

In the Matter of the

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

and the

INSURANCE COUNCIL OF BRITISH COLUMBIA
(“Council”)

and

KELSIE DAWN LANG
(the “Licensee”)

ORDER

As Council made an intended decision on June 18, 2019, pursuant to section 231 of the Act; and

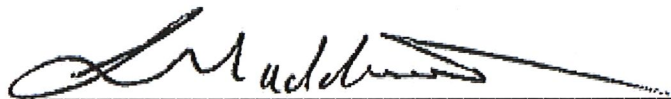
As Council, in accordance with section 237 of the Act, provided the Licensee with written reasons and notice of the intended decision dated September 11, 2019; and

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

Under authority of section 231 of the Act, Council orders that:

1. the Licensee is reprimanded.

This order takes effect on the **4th day of October, 2019.**



Lesley Maddison
Chairperson, Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA

(“Council”)

respecting

KELSIE DAWN LANG

(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 failed to notify Council of a charge and subsequent conviction as required by Council Rule 7(3)(a)(iv).

As part of Council’s investigation, on April 16, 2019, a Review Committee (the “Committee”) met with the Licensee by telephone conference call to discuss the results of the investigation and to allow the Licensee an opportunity to provide additional information or make further submissions.

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 that 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 section 231 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 has held an active Level 1 general salesperson licence since March 2017. Prior to that, she worked in the Alberta insurance industry for approximately two years.

The Licensee was charged on June 20, 2018 under section 334(b) of the *Criminal Code* for committing theft of \$5,000 or under, and was convicted on August 21, 2018. The court imposed a conditional discharge under which the Licensee was placed on probation for nine months and ordered her to pay a victim surcharge of \$100. The Licensee was also required to complete 10 hours of community service and to participate in counseling as directed by her probation officer.

The Licensee advised the Committee that she was struggling with personal problems at the time of the offence. She further advised that it was an isolated incident and assured the Committee that it would never happen again. The Licensee vehemently explained to the Committee that her behavior was wrong and that it had been a lapse of judgement on her part.

Council Rule 7(3)(a)(iv) requires licensees to notify Council within five business days if they are “charged or convicted of any criminal offence or any offence under any law of any jurisdiction, excluding traffic offences resulting in monetary fines only.” The Licensee did not notify Council about either the charge or the conviction. The Licensee’s employing agency contacted Council about the matter on December 11, 2018.

The Licensee informed the Committee that she had not read the Council Rules at the time of her application, and that she was not aware she was required to report the charge and conviction to Council until she took the Council Rules Course in October 2018. She explained that she had decided not to report after taking the Council Rules Course because several months had already passed since her conviction, and she was embarrassed and ashamed by the matter, and wished to put it behind her.

ANALYSIS

Council accepted that the Licensee is very remorseful about the conduct that led to her charge and conviction, as well as in regard to her failure to report the matter to Council.

Council was troubled, however, by the Licensee’s admission that she had not read the Council Rules when she applied for her licence, despite the fact that she was required to acknowledge on her application that she understood the Council Rules. Further, when the Licensee submitted her annual filing to Council in May of 2018, she had to declare that she was in compliance with the Council Rules, which included the rules concerning mandatory

disclosures. As such, Council is of the opinion that the Licensee ought to have known at the time of the charge and conviction that she was required to report them to Council within five days.

Council was further concerned by the Licensee's admission that, even after she learned of the reporting requirement when taking the Council Rules Course in October 2018, she nevertheless made a conscious decision to not advise Council of the matter.

Council confirms that the Licensee breached Council Rule 7(3)(a)(iv) when she failed to report as required. As such, Council finds that a sanction is warranted.

In determining a disposition in this matter, Council found the fact that the Licensee's employing agency continues to employ her to be highly indicative of the agency's support for and trust of the Licensee. Council also took into consideration the conditional discharge, probation, community service, victim surcharge, and counselling that had already been imposed on the Licensee by the court.

Two previous cases were reviewed by Council prior to its determination being made.

Manpreet Kaur Chahar (January 2012) concerned a licence applicant who had, some months prior to her application, been detained by the RCMP in connection with a theft under \$5,000 at a department store. The applicant was not convicted, but was instead referred to an alternative measures plan that required her to complete 20 hours of community service and write an essay about how a criminal record would affect her future. Council concluded that, although the applicant's actions were concerning, they did not preclude the granting of an insurance licence. A licence condition requiring two years of supervision was imposed on the applicant.

Rey Orlando Sua Carreno (March 2019) concerned a licensee who was ordered to pay a \$1,000 fine for failing to notify Council of a personal bankruptcy, and an additional \$1,000 for making a material misstatement in regard to bankruptcy on his re-application for a licence. The licensee was also required to complete course requirements, and to undergo a two year period of supervision.

INTENDED DECISION

Pursuant to section 231 of the Act, Council made an intended decision that:

the Licensee be issued a reprimand.

Intended Decision
Kelsie Dawn Lang
LIC-2017-0003669-R01 / COM-2018-00453
September 11, 2019
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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.

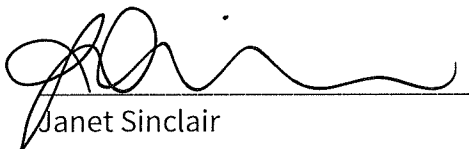
Even if this decision is accepted by the Licensee, pursuant to section 242(3) of the Act, the Financial Institutions Commission still has a right to appeal this decision of Council to the Financial Services Tribunal ("FST"). The Financial Institutions Commission has 30 days to file a Notice of Appeal, 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 **11th day of September, 2019.**

For the Insurance Council of British Columbia



Janet Sinclair
Executive Director
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