

In the Matter of

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

and

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

and

PARAMJIT SANDHU
(the “Former Licensee”)

ORDER

As Council made an intended decision on January 10, 2017, pursuant to sections 231, 236, 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 its intended decision, dated February 10, 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, 236, and 241.1 of the Act, Council orders:

1. The Former Licensee is fined \$1,000.00.
2. The Former Licensee is unsuitable to hold a general insurance licence and is not eligible to apply for an insurance licence for a period of one year, commencing on **March 1, 2017** and ending at midnight on **February 28, 2018**.
3. Before the Former Licensee can apply for an insurance licence, the Former Licensee must first successfully complete a privacy course and an error and omissions course approved by Council, and the Council Rules Course.
4. The Former Licensee is assessed Council’s investigative costs of \$1,175.00.

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5. The Former Licensee must pay the above-ordered fine and investigative costs no later than **June 1, 2017**. If the Former Licensee does not pay the ordered fine and investigative costs in full by this date, the Former Licensee will not be permitted to apply for an insurance licence until such time as the ordered fine and investigative costs are paid in full.

This order takes effect on the **1st day of March, 2017**.



Dr. Eric Yung
Chairperson, Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA
(“Council”)

respecting

PARAMJIT SANDHU
(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 December 12, 2016, a Review Committee (the “Committee”) met with the Former Licensee to discuss allegations the Former Licensee falsified two Insurance Corporation of British Columbia (“ICBC”) Interim Owner’s Certificate of Insurance APV9 forms (“APV9 Forms”) and accessed the ICBC extranet without consent.

The Committee was comprised of one voting member and three 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, was reviewed by Council at its January 10, 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, 236, 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

The Former Licensee had been licensed as a Level 1 general insurance salesperson (“Salesperson”) in British Columbia since 1992. The Former Licensee’s insurance licence was terminated on August 3, 2016, when the Former Licensee failed to make his annual filing in accordance with Council Rules. The majority of the Former Licensee’s insurance activities involved automobile insurance.

The Former Licensee was requested by a motor vehicle dealership (the “Dealership”) to complete two APV9 Forms after the Dealership stated it was unable to find the original APV9 Forms. The Dealership explained that another insurance licensee had initially completed the APV9 Forms but the Dealership was no longer able to contact that licensee.

The Dealership provided the Former Licensee with the names of individuals alleged to be the vehicle’s owners (the “Owners”), along with photocopies of the Owners’ driver’s licences. On the APV9 Forms, the Dealership was listed as the previous owner. The Dealership instructed the Former Licensee to stamp the APV9 Forms with a specific, earlier date. The Former Licensee prepared the APV9 Forms as instructed, which involved the inclusion of fake licence plate and ICBC decal numbers.

ICBC reported that the Former Licensee accessed ICBC’s database to obtain information on one of the Owners. In addition, the Former Licensee accessed ICBC’s Quote Screen to obtain additional information related to these transactions.

The Former Licensee did not recollect whether he had accessed this information, but acknowledged that in the past he had looked up specific drivers’ information at the request of the Dealership. The Former Licensee stated that in these situations, he may not have contacted the client first, but worked on the assumption the client had requested the Dealership obtain access.

After he completed the false APV9 Forms, the Former Licensee shredded the carbon copy and provided the forms to the Dealership. The Former Licensee did not attempt to contact the Owners or deliver the Owners’ copies of the APV9 Forms to them. ICBC subsequently confirmed that the transactions were never processed.

The Former Licensee stated that he did not receive compensation for completing the APV9 Forms but believed that by completing the APV9 Forms, the Dealership might make him their exclusive Salesperson.

The Former Licensee admitted that his conduct was wrong and that he exercised bad judgement.

ANALYSIS

Council found that the Former Licensee created false insurance documents at the request of the Dealership and accessed the public's private information through ICBC's database without first obtaining the necessary consent.

Council noted, based on the Former Licensee's evidence, that this was not the first time he had accessed the public's personal information on the ICBC database at the request of the Dealership. Council found the Former Licensee's explanation that he believed the Dealership had the Owners' consent to access their private information, coupled with his acceptance of the Dealership's request without first contacting the Owners directly, both unreasonable and difficult to believe, given his years of experience in the insurance business.

Council found the Former Licensee had exercised poor judgement and had failed to act in good faith and in accordance with the usual practice of the business of insurance. While Council accepted the Former Licensee was remorseful for his actions, it noted that these actions were motivated in part by the potential for personal gain, as the Former Licensee admitted he had hoped his actions, in preparing false APV9 Forms, might lead to more business with the Dealership.

In determining penalty, Council noted that the Former Licensee had been prohibited by ICBC from conducting Autoplan business from April 13, 2016 to April 13, 2017 and that his employment was terminated by his employing agency. However, in light of the Former Licensee's lengthy insurance experience and the fact this was not the first time the Former Licensee had completed false insurance documents, Council concluded that a licence ban, along with a fine and additional education, was warranted before it would be prepared to consider a licence application from the Former Licensee.

INTENDED DECISION

Pursuant to sections 231, 236, and 241.1 of the Act, Council made an intended decision that:

1. The Former Licensee is unsuitable to hold an insurance licence for a period of one year from the date of Council's decision.
2. The Former Licensee be fined \$1,000.00.

3. Requires the Former Licensee to successfully complete a privacy course and an error and omissions course as approved by Council, and the Council Rules Course, available through the Insurance Brokers Association of British Columbia.
4. The Former Licensee be assessed Council's investigative costs of \$1,175.00.

The Former Licensee is advised that should the intended decision become final, the fine and investigative costs will be due and payable within 90 days of the date of the order. Failure to pay the fine and investigative costs within the 90 days, or failure to successfully complete the above-noted courses within 90 days of the date 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 and investigative costs are paid in full and the above-noted courses have been successfully completed.

The intended decision will take effect on **March 1, 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 **February 28, 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 **February 28, 2017**, the intended decision of Council will take effect.

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.

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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 **10th day of February, 2017.**

For the Insurance Council of British Columbia



Gerald Matier
Executive Director
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