

In the Matter of the

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

and the

INSURANCE COUNCIL OF BRITISH COLUMBIA
(“Council”)

and

AZADEH HOSSEINI
(the "Licensee")

ORDER

As Council made an intended decision on June 18, 2019, 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 September 16, 2019 and as amended November 5, 2019; and

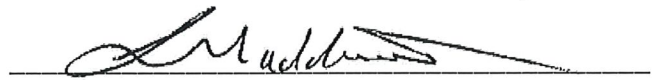
As the Licensee has not requested a hearing of Council’s intended decision within the time period provided by the Act;

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

1. the Licensee is fined \$1,000 for each of the three licence years (2012-2013, 2015-2016, and 2017-2018) in which she did not fulfill her required continuing education (“CE”) credits, for a total of \$3,000;
2. the Licensee is required to complete the Council Rules Course and make up the outstanding CE credits for the 2015-2016 and 2017-2018 licence years; and
3. a condition is imposed on the Licensee’s life and accident and sickness (“Life Agent”) licence that failure to complete the Council Rules Course and complete the missing CE credits by February 27, 2020 will result in automatic suspension of the Licensee’s Life Agent Licence and she will not be permitted to complete her annual filing until the Council Rules Course and CE credits are completed; and

4. a condition is imposed on the Licensee's Life Agent licence that failure to pay the fine by May 27, 2020 will result in automatic suspension of the Licensee's Life Agent licence and she will not be permitted to complete her annual filing until the fine is paid.

This order takes effect on the **29th day of November, 2019.**



Lesley Maddison
Chairperson, Insurance Council of British Columbia

INTENDED DECISION
of the
INSURANCE COUNCIL OF BRITISH COLUMBIA
(“Council”)
respecting
AZADEH HOSSEINI
(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 and Council Rules, and particularly to determine whether the Licensee acted contrary to her duty to meet the continuing education (“CE”) requirements established by Council, as set out in Council Rule 7(5).

As part of Council’s investigation, on April 17, 2019, a Review Committee (the “Committee”) met with the Licensee to discuss an allegation that the Licensee had not completed the required amount of continuing education credits for prior licence years.

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 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 June 18, 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 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 was audited for the licence years 2012-2013, 2013-2014, 2014-2015, 2015-2016 and 2016-2017. Based on the information provided, she was short 32 credits for the five years audited. Council scheduled for the matter to be discussed at a meeting of the Committee on December 14, 2017, but the Licensee did not respond to Council staff's attempts to contact her by both telephone and email. A Review Committee memo and notification letter were sent to the Licensee on December 12, 2017, but no response to the package was received and it was subsequently returned to Council as undeliverable on December 21, 2017.

On March 6, 2018, Council issued an order suspending the Licensee's licence for failing to reply to Council. The order was delivered to the Licensee on April 4, 2018. On April 5, 2018, the Licensee contacted Council to advise that she had moved and had a new phone number and email address. Council staff explained the reasons for the suspension, and asked the Licensee to submit any CE credit information that had not yet been provided. The Licensee submitted additional CE credits but the evidence still indicated that she had fallen short of her CE requirements in each of the five years audited.

Council staff met with the Licensee on June 18, 2018 in order to review her CE credits for each year and to provide information about her CE responsibilities. The Licensee was also given the opportunity to provide any additional CE certificates she might have. The Licensee informed Council staff that she was unable to locate the certificates for additional courses she had taken, but that she would contact the course providers in order to see if she could obtain copies through them. The Licensee also told Council staff that she would be leaving Canada for a few months, but that she would provide Council with additional information when she returned. The Licensee contacted Council staff again in September, October, and December 2018, advising that she was working on collecting the outstanding documents.

On March 3, 2019, the Licensee provided Council with a summary of her CE credits, additional CE certificates she had obtained from course providers, and written responses to questions Council staff had asked about some of the courses for which credits had previously been submitted. Council staff then asked the Licensee to provide CE credits for the 2018 license year, which she submitted on March 9, 2019. The Licensee's submissions to this point showed an overall shortage in her CE credits, and a failure to meet her CE requirements in four of the six years audited.

The Committee met with the Licensee on April 17, 2019. During the meeting, the Licensee read from a prepared statement, a copy of which she provided to the Committee. She apologized for not responding, explaining that personal problems in the last few years had affected her ability to respond, and had caused her to take several leaves of absence from the insurance business.

