

In the Matter of the

FINANCIAL INSTITUTIONS ACT, RSBC 1996, c.141

(the “Act”)

and the

INSURANCE COUNCIL OF BRITISH COLUMBIA

(“Council”)

and

RAMDYAL SINGH SANDHU

(the “Licensee”)

ORDER

As Council made an intended decision on December 12, 2023, pursuant to sections 231, 236, 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 January 11, 2024, with corrigendum to the intended decision released on February 6, 2024; and

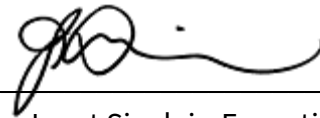
As the Licensee has not requested a hearing of Council’s intended decision within the time period provided by the Act;

Under authority of sections 231, 236, and 241.1 of the Act, Council orders that:

- 1) The Licensee is fined \$2,000, to be paid by May 6, 2024;
- 2) The Licensee is required to complete the Council Rules Course for life and/or accident and sickness insurance by May 6, 2024; and
- 3) The Licensee is assessed Council’s investigation costs of \$437.50, to be paid by May 6, 2024.

- 4) A condition is imposed on the Licensee's life and accident and sickness insurance agent licence that failure to complete the Council Rules course and to pay the fine and investigation costs by May 6, 2024 will result in the automatic suspension of the Licensee's licence, and that the Licensee will not be permitted to complete the Licensee's 2025 annual licence renewal until such time as the Licensee has completed the conditions herein.

This order takes effect on the **6th day of February, 2024**



Janet Sinclair, Executive Director
Insurance Council of British Columbia

Note: Corrigendum released on February 6, 2024. The original Intended Decision has been corrected with text of Corrigendum attached.

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA

(“Council”)

respecting

RAMDYAL SINGH SANDHU

(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.
2. An investigation report prepared by Council staff (the “Investigation Report”) indicated the Licensee failed to complete required continuing education credits (“CE”) for the 2018/2019, 2019/2020 and 2020/2021 licence periods (the “Licence Periods”).
3. On October 4, 2023, as part of Council’s investigation, a Review Committee (the “Committee”) comprised of Council members met with the Licensee via video conference to discuss the investigation. The Investigation Report was distributed to the Committee and the Licensee prior to the meeting. A discussion of the Investigation Report took place at the meeting, and the Licensee was given an opportunity to make submissions and provide further information.
4. Having reviewed the investigation materials, the Committee prepared a report for Council. The Committee’s report, along with the Investigation Report, were reviewed by Council at its December 12, 2023, meeting, where it was determined the matter should be disposed of in the manner set out below.

PROCESS

5. 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, 236 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

6. The Licensee has been licensed with Council as an accident and sickness agent ("A&S Agent") since October 21, 2013. The Licensee holds an active licence and currently has authority to represent ("ATR") one agency.
7. On June 22, 2021, the Licensee called Council to inquire as to how many CE credits the Licensee was required to complete. The Licensee stated to Council Staff that he may not have completed the annual CE requirements.
8. On June 23, 2021, the Licensee submitted his annual filing declaration. Despite his earlier call with Council staff, the Licensee completed the CE declaration box, stating he had met the annual CE requirements.
9. On June 25, 2021, Council's Practice and Quality Assurance Practice Auditor emailed the Licensee, advising the Licensee to complete any outstanding CE credits and that credits completed to address a CE shortage cannot be used to meet the CE requirements for the 2022 licence period. The Licensee was also asked to collect and review his CE records for the Licence Periods, and to be prepared to provide copies of those CE certificates to Council if requested.
10. On September 2, 2021, an audit was initiated and the Licensee was asked to provide CE records pertaining to the Licence Periods.
11. CE Guidelines in force during the Licence Periods (ICN #08-005) provided that licensees who had been licensed by Council continuously for the previous five years were required to complete 10 CE credits, rather than the 15 usually required.
12. As the Licensee met this criterion, the Licensee was required to complete 15 CE credits in the 2018/2019 licence period, and 10 for each of the 2019/2020 and 2020/2021 licence periods.
13. On September 24, 2021, the Licensee provided Council with CE certificates. The certificates provided demonstrated the Licensee completed 10.75 CE credits for the 2018/2019 licence period and none for either of the 2019/2020 or 2020/2021 licence periods.

