In the Matter of the

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

and the

INSURANCE COUNCIL OF BRITISH COLUMBIA
("Council")

and

RYAN CHRISTOPHER BALDWIN
(the "Former License")

ORDER

As Council made an intended decision on December 13, 2022, pursuant to sections 231, 236, 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 January 19, 2023; and

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

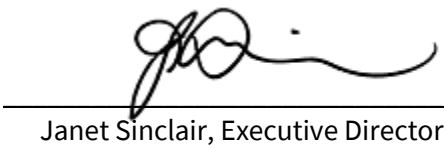
Under authority of sections 231, 236, and 241.1 of the Act, Council orders that:

1) Council will not consider an application for any insurance licence from the Former Licensee until the Former Licensee responds to Council inquiries regarding the investigation by Council;

2) The Former Licensee is required to complete the Council Rules Course for life and/or accident and sickness insurance, prior to being licensed in the future; and

3) The Former Licensee is assessed Council's investigation costs of $2,375, to be paid by May 29, 2023, and which must be paid in full prior to the Former Licensee being licensed in the future.

This order takes effect on the **27th day of February, 2023**



Janet Sinclair, Executive Director
Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA

("Council")

respecting

RYAN CHRISTOPHER BALDWIN

(the "Former Licensee")

1. Pursuant to section 232 of the *Financial Institutions Act* (the "Act"), Council conducted an investigation to determine whether the Former Licensee breached the Council Rules and/or the Code of Conduct (the "Code") related to allegations that the Former Licensee forged the signatures of two clients on a policy application without their knowledge and facilitated the unauthorized redemption of funds from the clients' investment account. In addition, the Former Licensee was alleged to have failed to report a criminal charge to Council and did not cooperate during Council's investigation.

2. On October 18, 2022, as part of Council's investigation, a Review Committee (the "Committee") comprised of Council members met via video conference to discuss the investigation. An investigation report prepared by Council staff was distributed to the Committee and the Former Licensee prior to the meeting, and the Former Licensee was given an opportunity to make submissions and provide further information. The Former Licensee was given advance notice and did not attend the meeting. A discussion of the investigation report took place at the meeting.

3. Having reviewed the investigation materials and having discussed the matter at the October 18, 2022 meeting, the Committee prepared a report for Council which was reviewed by Council at its December 13, 2022 meeting. Council 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 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

Background

5. The Former Licensee became licensed with Council as a life and accident and sickness insurance agent ("Life Agent") on April 16, 2013. The Former Licensee's Life Agent licence was terminated for non-renewal on August 2, 2022.

6. The Former Licensee was also life licensed in Alberta, having held a licence from September 2012 to June 2022.

7. On October 26, 2020, Council received a Life Agent Reporting Form ("LARF") from an insurer (the "Insurer") concerning the Former Licensee. The LARF indicated that there was evidence suggesting fraud, forgery, and issues with trustworthiness.

The Insurer's Investigation

8. The Insurer's investigation began on February 14, 2019, when a client and her husband (the "Clients") contacted the Insurer to complain that an additional joint life insurance policy (the "Policy") had been sold under their names without their knowledge and approval. The Policy was discovered when the Clients met with their new advisor ("Agent Two"), to review their portfolio. The Clients alleged that the Former Licensee had forged their signatures to purchase the Policy, and that funds had been taken out of their investment account to pay the annual premiums.

9. At the time, the Former Licensee was no longer contracted with the Insurer and his book of business had been sold to Agent Two. The Former Licensee left the Insurer in or around December 2018.

10. The Insurer concluded that the Former Licensee had forged the signatures of the Clients on the Policy application without their knowledge. Though the incident occurred in Alberta, the Insurer notified Council since the Former Licensee was licensed with Council and the Insurer had information that the Former Licensee had moved to BC.

11. The Insurer clarified that the Clients were not residents of BC. The Former Licensee had 16 clients in BC while working at the Insurer; The Insurer reviewed these files and did not identify any suspicious transactions by the Former Licensee or other concerns.

12. According to the Clients, the Former Licensee became their advisor in 2015. The Former Licensee was accompanied by another advisor ("Agent Three"), at his first meeting with the Clients. They wanted a joint life insurance policy for their children; however, the Clients stated that they had never wanted a second policy.

13. The Insurer conducted an interview with Agent Three. Agent Three confirmed that he had accompanied the Former Licensee twice to meet the Clients — the first time was a "portfolio design meeting," and the second was a retirement-planning discussion. He was unable to produce any notes from the meeting with the Clients.

14. The Former Licensee received commissions of $27,752.66 for the Policy, with a chargeback amount of $5,065.74 to Agent Two who took over the policy. In total, the alleged loss to the Insurer was $22,686.92.

