

In the Matter of the

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

and the

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

and

**MEGISTEFI GJINE**  
(the “Former Licensee”)

**ORDER**

As Council made an intended decision on December 10, 2024, pursuant to sections 231 and 236 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 22, 2025; 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 and 236 of the Act, Council orders that:

- 1) Council will not consider any application for an insurance licence from the Former Licensee for a period of 10 years, commencing on February 20, 2025 and ending at midnight on February 19, 2035; and
- 2) The Former Licensee is required to complete an ethics course, as acceptable to Council, and which must be completed prior to the Former Licensee being licensed in the future.

This order takes effect on the **20<sup>th</sup> day of February, 2025.**



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Janet Sinclair, Executive Director  
Insurance Council of British Columbia

## **INTENDED DECISION**

of the

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

respecting

### **MEGISTEFI GJINE** (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 acted in compliance with the requirements of the Act, Council Rules and Code of Conduct relating to allegations that the Former Licensee regularly processed Insurance Corporation of British Columbia (“ICBC”) one-year vehicle insurance Autoplan policies that were then cancelled days later, contrary to ICBC policies and procedures, and that the Former Licensee then transferred the ownership of the vehicles to a licensed motor dealer or a corporation.
2. On October 22, 2024, as part of Council’s investigation, a Review Committee (the “Committee”) comprised of Council members met via video conference to discuss the investigation. An investigation report prepared by Council staff was distributed to the Committee, and the Former Licensee and her legal counsel before the meeting. Although the Former Licensee was provided with advance notice of the October 22, 2024, meeting, she did not attend the meeting. However, the Former Licensee’s legal counsel provided written submissions for the Committee’s discussion. Having reviewed the investigation materials and after discussing the matter, the Committee prepared a report for Council.
3. The Committee’s report, along with the aforementioned investigation report and additional submissions were reviewed by Council at its December 10, 2024, 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 and 236 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 became licensed with the Council as a Level 1 general insurance salesperson (“Level 1 Salesperson”) on February 14, 2019. She became a Level 2 general insurance agent (“Level 2 Agent”) on September 4, 2020. The Former Licensee held an authorization to represent an agency (the “Agency”) from February 14, 2019, to December 14, 2021. The Former Licensee became inactive on December 14, 2021, and her licence was cancelled on August 3, 2022, for non-renewal.

6. On July 4, 2018, and February 16, 2020, ICBC issued Broker News Bulletins on Licensing Vehicles Appropriately and Some Important Reminders for Temporary Operation Permits. ICBC reminded Autoplan agents that when a vehicle is licensed, it must be for the purpose of operation on a British Columbia highway. If a licensee is aware that the only reason a policy is being sold is to facilitate the export of the vehicle, and the intention of the customer is to cancel the policy within days of issuance, the customer should only be sold a Temporary Operation Permit (“TOP”).
7. On May 14, 2021, Council issued a Production Order to ICBC requesting records from July 4, 2018, to May 14, 2021, where an agency, or a licensee in the same agency office, placed more than 40 one-year policies on newer vehicles that were subsequently cancelled and transferred within 30 days.
8. From the documents received from ICBC, Council noted that between May 1, 2020, and April 12, 2021, the Former Licensee processed 25 transactions involving new or newer luxury vehicles. The Former Licensee issued 25 one-year Autoplan insurance policies, cancelled all of the policies, and then facilitated the transfers of ownership of these vehicles.
9. Council noted that 22 of the 25 one-year Autoplan policies were issued to a numbered company. The investigation revealed that the Former Licensee’s relative is the director of that numbered company. In addition, , while the Former Licensee was a licensed salesperson by the Vehicle Sales Authority of British Columbia (“VSA”), the Former Licensee issued a one-year Autoplan policy to Company CL. An internal investigation by ICBC revealed that the Former Licensee was listed as the president of Company CL.
10. The documents received from ICBC show the patterns presented above – namely, that the vehicles were new or newer luxury vehicles, the policies were cancelled within 12 days or less after being issued, and, on most occasions, the policies had the same owner and similar subsequent owners. Of the 25 policies in question, the Former Licensee facilitated the transfer of ownership to the following companies: eight vehicles to Company VA, six vehicles to Company OLR, and six vehicles to Company EW.
11. The Former Licensee facilitated a short-term cancellation on behalf of Company CL when she was a licensed VSA salesperson. A VSA investigations officer advised the Council’s investigator that the Former Licensee was a salesperson with Company CL from January 27, 2015, to April 1, 2021.
12. As part of its own internal investigation, ICBC interviewed the Former Licensee on October 4, 2021. The Former Licensee stated that the policies she issued depended on how long the customer would be using the vehicle. She stated that she did not sell a full-term insurance policy knowing that it would be cancelled and transferred within a short period of time. The Former Licensee stated that her relative owned the numbered company. With regard to the cancellations, the Former Licensee stated, "they contacted me and let me know that the vehicles were being sold and that they needed the policies to be cancelled."

