

In the Matter of the

FINANCIAL INSTITUTIONS ACT, RSBC 1996, c.141

(the “Act”)

and the

INSURANCE COUNCIL OF BRITISH COLUMBIA

(“Council”)

and

MANINDER (MANDY) KAUR SANDHU

(the “Former Licensee”)

ORDER

As Council made an intended decision on December 12, 2023, pursuant to sections 231, 236, and 241.1 of the Act; and

As Council, in accordance with section 237 of the Act, provided the Former Licensee with written reasons and notice of the intended decision dated January 31, 2024; and

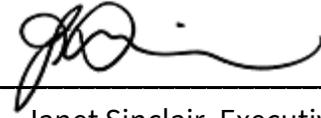
As the Former Licensee has not requested a hearing of Council’s intended decision within the time period provided by the Act;

Under authority of sections 231, 236, and 241.1 of the Act, Council orders that:

- 1) Council will not consider an application for any insurance licence from the Former Licensee for a period of three years, commencing on February 22, 2024, and ending at midnight on February 21, 2027;
- 2) The Former Licensee is assessed Council’s investigation costs of \$1,625, to be paid by May 22, 2024, and which must be paid in full prior to the Former Licensee being licensed in the future.

Order
Maninder (Mandy) Kaur Sandhu
COM-2021-00578 / LIC-2018-0010090-R01
February 22, 2024
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This order takes effect on the **22nd day of February, 2024**

A handwritten signature in black ink, appearing to read 'Janet Sinclair', positioned above a horizontal line.

Janet Sinclair, Executive Director
Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA

(“Council”)

respecting

MANINDER (MANDY) KAUR SANDHU

(the “Former Licensee”)

1. Pursuant to section 232 of the *Financial Institutions Act* (the “Act”), Council conducted an investigation to determine whether the Former Licensee had acted in compliance with the requirements of the Act, Council Rules, and Code of Conduct, in regard to allegations made by her former employer (the “Agency”) concerning misuse of a client’s credit card information in order to make unauthorized purchases.
2. On October 17, 2023, as part of Council’s investigation, a Review Committee (the “Committee”) comprised of Council members met via video conference to discuss the investigation. The Former Licensee was invited to attend the Committee meeting but chose not to appear. An investigation report prepared by Council staff was distributed to the Former Licensee and Committee prior to the meeting. Having reviewed the investigation materials and discussed the investigation, the Committee prepared a report for Council.
3. The Committee’s report, along with the aforementioned investigation report, were reviewed by Council at its December 12, 2023 meeting, where it was determined the matter should be disposed of in the manner set out below.

PROCESS

4. Pursuant to section 237 of the Act, Council must provide written notice to the Former Licensee of the action it intends to take under sections 231, 236, and 241.1 of the Act before taking any such action.

The Former 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 Former Licensee.

FACTS

5. The Former Licensee was licensed as a Level 1 general insurance salesperson ("Level 1 Salesperson") in June 2018. Her licence was terminated in August 2022 due to non-renewal.
6. On November 10, 2021, Council received notice from the Agency that the Former Licensee had used a client's credit card information to make unauthorized personal purchases. The information provided by the Agency indicated that on September 24, 2021, an agent had phoned the office to process a routine credit card payment for a client. This request was handled by the Former Licensee. Subsequently, on or around October 3, 2021, the client contacted the agent again to inform him that unauthorized purchases had been made with the credit card. These purchases occurred on October 1, 2021, and were for BC Ferries (in the amount of \$146.15) and a beauty salon (in the amount of \$350.03).
7. On or around October 11, 2021, the client contacted the agent an additional time, asking if an individual named Mandy Sandhu worked at the office, as the credit card had been used in association with a PayPal account in that name. The agent at that point escalated the situation to the attention of the Agency's nominee (the "Nominee").
8. On October 19, 2021, the Nominee and the Agency's compliance officer (the "Compliance Officer") conducted an interview with the Former Licensee. Although she denied the allegations at first, the Former Licensee ultimately admitted to using the client's credit card to pay for BC Ferries. The Former Licensee then submitted her resignation.
9. Council commenced its investigation in November 2021. On December 20, 2021, the Former Licensee responded by email to correspondence from a Council compliance officer and stated "Yes the allegation is right. I did use someone's credit card for my personal use. It was a shameful one time act and I am very remorseful for that."
10. In the course of the investigation, Council's investigator learned that the Former Licensee had been placed in a supervisory position within the Agency. Given that the Former Licensee was a Level 1 Salesperson for the duration of her time as a licensee, the investigator reached out to both the Former Licensee and the Agency for additional information, to ascertain whether any of the restrictions on Level 1 Salesperson licences, as set out in the Council Rules, had been breached.

