In the Matter of the

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

and the

INSURANCE COUNCIL OF BRITISH COLUMBIA
("Council")

and

SVETLANA ROCK
(the "Former Licensee")

ORDER

As Council made an intended decision on September 16, 2025, pursuant to sections 231 and 241.1 of the Act; and

As Council, in accordance with section 237 of the Act, provided the Former Licensee with written reasons and notice of the intended decision dated October 20, 2025; and

As the Former 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 Former Licensee is required to be supervised by a life and accident and sickness insurance agent, as approved by Council, for a period of two years of active licensing, should the Former Licensee be licensed in the future;

2) The Former Licensee is required to complete the following courses, or equivalent courses as acceptable to Council, prior to being licensed in the future:

    a. Advocis' "Compliance Toolkit: Know Your Client and Fact-Finding" course;

    b. Advocis' "Compliance Toolkit: Know Your Product and Suitability" course; and

c. Advocis' "The Challenge of Documenting Nothing" course;

(collectively, the "Courses")

3) The Former Licensee is assessed Council's investigation costs of $2,437.50, to be paid by February 4, 2026; and

4) Council will not consider an application for any insurance licence from the Former Licensee until the Courses have been completed and the investigation costs are paid in full.

This order takes effect on the **6th day of November, 2025.**

Janet Sinclair, Executive Director
Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA
("Council")

respecting

SVETLANA ROCK
(the "Former Licensee")

1. Pursuant to section 232 of the *Financial Institutions Act* (the "Act"), Council conducted an investigation to determine whether the Former Licensee failed to fairly and accurately advise a client of an exclusion clause contained in a critical illness insurance policy (the "Policy") sold by the Former Licensee, and whether the Former Licensee failed to place insurance coverage as instructed by the client.

2. On July 15, 2025, as part of Council's investigation, a Review Committee (the "Committee") comprised of Council members met via video conference to discuss the investigation. An investigation report prepared by Council staff was distributed to the Committee and the Former Licensee before the meeting, and the Former Licensee was given an opportunity to make submissions and provide further information. The Former Licensee did not attend the meeting. A discussion of the investigation report took place at the meeting.

3. After reviewing the investigation materials and discussing the matter at the July 15, 2025, meeting, the Committee prepared a report for Council that was reviewed by Council at its September 16, 2025, meeting. Council determined that 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 Former Licensee of the action it intends to take under sections 231 and 241.1 of the Act before taking any such action. The Former 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 Former Licensee.

FACTS

5. The Former Licensee was first licensed with Council as a life and accident and sickness insurance agent ("Life Agent") on January 7, 2021. The Former Licensee's Life Agent licence was cancelled on August 2, 2023, due to non-renewal.

6. The Former Licensee had an authorization to represent an insurance agency (the "Agency") from January 7, 2021, to December 12, 2022.

7. On August 17, 2023, Council received a complaint from a client of the Former Licensee (the "Complainant") regarding several insurance policies he purchased between August 2014 and July 2021. Council staff reviewed all of the policies and identified one that was of concern.

8. The Complainant had purchased the Policy over the phone from the Agency. The Complainant named the Former Licensee as the salesperson who sold him the Policy. The Complainant alleged that at the time of purchasing the Policy, he requested coverage for life and critical illness; however, he later found out that the Policy was only for critical illness. The Complainant stated that he was misinformed about the Policy and provided with incomplete or false information about it, which resulted in his critical illness insurance claim being denied.

9. The Policy became effective on January 28, 2021, with a benefit amount of $25,000, and the Complainant was listed as the insured. The Former Licensee received $75 in commission for selling the Policy.

10. As part of the complaint, the Complainant provided a letter from an insurance company (the "Insurer") dated September 20, 2022. The letter advised the Complainant that the Insurer could not consider any benefits associated with his claim as the Complainant had a medical history that was considered a pre-existing medical condition and was therefore excluded from coverage with his critical illness insurance policy.

11. On April 10, 2023, the Complainant resubmitted the same claim to the Insurer; the claim was denied again due to the Complainant's pre-existing medical condition.