13. ICBC's investigation identified that the coverages that the Former Licensee placed on the vehicles under investigation were associated with rental cars requiring more expensive coverages. ICBC concluded that the average commission paid was approximately \$600 to \$700 per policy.
14. As a result of ICBC's investigation, on January 13, 2022, ICBC permanently prohibited the Former Licensee from conducting ICBC Autoplan business, a prohibition that would be eligible for review or reconsideration after five years. On January 26, 2022, the Agency terminated the Former Licensee's employment as a result of ICBC's prohibition.
15. The Former Licensee's legal counsel provided submissions and medical records for the Committee's consideration, including medical documentation.

#### **ANALYSIS**

16. Council has determined that the Former Licensee repeatedly processed and collected commissions for one-year Autoplan insurance policies where the Former Licensee ought to have known the transactions were suspicious and were not intended for the purpose of operating a vehicle on a British Columbia highway for a one-year period. The majority of the Autoplan policies were issued to the Former Licensee's relative's numbered company, with the Former Licensee then cancelling and transferring the policies within 12 days. Council concluded that the Former Licensee should have been aware that these vehicles were not intended to be used for operation for a one-year period, and that the Former Licensee knew or ought to have known that the appropriate policy to be sold to the customer was a TOP. As the transactions involved the Former Licensee's relative's company, Council considered it difficult to imagine that the Former Licensee did not have knowledge or insight as to whether the vehicles were intended to be driven or insured for the time frame in which they were intended to be driven before being sold. Additionally, if Council was to believe that the Former Licensee did not have such knowledge, the Former Licensee should have become aware, after repeatedly issuing and cancelling the one-year Autoplan policies, that the vehicles being purchased were not being used for operation on a BC Highway for one year.
17. The Former Licensee completed the transaction and cancellation of policies for her relative's numbered company on 22 occasions, which should have brought to her attention that she was not issuing the correct Autoplan policy. Council determined this to demonstrate that the Former Licensee made false declarations to ICBC regarding her intentions to insure the vehicles. Additionally, Council found it to be a conflict of interest that the Former Licensee purchased and processed a policy for Company CL when the Former Licensee had a direct relationship with the organization as the president of that company.
18. Council concluded that the Former Licensee demonstrated a lack of trustworthiness, good faith and competence and did not act in the best interest of the insurer by conducting the 25 Autoplan insurance policies that were cancelled within days of being issued, and by the processing of a transaction for a company in which she had a direct relationship, creating a conflict of interest.

