

**IN THE MATTER OF** the *Insurance Act*, R.S.O. 1990, c.l.8, as amended (the “Act”), in particular sections 441.2 and 441.3;

**AND IN THE MATTER OF** Sandeep Singh Dhaliwal.

## **NOTICE OF PROPOSAL TO IMPOSE ADMINISTRATIVE PENALTIES**

**TO:** Sandeep Singh Dhaliwal

**TAKE NOTICE THAT pursuant to section 441.3 of the Act**, and by delegated authority from the Chief Executive Officer of the Financial Services Regulatory Authority of Ontario (the “Chief Executive Officer”), **the Director, Litigation and Enforcement, (the “Director”)** is proposing to impose two (2) administrative penalties in the total amount of \$7,000 on Sandeep Singh Dhaliwal as follows:

- i. \$5,000 for making false and misleading statements and representations in the solicitation or registration of five (5) life insurance policies, contrary to section 17(c) of Ontario Regulation 347/04.
- ii. \$2,000 for furnishing false and misleading information to the Financial Services Regulatory Authority of Ontario (“FSRA”), which is an offence as per clause 447(2)(a) of the Act.

**Details of these contraventions and reasons for this proposal are described below. This Notice of Proposal includes allegations that may be considered at a hearing.**

**SI VOUS DÉSIREZ RECEVOIR CET AVIS EN FRANÇAIS**, veuillez nous envoyer votre demande par courriel immédiatement à: [contactcentre@fsrao.ca](mailto:contactcentre@fsrao.ca).

### **YOU ARE ENTITLED TO A HEARING BY THE FINANCIAL SERVICES TRIBUNAL (THE “TRIBUNAL”) PURSUANT TO SECTIONS 441.3(2) AND 441.3(5) OF THE ACT.**

A hearing by the Tribunal about this Notice of Proposal may be requested by completing the enclosed Request for Hearing Form (Form 1) and delivering it to the Tribunal within fifteen (15) days after this Notice of Proposal is received by you. The Request for Hearing Form (Form 1) must be mailed, delivered, faxed or emailed to:

**Address:** Financial Services Tribunal  
25 Sheppard Avenue W, Suite 100  
Toronto, ON M2N 6S6

Attention: Registrar

Fax: 416-226-7750

Email: [contact@fstontario.ca](mailto:contact@fstontario.ca)

**TAKE NOTICE THAT if you do not deliver a written request for a hearing to the Tribunal within fifteen (15) days after this Notice of Proposal is received by you, orders will be issued as described in this Notice of Proposal. TAKE FURTHER NOTICE of the payment requirements** in section 5 of Ontario Regulation 408/12, which state that the penalized person or entity shall pay the penalty no later than (thirty) 30 days after the person or entity is given notice of the order imposing the penalty, after the matter is finally determined if a hearing is requested or such longer time as may be specified in the order.

For additional copies of the Request for Hearing Form (Form 1), visit the Tribunal's website at [www.fstontario.ca](http://www.fstontario.ca)

The hearing before the Tribunal will proceed in accordance with the *Rules of Practice and Procedure for Proceedings before the Financial Services Tribunal* ("Rules") made under the authority of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended. The Rules are available at the website of the Tribunal: [www.fstontario.ca](http://www.fstontario.ca). Alternatively, a copy can be obtained by telephoning the Registrar of the Tribunal at 416-590-7294, or toll free at 1-800-668-0128 extension 7294.

At a hearing, your character, conduct and/or competence may be in issue. You may be furnished with further and or other particulars, including further or other grounds, to support this proposal.

## REASONS FOR PROPOSAL

### I. INTRODUCTION

1. These are the reasons for the proposal by the Director to impose two (2) administrative penalties in the total amount of \$7,000 on Sandeep Singh Dhaliwal (“Dhaliwal”).

