

In the Matter of the

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

and the

INSURANCE COUNCIL OF BRITISH COLUMBIA
 (“Council”)

and

ALTERI INSURANCE BROKERS INC.
(the “Agency”)

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 Agency with written reasons and notice of the intended decision dated February 10, 2025; and

As the Agency requested a hearing on February 18, 2025; and

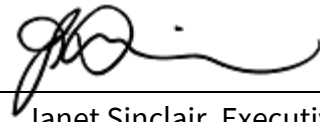
As the Agency confirmed on July 15, 2025 that they wished to withdraw their request for a hearing;

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

- 1) The Agency is fined \$10,000, to be paid by October 29, 2025;
- 2) The Agency is required to have a full-time Level 3 general insurance agent who is in regular attendance at the Agency, for a period of two years, commencing on July 31, 2025 and ending at midnight on July 30, 2027;
- 3) The Agency is assessed Council’s investigation costs of \$2,203.12, to be paid by October 29, 2025;
- 4) A condition is imposed on the Agency’s general insurance licence and life and accident and sickness insurance licence that failure to pay the fine and investigation costs by October 29, 2025 and to have a full-time Level 3 general insurance agent in

regular attendance at the Agency will result in the automatic suspension of the Agency's general insurance licence and life and accident and sickness insurance licence, and the Agency will not be permitted to complete the Agency's 2027 annual licence renewal until such time as the Agency has complied with the conditions listed herein.

This order takes effect on the **31st day of July, 2025.**

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

Janet Sinclair, Executive Director
Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA

(“Council”)

respecting

ALTERI INSURANCE BROKERS INC.

(the “Agency”)

1. Pursuant to section 232 of the *Financial Institutions Act* (the “Act”), Council conducted an investigation to determine whether the Agency and/or Amanprit Singh Ghaug (the “Licensee”), who worked for the Agency at the material time, breached the Council Rules and/or the Code of Conduct relating to allegations that the Agency and/or Licensee issued falsified documents, including a summary of coverage document, a policy document and an invoice. It was also alleged that the Agency and/or Licensee collected premiums from a client for an insurance renewal but failed to renew the policy and failed to disclose to the client in a timely manner that the renewal was missed.
2. On July 11, 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, the Agency and the Licensee prior to the meeting, and the Agency and Licensee were given an opportunity to make submissions and provide further information. The Licensee attended the meeting; representatives of the Agency were given the option of attending but did not. A discussion of the investigation report took place at the meeting.
3. Having reviewed the investigation materials and discussed the matter at the July 11, 2023, meeting, the Committee prepared a report for Council that was reviewed by Council at its September 19, 2023, meeting. Council determined that the matter should be disposed of in the manner set out below.
4. At its September 19, 2023, meeting, Council directed that the former nominee of the Agency and another involved licensee should also be investigated. The issuance of this Intended Decision was delayed as those investigations proceeded, in case additional evidence was received in the course of the new investigations that could impact Council’s intended disciplinary action against the Agency and/or Licensee.

PROCESS

5. Pursuant to section 237 of the Act, Council must provide written notice to the Agency of the action it intends to take under sections 231, 236 and 241.1 of the Act before taking such action. The Agency 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 Agency.

FACTS

6. The Agency has held a corporate general insurance licence with Council since October 12, 2017. It has also held a corporate life and accident and sickness insurance licence since August 10, 2017. The Licensee had authority to represent the Agency at the material time.
7. On December 2, 2021, Council received an email from the strata council of a strata property (the "Strata"), which alleged that the Licensee was not responding to the Strata's property manager's (the "Property Manager") requests to provide proof of insurance coverage. The renewal was to have taken place on April 4, 2021. It was alleged that in September 2021 the Strata had suffered a water damage claim and the Property Manager was having difficulty opening the claim through the insurer ("Insurer One") that had provided their previous year's insurance, although the Agency had stated that the Strata's policy had been renewed.
8. The Strata stated that the Licensee eventually informed them that there had been a problem with transferring their policy to the Agency and that it would open a claim through their errors and omissions insurance ("E&O") policy.
9. Council received a document from the Strata that the Agency had provided to the Strata in April 2021, which purports to show insurance coverage effective from April 4, 2021, to April 4, 2022 (the "Insurer One Document"). The document displays a policy number; however, there are no insurance companies named in the document.
10. On December 6, 2021, the Strata sent Council a document that consists of declaration pages that appear to have been produced by another insurer ("Insurer Two"). This document (the "Insurer Two Document") was sent to the Strata on December 6, 2021, by Joshua Krenus ("Krenus"), an insurance licensee who was also the sole director, major shareholder and CEO of the Agency at the time. The policy number on this document is different from that on the

