

IN THE MATTER OF the *Insurance Act*, R.S.O. 1990, c.l.8, as amended (the “Act”), in particular sections 392.5, 407.1, 441.2 and 441.3.

AND IN THE MATTER OF Poonam Chauhan.

**NOTICE OF PROPOSAL TO REVOKE LICENCE AND TO IMPOSE
ADMINISTRATIVE PENALTIES**

TO: Poonam Chauhan

TAKE NOTICE THAT pursuant to sections 392.5 and 407.1 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 is proposing to revoke the life insurance and accident and sickness insurance agent licence issued to Poonam Chauhan.

AND TAKE NOTICE THAT pursuant to section 441.3 of the Act, and by delegated authority from the Chief Executive Officer, the Director is proposing to impose two administrative penalties in the total amount of \$35,000 on Poonam Chauhan as follows:

- a. An administrative penalty in the amount of \$10,000 for making false or misleading statements or representations in the solicitation or registration of insurance, contrary to section 17(c) of Ontario Regulation 347/04.
- b. An administrative penalty in the amount of \$25,000 for hindering or obstructing a person designated by the Chief Executive Officer of the Financial Services Regulatory Authority of Ontario (“FSRA”) in the performance of their duties, contrary to section 446(1) 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.

YOU ARE ENTITLED TO A HEARING BY THE FINANCIAL SERVICES TRIBUNAL (THE “TRIBUNAL”) PURSUANT TO SECTIONS 407.1(2), 407.1(3), 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 West, 7th Floor
Toronto, Ontario
M2N 6S6
Attention: Registrar

Fax: 416-226-7750

Email: 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 states 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

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. 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 of the Director to revoke the life insurance and accident and sickness insurance agent licence issued to Poonam Chauhan ("Chauhan") and to impose administrative penalties in the total amount of \$35,000 on Chauhan.

II. BACKGROUND

2. Chauhan is a licensed life insurance and accident and sickness insurance agent (licence # 09108206) under the Act. Chauhan has been licensed since May 5, 2009. Her licence was most recently renewed on June 23, 2025, and will expire on June 22, 2027.
3. Chauhan is also a licensed property and casualty ("P&C") insurance broker Level 1 (licence number 47031) under the *Registered Insurance Brokers Act* administered by the Registered Insurance Brokers of Ontario.
4. Chauhan was contracted to sell P&C insurance for an insurance brokerage (the "Brokerage") from September 2019 to March 31, 2023. During the same time, Chauhan was contracted with various Managing General Agencies to sell Life & Health Insurance.

III. FACTS

Brokerage Complaint

5. On October 17, 2023, FSRA received a complaint from the Brokerage with respect to misrepresentation allegations against Chauhan.
6. While contracted with the Brokerage, Chauhan sold life insurance policies to ten consumers seeking P&C insurance (the "Insureds"), without the knowledge or consent of Brokerage.
7. Chauhan engaged in a pattern of tied selling by offering to sell P&C insurance bundled with life insurance policies. Chauhan represented to consumers that the purchase of a life insurance policy together with a P&C insurance policy would result in a premium discount on the P&C insurance.
8. The Insureds agreed to purchase bundled P&C insurance and life insurance based on Chauhan's representation. This representation was false as no premium discount was available or applied, and the life insurance and P&C insurance were completely separate transactions with different insurers.
9. The Insureds who purchased life and P&C insurance from Chauhan neither required nor wished to obtain life insurance policies and suffered financial loss as a result of additional premium payments for life insurance, due to Chauhan's misrepresentations.

10. At least one of the Insureds was unaware that a life insurance policy had been issued in their name and discovered the deductions only upon reviewing their bank account statements.
11. The Insureds affected by the tied selling subsequently cancelled their life insurance policies upon discovering the misrepresentation.