### II. BACKGROUND

#### A. Parties

2. Dhaliwal was licensed as a Life Insurance and Accident and Sickness Agent (licence #16156137) under the Act. Dhaliwal’s licence expired on December 6, 2020. Dhaliwal is not currently licensed under the Act.
3. Dhaliwal was working as an independent contractor with the World Financial Group Insurance Agency of Canada Inc. (“WFG”) from December 7, 2016 until November 12, 2019. WFG is a managing general agency operating in Ontario and is licensed as an insurance agency under the Act. WFG terminated Dhaliwal’s Associate Membership Agreement for cause.
4. Dhaliwal held a market intermediary contract with Ivori, an insurance company licensed under the Act, and acted as its agent from December 9, 2016 until November 12, 2019. Ivori terminated the contract for cause.
5. Dhaliwal also held an independent financial advisor contract with Equitable Life of Canada (“Equitable Life”), an insurance company licensed under the Act, and acted as its agent from March 15, 2017 until August 9, 2020.
6. Dhaliwal’s insurance agent contracts with Ivori and Equitable Life were set up through WFG. Commissions on life insurance policies sold by Dhaliwal were paid by Ivori and Equitable Life to WFG. Dhaliwal would receive a portion of those commissions from WFG.

#### B. Dhaliwal Applies for Life Insurance Policies Without the Consent of His Clients

7. FSRA received a Life Agent Reporting Form (“LARF”) from Ivori on November 13, 2019 alleging fraud and misrepresentation on the part of Dhaliwal.
8. Dhaliwal acted as the insurance agent and advisor for, and sold life insurance policies to, TS, MD, AS and MR (“Ivori Clients”). These clients alleged misconduct on the part of Dhaliwal.

*Dhaliwal Misrepresents the Terms of the TS Policy*

9. Dhaliwal fraudulently arranged TS' purchase of Ivori universal life insurance policy no. 990107346 ("TS Policy"). Dhaliwal deceived TS into purchasing the TS Policy by making the following false representations:
  - i. The TS Policy was a "savings account" with "built in insurance" rather than a life insurance policy;
  - ii. TS would receive 13% - 14% compound interest on his contributions into the "savings account"; and
  - iii. TS' \$150 monthly payments into the "savings account" would be reduced to \$30 after 3 months and he could withdraw his payments after 12 months.
10. TS denies seeing or signing the delivery receipt for the TS Policy documents dated August 16, 2018, even though his signature is purported to be witnessed by Dhaliwal.
11. On January 8, 2019, Dhaliwal requested a premium holiday from Ivori for the month of January 2019 for the TS Policy and asked Ivori to resume the deduction of monthly policy premiums from TS' bank account from February 13, 2019, without TS's knowledge or consent.
12. The TS Policy lapsed on August 13, 2019. TS had paid Ivori premiums amounting to \$1,350 on the TS Policy. TS' premium payments were never refunded to him.
13. Ivori paid WFG commissions amounting to \$2,580.80 in relation to the TS Policy of which Dhaliwal was entitled to receive \$962.16. Dhaliwal's entitlement was reduced to \$272.78 on account of chargebacks applied by WFG to his share of the commissions.

*Dhaliwal Makes False Representations in relation to the MD Policy*

14. Dhaliwal, through RM, a person not licensed under the Act, arranged MD's purchase of Ivori universal life insurance policy no. 990109843 ("MD Policy"), without MD's knowledge or consent.
15. Dhaliwal has admitted to FSRA that while he was an insurance agent with WFG he recruited a friend, RM, to help him get life insurance clients.
16. Dhaliwal told RM to tell potential clients that they were investing in "savings plans" rather than purchasing life insurance.
17. Consistent with Dhaliwal's instruction, RM represented to MD that the MD Policy was a "savings plan", which would bear 8% - 14% in compound interest over a period of 12 months. RM is MD's cousin and TS' son.

18. Dhaliwal submitted the application form for the MD Policy to Ivari on August 20, 2018, without MD's knowledge or consent. MD had never discussed the purchase of an insurance policy with Dhaliwal.
19. MD denies seeing or signing the documents relating to the MD Policy, being the application form, E-Authorization Form, and Delivery Receipt, even though her signature on the Delivery Receipt is purported to be witnessed by Dhaliwal.
20. MD made premium payments amounting to approximately \$1,000 on the MD Policy.
21. Dhaliwal, by an email dated January 8, 2019, asked Ivari to switch MD's premium payment method from monthly pre-authorized deposit to quarterly direct billing without MD's knowledge, instructions, or consent.
22. The MD policy lapsed on April 12, 2019. Ivari refunded MD's premium payments, which amounted to \$994.16.
23. Ivari paid WFG commissions amounting to \$12,194.04 in relation to the MD Policy. Dhaliwal was entitled to receive \$1,872.76. Dhaliwal's entitlement was reduced to \$0 on account of chargebacks applied by WFG to his share of the commissions.