19. Council was further concerned by answers the Former Licensee provided to ICBC in her interview. The Former Licensee did not provide information about her relationship to her relative's company until specifically asked, and denied any ownership of, or relationship to, Company CL. Council concluded that the Former Licensee was not forthcoming and was misleading in her responses about her relationship with Company CL.
20. Council considered the impact of Council Rule 7(8) and Council's Code of Conduct guidelines on the Former Licensee's conduct, including section 3 ("Trustworthiness"), section 4 ("Good Faith"), section 5 ("Competence"), section 7 ("Usual Practice: Dealing with Clients") and section 8 ("Usual Practice: Dealing with Insurers"). Council concluded that the Former Licensee's conduct amounted to breaches of the above Council Rule and Code of Conduct sections, and the professional standards set by the Code of Conduct.

#### **PRECEDENTS**

21. Before making its decision in this matter, Council took into consideration the following precedent cases. While Council is not bound by precedent and each matter is decided on its own facts and merits, Council found that these decisions were instructive in providing a range of sanctions for similar types of misconduct.
22. [Anthony Bryan Chua Cua \(February 2021\)](#) concerned a Level 2 general insurance agent licensee who unethically profited from commissions received from ICBC by regularly processing one-year vehicle insurance policies for an automobile dealership engaged in the export of vehicles out of Canada, and then cancelling the policies several days later. The licensee was found to have processed at least 129 transactions for the dealership and had served as a straw buyer on two occasions by purchasing two vehicles using funds provided by the dealership. In total, the licensee earned over \$24,000 in commissions from ICBC. Council found that the licensee's actions demonstrated an overall lack of trustworthiness and good faith, and was exploitative of ICBC and its commissions system. In terms of mitigating factors, Council believed that the remorse shown by the licensee was genuine and noted that the licensee was a relatively inexperienced agent with no previous disciplinary history at the time of the misconduct. Most notably, Council considered that the licensee had already experienced sanctions from ICBC, having had his Autoplan privileges suspended for a year and being required to complete courses. As for aggravating factors, Council found that the licensee's actions were financially motivated and demonstrated a lack of due diligence and wilful blindness. Council believed its decision should send a message to the insurance industry and public that generating commissions by processing exploitative transactions is not acceptable to Council, and that licensees should self-correct and seek guidance and clarification in situations in which they suspect there may be ethical problems. Council ordered that the licensee's general insurance licence be suspended for a period of one year and downgraded to a Level 1 Salesperson general insurance licence for a period of one year of active licensing. The licensee was also fined \$7,000 and assessed investigation costs.

23. [Ting En \(Brian\) Lin \(February 2021\)](#) concerned a Level 2 general insurance agent and a life and accident and sickness insurance agent licensee who unethically profited from commissions received from ICBC by regularly processing one-year vehicle insurance policies for an automobile dealership engaged in the export of vehicles out of Canada, and then cancelling the policies several days later. The licensee was found to have processed at least 30 transactions while employed at two insurance agencies and had served as a straw buyer on three occasions by purchasing vehicles using funds provided by the dealership. Council concluded that the licensee had facilitated grey market transactions involving the export of luxury vehicles. Council found that the licensee's actions demonstrated an overall lack of trustworthiness and good faith and was exploitative of ICBC and its commissions system. In terms of mitigating factors, Council believed that the remorse shown by the licensee was genuine, and considered the licensee to have been open and forthright with information. Most notably, Council considered that the licensee had already experienced sanctions from ICBC, having had his Autoplan privileges suspended for a year and being required to complete courses. As for aggravating factors, Council found that the licensee's actions were financially motivated and demonstrated a lack of due diligence and wilful blindness. Council believed its decision should send a message to the insurance industry and public that generating commissions by processing exploitative transactions is not acceptable, and that licensees should self-correct and seek guidance and clarification in situations in which they suspect there may be ethical problems. Council ordered that the licensee's general insurance licence and life and accident and sickness insurance licence be suspended for a period of six months and downgraded to a Level 1 Salesperson general insurance licence for a period of one year of active licensing. The licensee was further required to be supervised for a period of one year. The licensee was also fined \$5,000 and assessed investigation costs.
24. [Peter Hing-Fu Hung \(January 2015\)](#) concerned a Level 1 Salesperson licensee who worked mostly as a mobile road services agent. Over the course of two days, the licensee completed insurance transactions for two different luxury vehicles, for an individual who was later found to have been an imposter. There were suspicious circumstances involved with the transactions, but the licensee did not put notation on the transaction documents or take any other action to flag suspicions to ICBC or his supervisor. Council believed that the licensee had "turned a blind eye" to the suspicious circumstances, and that he had not appreciated his responsibilities when conducting suspicious transactions. The licensee was fined \$1,000, assessed costs of \$2,625 and required to complete three ICBC courses. The licensee was also required to complete the Insurance Brokers Association of British Columbia's Ethics for Insurance Brokers course and was only allowed to conduct insurance business from his agency's office until his courses were completed.

