

DECISION
of the
LIFE INSURANCE COUNCIL OF MANITOBA
("Council")
Respecting
SANDEEP KAUR CHEEMA
("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*").

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

On September 11, 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, and as part of its Intended Decision, Council informed the Former Licensee that she may request a Hearing to dispute its determinations and penalty/sanction. The Former Licensee failed to provide a response to Council within the allotted time period.

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 make a material misrepresentation on her May 30, 2023, Licensing Renewal application, when she indicated "No" to having an additional occupation?

2. Did the Former Licensee fail to report in writing a material change, within 15 days, that she had an additional occupation as a health care professional with [redacted] as of May 16, 2023?
3. Did the Former Licensee fail to notify the Insurance Council of Manitoba (ICM) of a material change, within 15 days that she had an additional occupation after receiving direct email communication from ICM on April 21, 2023, and an article regarding material changes was published in the Spring 2024 Council Report, which she had received a copy?

FACTS AND EVIDENCE

1. The Former Licensee held Life and Accident & Sickness (“A&S”) licences in Manitoba from February 25, 2022 to August 14, 2022 and from September 29, 2022 to May 31, 2024.
2. Between February 17, 2022 and September 20, 2022, the Former Licensee completed three (3) ICM licensing applications including:
 - a. An initial licensing application – February 17, 2022
 - b. A renewal application – May 22, 2022
 - c. A reinstatement application – September 20, 2022

On each of these applications was a question as to whether the Former Licensee had an additional occupation, other than as an insurance agent, and a Declaration section which the Former Licensee agreed to report material changes, in writing, to the ICM, within 15 days.

3. On February 25, 2022, ICM’s Licensing department informed the Former Licensee, via email that her Life and A&S licences had been issued, reminded the Former Licensee of her responsibility to ensure she remained compliant with the *Act*, its Regulations, its Licensing Rules and the *Code*. In addition, the email outlined that:
 - *“You are required to report in writing to the Council the undertaking of any other employment, and receive approval from Council prior to engaging in this employment.”*
 - *“Material changes to information contained in your application must be reported to the Insurance Council of Manitoba within 15 days. Council considers a material change to include **any** material fact which may influence Council to amend, or review a licence holders licence. Refer to the information specific to Material Changes on the ICM website at Material Changes – When to Disclose them to the ICM.”*

4. On April 21, 2023, the ICM issued an email to all licence holders, including the Former Licensee, regarding the 2023-2024 licence renewal. Within that email, the ICM relayed *“Important Information”* which included that material changes must be reported, in writing, to the ICM within 15 days.
5. On May 16, 2023, the Former Licensee became a health care professional for [redacted]. The Former Licensee failed to report this material change to Council within 15 days.
6. On May 30, 2023, the Former Licensee completed her Life and A&S Licensing Renewal application and falsely indicated “N” [no] to the Additional Occupation question#1 which read:

*“Since you last applied for a Licence or Renewal to ICM have you engaged in any business or occupation that **has not been previously disclosed to and approved by the ICM**, other than the insurance or mutual fund business?”*

This renewal application also contained a declaration which indicated:

“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. I agree to notify Council within 15 days of any material changes to the information contained in this application.”

7. On May 31, 2024, the Former Licensee completed her Life and A&S Renewal application and indicated “Y” [yes] to the Additional Occupation question. Under the details section of the application, the Former Licensee indicated her additional occupation was:
 - Employer: [redacted]
 - Job title: [health care professional]
 - Job Description: [redacted]
8. On June 6, 2024, and June 10, 2024, the Former Licensee indicate to ICM’s Licensing department that:
 - She began her full-time job as a health care professional on May 16, 2023.
 - She was not aware that she was required to notify the ICM when she applied to renew her licence.
 - She apologized for not filing out the information, and in 2023, may have clicked “no” when it should have been clicked “yes”.

- She will keep it in mind for the future when she renews her licence again next year, or if there is any change whether that is her employment or any other material change.

9. On July 5, 2024, the Former Licensee indicated to Council's Investigator that:

"...I want to state that I mistakenly answer No to the question about my another occupation. I had no intention to misrepresent my work details that [sic] why in this renewal application I provide another occupation details and exact date of my another occupation. In the previous renewal in which I selected no to another occupation that was my first renewal I was not aware much about that. I would like to request the council to consider that was honest mistake and let me retain my license."

10. On July 10, 2024, Council's Investigator informed the Former Licensee that information pertaining to Material Changes had been posted to the ICM website since 2019 and provided copies of the April 21, 2023 communication and 2024 Spring Council Report for her review.

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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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:

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(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.

Section 9 (Dealing with the Insurance Council of Manitoba), of the Code indicates that *an agent must respond promptly and honestly, with full disclosure, to inquiries from the Insurance Council of Manitoba.*

As part of its mandate to protect the public, the ICM requires applicants to answer certain questions for licensing applications. Among them is whether the individual had another occupation or employment, other than as an insurance agent. ICM's licensing application(s) contained the following declaration:

"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. I agree to notify Council within 15 days of any material changes to the information contained in this application."

Advising of an additional occupation or other employment is an important disclosure obligation. Disclosure of additional occupations on licensing applications permits Council to assess whether the individual's additional employment poses a potential risk to the public, and conduct further inquiries, if necessary, to aid in that assessment.

When considering additional occupations, Council may assess whether the additional employment places the individual in a position of trust and integrity where significant deference may be afforded; is in a position of authority; has an ability to assert power or authority, or to award or curry favour; and has independent access to information and data which would not otherwise be readily available. In some cases, Council may add a condition to a licence, or refuse a licence.

The ICM's Licensing applications requests disclosure of an additional occupation(s). On the May 30, 2023 renewal application, the Former Licensee falsely declared that she did not have additional employment. Therefore, Council was denied the opportunity to uphold its mandate.

Council dismissed the Former Licensee statement that the misrepresentation on her licensing renewal application occurred due to the fact that, *"it was my first renewal I was not aware much about that"* as the application was straightforward, and if there had been any doubt or confusion, the Former Licensee's undertaking should have been to contact the ICM for assistance.

In addition, the Former Licensee was made aware on six (6) occasions, that she was required to report Material Changes, in writing, within 15 days to the ICM, and declared that she would do so. This was in addition to ICM's Spring 2024 Council Report, which included an article reinforcing the requirement to disclose Material Changes. The Former

Licensee failed to report that she had additional employment as a health care professional, and only reported this information when questioned by the Licensing department.

Based on the information and evidence reviewed by Council, Council concluded that the Former Licensee violated ss. 375(1)(a) has been guilty of misrepresentation, fraud, deceit or dishonesty and 375(1)(b) has violated any provision of this Act or any rule or regulation under this Act, of the *Act*, and section 9 (Dealing with the Insurance Council of Manitoba), of the *Code*, and that disciplinary action is warranted.

PENALTY AND FINAL DECISION

Council's Decision dated March 7, 2025, was delivered to the Former Licensee by registered mail on March 21, 2025. The Decision 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) and 375(1.1)(d), of the *Act* and section 7(1) and 7(2) of *Regulation 227/91*:

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

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 30th day of April, 2025.