Insurer One Document; the coverage dates, however, are the same, and indicate that coverage is effective from April 4, 2021, to April 4, 2022.

11. On January 17, 2022, Insurer Two provided Council with a copy of the authentic declaration pages. Insurer Two noted that the policy effective date is November 26, 2021, not April 4, 2021, and also noted several inconsistencies in the formatting and information in the Insurer Two Document.
12. Between February 10, 2021, and October 28, 2021, Insurer One made multiple requests for underwriting details pertaining to the Strata from the Licensee and the Agency.
13. Commencing on June 4, 2021, the Property Manager began asking the Licensee and/or Agency to provide the policy documentation and invoice in relation to the Insurer One Document. Subsequently, an invoice dated August 10, 2021, in the amount of \$58,591 was sent to the Strata. A renewal payment agreement dated August 18, 2021, which referenced the premium owed, was also provided.
14. On September 8, 2021, the Licensee sent to the Property Manager a financing agreement dated August 18, 2021, on the Agency's letterhead. The agreement stated that the total premium was \$58,591, the initial payment was \$5,059.33, the plan cost was \$2,779.64, and that there were 11 monthly payments of \$5,119.21.
15. On January 28, 2022, Council received a letter from the Property Manager, which indicated that although there had been a miscommunication between all involved, the Agency had taken responsibility and repairs for the water damage claim had been completed, and their relationship remained in good standing.

The Licensee's and Agency's Submissions to Council

16. In a letter to Council dated February 7, 2022, Krenus explained that the Agency had purchased Marquis Underwriting Managers Ltd. ("Marquis"), an agency that had belonged to the Licensee, on February 1, 2021; there had been hundreds of files involved in the acquisition, and the Strata's renewal was missed due to a data entry error that resulted in the Agency's broker management system showing the policy as renewed when it was not.
17. Krenus stated that it was not until July 2021, when the Property Manager sent an email to the Agency requesting policy documentation, that the error was brought to the Agency's attention. In October 2021, Insurer One advised they were no longer willing to provide coverage because of the water claim.

18. Krenus also stated that he had demanded that the Agency's E&O provider be notified, and in November 2021, while its E&O provider was investigating, the Agency managed to retain full coverage and terms from Insurer Two, which the Agency paid for with the premiums it had been paid by the Strata.
19. In a follow-up letter dated March 22, 2022, Krenus stated that the Agency had implemented a new three-tier approach for insurance renewals: the creation of a production report for the agents' transactions, the creation of an expiry report to cross-reference any policies that might have been missed, and the review of billed accounts by the Agency's accounting department.
20. On July 7, 2022, Council conducted an interview with the Licensee. The Licensee admitted that there had been negligence on his and the Agency's part, and that he could have been more diligent in responding to inquiries from the Property Manager and from Insurer One. The Licensee went on to say that because of this situation, he had been reprimanded by the Agency and was now a Level 2 Agent working "9 to 5," which had "professionally hindered" his growth in the insurance industry.
21. In relation to the several requests made by Insurer One for the underwriting details and why they were not provided, the Licensee responded that the Strata building had been built in 2019 and that Insurer One had been provided with appraisals at that time. He further stated that the information being requested would not have changed since the appraisal, and that this information had therefore already been provided to them.
22. The Licensee stated that Insurer Two had investigated this matter and had conducted an audit. Subsequently, Insurer Two terminated its contract with the Agency after concluding that its declaration pages had been manipulated at the Agency before they were sent to the Strata.

