

DECISION
of the
LIFE INSURANCE COUNCIL OF MANITOBA
("Council")
Respecting
HIMMAT SINGH JOHAL
("Former Licensee")

INTRODUCTION

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

In response to information received by Council, 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*. The purpose of the investigation was to determine whether the Former Licensee violated the *Act*, its *Regulations*, and/or the Life Insurance and Accident and Sickness Agent’s Code of Conduct (the “*Code of Conduct*”).

During the investigation, the Former Licensee was notified of Council’s concerns and was provided an opportunity to make submissions.

On July 17, 2024, during a meeting of Council, the information and evidence compiled during the investigation was presented and reviewed. Upon assessment of the evidence, Council determined its Intended Decision.

As part of its Intended Decision, Council informed the Former Licensee that he may request a Hearing to dispute Council’s determinations and penalty/sanction. The Former Licensee expressly declined his right and chose not to pursue a Hearing; he instead expressly accepted the terms of the Intended Decision.

Pursuant to section 375(1) of the *Act* and *Regulation 227/91*, Council hereby renders its Decision and corresponding reasons.

ISSUES

1. Did the Former Licensee violate the *Act* and/or *Code of Conduct* when he:

- a. sent over 200 files to an associate that contained exam questions and answers?
- b. installed software on his computer, removed over 100 video files, and conducted a Google search on how to delete information from his computer prior to the forensic expert's collection of his devices?
- c. did not provide all his devices to the forensic expert for analysis?
- d. did not respond to Council's Investigator by the required deadlines?
- e. replied to Council's Investigator with incomplete and evasive answers?

FACTS AND EVIDENCE

1. The Former Licensee held Life and Accident & Sickness licences in Manitoba from October 5, 2020 to May 31, 2022.
2. The Former Licensee's Sponsor provided the Insurance Council of Manitoba a letter dated June 28, 2022 and a Life Agent Reporting Form, dated June 29, 2022 which indicated that the Former Licensee had been terminated for unethical behavior regarding the Harmonized Life Licence Qualification Program ("HLLQP").
3. The HLLQP is a program that consists of five (5) modules and provides individuals with all the necessary study requirements to become certified to write the provincial exams and subsequently become licensed as an insurance agent.
4. On January 24, 2024, the Former Licensee's Managing General Agency (the "MGA"), provided Council's Investigator with an Investigation Report dated June 2, 2022, which had been completed by an independent law firm, retained by the MGA, to investigate alleged cheating regarding the HLLQP examinations.
5. The report indicated that:
 - a. The Former Licensee collected, used, and/or disseminated actual questions and answers from certification examinations.
 - b. The Former Licensee was identified as the key disseminator of compromised content.
 - c. An individual whose exam had been flagged by [the proctor], disclosed that a "trainer" [identified as the Former Licensee] had sent him over 200 files entitled "Screenshot (####).png" that contained exam questions and answers.

- d. The individual provided the law firm with three (3) of the screenshots, two (2) which had been concluded by [the proctor] to be identical, or nearly identical to certification exams.
- e. The law firm retained a computer forensics expert, to retrieve, image, and analyze the Former Licensee's computer, and external hard drive. The law firm's report indicated that it was determined by the forensic expert that:
 - i. Between March 2019 and January 2022, the Former Licensee had accessed hundreds of files titled "Screenshot (#####).png".
 - ii. The Former Licensee had software installed on their computer which could be used to record a computer's screen and had removed over 100 video files prior to the collection of the Former Licensee's devices, some of which had "exam" and "provincial" in the file name.
 - iii. The Former Licensee failed to provide all their devices and had conducted Google searches on how to delete information prior to the forensic expert's collection of evidence.
6. On March 12, 2024, Council's Investigator requested information from the Former Licensee regarding the allegations posed by the Sponsor regarding the alleged unethical behavior relating to the HLLQP examination process. A response was required from the Former Licensee by March 26, 2024.
7. In emails dated March 28, 2024 and April 11, 2024 Council's Investigator reminded the Former Licensee that his response had not been received and that Council had the authority to request his participation through the *Act* and the *Code of Conduct*.
8. In an email the same day, the Former Licensee responded that:
 - a. He was pretty stressed out since last year when his licence was terminated by [another regulatory authority] ("Regulatory Authority A").
 - b. *"As I told [Regulatory Authority A] as well, I have no involvement in this whole situation. I haven't given anyone anything."*
 - c. He spent over two months on this matter [with Regulatory Authority A] and was mentally exhausted.
 - d. *"Again I have no involvement in anything."*
9. On April 30, 2024, Council's Investigator informed the Former Licensee that he had not fully responded to the March 12, 2024 email. A deadline of May 10, 2024 was provided.