#### **MITIGATING AND AGGRAVATING FACTORS**

25. Council considered relevant mitigating and aggravating factors in this matter. Council viewed the Former Licensee's prohibition from ICBC, as a mitigating factor given the significant consequence of that prohibition. However, Council found there to be several aggravating factors in this case. This was not an isolated incident and the Former Licensee repeated the misconduct over a period of time, which Council found to be aggravating. In addition, Council determined that the Former Licensee's responses in her interview with ICBC were dishonest and found this to be an aggravating factor.

Council further concluded that the Former Licensee's actions relating to a conflict of interest in conducting a transaction for a company in which she was president, along with the other transactions in question, showed a flagrant disregard for the authority granted to her by ICBC.

26. Council reviewed the Former Licensee's submissions from her legal counsel as well as the supporting medical evidence provided. Council determined that given the Former Licensee's current health condition, there should be some finality to the situation for the Former Licensee. In light of the Former Licensee's serious medical condition, Council concluded that issuing a fine or assessing costs would not be appropriate. Council is of the view that any ongoing debt may have a lasting and detrimental impact on the Former Licensee's health condition, which was a very significant mitigating factor in determining the discipline Council determined.

### **CONCLUSIONS**

27. After weighing all the relevant considerations, Council found the Licensee to be in breach of the Council's Rules and the Code of Conduct.

28. Council concluded that the Former Licensee's processing of the transactions described above demonstrated an overall lack of trustworthiness and was exploitative of ICBC and its commission system. In light of the Former Licensee's situation, Council determined the most appropriate disciplinary outcome is a 10-year prohibition from holding an insurance licence. Council found there to be many aggravating factors to support significant disciplinary action; however, due to the Former Licensee's medical condition, rather than assess fines and costs, Council concluded that a longer prohibition from the industry is warranted than those found in the precedents. In addition, Council is requiring that the Former Licensee complete an ethics course before being licensed in the future.

29. As a self-funded regulatory body, Council looks to licensees who have engaged in misconduct to bear the costs of their discipline proceedings, so that those costs are not otherwise borne by British Columbia's licensees in general. As noted above, Council concluded that for this situation there is a risk for potential harm or a decline of the Former Licensee's current health should the situation not have finality to it. Given the very particular circumstances of this case, Council concluded that it is not appropriate to have costs or fines looming over the Former Licensee and therefore has not assessed any costs or fines against the Former Licensee.

### **INTENDED DECISION**

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

- a. Council will not consider any application for an insurance licence from the Former Licensee for a period of 10 years, commencing on the date of Council's order; and
- b. The Former Licensee be required to complete an ethics course, as acceptable to Council, and which must be completed 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.

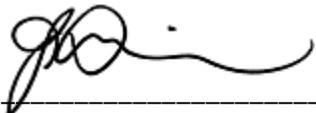
#### **RIGHT TO A HEARING**

32. 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.**

33. 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 [www.bcfst.ca](http://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 **22<sup>nd</sup> day of January 2025.**

For the Insurance Council of British Columbia



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Janet Sinclair  
Executive Director