15. Three redemption forms from the Insurer show that funds were taken out from the Clients' investment account to apply to the Policy on January 16, 2017; February 26, 2018; and December 12, 2018.

16. The Insurer confirmed that a total of $61,407.40 had been redeemed from the Clients' investment policy and applied towards the premium for the Policy. After its investigation, the Insurer had rescinded the Policy and refunded the deferred sales charge fees to the Clients. In addition, the Insurer paid the cash surrender value and an additional payment to the Clients.

Council's Investigation

17. On March 23, 2021, the Calgary Police Service confirmed that it had submitted a warrant application for one count of fraud over $5,000, and that the charge was being laid. At no time did the Former Licensee notify Council of the charge as required under the Council Rules.

18. On August 9, 2021, the Former Licensee informed Council that he had sold his book of business in 2018 and had to surrender all his client notes to Agent Two who had bought it. With respect to the allegations raised by the Insurer, the Former Licensee confirmed that the Clients had agreed to proceed with the Policy.

19. On September 6, 2021, the Former Licensee denied the allegation that he had forged the Clients' signatures. He also stated that he had met with the Clients and conducted a review prior to leaving the Insurer.

20. Council made several attempts to contact the Former Licensee through telecommunication, electronic communication and written communication between September 2021 and January 2022. Council had requested information about the three redemption forms that were completed for the Clients. After each communication, the Former Licensee either did not respond or provided a reason on why he could not respond. To date, Council has not received the requested information from the Former Licensee.

ANALYSIS

21. Council considered the investigation report, the Committee's report to Council, and the Former Licensee's submissions and determined that the Former Licensee's conduct amounted to clear breaches of section 12 ("Dealing with the Insurance Council of British Columbia") and section 13 ("Compliance with Governing Legislation and Council Rules") of the Code. Council Rule 7(8) requires licensees to comply with the Code.

22. Council found that the Former Licensee did not cooperate with Council's investigation. The Former Licensee did not respond promptly to Council's inquiries, and even after multiple extensions that were given to the Former Licensee, Council did not receive a fulsome response to its inquiries. Council noted that the Former Licensee only provided reasons to explain his delay in responding to Council.

23. In addition to the Code, Council determined that the Former Licensee breached Council Rule 7(3), as the Former Licensee did not notify Council that he was charged for fraud in Alberta. Under Council Rule 7(3), a licensee must notify Council within 5 business days where the licensee is charged or convicted of any criminal offence or any offence under any law of any jurisdiction. The Calgary Police Service had informed Council of the Former Licensee's charge.

24. Council took several aggravating factors into consideration. For instance, Council considered that the Former Licensee was not cooperative with Council's investigation as Council had made multiple efforts to contact the Former Licensee. In addition, Council found the Former Licensee's experience in the insurance industry to be an aggravating factor, as he was not a newly licensed Life Agent. Council determined that the Former Licensee ought to have known that his conduct was not acceptable.

25. In terms of mitigating factors, Council noted that there was no known harm to clients in BC.

26. Council discussed appropriate sanctions as allowed under the Act, as it pertains to the Former Licensee's failure to report his criminal charge to Council and the failure to cooperate with Council during its investigation. Council determined that it would not be appropriate to consider any licence applications from the Former Licensee until the Former Licensee responds to the inquiries regarding the investigation by Council, and that the Former Licensee be required to take the Council Rules Course prior to being licensed in the future.

27. Council has determined that investigation costs should be assessed against the Former Licensee. As a self-funding regulator, the cost to investigate the misconduct of a licensee

or former licensee should not be borne by members of the insurance industry unaffiliated with the investigation. This is particularly true when the evidence is clear that the actions of a licensee or former licensee have amounted to misconduct.

INTENDED DECISION

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

    (a) Not consider any licence application from the Former Licensee until the Former Licensee responds to Council inquiries regarding the investigation by Council;

    (b) Require the Former Licensee to complete the Council Rules Course for life and/or accident and sickness insurance, prior to being licensed in the future; and

    (c) Assess the Former Licensee Council's investigation costs of $2,375, to be paid within 90 days of the date of Council's order and which must be paid in full prior to the Former Licensee being licensed in the future.

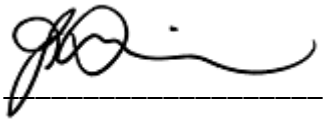
RIGHT TO A HEARING

29. 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 within 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 Former Licensee does not request a hearing within 14 days of receiving the intended decision, the intended decision of Council will take effect.**

30. Even if the Former Licensee accepts this decision, pursuant to section 242(3) of the Act, the British Columbia Financial Services Authority ("BCFSA") still has a right to appeal to the Financial Services Tribunal ("FST"). The BCFSA 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 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 19th day of January, 2023.

For the Insurance Council of British Columbia



Janet Sinclair
Executive Director