

**In the Matter of**

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

**and**

**The *INSURANCE COUNCIL OF BRITISH COLUMBIA***  
**(“Council”)**

**and**

**MAHIN HEIDARI**  
**(the “Licensee”)**

## **ORDER**

Council convened a hearing at the request of the Licensee to dispute both Council’s order dated January 29, 2015, pursuant to section 238 of the Act, and Council’s intended decision dated January 30, 2015, pursuant to sections 231, 236, and 241.1 of the Act.

The subject of the hearing was set out in a Notice of Hearing dated April 9, 2015.

A Hearing Committee heard the matter on April 30, 2015, and presented a Report of the Hearing Committee to Council at its June 15, 2015 meeting.

Council considered the Report of the Hearing Committee and confirmed its aforementioned order pursuant to section 238 of the Act, which cancelled the Licensee’s life and accident and sickness insurance agent licence on January 30, 2015.

Council further made the following order pursuant to sections 231, 236, and 241.1 of the Act:

1. The Licensee is prohibited from holding an insurance licence for a minimum period of three years, commencing January 29, 2015.
2. The Licensee is fined \$10,000.00. In assessing the fine, Council determined that if the Licensee reimburses Manulife Financial the full amount of the unsubstantiated claims, as determined by Manulife Financial, the fine will be reduced to \$5,000.00.
3. The Licensee is assessed Council’s investigative costs of \$2,025.00.
4. The Licensee is assessed Council’s hearing costs of \$2,500.46.

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5. As a condition of this order, the Licensee is required to pay the above-ordered fine, investigative costs, and hearing costs no later than **September 15, 2015**.

This order takes effect on the **15<sup>th</sup> day of June, 2015**.

A handwritten signature in cursive script, appearing to read "Ruth Hoyte", is written over a horizontal line.

Ruth Hoyte  
Chairperson, Insurance Council of British Columbia

**INSURANCE COUNCIL OF BRITISH COLUMBIA**  
(“Council”)

**REPORT OF THE HEARING COMMITTEE**

**IN THE MATTER OF THE *FINANCIAL INSTITUTIONS ACT***  
(the “Act”)  
(S.B.C. 1996, c. 141)

**AND**

**MAHIN HEIDARI**  
(the “Licensee”)

**Date:** April 30, 2015  
9:30 a.m.

**Before:** Ken Kukkonen Chair  
Michael Connors Member  
Brett Simpson Member

**Location:** Suite 300, 1040 West Georgia Street  
Vancouver, British Columbia V6E 4H1

**Present:** David McKnight Counsel for Council  
Mahin Heidari Licensee

The matter before the Hearing Committee relates to a January 29, 2015 order pursuant to section 238 of the Act and a January 30, 2015 intended decision by Council regarding allegations the Licensee made a number of invalid and false personal health insurance claims to her group benefits insurance provider.

The purpose of the hearing was to determine if the Licensee is able to carry on business in a trustworthy, competent, and financially reliable manner, in good faith, and in accordance with the usual practice of the business of insurance. The Hearing Committee was constituted pursuant to section 232 of the Act.

This is a Report of the Hearing Committee as required pursuant to section 223(4) of the Act.

## **EVIDENCE**

The evidence reviewed by the Hearing Committee in consideration of this matter included:

- Exhibit 1      Agreed Statement of Facts
- Exhibit 2      Council's Book of Documents

## **AGREED STATEMENT OF FACTS**

The Licensee was first licensed as a life and accident and sickness insurance agent ("life agent") in September 2007, and remained continuously licensed until January 2015, when her licence was terminated by Council. The Licensee was contracted with London Life Insurance Company and Manulife Financial ("Manulife").

The Licensee had insurance coverage through a group health plan underwritten by Manulife. The Licensee's personal group health benefits were provided through a company in which she held a 30% ownership interest. In addition, the Licensee performed accounting functions for the company on a part-time basis.

The group benefits plan afforded the Licensee the opportunity to submit online personal insurance claims to Manulife. A subsequent audit by Manulife discovered that 35 of 40 online personal claims made by the Licensee could not be supported with the required documentation.

### **Chiropractic Services**

The Licensee submitted 20 insurance claims for chiropractic services. A subsequent audit found that the Licensee had only been seen by the chiropractor in question on two of the 20 visits claimed. The Licensee was reimbursed \$880.00 for the 18 unsubstantiated claims. Of the two occasions where it was confirmed the Licensee saw the chiropractor, she was billed \$70.00 and \$50.00, respectively. In her submission to Manulife, she claimed \$70.00 for each of the two visits.

The Licensee subsequently admitted that she did not receive the chiropractic services from a licensed chiropractor or any person at the clinic where she claimed the expenses for the 18 unsubstantiated visits. The Licensee explained that she had received chiropractic services, only the services were provided by an unlicensed individual who was in the process of obtaining her chiropractic licence. Because the individual was an unlicensed chiropractor, she did not have a registration number. Consequently, the expenses relating to the chiropractic services were not covered by the Licensee's group benefits plan and she was not entitled to reimbursement.

The Licensee claimed that the visits were all valid even though she could not provide any proof of the visits or payment for chiropractic services. The Licensee stated she believed she was entitled to be reimbursed, even though the services provided did not meet the criteria of her group benefits plan.

### **Counseling Services**

The Licensee submitted six insurance claims for services provided by a registered psychologist. The Licensee claimed that she received services from the registered psychologist between May 2013 and July 2013. When contacted, the registered psychologist confirmed that she met with the Licensee on two occasions during that period. For the four claims made by the Licensee that could not be supported, Manulife paid the Licensee \$680.00.

