

In the Matter of the

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

and the

INSURANCE COUNCIL OF BRITISH COLUMBIA
 (“Council”)

and

EPHRAIM JOSHUA AZUCENA DELA CRUZ
(the “Licensee”)

ORDER

As Council made an intended decision on March 10, 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 March 24, 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 \$1,500, to be paid by July 13, 2026;
- 2) The Licensee is required to complete the Council Rules Course for General Insurance Agents, Salespersons and Adjusters, or equivalent course, as acceptable to Council, by July 13, 2026 (the “Course”);
- 3) The Licensee is assessed Council’s investigation costs in the amount of \$3,125, to be paid by July 13, 2026; and
- 4) A condition is imposed on the Licensee’s general insurance licence that failure to pay the fine and investigation costs and complete the Course by July 13, 2026, will result in the automatic suspension of the Licensee’s licence and the Licensee will not be

Order
Ephraim Joshua Azucena Dela Cruz
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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 **13th day of April, 2026**

A handwritten signature in black ink, appearing to read 'Janet Sinclair', written over a horizontal line.

Janet Sinclair, Executive Director
Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA (“Council”)

Respecting

EPHRAIM JOSHUA AZUCENA DELA CRUZ (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 properly place insurance coverage as required, did not act in a competent manner by failing to place insurance as required, and that the Licensee failed to act in the client’s best interests or in the usual practice by failing to place insurance coverage as requested.
2. On February 10, 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 and the Licensee’s nominee 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 discussing 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 March 10, 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 General Insurance Salesperson Level 1 licence with Council since October 27, 2009. The Licensee has been authorized to represent an agency (the “Agency”) since September 2, 2020.
6. On September 18, 2024, Council received an email complaint from JB (the “Complainant”). The Complainant stated that he attended a motor vehicle dealership (the “Dealership”) on December 12, 2023, and exchanged his lease on a 2021 Ford F150 for a new 2023 Ford F150. The Complainant alleged that the Licensee failed to transfer his insurance from the 2021 Ford F150 to the 2023 Ford F150. The Complainant also stated that he was provided with stamped insurance documents and a new licence plate. On September 3, 2024, the Complainant was involved in a motor vehicle accident, and his claim for damages was denied by the Insurance Corporation of British Columbia (“ICBC”) due to a lack of valid insurance coverage on the vehicle.
7. On December 3, 2024, in response to Council staff’s letter to the Agency requesting further information, MF (the “Nominee”) provided multiple documents relating to the complaint.
8. Within the documents provided by the Nominee, there was a statement from the Licensee where he confirmed that he had met with the Complainant at the Dealership on December 12, 2023, to facilitate the Autoplan insurance transfer from the Complainant’s previous vehicle to the newly leased one. The insurance policy transfer was requested because there were no changes to the lessor and the lessee remained the same for the two vehicles, so a new policy was not required. The Licensee stated that upon the Complainant’s request, he reviewed potential adjustments to the insurance policy, including the addition and removal of drivers and modifications to coverage. The Licensee acknowledged that he inadvertently failed to complete the insurance transfer.
9. The Nominee also provided a statement where he acknowledged that the situation resulted from an error by the Licensee, who failed to transfer the insurance and register the new vehicle. The Nominee further noted that the Complainant’s insurance coverage expired on June 25, 2024, a few months before the Complainant was involved in an accident on September 3, 2024. The Nominee further advised that the Agency sent four automated text message reminders to the Complainant regarding the upcoming insurance expiry. Following the Review Committee meeting, the Nominee provided documentation from the Agency’s reminder software system, stating that the Agency is configured to send 4 emails and 4 text message reminders to a customer at 43 days, 30 days, 14 days and 3 days prior to the expiry of a policy. The Nominee also provided Council with a copy of a sample text message reminder used by the Agency, which states: “This is a friendly reminder from [the Agency] that the insurance for your [vehicle year, make and model and plate number] is expiring on [insert

date]”. The message further advises that the recipient can request a callback by replying to the text message, or by calling or emailing the Agency. It is noted that the text messages sent by the Agency would have contained the vehicle information for the old 2021 Ford F150 and not the new 2023 Ford F150, but would have contained the correct expiration date of the policy.

