

**In the Matter of the**

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

and the

**INSURANCE COUNCIL OF BRITISH COLUMBIA**  
("Council")

and

**KULJIT KAUR PANNU**  
(the "Licensee")

**ORDER**

As Council made an intended decision on July 23, 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 Council's intended decision on September 19, 2019 (amended intended decision  
provided October 9, 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's general insurance licence is suspended for a period of 12 months  
commencing November 7, 2019 and ending at midnight on November 6, 2020;
2. a condition is imposed on the Licensee's general insurance licence requiring her to  
successfully complete the Council Rules Course and an ethics course (or equivalent) as  
approved by Council by February 5, 2020; and
3. a condition is imposed on the Licensee's general insurance licence that the Licensee will  
not be permitted to complete her annual filing until the above-noted courses are  
completed.

This order takes effect on the 7<sup>th</sup> day of November, 2019.



Lesley Maddison  
Chairperson, Insurance Council of British Columbia

**AMENDED INTENDED DECISION**

of the

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

respecting

**KULJIT KAUR PANNU**  
(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, of the regulations or rules made by Council, or of the licence of the Licensee. Specifically, Council considered the Licensee’s suitability to hold a general insurance licence in light of her discipline for exam cheating on two occasions.

At its July 23, 2019 meeting, Council 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 first licensed with Council in May 1999 as a level 1 general insurance salesperson (“Level 1 Salesperson”). The Licensee has represented the same agency (the “Agency”) since the inception of her general insurance licence and has held a management role there since January 2010.

On July 27, 2009, Council issued an intended decision (the “2009 Decision”) to discipline the Licensee under her Level 1 Salesperson licence for cheating on her Canadian Accredited Insurance Broker 2 examination. The Licensee acknowledged then that she made a serious mistake and said she would never cheat again. The Licensee did not request a hearing of the 2009 Decision and, therefore, an order imposing the discipline was issued on August 24, 2009.

The Licensee successfully upgraded to her level 2 general insurance agent licence in May 2015.

In May 2017, the Licensee attained a life and accident and sickness insurance ("Life Agent") licence and represented a large, national insurance brokerage (unaffiliated with the Agency) until her Life Agent licence was suspended by Council on August 18, 2017 under section 238 of the Act while Council staff investigated an allegation that she had cheated on her life licence qualification examination ("LLQP").

On September 18, 2017, Council made an intended decision to cancel the Licensee's Life Agent licence (the "2017 Decision"). The Licensee initially requested a hearing but subsequently accepted the 2017 Decision. As such, by way of an order issued by Council on March 29, 2018, the Licensee's Life Agent licence was cancelled. At the time, the Licensee was advised that, in light of the exam cheating, her suitability to hold her general insurance licence would be considered by Council.

### **The Licensee's Submissions**

The Licensee's legal counsel provided submissions to Council on June 28, 2019. The Licensee's position is that the cancellation of her Life Agent licence should have no bearing on her suitability to hold a general insurance licence. Her legal counsel provided an affidavit from a director of the Agency in support. The director's evidence is that the Licensee is a trusted and invaluable part of their management team and manages their largest office. He also states that the Agency would be harmed by a lengthy suspension of her general insurance licence.

The Licensee submits that she should not be punished again in relation to the facts of the 2017 Decision as she has not engaged in any improper activity relevant to her general insurance licence either before or after the 2017 Decision.

### **LEGISLATIVE FRAMEWORK**

Council determined that the following sections of Council's Rules and Code of Conduct are applicable to the facts in this matter.

#### **Council Rule 7(8)**

*A licensee must comply with the Council's Code of Conduct, as amended from time to time.*

## **Council's Code of Conduct**

### **Section 3. Trustworthiness**

#### *3.1 Principle*

*In an industry where trust is the foundation for all dealings, you must meet rigorous standards of personal integrity and professional competence. These characteristics speak to the essence of what a licensee does. Failure to adhere to these standards reflects not only on you, but also on the profession. Trustworthiness is a fundamental element of each requirement in the Code.*

#### *3.2 Requirement*

*You must be trustworthy, conducting all professional activities with integrity, reliability and honesty. The principle of trustworthiness extends beyond insurance business activities. Your conduct in other areas may reflect on your trustworthiness and call into question your suitability to hold an insurance licence.*

### **Section 4. Good Faith**

#### *4.1 Principle*

*The insurance industry is based on fiduciary relationships. Accordingly, the exercise of good faith by licensees in the practice of the business of insurance is essential to public confidence in the industry. Good faith is a fundamental aspect of your conduct and a key element in each of the Code's requirements.*

#### *4.2 Requirement*

*You must carry on the business of insurance in good faith. Good faith is honesty and decency of purpose and a sincere intention on your part to act in a manner which is consistent with your client's or principal's best interests, remaining faithful to your duties and obligations as an insurance licensee. You also owe a duty of good faith to insurers, insureds, fellow licensees, regulatory bodies and the public.*

## **ANALYSIS**

Council determined that the Licensee's action in cheating on her LLQP exam is relevant to her overall suitability with regard to her general insurance licence. Furthermore, Council was

troubled by the fact that this was the second time the Licensee cheated on an exam, despite her assurances at the time of the 2009 Decision not to repeat this misconduct. Council was further concerned by the degree of managerial power held by the Licensee at the Agency in light of her failure to act in a trustworthy manner and in good faith on two previous occasions.

Council considered the precedent case of *Paramjit Kaur Dhaliwal* in which the licensee held a general licence life licence and was also found to have cheated on her LLQP exam in very similar circumstances. The Hearing Committee in that case noted that having already held a general licence, the licensee should have certainly known better than to cheat on the LLQP exam in relation to her life licence. Council ordered that the licensee's life licence be cancelled with no opportunity to reapply for a period of four years, and that her general licence be suspended for one year. The licensee was required to take Council's Rules course and complete an ethics course and pay hearing and investigation costs.

Council determined that in light of the *Dhaliwal* decision, the serious and repeated nature of the Licensee's untrustworthy conduct, and the Licensee's position of control at the Agency, a significant suspension of her general insurance licence is required to meet the objectives of parity and deterrence.

#### **INTENDED DECISION**

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

1. suspend the Licensee's general insurance licence for a period of 12 months;
2. impose a condition on the Licensee's general insurance licence that requires her to successfully complete the Council Rules Course and an ethics course (or equivalent) as approved by Council; and
3. impose a condition on the Licensee's general insurance licence that failure to complete the course within 90 days of Council's order will result in the continued suspension of the Licensee's general insurance licence and she will not be permitted to complete her annual filing until the course is completed.

#### **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

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Kuljit Kaur Pannu

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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, including the suspension, will take effect.

Even if this decision is accepted by the Licensee, pursuant to section 242(3) of the Act, the Financial Institutions Commission<sup>1</sup> 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

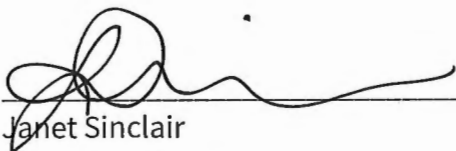
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Reception: 250-387-3464, Fax: 250-356-9923

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

Dated in Vancouver, British Columbia, on the **9<sup>th</sup> day of October, 2019**.

For the Insurance Council of British Columbia



Janet Sinclair  
Executive Director

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<sup>1</sup> As of November 1, 2019, the Financial Institutions Commission will be known as the British Columbia Financial Services Authority.