

**In the Matter of the**

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

**and the**

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

**and**

**MANJIT KAUR BRAR**  
**(the “Former Licensee”)**

**ORDER TO AMEND COUNCIL’S FEBRUARY 5, 2019 ORDER**

Pursuant to section 237 of the Act, Council convened a hearing at the request of the Former Licensee to dispute an intended decision dated October 31, 2017.

A Hearing Committee heard the matter on May 7, 2018 and presented a Report of the Hearing Committee (the “Report”) to Council at its January 22, 2019 meeting.

Council considered the Report and made an order, effective February 5, 2019, to cancel the Former Licensee’s life and accident and sickness (“Life Agent”) licence with no opportunity to reapply for a Life Agent licence for a period of four years, impose investigation and hearing costs, and require the Former Licensee to complete an ethics course prior to any future applications being considered (the “February 5, 2019 Order”), pursuant to sections 231, 236, and 241.1 of the Act.

The Former Licensee appealed the investigation and hearing costs set out in the February 5, 2019 Order to the Financial Services Tribunal (the “FST”), asked for an extension of time to file the appeal and a stay of the February 5, 2019 Order pending final determination of the appeal. On July 31, 2020, the FST granted an extension of time to file the appeal, but declined to grant a stay of the February 5, 2019 Order.

On July 16, 2021, the FST issued its final decision regarding the appeal of the February 5, 2019 Order. The FST has ordered the cancellation of the investigation and hearing costs set out in the February 5, 2019 Order.

In accordance with the FST decision, the February 5, 2019 Order is amended as follows (amendments underlined or struck-out as applicable):

1. The Former Licensee’s life and accident and sickness insurance licence is cancelled with no opportunity to reapply for a life and accident and sickness insurance licence for a period of four years, commencing February 5, 2019 and ending at midnight on February 4, 2023; and

- ~~2. The Licensee is assessed investigation costs of \$3,055.00, which are due and payable no later than May 6, 2019;~~
- ~~3. The Licensee is assessed hearing costs of \$5,196.25, which are due and payable no later than May 6, 2019; and~~
4. The Former Licensee is required to complete an ethics course (or equivalent), as approved by Council, before Council will consider a licence application from the Former Licensee.

This order takes effect on the **11<sup>th</sup> day of August, 2021.**



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Janet Sinclair, Executive Director  
Insurance Council of British Columbia

**In the Matter of the**  
***FINANCIAL INSTITUTIONS ACT***  
**(RSBC 1996, c.141)**  
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**INSURANCE COUNCIL OF BRITISH COLUMBIA**  
**(“Council”)**  
**and**  
**MANJIT KAUR BRAR**  
**(the “Licensee”)**

**ORDER**

Pursuant to section 237 of the Act, Council convened a hearing at the request of the Licensee to dispute an intended decision of Council dated October 31, 2017.

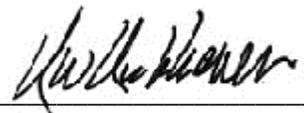
The subject of the hearing was set out in an Notice of Hearing dated April 23, 2018.

A Hearing Committee heard the matter on May 7, 2018 and presented a Report of the Hearing Committee to Council at its January 22, 2019 meeting.

Council considered the Report of the Hearing Committee and made the following orders pursuant to sections 231, 236, and 241.1 of the Act:

1. The Licensee’s life and accident and sickness insurance licence is cancelled with no opportunity to reapply for a life and accident and sickness insurance licence for a period of four years, commencing February 5, 2019 and ending at midnight on February 4, 2023;
2. The Licensee is assessed investigation costs of \$3,055.00, which are due and payable no later than May 6, 2019;
3. The Licensee is assessed hearing costs of \$5,196.25, which are due and payable no later than May 6, 2019; and
4. The Licensee is required to complete an ethics course (or equivalent), as approved by Council, before Council will consider a licence application from the Licensee.

This order takes effect on the **5<sup>th</sup> day of February, 2019**.



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Ken Kukkonen  
Chairperson, Insurance Council of British Columbia



The Hearing Committee was then constituted pursuant to section 223 of the Act and this is the written report that the Hearing Committee has prepared in accordance with section 223(4) of the Act.

## **EVIDENCE**

### ***a. Witnesses***

Michael Stitt was the only witness called by Council at the hearing. Mr. Stitt is an investigator employed by Council and he was responsible for conducting the underlying investigation with respect to possible collusion on the LLQP examinations.

Unlike some of the prior hearings where LLQP collusion was alleged against other licensees by Council, the Licensee in this matter attended the hearing and provided evidence with respect to the material issues, very clearly denying that she had cheated or colluded on the exams.

