

In the Matter of the

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

and the

INSURANCE COUNCIL OF BRITISH COLUMBIA
 (“Council”)

and

HARJINDER SINGH SIDHU
(the “Licensee”)

ORDER

As Council made an intended decision on March 11, 2025, 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 March 31, 2025; 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 that:

- 1) The Licensee is fined \$8,000, to be paid by July 23, 2025;
- 2) The Licensee is required to complete the following courses, or equivalent courses, as acceptable to Council, by July 23, 2025:
 - i. Insurance Council Rules Course for Life and/or Accident and Sickness Insurance Agents;
 - ii. Continuing Education Requirements & Guidelines Course; and
 - iii. The Value of Errors and Omissions Insurance course available through Advocis(collectively, the “Courses”);

- 3) The Licensee is assessed Council's investigation costs of \$750, to be paid by July 23, 2025;
- 4) The Licensee is required to complete the 60 outstanding CE credits by July 23, 2025;
- 5) The Licensee is required to provide Council proof of required E&O coverage by May 1, 2025;
- 6) A condition is imposed on the Licensee life and accident and sickness insurance agent licence that failure to complete the Courses and CE credits, provide proof of required E&O coverage and to pay the fine and investigation costs in full by their deadlines will result in the automatic suspension of the Licensee's licence and the Licensee will not be permitted to complete the Licensee's 2027 annual licence renewal until such time as the Licensee has complied with the conditions listed herein.

This order takes effect on the **24th day of April, 2025.**



Per Janet Sinclair, Executive Director
Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA

(“Council”)

respecting

HARJINDER SINGH SIDHU

(the “Licensee”)

1. 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, Council Rules and Code of Conduct relating to allegations that the Licensee failed to maintain required errors and omissions insurance (“E&O”) coverage from September 2, 2019, to November 26, 2019; March 31, 2020, to June 24, 2020; January 2, 2021, to September 26, 2022; and April 2, 2023, to July 23, 2023, periods totaling 914 days, and that the Licensee failed to inform Council that he was no longer covered by E&O within five business days. Additionally, Council investigated the Licensee for allegations that the Licensee failed to complete required continuing education credits (“CE”) for each of the 2019/2020, 2020/2021, 2021/2022 and 2022/2023 licence periods.
2. On January 21, 2025, as part of Council’s investigation, a Review Committee (the “Committee”) comprised of Council members met to discuss the investigation. An investigation report prepared by Council staff was distributed to the Committee and the Licensee prior to the meeting. The Licensee was notified of the meeting; however, the Licensee did not attend. Having reviewed the investigation materials, the Committee prepared a report for Council.
3. The Committee’s report, along with the investigation report, were reviewed by Council at its March 11, 2025, 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 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

5. The Licensee has been licensed with Council as a life and accident and sickness insurance agent (“Life Agent”) since January 10, 2019. Since March 31, 2020, the Licensee has held an unaffiliated

authorization to represent (“ATR”). On April 29, 2024, the Licensee obtained an ATR for an agency (“Agency”), which is also the Licensee’s managing general agent (“MGA”).

6. On June 28, 2023, Council staff conducted an audit of the Licensee. During the audit, Council staff noted the Licensee had been without E&O coverage for a total of 914 days – from September 2, 2019, to November 26, 2019; March 31, 2020, to June 24, 2020; January 2, 2021, to September 26, 2022; and April 2, 2023, to July 23, 2023 (the “E&O Lapse Periods”).
7. Additionally, Council staff in their audit noted that the Licensee had not completed any CE credits in the 2019/2020, 2020/2021, 2021/2022 and 2022/2023 licence periods (the “CE Lapse Periods”), resulting in a shortage of 60 CE credits.
8. From 2020 to 2023 the Licensee declared in his annual licence renewal declarations that he met the CE and E&O requirements. During Council’s investigation, the Licensee stated that he could not explain why he had indicated that he met these requirements on his annual declarations when he had not.
9. During Council’s investigation, the Licensee told Council staff that he had failed to maintain E&O coverage because the insurance business was not his primary source of employment, and he had been distracted from his obligations. Additionally, the Licensee stated that he had been dealing with financial and family problems, which led to the lapse.
10. When discussing the CE breach with Council staff, the Licensee stated that he did not want “to go further in this matter” and would not object to his licence being cancelled to end the matter. The Licensee did not take any steps to cancel his licence.
11. The Licensee was invited to participate in the Committee meeting; however, he declined, stating to Council’s case manager that he had no intention of continuing to work in the industry.

