

In the Matter of the

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

and the

INSURANCE COUNCIL OF BRITISH COLUMBIA
 (“Council”)

and

STUART PATRICK HUNTER
(the “Licensee”)

ORDER

As Council made an intended decision on December 13, 2022, pursuant to sections 231 and 236 of the Act; and

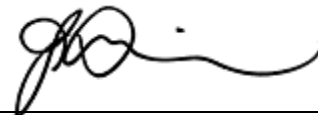
As Council, in accordance with section 237 of the Act, provided the Licensee with written reasons and notice of the intended decision dated January 5, 2023; and

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 that:

- 1) The Licensee’s Life Agent license is suspended until such time that the Licensee has satisfactorily complied with Council’s requests for information pertaining to the errors and omissions audit.

This Order takes effect on the **14th day of February, 2023**



Janet Sinclair, Executive Director
Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA

(“Council”)

respecting

STUART PATRICK HUNTER

(the “Licensee”)

1. Council commenced an errors & omissions insurance (“E&O”) audit of the Licensee in July 2022, after being notified that his E&O coverage may have lapsed or otherwise ended in May 2022. As per Council Rule 7(11), licensees who perform insurance activities are required to carry E&O coverage and must notify Council within 5 business days, as well as immediately stop conducting any insurance activities, when they cease carrying E&O.
2. Between July and October 2022, Council staff made repeated efforts to contact the Licensee in order to obtain information necessary for the E&O audit. Despite these requests for information, no response was received from the Licensee.
3. The matter of the Licensee’s unresponsiveness to the E&O audit was reviewed by Council at its December 13, 2022, meeting, where it was determined the matter should be disposed of in the manner set out below.

PROCESS

4. Pursuant to section 237 of the *Financial Institutions Act* (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

5. The Licensee has been licensed as a life and accident and sickness insurance agent (“Life Agent”) since June 2018. Prior to this current licence, he previously held a Life Agent licence between May 2013 and July 2015.
6. The Licensee has not had authority to represent an agency since August 2022, and his Life Agent licence is currently inactive.
7. The E&O audit was initiated by Council staff in July 2022, following receipt of information indicating that the Licensee’s E&O coverage may have lapsed or otherwise ended in May 2022.
8. On July 27, 2022, a letter was sent to the Licensee, requesting that proof of his E&O coverage be provided by August 29, 2022.
9. Follow up attempts to contact the Licensee were made by Council staff between August 18, 2022 and August 31, 2022.
10. On October 20, 2022, a letter was sent to the Licensee to notify him that, due to his failure to respond to the E&O audit, Council staff intended to bring the matter to the attention of the voting Council members at the December 13, 2022 Council meeting. The letter invited the Licensee to submit the required information by November 4, 2022, and explained that he might be subject to disciplinary action by Council, which could include licence suspension or termination.
11. To date, the Licensee has not responded to any of the efforts to contact him. The contact information that Council staff used in their attempts to communicate with the Licensee is the most current contact information that he has on file with Council.

ANALYSIS

12. Council has determined that it is appropriate to suspend the Licensee’s Life Agent licence until such time that he has satisfactorily complied with the E&O audit.

13. Effective regulation relies on licensees being responsive to Council. The importance of responsiveness is emphasized by section 231(1)(d) of the Act, which states that a licensee having “refused or neglected to make a prompt reply to an inquiry addressed to the licensee under this Act” is grounds for Council to take disciplinary action. Additionally, section 12 of the Code of Conduct (“Dealing with the Insurance Council of British Columbia”) requires licensees to “respond promptly and honestly to inquiries from Council.”
14. When a licensee fails to respond to an audit, it leaves Council unable to determine whether that person has been conducting insurance business in accordance with the Council Rules and/or other requirements. As such, it is in the public interest for Council to take action when licensees fail to communicate with Council staff during the audit process.

INTENDED DECISION

15. Pursuant to sections 231 and 236 of the Act, Council made an intended decision to:
 - i. Suspend the Licensee’s Life Agent licence until such time as the Licensee has satisfactorily complied with Council’s requests for information pertaining to the errors & omissions insurance audit.
16. 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, unless the Licensee satisfactorily complies with the E&O audit during the hearing period.

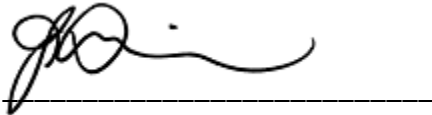
RIGHT TO A HEARING

17. 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.

18. 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 www.fst.gov.bc.ca or visit the guide to appeals published on their website at www.fst.gov.bc.ca/pdf/guides/ICGuide.pdf.

Dated in Vancouver, British Columbia on the **5th day of January, 2023**

A handwritten signature in black ink, appearing to read 'Janet Sinclair', is written above a solid horizontal line.

Janet Sinclair

Executive Director