*Dhaliwal Makes False Representations in relation to the AS Policy and the MR Policy*

24. Dhaliwal arranged AS' purchase of Ivari universal life insurance policy no. 990159566 ("AS Policy"), without AS' knowledge or consent. In fact, AS specifically told Dhaliwal that she was not interested in purchasing a life insurance policy. The application for the AS Policy was submitted on April 24, 2019.
25. In 2019, Dhaliwal was in a personal relationship with AS with access to her phone and purse. Dhaliwal procured AS' SIN number and bank account details without her knowledge or consent and included them in the application form for the AS Policy.
26. Furthermore, on June 5, 2019, Dhaliwal also submitted an application for Ivari universal life insurance policy no. 990169950 in the name of AS' sister, MR ("MR Policy") without MR's knowledge or consent.
27. AS and MR deny seeing or signing the documents relating to the AS Policy and the MR Policy respectively, being the application forms, E-Authorization Forms, and Delivery Receipt, even though their signatures on the Delivery Receipts are purported to be witnessed by Dhaliwal.
28. On October 22, 2019, Dhaliwal requested Ivari to skip premium payments on the AS Policy for two months without AS' knowledge or consent.

29. The AS Policy lapsed on December 26, 2020. AS made premium payments amounting to \$1,760 on the AS Policy. AS' premium payments were never refunded to her.
30. The MR Policy lapsed on January 13, 2020. Premiums on the MR Policy, amounting to \$600, were deducted from AS' bank account without AS' consent and MR's knowledge. The premium payments were never refunded to either AS or MR.
31. Ivari paid WFG commissions amounting to \$2,128.60 in relation to the AS Policy of which Dhaliwal was entitled to receive \$1,028.14. Dhaliwal's entitlement was reduced to \$683.31 on account of chargebacks applied by WFG to his share of the commissions.
32. Ivari paid WFG commissions amounting to \$2,559.42 in relation to the MR Policy of which Dhaliwal was entitled to receive \$1,097.10. Dhaliwal's entitlement was reduced to \$49.08 on account of chargebacks applied by WFG to his share of the commissions.

**C. Dhaliwal Provides False and Misleading Information to Insurers**

33. Dhaliwal provided false and misleading information in life insurance policy application forms submitted to Ivari and Equitable Life. Dhaliwal falsely represented that MD and TS had no pending and/or active life insurance applications or policies with other insurers.
34. Dhaliwal provided false information in the application form for the TS Policy with Ivari by entering "No" as a response to the following question in the form:  
  
*"Do you have any of the following insurance in force or pending: life insurance, critical illness, disability, long-term care with ivari or any other company?"*
35. Dhaliwal concealed the fact that he had applied for an Equitable Life universal life insurance policy on behalf of TS on July 31, 2018 at 10:07AM. The application form for the TS Policy with Ivari was subsequently submitted by Dhaliwal on the same day at 1:19PM.
36. TS had also informed Dhaliwal that he had life insurance coverage with Foresters Financial. Dhaliwal did not disclose this information while completing and submitting the application form for the TS Policy and the information he provided was false and misleading.
37. Dhaliwal also provided false information in the application form for an Equitable Life universal life insurance policy that he submitted on behalf of MD (the "MD Equitable Life Policy") by entering "No" as a response to the following question in the form:

*“Do you have an application for life, disability, critical illness or long term care insurance currently pending or contemplated with any other insurance company?”*

38. Dhaliwal concealed the fact that he had applied for the MD Policy with Ivori on August 20, 2021 at 4:43 PM. The application form for the MD Equitable Life Policy was subsequently submitted by Dhaliwal on the same day at 7:10PM.
39. Equitable Life paid WFG commissions amounting to \$885 in relation to the MD Equitable Life Policy of which Dhaliwal was entitled to receive \$873.85. Dhaliwal's entitlement was reduced to \$436.68 on account of chargebacks applied by WFG to his share of the commissions.
40. Several details in the application form for the MD Policy were incorrect, including her date of birth, email address and job description. Furthermore, RM was listed as the beneficiary of the MD Policy, even though MD had not provided any such instructions to either Dhaliwal or RM.
41. Dhaliwal also provided false and incorrect information in the application forms for the AS Policy and the MR Policy. MR's date of birth, address, email, phone number and employment details provided in the application form for the MR Policy were incorrect. A fictitious person, JR, was named as the beneficiary of the AS Policy.

