

In the Matter of

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

and

The INSURANCE COUNCIL OF BRITISH COLUMBIA
("Council")

and

PATRICIA LOUISE SISSONS
(the "Licensee")

ORDER

Pursuant to section 237 of the Act, Council convened a hearing at the request of the Licensee to dispute an intended decision of Council, dated April 28, 2017.

The subject of the hearing was set out in a Notice of Hearing dated August 15, 2017.

A Hearing Committee heard the matter on August 22, 2017, and presented a Report of the Hearing Committee to Council at its November 14, 2017 meeting.

Council considered the Report of the Hearing Committee and made the following order pursuant to sections 231, 236, and 241.1 of the Act:

1. The Licensee's general insurance licence is suspended for a period of six months, commencing on **December 12, 2017** and ending at midnight on **June 11, 2018**.
2. The Licensee's general insurance licence is amended to a Level 1 general insurance salesperson licence (from a Level 2 general insurance agent licence) for a period of 24 months after she has completed the licence suspension.
3. A condition is imposed on the Licensee's general insurance licence that requires her to successfully complete the Council Rules Course by no later than **June 11, 2018** or her general insurance licence will remain suspended without further action from Council.
4. The Licensee is assessed Council's hearing costs of \$4,777.87.

Order
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5. A condition is imposed on the Licensee's general insurance licence that requires her to pay the above-ordered hearing costs by no later than **June 11, 2018**. If the Licensee does not pay the ordered hearing costs in full by this date, the Licensee's general insurance licence will remain suspended without further action from Council and the Licensee will not be permitted to complete any subsequent annual filings until such time as the ordered hearing costs are paid in full.

This order takes effect on the **12th day of December, 2017**.



Michael Connors, CIP, CRM
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

PATRICIA LOUISE SISSONS
(the “Licensee”)

Date: August 22, 2017
9:30 a.m.

Before: Darlene Hyde Chair
Jason Baughen Member
Nicole Federucci Member

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

Present: David McKnight Counsel for Council
Patricia Louise Sissons Licensee

BACKGROUND AND ISSUES

The purpose of the hearing was to determine whether the Licensee failed to act in accordance with Council Rules when she:

- a) conducted an Insurance Corporation of British Columbia (“ICBC”) Autoplan insurance transaction for a client who took possession of a newly issued ICBC licence plate decal without providing payment for the insurance and then failed to disclose this to her agency or to ICBC, and
- b) provided misleading or false statements to her agency when asked about this transaction and the missing ICBC licence plate decal.

Council initially considered the allegations against the Licensee at its meeting on March 14, 2017, and provided the Licensee with written reasons for its intended decision on April 28, 2017.

In response to the intended decision, the Licensee requested a hearing, pursuant to section 237(3)(b) of the Act. The Hearing Committee has the authority to determine if the allegations against the Licensee bring into question her suitability to continue to hold a licence and/or warrant disciplinary action.

The Hearing Committee was constituted pursuant to section 223 of the Act and 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
- Exhibit 3 Nine Character References

AGREED STATEMENT OF FACTS

The Licensee currently holds a Level 2 general insurance agent licence and has been licensed in British Columbia for approximately 30 years.

From October 1, 2008 to July 20, 2015, the Licensee was authorized to represent a general insurance agency (the "Agency"). On July 23, 2015, the Licensee obtained the authority to represent another unrelated general insurance agency.

On June 28, 2015, the Licensee prepared and printed motor vehicle insurance documents and issued an ICBC licence plate decal (the "Decal") in anticipation of a client (the "Client") attending the Agency to sign the insurance documents and pay the policy premium. When the Client failed to attend the Agency, the Licensee voided the transaction.

Several days later, the Client informed the Licensee that he still wanted the motor vehicle insurance, so on July 11, 2015, the Licensee again prepared the motor vehicle insurance documents and issued the Decal.

The Client was unable to attend the Agency and the Licensee arranged for the Client to attend at her home to complete the insurance transaction.

In preparing the insurance documents on the second occasion, the Licensee noticed there was a debt of \$167.00 (the "Debt") which the Client was required to pay to ICBC before the insurance transaction could be processed. In order to proceed with the insurance transaction, the Licensee indicated that the Debt had been paid. It was the intention of the Licensee to have the Client pay the Debt, when she met with him to complete the motor vehicle insurance transaction.

The Licensee states this was her usual practice in such situations, as it assisted the customer by avoiding the need for the customer to have to come into the Agency office in advance of the transaction. The Licensee stated that she had taken similar action in the past and had always collected the debt at the time of the processing the motor vehicle insurance transaction. Despite having not received the Debt payment from the Client, the Licensee subsequently paid the Debt with her own money.