12. In response to Council staff's inquiries, the Agency provided a transcription of a recording of the phone call on January 27, 2021, in which the Former Licensee sold the Policy to the Complainant. The following was noted in the January 27, 2021, call:

    - The Complainant informed the Former Licensee that he had had a stent inserted in 2010, received money under a critical illness insurance policy claim at that time, and was now "looking for a second chance."
    - The Former Licensee told the Complainant that the Policy had a second event rider and that he could claim two separate illnesses under the same policy.
    - The Former Licensee confirmed to the Complainant that if he had bypass surgery, he could submit a claim right away.
    - The Complainant elaborated on his medical history, which included going to the hospital because his blood pressure was extremely high, going on kidney dialysis, having a stent put in his heart, having bypass surgery and waiting for a transplant.
    - The Former Licensee confirmed that the Complainant did not need to have a completed medical assessment for the guaranteed approval amount of up to $25,000.

- The Former Licensee suggested adding life insurance coverage of $25,000, and explained that the Complainant's spouse would receive this money if the Complainant passed away.
- The Complainant asked the Former Licensee to explain life insurance; however, the Former Licensee appeared to have difficulties with her computer and assured him that she would call him back if they were disconnected.

13. The Agency stated it had conducted several reviews of the Former Licensee's practice and that the Agency believed there had been a misunderstanding between the Former Licensee and the Complainant and that the Former Licensee did not intentionally mislead the Complainant. The Agency admitted that the Former Licensee could have done a better job relaying information about the Policy to the Complainant. The Agency also acknowledged that both the Agency and the Former Licensee could have provided the Complainant with a better customer service experience; however, the Agency believed that the Former Licensee did follow the Agency's sales process to the best of her abilities at the time.

14. The Agency stated that it did not take disciplinary action against the Former Licensee. It did, however, highlight areas for improvement. The Agency also stated that the Insurer's decision to deny the Complainant's claim was outside of the Agency's purview.

15. The Agency explained that client notes are documented as needed in the special instructions box at the end of the policy application. In this case, the Agency confirmed that the Former Licensee did not document any information in the policy application. Council staff did note, however, that a recording of the sales call between the Former Licensee and the Complainant was saved in the Complainant's file.

16. The Agency confirmed that the Former Licensee read all of the required disclosures verbatim, and that any pre-existing conditions were to be discussed based on the advisor's knowledge and understanding of the product.

17. Between April 4 and April 11, 2023, the Complainant contacted the Agency three times to cancel the Policy. The Policy was cancelled and a premium refund of $802.75 was issued to the Complainant on January 8, 2024.

18. On February 22, 2024, Council staff conducted an interview with the Former Licensee. When asked if the Former Licensee was concerned about the Complainant's pre-existing medical condition, she stated that she was not concerned because she was not a medical professional, and that her job was to make recommendations, help with the application process and submit applications for approval. The Former Licensee stated that it is a client's responsibility to know what they are purchasing and to read the policy in its entirety. She said that the limitations of the call centre did not allow her to review policies in their entirety with clients. When asked if there was anything she would have done differently with the Complainant, she said that she fulfilled her duties as an advisor and that she followed the training provided by the Agency.

ANALYSIS

19. Council considered the impact of Council's Code of Conduct (the "Code") on the Former Licensee's conduct, including section 4 ("Good Faith"), section 5 ("Competence"), section 7 ("Usual Practice: Dealing with Clients") and section 8 ("Usual Practice: Dealing with Insurers"). Council concluded that the Former Licensee's conduct amounted to clear breaches of the aforementioned sections of the Code and the professional standards set by the Code. Licensees are required by Council Rule 7(8) to comply with the Code. Additionally, Council determined that the Former Licensee breached section 177 of the Act. Council determined that the Former Licensee did not breach Council Rule 7(9).

20. Council found that the Former Licensee failed to disclose material information regarding the pre-existing medical conditions clause to the Complainant. In Council's view, before the Former Licensee proceeded to complete the policy application with the Complainant, she should have informed the Complainant that he would not be able to claim any benefit relating to his pre-existing medical condition within two years of the Policy's effective date. Council determined that the Former Licensee misrepresented the claims process and benefits of the Policy to the Complainant. Accordingly, Council found that the Former Licensee failed to act in good faith towards the Complainant.

