

In the Matter of the

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

and the

INSURANCE COUNCIL OF BRITISH COLUMBIA
(“Council”)

and

MAXXAM INSURANCE SERVICES INCORPORATED
(the “Agency”)

ORDER

As Council made an intended decision on September 16, 2025 pursuant to sections 231 and 241.1 of the Act; and

As Council, in accordance with section 237 of the Act, provided the Agency with written reasons and notice of the intended decision dated October 6, 2025; and

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

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

- 1) The Agency is fined \$5,000, to be paid by January 19, 2026;
- 2) A condition is imposed on the Agency’s general insurance licence that requires all current Level 3 general insurance agents at the date of Council’s Order to complete the following courses, or equivalent courses as acceptable to Council, by January 19, 2026:
 - i. The Council Rules Course for General Insurance Agents, Salespersons and Adjusters; and
 - ii. The Nominee Responsibilities and Best Practice Course for General Insurance and Adjusters

(collectively, the “Courses”);

- 3) The Agency is assessed Council’s investigation costs of \$3,075, to be paid by January 19, 2026; and
- 4) A condition is imposed on the Agency’s general insurance licence and life and accident and sickness insurance licence that failure to pay the fine and investigation costs, and failure to ensure that all current Level 3 general insurance agents complete the Courses by January 19, 2026, will result in the automatic suspension of the Agency’s general insurance and life and accident and sickness insurance licence and that the Agency will not be permitted to complete its 2027 annual licence renewal until such time as it has complied with the conditions listed herein.

This order takes effect on the **21st day of October, 2025**



Janet Sinclair, Executive Director
Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA (“Council”)

respecting

MAXXAM INSURANCE SERVICES INCORPORATED (the “Agency”)

1. Pursuant to section 232 of the *Financial Institutions Act* (the “Act”), Council conducted an investigation to determine whether the Agency acted in compliance with the requirements of the Act, Council Rules and Code of Conduct, regarding allegations that the Agency failed to properly handle and account for client premiums and inform the nominee or Council of Shayne Moore’s (the “Former Licensee”) repeated misconduct, which included failing to remit policy premiums to the Agency, failing to bind insurance policies and issuing falsified certificates.
2. On July 8, 2025, as as part of Council’s investigation, a Review Committee (the “Committee”) comprised of Council members met via video conference to discuss the investigation. The Agency’s owner, nominee, business development manager, one Agency staff member and legal counsel attended the Committee meeting and were given an opportunity to make submissions and provide further information. An investigation report prepared by Council staff was distributed to the Agency and Committee before the meeting. On August 15, 2025, the Committee met again via video conference to continue its discussion of the investigation. After reviewing the investigation materials and discussing the investigation, the Committee prepared a report for Council.
3. Council reviewed the Committee’s report and the investigation report at its September 16, 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 Agency of the action it intends to take under sections 231 and 241.1 of the Act before taking any such action. The Agency 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 Agency.

FACTS

5. The Agency has held a corporate general insurance licence from December 30, 2004 to December 29, 2006 and from January 8, 2007 to the present. The Agency has held a corporate life insurance licence from August 19, 2015 to the present.
6. The Agency, located in Langford, BC, also operates under the trade name Sussex Insurance Agency (Langford). Its owner, Bill Rai (“Rai”), owns two locations under the Maxxam Insurance Services brand—one in Langford and the other in Burnaby. Emily Beaulieu is the nominee of the Agency in Langford (the “Nominee”). The Agency also has an employee who acts as the business development manager and compliance support officer (the “Manager”).
7. The Former Licensee had been licensed with Council as a Level 2 general insurance agent (“General Agent”) since January 8, 2010, and as a life and accident and sickness insurance agent (“Life Agent”) since December 21, 2009. The Former Licensee held an authority to represent (“ATR”) the Agency in Langford from July 28, 2015, to January 10, 2023. He also held an ATR with the Agency as a Life Agent from September 1, 2015, to January 30, 2023.
8. The Former Licensee’s General Agent licence and Life Agent licence had been inactive since January 10, 2023, and January 30, 2023, respectively. Both licences were cancelled for non-renewal on August 2, 2023.
9. On January 31, 2023, Council received a complaint from the Agency’s Nominee regarding allegations that the Former Licensee failed to remit client premiums owed to the Agency and distributed fraudulent insurance certificates to clients. The Nominee was initially unaware of the Agency’s multiple meetings in 2021 and 2022 with the Former Licensee to address issues concerning the remittance of client payments. The Nominee only became aware of the Former Licensee’s actions when she was advised by senior staff in 2023 to file a complaint to Council.

