In the Matter of the

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

and the

INSURANCE COUNCIL OF BRITISH COLUMBIA
("Council")

and

iCARE INSURANCE BROKERS LTD.
(the "Agency")

ORDER

As Council made an intended decision on April 28, 2026, pursuant to sections 231 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 June 2, 2026; and

As the Agency has not requested a hearing of Council's intended decision within the time period provided by the Act;

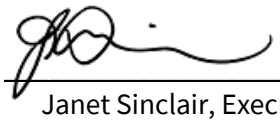
Under authority of sections 231 and 241.1 of the Act, Council orders that:

1) The Agency is fined $20,000, to be paid by September 22, 2026;

2) The Agency is assessed Council's investigation costs in the amount of $1,125, to be paid by September 22, 2026; and

3) A condition is imposed on the Agency's general insurance licence and life and accident & sickness insurance licence that failure to pay the fine and investigation costs in full by September 22, 2026, will result in the automatic suspension of the Agency's licences, and the Agency will not be permitted to complete the Agency's 2028 annual licence renewals until such time as the Agency has complied with the conditions listed herein.

This order takes effect on the **24th day of June, 2026.**



Janet Sinclair, Executive Director
Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA
("Council")

Respecting

iCARE INSURANCE BROKERS LTD.
(the "Agency")

1. Pursuant to section 232 of the *Financial Institutions Act* (the "Act"), Council conducted an investigation to determine whether the Agency acted in compliance with the requirements of the Act, Council Rules and Code of Conduct relating to allegations that the Agency failed to adhere to the authority granted by an insurer, failed to supervise licensees within the Agency and to have adequate procedures in place, and failed to ensure the Agency and its employees conducted insurance activities in line with the usual practice of the business of insurance.

2. On March 17, 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 Agency's owners an opportunity to provide additional information or make further submissions. An investigation report prepared by Council staff was distributed to the Committee and the Agency's owners before the meeting. A discussion of the investigation report took place at the meeting with the Agency's owners, 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 April 28, 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 Agency of the action it intends to take under sections 231 and 241.1 of the Act before taking any 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

5. The Agency has had a corporate general insurance licence with Council since January 22, 1990, and a corporate life and accident and sickness insurance licence since April 4, 1990. [redacted] (the "Former Nominee") was the nominee for the general insurance side of the Agency from October 9, 2009, until December 12, 2024. At the material time, the Former Nominee was a 60% shareholder of the Agency, and KM was a 40% shareholder of the Agency. At the time of the investigation, the Former Nominee was listed as the nominee for the Agency's life insurance business.

6. On December 2, 2024, the Insurance Corporation of British Columbia ("ICBC") notified Council that it had investigated the practices of the Agency and the Former Nominee.

7. On December 12, 2024, the Agency removed the Former Nominee from the position of nominee for the general insurance business and appointed a temporary nominee.

8. On December 18, 2024, Council's investigator met with ICBC's Senior Manager of Broker Accounts, to learn more about ICBC's investigation. ICBC's Senior Manager of Broker Accounts advised that ICBC had suspended the Former Nominee from conducting ICBC business and that a draft decision was being prepared. On December 19, 2024, Council's investigator provided ICBC with a production order for information related to its investigation.

ICBC Investigation

9. On January 6, 2025, ICBC provided various documents relating to its investigation. Within the documentation was an evidence package relating to the Agency and the Former Nominee. ICBC's report stated that an investigation was conducted into transactions between January 1, 2019, and July 1, 2024. The ICBC investigation focused on 649 policies with optional coverage placed by the Agency. The Former Nominee had completed 591 of the 649 optional coverages, of which 96.8% of were removed within 7 days of the initial transactions, resulting in commissions of $126,078.42.

10. The ICBC investigation found common patterns within the transactions: the customers had not purchased ICBC optional coverage in prior years; the customers used ICBC payment plans; the optional coverages were removed from the policies, often the same day or the next day; and the signatures for the transactions did not match those of the customers. These patterns suggested that the policies were being targeted so the broker could process the policy or coverage using the customer's existing payment plan information, thereby earning commission on the ICBC optional coverage. Shortly after the optional coverage was issued, but before any withdrawal occurred from the customer's bank account, the Former Nominee removed the coverage and adjusted the payment

plan withdrawal amount. The implicated customers may not have even been aware of the initial renewal transaction, and only saw and signed the final mid-term change transaction, with the reduced bank account withdrawal paperwork. Subsequent investigations by ICBC's Special Investigations Unit ("SIU") contacted a sampling of these customers, who confirmed they had optional insurance with private insurers and had never asked for ICBC optional coverage.