ANALYSIS

12. Council concluded that the Licensee had failed to obtain the required CE credits required during the CE Lapse Periods, in breach of Council Rules 7(5) and 7(8) and Code of Conduct section 3 (“Trustworthiness”), section 5 (“Competence”) and section 13 (“Compliance with Governing Legislation and Council Rules”). Council determined that the Licensee failed to maintain the required E&O coverage during the E&O Lapse Periods, in breach of Council Rule 7(11) and Code of Conduct sections 5 and 13. Council further found that the Licensee breached section 12 (“Dealing with the Insurance Council of British Columbia”) of the Code of Conduct by declaring that he had met the CE and E&O requirements on his annual licence renewal declaration when he had not.

PRECEDENTS

13. 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.
14. [Gina Digao Bool](#) (April 2024): A life agent licensee failed to complete the required CE credits for three consecutive licence periods and failed to maintain E&O coverage. The licensee was fined \$4,000, representing \$1,000 for each licence period she failed to complete the required CE credits and an additional \$1,000 for failing to maintain E&O coverage. Additionally, the licensee was ordered to complete the Council Rules Course, complete the outstanding CE credits and assessed investigation costs.
15. [Jian Feng He](#) (August 2023): A former licensee's license was terminated for non-renewal. While licensed with Council, the former licensee's E&O coverage had lapsed twice, for periods of approximately one month and eight months, respectively. The former licensee had not written any insurance policies during the E&O coverage lapse periods. The former licensee was fined \$2,000 for failing to maintain E&O coverage, was required to complete the Council Rules Course before being licensed in the future and was assessed investigation costs.
16. Having reviewed the precedents, Council has adopted a "baseline" fine of \$1,000 for each breach of the Council Rules pertaining to CE requirements and has required the licensee to complete the Council Rules Course. For E&O breaches, Council's general approach has been to apply a fine of \$1,000 for each year, or partial year, in which an E&O lapse occurred.

MITIGATING AND AGGRAVATING FACTORS

17. Council found several aggravating factors, including that the Licensee's breaches took place over multiple years, showing a flagrant disregard for the rules governing Licensees' conduct. Further, the fact that the Licensee stated he had met his CE and E&O obligations repeatedly in his licence renewal, when he had not, was another aggravating factor noted by Council. Additionally, Council found it aggravating that the Licensee did not display any remorse and instead tried to bypass the discipline process by indicating that he intended to leave the industry. In addition, Council found it was aggravating that the Licensee remained actively licensed throughout his breaches. While not specifically aggravating, Council noted that the Licensee obtained a financial benefit by not renewing his E&O. Council did not note any mitigating factors in the circumstances.

CONCLUSIONS

18. Council considered a fine of \$8,000 to be appropriate, representing a fine of \$1,000 for each licence period that the Licensee failed to complete CE credits (for a total of \$4,000) and \$4,000 for failing to maintain E&O coverage as required for four separate lapse periods.
19. With respect to investigation costs, Council believes that these costs should be assessed to the Licensee. 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. Council has not identified any reason for not applying this principle in the circumstances.

INTENDED DECISION

20. Pursuant to sections 231, 236 and 241.1 of the Act, Council made the following intended decision that:
 - a) The Licensee be fined \$8,000, to be paid within 90 days of Council's order;
 - b) The Licensee be required to complete the following courses, or equivalent courses as acceptable to Council, within 90 days of Council's order:
 - i. Insurance Council Rules Course for Life and/or Accident & Sickness Insurance Agents;
 - ii. Continuing Education Requirements & Guidelines Course; and
 - iii. The Value of Errors and Omissions Insurance course available through Advocis (collectively, the "Courses")
 - c) The Licensee be assessed Council's investigation costs of \$750, to be paid within 90 days of Council's order;
 - d) The Licensee be required to complete the 60 outstanding CE credits within 90 days of Council's order;
 - e) The Licensee provide Council proof of required E&O coverage within 5 business days of Council's order; and
 - f) A condition be imposed on the Licensee's life and accident and sickness insurance agent licence that failure to complete the Courses and CE credits, provide proof of required E&O coverage and to pay the fine and investigation costs in full by their deadlines will result in the automatic suspension of the Licensee's licence and the Licensee will not be permitted to

complete the Licensee's 2027 annual licence renewal until such time as the Licensee has complied with the conditions listed herein.

21. Subject to the 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

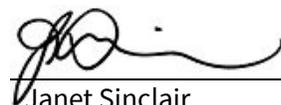
22. Council may take action or seek legal remedies against the Licensee to collect outstanding fines and/or costs, should these not be paid by the 90-day deadline.

RIGHT TO A HEARING

23. If the Licensee wishes to dispute Council's findings or its intended decision, the 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 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 Licensee does not request a hearing within 14 days of receiving this intended decision, the intended decision of Council will take effect.**
24. Even if this decision is accepted by the 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 March, 2025.**

For the Insurance Council of British Columbia



Janet Sinclair
Executive Director