

In the Matter of the

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

and the

INSURANCE COUNCIL OF BRITISH COLUMBIA
 (“Council”)

and

THINK INSURANCE SERVICES INC.
(the “Agency”)

and

PARMINDER SINGH THIND
(the “Licensee”)

(collectively, the “Licensees”)

ORDER

As Council made an intended decision on September 17, 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 Licensees with written reasons and notice of the intended decision dated November 5, 2024; and

As the Licensees have 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:

- a) The Agency is fined \$7,500, to be paid by March 10, 2025;
- b) The Licensee is fined \$2,500, to be paid by March 10, 2025;
- c) The Agency and Licensee are jointly and severally assessed Council’s investigation costs of \$812.50, to be paid by March 10, 2025;
- d) The Licensee is required to complete the following courses, or equivalent courses as acceptable to Council, by March 10, 2025:

- i. the Value of Errors and Omissions Insurance course available through Advocis;
 - ii. the Nominee Responsibilities and Best Practice for Life and/or Accident and Sickness Insurance Course; and
 - iii. the Insurance Council Rules Course for Life and/or Accident & Sickness Agents
- (collectively, the “Courses”)
- e) A condition is imposed on the Licensee’s general insurance and life and accident and sickness insurance agent licences that failure to pay the fine and investigation costs in full and failure to complete the Courses by March 10, 2025 will result in the automatic suspension of the Licensee’s licences, and that the Licensee will not be permitted to complete his 2026 annual licence renewal until such time as the Licensee has complied with the conditions listed herein; and
 - f) A condition is imposed on the Agency’s licence that failure to pay the fine and investigation costs in full by March 10, 2025 will result in the automatic suspension of the Agency’s licence, and that the Agency will not be permitted to complete its 2026 annual licence renewal until such time as the Agency has complied with the conditions listed herein.

This order takes effect on the **9th day of December 2024**.



Janet Sinclair, Executive Director
Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA

(“Council”)

respecting

THINK INSURANCE SERVICES INC.

(the “Agency”)

and

PARMINDER SINGH THIND

(the “Licensee”)

(collectively, the “Licensees”)

1. Pursuant to section 232 of the *Financial Institutions Act* (the “Act”), Council conducted an investigation to determine whether the Licensee and Agency (together, the “Licensees”) had acted in compliance with the requirements of the Act, Council Rules and Code of Conduct relating to allegations that the Agency failed to maintain required errors and omissions (“E&O”) insurance between March 9, 2021, and January 27, 2023, a period of 689 days (the “Lapse Period”), and that the Licensee failed to notify Council of disciplinary action by the Alberta Insurance Council (“AIC”) in 2023.
2. On July 10, 2024, as part of Council’s investigation, a Review Committee (the “Committee”) comprised of Council members met with the Licensees’ legal counsel via video conference to discuss the investigation report and to allow the Licensees an opportunity to provide additional information and make further submissions to the Committee. The Investigation Report was distributed to the Committee and the Licensees prior to the meeting.
3. Having reviewed the investigation materials and additional submissions received from the Licensees on July 15, 2024, and July 17, 2024 the Committee prepared a report for Council. The Committee’s report, along with the Investigation Report, were reviewed by Council at its September 17, 2024, meeting, where it was determined the matter should be disposed of in the manner set out below.

PROCESS

4. Pursuant to section 237 of the Act, Council must provide written notice to the Licensees of the action it intends to take under sections 231, 236 and 241.1 of the Act before taking any such

action. The Licensees 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 Licensees.