As arranged, the Client came to the Licensee's home on July 11, 2015 to execute the motor vehicle insurance documents. While processing the transaction, the Client told the Licensee that he needed to go to his vehicle to retrieve additional money to pay the premium and the Debt. The Licensee was distracted by her pager and did not notice that the Client took the motor vehicle insurance documents and the Decal with him. The Client proceeded go to his vehicle and drove away with the motor vehicle insurance documents and Decal without paying the premium or the Debt.

On July 12, 2015, the Licensee attempted to contact the Client to either collect the insurance premium or retrieve the motor vehicle insurance documents and the Decal but was unsuccessful. After not being able to contact the Client, on July 15, 2015, the Licensee voided the insurance transaction.

In deciding to void the insurance transaction, the Licensee did not advise the Agency or ICBC of the failed motor vehicle insurance transaction and the missing documents and Decal, nor did she report the theft to the police.

On July 20, 2015, the Licensee ceased to represent the Agency where the transactions occurred and moved to another insurance agency on July 23, 2015.

On July 21, 2015, the Agency contacted the Licensee after an audit of her inventory identified that the Decal was missing. The Licensee told the Agency that she had the Decal in her possession and would return it the next day. The Licensee subsequently advised the Agency that she had returned the Decal to the Agency prior to her departure, which she knew was not true. When the Licensee failed to return the Decal to the Agency, it reported the Decal missing to ICBC on August 5, 2015.

On or about November 16, 2015, the Client contacted the Agency to advise that he had been stopped by the police because his vehicle was displaying an invalid or stolen Decal.

LICENSEE'S TESTIMONY

The Licensee stated the first time she prepared the Client's motor vehicle insurance documents, the Debt was not there. It appeared the second time she processed the motor vehicle insurance transaction on the ICBC database. She explained that the Client wanted to pay with cash, so, without discussing it with the Client first, she marked the Debt as paid in the ICBC database, so she could print the motor vehicle insurance documents. ICBC insurance documents cannot be printed if there is an outstanding debt.

The Licensee explained she did this to save her from having to travel back and forth between the Agency and the Client, because the motor vehicle insurance documents could only be printed at the Agency. The Licensee stated she had done this for clients in the past who pay with cash and she had not experienced any problems.

The Licensee confirmed that it is still her practice to override an ICBC debt owing prior to collecting payment in order to print the insurance documents. She was trained to do this early in her career, and except for the Client, she has not had any issues with this practice in her 30-year career.

The Licensee explained that when she met with the Client at her home, she did not notice the Client had taken the motor vehicle insurance documents and Decal when he went to his vehicle to get the money to complete the transaction. By the time the Licensee realized the insurance documents and Decal were missing, the Client was driving away. The Licensee believed she could either collect the outstanding premium and Debt or retrieve the Decal, so delayed voiding the second transaction for four days.

The Licensee stated that the reason she never contacted ICBC regarding the incomplete insurance transaction and missing Decal was because she believed ICBC had been informed by the Agency. To support her statement, the Licensee produced a text she received from her supervisor at the Agency which stated:

"Pat, you have till noon to bring July 2016 decal. If I do not have it by noon, we will be deducting \$200 as per Gary Chiu. I already told him that you are holding on to that decal."

The Licensee acknowledged that in fact she did not have the Decal, but took no steps to correct the Agency's or ICBC's understanding of what had occurred to the Decal. The Licensee kept hoping that she would reach the Client or locate the vehicle. The Licensee explained that had she located the Client's vehicle she would have removed the Decal herself.

The Licensee admitted that she should have reported the missing decal to the police, but did not think of it at the time.

The Licensee was adamant she had submitted both voided ICBC documents to the Agency. She explained that she retains copies of all her clients' insurance documents before submitting them to the Agency, along with a record of what she submitted. The Licensee said that although she recalls keeping copies, she explained that she recently moved and was unable to locate them. The Licensee stated that she has thousands of clients and has retained copies of all transactions she has processed, making it difficult to locate these two transactions. The Licensee confirmed she is still in possession of all these insurance documents, which cover most of her career and were collected while representing a number of insurance agencies.

The Licensee acknowledged that she failed to report the Decal stolen and subsequently lied to the Agency about the whereabouts of the Decal. However, in acknowledging her misconduct, the Licensee argued that the penalty proposed in Council's intended decision is too high, as she does not have the means to pay the fine and cannot afford living expenses without her insurance income while her licence is suspended. The Licensee provided no evidence to demonstrate why the initial penalty was inappropriate or inconsistent with past Council decisions.