### ***b. Exhibits***

In addition to Mr. Stitt, Council tendered the following documentary evidence:

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|-----------|--|
| Exhibit 1 | Council's Book of Documents, which contained seven tabs providing information about aspects of the LLQP examinations and the investigation, as well as the Licensee's application for a licence and notes from Mr. Stitt's calls with the Licensee during the course of the investigation. |
| Exhibit 2 | Expert report, dated January 26, 2018, prepared for Council by Chris Beauchamp, Ph.D., of Yardstick Testing & Training. Mr. Beauchamp's report provided a statistical analysis of certain issues relating to the LLQP examination results.   |

Council's Book of Authorities was also filed as Exhibit 3 and Council's written closing submissions were filed as Exhibit 4.

### ***c. Facts***

By way of general background, all applicants for a life insurance licence must complete the LLQP, which consists of a mandatory education course, as well as four multiple-choice qualifying licensing examinations. The examinations are divided into four specific subject areas: Life Insurance; Accident & Sickness Insurance; Segregated Funds; and Ethics (Tab 7, Exhibit 1). These examinations must be passed by an applicant within one year of completing the education course.

The Licensee in this matter was licensed as a life agent in British Columbia on February 8, 2017. At the time that she obtained her license, the Licensee became affiliated with an insurance agency

in Surrey that was licensed to engage in life insurance activity (the “Agency”). During the course of Council’s investigation, Mr. Stitt explained that there were dozens of licensees affiliated with the same Agency who were identified as having potentially cheated on the LLQP examinations.

The factual background to this matter has already been canvassed extensively by another Committee in the Varinder Grewal hearing report. For the most part, Council introduced very similar evidence as against the Licensee herein, particularly the expert opinion from Dr. Beauchamp which addressed the statistical likelihood of LLQP examinees having the same or similar answer sequences.

What was unique about this proceeding was that the Hearing Committee also had the opportunity to hear directly from the Licensee and was able to ask her questions about the circumstantial evidence of collusion that was introduced by Council.

With respect to the investigation, Council was alerted in February 2017 to certain statistical anomalies in a recent sitting of the LLQP examinations that appeared to suggest some level of collusion amongst the examinees. In particular, a collusion detection analysis that had been commissioned by the Canadian Insurance Services Regulatory Organizations (“CISRO”) with respect to all LLQP exam results across Canada had identified possible collusion amongst recent LLQP exam writers in British Columbia.

Mr. Stitt was tasked with investigating the matter for Council. He began his investigation by reviewing exam results from the February 8, 2017 LLQP exam sitting. After reviewing those results, Mr. Stitt determined that six candidates had used a combination of *precisely the same answers* across certain combinations of the exams. When Mr. Stitt further investigated these candidates, he discovered that all six individuals were licensees with the same Agency as the Licensee before the Committee in this matter.

During the course of the investigation, the Licensee was subsequently identified by Council as having used a common answer sequence on three of her four LLQP exams – Segregated Funds; Life Insurance; and Accident & Sickness Insurance. The common answer sequences used by the Licensee were the same (or very close to the same) as the answer sequences used by many other licensees affiliated with the Agency. The Licensee had written the Segregated Funds exam on December 12, 2016, the Life Insurance exam on December 15, 2016, and the Accident & Sickness Insurance exam on December 22, 2016.

On the Segregated Funds exam, the Licensee obtained an exam score of 63.33% (19/30). Her score was identical to at least 19 other candidates identified in Council’s collusion analysis. More importantly, the Licensee had not only obtained the same raw score on the exam (19/30), but she had used exactly the same answer sequence as the 19 other candidates. That is, all 30 of the responses given by the Licensee on the exam matched the 30 responses given by the 19 other persons who obtained the same score (19/30).

On the Life Insurance exam, the Licensee obtained an exam score of 70% (21/30). Her score and sequence of answers was substantially similar to at least 21 other examinees. At least 16 other examinees obtained scores on that exam of 73.33% (22/30) using an answer sequence that was almost precisely the same as the Licensee (the only difference being in relation to the very first question of the exam).

On the Accident and Sickness exam, the Licensee obtained an exam score of 66.67% (20/30). For that exam, the Licensee again used an answer sequence that was substantially the same as 12 other examinees with an answer sequence matching rate of 97% (28/30 answers, both correct and incorrect, were the exact same).

Notably, Mr. Stitt also testified that the Licensee had used the same sequence of answers as other examinees on the same dates that her exams were written, and that the Licensee had been recruited to the Agency by the same individual who had recruited at least four other examinees who had used common answer sequences to pass the LLQP examinations.

The same statistical evidence was tendered by Council in this hearing as had been relied on in the Varinder Grewal matter. The expert opinion report prepared by Mr. Beauchamp provided a detailed statistical analysis of the probabilities of two candidates to a multiple choice examination having the same answer sequence, both in terms of the questions that were answered correctly, as well as the answers that were given when questions were wrong (Exhibit 2).

