about \$2,484 in funds relating to five insurance transactions by keeping cash intended to pay for Autoplan premiums, rather than remitting it to the agency. Council ordered that no applications by the former licensee for insurance licences would be considered for three years and assessed investigation costs.
23. [\*Lisa Anne Allan \(January 2020\)\*](#) involved a former licensee who misappropriated \$16,409.90 of ICBC funds from her agency for her own use. She was charged with theft over \$5,000 and was found guilty in May 2019. Through the restorative justice program, she received a conditional discharge that included three years of probation, 50 hours of community service, and a requirement to pay \$6,000 of

restitution to the agency. Council gave consideration to the fact that the former licensee was dealing with consequences for her actions through the restorative justice program, but also concluded that “as Council continues to encounter incidents of professional misconduct involving licensees misappropriating funds, it was determined that a lengthy period of disqualification from holding an insurance licence is necessary to communicate to the industry and public that such misconduct can not be tolerated.” Council ordered that no application from the former licensee would be considered for three years; required the licensee to complete an ethics course before being licensed in future; and assessed investigation costs.

24. [Yuvraj Sidhu \(August 2023\)](#) involved a former licensee who used clients’ credit card information for a purpose other than expressly authorized on at least six occasions, including for his own personal benefit, as well as keeping cash payments, cheques, and e-transfers from clients and failing to remit the money to his employing agency. In total, the former licensee misappropriated \$36,771 from the agency. At the time of Council’s order, the former licensee’s license had already lapsed. Council ordered that no applications by the former licensee for insurance licences would be considered for three years; that the former licensee pay a fine of \$5,000; that the former licensee complete the Ethics and the Insurance professional course before being licensed in the future; and assessed investigation costs.

#### **MITIGATING AND AGGRAVATING FACTORS**

25. Council considered mitigating and aggravating factors in coming to its decision in this matter.
26. In particular, Council considered the Licensee’s responsiveness and cooperation with the investigation to be a mitigating factor. The Licensee was forthcoming and frank in admitting to the misconduct and in providing information requested by Council during the course of the investigation. In addition, the Licensee expressed sincere remorse for his actions at several points throughout the investigation. Council also notes that the Licensee has had no prior history of misconduct.
27. On the other hand, the serious and repeated nature of the conduct over the course of several years is an aggravating factor in this case.

#### **CONCLUSIONS**

28. After weighing all of the relevant evidence and considerations, Council found the Licensee to be in breach of Council’s Rules and the Code of Conduct.
29. Council concluded that an appropriate penalty in this case would involve the cancellation of the Licensee’s insurance licences with a slightly longer period of ineligibility to reapply than that in

Vladimir Prokopchik, Lisa Anne Allan, or Yuvraj Sidhu, but that a permanent prohibition on licensure as in the case of Ateeya Zaffar was not necessary. In addition to the cancellation, Council concluded that the Licensee should also be fined in the amount of \$10,000, and that the Licensee should be required to complete an ethics course prior to being eligible to reapply for licensure in the future.

30. As a self-funded regulatory body, Council looks to licensees who have engaged in misconduct to bear the costs of their disciplinary proceedings, including investigations, so that those costs are not otherwise borne by British Columbia's licensees in general. Council has not identified any reason for not applying this principle in the present case.
31. Although the Licensee was provided with notice during the course of the investigation of the possibility that Council might make an urgent order against the Licensee pursuant to s. 238 of the Act, at the time that Council made this intended decision, it determined that, in the circumstances, the due administration of the Act did not require Council to make an urgent order as against the Licensee pursuant to s. 238 of the Act, and therefore no such urgent order has been made against the Licensee.

## **INTENDED DECISION**

32. Pursuant to sections 231 and 241.1 of the Act, Council made an intended decision that:
  - (a) the Licensee's General Insurance Agent licence be cancelled;
  - (b) the Licensee's Life and Accident and Sickness insurance licence be cancelled;
  - (c) any application by the Licensee for an insurance licence will not be considered for a period of four years after the date of the Order;
  - (d) the Licensee be fined in the amount of \$10,000, to be paid within 90 days of the date of the Order;
  - (e) the Licensee be assessed Council's investigation costs in the amount of \$1,500, to be paid within 90 days of the date of the Order; and
  - (f) any application by the Licensee for an insurance licence will not be considered before the Licensee has completed the Ethics and the Insurance Professional course available through the Insurance Institute of Canada or equivalent course acceptable by Council.
33. Subject to the Licensee's right to request a hearing before Council pursuant to section 237 of the Act, the intended decision will take effect after the expiry of the hearing period.



#### **ADDITIONAL INFORMATION REGARDING FINES/COSTS**

34. Council may take action or seek legal remedies against the Licensee to collect outstanding fines and/or costs, should these not be paid by the 90-day deadline.

#### **RIGHT TO A HEARING**

35. If the Licensee wishes to dispute Council's findings or its intended decision, the Licensee may have legal representation and present a case in 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 within fourteen (14) days of receiving this intended decision.** 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 within 14 days of receiving this intended decision, the intended decision of Council will take effect.**
36. Even if this decision is accepted by the Licensee, pursuant to section 242(3) of the Act, the British Columbia Financial Services Authority ("BCFSA") still has a right of appeal to the Financial Services Tribunal ("FST"). The BCFSA has thirty (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 <https://www.bcfst.ca/> or visit the guide to appeals published on their website at <https://www.bcfst.ca/app/uploads/sites/832/2021/06/guidelines.pdf>.

Dated in Vancouver, British Columbia, on the **28<sup>th</sup> day of April, 2025.**

For the Insurance Council of British Columbia



Per Janet Sinclair  
Executive Director