FACTS

5. The Agency has held a corporate life and accident and sickness insurance licence since January 23, 2014. The Licensee is the Agency's nominee and became licensed with Council as a life and accident and sickness insurance agent ("Life Agent") on October 27, 2011. The Licensee is also the nominee for another insurance agency, which has held a corporate Life Agent licence with Council since December 20, 2019.
6. The Licensee has also held a Level 1 Salesperson general insurance licence with Council since October 8, 2008.
7. On March 22, 2023, the AIC imposed a \$500 disciplinary penalty against the Agency for failing to respond to an audit regarding E&O insurance requirements (the "AIC Discipline").
8. On April 8, 2023, LJ, compliance officer for the Licensee's Managing General Agent (the "MGA") notified Council of the AIC Discipline against the Agency.
9. Council staff audited the Agency and asked the Licensee, as the Agency's nominee, to demonstrate that both the Agency and the Licensee carried E&O insurance coverage in accordance with the Council Rules. The Licensee provided policy certificates demonstrating that the Licensee's personal E&O insurance coverage was up to date.
10. However, the Licensee was not able to provide policy certificates or demonstrate that the Agency held E&O insurance coverage as required by Council Rule 7(11). The Agency provided insurance policies that demonstrated the Agency had coverage for vicarious liability under the Licensee's personal E&O insurance coverage policy but did not hold E&O insurance coverage for the Agency from March 9, 2021, to January 27, 2023, a period of 689 days.
11. Pursuant to Council Notice ICN 09-002, an agency may not rely on an individual agent's vicarious liability E&O insurance coverage if the agency employs more than one agent.
12. From January 24, 2014, to March 9, 2021, the Licensee was the Agency's only agent. However, after March 9, 2021, in addition to the Licensee, the Agency had several agents who held authority to represent the Agency. Therefore, the Agency could no longer rely on the Licensee's vicarious liability E&O insurance coverage to meet the Agency's E&O obligations. During the Lapse Period, but after March 9, 2021, four Life Agents held authority to represent the Agency.
13. At the Committee meeting, the Licensees' legal counsel acknowledged that the Licensee failed to notify Council of the AIC discipline in accordance with the Council Rules. The Licensees' counsel

submitted the delay was unintentional and was never an attempt to conceal AIC's discipline. The Licensees' counsel confirmed that the Licensees did not appeal AIC's decision.

14. The Licensees' counsel further stated that the Licensee had been out of the country for family reasons and had returned only two days before the AIC's decision was released, which was the reason for the delay in notifying Council of the disciplinary action by AIC.
15. The Licensees' counsel acknowledged that the Agency did not carry its own E&O insurance policy for the duration of the Lapse Period. However, the Licensees' counsel argued that the Agency, and the Licensee, as the Agency's nominee, were not liable for two alternative reasons.
16. First, it was argued that because two Life Agents who notionally represented the Agency during the Lapse Period had not represented the Agency in practice and had not written any policies on behalf of the Agency, the exception described in ICN 09-002 continued or should have continued to apply. The Licensees' counsel did not address the other three Life Agents that Council's records indicated represented the Agency.
17. In support of this argument, the Licensees' counsel provided several disclosure statements signed by clients and dated between July 14, 2024, and July 17, 2024, indicating that one of the four Life Agents was an "independent advisor" who was "not directly or indirectly related with the Agency".
18. Alternatively, the Licensees' counsel argued that the wording of ICN 09-002 imposed a requirement on Council that it first request E&O insurance certificates from the Licensees before disciplining them for having failed to maintain adequate E&O insurance.
19. The Licensees' counsel's submission argued that because Council had failed to fulfil what he submitted was a mandatory condition before disciplining the Licensees, Council would be unable to impose discipline on the Agency for having failed to maintain the E&O insurance coverage as required.
20. The Licensee also provided his own remarks to the Committee. The Licensee told Committee members that he took full responsibility for the Agency's E&O insurance lapse and was unaware that when he took on additional agents, the Agency was required to maintain its own E&O insurance coverage.

ANALYSIS

21. Council found that the Agency failed to maintain E&O insurance coverage as required between March 9, 2021, and January 27, 2023, a period of 689 days, in breach of Council Rules 7(8) and 7(11).
22. Council also found that, as the Agency's nominee, the Licensee was responsible for the Agency's breaches, pursuant to Council Rule 7(6) and Council's Code of Conduct, section 5.3.3.

23. In considering the Licensee's conduct relative to the breaches alleged in the investigation report, Council did not find the Licensee breached the Code of Conduct requirement relating to trustworthiness as the Licensee was not aware of the Agency's obligation to maintain its own E&O insurance coverage, and that the Agency's breaches were unintentional.
24. Before making its recommendation, Council took into consideration as precedents several of its past decisions regarding E&O insurance coverage lapses. The following precedent summaries represent some of the most instructive of those past decisions.

