

In the Matter of the

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

and the

INSURANCE COUNCIL OF BRITISH COLUMBIA
 (“Council”)

and

CHRISTINE HELENE CRAIG
(the “Licensee”)

ORDER

As Council made an intended decision on May 14, 2019, 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 July 31, 2019; 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 \$1,000;
2. the Licensee is assessed Council’s investigative costs of \$1,512.50;
3. a condition is imposed on the Licensee’s general insurance licence requiring her to complete an ethics course, as approved by Council;
4. a condition is imposed on the Licensee’s general insurance licence requiring her to complete the Council Rules Course; and
5. a condition is imposed on the Licensee's general insurance licence that requires her to fully pay the fine and investigative costs and complete the above-ordered courses on or before November 18, 2019. If the fine or investigative costs remain unpaid or the courses remain incomplete by November 18, 2019, the Licensee's general insurance licence will

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be automatically suspended and her annual filing will not be processed by Council until such time as the fine and investigative costs are paid in full and the courses are completed.

This order takes effect on the **19th day of August, 2019.**

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

Lesley Maddison
Chairperson, Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA

(“Council”)

respecting

CHRISTINE HELENE CRAIG

(the “Licensee”)

Pursuant to section 232 of the *Financial Institutions Act* (the “Act”), Council conducted an investigation to determine whether the Licensee acted contrary to her duties to be trustworthy, act in good faith, and act in the usual practice of dealing with clients, as respectively set out by sections 3.2, 4.2 and 7.2 of Council’s Code of Conduct, and Council Rule 7(8) which requires her to comply with Council’s Code of Conduct.

On February 12, 2019, as part of Council’s investigation, a Review Committee comprised of Council members met with the Licensee to discuss an allegation that the Licensee forged a number of client signatures on Insurance Corporation of British Columbia (“ICBC”) documents. A copy of an investigation report prepared by Council staff was forwarded to the Licensee in advance of the meeting. A discussion of the 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 Review Committee prepared a report for Council.

The Review Committee’s report, along with the aforementioned investigation report, were reviewed by Council at its May 14, 2019 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, 236, and 241.1 of the Act before taking any such action. The Licensee may then accept Council’s decision or request a hearing. This intended decision operates as written notice of the action Council intends to take against the Licensee.

FACTS

The Licensee is a level 3 general insurance agent who has been licensed with Council for over 28 years and has represented the same insurance agency (the “Agency”) since 2005. At the material times, the Licensee managed two of the Agency’s branch locations.

In May 2018, Council received notification from the Agency advising that two employees (“Employee 1” and “Employee 2”) alleged the Licensee had been forging client signatures. The Agency also advised that, when questioned, the Licensee acknowledged she had indeed improperly signed ICBC documents.

At the Committee meeting, the Licensee was not able to say exactly how many times she had forged a client’s signature on ICBC documents, but she believed it was rare. She advised it began in January 2017 when her Agency directed branch managers to review the document batches before they were sent to ICBC. While doing so, she would come across the occasional transfer of vehicle ownership form on which staff had inadvertently missed obtaining one of the multiple required signatures from the client. The usual procedure in such instances was to contact the client and ask him or her to return to the Agency to finish signing. However, on the rare occasion staff could not get in touch with the client, the Licensee advised she would forge the client’s signature herself. She advised she did so because she did not wish to delay delivery of the documents to ICBC, she felt there was no harm to the client, and she did not know the documents could have been sent to ICBC unsigned.

During Council’s investigation, and during her submission to the Committee, the Licensee advised she believed every document sent to ICBC had to be perfect. Furthermore, she felt that as any missing signatures were due to unintentional clerical errors on the part of her staff, there would be no impact to the client if she entered them herself. During the Committee meeting, she stated the gravity of her actions did not occur to her until her supervisor and the Agency’s head of Human Resources used the word “forged” during their conversation with her. The Licensee stated she immediately realized her conduct was wrong. She expressed extreme remorse, embarrassment, and regret over what she had done and advised she it would never happen again.

In August 2018, during the course of Council’s investigation into the matter, Council received a letter from Employee 1, who had since left the Agency. He advised he had witnessed the Licensee systematically forge the signatures of multiple clients. He also alleged he confronted the Licensee in person about the conduct and reported his observations to the Agency’s Regional Manager and to Human Resources.

The Licensee advised the Committee that she recalled meeting with Employee 1 at his request, but it was in regard to an unrelated matter. The Licensee advised the Committee that at no time during their meeting or any other time he was employed with the Agency did Employee 1 mention signatures to her. The Licensee added that Employee 1 could not have witnessed her working on ICBC batching because it was done prior to his shift starting. Furthermore, the Licensee advised Employee 1’s work area was at the opposite end of the office from hers.

