

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

and the

INSURANCE COUNCIL OF BRITISH COLUMBIA
 (“Council”)

and

MANJIT KAUR LITT
(the “Licensee”)

ORDER

As Council made an intended decision on January 14, 2020, pursuant to sections 231 and 236 of the Act; and

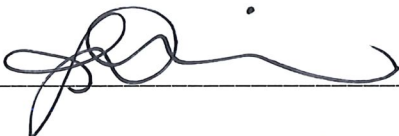
As Council, in accordance with section 237 of the Act, provided the Licensee with written reasons and notice of the intended decision dated February 12, 2020; and

As the Licensee did not request 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 that:

1. The Licensee is fined \$1,000 for each the three licence years (2015, 2016, and 2017) in which she failed to meet her continuing education requirements, for a total fine of \$3,000;
2. The Licensee is required to complete the Council Rules Course; and
3. A condition is imposed on the Licensee's life and accident and sickness insurance agent licence that failure to pay the fine and complete the Council Rules Course by June 10, 2020 will result in the automatic suspension of her licence, and she will not be permitted to complete her annual filing until the fine is paid in full and the Council Rules Course has been completed.

This order takes effect on the **12th day of March, 2020.**



Janet Sinclair, Executive Director
Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA
(“Council”)

respecting

MANJIT KAUR LITT
(the “Licensee”)

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 whether the Licensee breached Council Rule 7(5) by failing to complete a sufficient number of continuing education (“CE”) credits in the 2015, 2016, and 2017 licence years.

As part of Council’s investigation, on October 22, 2019, a Review Committee (the “Committee”) met with the Licensee to discuss the alleged CE shortage. Prior to the Committee’s meeting with the Licensee, an investigation report prepared by Council staff was distributed to the Committee and the Licensee for review. A discussion of the investigation report took place at the meeting and the Licensee was provided an opportunity to make further submissions. Having reviewed the investigation materials and after discussing this matter with the Licensee, the Committee prepared a report for Council.

The Committee’s report, along with the aforementioned investigation report, were reviewed by Council at its January 14, 2020 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 has held an active life and accident and sickness insurance agent (“Life Agent”) licence since March 2015.

On April 4, 2018, Council staff initiated a random audit of the Licensee's CE records for the 2015, 2016, and 2017 licence years. The Licensee failed to respond to the audit due to having changed her email and mailing addresses without providing updated information to Council. Staff made various failed efforts to communicate with the Licensee until a successful telephone call was made on February 28, 2019, at which time the Licensee provided her updated contact information. A new audit letter was then sent by Council staff to the Licensee, with the scope of the audit having been expanded to include the 2018 year.

The Licensee subsequently provided her CE records to Council, which showed that she had fallen short of meeting her required number of CE credits in 2015 (completing zero out of a required 15 credits), 2016 (completing 8.25 out of a required 15 credits), and 2017 (completing seven out of a required 15 credits). The Licensee exceeded her CE credit requirement in 2018. She has since completed make-up credits to compensate for her CE shortages in 2015, 2016, and 2017.

The Licensee told Council staff and the Committee that she had failed to meet her CE requirements in 2015, 2016, and 2017 due to personal circumstances that had prevented her from focusing on her insurance business. When the Committee asked the Licensee why she had failed to respond to Council staff's attempts to contact her when the CE audit was initiated, she explained that she had moved to a new address in 2015 and that correspondence sent to her prior address was not being forwarded to her. When the Committee pointed out that the Licensee's telephone number had not changed, but that she had nevertheless failed to respond to calls from Council staff, the Licensee stated that it had not been her intention to miss those calls, and that they had been missed by mistake.

ANALYSIS

Council determined that the Licensee's failure to complete her required number of CE credits in three successive years was a clear breach of Council Rule 7(5), which requires that licensees "must meet the requirements of the continuing education program established by Council, as amended from time to time."

In addition to the Licensee's breach of Council Rule 7(5), Council was troubled by how difficult the Licensee proved to contact. Close to a year passed between the initiation of the CE audit on April 4, 2018 and the first successful communication with the Licensee on February 28, 2019. Council concluded that the Licensee should be reminded that she is responsible for reporting changes in her contact information to Council, and that she must follow up on telephone calls received from Council.

In determining a disposition in this matter, five previous cases involving licensees who failed to complete their CE requirements were reviewed and considered by Council.

