

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

and

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

and

SUKHRAJ SINGH SOOS
(the “Former Licensee”)

ORDER

As Council made an intended decision on March 14, 2017, pursuant to sections 231 and 236 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 May 3, 2017; 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 236 of the Act, Council orders:

1. The Former Licensee is fined \$2,500.00.
2. As a condition of this order, the Former Licensee is required to pay the above-ordered fine no later than **August 24, 2017**.

In its intended decision, Council also determined following, which is not part of the order, as the Former Licensee no longer holds an insurance licence:

1. Should the Former Licensee decide to reapply for an insurance licence in the future, he must first demonstrate that he has paid the ordered fine; and

2. Should the Former Licensee apply for a general insurance licence at some future date, he will be required, as part of the licence application, to demonstrate that he has successfully completed, within the six months preceding the date of the licence application, an errors and omissions insurance course, approved by Council; the Insurance Corporation of British Columbia's APV274 Special Risk Own Damage Policy course; and the Council Rules Course.
3. Any general insurance licence issued to the Former Licensee will include a licence condition that requires the Former Licensee to be directly supervised until he accumulates 12 months of active general insurance licensing.

This order takes effect on the **24th day of May, 2017**.



Dr. Eric Yung
Chairperson, Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA (“Council”)

respecting

SUKHRAJ SINGH SOOS (the “Former Licensee”)

Pursuant to section 232 of the *Financial Institutions Act* (the “Act”), Council conducted an investigation to determine whether the Former Licensee acted in compliance with the requirements of the Act.

As part of Council’s investigation, on February 6, 2017, a Review Committee (the “Committee”) met with the Former Licensee, via teleconference, to discuss allegations the Former Licensee failed to comply with Insurance Corporation of British Columbia (“ICBC”) Autoplan procedures in the handling of special coverage policies.

The Committee was comprised of one voting member and two non-voting members of Council. Prior to the Committee’s meeting with the Former Licensee, an investigation report was distributed to the Committee and the Former Licensee for review. A discussion of this report took place at the meeting, and the Former Licensee was provided an opportunity to make further submissions. Having reviewed the investigation materials and after discussing this matter with the Former Licensee, the Committee prepared a report for Council.

The Committee’s report, along with the aforementioned investigation report, were reviewed by Council at its March 14, 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 Former Licensee of the action it intends to take under sections 231 and 236 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

The Former Licensee was first licensed in British Columbia in 2006, and held a Level 1 general insurance salesperson licence until August 2016. In 2014, the Former Licensee was the subject of a Council investigation regarding the improper handling of ICBC Autoplan transactions. Council reminded the Former Licensee to follow proper procedures when transacting ICBC Autoplan insurance business.

Between January 2015 and September 2015, the Former Licensee submitted Application for Own Damage Coverage (“Own Damage”) policy forms to ICBC’s Underwriting Services Department on behalf of several clients. Own Damage insurance is special insurance coverage related to high-end motor vehicles and these applications are handled differently from other ICBC transactions. A licensee is required to contact ICBC’s Underwriting Services Department directly. Upon receipt of an Own Damage policy form from a licensee, ICBC will then provide the licensee with a Special Autoplan policy form, which is to be completed with the client and then returned to ICBC. No separate reporting is provided to an agency by ICBC of these types of transactions and an agency must rely on its licensees to bring these transactions to its attention.

In 2016, ICBC identified six instances where Own Damage applications had been received and Special Autoplan policy forms had been provided to the Former Licensee, but the Special Autoplan policy documents and associated premium payments had not been remitted to ICBC.

ICBC conducted an audit of the Agency on May 5, 2016 (the “Audit”). The Audit identified six Special Autoplan policies with unremitted premiums of \$10,321.00 relating to five clients.