Former Licensee’s Misconduct

10. The Agency discovered the Former Licensee’s misconduct over the course of 2021 and 2022 when he accepted Interac e-Transfers to his personal bank account for client premiums and did not remit the premiums to the Agency. The Agency also discovered the Former Licensee failed to open policies that clients had paid for and issued fraudulent certificates.
11. When the Agency discovered that clients had unbound policies, they paid the clients’ premiums and ensured policies were in place so that no client was left uninsured. The Agency also issued letters to clients informing them that the Former Licensee was no longer employed by the Agency.

12. In 2021, a client paid the Former Licensee for a commercial general liability insurance (“CGL”) policy and certificate, which were later found to be an invalid policy and fraudulent certificate. A third party requested that they be added as an additional insured party to the CGL policy. In November 2021, the Former Licensee sent a certificate to the third party, who noticed that the effective and expiry dates were the same. In early 2022, the Former Licensee sent a revised certificate, which was later found to be fraudulent and invalid.

Failure to Remit Clients’ Collected Payments to the Agency

13. In December 2021, Rai, the Manager, and representatives of the Agency’s accounting department held a meeting with the Former Licensee when they noticed he did not remit \$10,000 worth of premiums to the Agency. The Former Licensee made payments to the Agency through cash, visa and cheque to repay the \$10,000. In the Committee meeting, Rai and the Manager stated that the Former Licensee did not show any intent of misappropriating client payments, instead the Agency genuinely believed his ability to manage remittances to the Agency was poor.
14. In November 2022, Rai and the Manager met with the Former Licensee to discuss his outstanding accounts receivable. The Agency did not involve the Nominee in the meeting and did not bring the outstanding accounts receivable issues to her attention since the Agency owner attempted to address it. At the meeting, the Former Licensee admitted that he had accepted payments from clients through Interac e-Transfer to his own bank account and failed to remit these payments to the Agency. As a result, the Agency decided to temporarily suspend the Former Licensee. While he was suspended, he repaid the Agency the outstanding money he had collected for the client premiums.
15. When the Former Licensee returned from his suspension on December 1, 2022, the Agency owner reinstated him as a producer, where he acted as a commission-only agent who was responsible for collecting client premiums, handling applications, and completing paperwork. The Former Licensee had access to the Agency’s broker management system and was monitored by the Agency’s compliance support officer. The Agency’s owner stated he chose not to eliminate the Former Licensee’s income entirely because the Former Licensee was upset about the change to his position and the impact to his career during the Christmas season.
16. In early January 2023, the Agency terminated the Former Licensee after discovering that he continued to collect client payments and failed to remit them to the Agency. A few weeks later, Rai encountered the Former Licensee at a restaurant, where the Former Licensee apologized for his actions and requested a second chance. Rai rehired him as a referral-based agent, where the Former Licensee was paid to solicit clients and was not allowed to handle payments.
17. On January 19, 2023, days after the Former Licensee was rehired, the Agency terminated his employment after a client asked the Agency for a copy of their insurance policy which they had paid the Former Licensee for in cash. The Agency investigated the Former Licensee’s conduct further and

discovered that he had kept the client's payment, issued fraudulent certificates and did not bind an insurance policy for the client.