Review Committee Meeting

23. The Licensee stated that he was first involved in the file in or around June 2021. At the time, the Licensee stated that the Agency's broker management system initially showed the Strata had an active policy and the renewal was effective from April 2021 to April 2022. He claimed he was not actively involved with strata matters at the time [REDACTED]
[REDACTED]
24. The Licensee stated that he later realized that the policies in the Agency's system were for the previous year, prior to the April 2021 to April 2022 term. He claimed that the policies were

incorrectly uploaded by another employee at the Agency. The Licensee stated that the Agency was responsible for entering the Marquis files, which were primarily paper based, into its broker management system.

25. He told the Committee that an underwriter at Insurer One confirmed that they were holding coverage in or around August 2021, which he interpreted to mean that there was coverage in place, albeit at an unknown percentage. The Licensee said the Agency considered that it had arranged sufficient coverage for the Strata and proceeded to issue the invoice and the payment agreement.
26. When the Strata submitted its water damage claim, the Licensee stated that he realized that there was no coverage in place. At this time, the Licensee told the Committee that he “shut down” after receiving a flood of inquiries from various stakeholders. He stated that he stopped going to the office, turned off his phone and did not respond to inquiries.
27. The Licensee stated that he did not create the Insurer Two Document. He said that he could not confirm who had created and issued the document, as he was not involved. The Licensee told the Committee that the E&O policy would act as a partial insurer and provide interim coverage for the Strata. He reiterated the emotional and physical toll that the incident had on himself and other Agency employees. The Licensee also explained that the Agency had changed to a new broker management system and had begun to conduct monthly training sessions with its staff and monthly audits of its files.

ANALYSIS

28. Council considered the impact of Council’s Code of Conduct (the “Code”) on the Agency’s conduct, including section 3 (“Trustworthiness”), section 4 (“Good Faith”), section 5 (“Competence”), section 6 (“Financial Reliability”), section 7 (“Usual Practice: Dealing with Clients”) and section 8 (“Usual Practice: Dealing with Insurers”). Council concluded that the Agency’s conduct amounted to clear breaches of the aforementioned sections of the Code and professional standards set by the Code. In addition, Council concluded that the Agency breached Council Rule 7(2), which requires licensees to not use funds collected or received on behalf of an insurer for reasons other than as described in their agreement with the insurer, and Council Rule 7(9), which requires that licensees keep proper books, records and other documents. Further, licensees are required by Council Rule 7(8) to comply with the Code.
29. Council found that the Agency shared culpability for the failure to adequately respond to questions from the Strata, the Property Manager and Insurer One, and that this reflected

adversely on the Agency's trustworthiness. Council found that the Agency intentionally misled the Strata and the Property Manager by failing to disclose that the Strata was uninsured and issuing falsified documents.

30. Following the above, Council concluded that the Agency breached the principle of good faith. The Agency failed to disclose to the Strata and the Property Manager that its policy had lapsed, and, to compound this, had issued falsified insurance documentation (including the invoice and payment agreement) over several months to mislead the Strata that it had valid coverage. Council concluded that there was a lack of accountability at the Agency.
31. Council concluded that the Agency had failed to engage in the usual practice of the business of insurance. Council found that there was a lack of a functional record-keeping system at the Agency to ensure the Strata's renewal was handled properly. Adding to this, the Strata was not notified in a timely manner that its policy had lapsed. Council found that the Agency breached Council Rule 7(9).
32. Council concluded that the Agency was not financially reliable as premiums were collected from the Strata when the policy had not been bound. Further, there was no evidence to suggest that Insurer One consented to the issuing of the invoice and subsequent collection of premiums. In that regard, Council found that the Agency breached Council Rule 7(2).
33. Council found that the Agency breached the "Usual Practice: Dealing with Clients" principles, as required by section 7 of the Code of Conduct. The Strata was not notified that its policy renewal had been missed and that it was uninsured. Council believed that a reasonable and prudent licensee would disclose the same with no delay. Council also noted that the falsification of the Insurer Two Document was evidence that the Agency prioritized its own interests over the Strata's interests in an attempt to show that there was valid coverage.
34. Council determined that the Agency breached the "Usual Practice: Dealing with Insurers" principle, as required by section 8 of the Code of Conduct, by failing to provide full and accurate information regarding the underwriting details to Insurer One. By issuing false documentation which named the insurers, the Agency did not adhere to the authority granted to it and failed to represent the insurers' products fairly and accurately.