11. The Former Licensee provided details about her supervisory role in her December 20, 2021 email but did not respond to subsequent correspondence. The Compliance Officer provided information on behalf of the Agency on January 21, 2022, stating that the Former Licensee's "supervisor position was an informal one, where she handled scheduling and payroll on behalf of the office."

ANALYSIS

12. Council has found that the Former Licensee's conduct, as described above, amounts to breaches of Code of Conduct sections 3 ("Trustworthiness"), 4 ("Good Faith"), 5 ("Competence"), 6 ("Financial Reliability"), 7 ("Usual Practice: Dealing with Clients"), 12 ("Dealing with the Insurance Council of British Columbia") and 13 ("Compliance with Governing Legislation and Council Rules").
13. The breaches of sections 3, 4, 6, and 7 are relatively straightforward. These sections of the Code of Conduct require licensees to conduct themselves honestly and to safeguard client interests. For instance, section 3 requires that licensees "be trustworthy, conducting all professional activities with integrity, reliability and honesty," section 4 requires "honesty and decency of purpose and a sincere intention ... to act in a manner which is consistent with your client's ... best interests," section 6 requires that licensees "properly safeguard and account for money and property entrusted to you," and section 7 requires licensees to "protect clients' interests and privacy." Each of these provisions has clearly been breached by the Former Licensee's misuse of a client's credit card information.
14. Although the misuse of a client's credit card was an intentional act by the Former Licensee, Council has concluded that it also amounts to a breach of section 5 of the Code of Conduct. The guidelines that provide commentary on this section of the Code state that "failing to properly handle and account for money or property" can reflect on a licensee's competence, and Council finds that that is true in this case. Additionally, Council considers that section 12 has been breached due to the Former Licensee's failure to respond adequately to inquiries from Council staff, and that section 13 has been breached due to the Former Licensee's overall disregard for the obligations that accompany licensure.
15. Council also finds that Council Rule 7(1), which requires licensees to "hold in strict confidence all information... concerning the personal and business affairs of a client," has clearly been breached. Not only did the Former Licensee not hold her client's information "in strict confidence," she deliberately abused her position as an insurance licensee in order to exploit her client's sensitive information for personal gain. Council further finds that Council Rule 7(8), which requires licensees to comply with the Code of Conduct, has been breached. As explained above, multiple sections of the Code have been breached by the Former Licensee's conduct.

PRECEDENTS

16. Prior to making its decision, Council took several past decisions relating to conduct in the nature of theft or fraud into consideration as precedents.
17. [Gagandeep Singh Dhillon](#) (July 2022): concerned a former Level 1 Salesperson who was criminally convicted on multiple counts of identity theft, as well as for one count of careless use or storage of a firearm. The former licensee's fraud involved abusing his position as an insurance salesperson to learn and misuse credit card information belonging to his clients. According to the sentencing judge, the former licensee misused the credit card information of at least dozens of clients and caused proven losses of more than \$250,000 to banks and merchants. Council ordered that no licence applications from the former licensee would be considered for eight years, fined him \$10,000, and assessed investigation costs.
18. [Lisa Anne Allan](#) (January 2020): concerned a former Level 1 Salesperson who misappropriated over \$16,000 of Insurance Corporation of British Columbia ("ICBC") funds for her own use. The former licensee admitted to taking the money, and was found guilty of theft over \$5,000 in 2019. Council gave consideration to the fact that the former licensee was dealing with the consequences of her actions through the restorative justice program but concluded that a lengthy period of disqualification from holding an insurance licence was necessary. Council ordered that no licence applications from the former licensee would be considered for three years, required her to complete an ethics course prior to being licensed in the future, and assessed investigation costs.
19. [Vladimir Prokopchik](#) (September 2019): concerned a former Level 1 Salesperson who misappropriated an estimated \$2,484 in funds relating to mutual customers of an agency he was authorized to represent and a motor vehicle dealership where he conducted automobile insurance business. The former licensee abused a billing arrangement set up between the agency and dealership in order to keep customer payments that were intended for ICBC Autoplan. Council ordered that no licence applications from the former licensee be considered for three years, and assessed investigation costs.
20. [Mark Daniel Norris](#) (March 2019): concerned a Level 2 general insurance agent ("Level 2 Agent") who misappropriated \$6,928 from two agencies he was authorized to represent. The licensee showed remorse for his actions, repaid the funds and explained that he had been driven to misappropriate the funds due to financial and personal problems he faced at the time. Council ordered that the licensee's licence be suspended for one year, ordered that he be downgraded to a Level 1 Salesperson for two years following the suspension, and assessed investigation costs.