14. On April 12, 2022, the Licensee provided Council with further CE credits. Although many CE credits were duplicates of those already submitted, Council staff determined that three CE credits completed during the 2018/2019 licence period were both valid and non-duplicative.
15. Accordingly, Council determined the Licensee had completed 13.75 CE credits during the 2018/2019 licence period, and none for each of the 2019/2020 and 2020/2021 licence periods.
16. On September 12, 2022, the Licensee provided CE certificates showing he had completed a further 20 CE credits during the 2021/2022 licence period – five more than were required for that licence period.
17. As these CE credits were not completed during the audited Licence Periods, they were not counted when determining whether the Licensee had breached the CE requirements for any of the audited Licence Periods. However, given the Licensee had completed five more CE credits than were required for the 2021/2022 licence period, the Council considered the surplus CE credits when assessing mitigating factors, as outlined below.
18. At the outset of the Committee Meeting, the Licensee advised that he had not received or reviewed the Investigation Report, which had been sent to the Licensee’s email address.
19. The Licensee confirmed he had provided the correct email address to Council Staff. The Licensee was then given an opportunity to review his email account to locate the Investigation Report.
20. The Licensee located the Investigation Report in his spam folder. The Committee meeting was then adjourned to provide the Licensee with an opportunity to review the Investigation Report.
21. When the Committee meeting was reconvened, the Licensee advised that he had completed three additional CE credits during the 2018/2019 licence period, above those already provided, which were not accounted for in the Investigation Report (the “Additional CE”).
22. The Licensee also stated that he had completed the required CE credits for both the 2019/2020 and 2020/2021 licence periods and would attempt to locate the CE credit certificates for Council’s review. However, the Licensee acknowledged that he had not provided these certificates to Council. Accordingly, the Licensee confirmed the Investigation Report accurately reflected the CE certificates he had provided to Council Staff for the 2019/2020 and 2020/2021 licence periods.
23. Council provided the Licensee until November 1, 2023, to submit additional CE credits completed during either of the 2019/2020 or 2020/2021 licence periods.

24. The Licensee did not provide any CE certificates for the 2019/2020 or 2020/2021 licence periods.
25. Council staff reviewed the Additional CE the Licensee provided during the Committee meeting. Council staff determined the three CE certificates provided were completed during the 2018/2019 licence period, met the CE requirements under the Rules, and were non-duplicative of any of the CE credits previously submitted.
26. Council reviewed the Additional CE credits and agreed with Council staff's assessment.

ANALYSIS

27. Council found that the Licensee failed to obtain the required CE credits for the 2019/2020 and 2020/2021 licence periods, in breach of Council Rules 7(5) and 7(8) and Code of Conduct section 13, as outlined above.
28. Council found the Licensee's delay in responding to Council Staff's inquiries, often taking 20 days or longer to respond, to be a breach of the requirement to respond promptly to inquiries from Council, contrary to Council Rule 7(8) and Code of Conduct section 12, as outlined above.
29. Having reviewed the Additional CE credits provided during the Committee meeting, Council found the Licensee met the CE requirements for the 2018/2019 licence period.

PRECEDENTS

30. Prior to making its intended decision, Council took several past decisions regarding insufficient CE into consideration as precedents, including the following:
31. [*Annie Chu*](#) (May 2, 2018): a licensee failed to meet the CE requirements for two licensing years for both her life and her general licence. Council concluded that her failure to complete the credits showed a disregard for Council Rules and fined the licensee \$1,000 for each licensing year and each licence for which she had failed to meet the CE requirements. The licensee was also required to complete the Council Rules Course and make up for the missing CE credits.
32. [*Cameron Alexander Fortin*](#) (May 14, 2019): a life agent contacted Council to advise that he had fallen short on CE credits due to his misunderstanding about how many credits he was required to complete per year. Council initiated a CE audit which found that the licensee had fallen short on CE credits for three separate years. The licensee was fined \$500 for each year in which he fell short on

CE, for a total of \$1,500. Council considered it to be a significant mitigating factor that the licensee had proactively contacted Council as soon as he realized his error. The fact that the licensee quickly began to make up for his missing credits was an additional mitigating factor.

