

In the Matter of the

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

and the

INSURANCE COUNCIL OF BRITISH COLUMBIA
 (“Council”)

and

RICHARD NEIL MARTENS
(the “Licensee”)

ORDER

As Council made an intended decision on October 28, 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 November 13, 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 is fined \$3,000, to be paid by March 2, 2026;
- 2) The Licensee is required to complete the following courses, or equivalent courses, as acceptable to Council, by March 2, 2026:
 - i. The Council Rules Course for life and/or accident and sickness agents;
 - ii. The Compliance Toolkit: Know Your Client and Fact-Finding course available through Advocis;
 - iii. The Compliance Toolkit: Know Your Product and Suitability course available through Advocis; and

- iv. Making Choices I, II & III: Ethics and Professional Responsibility in Practice courses available through Advocis (collectively, the “Courses”);
- 3) The Licensee is assessed Council’s investigation costs in the amount of \$1,650, to be paid by March 2, 2026;
- 4) A condition is imposed on the Licensee’s life and accident & sickness insurance agent licence that prohibits the Licensee from being a supervisor for a period of six (6) months of active licensing, commencing on December 1, 2025 and ending at midnight on June 1, 2026; and
- 5) A condition is imposed on the Licensee’s life and accident and sickness insurance agent licence that failure to pay the fine and investigation costs and complete the Courses by March 2, 2026, will result in the automatic suspension of the Licensee’s licence and the Licensee will not be permitted to complete the Licensee’s 2027 annual licence renewal until such time as the Licensee has complied with the conditions listed herein.

This order takes effect on the **1st day of December, 2025**



Janet Sinclair, Executive Director
Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA

("Council")

respecting

RICHARD NEIL MARTENS

(the "Licensee")

1. Pursuant to section 232 of the *Financial Institutions Act* (the "Act"), Council conducted an investigation to determine whether the Licensee acted in compliance with the requirements of the Act, Council Rules and Code of Conduct relating to allegations that the Licensee recommended and sold insurance policies to a client that were inappropriate given the client's circumstances and conducted insurance business in a manner that was inconsistent with the usual practice.
2. On September 11, 2025, as part of Council's investigation, a Review Committee (the "Committee") comprised of Council members met via video conference to discuss the investigation and to allow the Licensee an opportunity to provide additional information or make further submissions. An investigation report prepared by Council staff was distributed to the Committee and the Licensee before the meeting. A discussion of the investigation report took place at the meeting and having reviewed the investigation materials and after discussing the matter, the Committee prepared a report for Council.
3. The Committee's report, along with the aforementioned investigation report was reviewed by Council at its October 28, 2025, 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 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, within 14 days, 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 with the Insurance Council as a Life and Accident & Sickness Insurance Agent ("Life Agent") since May 7, 2015, and has been authorized to represent an agency since becoming licensed. On July 1, 2024, an insurer emailed Council a Life Agent Reporting Form ("LARF") about the Licensee and product suitability concerns. On July 17, 2024, the insurer provided further

information relating to the LARF and its market conduct investigation concerning the Licensee's sale of a universal life policy to LM (the "Complainant").

6. The Licensee first met with the Complainant in November 2020. The Licensee explained that he met with the Complainant over three meetings and provided a presentation to teach his clients about financial plans and life insurance policies. The Licensee also explained that he conducted these presentations before the Complainant purchased any insurance policies. On December 1, 2020, the Licensee sold the Complainant three policies: a \$250,000 universal life policy (the "UL Policy"), a \$250,000 Term 20 life policy (the "Term 20 Policy") and an \$80,000 critical illness policy (the "CI Policy").
7. On June 23, 2023, the Complainant filed a complaint against the Licensee with the insurer alleging that she was misinformed and did not fully understand why the Licensee had recommended that she purchase the UL policy. As a result of the complaint, the insurer began an investigation into the matter.
8. In response to the insurer's investigation, on October 19, 2023, the Licensee provided the insurer with copies of his client notes and his response to the complaint. The Licensee stated that his relationship with the Complainant began to deteriorate in June 2022, when the industry eliminated Deferred Sales Charge ("DSC") commission options. The Licensee explained that he discussed with all his clients that without the DSC commission option, he would only service new products based on an initial sales charge commission. The Licensee stated that if a client did not want to pay the initial sales charge commission, he would refer the client to their local bank as he would not sell products that did not have the initial commission.
9. The Complainant stated that in December 2022 she was in between employment and was spending time reviewing her finances. The Complainant stated that she began to have questions about the insurance policy sold to her by the Licensee. On January 11, 2023, the Licensee and the Complainant had a virtual meeting to discuss the Complainant's questions. The Complainant stated that the January 11, 2023, meeting caused the relationship to deteriorate and that her questions about the insurance policy were not being answered. The Complainant stated to the insurer that the Licensee "was aware that [she] had no intentions of taking out any significant loans/lines of credit/mortgage at any point in the near future. Yet, this was [the Licensee's] main selling point and he insisted on the cash value of the insurance policies."
10. The Licensee explained that the January 11, 2023, meeting with the Complainant lasted two hours and that he very clearly answered all the Complainant's questions about the policy. He advised the insurer that the Complainant wanted to learn all the details of how the universal life policy worked and that he spent 90 minutes going over this information with her.
11. In the Licensee's email to the insurer on October 19, 2023, he provided explanations of different portions of his client notes, stating that "in the client notes for the FC2 meeting, you'll see I provide a 'Life Insurance Disclosure' teaching my clients about the basics of Term, Universal Life and Whole Life so they can tell me which is more suitable for them." The Licensee explained "in the client notes for FC3 meeting, you'll find her 'Goals and Dreams' from where she stated she wished to buy a home in the next