18. After the Former Licensee was terminated, the Agency compiled a list of outstanding accounts and discovered that the Former Licensee had collected \$46,065.19 from 43 clients in 2021 and 2022.
19. The Agency was asked whether they notified their Errors and Omissions carrier of the incident, but they were unable to confirm and likely did not take such steps.
20. On October 10, 2024, the Agency filed a Notice of Civil Claim in the Supreme Court of BC against the Former Licensee for all the premium amounts the Former Licensee had collected from clients but failed to remit to the Agency. The Agency was unable to personally serve the Former Licensee with the Notice of Civil Claim and the Former Licensee failed to file a response on time. On January 10, 2025, the Supreme Court of BC issued a default judgment, ordering the Former Licensee to pay the Agency \$46,065.19.

Committee Meeting

21. Rai and the Manager indicated the Agency was unaware that the Former Licensee was conducting theft, as it is not uncommon for licensees to have outstanding accounts receivable. The Agency wholeheartedly believed that the Former Licensee had poor financial management skills and was slow at collecting payments from clients. When the Agency first raised the issue of outstanding payments to the Former Licensee, he returned the funds in full, so when the outstanding payments were discovered the second time, the Agency mistakenly thought that he would return the funds again.
22. The Agency explained they never notified the Nominee or Council of the Former Licensee's misconduct because they thought he was a poorly organized employee and believed "they could get him back on track". The Agency believed the issue was resolved because they collected the overdue payments in 2021 and business continued as usual.
23. The Agency thought the Former Licensee was "horribly disorganized" and did not believe he was conducting fraudulent activities, so they felt his conduct did not need to be raised with the Nominee. The Nominee was not involved in supervising the Former Licensee because her role was non-supervisory. The Nominee was not involved in the termination of the Former Licensee because of an oversight by the Agency.
24. The Agency described its policy for collecting and remitting client premiums, where clients pay by credit card, cash or cheque, and emphasized that clients are not permitted to pay through Interac e-Transfer. The Agency did not have any specific policies for employees using personal devices or conducting business with clients through their personal email.

25. Since the incident, the Agency has changed its management reporting structure and now conducts routine audits. The Agency recognized the need to improve its systems and is open to suggestions to enhance its protocols. The Agency indicated that there have been no issues with their accounts receivable since the Former Licensee's misconduct.
26. In July 2025, Council staff noted Council previously issued the Agency an Order on April 12, 2016 for failing to inform Council on eight occasions of the withdrawal of a licensee's ATR. The Committee met on August 15, 2025, after they received submissions from the Agency, who noted they had implemented a new policy to address the misconduct. Since the policy was implemented, there have been no further instances where the Agency failed to inform Council of any ATR withdrawals.

ANALYSIS

27. Council concluded that the Agency's conduct amounted to breaches of Council Rule 7(8) and Code of Conduct section 5 ("Competence").
28. The Agency breached Council Rule 7(8) and Code of Conduct section 5 ("Competence") when it became aware of the Former Licensee's misconduct, failed to inform the Nominee, and excluded her from multiple discussions with the Former Licensee. Council discussed that nominees must ensure employees are properly supervised and since they are responsible for all insurance activities of an agency, they should be informed of any employee misconduct. Council was concerned with the Agency's exclusion of the Nominee from key meetings and their disregard for her role as the Nominee.
29. Since the Agency failed to advise the Nominee of the misconduct, the Nominee did not have the opportunity to take appropriate steps to address it. The Nominee informed Council of the misconduct because she was instructed by the Agency to do so after the Former Licensee was terminated. However, Council felt that the Agency could have informed the Nominee and filed a complaint much earlier once the issues resurfaced.
30. Council noted the Agency was fully aware of the Former Licensee's shortcomings and despite his failure to remit premiums, the Agency continued to retain him under an amended contract of employment and neglected to inform the Nominee of this change.
31. Council felt that the Agency should know the proper controls for handling client premiums through a centralized system and that the Former Licensee's practice of accepting payment through Interac e-Transfer to a personal email is not standard practice in the insurance industry. Council found the Agency breached section 5.3.2 of the Council's Code of Conduct: *failing to properly handle and account for money or property.*

