

In the Matter of the

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

and the

INSURANCE COUNCIL OF BRITISH COLUMBIA
 (“Council”)

and

KHALED KHALIL
(the “Licensee”)

ORDER

As Council made an intended decision on January 27, 2026, pursuant to sections 231 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 February 12, 2026; 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 and 241.1 of the Act, Council orders that:

- 1) The Licensee is fined \$1,500, to be paid by June 8, 2026;
- 2) The Licensee is required to complete the following courses, or equivalent courses as acceptable to Council, by June 8, 2026:
 - i. The Council Rules Course for Life and/or Accident & Sickness Agents;
 - ii. The Compliance Toolkit: Know Your Client and Fact-Finding course, available through Advocis;
 - iii. The Compliance Toolkit: Know Your Product and Suitability course, available through Advocis; and

iv. The Challenge of Documenting Nothing course, available through Advocis

(collectively the “Courses”);

- 3) The Licensee is assessed Council’s investigation costs in the amount of \$1,762.50, to be paid by June 8, 2026;
- 4) The Licensee is required to be supervised by a life and accident and sickness insurance agent, as approved by Council, for a period of 24 months of active licensing, commencing, at the latest, on April 9, 2026; and
- 5) A condition is imposed on the Licensee’s life and accident and sickness insurance agent licence that failure to pay the fine and investigation costs and complete the Courses by June 8, 2026, and obtain a life and accident and sickness insurance agent supervisor as required, 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 **9th day of March, 2026**



Janet Sinclair, Executive Director
Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA (“Council”)

respecting

KHALED KHALIL (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 recommended and sold insurance policies to a client that were inappropriate given the client’s circumstances and conducted insurance business in a manner that was inconsistent with the usual practice. It was further alleged that the Licensee failed to conduct insurance activities under the supervision of a life agent supervisor as required by Council Rules.
2. On December 16, 2025, 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 Licensee before the meeting. A discussion of the investigation report took place at the meeting and the Licensee was given an opportunity to make submissions and provide further information. 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 were reviewed by Council at its January 27, 2026, 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 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 & Sickness Insurance Agent (“Life Agent”) since July 25, 2023. He has held an authority to represent an agency (the “Agency”) since becoming licensed.

6. On June 19, 2024, Council received a complaint from JG on behalf of their client, SH. The complaint raised concerns about inappropriate insurance sales practices. At the time of the sale, SH was an 18-year-old who lived with his parents, had no children, no property, no Registered Retirement Savings Plan, no savings, and no Tax-Free Savings Account (“TFSA”), but had been sold over \$680,000 of insurance coverage that included a whole life insurance policy and a universal life insurance policy.
7. On September 27, 2023, the Licensee sold SH a \$500,000 universal life insurance policy from an insurer (the “Insurer”) with a monthly premium of \$200. Although the Licensee did not sell the whole life policy to SH, he received a 50% commission split on the policy, which was part of the complaint. At the time the universal life policy was issued, the Licensee was a new Life Agent between July 25, 2023, to October 24, 2025, under the requirement to conduct insurance business under the supervision of a Life Agent supervisor as per Council Rule 7(16.1).
8. On September 9, 2024, the Insurer provided several documents to Council, including the policy application, the issued policy and the complaint made by SH against the Licensee. The documents illustrated that the universal life policy application had been signed on September 27, 2023. Additionally, the documents showed that the Licensee’s administrative assistant sent a request to the Insurer on October 31, 2023, to place the policy on a premium holiday and on December 19, 2023, the Licensee’s administrative assistant requested that the policy contributions be resumed. On June 18, 2024, a request was made to the Insurer to stop the policy withdrawals. SH submitted a complaint to the Insurer on June 21, 2024, regarding the universal life policy sold by the Licensee.
9. It is noted that SH had purchased a whole life policy with \$250,000 in coverage that was effective on August 25, 2023. Although the Licensee did not sell the whole life policy to SH, the Licensee advised he was aware SH had this insurance coverage and the Licensee received 50% of the commissions.
10. In SH’s complaint to the Insurer, he stated that he felt he was misled into purchasing these policies, not fully understanding what they were, and that he had no need for them at that time in his life when he had no liabilities. SH also stated that he did not request to reactivate the monthly withdrawals on the universal life policy and was told they would automatically resume after the pause. In its investigation, the Insurer determined that the “product was unsuitable for the client’s financial needs, [and] that the [Licensee] failed to provide accurate and complete information/advice and misrepresented the contract as a savings account.”
11. On November 15, 2024, the Licensee provided Council’s investigator with an explanation of the sale and supporting documents that included the financial needs analysis (“FNA”), advisor disclosure, Reason Why letter, Illustration and text messages with SH. In the Licensee’s written explanation, he stated that he provided SH with detailed information, distinguishing a TFSA and a universal life policy across three dedicated sessions. The Licensee further stated that SH indicated his preference for universal life due to its cost-effective insurance coverage at his age and to secure insurability because of SH’s driving incidents and health considerations.
12. Additionally, the Licensee stated that SH had pursued and attained financial knowledge through his studying for the Life Licence Qualification Program. The Licensee stated that SH displayed a thorough understanding of universal life policies that “*exceeds the average consumer.*” The Licensee advised

