

**In the Matter of the**

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

**and the**

**INSURANCE COUNCIL OF BRITISH COLUMBIA**  
 (“Council”)

**and**

**RODNEY GILLIS TIDSBURY**  
(the “Licensee”)

**ORDER**

As Council made an intended decision on August 3, 2022, 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 August 3, 2022; 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 \$1000.00, to be paid by November 23, 2022;
- 2) The Licensee is required to complete the following courses, or equivalent courses as acceptable to Council by November 23, 2022:
  - a. Council Rules Course for general insurance salespersons and agents; and
  - b. The Privacy Compliance Course– How to Protect Your Brokerage Part 1 and 2 course, offered through the Insurance Brokers Association of BC.
- 3) The Licensee is assessed Council’s investigation costs of \$1,625, to be paid by November 23, 2022;

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- 4) A condition is imposed on the Licensee's general insurance licence that failure to pay the fine and investigative costs within 90 days and complete the Courses within 90 days will result in the automatic suspension of the Licensee's licence, and the Licensee will not be permitted to complete the Licensee's 2024 annual licence renewal until such time as the Licensee has complied to the conditions listed herein.

This order takes effect on the **25<sup>th</sup> day of August, 2022.**



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Janet Sinclair, Executive Director  
Insurance Council of British Columbia

## **INTENDED DECISION**

**of the**

### **INSURANCE COUNCIL OF BRITISH COLUMBIA**

(“Council”)

**respecting**

### **RODNEY GILLIS TIDSBURY**

(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, and in particular to determine whether the Agency and Nominee breached section 3 (“Trustworthiness”); section 4 (“Good Faith”); section 5 (“Competence”) and section 7 (“Usual Practice of Dealing with Clients”) of the Code of Conduct by disclosing confidential client information to a third party.
2. On July 5, 2022, as part of Council’s investigation, a Review Committee (the “Committee”) comprised of Council members met via video conference with the Licensee and the vice president of the agency in which the Licensee is employed to discuss the investigation. An investigation report prepared by Council staff 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. Having reviewed the investigation materials and having discussed the matter with the Licensee, the Committee prepared a report for Council.
3. The Committee’s report, along with the aforementioned investigation report, were reviewed by Council at its July 26, 2022, 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, 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**

5. The Licensee is a Level 2 general insurance agent who has been licensed with Council since April 1999 and has held an authorization to represent an agency since December 2020.
6. On September 21, 2021, Council received a complaint from MH (the “Complainant”), a client of the agency in which the Licensee is employed, alleging that she had gone to the agency to obtain an insurance quote and binder on a property that she was intending to purchase, and that the Licensee released her information to a third party without her knowledge or consent.
7. On September 10, 2021, the Complainant made an offer on the property in question; the offer was accepted by the seller on September 13, 2021, with subjects set to close at midnight on September 17, 2021. The subjects included the ability to complete a home inspection and confirmation of property insurance. On September 16, 2021, the property was inspected, and the inspector found polybutylene plumbing (“Poly-B”) and aluminum wiring, which are two things that the Complainant was told certain insurance companies would not insure.
8. On September 17, 2021, the Complainant contacted the agency to obtain an insurance quote on the subject property. A few of the licensees in the agency engaged in obtaining the property insurance quotes. On September 17, 2021, one of the licensees at the agency sent the Complainant confirmation of insurance. The confirmation document provided no financial information, only confirmation from an insurer that would insure the property in question.
9. Although confirmation that the subject property was insurable was obtained by the Complainant, the Complainant requested an extension to remove subjects on the offer to purchase the property, as the Complainant wanted further time to explore whether the insurance rate for the property could be obtained at a reasonable rate. Notably, the subject on the offer to purchase was only to obtain confirmation of property insurance and did not mention obtaining insurance at a reasonable price or rate.
10. On September 17, 2021, at some time in the evening, EK, the realtor for the sellers (“EK”) of the subject property, contacted the Licensee for general information about the insurability of a property that is known to have aluminum wiring and Poly-B.
11. The Licensee confirmed speaking to EK on September 17, 2021. The Licensee advised he did not confirm or have knowledge of EK’s relationship with the parties involved or

EK's relationship to the subject property. The Licensee stated that he knew EK was a realtor but did not know which party EK represented.