21. [Sun Kyung Oh](#) (August 2018): concerned a newly licensed Level 1 Salesperson who misappropriated \$8,000 in premiums and \$500 in cash from an agency. When discovered, the licensee claimed that she needed the money for a relative's medical expenses and that she had always intended to repay, which she did in full. Council found that a lengthy disqualification period was nevertheless appropriate in order to communicate to the industry and public that such misconduct would not be tolerated under any circumstances. Council cancelled the licensee's licence for three years with no opportunity to reapply for an insurance licence and assessed investigation costs.
22. [Elaine Draney](#) (March 2015): concerned a Level 2 Agent who misappropriated at least \$10,254 by depositing cheques (four premium refund cheques and three premium cheques) into her personal bank account. The former licensee paid the bank \$9,842 in order to avoid the bank turning the matter over to the police. Council ordered that the former licensee was prohibited from holding an insurance licence for at least two years; in determining that two years was an appropriate prohibition length, they took into account that the former licensee had already been without a licence for over two years by the time Council made its decision. She was also fined \$10,000 and assessed investigation costs.
23. [Kristy Lea Wagenaar](#) (January 2010): concerned a Level 1 Salesperson who had misappropriated over \$28,000 from the agency she worked for, and intentionally manipulated the agency's receivables in order to conceal the theft. Council took into consideration the fact that the former licensee had entered a restorative justice agreement. Council ordered that the licensee would not be considered for licensure until at least two years had passed since the completion of all the terms of her restorative justice agreement, and assessed investigation costs.
24. Council found the [Vladimir Prokopchik](#) precedent to be particularly useful, as it dealt with fraud on a scale most similar to that of the present case.

MITIGATING AND AGGRAVATING FACTORS

25. Council gave consideration as to what mitigating and aggravating factors should be taken into account. The Former Licensee's remorsefulness was taken into account as a potential mitigating factor, but Council did not consider it significant enough to affect the disciplinary outcome. Although the Former Licensee did express remorse in her communications with both the Agency and Council, the impact and sincerity of those expressions were lessened by the fact that she initially denied wrongdoing, and only confessed to her misuse of the client's credit card after being presented with evidence by the Agency's Nominee and Compliance Officer.

26. The Former Licensee's reluctance to admit her misconduct was, in turn, taken into account by Council as an aggravating factor. As has been described, the Former Licensee at first denied the allegation and only admitted to making a BC Ferries purchase when pressed by the Nominee and Compliance Officer. She did not admit to the beauty salon purchase, although Council is willing to make the inference, based on the evidence, that she made that purchase as well.
27. Overall, although Council concluded that the aggravating factors outweighed the mitigating, these factors had a limited impact on the recommended disciplinary action.

CONCLUSION

28. Council believes that it is appropriate to prohibit the Former Licensee from receiving any new insurance licence for a lengthy period of time, in order to signal to the industry, as well as to the public, that such misconduct is not acceptable to Council and will be treated seriously. As such, Council intends to order that no applications from the Former Licensee will be considered for three years. A three-year prohibition period was ordered in three of the examined precedents, including [Vladimir Prokopchik](#), which, as noted, was the most helpful precedent.
29. Council intends to assess its investigation costs to the Former Licensee. As a self-funded regulatory body, Council looks to licensees who have engaged in misconduct to bear the costs of their disciplinary proceedings, so that those costs are not otherwise borne by British Columbia's licensees in general. Council has not identified any reason for not applying this principle in the circumstances.

INTENDED DECISION

30. Pursuant to sections 231, 236, and 241.1 of the Act, Council made an intended decision to:
 - a. Not consider an application for an insurance licence from the Former Licensee for a period of three years from the date of Council's order; and
 - b. Assess the Former Licensee Council's investigation costs of \$1,625, to be paid within 90 days of Council's order, and which must be paid in full prior to the Former Licensee being licensed in the future.

31. Subject to the Former 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.

ADDITIONAL INFORMATION REGARDING FINES/COSTS

32. Council may take action or seek legal remedies against the Former Licensee to collect outstanding costs, should these not be paid by the 90 day deadline.

RIGHT TO A HEARING

33. If the Former Licensee wishes to dispute Council's findings or its intended decision, the Former Licensee may have legal representation and present a case in a hearing before Council. Pursuant to section 237(3) of the Act, to require Council to hold a hearing, the Former 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 Former Licensee does not request a hearing within 14 days of receiving this intended decision, the intended decision of Council will take effect.**
34. Even if this decision is accepted by the Former Licensee, pursuant to section 242(3) of the Act, the British Columbia Financial Services Authority ("BCFSA") still has a right of appeal to the Financial Services Tribunal ("FST"). The BCFSA has thirty (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 <https://www.bcfst.ca/> or visit the guide to appeals published on their website at <https://www.bcfst.ca/app/uploads/sites/832/2021/06/guidelines.pdf>.

Dated in Vancouver, British Columbia on the **31st day of January, 2024.**

For the Insurance Council of British Columbia



Janet Sinclair
Executive Director