In brief, Mr. Beauchamp's analysis illustrated that the statistical probability of the Licensee's answer sequences independently matching the answer sequence of another candidate was *less than 1 in a billion*. The Hearing Committee further noted that Mr. Beauchamp set out that the statistical probability of multiple candidates having the same answer sequence as being even lower.

As Council described the relevance of the statistical evidence in its closing submissions (Exhibit 4):

The unchallenged, expert opinion...makes clear that the likelihood of the statistical anomalies occurring in the absence of collusion is extremely remote and, it is submitted, much more than merely improbable.

#### **THE LICENSEE'S TESTIMONY**

Faced with the circumstantial evidence of collusion that had been introduced by Council, the Hearing Committee welcomed the opportunity to hear directly from the Licensee with respect to whether or not she had cheated or colluded on the LLQP examinations.

The evidence of the Licensee was at times difficult to follow. In her opening statement to the Hearing Committee, the Licensee stated that she would not have attended the hearing, especially without legal representation, if she had in fact cheated on the examinations, as alleged. That is, her mere presence at the hearing supported a conclusion that she had not cheated or colluded.

She explained that while dealing with some family health issues in 2016, she realized that her family's own insurance policies were not appropriate for her family's circumstances. This realization led her down the path towards trying to obtain her own insurance licence. She emphasized to the Committee that she is an intelligent person who read the study materials and passed the LLQP exams on her own merit. In particular, she questioned how Council could explain the fact that she had passed the fourth exam if she had been required to cheat on the other three?

During her examination-in-chief, the Licensee was adamant that she had not cheated on the LLQP exams. She again advised the Committee that she studied hard for the exams and highlighted the fact that there was no evidence of her actually cheating (video from when she took the tests, for example). She said that had she cheated, she would have "just sat there" in the examination room and that was not what happened – implying that video would have shown her to be writing the exams in the manner one would expect of a candidate who had studied.

The Licensee advised the Committee that she did not know how or why her answer sequences matched with the other examinees. She had no explanation for how this could have occurred. She explained that she had written the exam in 65 minutes, used her brain to answer the questions and that "right answers are going to be right."

The Licensee also spent considerable time during her evidence outlining her own personal circumstances. She said she has worked many jobs over the years in order to provide for her family and that, in recent years, she had been earning a lot of money. She said that she has three teenage children and a husband who earns a good living as a truck driver. Through her efforts and hard work, she explained that she has been able to purchase multiple properties and did not need to be selling insurance policies. In fact, she said that she had never placed any insurance policies while affiliated with the Agency. The implication of the Licensee's evidence of this nature was that she had not pursued an insurance license for financial gain and had no financial motivation or incentive to cheat on her examinations to obtain a licence.

During cross-examination by counsel for Council, the Licensee said that she was recruited to the Agency in 2014 by a particular agent who had recruited others, but that she had agreed to affiliate with the Agency only because it offered access to more products and study resources. Additionally, she said that by affiliating with the Agency she was able to obtain a discount on some of the online resources that are sold to assist in preparation for the LLQP examinations. She said that she had primarily studied for the exams by herself, but she recalled attending at the Agency on one occasion to obtain study materials. She said that cheating on the exams would have been wrong and that she had not recruited anyone to the Agency for nine months after she obtained her licence.

In answering questions from the Hearing Committee, the Licensee explained that she had not met with Mr. Stitt during the course of his investigation because she did not cheat and therefore did not see any reason to meet with the investigator. She further elaborated that she had studied for the LLQP exams by way of an online course and by reading books and materials that she received from the Agency. She said that she started studying in 2015 and, at some point, had access to sample questions, but not complete exams. When pressed by the Hearing Committee, the Licensee

was unable to provide many specifics with respect to the online materials that she said she had reviewed to prepare for the exams (which materials she used; where she obtained the materials; etc.).

#### **FINDINGS OF THE HEARING COMMITTEE**

The burden at this hearing lies with Council, which must prove the allegations of collusion against the Licensee on a balance of probabilities.

Having reviewed and considered all of the evidence introduced by Council, and having heard directly from the Licensee, the Hearing Committee is of the view that Council has established on the civil standard that the Licensee cheated and colluded on her LLQP examinations by using the collusion sequence on three of her four exams.

In closing submissions, the Licensee had no explanation for how her answers on the exams were the same, or virtually the same, as dozens of other licensees from the same Agency. The Licensee maintained that she had not cheated on the exams and had come up with the answers on her own. The Committee did not accept the Licensee's evidence on this issue in light of the statistical evidence, coupled with the many links between the Licensee and others at the same Agency who used the same answer sequences.