Jagjit Singh Gill (April 2018) concerned a licensee with a Life Agent licence who was subject to a CE audit. The results of the audit indicated that he had failed to complete his CE requirements in four separate years. The licensee was fined \$1,000 for each year in which he fell short on CE credits, for a total of \$4,000. He was also required to make up his missing CE credits and to complete the Council Rules Course.

Annie Chu (May 2018) concerned a licensee who held both a Life Agent licence and a Level 1 general insurance salesperson (“Salesperson”) licence. The licensee was subject to a CE audit, which found that she had not completed her CE requirements in two separate years. For 2014, the licensee was short on credits for both her Life Agent and Salesperson licences, while for 2016, she was short on credits for her Salesperson licence only. The licensee was fined \$2,000 for her failure to complete the CE requirements for either of her two licences in 2014, as well as an additional \$1,000 for not completing the CE requirements for her Salesperson licence in 2016, for a total of \$3,000. She was also required to make up her missing CE credits and to complete the Council Rules Course.

Sukhdarshan Singh Mann (May 2018) concerned a licensee with a Life Agent licence who was subject to a CE audit. The results of the audit indicated that he had failed to complete his CE requirements in two separate years. The licensee was fined \$1,000 for each year in which he fell short on CE credits, for a total of \$2,000. He was also required to make up his missing CE credits and to complete the Council Rules Course.

Evelyn Yap Wong (August 2018) concerned a licensee with a Life Agent licence that had been inactive since 2011 who was subject to a CE audit. The results of the audit indicated that she had failed to complete her CE requirements in five separate years, as a result of not knowing that CE is still required when a licence is inactive. The licensee was fined \$1,000 for each year in which she fell short on CE credits, for a total of \$5,000. The licensee’s licence was also suspended for a one year period, with a requirement that she complete make-up courses for her missing CE credits, complete the Council Rules Course, and retake the Life Licence Qualification Program and qualifying exam within the one year period or else her licence would be cancelled. Further, the licensee was required to be supervised for a two-year period of active licensing.

Cameron Alexander Fortin (October 2019) concerned a licensee with a Life Agent licence who contacted Council to advise that he had fallen short on CE credits due to his misunderstanding about how many credits he was required to complete per year. Council initiated a CE audit

which found that the licensee had fallen short on CE credits for three separate years. The licensee was fined \$500 for each year in which he fell short on CE, for a total of \$1,500. Council considered it to be a significant mitigating factor that the licensee had proactively contacted Council as soon as he realized his error. The fact that the licensee quickly began to make up for his missing credits was an additional mitigating factor.

Overall, the precedents establish that it is Council's usual practice to fine licensees \$1,000 for each year in which they fail to complete their required number of CE credits. In certain scenarios, such as the *Fortin* case, that amount can be lowered if strong mitigating circumstances come into play.

Council did not consider that, in the present case, there were mitigating circumstances that justified deviating from the established practice of fining the Licensee \$1,000 for each year in which her CE requirements were not met. Although Council accepts the Licensee's submission that matters in her personal life were monopolizing her attention throughout 2015, 2016, and 2017, and recognizes that the Licensee has since completed make-up credits to address her CE shortfall, Council determined that this did not justify neglect of the Licensee's professional obligations.

Council also gave consideration to the difficulties associated with contacting the Licensee, which included the Licensee's failure to provide updates regarding her contact information as well as her failure to respond to telephone calls, in order to determine whether disciplinary terms should be increased. However, Council concluded that these aggravating factors were not sufficiently worse than the licensee conduct shown in some of the precedent cases, and that it was appropriate for the Licensee to be fined the standard \$1,000 for each year in which she failed to complete her CE requirements.

INTENDED DECISION

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

1. Fine the Licensee \$1,000 for each year in which she failed to meet her CE requirements, for a total of \$3,000;
2. Require the Licensee to complete the Council Rules Course, available through Advocis; and
3. Impose a condition on the Licensee's Life Agent licence that failure to pay the fine and complete the Council Rules Course within 90 days of Council's order will result in the automatic suspension of her licence, and she will not be permitted to complete her

annual filing until the fine is paid in full and the Council Rules Course has been completed.

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

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 **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 fourteen (14) days of receiving this intended decision**, 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 British Columbia Financial Services Authority ("BCFSA") still has a right to appeal this decision of Council to the Financial Services Tribunal ("FST"). The BCFSA 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 **12th day of February, 2020**.

For the Insurance Council of British Columbia



Janet Sinclair
Executive Director