- 10. On May 14, 2024 Council’s Investigator informed the Former Licensee that he had failed to respond by the May 10, 2024 deadline and requested an immediate response.
- 11. On May 14, 2024, the Former Licensee provided Council’s Investigator with a partial response which indicated that he would pay [Regulatory Authority A’s] fine, and in a separate response indicated that:
 - a. He co-operated with [Regulatory Authority A’s] investigation which took one (1) full month.
 - b. *“They made me sit in front of my laptop for 6 hrs straight once every 4-5 days.”*
- 12. On May 15, 2024, Council’s Investigator reminded the Former Licensee that he had not fully responded to the nine (9) questions posed on March 12, 2024. The Former Licensee replied to Council’s Investigator with the following statements:
 - a. He used his laptop for everything and whenever he was interested in something, he took a screen shot of it. He had multiple screenshots in his laptop.
 - b. When he was studying for his exam, he made notes of key elements. He then took photos of the notes and edited them.
 - c. He threw away the notes.
 - d. It was a coincidence that he did a Google search on how to remove files prior to having his computer taken for analysis.
 - e. He denied giving any exam questions or answers to anyone or having any involvement with the cheating scheme.

ANALYSIS AND DETERMINATIONS

Section 375(1) Investigation by superintendent, etc., of the *Act* states as follows:

If, after due investigation by the superintendent and after a discipline hearing, if a hearing is required under the regulations, the superintendent determines that the holder or former holder of an insurance agent licence

(a) has been guilty of misrepresentation, fraud, deceit or dishonesty;

(b) has violated any provision of this Act or any rule or regulation under this Act;

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(e) has demonstrated his or her incompetency or untrustworthiness to transact the business of insurance agency for which the licence was granted;

the superintendent may take one or more of the actions set out in subsection (1.1).

Section 375(1.1) Disciplinary actions by the superintendent, of the *Act* states that:

For the purposes of subsection (1), the superintendent may do one or more of the following after giving a notice of decision in writing to the licence holder or former licence holder:

(c) subject to the regulations, impose a fine on the licence holder or former licence holder and fix a date for the payment of the fine;

(d) subject to the regulations, require that the licence holder or former licence holder pay some or all of the costs of the investigation and, where applicable, of the hearing and fix a date for the payment of the costs assessed.

In accordance with ss. 4 (Professionalism), and 9 (Dealing with the Insurance Council of Manitoba), of the *Code of Conduct*, an agent must act in good faith at all times. He must acquire an appropriate level of knowledge relating to his or her particular business and meet professional ethical standards. He must act with honesty, integrity, fairness, due diligence, and skill. In addition, an agent must respond fully and honestly, with full disclosure, to inquiries from the ICM.

The Former Licensee was identified as a key disseminator of compromised content, including questions and answers for the HLLQP, to facilitate cheating on provincial exams. Evidence collected by a forensic expert showed that the Former Licensee had software installed on his computer which could be used to record a computer's screen, had removed over 100 video files, and that the Former Licensee researched how to remove this evidence prior to the forensic expert's review. In addition, the Former Licensee was identified by another individual as the person who had provided screenshots of exam questions and answers to them.

Council dismissed the Former Licensee's response that it was a coincidence that he researched how to remove files from his computer, as he had removed items of interest from his computer labelled "*provincial*" and "*exam*", prior to the forensic expert's review.

With the evidence presented, Council had difficulty accepting the Former Licensee's statement that he was not involved in the HLLQP cheating scheme and that he did not provide questions and answers to individuals within the program.

Facilitating cheating on exams goes against the fundamental principles of ensuring licensed agents have the knowledge and professional skills required to assist consumers with their insurance needs.

Finally, Council was concerned that the Former Licensee failed to respond fully to all Council's Investigator's questions, within the deadlines provided, as is required under the *Code of Conduct*.

Based on the information and evidence presented by the MGA, and the failure to respond fully, within the deadlines provided, Council concluded that the Former Licensee violated ss. 375(1)(a) has been guilty of misrepresentation, fraud, deceit or dishonesty; 375(1)(b) has violated any provision of this *Act* or any rule or regulation under this *Act*; 375(1)(e) has demonstrated his or her incompetency or untrustworthiness to transact the business of insurance agency for which the licence was granted, of the *Act* and ss. 4 (Professionalism) and 9 (Dealing with the Insurance Council of Manitoba), of the *Code of Conduct* and determined that disciplinary action is warranted.

PENALTY AND FINAL DECISION

Council's Decision dated February 5, 2025, was delivered to the Former Licensee by registered mail on February 21, 2025. The Decision outlined the foregoing background, analysis, and conclusion on a preliminary basis.

Having regards to its initial determination that the foregoing violations had occurred, Council imposed the following penalty and sanction pursuant to sections 375(1.1)(c) and 375(1.1)(d) of the *Act* and section 7(1) of *Regulation 227/91*:

1. The Former Licensee be fined \$5,000.00 and assessed investigation costs of \$2,300.00.
2. If at any time in the future, the Former Licensee applies for a licence in the Province of Manitoba, the application will be reviewed by the Life Insurance Council to determine suitability for a licence.

Pursuant to section 389.0.1(1) of the *Act*, the Former Licensee had the right to appeal this Decision **within twenty-one (21) days of receipt**. The Former Licensee was advised of this right in the Decision and was provided with the Notice of Appeal form, in accordance with section 389.0.1(2) of the *Act*. As an appeal was not requested in this matter, this Decision of Council is final.

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

Dated in Winnipeg, Manitoba on the 25th day of March, 2025.