In the Matter of the

***FINANCIAL INSTITUTIONS ACT,* RSBC 1996, c.141**
(the "Act")

and the

INSURANCE COUNCIL OF BRITISH COLUMBIA
("Council")

and

SAHAR REZAEI
(the "Licensee")

ORDER

As Council made an intended decision on June 16, 2026, pursuant to sections 231 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 July 20, 2026; 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 and 241.1 of the Act, Council orders that:

1) The Licensee is fined $500, to be paid by November 3, 2026;

2) The Licensee is required to complete the following courses, or equivalent courses as acceptable to Council, by November 3, 2026:

    i. The Council Rules Course for Life and/or Accident & Sickness Agents; and

    ii. The Value of Errors and Omissions Insurance course, available through Advocis

    (collectively, the "Courses");

3) The Licensee is assessed Council's investigation costs in the amount of $950, to be paid by November 3, 2026; and

4) A condition be imposed on the Licensee's life and accident and sickness insurance agent licence that failure to pay the fine and investigation costs and complete the Courses by November 3, 2026, will result in the automatic suspension of the Licensee's licence, and the Licensee will not be permitted to complete the Licensee's 2028 annual licence renewal until such time as the Licensee has complied with the conditions listed herein.

This order takes effect on the **5th day of August, 2026**

Janet Sinclair, Executive Director
Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA
("Council")

Respecting

SAHAR REZAEI
(the "Licensee")

1. Pursuant to section 232 of the *Financial Institutions Act* (the "Act"), Council conducted an investigation to determine whether the Licensee acted in compliance with the requirements of the Act, Council Rules and Code of Conduct relating to allegations that the Licensee failed to maintain errors and omissions ("E&O") insurance and failed to notify Council within 5 business days that she was no longer insured as required.

2. On May 12, 2026, as part of Council's investigation, a Review Committee (the "Committee") comprised of Council members met via video conference to discuss the investigation and to allow the Licensee an opportunity to provide additional information or make further submissions. An investigation report prepared by Council staff was distributed to the Committee and the Licensee before the meeting. A discussion of the investigation report took place at the meeting, and having reviewed the investigation materials and discussed the matter, the Committee prepared a report for Council.

3. The Committee's report, along with the aforementioned investigation report, was reviewed by Council at its June 16, 2026, 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 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 held a life and accident and sickness insurance agent ("Life Agent") licence with Council since March 10, 2023. The Licensee held an authority to represent ("ATR") an agency (the "Agency") from March 10, 2023, to May 14, 2024. Since June 6, 2024, the Licensee has held an unaffiliated ATR and has been contracted with an insurer directly.

6. On October 24, 2024, Council initiated an audit after receiving notification that the Licensee's E&O insurance had lapsed on May 14, 2024. The Licensee was asked to provide copies of E&O insurance declaration pages and policies to demonstrate that she was covered under a valid E&O insurance policy after May 14, 2024.

7. On November 25, 2024, the Licensee provided an E&O insurance policy showing coverage from November 13, 2024, to June 1, 2025.

8. On February 3, 2025, the Licensee provided two E&O insurance policies covering the period from February 26, 2023, to August 14, 2023, and from August 14, 2023, to August 14, 2024. However, on March 14, 2025, the Agency confirmed to Council staff that the second policy, from August 14, 2023, to August 14, 2024, had been terminated on May 14, 2024, following the cancellation of the Licensee's ATR with the Agency. The Agency also provided a copy of its May 14, 2024, letter to the Licensee confirming her resignation from the Agency and noted that her professional liability insurance, which was issued through the Agency, would expire within 30 days of the letter. The letter was sent to the Licensee via email. The Licensee advised that this email went to her junk folder and that she did not receive it. The Licensee stated that she had received various communications via email from individuals at the Agency and did not think to check her junk folder for Agency correspondence. The Licensee stated that she did not see this email until Council staff advised her of the letter during the investigation.

9. The Licensee explained that she had been unaware that her E&O insurance had lapsed, as she believed her E&O insurance was valid until August 2024 based on the certificate date. The Licensee reiterated that she did not receive the emailed letter from the Agency and therefore did not realize her E&O insurance was terminated when she resigned from the Agency.

10. The Licensee stated that after resigning from the Agency, she took a period of personal leave and held an inactive licence from May 14, 2024, to June 5, 2024.

11. The Licensee then obtained an unaffiliated ATR with an insurer on June 6, 2024. The Licensee stated that although she held an ATR with the insurer, she again took personal leave and did not resume full-time work until November 2024, at which point she had the appropriate E&O insurance.