11. Included in the documents was a letter from ICBC dated September 13, 2024, prohibiting the Former Nominee from conducting ICBC Autoplan business and accessing ICBC's broker connect pending the outcome of its investigation.

12. Additionally, there was a document package for AA, a licensee within the Agency, investigating AA's ICBC transactions between January 1, 2019, and September 1, 2024, where policy renewals and policy changes occurred before the effective date. These policies were renewed at a higher rate class, and a policy change was issued at a lower rate class. ICBC flagged 31 rate change transactions conducted by AA during its investigation. ICBC also flagged that AA completed 10 optional coverage removals.

13. The SIU report noted ICBC had attempted to conduct interviews with nine customers identified in the investigation. The SIU report included two customer interviews. One customer reported that they had purchased auto insurance from the Agency for approximately three to four years and had optional insurance from a private insurer for the last five years. The customer had no knowledge of purchasing ICBC optional insurance from the Former Nominee. The second customer reported that they renewed their insurance at the Agency, purchased basic ICBC insurance, and purchased optional coverage, presumably from a third-party insurer from the Agency. The customer had no knowledge of purchasing ICBC optional coverage. The report identified that the Agency ratio for "Short Term Cancellation" (transactions where policies are cancelled shortly after a new submission or renewal) was 1.6 times higher than the provincial average. For "Optional Coverage Removal" (transactions where core optional coverages were purchased on a submission or renewal and subsequently removed shortly after), the Agency ratio was 16.5 times higher than the provincial average.

14. As part of ICBC's SIU investigation, an interview took place on September 10, 2024, with NN, the Agency's office manager at the time. NN stated that he had noticed suspicious transactions in Autolink and *"stumbled upon the double dipping"* of commissions. He noticed a reduction in coverage on the ICBC side, and that it was then put with Insurer X (the only private auto insurance provided by the Agency) as if it were a new policy. NN stated that the Former Nominee would renew policies and then two minutes later remove the coverage. NN also noted that the Agency had failed three ICBC audits in the two years he was at the Agency. NN stated that another licensee within the Agency voiced concerns about being on probation after one of the failed ICBC audits for conducting business for the Former Nominee, and that the Former Nominee told the agent to *"just keep doing what you are doing."*

NN also expressed concerns regarding the Former Nominee's practice of renewing and cancelling policies, noting that a customer would have to sign a document indicating that they were cancelling the ICBC optional coverage, and suspected that the customers were unaware of what the Licensee was doing. NN stated that he *"has personally seen [the Former Nominee] forge documents"* and *"the disregard for policy and procedure [by the Former Nominee] has no bounds."*

15. On December 11, 2024, ICBC made its decision relating to its investigation of the Agency and the Former Nominee. It was noted again that between January 1, 2019, and July 1, 2024, the Agency placed collision and comprehensive coverage (the Optional Coverage) on 649 policies and used the customers' existing payment plans, but without the knowledge of the customers, with 591 of the transactions being placed by the Former Nominee. Shortly after the coverage was issued and before funds were withdrawn from the customers' bank accounts, the Agency, through the Former Nominee, removed coverage and adjusted the payment plan withdrawal amounts, again without the customers' knowledge. It was further noted that during the investigation of batched documents from mid-December 2022 to September 13, 2024, the Former Nominee's transactions included owner signatures on the renewal and change documents that were noticeably different from or that did not match the original client signatures. It was further noted that none of the documents included an attached email consent from customers. In cases where there were joint policies, there is a requirement that both signatures be obtained, but in the Former Nominee's transactions, the second signature was missing.

16. ICBC noted in its letter that the Former Nominee, KM and Agency accepted full responsibility for the allegations set out by ICBC, except for the allegation that the Agency failed to keep relevant documents at its premises, which the Agency attributed to space constraints. ICBC did not make a determination on that allegation. KM stated that she was a minority shareholder and was not aware of the Former Nominee's actions. Lastly, from January 1, 2019, to September 1, 2024, it was noted that AA issued 31 renewals with a higher rate class and then, before funds were withdrawn, completed a policy change to a lower rate class.

17. ICBC found that the Agency breached its agreement with ICBC. Specifically, ICBC noted that the Agency failed to comply with ICBC's Autoplan Manual requirements for obtaining customer consent and signatures. ICBC noted that the Agency failed to take any steps to ensure its staff adhered to the terms set out in the Autoplan Manual. ICBC found that the Agency failed to act faithfully in ICBC's best interests, failed to protect ICBC's interests and failed to avoid conflicts of interest with ICBC.

