

**In the Matter of**

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

**and**

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

**and**

**RAJNEEL RAJ**  
**(the “Licensee”)**

## **ORDER**

As Council made an intended decision on January 12, 2016, 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 25, 2016; 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 and 236 of the Act, Council orders:

1. A condition is imposed on the Licensee’s general insurance licence that requires him to complete all outstanding continuing education requirements, since his 2011 licence period, before his next annual filing date of **June 1, 2016**.
2. A condition is imposed on the Licensee’s general insurance licence that if the Licensee does not successfully complete his outstanding continuing education requirements on or before **June 1, 2016**, the Licensee’s general insurance licence is suspended as of **June 2, 2016**, without further action from Council and the Licensee will not be permitted to complete any annual filing until such time as the ordered continuing education requirements are successfully completed.
3. The Licensee is fined \$4,000.00.

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4. A condition is imposed on the Licensee's general insurance licence that requires him to pay the above-ordered fine no later than **June 15, 2016**. If the Licensee does not pay the ordered fine in full by this date, the Licensee's general insurance licence is suspended as of **June 16, 2016**, without further action from Council and the Licensee will not be permitted to complete any annual filing until such time as the ordered fine is paid in full.

This order takes effect on the **15<sup>th</sup> day of March, 2016**.



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Brett Thibault  
Chairperson, Insurance Council of British Columbia

## **INTENDED DECISION**

of the

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

respecting

**RAJNEEL RAJ**  
(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.

As part of Council’s investigation, on December 7, 2015, a Review Committee (the “Committee”) met with the Licensee to discuss allegations the Licensee breached Council Rule 7(5) and section 12.4.3 of Council’s Code of Conduct.

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

The Committee’s report, along with the aforementioned investigation report, were reviewed by Council at its January 12, 2016 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**

In May 2007, the Licensee obtained a life and accident and sickness insurance agent (“life agent”) licence, which became inactive in February 2012, and was subsequently terminated in May 2015.

In February 2011, the Licensee obtained a Level 1 general insurance salesperson (“Salesperson”) licence and has been authorized to represent the same agency since obtaining his Salesperson licence.

On April 17, 2015, the Licensee disclosed to Council that he had not completed any continuing education (“CE”) for his life agent licence since 2010. The Licensee stated that he assumed he could “park” his life agent licence, and as long as he completed the annual filings he was in compliance with Council Rules. The Licensee acknowledged that he did not read the annual filing document that he signed and submitted each year, and was not aware of his CE requirements.

It was only in 2015, when the Licensee attempted to reactivate his life agent licence, that he realized his mistake and voluntarily terminated his life agent licence.

Further review found that the Licensee also failed to complete the minimum CE requirements to maintain his Salesperson licence for the licence periods ending in 2011, 2012, 2014, and 2015. In each of those years, the Licensee completed his annual filings indicating he was in compliance with all of Council Rules.

## **ANALYSIS**

Council determined the Licensee had breached Council Rule 7(5) by failing to complete the minimum CE requirement for both of his insurance licences over multiple years.

Council found that, with respect to the Licensee’s life agent licence, he was in breach of Council Rule 7(5) by failing to complete the minimum CE requirement for the licence periods ending in 2011, 2012, 2013, and 2014. Likewise, with respect to the Licensee’s Salesperson licence, Council concluded that the Licensee was not in compliance with Council Rule 7(5) for the licence periods of 2011, 2012, 2014, and 2015.

Council found that the Licensee’s submissions regarding his understanding of his CE requirements to be contradictory, noting that at times he insinuated knowledge about his CE requirements, but then, at other times, he claimed he did not understand his responsibility.

Despite his inconsistent position with respect to his knowledge of his CE requirements, Council accepted that the Licensee was not intentionally acting in breach of Council Rule 7(5). Council accepted that the Licensee had a mistaken view that he was not required to complete any CE while his life agent licence was inactive, and had failed to understand the CE requirements relating to his Salesperson licence.

Council determined that a fine was warranted to address the Licensee's failure to meet his CE requirements over multiple years, relating to two insurance licences. Council also takes this opportunity to remind the Licensee that it is his responsibility to be fully aware of his obligations under Council Rules. Should there be any subsequent breaches of Council Rules by the Licensee, Council believes such breaches would have an adverse affect on his suitability to hold an insurance licence.

Council also determined the Licensee must complete all outstanding CE requirements for his Salesperson licence before his next annual filing date of June 1, 2016.

Council further considered whether the Licensee ought to be required to complete the outstanding CE related to his previously held life agent licence. Council determined that since the Licensee, by his own admission, has not been actively engaged in the life insurance business since 2010, he will have to re-qualify to hold a life agent licence by successfully completing the Harmonized Life Licence Qualification Program ("LLQP") and Council's Harmonized LLQP examination. Council believes this requirement, along with the aforementioned fine, will address the concerns surrounding the outstanding CE.

#### **INTENDED DECISION**

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

1. Impose a condition on the Licensee's general insurance licence that requires him to complete all outstanding CE requirements since his 2011 licence period, before his next annual filing date of June 1, 2016.
2. Fine the Licensee \$4,000.00.

The 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. In addition, failure to pay the fine within the 90 days, or failure to successfully complete all outstanding CE requirements before the next annual filing of his general insurance licence, will result in the automatic suspension of the Licensee's general insurance licence and the Licensee will not be permitted to complete any annual filing until such time as the fine is paid in full and Council's CE requirements are met.

The intended decision will take effect on **March 15, 2016**, subject to the Licensee's right to request a hearing before Council pursuant to section 237 of the Act.

### **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 by **March 14, 2016**. 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 by **March 14, 2016**, 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](http://fst.gov.bc.ca) or contact them directly at:

Financial Services Tribunal  
PO Box 9425 Stn Prov Govt  
Victoria, British Columbia  
V8W 9V1

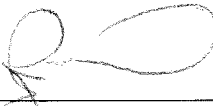
Reception: 250-387-3464

Fax: 250-356-9923

Email: [FinancialServicesTribunal@gov.bc.ca](mailto:FinancialServicesTribunal@gov.bc.ca)

Dated in Vancouver, British Columbia, on the **25<sup>th</sup> day of February, 2016**.

For the Insurance Council of British Columbia



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