that SH requested to temporarily suspend contributions around October 2023 and that contributions were subsequently resumed “*following informed consent and consultation.*” Text messages from the Licensee showed that he explained to SH that the policy was on pause and would resume payment in December 2023 because it would otherwise lapse. When SH asked if the policy would cancel if he paused it longer, the Licensee responded with “*Basically yes.*” The Licensee further stated SH had expressed satisfaction with the performance of the policy’s investments and had not raised any concerns about cancelling the policy to him.

13. The Licensee also provided other supporting documents relating to SH’s policy. This included an unsigned FNA, which noted SH’s goal was to save \$15,000 for a down payment for a vehicle with a timeline of 2 years and that the Licensee advised SH to open a TFSA to help save for the vehicle purchase. The FNA also noted that SH’s monthly income of \$3,000, monthly expenses of \$1,050, and a monthly cashflow of \$1,950. Additionally, the Licensee provided an illustration report, advisor disclosure form and Reason Why letter, which were all unsigned. In the Insurer’s application under the Investor Profile question, “*What is your level of knowledge about investments?*” it noted SH’s selection as “*Very Low - I am just starting to become familiar with investments.*”
14. On December 13, 2024, Council’s investigator interviewed the Licensee. The Licensee advised his supervisor at the time was MR. The Licensee admitted that he did not submit SH’s policy for approval with his supervisor and stated that he did not use the appropriate process with SH as they were good friends. Additionally, the Licensee stated that SH was “*more than aware of how these products work,*” based on SH’s preparation to become a Life Agent licensee, and that he had text messages from SH stating that he wanted the universal life product.
15. The Licensee explained that, based on his review when he sold the product, he believed SH had adequate cash flow and that the insurance policy was appropriate for SH. Additionally, the Licensee admitted that he did not have SH sign the advisor disclosure or Reason Why letter. He stated this was due to his friendship with SH and a resulting lack of “*appropriate urgency*” to have SH sign these forms. The Licensee further reiterated that SH was in training to become a Life Agent and had attended several learning sessions. The Licensee stated that one of the main reasons the policy was sold was because SH showed an explicit desire to buy a universal life policy.
16. On January 23, 2025, Council’s investigator interviewed the Licensee’s supervisor, MR. MR stated that he began supervising the Licensee in July 2023. He estimated that he had reviewed approximately 10 of the Licensee’s policies during the supervision period. MR emphasized that he consistently reminds his supervisees in correspondence that all items outlined in the sales package must be reviewed and approved by him before they are submitted.
17. On February 6, 2025, the Agency advised Council’s investigator that the Licensee had sold 143 policies up to that date.
18. On March 27, 2025, MR provided a list of 9 client files that he had reviewed with the Licensee.
19. On April 25, 2025, Council’s investigator conducted a second interview with the Licensee. When the Licensee was asked why his supervisor’s initial supervision list included only 9 clients, despite the

Agency confirming that he had sold 143 policies, he responded that the remaining 134 policies were also supervised.

20. On April 25, 2025, Council's investigator requested that the Licensee provide supervision forms for the 134 policies. On May 12, 2025, the Licensee responded with the requested documents. The majority of the policies had not been signed by the Licensee's supervisor.
21. On July 23, 2025, the Agency confirmed that the Licensee had sold 87 policies between January 3, 2024, and January 20, 2025. Compared with the list of supervision documents requested from the Licensee, it is noted that only a small percentage of the policies sold by the Licensee included supervision documents.
22. At the Review Committee meeting, the Licensee explained that he did not fully understand his supervision requirements at the time, but after the complaint was raised, he took steps to understand the supervision requirements and comply with them. Additionally, the Licensee explained that this complaint has been a lesson for him in learning how to take appropriate notes and complete better FNAs. When discussing the universal life policy sold to SH, the Licensee explained the benefit of the cash value of the universal life policy and how, with a low cost of insurance at the time, SH was in a position to add more cash value, which would help fund premiums in the future. The Licensee admitted that at the time he believed he was selling a suitable product to SH, but that he would approach things differently today. Additionally, the Licensee admitted that had his supervisor reviewed SH's policy at the time, the policy might not have been approved. When asked why SH had noted his investment knowledge as very low on the Insurer application form when the Licensee advised that SH had a very good understanding of financial products, the Licensee stated that he completed the investment knowledge question without SH's input and that he just had to "*tick the box.*" The Licensee confirmed that when he sold the universal life policy to SH, he was aware that SH already had a whole life insurance policy in place.