6 to 7 years of approximate value of \$1MM, her insurability need for that would be \$800k just in mortgage protection, so in fact, she's under insured [sic] with the coverage I provided, this was a result of her not currently working at the time." The Licensee stated that following these meetings he prepared a financial strategy that he provided to the Complainant via email on November 27, 2020.

12. Within the client notes, it is noted that the Complainant had no spouse or dependents and was a young female. The Complainant's income was noted at \$1,040 a month. There was a breakdown of the Complainant's monthly expenses totaling \$2,070, leaving her with a shortfall of \$1,030 a month. The Complainant was noted to have a total of \$60,000 in savings. In the client notes, the Licensee listed that the Complainant's interests are to: "buy a home within six to seven years valued at \$1MM (needing \$200,000 for a downpayment), save on taxes, purchase land in Kenya with her mother in the next 2 to 3 years (approximately \$10,000) and to build an emergency account of \$6000 (3 months of living expenses)". Although the premium for the Complainant's insurance policy was only \$79.60, the Licensee's recommendation was that the Complainant contribute \$200 monthly or \$2,400 yearly towards the policy, as noted in the Licensee's financial plan for the Complainant dated November 25, 2020.
13. In December 2022, the Complainant began to question why her premiums were set for \$200 a month and claimed that she did not realize she was overcontributing when she purchased her policy.
14. The Licensee described the corporate presentation that he shares at initial client meetings as a general learning session to introduce various financial plan concepts. In the presentation document under "the power of choice" there is a list various banks and insurers available to the Licensee. The list of insurers includes Standard Life, which has not been in operation since 2015 when it merged with Manulife.
15. On July 1, 2024, the insurer made a determination on the complaint and found that there were concerns about the product's suitability. The insurer stated that "in all the documents you share [sic] with us, there is often mention of savings, whereas the policy you sold her is very complex product that does not really allow the client to withdraw amounts set aside in the accumulation fund of UL Genesis with death benefit option face amount only". The insurer determined that the product was deemed unsuitable. As a result, the contract was terminated, a full refund was issued to the Complainant, and the Licensee's commission was revoked. The insurer issued a warning reminder to the Licensee. The insurer paid a total of \$3,994.13 in commission to the Licensee and revoked \$2,938.59 as a result of its investigation.
16. In the insurance application for the Complainant's policy, there is a question related to the Complainant's level of knowledge about investments. The Licensee advised that he clicked "Advanced" which is described as "I am familiar with equities, bonds and investment funds. I understand the earnings potential and risks involved with these types of investments and their fluctuations in value over time." The Licensee explained that given the presentations and three meetings with the client before she purchased the policy, he believed that the Complainant had an advanced knowledge of investments. The Licensee agreed that for the majority of his clients who go through his presentation, he believes they have advanced investment knowledge. The Complainant

stated that she had not purchased any registered or non-registered investments before the application of the policy with the Licensee, and that she considered herself a beginner in investing.