33. Council recognized, having reviewed the precedents, that the approach it has adopted for disciplining licensees who have breached Council Rules pertaining to CE requirements is to assess a “baseline” fine of \$1,000 for each breach, as well as require the licensee to complete the Council Rules Course. In some cases, mitigating factors are identified that support a lowering of the fine.

MITIGATING AND AGGRAVATING FACTORS

34. Council found the Licensee’s efforts to remedy the breach and replace the CE credits to be mitigating.
35. Council found that the Licensee’s failure to obtain the required CE for multiple licence periods to be aggravating. In Council’s view, the fact the conduct persisted over two licence periods demonstrates it was not an isolated event.
36. Weighing the mitigating factor and aggravating factor listed above, Council determined the mitigating factor does not significantly outweigh the aggravating factor and is insufficient to displace the baseline \$1,000 fine per breach established by precedent.

CONCLUSIONS

37. Council considered a fine of \$2,000 to be appropriate, representing \$1,000 for each licence period in which the Licensee had a CE shortfall.
38. Council also determined that the Licensee would benefit from completing the Council Rules Course, in order to better familiarize himself with the obligations that accompany licensure.
39. With respect to investigation costs, Council determined 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. The Council has not identified any reason for not applying this principle in the circumstances.

INTENDED DECISION

40. Pursuant to sections 231, 236, and 241.1 of the Act, Council made the following intended decision:
- a. that the Licensee be fined \$2,000, to be paid within 90 days of Council's order;
 - b. that the Licensee be required to complete the Council Rules Course for life and/or accident and sickness insurance within 90 days of Council's order;
 - c. that the Licensee be assessed Council's investigation costs of \$437.50, to be paid within 90 days of Council's order; and
 - d. that a condition be imposed on the Licensee's life and accident and sickness insurance agent licence that failure to complete the Council Rules Course and to pay the fine and investigation costs within 90 days of Council's order will result in the automatic suspension of the Licensee's licence, and that the Licensee will not be permitted to complete the Licensee's 2025 annual licence renewal until such time as the Licensee has completed the conditions listed herein.
41. 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

42. 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

43. 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 fourteen (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.**

44. 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 <https://www.bcfst.ca/> or visit the guide to appeals published on their website at <https://www.bcfst.ca/app/uploads/sites/832/2021/06/guidelines.pdf>.

Dated in Vancouver, British Columbia on the **6th day of February, 2024**

For the Insurance Council of British Columbia



Janet Sinclair
Executive Director

CORRIGENDUM TO INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA

(“Council”)

respecting

RAMDYAL SINGH SANDHU

(the “Licensee”)


Place and Date of Corrigendum: Vancouver, British Columbia, February 6, 2024

This is a Corrigendum to the Intended Decision of the Insurance Council of British Columbia in this matter (COM-2021-00280 / LIC-193630C140419R1) issued on January 11, 2024. Sub-paragraph 40(d) has corrected to read as follows:

- (d) that a condition be imposed on the Licensee’s life and accident and sickness insurance agent licence that failure to complete the Council Rules Course and to pay the fine and investigation costs within 90 days of Council’s order will result in the automatic suspension of the Licensee’s licence, and that the Licensee will not be permitted to complete the Licensee’s 2025 annual licence renewal until such time as the Licensee has completed the conditions listed herein.

Dated in Vancouver, British Columbia on the **6th day of February, 2024**

For the Insurance Council of British Columbia



Janet Sinclair, Executive Director

Insurance Council of British Columbia