

In the Matter of

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

and

The INSURANCE COUNCIL OF BRITISH COLUMBIA
(“Council”)

and

ALL WRITE INSURANCE SERVICES (2013) LTD.
(the “Agency”)

ORDER

As Council made an intended decision on May 17, 2016, pursuant to sections 231, 236, 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 July 29, 2016; 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, 236, and 241.1 of the Act, Council orders:

1. The Agency is fined \$5,000.00.
2. The Agency is assessed Council’s investigative costs of \$500.00.
3. A condition is imposed on the Agency’s general insurance licence that requires the Agency to pay the above-ordered fine and investigative costs no later than **November 17, 2016**. If the Agency does not pay the ordered fine and investigative costs in full by this date, the Agency’s general insurance licence is suspended as of **November 18, 2016**, without further action from Council and the Agency will not be permitted to complete any subsequent annual filings until such time as the ordered fine and investigative costs are paid in full.

This order takes effect on the **17th day of August, 2016**.



Dr. Eric Yung
Chairperson, Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA
(“Council”)

respecting

ALL WRITE INSURANCE SERVICES (2013) LTD.
(the “Agency”)

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.

As part of Council’s investigation, on April 11, 2016, a Review Committee (the “Committee”) met with Annparit Anna Dua (the “Nominee”) to discuss allegations that the Agency engaged in unlicensed insurance activities after its licence was terminated for failing to submit its annual filing.

The Committee was comprised of one voting member and three non-voting members of Council. Prior to the Committee’s meeting with the Nominee, an investigation report was distributed to the Committee and the Nominee for review. A discussion of this report took place at the meeting and the Nominee 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 Nominee, the Committee prepared a report of its meeting for Council.

The Committee’s report, along with the aforementioned investigation report, were reviewed by Council at its May 17, 2016 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 Agency of the action it intends to take under sections 231, 236, 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

The Agency has held a general insurance licence in British Columbia since August 2013. The Nominee is one of two directors of the Agency and holds a 50% ownership position in the Agency. There are three licensees authorized to represent the Agency, including the Nominee.

The Agency's general insurance licence was terminated effective July 31, 2015, after it failed to submit its 2015 annual filing with Council, in accordance with Council Rules. The Nominee was notified of the termination in writing by Council.

The Nominee acknowledged receipt of the notification from Council, but relied on others to reinstate the Agency's licence. The Nominee stated she did not read Council's notification that the licence was terminated, as it was typical for the Agency's accountant to review mail addressed to the Agency.

On August 20, 2015, the accountant advised the Nominee that the Agency's general insurance licence was terminated, but the Nominee left it to the accountant to ensure the licence was reinstated. The Nominee acknowledged that she did not cease conducting insurance activity at the Agency after the Agency's licence was terminated. On October 8, 2015, Council again contacted the Nominee to advise that the Agency's licence was still terminated, and informed the Nominee that Council required a written explanation as to why the Agency failed to submit its annual filing. Despite this, the Agency continued to engage in unlicensed activity. By the end of October 2015, the Nominee provided Council with the information required and the licence was reinstated.

Further, in August 2015, while the Agency's licence was terminated, a licensee, who did not have authority to represent the agency ("ATR"), conducted insurance activities on behalf of the Agency.

ANALYSIS

Council was concerned about the lack of policies and procedures within the Agency that resulted in a licensee without an ATR being permitted to conduct insurance activities on behalf of the Agency. Council found the Nominee should have been aware the licensee did not have an ATR with the Agency, and found this demonstrated the Nominee's lack of knowledge of Council Rules, and a lack of supervision and oversight.

With regard to the termination of the Agency's general insurance licence, Council found the Agency and the Nominee failed to take appropriate action once they became aware that the Agency was no longer licensed. The Nominee was aware of the Agency's licence termination as early as August 20, 2015, but allowed the Agency to continue to conduct insurance activities, while relying on others to ensure the licence was reinstated, without any follow up.

While Council accepted that the Nominee held an honest, but mistaken, view that the licence would be reinstated quickly, it noted that this did not justify the failure to take appropriate action to cease all insurance activity. The fact that the Agency engaged in unlicensed activity for almost three months makes this failure even more egregious.

In coming to a disposition regarding the Agency, Council considered its prior decisions *N.G. Williams & Associates Ltd.*, *Family Insurance Solutions Inc.*, and *Kensington Insurance Services Ltd.* In each of these cases, unlicensed agency staff were permitted to conduct insurance business. Council also considered its prior decision *World Financial Group Insurance Agency of Canada Inc.*, where the agency failed to cease insurance business when its licence was suspended. Council noted that fines for unlicensed activities in those matters ranged from \$5,000.00 to \$15,000.00.

INTENDED DECISION

Pursuant to sections 231, 236, and 241.1 of the Act, Council made an intended decision to:

1. Fine the Agency \$5,000.00.
2. Assess the Agency Council's investigative costs of \$500.00.

The Agency is advised that, should the intended decision become final, the fine and investigative costs will be due and payable within 90 days of the date of the order. In addition, failure to pay the fine and investigative costs within the 90 days, will result in the automatic suspension of the Agency's general insurance licence and the Agency will not be permitted to complete any annual filing until such time as the fine and investigative costs are paid in full.

The intended decision will take effect on **August 17, 2016**, subject to the Agency's right to request a hearing before Council pursuant to section 237 of the Act.

RIGHT TO A HEARING

If the Agency wishes to dispute Council's findings or its intended decision, the Agency 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 Agency must give notice to Council by delivering to its office written notice of this intention by **August 16, 2016**. 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 by **August 16, 2016**, the intended decision of Council will take effect.

Even if this decision is accepted by the Agency, 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:

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

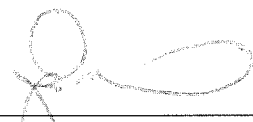
Reception: 250-387-3464

Fax: 250-356-9923

Email: FinancialServicesTribunal@gov.bc.ca

Dated in Vancouver, British Columbia, on the **29th day of July, 2016**.

For the Insurance Council of British Columbia



Gerald Matier
Executive Director

604-695-2001
gmatier@insurancecouncilofbc.com

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