17. At the Review Committee meeting, the Licensee stated that the financial information he provides is very detailed and lasts anywhere from four to six hours of meetings. The Licensee described how he provides an overview of the benefits and features of the different kinds of products, such as term, universal and whole life insurance, so that his clients can make an informed decision about which product is suitable for them. The Licensee believed that as a result of his meetings with the Complainant, it was appropriate to indicate on the insurance application that the Complainant had advanced investment knowledge. Additionally, when questioned about the Complainant's ability to afford the recommended \$200 premium, the Licensee stated that the funding of the policy was based on a combination of the Complainant's savings and income. The Licensee stated that he provides clients with options, and it is up to the client to decide whether to move forward or not.

ANALYSIS

18. Council had concerns that the Licensee did not meet the requisite standards of Good Faith, Competence, Usual Practice: Dealing with Clients, and Usual Practice: Dealing with Insurers that are expected of a licensee. Council determined that the policy in question was not objectively appropriate to the client's circumstances. Based on the client's monthly income of \$1,040 and monthly expenses of \$2,070, with a resulting shortfall of \$1,030 a month, Council did not believe that adding a \$200 monthly expense to an already negative monthly cashflow was appropriate. At the time of purchasing the policy, the Complainant was a young female with no dependants. Council did not understand how a low-income individual with no dependants should be making a long-term commitment to overfund a policy where the death benefit exceeded any current insurance need at the time of purchase.
19. Council noted that the Licensee had stated the Complainant was underinsured because he calculated the Complainant's insurance need based on her goal of purchasing a home valued at \$1 million, with a \$200,000 down payment, which the Licensee used to calculate an insurance need of \$800,000. Council did not believe this was the appropriate evaluation of the Complainant's insurance need at the time of the purchase. Given the Complainant's monthly income of \$1,040 and a negative cash flow of \$1,030 a month, it would be unrealistic to imagine the Complainant would have \$200,000 saved in six to seven years to purchase a million-dollar property. Using the Complainant's goal of homeownership and value of that dream home as a way to measure insurability is not the correct method to calculate insurance need. Even if Council was to accept that the Complainant might be able to achieve that goal in six to seven years, this does not justify the coverage or need for \$250,000 in a UL policy and an additional \$250,000 in a term life policy at the time the Complainant purchased the policy.
20. Council noted that while there may be a potential need for insurance or even the need to protect future insurability, the products sold to the Complainant were not in line with her financial circumstances or actual insurance need at the time. Council believes that licensees should ensure that the insurance products recommended to clients are suitable for the client's circumstances and that the client's needs assessment matches the product recommendation. Although a client may not

always listen to a recommendation, Council has concluded that it is still the Licensee's responsibility to conduct an appropriate needs analysis so that clients can understand why a product will specifically add value or the benefits associated with the product. In this case, Council found that the Licensee provided the Complainant with broad information based on the different types of life insurance products available and allowed the Complainant to decide which product was more appealing to her, rather than recommending the product that provided the best benefit for the type of insurance policy required. Council determined that, based on the affordability analysis alone, the Licensee was not acting in the best interest of the client or in a competent manner when he recommended that the Complainant purchase the policy in question.

21. Council further found that the Licensee's practice of determining that a client has advanced knowledge of investments based on a few hour sessions with the Licensee is not a proper tool to evaluate the client's sophistication or knowledge of investments. Council noted that the client should be answering the question related to their investment knowledge and that the Licensee should not be answering this question for the client. Insurers rely on licensees to provide accurate information to them, including the client's risk tolerance, and the Licensee in this circumstance stated that the Complainant's investment knowledge was advanced when she had no prior investment history. Council found it worrisome that the Licensee would evaluate a client as having advanced investment knowledge based solely on attending a few learning sessions with the Licensee.
22. Council noticed that throughout the provided client notes, the Licensee noted 15% returns on the general examples, which Council found to be misleading given that past performance does not always accurately reflect the rate of return for the product. Additionally, Council noted that the Licensee should review his presentation materials and ensure they accurately reflect the current market and available products, as the documentation presented to the Complainant in 2020 included mention of Standard Life, which has not existed since its merger with Manulife in 2015.
23. Council considered the impact of Council Rule 7(8) and Council's Code of Conduct guidelines on the Licensee's conduct, including section 4 ("Good Faith"), section 5 ("Competence"), section 7 ("Usual Practice: Dealing with Clients") and section 8 ("usual Practice: Dealing with Insurers"). Council concluded that the Licensee's conduct amounted to breaches of the above Code of Conduct sections and the professional standards set by the Code.