#### **D. Dhaliwal Furnishes False and Misleading Information to FSRA**

42. Dhaliwal furnished false and misleading information to FSRA in an interview dated October 15, 2021 and, in an email dated October 19, 2021.
43. Dhaliwal falsely stated that he had informed TS that he was purchasing a life insurance policy. He further stated that he had not misrepresented the TS Policy as a savings account.
44. Even though MD and AS had never discussed any insurance business with Dhaliwal, Dhaliwal falsely claimed that he met with MD and AS in person in order to arrange the sale of the MD Policy and the AS Policy. Dhaliwal further stated that he had explained the terms and contents of the insurance policy documents to MD and AS.

### **III. CONTRAVENTIONS OR FAILURES TO COMPLY WITH THE ACT**

#### **A. False and Misleading Statements and Representations in the Solicitation or Registration of Insurance**

45. Section 17(c) of Ontario Regulation 347/04 prohibits licensed insurance agents from making false or misleading statements or representations in the solicitation or registration of insurance. Such conduct is prohibited whether or not the agent is aware that the statements and representations are false or misleading.

*False Statements and Representation Made to Clients*

46. Dhaliwal falsely represented the TS Policy to TS as a “savings plan” rather than a life insurance policy and misrepresented its terms.
47. Furthermore, Dhaliwal arranged the purchase and registration of the MD Policy, the MR Policy and the AS Policy without the knowledge or consent of MD, MR and AS, respectively.

*False Statements and Representations Made to Insurers*

48. Dhaliwal falsely represented to Ivori that the Ivori Clients were interested in purchasing life insurance policies and arranged the purchase and registration of the TS Policy, the AS Policy, the MR Policy, and the MD Policy on false pretexts.
49. Dhaliwal gave premium payment instructions in relation to the TS Policy, MD Policy and AS Policy without the knowledge or consent of TS, MD and AS respectively.
50. Dhaliwal falsely represented to Ivori in the TS Policy application form that TS had no pending life insurance applications even though he had previously submitted a life insurance policy application to Equitable Life and was aware that TS owned another life insurance policy with Foresters Financial.
51. Dhaliwal, in the application form for the MD Equitable Life Policy, falsely represented to Equitable Life that MD had no pending life insurance applications even though he had previously submitted the application form for the MD Policy.
52. Dhaliwal also entered incorrect personal and contact information in the application forms for the MD Policy and the MR Policy.
53. Furthermore, Dhaliwal used RM, a person not licensed under the Act, to arrange the sale of the MD Policy. Dhaliwal subsequently represented to Ivori that he had arranged the sale of the MD Policy to MD.
54. The Director is therefore satisfied that Dhaliwal made false and misleading statements and representations in the solicitation or registration of the TS Policy, the AS Policy, the MR Policy, the MD Policy and the MD Equitable Life Policy and thereby contravened section 17(c) of Ontario Regulation 347/04 in respect of the sales of each of those policies.

**B. False and Misleading Information to FSRA**

55. As per clause 447(2)(a) of the Act, any person who directly or indirectly furnishes false, misleading or incomplete information to FSRA is guilty of an offence.
56. The Director is satisfied that Dhaliwal made several false and misleading statements to FSRA with respect to the sale of the TS Policy, the AS Policy and the MD Policy.



#### **IV. GROUNDS FOR IMPOSING ADMINISTRATIVE PENALTIES**

57. The Director is satisfied that imposing administrative penalties on Dhaliwal under section 441.3(1) of the Act will satisfy one or both of the following purposes under section 441.2(1) of the Act:
- 1) To promote compliance with the requirements established under the Act.
  - 2) To prevent a person from deriving, directly or indirectly, any economic benefit as a result of contravening or failing to comply with a requirement established under this Act.
58. The Director is satisfied that two (2) administrative penalties in the total amount of \$7,000 should be imposed on Dhaliwal for the following contraventions of the Act and its regulations:
- i. \$5,000 for making false and misleading statements and representations in the solicitation or registration of the TS Policy, the AS Policy, the MR Policy, MD Policy and the MD Equitable Life Policy, contrary to section 17(c) of Ontario Regulation 347/04.
  - ii. \$2,000 for furnishing false and misleading information to FSRA, which is an offence as per clause 447(2)(a) of the Act.
59. In determining the amount of the administrative penalty, the Director has considered the following criteria as required by section 4(2) of Ontario Regulation 408/12:
- 1) The degree to which the contravention or failure was intentional, reckless or negligent.
  - 2) The extent of the harm or potential harm to others resulting from the contravention or failure.
  - 3) The extent to which the person or entity tried to mitigate any loss or take other remedial action.
  - 4) The extent to which the person or entity derived or reasonably might have expected to derive, directly or indirectly, any economic benefit from the contravention or failure.
  - 5) Any other contraventions or failures to comply with a requirement established under the Act or with any other financial services legislation of Ontario or of any jurisdiction during the preceding five years by the person or entity.

