

In the Matter of

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

and

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

and

AMANDEEP KAUR BRAR
(the “Licensee”)

ORDER

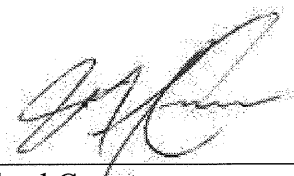
As Council made an intended decision on August 15, 2017, pursuant to section 231 of the Act;
and

As Council, in accordance with section 237 of the Act, provided the Licensee with written reasons
and notice of the intended decision dated September 11, 2017; 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 section 231 of the Act, Council orders that the Licensee’s life and accident and
sickness insurance licence is cancelled.

This order takes effect on the **3rd day of October, 2017**.



Michael Connors, CIP, CRM
Chairperson, Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA
(“Council”)

respecting

AMANDEEP KAUR BRAR
(the “Licensee”)

Pursuant to section 232 of the *Financial Institutions Act* (the “Act”), Council conducted an investigation into allegations the Licensee cheated and/or colluded with others to cheat on Council’s pre-licensing exams for obtaining a life and accident and sickness insurance agent (“life agent”) licence.

An investigation report was considered by Council at its August 15, 2017 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 Licensee of the action it intends to take under sections 231 and 236 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

The Licensee obtained a life agent licence in British Columbia in January 2017 and is authorized to represent an agency (the “Agency”) that is licensed in British Columbia to engage in life insurance activity.

The Agency is actively involved in recruiting individuals to become life agents. Its recruitment process relies primarily on existing life agents with the authority to represent the Agency doing most of the recruiting. Once an individual is recruited and subsequently obtains a life agent licence, the new life agent becomes part of the recruiting life agent’s “team.”

An individual seeking to obtain a life agent licence must first successfully complete the four study modules that make up the Life Licence Qualification Program (“LLQP”). The LLQP is divided into four specific areas: Life Insurance, Accident & Sickness Insurance, Segregated Funds, and Ethics. Once an individual has completed the LLQP, the individual is required to write Council’s pre-licensing exam (“LLQP Exam”), which consists of four exam modules. The LLQP Exams are multiple choice, with each question having four possible answers. Each exam module consists of a number of exam versions.

In early 2017, a collusion detection analysis was performed on the LLQP Exam results from across Canada (the “Collusion Report”). The Collusion Report analyzed LLQP Exam answers and identified a number of examinees who wrote in British Columbia with similar answer sequences. Based on the Collusion Report, Council commenced an investigation and found that all the individuals in British Columbia identified as having similar answer sequences are linked to the same branch office of the Agency.

The Licensee was identified in the Collusion Report as one of the individuals who used similar answer sequences to those used by a number of individuals (“Collusion Sequences”) from the same branch office of the Agency. The Collusion Report indicated that the Licensee used Collusion Sequences on three of the four LLQP Exams she wrote in October 2016.

Council’s investigation identified four individuals who were subsequently recruited by the Licensee who used the same Collusion Sequences as the Licensee on exams they wrote between February 2017 and April 2017.

As there are different versions of each LLQP Exam, using the Collusion Sequence could result in different scores for examinees depending on which exam version was written. For example, one of the Licensee’s recruits used the Collusion Sequence used by the Licensee on a version of the Ethics exam and scored 0%, while the Licensee passed because she wrote a different version of the Ethics exam.

In total, 5,500 LLQP Exam results in British Columbia were reviewed and the only examinees/licensees identified as having used the Collusion Sequences are linked to the same branch office of the Agency that includes the Licensee and her recruits.

The Licensee was interviewed on June 23, 2017, at which time she denied being provided with or obtaining a Collusion Sequence when completing her LLQP Exams. The Licensee also denied providing a Collusion Sequence to any of her recruits.

ANALYSIS

Council found that the Licensee's use of the Collusion Sequence brought into question her LLQP Exam results. Council acknowledged that the use of the Collusion Sequence, by itself, is not sufficient evidence to suggest that the Licensee cheated. However, when factors such as the probability of multiple people using the same Collusion Sequence are considered, along with the fact that all the persons using the Collusion Sequence are from the same branch office of an insurance agency and that four of the people who subsequently used the Collusion Sequence were recruited by the Licensee, Council found that on balance of probability, the Licensee cheated on the LLQP Exams.

Council noted that the probability of multiple affiliated persons having identical answers (both right and wrong), without colluding or cheating, while statistically possible, is extremely low. However, when the fact that individuals used the same Collusion Sequence on other versions of the same exams, resulting in no correct answers, the only logical conclusion is that cheating and/or collusion occurred.

Another contributing factor is that no other examinees in British Columbia aside from those affiliated with the Agency's branch office used the same or similar Collusion Sequences.

Pre-licensing examinations are designed to enable licence applicants to demonstrate that they have the minimum competency required to obtain an insurance licence. Any attempt to collude or cheat on a pre-licensing exam brings into question an individual's competency, trustworthiness, and ability to act in good faith.

Council concluded, based on the information before it, that the Licensee's use of the Collusion Sequence demonstrates that she cheated on the LLQP Exams. By cheating, she failed to demonstrate that she has the required knowledge to hold a life agent licence.

The fact that four individuals recruited by the Licensee went on to use the same Collusion Sequences a few months later causes Council to find that the Licensee colluded in assisting these individuals to cheat on the LLQP Exams too. Council concluded that the Licensee's actions brought into question her ability to act in good faith.

Council concluded that the Licensee has failed to demonstrate that she has the minimum knowledge to hold a life agent licence. Council found that the Licensee having cheated and colluded to assist others to cheat on the LLQP Exams brings into question her suitability to hold an insurance licence. Council determined that the Licensee's life agent licence should be cancelled.

INTENDED DECISION

Pursuant to sections 231 and 236 of the Act, Council made an intended decision to cancel the Licensee's life and accident and sickness insurance licence.

The intended decision will take effect on **October 3, 2017**, subject to the Licensee's right to request a hearing before Council pursuant to section 237 of the Act.

RIGHT TO A HEARING

If the Licensee wishes to dispute Council's findings or its intended decision, the Licensee 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 Licensee must give notice to Council by delivering to its office written notice of this intention by **October 2, 2017**. 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 by **October 2, 2017**, the intended decision of Council will take effect.

Even if this decision is accepted by the Licensee, 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

Intended Decision
Amandeep Kaur Brar
LIC-2017-0002982-R01 / COM-2017-00292
September 11, 2017
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Dated in Vancouver, British Columbia, on the **11th day of September, 2017.**

For the Insurance Council of British Columbia



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GM/jw