

In the Matter of

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

and

The INSURANCE COUNCIL OF BRITISH COLUMBIA
(“Council”)

and

JASWINDER KAUR GREWAL
(the “Former Licensee”)

ORDER

As Council made an intended decision on October 21, 2014, pursuant to sections 231, 236, and 241.1 of the Act; and

As Council, in accordance with section 237 of the Act, provided the Former Licensee with written reasons and notice of the intended decision dated November 18, 2014; and

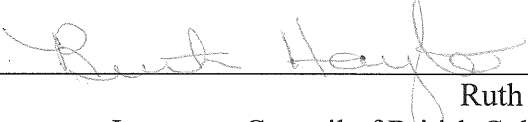
As the Former Licensee has not requested a hearing of Council’s intended decision within the time period provided by the Act;

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

1. The Former Licensee is prohibited from holding an insurance licence for a minimum period of two years, commencing **March 26, 2014**.
2. The Former Licensee is assessed Council’s investigative costs of \$1,875.00.
3. As a condition of this order, the Former Licensee is required to pay the above-ordered investigative costs no later than **March 9, 2015**. If the Former Licensee does not pay the ordered investigative costs in full by this date, the Former Licensee will not be permitted to apply for an insurance licence until such time as the investigative costs are paid in full.

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This order takes effect on the **9th day of December, 2014.**



Ruth Hoyte
Chairperson, Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA
(“Council”)

respecting

JASWINDER KAUR GREWAL
(the “Former Licensee”)

INTRODUCTION

Pursuant to section 232 of the *Financial Institutions Act* (the “Act”), Council conducted an investigation to determine whether the Former Licensee acted in compliance with the requirements of the Act.

As part of Council’s investigation, on September 15, 2014, a Review Committee (the “Committee”) met with the Former Licensee to discuss allegations that the Former Licensee breached the Insurance Corporation of British Columbia’s (“ICBC”) policy related to transferring personal information between agencies and for processing an improper ICBC transaction.

The Committee was comprised of one voting member and three non-voting members of Council. Prior to the Committee’s meeting with the Former Licensee, an investigation report was distributed to the Committee and the Former Licensee for review. A discussion of this report took place at the meeting and the Former Licensee was provided an opportunity to clarify the information contained therein and make further submissions. Having reviewed the investigation materials and after discussing this matter with the Former Licensee, the Committee made a recommendation to Council as to the manner in which this matter should be disposed.

A report setting out the Committee’s findings and recommended disposition, along with the aforementioned investigation report, were reviewed by Council at its October 21, 2014 meeting, where it was determined the matter should be disposed of in the manner set out below.

PROCESS

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

The Former Licensee was licensed as a Level 2 general insurance agent for the past 16 years. She has been essentially employed by the same agency (the "Agency"), until her employment was terminated on March 26, 2014, for breaching ICBC's policy related to transferring personal information between agencies and for processing an improper ICBC transaction.

Her licence was terminated on July 31, 2014 as a result of non-filing in accordance with Council Rules.

Transfer of Personal Information Between Agencies

The ICBC Policy and Procedures Manual Section 1.1 "The Agent's Office" states:

ICBC and its agents have a responsibility under FIPPA to ensure that personal information is secure. Personal information collected by one agency is to be used only by that agency and is to remain in the custody and control of that agency at all times.

When initially interviewed by Council on July 3, 2014, the Former Licensee stated that between December 2013 and February 2014, while working for the Agency, she processed the Autoplan renewals for approximately 14 of her customers at the Agency through a different agency ("Agency B") where a relative of hers (the "Agent") was employed. The Former Licensee stated the Agent was starting out in the insurance industry and she wanted to help him out by giving him some of "her" ICBC business.

The Former Licensee initially stated she attended Agency B without the Agent's knowledge and processed her renewals using his producer code. She would then deliver the Autoplan policies and collect the premium payments from the clients. Council staff contacted Agency B and was unable to confirm the Former Licensee's statement, as no one had any recollection of the Former Licensee attending Agency B.

When interviewed by the Committee on September 15, 2014, the Former Licensee admitted that her initial submission to Council investigators was false. She explained that the Agent was reluctantly involved in the transfer of the renewal business.