PRECEDENTS

32. Before making its decision on 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 terms of providing a range of sanctions for similar types of misconduct.
33. [Amanprit Singh Ghaug and Marquis Underwriting Managers Ltd.](#) (January 2024): concerned a licensee who was the sole owner and nominee of a former agency that issued policy declaration pages that closely resembled those issued by another insurance agency. The policy declaration pages evidenced coverage by several insurers for a client when no coverage had been bound. Council determined that the licensee and former agency failed to engage in the usual practice of the business of insurance to ensure the safekeeping of documents and information, and specifically, to prevent documents from being manipulated by unauthorized individuals. They also found that the licensee failed to properly supervise staff and there was a general lack of record keeping as there were no clear file-handling procedures. Council held that the former agency was more culpable as there was no protocol in place to prevent documents from being manipulated. Council ordered that the licensee be fined \$2,000, be required to complete a privacy course and the Council Rules Course, and should be restricted from upgrading to a Level 3 agent licence for five years. The former agency was fined \$2,500. Council determined investigation costs should be assessed jointly and severally against the licensee and former agency.
34. [Amrit Singh Sidhu, Daljit Singh Sidhu and S&S Insurance Services Ltd.](#) (March 2025): concerned a client who was provided with a binder with an insurer's logo, binder number and effective policy date by the agency. However, the binder was not signed by the insurer and was not a valid document. A former employee of the agency had requested that the client's policy be renewed in December 2020 and shortly after the insurer replied to advise that additional information was required to renew the policy. In January 2021, the licensee became aware that the policy had not been renewed; however, he did not take any further steps to ensure the policy was renewed or that the client was made aware that there was no policy in place. In November 2021, the client suffered a loss and did not have insurance coverage in place. After Council's investigation, the client was refunded the premiums paid for the policy that had not been renewed. Council concluded that the licensee and agency failed to properly place insurance coverage as instructed. Further, the nominee and agency failed to properly manage the business aspects of the agency by not properly handling and remitting the premium payments to the insurer. Council further determined that the agency claimed to bind terms under a policy when it was not authorized by the insurer to do so. The agency as a licensed person or entity is responsible for the actions of the staff and the agency, and ultimately, the proper management of the agency is the nominee's responsibility. Council ordered that the licensee be fined \$5,000, be required to complete courses, and downgraded his level 3 general insurance licence to a level 2 general insurance licence for

a period of one year. The agency and nominee were both fined \$1,500, and investigation costs were assessed against both the agency and the licensee.

35. [Accost Insurance & Financial Centre Inc. and Nagdip Dhindsa](#) (June 2022): concerned a failure by an agency to provide adequate notice to a client of a policy cancellation, and a failure to properly document communications and instructions from a client. The client had a homeowner insurance policy that contained a roof exclusion. The client became upset with the agency when he was denied a roof claim due to the roof exclusion clause in the policy and stated that he would not conduct further business with the agency; however, the agency was unable to provide any documentation that referenced the client's verbal statement. The agency failed to provide information received from the insurer pertaining to renewal terms. Instead, the agency provided the client with notification of the cancellation of coverage 14 days before the coverage ended. The policy eventually lapsed. Council found that the agency had failed to provide adequate notice to the client of the policy cancellation and had failed to properly document communications and instructions from the client. Council concluded that there was an inadequate level of supervisory oversight by both the agency and the nominee. However, Council found the breaches to be unintentional. The nominee and agency were reprimanded. Council required the nominee to complete the Council Rules Course and assessed the agency investigation costs.
36. [Troy Wotherspoon Insurance Services Ltd. and Lung Hwa \(Andy\) Tan and Troy John Wotherspoon](#) (May 2020): concerned a failure by an agency to bind a storage insurance policy for a client. The client had submitted an application for a storage insurance policy to the agency and after receiving a quote from an insurer, the client had instructed the licensee handling the file to move forward with the policy. The licensee placed the application with the client's credit card information on a colleague's desk with instructions to bind the quote and process the payment. After the client contacted the licensee to file an insurance claim, the licensee discovered that the policy had never been bound or had its payment processed. The nominee took action and was successful in convincing another insurer to reinstate and backdate the homeowner's coverage that the client previously had. The client was paid the policy limit on the homeowner's coverage. Council concluded that both the licensee and the nominee failed to notify the client that the agency had failed to bind the storage insurance policy. Council was troubled by the inappropriately casual approach of the agency towards the handling of client information, and in particular, the client's credit card information. Further, Council had concerns that the agency lacked appropriate procedures and a commitment to best practices, as it did not appear that the incident with the client resulted in the development of new policies at the agency or induced changes to work practices. Council fined the licensee and nominee \$1,500 each and fined the agency \$2,000.
37. [The Whistler Shoppe LTD. dba The Whistler Insurance Shoppe and Peggy Kathleen Johansson](#) (April 2016): concerned an error occurring at an agency that resulted in a client's insurance policy not being