LEGAL FRAMEWORK

Council held that the following sections of Council's Rules and Code of Conduct are applicable to the facts of this case.

Council Rule 7(8)

A licensee must comply with the Council's Code of Conduct, as amended from time to time.

Code of Conduct

Section 3. Trustworthiness

...

3.2 Requirement

You must be trustworthy, conducting all professional activities with integrity, reliability and honesty. The principle of trustworthiness extends beyond insurance business activities. Your conduct in other areas may reflect on your trustworthiness and call into question your suitability to hold an insurance licence.

Section 4. Good Faith

...

4.2 Requirement

You must carry on the business of insurance in good faith. Good faith is honesty and decency of purpose and a sincere intention on your part to act in a manner which is consistent with your client's or principal's best interests, remaining faithful to your duties and obligations as an insurance licensee.

You also owe a duty of good faith to insurers, insureds, fellow licensees, regulatory bodies and the public.

Section 7. Usual Practice: Dealing with Clients

...

7.2 Requirement

When dealing with clients you must:

- protect clients' interests and privacy;*
- evaluate clients' needs;*
- disclose all material information; and*
- act with integrity, competence and the utmost good faith.*

ANALYSIS

Council accepts the Licensee's statement that the misconduct did not occur regularly and only when efforts to contact the clients were unsuccessful. Council further accepts that the Licensee had no malicious intent, no clients were harmed, and that she is extremely remorseful. However, the Licensee holds a level 3 general insurance licence and has been in the insurance business for a long time and, therefore, Council finds she ought to have known it was wrong to forge a client's signature.

Council determined that, by forging clients' signatures on ICBC documents, the Licensee breached Council Rule 7(8) and Council's Code of Conduct, specifically sections 3.2, 4.2, and 7.2, which requires licensees to be trustworthy and carry on the business of insurance in good faith in accordance with the usual practice. As such, Council finds a sanction is warranted.

In considering an appropriate penalty, Council took into consideration that there have been no other complaints to Council about the Licensee over her nearly three decades in the industry. Council also considered the fact that the Agency continues to employ her is highly indicative of their support for her.

In addition, Council recognized it is not bound by precedent to follow the outcomes from prior decisions, but similar conduct should result in similar outcomes within a reasonable range depending on the particular facts of the case. Accordingly, Council reviewed the facts and disposition from four previous cases involving similar situations:

1. In *Cary Peterson Leung* (October 6, 2009), the licensee altered or modified the signature page on 25 Sun Life insurance applications. The licensee admitted he did it purely for convenience and confirmed in all instances the clients were aware of the questions on the application and had expressly agreed to procure the new policies in question. Council fined the licensee \$5,000 and required him to complete an Errors and Omissions course and pay the costs of Council's investigation in the amount of \$1,237.50.
2. In *Barry Ann Michelle Turnbull* (November 26, 2013), the licensee forged a client's signature on ICBC documents for convenience and without any intent to harm or for material gain. The licensee was terminated by the agency as a result. Council fined the licensee \$1,000 and imposed investigative costs of \$775.
3. In *Hugo Donais* (September 6, 2018), the licensee had improperly completed various insurance forms, including ones with blanks, missing signatures, white out, crossed out information, or that had been partially or pre-completed. The licensee advised there was

no malicious intent and that some of the errors were made by administrative employees. No harm was caused to clients. Council ordered the licensee to complete an ethics course and the Council Rules course, fined him \$1,000, and assessed investigative costs of \$1,512.50.

4. In *Mark Wagner* (September 6, 2018), the licensee had 25 improperly completed insurance forms in the client files, including signed bank forms, altered forms, incomplete forms, forms witnessed prior to client execution, and forms with date discrepancies. No client harm was identified. Council ordered remedial education, a period of supervision, and a fine of \$2,500.

INTENDED DECISION

Based on the particular facts of this matter and in consideration of the aforementioned cases, pursuant to sections 231, 236, and 241.1 of the Act, Council made an intended decision to:

1. Fine the Licensee \$1,000;
2. Assess Council's investigative costs of \$1,512.50 against the Licensee;
3. Impose a condition on the Licensee's general insurance licence requiring her to complete an ethics course, as approved by Council;
4. Impose a condition on the Licensee's general insurance licence requiring her to complete the Council Rules Course;
5. Impose a condition on the Licensee's general insurance licence that requires her to complete the courses and fully pay the fine and investigative costs within 90 days of Council's order; and
6. Impose a condition on the Licensee's general insurance licence that if she does not complete the courses or fully pay the fine and investigative costs within the stipulated time frame, her licence will be automatically suspended and her annual filing will not be processed by Council until such time as she completes the courses and fully pays the fine and investigative costs.

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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 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 **31st day of July 2019**.

For the Insurance Council of British Columbia



Janet Sinclair
Executive Director
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