PRECEDENTS

35. Prior to making its intended decision, Council took into consideration the following precedent cases. While Council is not bound by precedent and that each matter is decided on its own

facts and merits, Council found that these decisions were instructive in terms of providing a range of sanctions for similar types of misconduct.

36. Accost Insurance & Financial Centre Inc. and Nagdip Dhindsa (June 2022): concerned a failure by an agency to provide adequate notice to a client of a policy cancellation, and a failure to properly document communications and instructions from a client. The client had a homeowner insurance policy that contained a roof exclusion. The client became upset with the agency when he was denied a roof claim due to the roof exclusion clause in the policy and stated that he would not conduct further business with the agency; however, the agency was unable to provide any documentation that referenced the client's verbal statement. The agency failed to provide information received from the insurer pertaining to renewal terms. Instead, the agency provided the client with notification of the cancellation of coverage 14 days before the coverage ended. The policy eventually lapsed. Council found that the agency had failed to provide adequate notice to the client of the policy cancellation and had failed to properly document communications and instructions from the client. Council concluded that there was an inadequate level of supervisory oversight by the agency as well as the nominee. However, Council found the breaches to be unintentional. The nominee and agency were reprimanded. Council required the nominee to complete the Council Rules Course and assessed the agency investigation costs.
37. Troy Wotherspoon Insurance Services Ltd. and Lung Hwa (Andy) Tan and Troy John Wotherspoon (May 2020): concerned a failure by an agency to bind a storage insurance policy for a client. The client had submitted an application for a storage insurance policy to the agency and after receiving a quote from an insurer, the client had instructed the licensee handling the file to move forward with the policy. The licensee placed the application with the client's credit card information on a colleague's desk with instructions to bind the quote and process the payment. After the client contacted the licensee to file an insurance claim, the licensee discovered that the policy had never been bound or had its payment processed. The nominee took action and was successful in convincing another insurer to reinstate and backdate the homeowner's coverage that the client previously had. The client was paid the policy limit on the homeowner's coverage. Council concluded that both the licensee and the nominee had failed to notify the client that the agency had failed to bind the storage insurance policy. Council was troubled by the inappropriately casual approach of the agency towards the handling of client information, and in particular, the client's credit card information. Further, Council had concerns that the agency lacked appropriate procedures and a commitment to best practices, as it did not appear that the incident with the client had resulted in the development of new policies at the agency or had induced changes to work practices. Council fined the licensee and nominee \$1,500 each, fined the agency \$2,000, required the licensee and nominee to complete the Council Rules Course and an errors and omissions course, and assessed the agency investigation costs.