18. As a result, ICBC required that the Former Nominee cease to have any role, authority, duties or managerial duties or otherwise within the Agency, and that the Former Nominee not engage in any Autoplan business directly or indirectly. ICBC also required the Agency to confirm and ensure that the Former Nominee dispose of and not hold any shares in the Agency. ICBC required the Agency to repay

$131,204.67 for the inappropriately collected commissions for optional coverage removals and rate class reductions. ICBC also required the Agency to pay $3,287.45 for violations, as well as $10,000 for partial reimbursement of ICBC's administrative costs associated with its investigation. ICBC also requested that the Agency provide a detailed plan to improve its management.

Council's Investigation

19. In response to Council's inquiries, the Former Nominee's legal counsel provided a written response on behalf of the Former Nominee dated February 14, 2025. The Former Nominee stated that *"he was entrusted to act in [the customers'] best interests which included exercising his discretion relating to renewing, changing or canceling their insurance."* Although the Former Nominee admitted he did not have the required documentation, he maintained that he never acted contrary to his customers' best interests. The Former Nominee stated that *"customers obtain optional coverage from other insurance companies after initially securing optional coverage with ICBC, there is nothing in the agency agreement nor any practice or published guidance in the industry to the effect that ICBC can claw back initial commissions."* The Former Nominee further stated that *"it is well understood that customers are free to renew their ICBC auto insurance policy with full ICBC coverages and then remove or delete the optional coverages at any time and for any reason, including the availability of comparable or better coverage with lower premiums."* The Former Nominee maintained that although he did not have customers sign the documents, he had their *"express or implied consent to process their ICBC insurance and any changes necessary."* Additionally, the Former Nominee admitted to processing his own ICBC transactions for his corporation, which he now realizes was a mistake and an error in judgment. The Former Nominee denied that the Agency failed to take any reasonable steps to ensure that Agency staff adhered to ICBC's instructions and guidelines.

20. On February 6, 2025, Council's investigator received a statement from AA regarding this investigation. AA stated that he conducted transactions under the direction of the Former Nominee and trusted the Former Nominee's judgment as his supervisor. On March 19, 2025, AA attended an interview with Council's investigator. AA stated that he personally saw the Former Nominee conduct transactions without the customer's knowledge, as the Former Nominee explained that the clients *"trust you"* and *"you just take care of the whole account so that you have control."* AA maintained that he had not conducted the optional coverage transactions, but he had conducted the rate class reduction transactions. AA stated that the Former Nominee told him that the practice of conducting the policies in this manner was fine because the customer could change their mind later. AA claimed that he witnessed a former colleague being fired because they had not done what the Former Nominee asked, and that the Former Nominee advised employees not to follow ICBC's two-step consent process because it took too long. AA advised that when he brought his concerns up to KM, she explained that

she had a complicated business partnership with the Former Nominee and that nothing came of these discussions.

21. The Former Nominee denied instructing AA to complete the rate class reduction transactions.

22. On April 1, 2025, KM was interviewed by Council's investigator. KM stated that she had an *"inkling"* about what the Former Nominee was doing, but only became certain after walking by an employee's desk and overhearing them mention rate class changes. When KM asked about it, the employee explained that the Former Nominee was completing rate changes in this manner. KM stated that after learning this, she questioned NN about the rate class reduction transactions, and NN advised her that he had found "double-dipping transactions" involving optional coverage changes. KM stated that the Former Nominee was cultivating bad habits within the Agency. She stated that she told AA and other agents within the Agency not to follow the Former Nominee's lead, but they continued to do so because he was their boss. KM further recalled an instance where the Former Nominee instructed an agent to tell an out-of-province customer to go to another agency because serving them would take too long. KM stated that she never saw the Former Nominee complete the optional coverage transactions or forge signatures.

23. Between April 16, 2025, and May 21, 2025, KM sent Council's investigator several client documents. Consolidated information for nine cases where a client was renewing with both ICBC and Insurer X showed that in 100% of the cases, the renewal transaction with Insurer X occurred before the ICBC renewal transaction. There were two years of auto-renewal data for two clients. It was observed that the clients' ICBC policies had been renewed with Optional Coverage, even though this coverage had not previously been included on their policies. Additionally, the clients already held Optional Coverage through Insurer X at the time the ICBC renewal took place.