10. The Agency’s owner, AD, also provided a written statement. AD stated that the Agency’s Insurance Corporation of British Columbia (“ICBC”) representative, CH, told the Agency that the Complainant knew his insurance would expire as he visited an insurance agent in June 2024. The insurance agent contacted ICBC to discuss the issue and found that the vehicle was not registered correctly, and advised the Complainant that he needed to visit the Dealership to correct the issue.
11. On May 28, 2025, a Production Order was sent to ICBC in relation to this complaint. However, the only note provided by CH was dated September 20, 2024, and stated that CH was viewing the claim as the broker was requesting assistance. There was no documentation or notes supporting AD’s assertion that CH told her the Complainant knew his insurance was expiring in June 2024. In a note from the adjuster dated October 21, 2024, the Complainant advised that the insurance papers for the vehicle showed the policy expiration date of June 2024. Ultimately, ICBC denied the Complainant’s vehicle damage claim because the policy expired in June 2024, it had not been renewed, and the Complainant was uninsured at the time of the loss.
12. In an interview with Council’s investigator, the Complainant stated that he believed he had valid insurance and pointed to the date stamp on the policy as evidence that all changes were completed. The Complainant also received a new licence plate for his new vehicle. The Complainant was asked whether he received any renewal reminders for his car insurance in May or June 2024 from ICBC or the Agency, and he stated that he did not. The Complainant stated that he was paying his insurance in monthly pre-authorized payments, and he did not notice any issues and thought he was still paying for his insurance at the time of the accident. As a result of the motor vehicle accident, the Complainant was responsible for the tow yard storage invoice for 50 days, totalling \$2,854.74, and the vehicle repair invoice, totalling \$31,920. During the time the claim was being sorted, the Dealership provided the Complainant with a rental vehicle, which the Agency later reimbursed the Dealership for.
13. On July 28, 2025, the Licensee was interviewed by Council’s investigator. The Licensee stated that the Complainant intended to transfer the insurance from his old vehicle to the new one, and it was a mistake that the Licensee did not complete this request. The Licensee stated that the Complainant came in with his wife and son. They had many questions about adding and removing drivers, the costs associated with those changes and changing licence plates. The Licensee also explained he was not sure how he missed processing the transaction.

14. On August 20, 2025, ICBC confirmed to Council's investigator that a Renewal Reminder would have been mailed to the Complainant in May 2024. The reminders are automated and are not retained in ICBC's computer system. Additionally, on August 22, 2025, ICBC advised that it does not have CH's contact information as he is no longer employed at ICBC. Council's investigator was therefore unable to verify the statements made by AD regarding what CH communicated to her.
15. The Licensee was previously disciplined by Council in June 2013. At that time, the Licensee processed two vehicle transfer forms and a vehicle registration/insurance certificate on behalf of a customer who did not have authorization to sign the documents. The customer informed the Licensee that she held power of attorney for her husband; however, the Licensee did not have a copy of the power of attorney documentation at the time of signing. The power of attorney documentation was received by the Licensee one week later.
16. At the Review Committee meeting, the Licensee admitted that this was a mistake, and there was no malice or intent behind the failure to process the transaction. The Licensee's Nominee also attended the Review Committee meeting, providing support for the Licensee and advising that the Licensee has been with the Agency for some time and was supportive of the Licensee's work.