PRECEDENTS

24. Before making its decision in this matter, Council took into consideration the following precedent cases. 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 providing a range of sanctions for similar types of misconduct.
25. [*Sherlock Hsu*](#) (September 2023) concerned a life agent licensee who was alleged to have submitted applications for insurance products without the client's full understanding and failed to maintain proper and adequate books and records. The licensee was unable to provide sufficient evidence in the

form of documentation for summaries of the discussions that the licensee had with the complainant, documentation of client instructions, client emails, notes or summaries related to the specific assessment of the client's needs or circumstances. Council determined that without documentation that illustrates the fact-finding or justification of the recommendations and/or strategy sent, it is very difficult for an outside party to assess the transaction in question and objectively verify if the products recommended were suitable for or understood by the client. Additionally, Council concluded that the licensee failed to engage in the usual practice of the business of insurance by witnessing a signature on the application form when the licensee had not, in fact, witnessed the signature. Council ordered that the licensee be fined \$2,000, be required to be supervised for 24 months, be required to complete courses and assessed Council's investigation costs.

26. [Liza Tanigue Gatasi](#) (July 2024) concerned a former life agent licensee who was alleged to have procured life insurance for clients without confirming that key details of the policy were understood and that she had subsequently facilitated the cancellation of an existing life insurance policy, contrary to the best interests of the clients. Council found that the former licensee's fact-finding and evaluation of the complainants' needs were insufficient. Additionally, Council found that the former licensee failed to ensure the complainants understood the insurance products they were purchasing and that the former licensee did not take sufficient action to confirm whether the complainants could afford the products sold to them. As a result of the complaint, the former licensee was fined \$1,000 by her agency and also contributed just over \$2,000 in reimbursement to the complainants. Given the financial penalties already incurred, Council found that the appropriate disciplinary outcome was for the former licensee to complete courses and be required to be supervised should the former licensee re-enter the industry. Council ordered that the former licensee complete various courses, be required to be supervised for two years should she re-enter the industry and be assessed Council's investigation costs.
27. [Joseph Boon Wu Kong](#) (March 2020) concerned a life agent who recommended investments to an elderly client that were not in the client's best interests. In particular, the licensee advised the client to transfer two mutual fund accounts to annuity accounts with an insurer without advising the client of potential transferring charges or the tax and estate management consequences. The licensee proceeded to complete the application for the transfer without waiting for the client to seek external advice. Council found that the licensee had failed to conduct adequate fact-finding and failed to provide sufficient advice to the client as to the consequences of the transfer. Council ordered that the licensee be supervised for two years, and be required to take the Council Rules Course, an elder planning course and an ethics course. The licensee was also required to complete all modules of the Advocis Core Curriculum Program of the Certified Financial Planner designation and was assessed investigation costs.
28. [Edraline Buetipo Borginia](#) (June 2016) concerned a life agent licensee who was alleged to have sold life insurance policies to a client to replace existing policies, contrary to the client's best interests. Council found no evidence to suggest that the new policies were inferior to the existing ones. However, it did find that the process by which the licensee implemented the new policies was less than satisfactory in that the policy comparison provided by the licensee was based on incomplete information. Council found that by providing comparisons without full information, the licensee failed to act in accordance

with the usual practice of the business of insurance. Council also found it was inappropriate for the licensee to have had the client sign post-dated policy cancellation letters. While accepting that the licensee was attempting to act in the client's best interests, Council found that the licensee failed to demonstrate good judgment in dealing with the client, which brought into question her ability to act in a competent manner and in accordance with the usual practice of the business of insurance. As a result, Council imposed conditions on the licensee's licence requiring her to be supervised for a period of 24 months, complete a course and be assessed Council's investigation costs.

29. [Andreas Lauri Hinkkala](#) (August 2019) concerned a life agent who had sold insurance products to a client that were "grossly unsuitable considering her financial circumstances and need." There was a lack of records showing that the client understood the products in question. Council found the life agent's conduct had been self-serving (motivated by commissions) and without regard for the consequences to his client. The life agent was fined \$2,500, required to take an ethics course, required to be supervised for two years of active licensing and assessed Council's investigation costs.
30. [Rosalie Abando Ninalga](#) (March 2024) concerned a life agent licensee that Council had concerns relating to her competency. While it was possible the licensee may have sold policies that were appropriate for her clients, she did not complete a properly documented needs analysis illustrating that she had engaged in sufficient fact-finding and justification of the insurance recommendations. Council noted the lack of documentation makes it very difficult for an outside party to assess the transactions in question and objectively verify if the products recommended were suitable or understood by the clients. Council determined that education and supervision were appropriate to address the licensee's competency concerns. Council ordered that the licensee be supervised for 12 months, be required to complete various courses and be assessed investigation costs.