12. In the telephone conversation, EK asked the Licensee about the insurance market as it relates to insurance risk on personal properties with Poly-B and aluminum wiring. The Licensee confirmed to EK that there are markets and insurers that would accept this type of insurance risk.
13. The Licensee then asked EK for the address of the property that EK was inquiring about. EK provided the address, which happened to be the same address as the subject property that the Complainant had contacted the agency to obtain an insurance quote for. The Licensee recalled this address as he had earlier discussed this property with another agent in the agency to give advice as to potential insurers who might be able to insure the property, given the associated insurance risks on the property. The Licensee then had a brief conversation with the other agent to confirm whether the property received an approval for insurance or confirmation of insurance. The Licensee did not access any information on any database. The other agent confirmed that the property did receive confirmation of insurance. With this information, the Licensee then relayed to EK that the subject property that EK was inquiring about did in fact receive confirmation of insurance earlier that day. The Licensee stated that he did not know the client's name or personal details of the client. The Licensee described his conversation as only providing general information to EK regarding the insurability of the property.
14. EK then relayed this information to their client, the sellers, that the Complainant had received confirmation of insurance on the property, which would satisfy the condition that was subject for removal on the purchase offer. However, the Complainant had requested an extension to remove subjects as the Complainant wanted to further investigate the rates of insurance on the property given the insurance risks. The sellers did not extend the time for removal of subjects and ultimately the sale fell through. Presumably, the seller's knowledge of the confirmation of insurance on the property lead them not to extend the time frame for removal of subjects; however, that has not been confirmed with the sellers.
15. The Licensee maintained that he did not provide personal or confidential information of the Complainant. It did not appear that the Licensee acknowledged that his actions amounted to a level of misconduct. The Licensee stated that he only provided general information about the insurability of the home, not recognizing that he provided specific information about the confirmation of insurance on the property obtained by the Complainant through the agency.

## **ANALYSIS**

16. The Complainant in these circumstances was a client of the agency and the information provided by the Complainant to the agent in the agency was for the purpose of obtaining a quote or confirmation of insurance for the subject property. The Licensee acknowledged that the usual process to obtain a quote or confirmation of insurance requires an agent to ask the client pertinent questions. The Licensee further acknowledged that the other agent in the agency had completed the fact-finding assessment with the Complainant before being able to obtain confirmation of insurance on the subject property. The information regarding the Complainant's confirmation of insurance on the subject property is considered confidential client information. Council has concluded that the Licensee failed to engage in the usual practice of the business of insurance by disclosing to EK the confidential information of the Complainant. While the Licensee can make general commentary about the insurability of properties, the Licensee went beyond the broad discussion and provided confidential information when he noted that there was insurance confirmation on the subject property, which had been obtained by the agency on behalf of the Complainant.
17. Council has concluded that the Licensee did not intentionally disclose confidential client information, but that the Licensee failed to recognize his obligation to hold in strict confidence all information acquired from a client in the course of a professional insurance relationship concerning the affairs of a client and that he must not divulge such information other than the purpose of that transaction unless expressly authorized by the client. In this instance, there was no authorization from the client to release information related to the insurance confirmation of the property. The Licensee should not have relayed the insurance confirmation to a third party and in doing so, the Licensee failed to hold confidential client information in strict confidence.
18. Council concluded that the Licensee's actions in disclosing confidential information amounted to misconduct. Council considered the impact of Council Rule 7(8) and Council's Code of Conduct guidelines on the Licensee's conduct, including section 3 ("Trustworthiness"), section 4 ("Good Faith"), section 5 ("Competence"), and section 7 ("Usual Practice of Dealing with Clients"). Council concluded that the Licensee's conduct amounted to breaches of the above Code of Conduct sections and the professional standards set by the Code.
19. Prior to making its conclusion in this matter, Council took into consideration the following precedent cases. While it is recognized that Council is not bound by precedent and that each matter is decided on its own facts and merits, Council found that these decisions were instructive in terms of providing a range of sanctions for similar types of misconduct.