renewed upon expiration. Due to a change in a program, the agency had a list of policies that had to be re-marketed with a new insurer and manually renewed. The licensee responsible for processing the renewals failed to complete the renewal for a client who subsequently suffered a loss. Council concluded that the licensee's failure was an administrative error that did not reflect on her overall ability to act competently and in accordance with the usual practice of the business of insurance. Council was more concerned by a lack of proper administrative and financial procedures being in place at the agency and with the nominee's failure to provide appropriate oversight. Council required the licensee to complete an errors and omissions course. Council fined the nominee \$2,500, required her to complete the Level 3 seminar, and put a condition on her licence limiting her to being the nominee for a maximum of two agencies unless a full-time Level 3 agent was in regular attendance at every agency for which she is a nominee. Council fined the agency \$5,000, assessed its investigation costs and required the agency to have a full-time Level 3 agent in regular attendance.

38. [*Westland Insurance Group Ltd.*](#) (February 2022): concerned an agency that had not taken appropriate action to inform former nominees of a possible compromise of client information that occurred in 2017 and did not have appropriate safeguards in place at the time to protect client information. Council determined that the former nominees of the agency were competent and trustworthy. Although there were internal communication issues within the agency, and suspicious transactions were not properly communicated to the former nominees, Council accepted that the former nominees would have taken appropriate steps to raise the matter with Council and ICBC if they were properly advised of the matter. The agency was formally reprimanded and assessed investigation costs.
39. Council considered the precedent cases of [*Amanprit Singh Ghaug and Marquis Underwriting Managers Ltd.*](#) and [*Westland Insurance Group Ltd.*](#) to be most relevant to this matter. In [*Amanprit Singh Ghaug and Marquis Underwriting Managers Ltd.*](#) there was a general lack of record keeping as there were no clear file-handling procedures. In [*Westland Insurance Group Ltd.*](#), the former nominees of the agency were found to be competent and trustworthy even though there were internal communication issues in the agency. Similar to this matter, the nominees in [*Westland Insurance Group Ltd.*](#) were unaware of the suspicious transactions and it is believed they would have reported the matter to Council if they were advised to do so by the agency. Council noted that the discipline ordered in [*Westland Insurance Group Ltd.*](#) would be a good starting point for determining an appropriate reprimand in this case.

MITIGATING AND AGGRAVATING FACTORS

40. Council considered relevant mitigating and aggravating factors. Council identified several mitigating factors, including that the Agency was co-operative throughout Council's investigation and is receptive to Council's suggestions on efforts it can take to prevent this issue from occurring again. The Agency appeared to take necessary steps to deal with the Former Licensee's misconduct once it became aware that there were issues with fraud, including having the Nominee file a complaint with Council and retaining legal counsel to seek legal advice on the matter. The Agency also made efforts to minimize the consequences of the Former Licensee's misconduct by responding promptly and placing coverage for all uninsured clients at the Agency's expense and by making changes to the Agency's management structure.
41. Aggravating factors include that the Agency had received a reminder letter from Council in 2021 about the Former Licensee's failure to update a client's home insurance policy, and had been disciplined in 2016 by Council as a result of the Agency's failure to notify Council within five business days of ATR withdrawals on eight occasions.