The Former Licensee stated she would provide the Agent a copy of the previous year's insurance policy belonging to her customer, to allow him to process the customer's renewal. She kept a binder with copies of Autoplan insurance policies for all of her customers. In some instances, the Agent would call the customers to confirm coverage details, using a phone number provided by the Former Licensee. In other instances, the Former Licensee would call the customer and direct the Agent to renew coverage according to the terms she specified.

Improper ICBC Transaction

The Former Licensee confirmed that on June 28, 2013 she intentionally processed a Temporary Change Endorsement (APV40) with a back issue date of Tuesday, June 25, 2013, for a one day policy change endorsement, to give the false appearance that the client in question had appropriate coverage for an accident on June 26, 2013. The Former Licensee asked another agent at the Agency if she could enter his producer code on the manual APV40 policy, and he agreed. This was done in order to give the transaction the appearance of legitimacy.

Subsequently, ICBC checked their database to see if an APV40 rate quote was requested by the Agency on June 25, 2013 or June 26, 2013. There were no rate quotes requested during that period.

The Former Licensee stated that she acted on her own initiative, without the knowledge of the client or any of her colleagues. She told the Committee that she has never falsely backdated policy documents in the past, and does not know why she did so in this situation. At the time, she knew what she was doing was wrong.

ANALYSIS

Council considered the actions of the Former Licensee and her submissions.

Council determined that the Former Licensee breached the confidentiality of the Agency's clients by providing their personal information to the Agent without their knowledge or consent. The Former Licensee moved business to the Agent in a calculated manner, unbeknownst to the Agency. The Former Licensee's lack of forthrightness with Council when initially explaining the events, aggravated Council's concerns.

Council further determined the Former Licensee backdated an insurance transaction to provide the false appearance of coverage for a client's claim, in an intentional attempt to mislead ICBC. The Former Licensee knew at the time that what she was doing was wrong. Council found that the fact that the Former Licensee solicited help from a colleague in order to conceal the truth about the backdated insurance transaction was an aggravating factor in assessing her conduct.

Council found that the Former Licensee, who has lengthy experience as an insurance licensee, ultimately demonstrated that she is not trustworthy and unable to engage in the business of insurance in good faith, and in accordance with the usual practice.

Council determined that the Former Licensee is not suitable to hold an insurance licence for a minimum period of two years, commencing March 26, 2014 (which represents the date the Former Licensee was terminated by the Agency).

INTENDED DECISION

Pursuant to sections 231, 236, and 241(1) of the Act, Council made an intended decision to:

1. Prohibit the Former Licensee from holding an insurance licence for a minimum period of two years, commencing March 26, 2014.
2. Assess the Former Licensee Council's investigative costs of \$1,875.00.

The Former Licensee is advised that should the intended decision become final, the costs will be due and payable within 90 days of the date of the order. In addition, failure to pay the costs will result in the Former Licensee not being permitted to apply for an insurance licence until such time as the costs are paid in full.

The Former Licensee is also advised that should she wish to reinstate her licence, she will be required to re-qualify for a licence and must demonstrate to Council her suitability to hold the licence by meeting with a Committee of Council.

The intended decision will take effect on **December 9, 2014**, subject to the Former Licensee's right to request a hearing before Council pursuant to section 237 of the Act.

RIGHT TO A HEARING

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 by **December 8, 2014**. 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 by **December 8, 2014**, the intended decision of Council will take effect.

Even if this decision is accepted by the Former Licensee, pursuant to section 242(3) of the Act, the Financial Institutions Commission still has a right to appeal this decision of Council to the Financial Services Tribunal ("FST"). The Financial Institutions Commission 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 fst.gov.bc.ca or contact them directly at:

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Financial Services Tribunal
PO Box 9425 Stn Prov Govt
Victoria, British Columbia
V8W 9V1

Reception: 250-387-3464
Fax: 250-356-9923
Email: FinancialServicesTribunal@gov.bc.ca

Dated in Vancouver, British Columbia, on the 18th day of November, 2014.

For the Insurance Council of British Columbia



Gerald D. Matier
Executive Director
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gmatier@insurancecouncilofbc.com

GM/rg