

In the Matter of the

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

and the

INSURANCE COUNCIL OF BRITISH COLUMBIA
 (“Council”)

and

LEVITA BUENO VELASCO
(the “Licensee”)

ORDER

As Council made an intended decision on September 19, 2023, 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 October 30, 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, 236, and 241.1 of the Act, Council orders that:

- 1) The Licensee is fined \$3,000, to be paid by February 26, 2024;
- 2) The Licensee is required to complete the Council Rules Course for life and/or accident and sickness insurance by February 26, 2024;
- 3) The Licensee is assessed Council’s investigation costs of \$750, to be paid by February 26, 2024;
- 4) The Licensee must complete all Continuing Education credits which remain outstanding from the 2018/2019, 2019/2020, and 2020/2021 licence periods prior to completing the Licensee’s 2025 annual licence renewal;

- 5) A condition is imposed on the Licensee's life and accident and sickness licence that the Licensee be supervised for a period of 12 months of active licensing, by a supervisor approved by Council, commencing, at the latest, on December 27, 2023;

- 6) A condition is imposed on the Licensee's life and accident and sickness licence that failure to complete the Council Rules Course, failure to complete the outstanding Continuing Education credits, failure to obtain a supervisor as required and failure to pay the fine or investigation costs by the deadlines will result in the automatic suspension of that licence, and the Licensee will not be permitted to complete the 2025 annual licence renewal until such time as the Licensee has completed the courses and paid the fine and investigation costs in full.

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



Janet Sinclair, Executive Director
Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA

(“Council”)

respecting

LEVITA BUENO VELASCO

(the “Licensee”)

1. Pursuant to section 232 of the *Financial Institutions Act* (the “Act”), Council conducted an investigation to determine whether the Licensee breached the Council Rules and/or the Code of Conduct (the “Code”) when the Licensee failed to complete the required continuing education credits (“CE”) for the 2018/2019, 2019/2020, and 2020/2021 licence periods (the “Licence Periods”).
2. On August 8, 2023, 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 Licensee prior to the meeting. A discussion of the investigation report took place at the meeting, and the Licensee was given an opportunity to make submissions and provide further information. The 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, the Committee prepared a report for Council. The Committee’s report, along with the aforementioned investigation report, were reviewed by Council at its September 19, 2023 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, 236 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 licensed with Council as a life and accident and sickness insurance agent (“Life Agent”) since January 25, 2019. The Licensee currently has a contract to conduct insurance business with an agency (the “Agency”).
6. The Licensee was under the supervision of a prior supervisor (the “Prior Supervisor”) from January 25, 2019, to August 8, 2022. As of August 9, 2022, she is under the supervision of another supervisor (the “Current Supervisor”).
7. The Licensee’s 2021 annual licence renewal declaration was incomplete when submitted. As a result, an audit was initiated by Council staff. The Licensee was asked to submit CE records for the three Licence Periods. During the review, the Licensee stated that she attended training during her first year of becoming licensed. However, the Licensee could not locate her CE certificates and did not realize the CE credits she had were insufficient.
8. On April 6, 2022, the Licensee’s Prior Supervisor advised Council that since January 25, 2019, the Licensee had sold ten policies involving a total of five clients, in addition to the Licensee herself.
9. On December 19, 2021, the Licensee’s Current Supervisor provided three CE certificates for the Licence Periods and a submission completed by the Licensee. In the submission, the Licensee stated she was uncertain whether she had met her CE requirements and inquired whether she could amend her CE credit shortage.
10. On February 16, 2022, Council’s Practice and Quality Assurance advisor emailed the Licensee to obtain additional information about the Licensee’s CE records; however, a response was not received until March 16, 2022. The Licensee then advised she could only provide certificates for three CE credits taken during the 2019/2020 and 2021/2022 Licence Periods.
11. On March 29, 2022, Council’s investigator again contacted the Licensee to obtain further information related to her CE credits shortage. Council staff followed up three times with the Licensee, and did not receive a response until May 30, 2022, 62 days later.
12. On June 7, 2022, the Licensee provided additional CE records to Council. Some of the records provided were duplicates. Excluding these duplicate records, the Licensee had obtained 20 CE credits as of August 8, 2023, two of which were completed during the 2019/2020 Licence Period, and one of which was completed during the 2020/2021 Licence Period. Because the remaining 17 CE credits were completed outside the audited Licence Periods, they were considered “make up” credits, and were not applied directly to the CE requirements for any particular Licence Period.