24. Council's investigator interviewed NN on March 12, 2025. While reviewing transactions, NN noticed irregularities, particularly in ICBC Autoplan policies. He observed a recurring pattern where, for new business, ICBC policies were initially loaded with full coverage and then cancelled or reduced before being replaced with a policy from Insurer X. For renewals, ICBC coverage was temporarily increased at renewal, then removed, and similarly replaced with coverage from Insurer X. However, he stated that policies with Insurer X were often prepared 30 to 40 days in advance. NN also stated that he personally saw the Former Nominee forge documents, and that the Former Nominee's explanation to him was that *"it's just a piece of paper, it doesn't mean anything."*

25. At the Review Committee meeting, KM explained that she continues to be a minority shareholder of the Agency and that TW currently holds the majority shares of the Agency. TW and the current operations manager discussed the changes within the Agency that have been introduced since TW

became a shareholder. KM and TW felt confident in the new office environment and culture, noting that such transactions would not occur again. At the Review Committee meeting, KM acknowledged that during the material time, the Former Nominee was responsible for training new licensees within the Agency.

26. KM stated that AA told her that the Former Nominee completed rate class changes all the time. As a result of that comment, KM approached NN, who advised her that the Former Nominee was completing the rate class changes and other inappropriate transactions. KM stated that she advised AA and other licensees within the Agency to stop engaging in this behaviour, but admitted she did not have a record of any conversations she had with AA or other Agency staff in which she told them not to engage in practices they witnessed the Former Nominee complete. KM stated that the licensees within the Agency did not know what to do because they felt they had to listen to the Former Nominee. KM acknowledged that she did not take any formal steps to stop the Former Nominee from engaging in this practice, but stated that she did not understand the extent to which the Former Nominee was conducting his insurance business inappropriately.

ANALYSIS

27. Council determined that the Agency failed to act in good faith, in a trustworthy and competent manner, and in accordance with the usual practice of dealing with clients and insurers. Council further concluded that the Agency permitted improper insurance transactions, such as the removal of optional coverage and rate class reductions within a short time frame, to occur within the Agency. Council has concerns that, although the licensees within the Agency were aware of the Former Nominee's conduct, KM, as a shareholder of the Agency, did not take any formal steps to address the conduct. KM admitted that she had an *"inkling"* of what the Former Nominee was doing and that her suspicion was confirmed when she overheard Agency staff discussing the rate class changes.

28. Council noted that there is no record of the Agency holding meetings or providing notices to staff advising them not to conduct transactions in this manner. Even if there was some evidence to suggest that the Agency advised the staff to stop conducting transactions in this manner, the Agency did not take any steps to rectify the Former Nominee's actions. KM stated that Agency employees did not know what to do because the Former Nominee was their boss and they felt obligated to listen to him. Council concluded that the Agency failed to take appropriate steps to ensure compliance with proper procedures and make sure that licensees within the Agency were meeting required standards. Additionally, the Agency failed to maintain appropriate records of the insurance transactions flagged by ICBC.

29. Council determined that the Agency was aware that the Former Nominee was forging client signatures but did not take any steps to correct this behaviour. Council concluded that the Agency, by its failure to act, allowed the practice of signing on behalf of clients or forging client signatures to occur within the Agency.

30. Although the Former Nominee was the majority shareholder of the Agency and participated in the majority of the misconduct, the Agency still had a responsibility to act in a trustworthy manner and in good faith to insurers and clients. Practices such as forging client signatures do not demonstrate trustworthiness. Additionally, the manner in which the ICBC optional coverages and rate reductions were conducted was intended to benefit the Former Nominee by enabling him to gain commissions, to the detriment of ICBC. Council found that the exploitation of a loophole, in which ICBC did not claw back commissions, was the reason these transactions occurred.

31. Council concluded that the Agency allowed an environment of non-compliance with ICBC guidelines to exist and allowed the Agency to act in a manner contrary to the Act, Council Rules and Code of Conduct. The lack of action to address the Former Nominee's conduct was a failure of the Agency that allowed other licensees to conduct insurance business inappropriately.

32. Council concluded that the Agency breached Council Rule 7(8), 7(9) and Code of Conduct section 3 ("Trustworthiness"), section 4 ("Good Faith"), section 5 ("Competence"), section 7 ("Usual Practice: Dealing with Clients") and section 8 ("Usual Practice: Dealing with Insurers").

PRECEDENTS

33. 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.