FINDINGS OF THE HEARING COMMITTEE

After reviewing the exhibits and testimony of the Licensee, the Hearing Committee found that the Licensee acted improperly when she reported a client had paid an outstanding fine when he hadn't, so she could print ICBC insurance documentation; failed to report the loss or theft of a Decal; and lied about the stolen decal when contacted by her Agency, thereby allowing an uninsured vehicle to operate for four months.

The Hearing Committee found the Licensee's practice of falsely recording that an ICBC debt had been paid without first collecting the funds or consulting ICBC was contrary to ICBC's procedures and was not consistent with the usual practice of the business of insurance.

Of greater concern to the Hearing Committee was what the Licensee did or didn't do after the Client took the insurance documents and Decal without paying. The Hearing Committee noted that the Licensee had an obligation to report this immediately to the Agency, ICBC and probably the police. Instead the Licensee opted to try and reach the Client to collect the outstanding premium or the Decal. Once she was unsuccessful, the Licensee opted to void the transaction but still did not report the theft of the insurance documents and Decal.

In doing this the Licensee allowed the Client to use the insurance documents and Decal even though she knew he was not insured. As a result, the Client operated an uninsured

vehicle for approximately four months. Had the Client not been caught by police, he would have continued to operate an uninsured vehicle and could have been involved in a motor vehicle accident.

The Hearing Committee found the Licensee's failure to report the stolen Decal most concerning. The Licensee is an experienced insurance agent who should have appreciated the consequences of allowing an individual to continue to operate an uninsured vehicle. By failing to properly report the stolen Decal, the Licensee put the Client, the public and the Agency at risk. By doing so the Licensee brought into question her competency, her ability to act in good faith and her ability to act in accordance with the usual practice of the business of insurance.

The Hearing Committee noted that the Licensee had a number of opportunities to report the theft to the Agency or ICBC but each time she didn't. The Hearing Committee found the Licensee never adequately explained why she did not report the stolen Decal. In fact, when contacted about the Decal by the Agency, the Licensee took steps to cover up the stolen Decal by providing false and misleading information. The Licensee only acknowledged what had occurred after the Client was stopped by the police. The Hearing Committee found the Licensee's attempt to mislead and lie to the Agency brought into question her trustworthiness and ability to act in good faith.

The Hearing Committee was troubled to learn the Licensee keeps confidential client information at her home without the knowledge and consent of the agency she represents or her clients. The Hearing Committee noted that this practice was in breach of Council's Code of Conduct and her clients' privacy, and raised questions about her competency. The Hearing Committee was also concerned by the Licensee's admission that she was unable to locate some of the insurance documents relevant to this matter, raising even greater concerns about this information being in her possession.

The Hearing Committee noted that the Licensee has close to 30 years of insurance experience and knew, or ought to have known, the importance of reporting the stolen Decal and the risk of allowing the Client to drive without valid insurance. The subsequent attempts to hide the theft from the Agency and ICBC is an aggravating factor that goes to the heart of the Licensee's suitability.

The Hearing Committee was concerned that the Licensee's practices do not appear to have changed since this incident, leaving the Hearing Committee to believe she would not act differently in the future.

The Hearing Committee concluded that the Licensee's actions brought into question her competency, her trustworthiness, her ability to act in good faith and in accordance with the usual practice of the business of insurance.

The Licensee's attendance at the hearing was solely to argue penalty, stating her financial situation made any fine and suspension unreasonable. The Hearing Committee considered the Licensee's financial concerns, but found that it could not excuse her conduct on the basis of financial hardship.

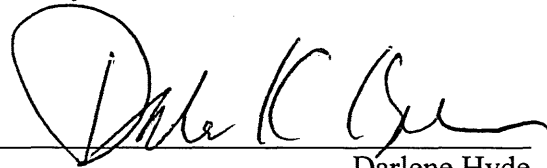
PENALTY

The Hearing Committee recommends Council consider the following penalty:

1. The Licensee receive a minimum six-month licence suspension.
2. Amend the Licensee's licence to a Level 1 general insurance salesperson (from a Level 2 general insurance agent) for a period of 24 months after she has completed the licence suspension.
3. The Licensee be required to complete the Council Rules course.

With regard to hearing costs, the Hearing Committee found the Licensee's only argument for a reduced penalty was financial hardship. The Licensee did not introduce any new evidence that had not already been considered at the intended decision stage, nor did she identify any past Council decisions to support her request for a lighter penalty. The Hearing Committee concluded the Licensee should be assessed all or part of Council's hearing costs and that Council could consider whether it was appropriate to allow the Licensee to pay these costs in monthly instalments.

Dated in Vancouver, British Columbia, on the 12th day of December, 2017.



Darlene Hyde
Chair of Hearing Committee