60. In respect of the **first criterion**, the Director is satisfied that Dhaliwal's contraventions were intentional. Dhaliwal has exhibited a pattern of misconduct by arranging the purchase of multiple life insurance policies based on false pretexts. He has also repeatedly provided false information to his clients, insurers and FSRA.
- i. Dhaliwal misled TS into believing that he was investing in a "savings account" rather than purchasing an insurance policy.
  - ii. Dhaliwal prepared and submitted documents relating to the purchase of the MD Policy, MR Policy and the AS Policy knowing that he had no instructions to do so. Furthermore, Dhaliwal purports to have witnessed the signatures of MD, MR and AS on the Delivery Receipts for their policies even though MD, MR and AS never saw or signed the receipts.
  - iii. Dhaliwal intentionally provided Ivari with false information in the application forms for the TS Policy, the AS Policy, the MR Policy, the MD Policy and the MD Equitable Life Policy.
  - iv. Dhaliwal gave premium payment instructions to Ivari without the knowledge of TS, AS or MD. The premium payment instructions extended the time for premium payments. This delayed a lapse in the policies and associated adverse financial consequences for Dhaliwal. Dhaliwal admitted to FSRA that as per his contract with WFG he would have to pay back 100% of the commissions earned on policies sold by him if such policies lapsed within one year, and 75% of the commissions earned on policies sold by him if such policies lapsed within two years.
  - v. Dhaliwal intentionally provided false and misleading information to FSRA with respect to the Ivari Clients even after he was confronted with statements provided to FSRA by TS and MD and the relevant insurance policy documents.
61. In respect of the **second criterion**, the Director is satisfied that Dhaliwal's false representations have caused significant harm to others.
- i. MD, AS, MR and TS made premium payments in the amount of approximately \$1,000, \$1,760, \$600, and \$1,350 to Ivari, respectively, on life insurance policies that they never intended to purchase. The premium payments made by AS and TS were never refunded to them.
  - ii. Ivari paid WFG \$19,462.86 in commissions relating to the TS Policy, the AS Policy, the MR Policy, and the MD Policy. Ivari also refunded MD's premium payments.
  - iii. Equitable Life paid WFG \$885 in commissions for the MD Equitable Life Policy.

62. Furthermore, Dhaliwal has harmed FSRA's ability to regulate the insurance sector by furnishing false and misleading information. FSRA has been accorded the statutory responsibility to regulate the insurance sector in the public interest and is empowered under the Act to seek information from insurance agents to that end. Providing false information to FSRA compromises FSRA's ability to effectively enforce the provisions of the Act and to protect the public from deceptive or fraudulent conduct, practices, and activities.
63. Finally, Dhaliwal's misconduct as an insurance agent, licensed and regulated under the Act, has the potential to harm public confidence in the regulatory regime established by the Act and its regulations.
64. In respect of the **third criterion**, the Director is unaware of any steps taken by Dhaliwal to mitigate the losses caused by him to TS, MD, AS, Ivori and Equitable Life.
65. In respect of the **fourth criterion**, the Director is satisfied that Dhaliwal derived a direct economic benefit as a result of his contravention of the Act and its regulations. Ivori paid WFG \$19,462.86 in commissions for the TS Policy, the MD Policy, the AS Policy, and the MR Policy of which Dhaliwal was entitled to receive \$4,960.16. Equitable Life paid WFG \$885 as commissions for the MD Equitable Life Policy of which Dhaliwal was entitled to receive \$873.85. Dhaliwal's entitlement to the commissions on the aforementioned policies was reduced to \$1,441.85 on account of chargebacks applied to his share of the commissions by WFG.
66. In respect of the **fifth criterion**, the Director is unaware of any further contraventions or failures to comply in the preceding five years by Dhaliwal, other than those discussed in this Notice of Proposal.
67. Such further and other reasons as may come to the Director's attention.

**DATED** at Toronto, Ontario, November 8, 2021

Elissa Sinha  
Director, Litigation and Enforcement

By delegated authority from the Chief Executive Officer