CONCLUSIONS

42. After weighing all of the relevant considerations, Council found the Agency to be in breach of the Council Rules and the Code of Conduct.
43. Council felt formal discipline was necessary to emphasize to the public that the conduct of the Agency is concerning and reprehensible. Although the Agency has been forthcoming about the incident, co-operative with Council's investigation and has shown a willingness to adopt the Council's recommendations for proper procedures, it does not detract from the fact that clients were at risk, believing they were insured when they were not. Although the Agency took steps to change the Former Licensee's role to one with fewer responsibilities, the Agency permitted him to continue to represent the Agency and deal with the public. The Agency did not realize the potential impact on clients who were unaware of the associated risks in dealing with the Former Licensee.
44. The Agency had several opportunities to report the Former Licensee's misconduct to Council but chose not to after assuming senior management had dealt with the issue, even after recurring signs of misconduct.
45. Council accepts that the Agency underestimated the severity of the Former Licensee's misconduct, perceiving him as poorly organized and slow at collecting payments from clients. Council is concerned that the Agency failed to promptly inform the Nominee once it discovered the Former Licensee's

misconduct. Council did not find the Nominee liable because she was only notified of the Former Licensee's issues in 2023 and promptly notified Council after being directed to do so by the Agency.

46. Council believes fining the Agency \$5,000 is an appropriate sanction for disregarding the Nominee's supervisory authority and excluding her from the Agency's internal discussions. The Agency operated without sufficient oversight and missed several opportunities to involve the Nominee in their decisions, instead maintaining an exclusionary decision-making culture that marginalized her role.
47. To remind the Agency and its senior licensees of their responsibilities and duties, Council requires all current Level 3 general insurance agents at the Agency at the time this order is issued, to take the Council Rules Course and Nominee Responsibilities and Best Practice course.
48. Council has concluded that its investigation costs should be assessed to the Agency. As a self-funded regulatory body, Council looks to Agencies 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

49. Pursuant to sections 231 and 241.1 of the Act, Council made an intended decision that:
 - a) The Agency be fined \$5,000, to be paid within 90 days of Council's order;
 - b) A condition be imposed on the Agency's general insurance licence that requires all current Level 3 general insurance agents at the date of Council's Order to complete the following courses, or equivalent courses as acceptable to Council, within 90 days:
 - i. The Council Rules Course for General Insurance Agents, Salespersons and Adjusters; and
 - ii. The Nominee Responsibilities and Best Practice Course for General Insurance and Adjusters(collectively, the "Courses");
 - c) The Agency be assessed Council's investigation costs of \$3,075, to be paid within 90 days of Council's order; and
 - d) A condition be imposed on the Agency's general insurance licence and life and accident and sickness insurance licence that failure to pay the fine and investigation costs, and failure to

ensure that all current Level 3 general insurance agents complete the Courses within 90 days of Council's order will result in the automatic suspension of the Agency's general insurance and life and accident and sickness insurance licence and that the Agency will not be permitted to complete its 2027 annual licence renewal until such time as it has complied with the conditions listed herein.

50. Subject to the Agency'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 COSTS/ FINES

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

RIGHT TO A HEARING

52. If the Agency wishes to dispute Council's findings or its intended decision, the Agency 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 Agency **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 Agency does not request a hearing within 14 days of receiving this intended decision, the intended decision of Council will take effect.**
53. Even if this decision is accepted by the Agency, 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 **6th day of October, 2025.**

For the Insurance Council of British Columbia



Janet Sinclair
Executive Director