

In the Matter of the

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

and the

INSURANCE COUNCIL OF BRITISH COLUMBIA
 (“Council”)

and

PRABHJOT KAUR CHAHAL
(the “Licensee”)

ORDER

As Council made an intended decision on April 30, 2024, pursuant to sections 231, 236, and 241.1 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 June 5, 2024; and

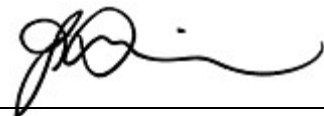
As the Licensee has not requested a hearing of Council’s intended decision within the time period provided by the Act;

Under authority of sections 231, 236, and 241.1 of the Act, Council orders that:

1. The Licensee is fined \$3,000, to be paid by September 25, 2024;
2. The Licensee is required to complete the Insurance Council Rules Course for Life and/or Accident and Sickness Agents, available through the Insurance Council, by September 25, 2024;
3. The Licensee is required to complete the Continuing Education Guidelines and Requirements Course, available through the Insurance Council, by September 25, 2024;
4. The Licensee is assessed Council’s investigation costs of \$500, to be paid by September 25, 2024;
5. The Licensee is required to make up 13 outstanding Continuing Education (“CE”) credits by September 25, 2024; and

6. A condition is imposed on the Licensee's life and accident and sickness insurance agent licence that failure to complete the Council Rules Course and Continuing Education Guidelines and Requirements Course, to make up outstanding CE credits, and to pay the fine and investigation costs by their deadlines will result in the automatic suspension of the Licensee's licence, and the Licensee will not be permitted to complete the Licensee's 2026 annual licence renewal until such time as the Licensee has complied with the conditions listed herein.

This order takes effect on the **27th day of June, 2024.**



Janet Sinclair, Executive Director
Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA

(“Council”)

respecting

PRABHJOT KAUR CHAHAL

(the “Licensee”)

1. Pursuant to section 232 of the *Financial Institutions Act* (the “Act”), Council conducted an investigation to determine whether the Licensee had acted in compliance with the requirements of the Act, Council Rules, and Code of Conduct.
2. An investigation report prepared by Council staff (the “Investigation Report”) indicated the Licensee failed to complete their required continuing education credits (“CE”) during the 2019/2020, 2020/2021 and 2021/2022 licence periods (the “Licence Periods”) and failed to respond promptly to inquiries from Council.
3. On January 31, 2024, as part of Council’s investigation, a Review Committee (the “Committee”) comprised of Council members met with the Licensee via video conference to discuss the investigation report and to allow the Licensee an opportunity to provide additional information and make further submissions. The Investigation Report was distributed to the Committee and the Licensee prior to the meeting.
4. Having reviewed the investigation materials, the Committee prepared a report for Council. The Committee’s report, along with the Investigation Report, were reviewed by Council at its April 30, 2024, meeting, where it was determined the matter should be disposed of in the manner set out below.

PROCESS

5. 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, 236 and 241.1 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

6. The Licensee has been licensed with Council as a life and accident and sickness insurance agent (“Life Agent”) since February 11, 2020.
7. The Licensee left all declarations in their 2021/2022 and 2022/2023 annual licence renewals submissions unchecked. Accordingly, Council initiated an audit on October 14, 2022.
8. Council staff requested the Licensee provide completed audit forms, evidence of valid Errors and Omission (“E&O”) coverage and CE records for the Licence Periods by November 17, 2022.
9. On November 14, 2022, the Licensee contacted Council staff requesting an extension of their deadline to provide records, due to personal circumstances. Council staff granted the Licensee an extension to December 9, 2022.
10. On December 9, 2022, the Licensee submitted a copy of their E&O policy, a completed audit form, and a CE certificate. The certificate provided suggested the Licensee had completed 10 CE credits for the 2021/2022 licence period, and none for either the 2019/2020 or 2020/2021 licence periods.
11. Council staff then contacted the Licensee to advise that they appeared to be in breach of their CE requirements and to confirm, by January 11, 2023, the accuracy and completeness of the records provided.
12. On January 11, 2023, the Licensee provided additional CE records to make up those they had failed to complete during the Licence Periods. In total, the Licensee provided 22 additional valid CE credits, which they had completed between December 2022 and January 2023.
13. Ultimately, at the time of the Committee meeting, the Licensee still had 13 outstanding CE credits.
14. During the Committee meeting, the Licensee explained that a combination of the COVID-19 pandemic and their personal circumstances had interrupted their ability to complete CE credits as required.
15. The Licensee acknowledged that CE training was available online; however, they were too occupied with their personal circumstances to be able to complete the courses.

16. The Licensee advised the Committee they were aware of the importance of completing CE credits and had already completed 7 CE credits in the month of January 2023. They further advised that they were putting effort into completing any outstanding CE.

LEGISLATIVE FRAMEWORK

17. Council determined the following sections of the Council Rules and Code of Conduct applied to this matter:

Council Rules

Rule 7: License Conditions

- 7(5) *A licensee must meet the requirements of the continuing education program established by Council, as amended from time to time.*
- 7(8) *A licensee must comply with the Council's Code of Conduct, as amended from time to time.*

Code of Conduct

Section 5, Competence

5.2 REQUIREMENT

You must conduct all insurance activities in a competent manner. Competent conduct is characterized by the application of knowledge and skill in a manner consistent with the usual practice of the business of insurance in the circumstances.