Following the Audit, the Agency informed the Former Licensee, who was the only licensee conducting Special Autoplan transactions on behalf of the Agency, of the six Special Autoplan policies and the missing premiums. The Former Licensee explained that he had been overwhelmed by his workload, stating that he was conducting approximately 200 ICBC transactions per month. The Former Licensee advised that he had forgotten to follow up on the policies and premium collection at the time of each of the transactions. The Former Licensee provided no additional explanation for failing to complete the six insurance transactions.

This resulted in the Agency telling the Former Licensee his employment was being terminated. However, at the same time, he was directed by the Agency to get the six ICBC Own Damage policy forms completed, which required the clients’ signatures, and collect the unpaid premiums. The Former Licensee stated he subsequently met with each of the five affected clients and obtained their required signatures. The Former Licensee stated he did not collect premiums from any of the clients.

The Former Licensee stated that when he visited the clients to obtain their signatures after the Audit, he did not collect their policy premium payments, as his main focus was to obtain their signatures in order to allow the Agency to batch the policies and remit them to ICBC. The Former Licensee explained that he had planned to visit the clients on another date to collect their premium payments, but this never occurred.

The Former Licensee then delivered the signed Own Damage policy forms to the Agency, along with his personal cheque for the outstanding premiums of \$10,321.00. He told the Agency that he did not collect any premium payments from the clients.

The Former Licensee acknowledged that he was unsure whether the clients had been insured by ICBC or not. He stated that he told the clients to contact ICBC to confirm coverage was in place.

ICBC prohibited the Former Licensee from conducting any ICBC Autoplan business, and from accessing ICBC's Broker Connect system, for a period of one year.

ANALYSIS

Council found that the Former Licensee failed to properly conduct six Special Autoplan policies, resulting in five clients possibly being uninsured. Council found the Former Licensee's failure to complete the six transactions, over a nine-month period, raised questions about his competency and his ability to act in accordance with the usual practice of the business of insurance.

Council was concerned by the Former Licensee's failure to follow proper processes in each of the six ICBC Autoplan transactions. Council noted that in 2014, the Former Licensee was, as a result of an investigation, reminded by Council to follow proper procedures when transacting ICBC Autoplan insurance business. Council found the Former Licensee's failure to follow Council's reminder to be an aggravating factor in his failure to properly complete the six Special Autoplan policies.

In determining penalty, Council took into consideration the fact that the Former Licensee was banned by ICBC from conducting Autoplan insurance business for one year. Council concluded that a fine was warranted in the circumstances. Council determined that the Former Licensee would be required to complete additional education should he decide to reapply for an insurance licence.

INTENDED DECISION

Pursuant to sections 231 and 236 of the Act, Council made an intended decision that:

1. The Former Licensee is fined \$2,500.00.
2. Should the Former Licensee apply for a general insurance licence at some future date, he will be required, as part of any licence application, to demonstrate that he has successfully completed the following courses within the six months preceding the date of his licence application: an errors and omissions course; ICBC's APV274 Special Risk Own Damage Policy course; and the Council Rules Course.
3. Any general insurance licence issued to the Former Licensee will include a licence condition that requires him to be directly supervised until such time as he accumulates an additional 12 months of active general insurance licensing.

The Former Licensee is advised that should the intended decision become final, the fine will be due and payable within 90 days of the date of the order. Failure to pay the fine within 90 days of Council's order will result in the Former Licensee not being permitted to apply for an insurance licence until such time as the fine is paid in full.

The intended decision will take effect on **May 24, 2017**, subject to the Former Licensee's right to request a hearing before Council pursuant to section 237 of the Act.

RIGHT TO A HEARING

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 at 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 by **May 23, 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 Former Licensee does not request a hearing by **May 23, 2017**, the intended decision of Council will take effect.

Intended Decision
Sukhraj Singh Soos
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May 3, 2017
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Even if this decision is accepted by the Former 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

Dated in Vancouver, British Columbia, on the **3rd day of May, 2017.**

For the Insurance Council of British Columbia



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Executive Director
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