12. The Licensee was unable to provide any documentation of E&O insurance from June 6, 2024, to November 12, 2024.

13. On November 28, 2024, the insurer provided Council staff with a letter from the Licensee's supervisor (the "Supervisor"), who confirmed that the Licensee had not engaged in any insurance business activities between June 6, 2024, and November 12, 2024.

14. In response to further questions from Council staff, the Licensee replied on March 29, 2025, stating that she had not conducted any insurance business from June 6, 2024, to November 12, 2024.

15. On April 2, 2025, the Supervisor sent Council an email providing further information about the Licensee's E&O insurance lapse. The Supervisor stated that he believed the Licensee's E&O insurance was still active when she joined with the insurer. He further stated that the Licensee had taken personal leave and participated in training sessions between June and November 2024. During this period, the Licensee attended various training sessions, including compliance-related sessions, and the Supervisor provided supporting documentation for the training the Licensee undertook. The Supervisor stated that the Licensee only began conducting insurance activities in November 2024, once the E&O insurance had been placed.

16. At the Review Committee meeting, the Licensee's legal counsel provided context for the circumstances relating to the E&O insurance lapse. The Licensee acknowledged that she is responsible for maintaining appropriate E&O insurance, but submitted that at the time of the lapse she was a new agent who had been licensed for one year and was under supervision. The Licensee further submitted that she mistakenly believed her E&O insurance through the Agency would remain in effect for the full policy year, even though she had resigned from the Agency. The Licensee's legal counsel advised that when the Licensee was transitioning from the Agency to the insurer, the Licensee had requested her regional producer provide her information as to what documentation was needed to transfer her ATR from the Agency to the insurer. Following the Review Committee meeting, the Licensee's legal counsel provided the email chain between the regional producer at the Agency and a manager with the insurer discussing the documentation required for the ATR transfer. The correspondence did not mention E&O insurance. The Licensee further submitted that she did not receive the email notifying her of the E&O insurance termination by the Agency, as she had no reason to believe correspondence from the Agency would be directed to her junk folder, given her prior email

correspondence with individuals from the Agency. The Licensee stated that when she became aware of the E&O insurance lapse, she took immediate steps to obtain appropriate E&O insurance.

17. Additionally, the Licensee stated that although she believed she had the appropriate E&O insurance in place, she was under the assumption that, as she was not conducting insurance business and was on leave and in training, she did not require E&O insurance at the time. The Licensee's legal counsel reiterated that the Licensee was newly licensed at the time and that this lapse was not intentional but the result of an honest oversight during the Licensee's onboarding and transition from the Agency to the insurer.

ANALYSIS

18. Council found that the Licensee failed to maintain E&O insurance from June 6, 2024, to November 12, 2024. Additionally, Council concluded that the Licensee failed to notify Council within five days of the lapse in E&O insurance as required.

19. Council concluded that the Licensee's conduct amounted to breaches of Council Rule 7(11).

PRECEDENTS

20. Before making its decision in this matter, Council took into consideration the following precedent cases. While Council is not bound by precedent and each matter is decided on its own facts and merits, Council found that these decisions were instructive in providing a range of sanctions for similar types of misconduct.

21. *Harjinder Singh Sidhu* (April 2025): The licensee's E&O coverage had lapsed for a total of 914 days. In addition, the Licensee had not completed any continuing education ("CE") credits between 2019 and 2023. The licensee breached Council Rules 7(5), 7(8) and 7(11) as well as several sections of the Code of Conduct. The licensee declared that he had met CE and E&O requirements on his annual licence renewal when he had not. Council found the misdeclarations to be aggravating and applied a fine of $1,000 per licence period that the Licensee failed to complete CE credits (for a total of $4,000) and a fine of $1,000 per licence period for failing to maintain E&O coverage as required (for a total of $4,000), for a combined total of $8,000 in fines. In addition, the licensee was required to complete the outstanding CE courses, assessed investigation costs and required to provide proof of E&O coverage within 5 days of Council's order.

22. *Gina Digao Bool* (April 2024): A life agent licensee failed to complete the required CE credits for three consecutive licence periods and failed to maintain E&O coverage. The licensee was fined $4,000, representing $1,000 for each licence period she failed to complete the required CE credits, and an additional $1,000 for failing to maintain E&O coverage. Additionally, the licensee was ordered to complete the Council Rules Course, complete the outstanding CE credits and was assessed investigation costs.