The Licensee explained that she went to see the registered psychologist because she and her fiancé were seeking couples therapy. The Licensee claimed that the registered psychologist wanted to meet only with her fiancé and that the fiancé had attended the four appointments in question. The Licensee claimed that she received a direct benefit even though the sessions were only attended by her fiancé.

The registered psychologist stated that she does not do couples counselling, and did not provide couples counselling to the Licensee or her fiancé, whose name did not appear in any of her records.

### **Massage Therapy**

In July 2013, the Licensee submitted 14 claims for massage therapy received from a registered massage therapist. Of the 14 claims made by the Licensee, the registered massage therapist confirmed that she only had one session with the Licensee. The Licensee was reimbursed \$709.00 for the 13 unsubstantiated claims. The Licensee explained that the registered massage therapist had mistakenly recorded the Licensee's visits under the Licensee's sister's name. Throughout Council's investigation, the Licensee had refused to identify her sister or provide any proof to support the 13 unsubstantiated claims.

With regard to the Licensee's inability to provide any documentation to support the 35 unsubstantiated claims, the Licensee stated that the receipts for these visits were sent to Manulife when it was conducting its audit of her claims. The Licensee explained that she did not keep copies of the receipts and produced a claim number from Manulife in support of her position. When approached, Manulife confirmed it had no record of receiving any documents from the Licensee, no record of any contact between the Licensee and its staff, and advised that the claim number provided by the Licensee did not exist in its system.

#### **SUBMISSIONS OF THE LICENSEE**

The Licensee attempted to distance herself from what she had agreed to in the Agreed Statement of Facts that she signed, which was entered as evidence before the Hearing Committee. The Licensee argued that all of the claims were valid, stating that all the services were provided.

As part of her explanation, the Licensee suggested the registered psychologist was lying about her and/or her fiancé not having sessions with her.

The Licensee continued to argue that the registered massage therapist was confusing her with her sister. The Licensee did not provide proof to support this. When asked why she did not have her sister in attendance to confirm her version of events, the Licensee provided no explanation.

The Licensee continued to justify her claim for the visits to an unregistered chiropractor, stating that she was entitled to be repaid for these expenses, even if the expenses were not incurred in accordance with the group benefits policy.

#### **RECOMMENDATIONS OF THE HEARING COMMITTEE**

The Hearing Committee found the Licensee had made at least 35 false or unsubstantiated claims to Manulife under her group benefits policy. More concerning than the 35 unsubstantiated claims was the Licensee's continued efforts to justify her actions in the face of all the evidence to the contrary. The Hearing Committee noted that the Licensee still believes her actions were appropriate.

The Licensee's position, which varied depending on which service was provided, was very concerning and lacked credibility. The Licensee's argument that she was entitled to reimbursement even though some of the expenses, such as the use of an unregistered chiropractor, did not qualify under the terms of the group benefits policy, was very concerning to the Hearing Committee. The Licensee knew that the services provided by the unregistered chiropractor were not eligible for reimbursement, which is why, when she submitted the 18 unsubstantiated claims, she did so using the registration number of the chiropractor she had seen on two occasions. For an experienced life agent involved in the sale of group benefit policies, such conduct raises serious concerns. In view of her training and experience, the Licensee knew, or ought to have known, that her 35 unsubstantiated claims were wrong.

The Hearing Committee found the Licensee was not prepared to accept any responsibility for her actions. The Licensee felt that she was entitled to make the claims she submitted to Manulife and denied the assertion that claiming reimbursement for services she did not receive was fraudulent.

The fact that the Licensee continues to justify her actions, in light of all the evidence against the legitimacy of her claims, raises serious concerns about the Licensee's trustworthiness and ability to act in good faith.

The Hearing Committee also noted that it was the Licensee who initially sold the group benefits policy, under which she ultimately became covered, to the employer. As the selling agent, the Licensee should have had a proper understanding of the insurance coverage, as well as any limitations or exclusions. The Hearing Committee concluded the Licensee knew, or ought to have known, that her 35 unsubstantiated claims were erroneous. The Hearing Committee concluded that all 35 unsubstantiated claims were false and that the Licensee knew, at the time she submitted the claims to Manulife, that she was making false claims.

The Hearing Committee found that it was impossible to believe that a person with a university education and, at the time of the claims, five years of experience as an insurance agent, could believe that her actions were appropriate and defensible. The Hearing Committee concluded that the Licensee's actions in making the false claims and her continued position that her actions were justified, made her unsuitable to hold a life agent licence.

The Hearing Committee recommends that the Licensee: be denied from holding an insurance licence for a minimum period of three years (from the date of Council's 238 order); be fined \$10,000.00, with a provision that if she makes restitution to Manulife for the full amount of the unsubstantiated claims, the fine could be reduced to \$5,000.00; and be assessed the investigative costs.

On the issue of hearing costs, the Hearing Committee noted that, in advance of the hearing, the Licensee signed an Agreed Statement of Facts and then at the hearing proceeded to deny many of these facts without providing any evidence to support her position. The Hearing Committee found that the Licensee provided no new information with regard to the unsubstantiated claims and the Licensee's request for a hearing appeared to be principally about obtaining a reduced penalty, so she could obtain a real estate licence. The Hearing Committee found the Licensee accepted no responsibility for her actions, presented no evidence to support her actions, and continued to attempt to justify them to the Hearing Committee. Based on this, the Hearing Committee recommends the Licensee be assessed the hearing costs.

Dated in Vancouver, British Columbia, on the 2nd day of June, 2015.



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Ken Kukkonen  
Chair of Hearing Committee