ANALYSIS

17. Council concluded that although there was no malicious intent and the Licensee's conduct was a mistake, it still constituted a breach of the Licensee's obligations as a licensee. In this circumstance, the Licensee did not act in good faith to the client when the Licensee failed to complete the Autoplan transaction in question, leaving the Complainant with the impression that he had valid vehicle insurance when he did not. The failure to properly place insurance coverage as requested did not meet the level of skill and competence consistent with the usual practice of the business of insurance. Additionally, the Licensee failed to act in the usual practice of dealing with clients by allowing the Complainant to believe he had valid insurance when he did not, and for failing to act competently. Council further determined that the Licensee did not meet the requirements of the usual practice of insurance when dealing with insurers as the Licensee failed to submit any of the Autoplan documents for this transaction to ICBC.
18. Council did not draw any conclusions regarding the merits of the loss suffered by the Complainant. Council noted that, independent of whether the Complainant knew or ought to have known that his insurance on the 2023 Ford F150 had expired at the time of the Complainant's motor vehicle accident, there was still a failure on the Licensee's part to place insurance coverage. Council recognized that this was a mistake on the Licensee's part and was sympathetic to an error taking place, and

recognizes that an absolute level of perfection is not required by licensees. However, Council concluded that an error of this nature poses a significant risk, as a fundamental aspect of insurance business is ensuring that policies are properly bound and entered. Given the fundamental error in this instance, Council determined that discipline is appropriate.

19. Council concluded that the Licensee's misconduct amounted to breaches of Council Rule 7(8) 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

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. [Brian Liam Jackson](#) (November 2023): involved a former licensee who held a Level 2 general insurance agent licence. The complainant paid the insurance invoice provided by the former licensee and was provided with a cover note of insurance. However, later that same day, the agency's internal underwriting team advised the former licensee that the insurance coverage was denied. The former licensee did not contact the complainant and no action was taken. After almost a year, the agency and nominee became aware of the situation and advised the complainant that no insurance coverage had been in place or issued. Council determined that the former licensee had an obligation to advise the complainant that the insurance coverage was not placed but did not advise the complainant of this for several months. Council believed that the former licensee did not act with integrity, good faith or in the client's interest by allowing the complainant to believe they had insurance coverage when the former licensee was aware no coverage was in place. As the former licensee was no longer in the industry at the time the matter was investigated, Council did not order the former licensee to complete courses as the former licensee would need to requalify and complete the education requirements before being licensed again in the future. Council ordered that the former licensee be fined \$1,500.
22. [Amrit Singh Sidhu, Daljit Singh Sidhu and S&S Insurance Services Ltd.](#) (August 2023): involved a client who was provided with a binder by the agency, with an insurer's logo, binder number and effective policy date of December 11, 2020. However, the binder was not signed by the insurer and was not a valid document. A former employee of the agency had requested that the client's policy be renewed

on December 11, 2020, however on December 14, 2020, the insurer replied advising that additional information was required to renew the policy. In January 2021, the licensee became aware that the policy had not been renewed, however, the licensee did not take any further steps to ensure the policy was renewed or that the client was made aware that there was no policy in place. In November 2021, the client suffered a loss and did not have insurance coverage in place. It was not until March 2022, after Council's investigation of the matter, that the client was refunded the premiums paid for the policy that had not been renewed in December 2020. Council concluded that the licensee and agency failed to properly place insurance coverage as instructed. Further, the nominee and agency failed to properly manage the business aspects of the agency by not properly handling and remitting the premium money to the insurer. Council further determined that the agency claimed to bind terms under a policy when it was not authorized by the insurer to do so. The agency as a licensed person or entity is responsible for the actions of the staff within the agency including all transactions, and ultimately, the proper management of the agency is the nominee's responsibility. Council ordered that the licensee be fined \$5,000 and required to complete courses and downgraded the licensee's level 3 general insurance licence to a level 2 general insurance licence for a period of one year. The agency and nominee were both fined \$1,500, and the investigation costs were assessed against both the agency and the licensee.