20. *Tak-Ling Rachael Li* (December 2012) concerned a licensee who improperly accessed the ICBC database and provided a policyholder's phone number to an agency client who wanted to contact the policyholder to resolve a claim. Council concluded that the licensee unintentionally acted contrary to the requirements of confidentiality in a misguided attempt to assist an agency client in a claim matter. In particular, the licensee had no personal relationship with the client and the licensee believed that the client and policyholder had already voluntarily exchanged personal information, so the licensee thought that accessing the policyholder's telephone number in ICBC's database and sharing the information with the client was acceptable. Council ordered a fine of \$1000, a condition preventing the licensee from upgrading from a level 1 general insurance salesperson for 12 months, a requirement that the licensee complete a privacy course, and be assessed investigation costs
21. *Teresa Anne Cantin* (February 2013) concerned a Level 1 general insurance agent licensee who provided client information to a former supervisor who was working at another agency at the time of the disclosure requests. Council determined that the licensee breached client confidentiality when releasing client information to the former supervisor without required authorization. Due to the former relationship, the licensee mistakenly assumed that the required authorization had been secured from the client. Council ordered that a condition be imposed on the licensee's general license, restricting her to holding a level 1 general insurance license for 12 months. Council also imposed a condition that the licensee complete the ICBC Privacy Please Tutorial, fined her \$1000, and assessed investigative costs.
22. *Suzanne Annette-Marie Clement* (November 2013) concerned a life agent licensee who provided client information to an agency "associate member" who was not licenced with Council. The licensee believed that client information could be provided to a person with associate member status. The licensee advised that she did not have consent from any of the clients to release their personal information, but it was not her intent to cause any harm to any clients. Council determined that the licensee did not intend to harm any party intentionally or breach confidentiality, given the associate member status of the individual within the agency. Council determined that the licensee did not consider client confidentiality or whether client consent was required, particularly as the associate was unlicensed. Council ordered that the licensee be fined \$1000 and assessed investigative costs.
23. Council considered the following relevant mitigating and aggravating factors in this matter. The primary mitigating factor was that Council believed the breach to be unintentional. In considering aggravating factors, Council noted that the Licensee did not acknowledge any

wrongdoing. Furthermore, the extension for the removal of subjects in the offer to purchase the property was likely not granted due to the sellers receiving the confidential information.

24. Council concluded that the Licensee's conduct was akin to that of the precedents and that a similar disciplinary outcome should be imposed on the Licensee. Council believes that it would be beneficial for the Licensee to complete privacy related courses so that no further unintentional privacy breaches arise in the future.
25. After weighing all of the relevant considerations, Council views the Licensee to be in breach of Council's Rules and the Code of Conduct and concludes that it is appropriate for the Licensee to be fined, required to complete the Council Rules Course, the "Privacy Compliance – How to Protect Your Brokerage Part 1" and "Privacy Compliance – How to Protect Your Brokerage Part 2," offered through the Insurance Brokers Association of BC, and assessed the investigation costs of \$1,625.
26. Council concludes that a fine is appropriate in the circumstances to communicate to the Licensee, the insurance industry, and the public, that insurance agents are expected by Council to perform their roles and conduct insurance business competently and ethically.
27. With respect to investigation costs, Council believes 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**

28. Pursuant to sections 231, 236 and 241.1 of the Act, Council made an intended decision to:
  - a. Fine the Licensee \$1000 to be paid within 90 days of Council's order;
  - b. Require the Licensee to complete the following courses, or equivalent courses as acceptable to Council: the Council Rules Course for general insurance and adjusters, the Privacy Compliance – How to Protect Your Brokerage Part 1 and Privacy Compliance – How to Protect Your Brokerage Part 2, offered through the Insurance Brokers Association of BC (collectively the "Courses") within 90 days of Council's order;



- c. Assess Council's investigation costs in the amount of \$1,625, against the Licensee, to be paid within 90 days of Council's order; and
- d. Impose a condition on the Licensee's general insurance licence that failure to complete the Courses and pay the fine and the investigation costs within 90 days will result in the automatic suspension of the Licensee's licence, and the Licensee will not be permitted to complete the Licensee's 2024 annual licence renewal until such time as the Licensee has complied with the conditions listed herein.

29. 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.

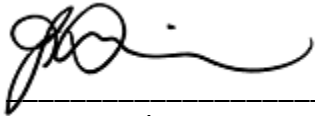
#### **RIGHT TO A HEARING**

30. 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.
31. 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.fst.gov.bc.ca](http://www.fst.gov.bc.ca) or visit the guide to appeals published on their website at [www.fst.gov.bc.ca/pdf/guides/ICGuide.pdf](http://www.fst.gov.bc.ca/pdf/guides/ICGuide.pdf).

Intended Decision  
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Dated in Vancouver, British Columbia, on the **3<sup>rd</sup> day of August, 2022.**

For the Insurance Council of British Columbia

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

Janet Sinclair  
Executive Director