

DECISION
of the
LIFE INSURANCE COUNCIL OF MANITOBA
(“Council”)
Respecting
YADWINDER SANDHU
(“Licensee”)

INTRODUCTION

The Life Insurance Council of Manitoba (“Council”) derives its authority from *The Insurance Act* C.C.S.M. c. 140 (“*Act*”) and the *Insurance Councils Regulation 227/91*.

In response to information received by Council, concerning the Licensee, an investigation was conducted pursuant to sections 375(1) and 396.1(7)(e) of the *Act*, and section 7(2)(e) of *Regulation 227/91*. Council undertook an investigation of the Licensee to determine whether he had violated the *Act*, its *Regulations*, and/or the Life Insurance and Accident and Sickness Agent’s Code of Conduct (“*Code of Conduct*”). During the investigation the Licensee was given an opportunity to make submissions with respect to Council’s concerns.

On October 14, 2015, during a meeting of Council, the evidence compiled during the investigation was presented; upon review Council determined its intended decision. Pursuant to section 375(1) of the *Act* and *Regulation 227/91*, Council hereby renders its intended decision and corresponding reasons.

ISSUE

1. Did the Licensee make a material misrepresentation to Council by attesting that he had not been subject to any disciplinary action by any regulatory authority since his last licensing renewal application, in violation of the *Act*, its *Regulations*, and/or the *Code of Conduct*?

FACTS AND EVIDENCE

1. In completing his 2014 renewal applications, the Licensee declared that he would notify Council within 15 days of any material change to the applications – this includes any disciplinary action through any regulatory authority.

2. Dated May 15, 2015, the Licensee applied for the renewal of his Life and Accident and Sickness licences by way of four (4) licensing renewal applications (“the Renewal Applications”). Respecting those applications:
 - In response to question 2, “Been subject to any disciplinary action by any regulatory authority or had any licence held by you suspended, cancelled or revoked?”, the Licensee answered “No”.
3. The Renewal Applications contain a “Declaration” Section. It includes the following wording:
 - I declare that the foregoing information is true and I accept the responsibility for these answers and undertakings. I further understand that a false declaration on this application could lead to disciplinary action...
4. The Licensee’s licences were renewed on the basis that his statements on the Renewal Applications were true and accurate and that he had not been subject to any disciplinary action by any regulatory authority since his last renewal application.
5. On August 5, 2015, Council became aware that the Licensee had been subject to disciplinary action dated February 11, 2015 through the Alberta Insurance Council (“AIC”).
6. The Licensee never disclosed his AIC disciplinary action to Council.
7. In his submission to AIC, the Licensee expressed concern with how a finding of guilt would affect his ability to renew his Manitoba licence.
8. In response to inquiries, the Licensee advised Council that:
 - a. He misread question 2 as asking only whether he had his licence suspended, cancelled or revoked to which the answer is “No”.
 - b. He subsequently consulted legal counsel who explained that his understanding of question 2 was mistaken; there are two (2) separate questions being asked in question 2 – he did not properly answer the first question.
 - c. He had no intent to mislead Council.

ANALYSIS

Pursuant to section 375(1)(a) of the *Act*, misrepresentation and dishonesty is prohibited – this includes false declarations on licensing applications. Section 9 of the *Code of Conduct*, mandates an agent to respond promptly and honestly, with full disclosure, to inquiries from the Insurance Council of Manitoba.

The Licensee explicitly agreed to notify Council within 15 days of any material change by completing and submitting his 2014 renewal applications to Council.

The Licensee declared that the information on his 2015 Renewal Applications was true; he accepted responsibility for his answers and declared that he understood a false declaration could lead to disciplinary action.

The Licensee never disclosed his AIC disciplinary action to Council. To the contrary, the Licensee misrepresented on his four (4) Renewal Applications that he had not been subject to any disciplinary action by any regulatory authority since his last renewal.

Council did not accept the Licensee's explanation that he simply misread application question 2. Council found significance in the Licensee's submission to AIC that he was concerned how a finding of guilt would affect his ability to renew his Manitoba licence.

Council concluded the Licensee intentionally concealed his disciplinary action; his renewal misrepresentations were purposeful and were repeatedly reinforced with each of the four (4) Renewal Applications.

Based on the information and evidence, Council concluded that the Licensee violated section 375(1)(a) of the *Act* and section 9 of the *Code of Conduct* and that disciplinary action is warranted.

DECISION AND PENALTY

Council's Intended Decision dated October 21, 2015 outlined the foregoing background, analysis and conclusions on a preliminary basis. Having regard to its initial determination that the foregoing violations had occurred, Council imposed the following penalty and sanction pursuant to section 375(1.1)(c)&(d) of the *Act* and section 7(1) of *Regulation 227/91*:

1. The Licensee be fined \$750.00 and assessed investigation costs of \$250.00.

As part of its Intended Decision, Council further informed the Licensee of his right to request a Hearing to dispute Council's determinations and its penalty/sanction. The Licensee expressly declined his right to a Hearing and chose not to pursue a statutory

Appeal; he instead expressly accepted the Intended Decision and duly paid the levied fine and partial investigation costs.

This Decision is therefore final. In accordance with Council's determination that publication of its decisions are in the public interest, this will occur, in accordance with sections 7.1(1) and (2) of *Regulation 227/91*.

Dated in Winnipeg, Manitoba on November 13, 2015.