PRECEDENTS

25. [*Everything Financial Consultants / Peter Joseph Cishecki*](#) (February 5, 2019): A licensee and agency breached Council Rule 7(11) by failing to ensure the agency had E&O insurance, and, as a result, the agency had operated in an unlicensed capacity for a period of approximately two years. After issuing an intended decision, the agency and Licensee requested a hearing. Following the hearing, Council made the following orders: a condition was placed on the agency and licensee's life and accident and sickness insurance licenses requiring the licensee to complete the Council Rules Course, the licensee was fined \$5,000, the agency was fined \$10,000, and the agency and licensee were jointly and severally liable to pay Council's hearing costs.
26. [*Global Warranty \(West Coast\) Corporation / Andrew Mark Hall*](#) (June 20, 2017): The agency failed to disclose discipline by the Insurance Council of Saskatchewan, failed to maintain E&O insurance coverage for a period of 138 days and failed to notify Council when it ceased to have E&O insurance coverage. Council made an order to fine the agency \$6,000, fine the nominee \$1,000, and impose a condition on the nominee's general insurance licence requiring him to successfully complete the Council Rules Course.
27. Council recognized, having reviewed the precedents, that the approach Council has adopted for disciplining licensees who have breached Council Rules pertaining to E&O insurance coverage requirements is to assess a fine for failing to maintain E&O insurance coverage, as well as require the licensee to complete the Council Rules Course.
28. Council identified several mitigating factors. Council found the Agency's failure to maintain E&O insurance coverage was unintentional and had been an oversight on the Licensee's part. Additionally, Council noted the Licensee's willingness to take responsibility and ensure that E&O insurance coverage was quickly put in place after discovering the breach was another mitigating factor. Council further noted that most of the policies written by the Agency were under the Licensee's name and that the other Life Agents did not appear to sell any policies under the Agency's name; this, in Council's view, would reduce the risk of harm to the public as there was a lower risk that a claim would be made that would require E&O insurance coverage from the Agency. Council found all of these factors to be mitigating.

29. Council did not consider there to be any aggravating factors.
30. Having considered the mitigating factors, Council determined it would not issue any formal disciplinary penalties against the Licensees for failing to notify Council of the AIC discipline within five business days, as the Licensee did notify Council, through the MGA, although not within the timeline set within the Council Rules. As the Licensee had been travelling due to family reasons, Council did not feel that formal discipline relating to the delay in notifying Council of the AIC discipline was warranted.

CONCLUSIONS

31. Regarding the Agency's failure to maintain required E&O insurance coverage, Council found it appropriate to assess a \$7,500 fine assessed against the Agency and a \$2,500 fine against the Licensee. As the Agency's nominee, the Licensee is responsible for the Agency's actions and should be aware of the seriousness of the role of a nominee, including the requirement for E&O insurance coverage for the Agency.
32. Council also concluded that Licensee would benefit from completing the Council Rules Course for Life Agents and additional remedial education.
33. With respect to investigation costs, Council believes investigation costs should be assessed to the Licensees jointly and severally. 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 has not identified any reason for not applying this principle in the circumstances.

INTENDED DECISION

34. Pursuant to sections 231, 236 and 241.1 of the Act, Council made the following intended decision:
- a) That the Agency be fined \$7,500, to be paid within 90 days of Council's order;
 - b) That the Licensee be fined \$2,500, to be paid within 90 days of Council's order;
 - c) That the Agency and Licensee be jointly and severally assessed Council's investigation costs of \$812.50, to be paid within 90 days of Council's order;
 - d) That the Licensee be required to complete the following courses, or equivalent courses as acceptable to Council, within 90 days of Council's order:
 - i. the Value of Errors and Omissions Insurance course available through Advocis;

- ii. the Nominee Responsibilities and Best Practice for Life and/or Accident and Sickness Insurance Course; and
 - iii. the Insurance Council Rules Course for Life and/or Accident & Sickness Agents
- (collectively, the “Courses”)
- e) That a condition be imposed on the Licensee’s general insurance and life and accident and sickness insurance agent licences that failure to pay the fine and investigation costs in full and failure to complete the Courses within 90 days will result in the automatic suspension of the Licensee’s licences, and that the Licensee will not be permitted to complete his 2026 annual licence renewal until such time as the Licensee has complied with the conditions listed herein; and
 - f) That a condition be imposed on the Agency’s licence that failure to pay the fine and investigation costs in full within 90 days will result in the automatic suspension of the Agency’s licence, and that the Agency will not be permitted to complete its 2026 annual licence renewal until such time as the Agency has complied with the conditions listed herein.
35. Subject to the Licensees’ 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

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

RIGHT TO A HEARING

37. If the Licensee and/or Agency wishes to dispute Council’s findings or its intended decision, the Licensee and/or Agency 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 and/or Agency **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 and/or Agency does not request a hearing within 14 days of receiving this intended decision, the intended decision of Council will take effect.**
38. Even if this decision is accepted by the Licensee and/or Agency, pursuant to section 242(3) of the Act, the British Columbia Financial Services Authority (“BCFSA”) still has a right of appeal to the

Intended Decision
Think Insurance Services Inc. and Parminder Singh Thind
LIC-193762C140559R1, LIC-174782C132387R1, LIC-174782C109819R1, COM-2023-00385
November 5, 2024
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Financial 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 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 November 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