38. [The Whistler Shoppe Ltd. dba The Whistler Insurance Shoppe and Peggy Kathleen Johannson / Tina Suzanne Jang](#) (April 2016): concerned an error occurring at an agency that resulted in a client's insurance policy not being renewed upon expiration. Due to a change in a program, the agency had a list of policies that had to be re-marketed with a new insurer and manually renewed. The licensee responsible for processing the renewals failed to complete the renewal for a client who subsequently suffered a loss. Council concluded that the licensee's failure was an administrative error that did not reflect on her overall ability to act competently and in accordance with the usual practice of the business of insurance. Council was more concerned by a lack of proper administrative and financial procedures being in place at the agency and with the nominee's failure to provide appropriate oversight. Council required the licensee to complete an errors and omissions course. Council fined the nominee \$2,500, required her to complete the Level 3 seminar, and put a condition on her licence limiting her to being the nominee for a maximum of two agencies, unless there is a full-time Level 3 general insurance agent in regular attendance at every agency for which she is a nominee. Finally, Council fined the agency \$5,000, assessed its investigation costs and required the agency to have a full-time Level 3 general insurance agent in regular attendance.
39. [Tarlok Singh Chandi](#) (December 2016): concerned a Level 2 Agent licensee who altered insurance documents on two occasions and provided them to a client in an attempt to prevent the client from moving its insurance business elsewhere. The licensee altered an insurance document by changing the policy number and altered the interim cover note for another policy. The client's insurance coverage was not affected. Council found that the licensee had failed to act in good faith and in accordance with the usual practice of the business of insurance by creating false insurance documents. Council accepted that the licensee was remorseful and that he did not intend to harm the client. However, Council noted that the licensee had extensive experience as an insurance agent. Council determined that the principles of general and specific deterrence could be better served through the assessment of a significant fine, a period of supervision and a requirement to complete specific education. Council fined the licensee \$10,000, required the licensee to be supervised by a Level 3 general insurance agent for two years, required the licensee to complete an ethics course and the Council Rules Course, and assessed the licensee investigation costs.
40. [Man Kuen Tam](#) (June 2015): concerned a general insurance agent licensee who failed to inform a client that her insurance policy had lapsed. The licensee failed to submit the required premium by the deadline, which resulted in the lapse of the policy and leaving the client without insurance for approximately six months. The client had mailed a cheque to the licensee's previous agency office; however, the licensee was not aware of the cheque until the policy had lapsed. There was no evidence to suggest that the licensee notified the client about the policy lapse. Council took into consideration that the client only learned about the

lapse in coverage after she had contacted the agency. Council determined that failure to advise the client regarding her lack of coverage represented a significant breach of the licensee's duties as an insurance agent, contrary to the usual practice of the business of insurance. In determining an appropriate penalty, Council considered that the licensee was disciplined previously for similar misconduct. Council suspended the licensee's licence for six months, fined the licensee \$1,000 and assessed the licensee investigation costs.

41. [Richard Alfred Ford](#) (April 2013): concerned a Level 2 Agent licensee who failed to place insurance coverage for three different clients while working for his former employer and, despite the fact that no coverage was in place, created cover notes for these clients, which he subsequently forwarded to them. The licensee had been licensed for over 30 years. Council found that there was not sufficient evidence to suggest the licensee intentionally failed to place coverage, but determined that his failure to recognize that coverage was not placed in all circumstances was clearly negligent, and demonstrated a serious disregard for his clients' best interests. Council also held that the licensee's failure to document the clients' files fell outside the usual practice of the business of insurance. The licensee was fined \$6,000, required to take an errors and omissions course, and assessed investigation costs. The licensee was required to notify his employer of Council's decision and restricted to general insurance business under the direct supervision of the nominee for any insurance agency for two years.
42. [Colleen Theresa Bustillo](#) (November 2011): concerned a Level 1 Salesperson licensee who failed to place coverage, knowingly issued a false confirmation of coverage to a client's lawyer and issued a false policy document to a client. The licensee had approximately seven years of insurance experience. Council felt that the licensee ought to have demonstrated better application of her knowledge and skill throughout the transactions. Council found that the licensee did not set out to cause harm to her clients or further her own interests. The licensee was fined \$2,000, required to take an errors and omissions course, and assessed investigation costs. The licensee was also restricted to holding a Level 1 Salesperson licence for a period of 12 months of continuous licensing. Further, the licensee could not represent more than one insurance agency and was required to notify her employer of Council's decision.
43. In reviewing the precedent cases, Council paid particular attention to the misconduct relating to falsifying insurance documents. In the subject case, there were multiple instances where falsified insurance documents were issued.
44. Although there was an error in the systems at the Agency that resulted in the missed renewal of the Strata's policy, Council concluded that the public would expect an insurance agency to handle its insurance affairs with due diligence and ensure that policy lapses would be communicated to clients in a timely manner. Similarly, the public would expect licensees to

take prompt action to correct errors, and to correspond honestly with their clients about such errors.