34. *Capstone Insurance Services Ltd.* (December 2024): concerned an agency that was issuing full coverage ICBC Autoplan annual policies that were then cancelled on the same day or the next day. As a result of these transactions, ICBC paid a large amount of commissions to the agency's agents and merchant fees for the credit card transactions. The agency processed at least 27 transactions involving purchases and cancellations on the same policy within 48 hours. Council found that the agency failed to conduct insurance activities with integrity and demonstrated a lack of due diligence and an incredible amount of willful blindness. By ignoring the trends of the transactions, the agency did not carry on the business of insurance in good faith and was not faithful to its duties and obligations as an

insurance licensee. Additionally, Council found that the agency's actions demonstrated a lack of due diligence in that it failed to properly oversee and address the suspicious transactions. As a result, Council ordered a $20,000 fine against the agency and imposed a condition that a full-time level 3 general agent must be in regular attendance at any branch of the agency at which the nominee does not regularly attend. In addition, the agency was assessed investigation costs.

35. *Ken Armstrong & Sussex Insurance Agency* (April 2024): concerned a nominee and agency that were alleged to allow insurance transactions to be completed by agency employees that extended beyond their licensure and/or authority with the insurers, and to have failed to supervise the agency and ensure employees operated in accordance with the conditions and restrictions on their licences. Council had concerns about whether there were appropriate procedures and policies in place within the agency and found that the misconduct of licensees within the agency demonstrated a lack of supervision and oversight by the agency and the nominee. Council concluded that the nominee held equal responsibility for the failure of the agency regarding unlicensed activities. Council ordered a fine of $5,000 against the nominee, required the nominee to take courses and ordered a fine of $20,000 against the agency. The agency and nominee were jointly assessed the investigation costs.

36. *Maxxam Insurance Services (Burnaby) Ltd. and John Alexander Dewar* (June 2021): concerned an insurance agency and nominee who permitted improper insurance transactions regarding vehicle replacement insurance at motor vehicle dealerships, failed to provide adequate disclosure to clients, and failed to adequately supervise general insurance salespersons and agents regarding the sale of vehicle replacement insurance. The agency and nominee allowed general insurance salespersons to sell vehicle replacement insurance contrary to the Council Rules and applicable licence restrictions. Council did not find relevant mitigating factors for the agency; however, Council found that the nominee's lack of prior disciplinary history was a mitigating factor. The agency was fined $20,000 and the nominee was fined $5,000. Further, the agency was prohibited from appointing any nominee who concurrently acts for any other insurance agency, and the agency was required to appoint nominees who had successfully completed the "Duties and Responsibilities for level 3 Agents and Nominees in BC" course. The nominee had his general insurance licence downgraded from level 3 general insurance agent to level 2 general insurance agent for a two-year period and was required to complete the Council Rules Course and the "Duties and Responsibilities for Level 3 Agents and Nominees in BC" course. The agency was assessed investigation costs, and the nominee and agency were jointly and severally assessed hearing costs.

MITIGATING AND AGGRAVATING FACTORS

37. Council considered whether there were any mitigating and aggravating factors in this matter. Council found the Agency's co-operation with the investigation mitigating. Additionally, Council found it

mitigating that the Agency acknowledged the misconduct. Council determined that it was aggravating that the Agency allowed this misconduct to take place over an extended period of time.

CONCLUSIONS

38. After weighing all of the relevant considerations, Council found the Agency to be in " of the Council Rules and the Code of Conduct. Although the Agency has taken steps to address the misconduct with its new owners, this does not alleviate the fact that the Agency failed to act. The failure of the Agency to address the issues put the Agency's licensees in jeopardy by allowing and teaching inappropriate behaviour and practices that were not in line with the usual practice of the business of insurance.

39. Council reviewed the precedents and found the *Capstone and Sussex* cases to be the most informative. Council determined that based on the precedents an appropriate fine against the Agency is $20,000.

40. With respect to investigation costs, Council has concluded that these costs should be assessed to the Agency. 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

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

    a. The Agency be fined $20,000, to be paid within 90 days of Council's order;

    b. The Agency be assessed Council's investigation costs in the amount of $1,125, to be paid within 90 days of Council's order; and

    c. A condition be imposed on the Agency's general insurance licence and life and accident & sickness insurance licence that failure to pay the fine and investigation costs in full within 90 days will result in the automatic suspension of the Agency's licences, and the Agency will not be permitted to complete the Agency's 2028 annual licence renewals until such time as the Agency has complied with the conditions listed herein.

42. 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

43. 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

44. 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 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.**

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

Dated in Vancouver, British Columbia, on the **2nd day of June, 2026**.

For the Insurance Council of British Columbia

Per Janet Sinclair
Executive Director