ML Complaint

12. On March 1, 2024, FSRA received a complaint from ML with respect to misrepresentation and other allegations against Chauhan. ML was not one of the ten Insureds included in the October 17, 2023 complaint from the Brokerage.
13. Chauhan advised ML that he would receive a premium discount on his auto and tenant insurance policies if he purchased a life insurance policy concurrently. No discounts were applied.
14. The life insurance policy was issued in February 2021 while Chauhan was actively contracted with Brokerage. ML later cancelled the policy, having incurred \$1,373.76 in premiums for a product he neither needed nor wanted.

SS Complaint

15. On March 20, 2024, FSRA received a complaint from SS against Chauhan for misrepresentation and false information. SS was not one of the ten Insureds included in the October 17, 2023 complaint from the Brokerage.
16. Chauhan advised SS to purchase a life insurance policy to receive a premium discount on his auto insurance policy. No such discount was ever applied.
17. SS was unaware that the life insurance policy had been activated until he noticed an increase in his monthly charges from March 11, 2022, to March 11, 2024 and cancelled it.

Obstruction of FSRA's Investigation

18. On May 28, 2024, FSRA's investigator contacted Chauhan regarding the complaints received about her conduct. Chauhan was made aware of the ongoing investigation, as she provided two statements to FSRA's investigator on June 6, 2024 and June 18, 2025. Additionally, she was interviewed by FSRA's investigator on June 23, 2025, in connection with the complaints.
19. During the investigation conducted by FSRA, Chauhan contacted several of her former clients, including ML, and attempted to influence their cooperation with the FSRA investigation.

IV. CONTRAVENTIONS OR FAILURES TO COMPLY WITH THE ACT

A. False Statement in the Solicitation or Registration of Insurance

20. Section 17(c) of Ontario Regulation 347/04 states that a life insurance agent is prohibited from making a false or misleading statement or representation in the solicitation or registration of insurance.
21. Chauhan consistently made false or misleading statements when arranging and registering life insurance policies. Chauhan represented to consumers that they would receive a premium discount if they purchased a life insurance policy bundled with their P&C insurance policy.
22. The Director is satisfied that Chauhan contravened the Act by making false or misleading statements during the solicitation or registration of insurance.

B. Hindering or Obstructing an Investigation

23. Section 446(1) of the Act states that no person shall hinder or obstruct a person designated by the Chief Executive Officer of FSRA in the performance of his or her duties.
24. Throughout the course of the investigation, Chauhan contacted several former clients attempting to influence their information to FSRA. This hindered and obstructed FSRA's investigation.

V. GROUNDS FOR REVOCATION

25. Section 392.5(1) of the Act states that the Chief Executive Officer may revoke or suspend an insurance agent's licence if the agent has failed to comply with the Act, the regulations, or a condition of the licence.
26. Section 392.5(2) of the Act states that the Chief Executive Officer may revoke or suspend an agent's licence if any prescribed grounds for revoking or suspending a licence, or for refusing to issue a licence, exist.
27. Section 8 of Ontario Regulation 347/04 prescribes the circumstances the Chief Executive Officer may have regard to when determining whether an applicant is not suitable to be licensed, namely if it appears that the licensee has:
 - a) Violated any provision of the licence in the licensee's operations as an agent;
 - b) Made a material misstatement or omission in the application for the licence;
 - c) Been guilty of a fraudulent act or practice; or
 - d) Demonstrated incompetence or untrustworthiness to transact the insurance agency business for which the licence has been granted.
28. The Director has reasonable grounds to believe that Chauhan is not suitable for licensing under the Act. Chauhan has demonstrated incompetence and untrustworthiness to transact business as an insurance agent.

