

In the Matter of

The *FINANCIAL INSTITUTIONS ACT*
(RSBC 1996, c.141)
(the "Act")

and

The INSURANCE COUNCIL OF BRITISH COLUMBIA
("Council")

and

POONAM KALER
(the "Licensee")

ORDER

As Council made an intended decision on December 10, 2013, pursuant to sections 231 and 236 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 January 17, 2014; 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 236 of the Act, Council orders:

1. The Licensee is fined \$500.00.
2. A condition is imposed on the Licensee's life and accident and sickness insurance licence that requires him to pay the above-ordered fine no later than **May 5, 2014**. If the Licensee does not pay the ordered fine in full by this date, the Licensee's life and accident and sickness insurance licence is suspended as of **May 6, 2014**, without further action from Council and the Licensee will not be permitted to complete any annual filing until such time as the ordered fine is paid in full.

This order takes effect on the **5th day of February, 2014**.



Rita Ager, CFP, CLU, CHS, CPCA, FEA
Chairperson, Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA
(“Council”)

respecting

POONAM KALER
(the “Licensee”)

INTRODUCTION

Pursuant to section 232 of the *Financial Institutions Act* (the “Act”), Council conducted an investigation into allegations the Licensee failed to complete the minimum amount of continuing education (“CE”) credits as required by Council Rule 7(5).

As part of Council’s investigation, an Investigative Review Committee (the “Committee”) met with the Licensee on November 18, 2013. The Committee was comprised of one voting member and two non-voting members of Council. Prior to the Committee’s meeting with the Licensee, an investigation report was distributed to the Committee and the Licensee for review. A discussion of this report took place at the meeting and the Licensee was provided an opportunity to clarify the information contained therein and make further submissions. Having reviewed the investigation materials and after discussing this matter with the Licensee, the Committee made a recommendation to Council as to the manner in which this matter should be disposed.

A report setting out the Committee’s recommended disposition, along with the aforementioned investigation report, was reviewed by Council at its December 10, 2013 meeting. Based on this, Council determined the matter should be disposed of in the manner set out below.

PROCESS

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 236 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

The Licensee was first licensed in September 2006 as a life and accident and sickness insurance agent. Since obtaining her first licence she has acted as an independent agent and since January 27, 2011, has also been authorized to represent an agency.

A CE audit letter, dated April 18, 2012, was sent to the Licensee for the licence period of June 1, 2010 to May 31, 2011. The Licensee was required to have completed a minimum of 15 CE credits. After reviewing the certificates submitted by the Licensee, it was determined that only 9.5 of the credit hours submitted met the requirements of Council's CE program. In reviewing the credits claimed for the Practice Builder program, offered by Anthony Morris, Council found these credits did not qualify under its CE program.

The Licensee advised the course consisted of six classes which she completed over a six month period. The certificate stated it was for 24 hours of education. When asked, the Licensee could not provide details of the course content, stating that she had taken the course through her previous employer and her records were destroyed in a house fire.

The Licensee advised that she was unaware the Practice Builder program did not meet Council's requirements. The Licensee subsequently made up the shortfall when she successfully completed four courses towards her CFP designation in 2012.

ANALYSIS

Council determined that the Licensee's failure to comply with the minimum CE requirements for the licence year ending May 31, 2011 constituted a breach of Council Rule 7(5).

Council noted that the Licensee is a Branch Compliance Manager and supervises personnel in the mutual funds industry. Council determined that, as the Licensee is not involved in compliance or supervision in the insurance industry, it was inappropriate to place a higher onus on her with respect to CE compliance.

Council considered prior decisions relating to unintentional breaches of Council Rule 7(5) and was of the view that a fine of \$500.00 was appropriate in the circumstances.

INTENDED DECISION

Pursuant to sections 231 and 236 of the Act, Council made an intended decision to fine the Licensee \$500.00.

The Licensee is advised that should the intended decision become final, the fine will be due and payable within 90 days of the date of the order. In addition, failure to pay the fine within the 90 days will result in the automatic suspension of the Licensee's life and accident and sickness insurance licence and the Licensee will not be permitted to complete any annual filing until such time as the fine is paid in full.

The intended decision will take effect on **February 5, 2014**, subject to the Licensee's right to request a hearing before Council pursuant to section 237 of the Act.

RIGHT TO A HEARING

If the Licensee wishes to dispute Council's findings or its intended decision, the Licensee may have legal representation and present a case at 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 by **February 4, 2014**. 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 by **February 4, 2014**, the intended decision of Council will take effect.

Even if this decision is accepted by the Licensee, pursuant to section 242(3) of the Act, the Financial Institutions Commission still has a right to appeal this decision of Council to the Financial Services Tribunal ("FST"). The Financial Institutions Commission has 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.fst.gov.bc.ca or contact them directly at:

Financial Services Tribunal
PO Box 9425 Stn Prov Govt
Victoria, British Columbia
V8W 9V1

Reception: 250-387-3464


Fax: 250-356-9923

Email: FinancialServicesTribunal@gov.bc.ca

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Dated in Vancouver, British Columbia, on the 17th day of January, 2014.

For the Insurance Council of British Columbia



Gerald D. Matier
Executive Director

GM/tp