21. Similarly, in Council's view, a competent and prudent insurance licensee would have taken appropriate steps to ensure that their client understood the limitations of an insurance policy as it pertained to their needs. Council found that the Former Licensee's conduct demonstrated a lack of competence, in that the Former Licensee failed to conduct an adequate fact finding and assessment of the Complainant's insurance needs before recommending and selling the Policy to him. Council found that the Former Licensee's application of her knowledge of the Policy was incorrect. Further, Council questioned whether the Former Licensee placed insurance coverage as instructed by the Complainant, given that although the Complainant was seeking both life and critical illness insurance, he only purchased critical illness insurance. The Former Licensee did not provide documentation that she had placed insurance coverage as instructed.

22. In finding that the Former Licensee sold an insurance policy that was inappropriate given the Complainant's stated objectives, Council determined that the Former Licensee breached the usual practice of dealing with clients principle. The Former Licensee failed to disclose material information about the pre-existing medical conditions clause that was relevant to the Complainant's insurance needs. This information was material to the Complainant's expectation in purchasing the Policy, and the failure of the Former Licensee to disclose this information ultimately led to the denial of the Complainant's claim. A licensee must make full and fair disclosure of all material facts to enable clients to make informed decisions regarding their insurance.

23. For the same reasons as above, Council determined that the Former Licensee did not represent the Insurer's products fairly and accurately, and therefore breached the usual practice of dealing with insurers principle. Further, although Council did not believe that the Former Licensee intended to mislead the Complainant, the Policy information provided to the Complainant was false, and therefore, Council found that the Former Licensee breached section 177 of the Act.

24. Council did not find that the Former Licensee breached Council Rule 7(9) given that there was a recording of the sales call, despite the Former Licensee not inputting extra notes in the application. Council noted that the Former Licensee worked in an online call centre and took into consideration the level of detailed notes a licensee would be expected to input in those circumstances.

PRECEDENTS

25. 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.

26. *Liza Tanigue Gatasi* (June 2024): concerned a former life agent licensee who did not take sufficient care to ensure a client understood material details about an insurance policy the former licensee sold them, and that the former licensee had facilitated the cancellation of an existing life insurance policy, contrary to the best interests of the client. The former licensee had sold an insurance policy to a client that covered the spouse of the client, rather than the client themself. Council did not believe that the former licensee set out to mislead the client in any way, but rather the former licensee should have taken greater care to make sure that the client understood the product. Additionally, Council found that there was an overall record-keeping failure by the former licensee, as communications with and instructions from the client were not adequately documented. Council also found that the former licensee's fact finding and evaluation of the client's needs was lacking in diligence, and Council was concerned that the former licensee did not take sufficient action to confirm whether the client could afford the product the former licensee sold to them. Council ordered that the former licensee be supervised for two years and be required to take the Council Rules Course, an ethics course, a fact-finding course, a product suitability course and a documentation course. The former licensee was also assessed investigation costs.

27. *Sherlock Hsu* (September 2023): concerned a life agent licensee who submitted insurance applications without a client's full understanding and failed to maintain proper record keeping in order to ensure mutual understanding. The licensee had recommended a leveraged investment strategy to the client. Council questioned whether the leveraged investment was suitable for the client in the circumstances. The licensee's failure to maintain proper books and records raised questions about his competence, as he could not demonstrate that a proper needs analysis was conducted or that proper explanations were provided so that the client could make an informed decision. Council also noted that the licensee signed as a witness to the client's signature on an application when he had not actually witnessed the signature. Council ordered that the licensee be supervised for two years and be required to take the Council Rules Course, a fact-finding course and a product suitability course. The licensee was also fined $2,000 and assessed investigation costs.

28. *Joseph Boon Wu Kong* (March 2020): concerned a life agent licensee who recommended investments to an elderly client that were not in the client's best interests. In particular, the licensee advised the

client to transfer two mutual fund accounts to annuity accounts with an insurer without advising the client of potential transferring charges or the tax and estate management consequences. The licensee proceeded to complete the application for the transfer without waiting for the client to seek external advice. Council found that the licensee had failed to conduct adequate fact finding and failed to provide sufficient advice to the client as to the consequences of the transfer. Council ordered that the licensee be supervised for two years and be required to take the Council Rules Course, an elder planning course and an ethics course. The licensee was also required to complete all modules of the Advocis Core Curriculum Program for the Certified Financial Planner Designation and was assessed investigation costs.