23. [Troy Wotherspoon Insurance Services Ltd., Lung Hwa \(Andy\) Tan, and Troy John Wotherspoon](#) (May 2020): involved clients who came to the agency and advised they were in the process of moving and submitted an application for a storage insurance policy. The clients instructed the licensee to proceed with the policy and provided their credit card information for payment. The licensee placed a sticky note on a colleague's desk with the information for payment and a note to bind the insurance for the client, but the licensee did not speak to anyone about this. A month later, the client wanted to file a claim regarding a theft at the storage facility. At this time, the licensee discovered that the insurance policy was never bound. The clients were not informed at this point that the insurance had not been bound. The nominee began discussions with the insurer to see if there was a way to bind the policy, which ultimately, he was successful in doing. The agency paid the premiums required to instate the policy and the policy was backdated. It did not appear that the clients were fully aware or understood the situation that occurred. Council found the agency, nominee and licensee responsible for the failure to complete the insurance renewal and that there was a lack of procedures in place by the agency and insufficient oversight by the nominee. Council ordered a fine of \$1,500 against the licensee, \$1,500 against the nominee and \$2,000 against the agency as well as investigation costs. The nominee and licensee were also ordered to complete the Council Rules course.

MITIGATING AND AGGRAVATING FACTORS

24. Council considered whether there were any mitigating and aggravating factors in this matter. Council found the Licensee's acknowledgement of the misconduct and co-operation throughout the investigation to be a mitigating factor. Council also found some aggravating factors. Council determined that, as an experienced licensee who had held a licence for a significant period of time, the Licensee should have taken more care and should have been able to process this routine transaction without issue. Council further noted that the Licensee has been disciplined in the past. Although the discipline occurred quite a while ago and was for unrelated conduct, that discipline should have generally reminded the Licensee of his duties as set out in the Council Rules and Code of Conduct. Council concluded that the Licensee's past discipline was an aggravating factor in this case. In these particular facts, Council did not determine whether the loss suffered by the Complainant was a result of the Licensee's misconduct, but noted generally that this error can result in potential harm to clients. Council found this to be an aggravating factor.

CONCLUSIONS

25. After weighing all of the relevant considerations, Council found the Licensee to be in breach of the Council Rules and the Code of Conduct.
26. Council reviewed the precedents and found the [Troy Wotherspoon Insurance Services Ltd., Lung Hwa \(Andy\) Tan, and Troy John Wotherspoon](#) case to be the most instructive precedent. Although there was no malicious intent by the Licensee, Council has concluded that a fine is required to communicate to the Licensee and the industry that breaches of competence for fundamental tasks related to the placement of insurance can have serious repercussions for clients, and care should be taken when completing insurance transactions.
27. Council concluded that the Licensee be fined \$1,500 and that he be required to take the Council Rules Course to refresh the Licensee's knowledge of a licensee's obligations and duties.
28. 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 for not applying this principle in the circumstances.

INTENDED DECISION

29. Pursuant to sections 231 and 241.1 of the Act, Council made an intended decision that:
- a. The Licensee be fined \$1,500, to be paid within 90 days of Council's order;
 - b. The Licensee be required to complete the Council Rules Course for General Insurance Agents, Salespersons and Adjusters, or equivalent course, as acceptable to Council, within 90 days of Council's order (the "Course");
 - c. The Licensee be assessed Council's investigation costs in the amount of \$3,125, to be paid within 90 days of Council's order; and
 - d. That a condition be imposed on the Licensee's general insurance licence that failure to pay the fine and investigation costs and complete the Course 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.
30. 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

31. 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

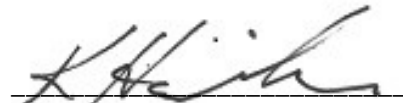
32. If the Licensee wishes to dispute Council's findings or its intended decision, the Licensee may have legal representation and present a case in a hearing before Council. Pursuant to section 237(3) of the Act, to require Council to hold a hearing, the Licensee **must give notice to Council by delivering 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.

33. 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 **24th day of March, 2026**.

For the Insurance Council of British Columbia



Per Janet Sinclair
Executive Director