MITIGATING AND AGGRAVATING FACTORS

31. Council considered the mitigating and aggravating factors in this matter. Council found the Licensee's co-operation in the investigation to be a mitigating factor. As for aggravating factors, Council concluded that the Licensee did not understand the misconduct as he maintained that the product was suitable and did not agree with the insurer's decision to refund and cancel the policies. This was found to be aggravating as it shows the Licensee is unable to reflect on his conduct and practices and identify areas of improvement. Additionally, although the insurer reversed the Licensee's commissions in this matter, the Licensee still received almost \$1,000 in commissions for a product that Council has determined was not objectively suitable. Council found it aggravating that the Licensee derived a financial benefit as a result of the misconduct.

CONCLUSIONS

32. After weighing all of the relevant considerations, Council found the Licensee to be in breach of the Council Rules and the Code of Conduct.
33. Council considered the Hinkkala precedent to be the most instructive and believes it is appropriate to fine the Licensee. As of 2020, the Act provides that the maximum fine that Council can order against an individual is \$25,000. It is noted that the misconduct in the Hinkkala precedent held a maximum fine of \$10,000, as allowed by the Act at that time. Council concluded that, given the higher threshold of the fines, an adjustment of the fine from the Hinkkala precedent is appropriate. In these circumstances, Council determined that a fine of \$3,000 against the Licensee is appropriate. In addition, Council found that the Licensee did not meet the appropriate level of competency and usual practice in this transaction. Given that Council has concerns about the Licensee's level of skill, Council believes that the Licensee would benefit from courses to refamiliarize himself with the appropriate procedures and knowledge expected of a licensee. As a result, Council has concluded that the Licensee should be prevented from supervising any life agents for a period of six months, to allow the Licensee the requisite time to bring his knowledge to the level expected before he is able to supervise any other life agents.
34. With respect to investigation costs, Council has concluded that these costs should be assessed to the Licensee. As a self-funded regulatory body, Council looks to licensees who have engaged in misconduct to bear the costs of their discipline proceedings, 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 circumstances.

INTENDED DECISION

35. Pursuant to sections 231 and 241.1 of the Act, Council made an intended decision that:
 - a. The Licensee be fined \$3,000, to be paid within 90 days of Council's order;
 - b. The Licensee be required to complete the following courses, or equivalent courses, as acceptable to Council, within 90 days of Council's order:
 - i. The Council Rules Course for life and/or accident and sickness agents;
 - ii. The Compliance Toolkit: Know Your Client and Fact-Finding course available through Advocis;

- iii. The Compliance Toolkit: Know Your Product and Suitability course available through Advocis; and
 - iv. Making Choices I, II & III: Ethics and Professional Responsibility in Practice courses available through Advocis (collectively, the “Courses”);
- c. The Licensee be assessed Council’s investigation costs in the amount of \$1,650, to be paid within 90 days of Council’s order;
- d. A condition be imposed on the Licensee’s life and accident & sickness insurance agent licence that prohibits the Licensee from being a supervisor for a period of six (6) months of active licensing, commencing on the date of Council’s order; and
- e. A condition be imposed on the Licensee’s life and accident and sickness insurance agent licence that failure to pay the fine and investigation costs and complete the Courses within 90 days of the date of Council’s order will result in the automatic suspension of the Licensee’s licence and the Licensee will not be permitted to complete the Licensee’s 2027 annual licence renewal until such time as the Licensee has complied with the conditions listed herein.
36. 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

37. 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

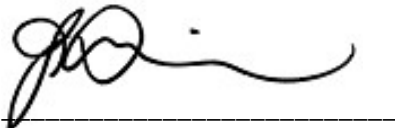
38. If the Licensee wishes to dispute Council’s findings or its intended decision, the Licensee may have legal representation and present a case in a hearing before Council. Pursuant to section 237(3) of the Act, to require Council to hold a hearing, the Licensee **must give notice to Council by delivering to its office written notice of this intention within 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.

39. 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.bcfst.ca or visit the guide to appeals published on their website at [guidelines.pdf](#).

Dated in Vancouver, British Columbia, on the **13th day of November, 2025**.

For the Insurance Council of British Columbia

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

Janet Sinclair
Executive Director