ANALYSIS

23. Council determined that the Licensee did not meet the requisite standards of good faith, competence and the usual practice of dealing with clients and insurers that is expected of a licensee. Council determined that the policy in question was not objectively appropriate to the client's circumstances. When he purchased the policy, SH was an 18-year-old male with no dependants. Council did not understand the rationale for committing a young man to an additional universal life insurance product when he already had an active whole life insurance policy in place. Council further found it inappropriate that the Licensee completed the client's risk assessment in the insurance application without consulting his client. Without consultation from the client, the product's level of risk may not be suitable for the client's actual risk tolerance. In addition, by filling out the client risk assessment without consultation, the Licensee provided inaccurate information to the Insurer about the client. Based on the Licensee's explanation of the whole life insurance policy, Council found that the Licensee highlighted to SH the policy's potential to be used as a savings vehicle, which does not accurately represent the product from the Insurer. The Insurer, in its determination of this complaint,

concluded that the Licensee misrepresented the policy as a savings account. Council concluded that the Licensee did not represent the Insurer's products fairly and accurately.

24. The Licensee stated at various times that SH specifically requested the universal life insurance product and knew the difference between various insurance products. However, Council noted that licensees should ensure that the insurance products recommended to clients are suitable for the client's circumstances and that the client's needs assessment matches the product recommendation. Although a client may not always listen to a recommendation, Council believes it is still a licensee's responsibility to conduct an appropriate needs analysis to demonstrate to clients why a product will specifically add value and explain the benefits associated with the product to that client. It should be clear to a third party why a specific product is being recommended and what the potential benefit of the product is for the client.
25. Additionally, Council was troubled by the Licensee's record-keeping practice and level of competence. The Licensee was unable to provide written documentation containing clear instructions from the client, which is needed to ensure a mutual understanding and a clear record of the transaction. Additionally, Council concluded that the Licensee failed to conduct an adequate fact-finding and assessment of the client's needs. Although the Licensee stated that he was aware of SH's whole life policy, the monthly premium for the whole life policy was not included in the client's FNA of SH's monthly expenses, which demonstrated a lack of proper assessment of SH's affordability for the UL product or its suitability. Council noted that the Licensee had not obtained signatures from SH for the FNA, advisor disclosure form and Reason Why letter. Council noted that this was a serious departure from the usual practice and demonstrated a lack of competency. Documenting client transactions ensures that, should any issues arise in the future, there are clear records demonstrating what was discussed and the parties' understanding.
26. Council concluded that the Licensee knew or ought to have known he was not allowed to conduct any insurance business without appropriate supervision and found that the Licensee was acting contrary to Council Rule 7(16.1). Council concluded that the Licensee conducted insurance activities without the supervision of a life agent supervisor as required and that the Licensee was unable to provide any evidence that his supervisor had reviewed the majority of his insurance policies. The requirement that new life agents be supervised is a safeguard to ensure that new licensees are provided with support to ensure their practices meet the standards and usual practice of the industry. Council was very concerned that the Licensee had processed such a high volume of policies without any supervision. The Licensee admitted at the Committee meeting that SH's policy may have been flagged by his supervisor relating to the suitability of the product, and ultimately, the product may not have been sold. Although the Licensee made some minimal efforts to rectify his practices and seek supervision after this complaint arose, he still carried on insurance business without the appropriate level of supervision on a high number of policies.
27. Council considered the impact of Council Rules 7(8), 7(9) and 7(16.1) and Council's Code of Conduct guidelines on the Licensee's conduct, including 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 Licensee's conduct amounted to breaches of the above Code of Conduct sections and the professional standards set by the Code.