ANALYSIS

13. Council finds that the Licensee had failed to obtain the required CE credits for the Licence Periods, and further failed to respond promptly to inquiries from Council.
14. Prior to making its recommendation, Council took several past decisions of Council regarding insufficient CE into consideration as precedents, including the following.
15. [Annie Chu](#) (May 2018): a licensee failed to meet the CE requirements for two licensing years for both her life and her general licence. Council concluded that her failure to complete the credits showed a disregard for Council Rules and fined the licensee \$1,000 for each licensing year and each license for which she had failed to meet the CE requirements. The licensee was also required to complete the Council Rules Course and make up the missing CE credits.
16. [Sukhdarshan Singh Mann](#) (May 2018): a life agent was audited by Council staff for CE. The licensee failed to demonstrate he had completed the requisite CE credits for a two-year period and advised Council he was unaware he was required to keep track of his training. Council audited the licensee a second time and found that he had continued to fail to obtain CE credits. Council fined the licensee \$1,000 for each year he had insufficient proof of his CE credits and required the licensee to make up the missing credits and take a Council Rules course.
17. [Jagjit Singh Gill](#) (April 2018): a life agent was unable to demonstrate he had met his CE credit requirements for four licensing years, although he subsequently completed a sufficient number of make-up credits to address the shortfall. Council concluded that the licensee's action warranted discipline and fined him \$4,000 and required him to complete the Council Rules Course.
18. Having reviewed the precedents, Council determined that it is appropriate to assess a fine of \$1,000 for each Licence Period in which the Licensee failed to obtain sufficient CE credits. Council further determined it is appropriate to require the Licensee to complete the Council Rules Course.
19. Council found the Licensee's lack of experience in the industry to be slightly mitigating. Council considered that the Licensee having only been licensed since 2019, and having sold only ten policies in that time, demonstrates a lack of experience.
20. Council found several aggravating factors, which together outweigh the mitigating factor identified above. Primarily, Council found the fact that the Licensee had completed only three of the required 45 CE credits at the time of the audit to be significantly aggravating. Council found the magnitude of the Licensee's CE shortfall demonstrated that the conduct took place over some time, as opposed

to being an isolated event; the breach showed a flagrant disregard for the laws governing the Licensee's conduct; and that by failing to complete the CE as required, the Licensee had put the public at risk of harm in relation to the conduct of the business of insurance.

21. Further, after representing to Council that she would make-up the shortage of CE credits, at the time of the Committee meeting, the Licensee had completed only 20 CE credits of the 45 required. Council found the fact the Licensee has not yet made-up the required shortfall aggravating, in that it demonstrated the Licensee is likely to repeat a breach of the CE requirements in the future.
22. Council concluded that a fine is appropriate in the circumstances to communicate to the Licensee, the insurance industry, and the public, that insurance agents are expected by Council to perform their roles competently and in accordance with the requirements established in the Council Rules. Council has determined that it is appropriate that the Licensee be fined \$3,000 for breaches of the CE requirement under Council Rule 7(5), representing \$1,000 for each Licence Period in which the Licensee had a CE shortfall.
23. Council further determined that the Licensee would benefit from completing the Council Rules Course, in order to better familiarize herself with the obligations that accompany licensure. Council also considers it important that the Licensee make up the CE credits that are still outstanding from the three Licence Periods.
24. Due to the fact that, in addition to failing to complete her CE credits over a three year period, the Licensee also failed to satisfactorily communicate with Council during the review, Council's opinion is that she requires additional supervision. As such, Council intends to require the Licensee to be supervised for an additional year.
25. With respect to investigation costs, Council believes 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

26. Pursuant to sections 231, 236 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 Council Rules Course for life and/or accident and sickness insurance within 90 days of Council's order;
- c. the Licensee be assessed Council's investigation costs of \$750, to be paid within 90 days of Council's order;
- d. the Licensee complete all Continuing Education credits which remain outstanding from the 2018/2019, 2019/2020, and 2020/2021 licence periods prior to completing the Licensee's 2025 annual licence renewal;
- e. a condition be imposed on the Licensee's life and accident and sickness licence that the Licensee be supervised for 12 months of active licensing by a supervisor approved by Council, commencing, at the latest, one month from the date of Council's order; and
- f. a condition be imposed on the Licensee's life and accident and sickness licence that a failure to complete the Council Rules Course, failure to complete the outstanding Continuing Education credits, failure to obtain a supervisor as required and failure to pay the fine or investigation costs by their deadlines will result in the automatic suspension of that licence, and the Licensee will not be permitted to complete the 2025 annual licence renewal until such time as the Licensee has completed the courses and paid the fine and investigation costs in full.

27. 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

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

RIGHT TO A HEARING

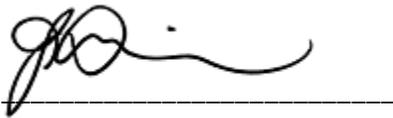
29. If the Licensee wishes to dispute Council's findings or its intended decision, the Licensee may have legal representation and present a case in a hearing before Council. **Pursuant to section 237(3) of the Act, to require Council to hold a hearing, the Licensee must give notice to Council by delivering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

30. 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 **30th day of October, 2023.**

For the Insurance Council of British Columbia

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

Janet Sinclair
Executive Director