You must continue your education in insurance to remain current in your skills and knowledge.

5.3 GUIDELINES

[...]

- 5.3.5 *You must comply with the continuing education requirements under the Rules. However, these are minimum requirements and may not be sufficient to maintain appropriate standards, particularly if you work in specialized areas.*

Section 12, Dealing with the Insurance Council of British Columbia

12.2 REQUIREMENT

You must respond promptly and honestly to inquiries from Council.

ANALYSIS

18. Council found that the Licensee had failed to obtain the required CE credits for each of the licence periods: 2019/2020; 2020/2021; and 2021/2022.
19. However, Council did not find the Licensee had breached the requirement to respond promptly and honestly to inquiries from Council. Council noted that, although the Licensee responded to inquiries from Council on the last day provided, they nevertheless responded in the timeframes requested by Council.
20. Prior to making its determination, Council took several past decisions of Council regarding insufficient CE into consideration as precedents. The following precedent summaries represent some of the most instructive of those past decisions.
21. [Wah Shing Jacky Chan](#) (September 15, 2020): concerned a Life Agent who was unable to demonstrate, after having their CE credits audited, that they had met their CE requirements for three licensing years. Council fined the licensee \$3,000 and required them to complete the Council Rules Course.
22. [Jian Guo Han](#) (May 11, 2020): concerned a Life Agent who was unable to demonstrate, after having their CE credits audited, that they had met their CE requirements for three licensing years. They were fined \$3,000 for the CE failures, required to make up the CE credits in question, and required to complete the Council Rules Course. The licensee was also fined \$2,000 for a breach of Council's E&O requirements.
23. [Manjit Kaur Litt](#) (March 12, 2020): concerned a Life Agent who failed to meet their CE requirements for three licensing years. Council fined the licensee \$3,000 and required them to complete the Council Rules Course.
24. Council recognized, having reviewed the precedents, that the approach Council has adopted for disciplining licensees who have breached Council Rules pertaining to CE requirements is to assess

a “baseline” fine of \$1,000 for each breach, as well as require the licensee to complete the Council Rules Course. In some cases, mitigating factors are identified that support a lowering of the fine.

25. Council found the Licensee’s efforts to make up the CE Shortfall and to have taken responsibility in their submissions to the Committee to be mitigating.
26. Council noted the Licensee had failed to obtain CE for each year in which they had been licensed, which Council found to have been aggravating.
27. On balance, Council found the mitigating factors did not outweigh the aggravating factors to a degree that departure from the baseline established by precedent was warranted.

CONCLUSIONS

28. Council considered a fine of \$3,000 to be appropriate, representing \$1,000 for each of the licence periods in which the Licensee failed to complete the required CE.
29. Council also considered the Licensee would benefit from completing the Council Rules Course and the Continuing Education Guidelines and Requirements Course. In addition, Council concluded that the Licensee should make up outstanding CE credits.
30. With respect to investigation costs, Council believes that these costs should be assessed to the Licensee. As a self-funded regulatory body, Council looks to licensees who have engaged in misconduct to bear the costs of their discipline proceedings, so that those costs are not otherwise borne by British Columbia’s licensees in general. Council did not identify any reason for not applying this principle in the circumstances.

INTENDED DECISION

31. Pursuant to sections 231, 236, and 241.1 of the Act, Council made the following intended decision:
 - a) That the Licensee be fined \$3,000, to be paid within 90 days of Council’s Order;
 - b) That the Licensee be required to complete the Council Rules Course for life and/or accident and sickness insurance, available through the Insurance Council, within 90 days of Council’s Order;

- c) That the Licensee be required to complete the Continuing Education Guidelines and Requirements Course, available through the Insurance Council, within 90 days of Council's Order;
 - d) That the Licensee be assessed Council's investigation costs of \$500, to be paid within 90 days of Council's Order;
 - e) That the Licensee make up 13 outstanding CE credits within 90 days of Council's order; and
 - f) That a condition be imposed on the Licensee's life and accident and sickness insurance agent licence that failure to complete the Council Rules Course and Continuing Education Guidelines and Requirements Course, to make up outstanding CE credits, and to pay the fine and investigation costs by their deadlines will result in the automatic suspension of the Licensee's licence, and the Licensee will not be permitted to complete the Licensee's 2026 annual licence renewal until such time as the Licensee has complied with the conditions listed herein.
32. 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.

ADDITIONAL INFORMATION REGARDING FINES/COSTS

33. Council may take action or seek legal remedies against the Licensee to collect outstanding fines and/or costs, should these not be paid by the 90 day deadline.

RIGHT TO A HEARING

34. If the Licensee wishes to dispute Council's findings or its intended decision, the 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 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 14 days of receiving this intended decision, the intended decision of Council will take effect.**
35. 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 of appeal to the Financial

Intended Decision
Prabhjot Chahal
LIC-2020-0020085-R01, COM-2022-00672
June 5, 2024
Page 7 of 7

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 <https://www.bcfst.ca/> or visit the guide to appeals published on their website at <https://www.bcfst.ca/app/uploads/sites/832/2021/06/guidelines.pdf>.

Dated in Vancouver, British Columbia on the **5th day of June, 2024**.

For the Insurance Council of British Columbia

A handwritten signature in black ink, appearing to read 'Janet Sinclair', written over a horizontal line.

Janet Sinclair
Executive Director