23. *Jian Feng He* (August 2023): A former licensee's licence was terminated for non-renewal. While licensed with Council, the former licensee's E&O coverage had lapsed twice, once for a period of one month and once for a period of eight months. The former licensee had not written any insurance policies during the E&O coverage lapse periods. The former licensee was fined $2,000 for failing to maintain E&O coverage, was required to complete the Council Rules Course before being licensed in the future and was assessed Council's investigation costs.

24. *Maria Rhodora Banada Thomas* (October 2018): The licensee's E&O coverage lapsed. The licensee advised Council that the lapse was due to inadvertence and that she had not conducted insurance business during the lapse period. Despite finding the breach of Council Rule 7(11) was unintentional, Council imposed a $1,000 fine. This decision supports the proposition that Council will apply a minimum fine of $1,000 for breaches of Council Rule 7(11), regardless of the reasons for that breach.

25. The Licensee's legal counsel submitted that the precedents can be differentiated from the circumstances of this case, as the licensees in the precedents had been licensed for a significant time, ranging up to 13 years of licensure. Additionally, the Licensee's legal counsel noted that some of the cases involved more than one period of E&O insurance lapses or were in conjunction with other breaches. The Licensee submitted that, in her case, this was an honest mistake, and that even licensees in the industry for a significant period have confusion about their E&O insurance requirements when not conducting insurance business. Given the Licensee's lack of experience, the Licensee submitted that no discipline should be ordered.

Mitigating and Aggravating Factors

26. Council considered relevant mitigating and aggravating factors in this matter. Council found the Licensee's acknowledgment of misconduct, remorse and participation in the investigation as mitigating factors. Additionally, Council noted that the breach was isolated, which was considered a mitigating factor. Council also noted that at the time of the E&O insurance lapse, the Licensee was newly licensed and under supervision, which Council believed contributed to the Licensee's lack of

understanding of her E&O insurance requirements. Council accepted the Licensee's submissions that she did not intend to have a lapse in insurance and that she wrongly believed she continued to maintain E&O insurance through her previous Agency. Additionally, Council found it mitigating that during the lapse period, the Licensee did not conduct any insurance business.

27. Council determined it was an aggravating factor that, whether intentional or not, there are serious potential ramifications and risk of harm to the public should a licensee conduct insurance business without holding the appropriate E&O insurance. A fundamental requirement in conducting insurance business is that licensees have appropriate E&O insurance to reduce any potential public harm or risk.

CONCLUSIONS

28. Council recognizes, having reviewed the precedents, and in line with the *Thomas* case, that the approach Council has adopted for disciplining licensees who have breached the Council Rules by having a lapse in E&O insurance is to assess a "baseline" fine of $1,000 for the breach, as well as require the licensee to complete courses. In some cases, mitigating factors are identified that support a lowering of the fine.

29. Given the significant mitigating factors in this case, Council believes that a lower fine than the baseline penalty is appropriate. Council notes the importance of holding E&O insurance for the protection of the public and, although there are many mitigating factors in this case, determined that discipline is required. Council concluded that a $500 fine for the E&O insurance lapse in this case is appropriate.

30. With respect to investigation costs, Council has concluded 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 not to apply this principle in the circumstances.

INTENDED DECISION

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

    a. The Licensee be fined $500, to be paid within 90 days of Council's order;

    b. The Licensee be required to complete the following courses, or equivalent courses as acceptable to Council, within 90 days of Council's order:

        i. The Council Rules Course for Life and/or Accident & Sickness Agents; and

        ii. The Value of Errors and Omissions Insurance course, available through Advocis

        (collectively, the "Courses");

    c. The Licensee be assessed Council's investigation costs in the amount of $950, to be paid within 90 days of Council's order; and

    d. A condition be imposed on the Licensee's life and accident and sickness insurance agent licence that failure to pay the fine and investigation costs and complete the Courses within 90 days of the date of Council's order will result in the automatic suspension of the Licensee's licence, and the Licensee will not be permitted to complete the Licensee's 2028 annual licence renewal until such time as the Licensee has complied with the conditions listed herein.

32. 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

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

RIGHT TO A HEARING

34. 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 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.**

35. 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.bcfst.ca or visit the guide to appeals published on their website at guidelines.pdf.

Dated in Vancouver, British Columbia, on the **20th day of July 2026**.

For the Insurance Council of British Columbia

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Janet Sinclair
Executive Director