In the eyes of the Hearing Committee, common sense dictates that it is highly improbable, if not impossible, for two candidates writing a 30 question multiple-choice examination to provide the exact same sequence of 30 answers (both right and wrong). The improbability of identically matching answers was brought home when the Hearing Committee reviewed the report from Mr. Beauchamp, which set out the statistical probability of this occurring as being less than 1 in one billion.

It is the view of the Hearing Committee that the Licensee was unable to provide any meaningful response to the circumstantial evidence that she cheated on the LLQP examinations. The Licensee was recruited to the Agency by an individual who had recruited other licensees to the same Agency who had also appeared to use a collusion sequence on certain LLQP exams. Further, every licensee alleged to have colluded on the LLQP exams, including the Licensee, was licensed or affiliated with the same Agency. Further, the Hearing Committee also found it significant that the Licensee had used the same answer sequences on certain exams as other candidates who wrote the same exams on the very same date or the day before.

When all of the circumstantial evidence is considered, the Hearing Committee is of the view that Council has proven the case against the Licensee in an overwhelming fashion. There is no question for the Hearing Committee that the balance of probabilities has been met with respect to the allegations against the Licensee.

Finally, in her submissions, the Licensee brought to the attention of the Hearing Committee that there were some places where the answer sequences were not the exact same (on the Life Insurance

and Accident and Sickness exams). She also made note that there was only evidence of use of a collusion sequence on three of the four exams, and asked why she would not have cheated on that exam as well. The Licensee admitted that it was a mistake to have gone through the process with the Agency despite the savings she received via their discount. Lastly, she pointed out that while the statistical odds of these sequences occurring organically are very low, she could be the person that “[won] the lottery.”

With the utmost of respect for the Licensee, the Hearing Committee found her attempted explanations were not credible or worthy of any weight. This was not simply a matter of mere statistical probabilities. When one combines the statistical evidence with the many other factors linking the Agency licensees to each other, it becomes clear that the Licensee’s matching answers were not the equivalent of, in her words, a lottery win. It is the view of the Committee that the evidence revealed the Licensee to have participated in a calculated and intentional scheme to collude on the LLQP exams.

Council’s primary mandate is of course the protection of the public. The LLQP plays an important role in ensuring that all licensees possess a basic level of competency and knowledge in order to effectively, properly and ethically engage in life insurance transactions and serve the public.

It is the Hearing Committee’s view that the Licensee’s actions are contrary to the public interest mandate of Council and are a serious violation of a number of provisions of the Code of Conduct, particularly sections 3, 4 and 5, which establish that trustworthiness, good faith and competence are critically important characteristics of a licensee. Further, these provisions of the Code also reveal that licensees are expected to conduct all professional activities with the utmost of integrity and reliability.

The Licensee has engaged in conduct that is diametrically opposed to the standards that a licensee is expected to uphold and represent. A willingness by the Licensee to cheat on the qualifying examinations, and then to attend a hearing and continue to deny the collusion while under oath, should cause Council great concern about the Licensee’s competency, but even more importantly, her character and honesty.

#### **RECOMMENDATIONS OF THE HEARING COMMITTEE**

In determining its recommendations to Council with respect to this matter, the Hearing Committee has carefully reviewed and considered the authorities that it was referred to at the hearing by Council, including *Moore v. College of Physicians and Surgeons of Ontario*, [2003] O.J. No. 5200 (Ont. SC); *Financial Services Commission v. The Insurance Council of British Columbia and Maria Pavicic*, November 22, 2005; *Gurvinder Singh Lehal and Sukhvir Singh Mann*, 2009; *Larry James Clark and Clark Thomas Insurance Services*, 1999; and *the Matter of Richard Jones*, FST 06-020.

The Hearing Committee believes that the key factors in determining an appropriate penalty for the Licensee in this instance are deterrence, both general and specific, as well as the maintenance of

the public confidence in the integrity of the profession and the regulatory system itself. In particular, in this instance, the notion of specific deterrence is even more important given the Committee's conclusions that the Licensee was not truthful during the hearing with respect to her involvement with the collusion.

For the reasons set out above, the Hearing Committee recommends that Council consider the following penalty:

1. the Licensee's licence be cancelled for a period of 4 years;
2. the Licensee be required to pay Council's costs of the hearing, in an amount to be determined (with such costs to be paid prior to the Licensee reapplying for a licence); and
3. before reapplying to obtain a licence, the Licensee must also complete, at her own expense, an ethics course (or equivalent) that is approved by Council.

Dated in Vancouver, British Columbia, on December 20, 2018.



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Karl Krokosinski, Chair of Hearing Committee  
Insurance Council of British Columbia