29. *Khamsouei Phovixayboulom* (February 2018): concerned a life agent licensee who was alleged to have intentionally misled a client for personal benefit, failed to place insurance as instructed, failed to provide a client with necessary information before placing insurance, failed to include current information about a client's address on an application, used a third party's credit card information and bank information to pay policy premiums without that individual's knowledge or consent, and made a false declaration to an insurer by materially misrepresenting a client's address. The Hearing Committee's conclusions included that the licensee had failed to discuss options with the client before applying for a replacement life insurance policy for the client, and that the licensee had failed to follow the life insurance policy replacement procedures prescribed by regulation. Council ordered that the licensee's licence be suspended for one year, the licensee be fined $5,000, and that the licensee be required to be supervised for two years following completion of the suspension period. The licensee was also assessed investigation costs.

30. Council found that the Former Licensee's misconduct is due to a lack of competence with respect to not having a sufficient understanding of the Policy contract. The lack of competence was also highlighted in the lack of fact-finding and in the evaluation of client needs. Accordingly, Council found *Gatasi* and *Hsu* instructive as precedents, as both cases involved misconduct that stemmed from a lack of competence.

MITIGATING AND AGGRAVATING FACTORS

31. Council considered relevant mitigating and aggravating factors. In terms of mitigating factors, Council considered that the Former Licensee's misconduct was not intentional and that it was isolated in nature, given that it only involved one client and one policy. Council also noted that at the time the Policy was sold, the Former Licensee had only been licensed with Council for less than a month and that the Former Licensee does not have a prior disciplinary history with Council.

32. With respect to aggravating factors, Council was troubled that the Former Licensee did not accept responsibility or display any remorse for her misconduct. Although the Former Licensee claimed that she followed the Agency's training, Council determined that as a new Life Agent, she should have been more diligent in her communications with the Complainant, and that she should be more willing to learn and improve on her practice. Council concluded that, based on her denial of the misconduct, there is a risk that she could repeat her misconduct if she were to be licensed again in the future.

33. Taken as a whole, Council found the aggravating factors more substantial than the mitigating factors.

CONCLUSIONS

34. After weighing all of the relevant considerations, Council concluded that the Former Licensee should be supervised for a period of two years of active licensing, should the Former Licensee be licensed again in the future. Council determined that the supervision is necessary for the Former Licensee to receive oversight and guidance in her practice.

35. Council also determined that the Former Licensee be required to take courses on fact-finding, product suitability and documentation.

36. Council has determined that investigation costs should be assessed against the Former Licensee. As a self-funding regulator, the cost to investigate the misconduct of a licensee or former licensee should not be borne by members of the insurance industry unaffiliated with the investigation. This is particularly true when the evidence is clear that the actions of a licensee or former licensee have amounted to misconduct.

INTENDED DECISION

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

    a. The Former Licensee be required to be supervised by a life and accident and sickness insurance agent, as approved by Council, for a period of two years of active licensing, should the Former Licensee be licensed in the future;

    b. The Former Licensee be required to complete the following courses, or equivalent courses as acceptable to Council, prior to being licensed in the future:

        i. Advocis' "Compliance Toolkit: Know Your Client and Fact-Finding" course;

        ii. Advocis' "Compliance Toolkit: Know Your Product and Suitability" course; and

        iii. Advocis' "The Challenge of Documenting Nothing" course;

        (collectively, the "Courses")

    c. The Former Licensee be assessed Council's investigation costs of $2,437.50, to be paid within 90 days of Council's order; and

d. Council will not consider an application for any insurance licence from the Former Licensee until the Courses have been completed and the investigation costs are paid in full.

38. Subject to the Former 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 COSTS

39. Council may take action or seek legal remedies against the Former Licensee to collect outstanding costs, should these not be paid by the 90-day deadline.

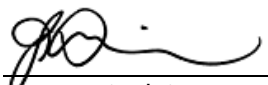
RIGHT TO A HEARING

40. If the Former Licensee wishes to dispute Council's findings or its intended decision, the Former 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 Former 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 Former Licensee does not request a hearing within 14 days of receiving this intended decision, the intended decision of Council will take effect.**

41. Even if this decision is accepted by the Former 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 www.bcfst.ca/app/uploads/sites/832/2021/06/guidelines.pdf.

Dated in Vancouver, British Columbia, on the **20th day of October, 2025.**

For the Insurance Council of British Columbia



Janet Sinclair
Executive Director