The Licensee informed the Committee that she moved to a new residence in 2015 and had provided her employer with her new address and phone number. She stated that she had mistakenly assumed that her employer would inform Council of her new contact information on her behalf. The information was not provided to Council, and the Licensee did not follow up.

The Licensee explained that there were long periods between 2014 and 2017 in which she had not been active in the insurance business, although her licence remained active. She advised that she has not conducted any insurance business since Council suspended her licence, and that all of her clients were transferred to her manager.

During the meeting, the Licensee provided the Committee with a large number of CE certificates, of which 4.5 credits worth had not previously been submitted to Council during the audit, and were accepted by the Committee. The new certificates showed that the Licensee had attained the required number of CE credits during the 2013-2014 licence year. Some of the CE certificates provided to the Committee showed that the Licensee had taken certain courses more than once within a single licence year. The Committee informed the Licensee that she could not receive credit for a course more than once within a licence year. The Licensee told the Committee that she was not aware that duplication of courses is not allowed.

ANALYSIS

Council accepted the facts as presented by the Licensee, including the personal hardships that she described, and considered the Licensee to be genuinely remorseful.

Although the Licensee later completed some make-up credits, the fact remains that she had not completed her CE requirements within the licence year for 2012-2013, 2015-2016, and 2017-2018, and is still short for the 2015-2016 and 2017-2018 licence years. Additionally, the Licensee had failed to provide Council with requested documentation in a timely manner throughout the audit. The Licensee's failure to respond to Council was egregious enough that it led to her licence being suspended in April 2018.

As such, Council confirms that the Licensee breached her duty to meet the CE requirements established by Council, as set out in Council Rule 7(5), for the licence years 2012-2013, 2015-2016 and 2017-2018 and determined that a fine and additional sanctions were appropriate.

In determining a disposition in this matter, three previous cases were taken into consideration by the Committee.

Jagjit Singh Gill (April 2018) concerned the CE credit audit of a licensee who was licensed as a life and accident and sickness agent. The audit revealed that the licensee was unable to

demonstrate that he had met his CE credit requirements in the 2012, 2013, 2014, and 2016 licence years, although he subsequently completed a sufficient number of make-up credits to address the shortfall. Council concluded that the licensee's action warranted discipline and fined him \$4,000 and required him to complete the Council Rules course.

Sukhdarshan Singh Mann (May 2018) concerned the CE credit audit of a licensee who was licensed as a life and accident and sickness insurance agent. The audit revealed that the licensee was unable to demonstrate that he had met his CE credit requirements in the 2013 and 2016 licence years. Council concluded that the licensee's action warranted discipline and fined him \$2,000, required him to complete the outstanding credits, and required him to complete the Council Rules Course.

Evelyn Yap Wong (August 2018) concerned the CE credit audit of a licensee who was licensed as a life and accident and sickness insurance agent. The licensee admitted that she had not completed her CE requirements for the 2015, 2016, and 2017 licence years because her licence had been inactive since 2011 and she was unaware that she was required to complete CE while inactive. Council concluded that the licensee's action warranted discipline and fined her \$5,000. Further, Council determined that the licensee was not qualified to hold a licence and suspended her for one year, and required her to fulfill a number of educational requirements within that year in order to prevent her licence from being automatically cancelled.

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 of the three licence years (2012-2013, 2015-2016, and 2017-2018) in which she did not fulfill her required CE credits, for a total of \$3,000;
2. Require the Licensee to complete the Council Rules Course and make up the outstanding credits for the 2015-2016 and 2017-2018 licence years; and
3. Impose a condition on the Licensee's Life Agent licence that failure to pay the fine, complete the course, and complete the missing CE credits within 90 days of Council's order will result in automatic suspension of the Licensee's Life Agent licence and she will not be permitted to complete her annual filing until the fine is paid in full and the course and CE credits are 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.

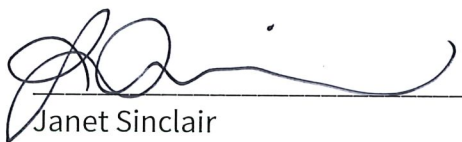
Even if this decision is accepted by the Licensee, pursuant to section 242(3) of the Act, the Financial Institutions Commission still has a right to appeal this decision of Council to the Financial Services Tribunal ("FST"). The Financial Institutions Commission has 30 days to file a Notice of Appeal, 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 **16th day of September 2019**.

For the Insurance Council of British Columbia



Janet Sinclair
Executive Director
604-695-2001
jsinclair@insurancecouncilofbc.com