PRECEDENTS

28. 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.
29. [*Sulakhan Singh Dosanjh*](#) (June 2025): concerned a life agent who conducted insurance activities without the supervision of a life agent supervisor and conducted insurance business in a manner that was not consistent with the usual practice. On one occasion, the licensee prepared a client's insurance illustration after the insurance application was submitted, which in Council's view demonstrated a lack of fact-finding and assessment of the client's needs. Council questioned how the client could make an informed decision when the application was submitted before the client had even been shown the illustration detailing the policy. Additionally, the licensee failed to complete a life insurance replacement declaration form as required for two clients. Further, Council determined that the Licensee did not understand or did not appear to fully comprehend his supervision requirements. The licensee admitted that some of the insurance policies placed by him did not have approval or were not signed by his supervisor. Council ordered that the licensee be required to be supervised for a period of one year, be required to take the Council Rules Course and the Compliance Toolkit: Know Your Client and Fact-Finding course, and assessed investigation costs.
30. [*Pargat Singh Brar*](#) (November 2025): concerned a former life agent who sold unsuitable insurance products; failed to keep books, records and other documents necessary for the proper recording of insurance transactions and related financial affairs; and conducted insurance activities without the supervision of a life agent supervisor. Council found that the five policies audited in the course of the investigation were objectively unsuitable for the former licensee's clients. Additionally, the former licensee's supervisor only had a record of having reviewed 14 of the 70 applications completed by the former licensee. Council noted that the former licensee's practice of selling unsuitable policies benefited him financially through commissions at the expense of his clients. Council ordered that the former licensee be fined \$2,500, be required to be supervised for two years should he return to the industry, be required to take various courses and assessed investigation costs.
31. [*Ann-Mariel Krisine Ariola*](#) (January 2024): concerned a life agent licensee who sold unsuitable products and provided incorrect information on insurance documents. Council found that the licensee's misconduct was competence related. Council believed that the licensee's lack of licensed experience and training contributed to her actions such as failing to conduct an adequate fact-finding and assessment of the clients' needs. Council concluded that the licensee misrepresented information on application forms and indirectly facilitated their approval, which was misleading to the insurer. For the particular complaint, the licensee only sent two policy applications for her supervisor's review, while the other three policies were not reviewed by the licensee's supervisor. Council ordered that the licensee be supervised for a period of two years, complete various courses and be assessed investigation costs.

MITIGATING AND AGGRAVATING FACTORS

32. Council considered whether there were any mitigating and aggravating factors in this matter. Council found the Licensee's acknowledgment of the misconduct and co-operation in the investigation to be a mitigating factor. Council also considered the Licensee's inexperience as a mitigating factor. As for aggravating factors, Council concluded that the high volume of policies the Licensee completed over a two-year period, without appropriate supervision, demonstrated an ongoing pattern that Council found to be aggravating. Council determined that it was also aggravating that the Licensee's failure to adhere to the supervision requirements may have resulted in a potential risk of additional policies being sold that may not have been suitable. Further, Council found it aggravating that the Licensee derived a financial benefit from commissions earned from selling a policy that was not suitable.

CONCLUSIONS

33. After weighing all of the relevant considerations, Council found the Licensee to be in breach of the Council Rules and the Code of Conduct.
34. Council considered the [Brar](#) precedent to be the most instructive and believes it is appropriate to fine the Licensee \$1,500. Council believed that the Licensee had acknowledged and made efforts to improve his supervision procedures when the complaint arose. Although these improvements did not meet the required standard, Council acknowledged the Licensee's attempts to rectify his practices. Additionally, as there was no direct client harm given that the premium was refunded to SH, and given the other mitigating factors, Council believed a fine lower than the [Brar](#) case is appropriate. In addition, Council found that the Licensee demonstrated a lack of competency. Given that Council has concerns about the Licensee's level of skill, Council has determined that the Licensee be required to complete courses to familiarize himself with the appropriate procedures and knowledge expected of a licensee. Lastly, Council has concluded that the Licensee should be placed under supervision for an additional two years to allow the Licensee the requisite time to bring his knowledge to the level expected in the industry.
35. With respect to investigation costs, Council has concluded 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

36. Pursuant to sections 231 and 241.1 of the Act, Council made an intended decision that:
- a. The Licensee be fined \$1,500, 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. The Council Rules Course for Life and/or Accident & Sickness Agents;
 - ii. The Compliance Toolkit: Know Your Client and Fact-Finding course, available through Advocis;
 - iii. The Compliance Toolkit: Know Your Product and Suitability course, available through Advocis; and
 - iv. The Challenge of Documenting Nothing course, available through Advocis

(collectively the "Courses");
 - c. The Licensee be assessed Council's investigation costs in the amount of \$1,762.50, to be paid within 90 days of Council's order;
 - d. The Licensee be required to be supervised by a life and accident and sickness insurance agent, as approved by Council, for a period of 24 months of active licensing, commencing, at the latest, one month from the date of Council's order; and
 - e. A condition be imposed on the Licensee's life and accident and sickness insurance agent licence that failure to pay the fine and investigation costs and complete the Courses within 90 days of the date of Council's order and obtain a life and accident and sickness insurance agent supervisor as required, 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.
37. 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

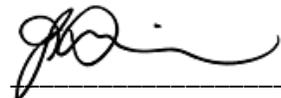
38. Council may take action or seek legal remedies against the Licensee to collect outstanding fines and/or costs, should these not be paid by the 90-day deadline.

RIGHT TO A HEARING

39. 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 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.**
40. 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 www.bcfst.ca or visit the guide to appeals published on their website at www.bcfst.ca/app/uploads/sites/832/2021/06/guidelines.pdf.

Dated in Vancouver, British Columbia, on the **12th day of February, 2026.**

For the Insurance Council of British Columbia



Janet Sinclair
Executive Director