29. Chauhan contravened the Act by repeatedly making false or misleading statements or representations to consumers in the solicitation or registration of insurance policies, to persuade them to buy insurance products they did not want or need. Further, Chauhan's obstruction of FSRA's investigation on multiple occasions demonstrates untrustworthiness and shows that she is not suitable to be licensed.
30. FSRA must assess suitability keeping in mind that the purpose of licensing is to ensure that consumers receive competent and ethical insurance brokering services from those licensed to participate in the industry. A licence issued by FSRA is considered a public endorsement that the licensee can serve as a trusted advisor to their clients who often rely on their insurance agents when making important financial decisions that can have a significant impact on their lives and well-being.
31. Chauhan's past and ongoing conduct demonstrates a disregard for rules intended to protect investors and consumers, a lack of trustworthiness, and an unwillingness to cooperate with the regulator.
32. The Director is satisfied that Chauhan will not transact the insurance agency business with honesty and trustworthiness. As such, she is not suitable to be licensed under the Act. Chauhan poses a risk to consumers that cannot be adequately mitigated by a suspension or attaching terms and conditions to the licence.

VI. GROUNDS FOR IMPOSING ADMINISTRATIVE PENALTIES

33. The Director is satisfied that imposing administrative penalties under section 441.3(1) of the Act for the contraventions identified above will satisfy one or both of the following purposes under section 441.2(1) of the Act:
 - i. To promote compliance with the requirements established under the Act; and
 - ii. To prevent a person from deriving, directly or indirectly, any economic benefit because of contravening or failing to comply with a requirement established under the Act.
34. The Director is satisfied that two administrative penalties in the total amount of \$35,000 should be imposed on Chauhan. These administrative penalties will promote compliance with sections 446(1) of the Act and 17(c) of Ontario Regulation 347/04.
35. Section 446(1) and Section 17(c) are listed in *Schedule 1* of Ontario Regulation 408/12 and contraventions of both sections carry a maximum penalty of \$100,000 for an individual.

36. In determining the amount of the administrative penalties, the Director has considered the following criteria as required by section 4(2) of Ontario Regulation 408/12:
- i. The degree to which the contravention or failure was intentional, reckless or negligent;
 - ii. The extent of the harm or potential harm to others resulting from the contravention or failure;
 - iii. The extent to which the person or entity tried to mitigate any loss or take other remedial action;
 - iv. 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; and
 - v. 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.
37. In respect of the **first criterion**, the Director is satisfied that Chauhan intentionally made false or misleading statements or representations to consumers in the solicitation or registration of insurance policies. Chauhan knowingly misrepresented that there would be a premium discount for the P&C insurance policies to persuade consumers to purchase them.
38. Further, Chauhan knowingly obstructed FSRA's investigation on multiple occasions by asking her former clients not to speak to FSRA.
39. In respect of the **second criterion**, the Director has considered the harm that could result from Chauhan's conduct. Chauhan's misconduct resulted in her clients' paying premiums for life insurance policies that they did not require or want. The public is entitled to accurate information when they purchase insurance. Chauhan's conduct undermines the public's confidence in the insurance industry.
40. Chauhan's obstruction of the investigation caused difficulties in gathering evidence, as several consumers declined to provide information to FSRA. The cooperation of licensees with FSRA's investigations is essential for the effective regulation of the insurance industry. By obstructing the investigation, Chauhan placed the public at increased risk.
41. In respect of the **third criterion**, the Director is not aware of any steps taken by Chauhan to mitigate any loss caused by the contraventions or taken any other remedial action with respect to the contravention of section 17(c). Additionally, rather than mitigate the losses, Chauhan further contravened the Act by obstructing the investigation into her misconduct.

42. In respect of the **fourth criterion**, the Director is satisfied that Chauhan contravened the Act and its regulations to increase her volume of insurance business and generate commissions for policies that would not have otherwise been taken out. Additionally, Chauhan has attempted to realize an indirect economic benefit through obstructing the investigation and attempting to prevent any enforcement action taken by FSRA.
43. In respect of the **fifth criterion**, the Director is not aware of any contraventions or failures to comply with a requirement established under the Act or with any other financial services legislation in Ontario or of any jurisdiction during the preceding five years by Chauhan.
44. Such further and other reasons as may come to my attention.

DATED at Toronto, Ontario,

Elissa Sinha
Director, Litigation and Enforcement

By delegated authority from the Chief Executive Officer