MITIGATING AND AGGRAVATING FACTORS

45. Council considered several mitigating factors. It was noted that the Agency did not have a prior discipline history with Council. Council considered that the Agency suffered consequences as it paid the E&O deductible and lost its contract with Insurer Two. Further, Council acknowledged that the Agency had implemented changes in its policy renewal process. Council believed that the Agency had had difficulty integrating Marquis into its business which, as a result, led to the missed renewal.
46. As for aggravating factors, Council believed that the Agency ought to have known that its conduct was unacceptable considering that there were multiple insurance-licensed employees at the Agency. The Agency's falsification of insurance documents was a flagrant disregard for the laws governing licensee conduct. Lastly, despite multiple requests being sent to Krenus, Council noted that it did not receive a response regarding the Agency's attendance at the Committee meeting, which Council found to be reflective of a lack of co-operation with the investigation. Finally, Council notes that the Agency has new ownership following the events in question, and that the new ownership has communicated an intention to improve the culture of compliance and governance of the Agency.

CONCLUSIONS

47. After weighing all the relevant considerations, Council concluded that the Agency should be fined \$10,000 and be required to have a full-time Level 3 general insurance agent in regular attendance at its offices for two years.
48. As the Licensee and Agency were investigated in tandem, Council has determined that 75% of the investigation costs should be assessed against the Agency. Council concluded that the Agency should be assessed a greater percentage of the costs given that, in Council's view, it bears more culpability for the misconduct. As a self-funding regulator, Council's costs 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.
49. Further, Council has determined that it is necessary to impose conditions on both classes of licences held by the Agency. As per Council Rule 7(8), the Agency is required to comply with

the Code for all classes of licences held. Therefore, the misconduct and breaches of the Code impact both classes of licences held by the Agency, and it is appropriate that conditions be imposed on each licence.

INTENDED DECISION

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

- a) Fine the Agency \$10,000, to be paid within 90 days of the date of Council's order;
- b) Require the Agency to have a full-time Level 3 general insurance agent who is in regular attendance at the Agency, for a period of two years, commencing on the date of Council's order;
- c) Assess the Agency Council's investigation costs of \$2,203.12, to be paid within 90 days of the date of Council's order; and
- d) Impose a condition on the Agency's general insurance licence and life and accident and sickness insurance licence that failure to pay the fine and investigation costs within 90 days of the date of Council's order and to have a full-time Level 3 general insurance agent in regular attendance at the Agency will result in the automatic suspension of the Agency's general insurance licence and life and accident and sickness insurance licence, and the Agency will not be permitted to complete the Agency's 2026 annual licence renewal until such time as the Agency has complied with the conditions listed herein.

51. Subject to the Agency'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

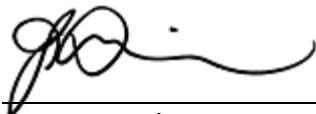
52. Council may take action or seek legal remedies against the Agency to collect outstanding fines and/or costs, should these not be paid by the 90-day deadline.

RIGHT TO A HEARING

53. If the Agency wishes to dispute Council's findings or its intended decision, the Agency 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 Agency **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 Agency does not request a hearing within 14 days of receiving this intended decision, the intended decision of Council will take effect.**
54. Even if this decision is accepted by the Agency, 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 <https://www.bcfst.ca/> or visit the guide to appeals published on their website at <https://www.bcfst.ca/app/uploads/sites/832/2021/06/guidelines.pdf>.

Dated in Vancouver, British Columbia on the **10th day of February, 2025.**

For the Insurance Council of British Columbia



Janet Sinclair
Executive Director