

DECISION
of the
LIFE INSURANCE COUNCIL OF MANITOBA
(“Council”)
Respecting
RICHARD WAHL
(“Licensee”)

INTRODUCTION

The Life Insurance Council of Manitoba (“Council”) derives its authority from *The Insurance Act* C.C.S.M. c. 140 (“*Act*”) and the *Insurance Councils Regulation 227/91*.

Following an audit relating to the Licensee’s continuing education credits and disclosure, an investigation was conducted pursuant to sections 375(1) and 396.1(7)(c) of the *Act*, and s.7(2)(e) of *Regulation 227/91* to determine whether the Licensee had violated the *Act*, its *Regulations*, the Life Insurance Agents and Accident and Sickness Insurance Agents Licensing Rules (the “Licensing Rules”), and/or the Life Insurance and Accident and Sickness Agent’s Code of Conduct (“*Code of Conduct*”). During the investigation the Licensee was given an opportunity to respond and provide input respecting Council’s concerns.

On October 10, 2014, during a meeting of Council, the evidence compiled during the investigation and the position of the Licensee was reviewed by Council. Pursuant to section 375(1) of the *Act* and *Regulation 227/91*, Council now confirms its decision and corresponding reasons.

ISSUES

1. Did the Licensee violate the Licensing Rules?
2. Did the Licensee make misrepresentations to Council in violation of s. 375(1)(a) of the *Act*?
3. Did the Licensee violate the *Code of Conduct*?

FACTS

1. To renew his life and accident and sickness licenses, in accordance with s. 13(1)(a) of the Licensing Rules, the Licensee was required to complete 15 life and/or accident and sickness continuing education credits (“CECs”), as accredited by Council, during the period of June 1, 2013 to May 31, 2014.
2. In completing his renewal application dated May 26, 2014, the Licensee declared that he had met Council’s continuing education requirements and the Licensee’s licenses were renewed on that basis.
3. A subsequent audit revealed the Licensee had completed only 9.5 of the mandated 15 CECs by the May 31, 2014 renewal deadline.
4. The audit further revealed that the Licensee misreported, on his online profile, the following courses as being completed on May 21st and 23rd, 2014:
 - i. *L374 Life: Versatile Term; Mortgage Guard; Infinity Term; Critical Assist (ICM#19752);*
 - ii. *L376 Life: Introduction to Wealth Products; Tax Free Savings Account; Registered Education Savings Plan (ICM#19753); and,*
 - iii. *L319 Group Retirement Products (ICM#16451).*
5. The Licensee also misreported that he had completed *L383 The Power of Group* course (ICM#20753) on July 16, 2013.
6. By email dated August 8, 2014, an insurer advised Council that the Licensee registered for *L383 The Power of Group (ICM#20753)*, but that he had subsequently cancelled his registration.
7. Had it not been for the misreporting of the courses, the Licensee’s licenses would not have been renewed by the May 31, 2014 deadline.
8. Following the audit, the Licensee completed courses (*ICM#19752*); (*ICM#19753*) and (*ICM#16451*) on June 17, 2014 and July 8, 2014; and *L322 When is a Policy In-Force (ICM#16480)* on July 8, 2014. His outstanding CECs were thus fulfilled.
9. By email dated July 8, 2014, the Licensee provided to Council a screen shot of an insurer’s continuing education website and advised that he thought he had completed this program, along with the associated quizzes, but that it was his fault for rushing in reaching that determination.

10. By email dated August 11, 2014, the Licensee advised Council that the insurer's continuing education system is convoluted; but he acknowledged that he had failed to complete the continuing education quizzes and took full responsibility.

ANALYSIS

Upon review of the facts and evidence before it, Council determined that in obtaining only 9.5 of the mandated 15 CECs by the May 31, 2014 renewal deadline, the Licensee failed to comply with, and therefore violated, s. 13(1)(a) of the Licensing Rules.

Council did not accept the Licensee's position that the insurer's continuing education website was convoluted.

Council therefore concluded that the Licensee misreported completion of four (4) courses which had not been completed prior to the May 31, 2014 renewal deadline. Had it not been for this misreporting, the Licensee's licenses would not have been renewed.

The Licensee executed his May 26, 2014 renewal application. In it he falsely declared that he had met Council's continuing education requirements.

S. 375(1)(a) of the *Act* prohibits misrepresentations to Council and s. 9 of the *Code of Conduct* mandates that agents respond honestly, with full disclosure, to inquiries from Council.

For his misreporting of his online profile and for misrepresenting completion of his continuing education requirements on his renewal application, Council also found the Licensee in violation of s. 375(1)(a) of the *Act* and s. 9 of the *Code of Conduct*.

Section 4 of the *Code of Conduct*, dealing with professionalism, requires that an agent acquire an ongoing and appropriate level of knowledge relating to his or her business; and emphasizes that continuing education is a necessary component of professional skill. An agent must further act with honesty, integrity, fairness, due diligence and skill. Council also concluded that the Licensee's conduct was in violation of s. 4 of the *Code of Conduct*.

PENALTY AND FINAL DECISION

Council's Intended Decision dated October 24, 2014 outlined the foregoing background, analysis and conclusions on a preliminary basis. Having regard to its initial determination that the foregoing violations had occurred, Council imposed the following penalty and sanction pursuant to section 375(1.1)(c) and (d) of the *Act* and section 7(1) of *Regulation 227/91*:

1. The Licensee be fined \$250.00 and assessed partial investigation costs of \$250.00.

As part of its Intended Decision, Council further informed the Licensee of his right to request a Hearing to dispute Council's determinations and its penalty/sanction. The Licensee expressly declined his right to a Hearing and chose not to pursue a statutory Appeal; he instead expressly accepted the Intended Decision and duly paid the levied fine and partial investigation costs.

This Decision is therefore final. In accordance with Council's determination that publication of its decisions are in the public interest, this will occur, in accordance with sections 7.1(1) and (2) of *Regulation 227/91*.

Dated in Winnipeg, Manitoba on December 16, 2014.