

In the Matter of

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

and

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

and

REZA MOSBERIAN
(the “Licensee”)

ORDER

As Council made an intended decision on July 14, 2015, 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 27, 2015; 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:

1. The Licensee is reprimanded.
2. The Licensee is fined \$1,000.00.
3. The Licensee is assessed Council’s investigative costs of \$1,837.50.
4. A condition is imposed on the Licensee’s general insurance licence that requires him to pay the above-ordered fine and investigative costs no later than **November 18, 2015**. If the Licensee does not pay the ordered fine and investigative costs in full by this date, the Licensee’s general insurance licence is suspended as of **November 19, 2015**, without further action from Council and the Licensee will not be permitted to complete any annual filing until such time as the ordered fine and investigative costs are paid in full.

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87167-11607
August 18, 2015
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This order takes effect on the **18th day of August, 2015.**



Brett Thibault
Chairperson, Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA (“Council”)

respecting

REZA MOSBERIAN (the “Licensee”)

INTRODUCTION

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 June 8, 2015, a Review Committee (the “Committee”) met with the Licensee and his nominee to discuss allegations that the Licensee failed to obtain the necessary information to accurately complete a policy application, forged a client’s signature for convenience, and failed to cancel an insurance binder.

The Committee was comprised of one voting member and three 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 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 July 14, 2015 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 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 formal hearing. This intended decision operates as written notice of the action Council intends to take against the Licensee.

FACTS

The Licensee has a Level 2 general insurance agent licence, and has been licensed with Council since May 3, 1990. The Licensee has been employed by the same agency for approximately 20 years.

The Licensee received a request from a client's lawyer for an insurance binder on a property that the client had purchased. The client's lawyer required the binder by the end of the day, as the bank would not offer a mortgage to the client until it had an insurance binder.

The Licensee had insufficient information on the property to issue the binder, but he took what information he could from his client, as well as from the Multiple Listing Service website. The Licensee acknowledged that he did not personally view the property or verify the information he had obtained. The Licensee then forwarded the binder (the "Binder") to the client's lawyer the same day it was requested, but, after doing so, did not send an application form to the insurer ("Insurer 1") in respect of the Binder.

The Licensee subsequently realized the information he had was not correct, and completed an application for a second policy, which he remitted to a different insurer ("Insurer 2"). The Licensee acknowledged that he forged the client's signature on the application when he found the client was unavailable to meet with him before he sent the application to Insurer 2.

After sending the policy application to Insurer 2, the Licensee failed to send a binder retraction letter for the Binder. The Binder did not have an expiration date, and the policy period was for a full year.

A loss subsequently occurred on the property within the policy period. Insurer 2 voided the policy due to material misrepresentations and omissions regarding vacancy issues. The Licensee spoke with the client about the vacancy issues, but did not keep a record of those conversations.

ANALYSIS

Council determined that the Licensee's action in forging a client's signature on an insurance application form was inappropriate, and brought into question his competency. Council accepted that the Licensee's action was mostly an issue of client convenience and not for personal benefit. However, Council concluded that an insurance agent with the Licensee's years of experience should know better than to sign another person's name to an insurance document.

Council also felt that the Licensee's failure to retract a binder of insurance, notify the parties of the change in insurers and policy amounts, and keep proper records of his discussions with his client, reflected on his competency.

Council found the Licensee was genuinely remorseful for the incident, and noted that he had been placed under internal supervision by his employer, had taken steps to improve his competency by completing an errors and omissions course, and now had an assistant to help him better manage his insurance activities.

However, given the Licensee's actions in forging a client's signature and his failure to keep notes regarding important client communications, Council determined that the Licensee should receive a reprimand and be fined.

INTENDED DECISION

Pursuant to sections 231, 236, and 241.1 of the Act, Council made an intended decision to:

1. Reprimand the Licensee.
2. Fine the Licensee \$1,000.00.
3. Assess the Licensee Council's investigative costs of \$1,837.50.

The Licensee is advised that should the intended decision become final, the fine and investigative costs will be due and payable within 90 days of the date of the order. In addition, failure to pay the fine and investigative costs within the 90 days 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 and investigative costs are paid in full.

The intended decision will take effect on **August 18, 2015**, 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 **August 17, 2015**. 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 **August 17, 2015**, the intended decision of Council will take effect.

Intended Decision
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87167-I1607
July 27, 2015
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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 **27th day of July, 2015**.

For the Insurance Council of British Columbia

Gerald Matier
Executive Director
604-695-2001
gmatier@insurancecouncilofbc.com

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