



AB 144-2014

REGARDING the *Insurance Act*, RSO 1990, c I-8, as amended (the “Act”), particularly Part XIV, in particular sections 393(9) to 393(11)

AND REGARDING Shazia Paracha, applicant for a life insurance agent licence

DECISION AND ORDER

Overview:

Ms. Shazia Paracha requested a hearing in response to the December 18, 2014 Notice of Opportunity for Hearing to refuse her application for a life insurance agent licence (“insurance agent licence”). On April 10, 2015, a hearing was held before an Advisory Board (“Board”). The application for an insurance agent licence by Ms. Paracha is refused.

Introduction:

On December 18, 2014, the Superintendent of Financial Services (“Superintendent”) issued a Notice of Hearing to Ms. Shazia Paracha. The Notice informed Ms. Paracha of the appointment of a Board to consider her application for an insurance agent licence and her character, as well as her propriety of conduct or competence.

Pursuant to the Notice of Hearing, a Board was duly appointed under Subsection 393(9) of the Act. The hearing was conducted on April 10, 2015 and proceeded by way of an Agreed Statement of Facts.

A copy of the allegations is attached to this Decision in Schedule 1.

The report of the Board is attached.

Findings of Fact:

Three allegations were made against Ms. Paracha. Ms. Paracha testified at the hearing. The Board made the following findings with respect to these allegations:

1. Ms. Paracha first held a licence as an insurance agent as of July 24, 2009, with an expiry date of July 23, 2011. The insurance agent licence was subsequently renewed, with an expiry date of July 23, 2013;
2. By email dated October 28, 2011 to the Financial Services Commission of Ontario ("the Commission"), Ms. Paracha surrendered her insurance agent licence, effectively immediately;
3. By letter dated October 31, 2011, staff of the Commission acknowledged receipt of Ms. Paracha's licence surrender request and advised her the termination date was October 28, 2011. The letter also stated that she may re-apply within twenty four months, prior to October 27, 2013 without having to re-take and pass the applicable exam for an insurance agent licence.
4. Ms. Paracha knew or ought to have known that the two-year grace period started on October 28, 2011 and expired on October 27, 2013;
5. Ms. Paracha applied for a life insurance agent licence on August 15, 2014, received by the Commission on August 25, 2014.
6. In the two years and ten months since Ms. Paracha surrendered her insurance agent licence until she applied for a new licence, she did not engage in the business of insurance. The Board noted that even before October 2011, her experience in the life insurance business was very limited.
7. Ms. Paracha admitted that she did not take the qualifying course or pass the qualifying examination in that period.
8. The Board found that Ms. Paracha does not have the qualifications required for a licence referred to in Ontario Regulation 347/04, s.4(1)(g).

In making its recommendations, the Board set out the factors it considered, which included aggravating factors as well as mitigating factors.

The Board did not specifically state that Ms. Paracha was unsuitable to be a life insurance agent. The Board's findings were restricted to making factual findings about Ms. Paracha's specific qualifications to be licenced.

I hereby adopt the key findings of fact of the Board.

Recommendation of the Advisory Board:

The Board recommended that the application for an insurance agent licence by Ms. Paracha be denied.

Decision:

The Board found that Ms. Paracha is unqualified to be licensed as an insurance agent.

I have considered the Board's comment that there was no basis to Ms. Paracha's position that the grace period started on July 23, 2013 (the expiry date of her surrendered licence) and not October 28, 2011 (the date of the surrender of her licence).

Section 4(1)(d) of the Regulation requires that an applicant has completed a course acceptable to the Superintendent for the Life Licence Qualification Program and passed the examination approved by the Superintendent for the Program, if the applicant is an individual and is applying for a life insurance licence. Ms. Paracha has not completed such a course or examination in the two years prior to her application.

Section 4(1)(g) of the Regulation requires that an applicant continue to have the qualifications tested by the examination referred to in clause (d) if the applicant is an individual who previously held a licence of the class he or she is applying for but does not currently hold a licence of that class. Ms. Paracha was unable to demonstrate that she had met the required qualifications in the past two years.

As a result, I must deny her application for a licence as a life insurance agent.

ORDER

I hereby deny the application for a life insurance agent licence of Ms Shazia Paracha.

DATED at Toronto, Ontario, 2015.

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Executive Director, Licensing & Market Conduct Division

By Delegated Authority from:
The Superintendent of Financial Services

Schedule 1

The following allegations were set out in the Notice:

The Financial Services Commission of Ontario (“FSCO”) submits that the application received on or about August 15, 2014, for a Life Insurance agent licence by **Shazia Paracha** (“Ms. Paracha”) should be refused based upon the following Allegations, details of which are set out separately under Particulars.

Allegations

1. On or about August 15, 2014, Ms. Paracha applied for a Life Insurance agent licence. However, at the time of her licence application, Ms. Paracha did not meet all the requirements found in section 4(1) of Regulation 347/04 made under the Act, to the satisfaction of the Superintendent of Financial Services (“Superintendent”). Specifically, Ms. Paracha did not meet the requirement found in section 4(1)(g) of Regulation 347/04.
2. In failing to satisfy the Superintendent that she met the requirement in section 4(1)(g) of Regulation 347/04, Ms. Paracha cannot be granted the licence for which she applied. The Superintendent’s authority to refuse the issuance of a licence is found in section 393(1) of the Act and section 4(1) of Regulation 347/04.
3. Ms. Paracha’s failure to satisfy the Superintendent that she meets the requirement found in section 4(1)(g) of Regulation 347/04 necessarily precludes her from holding a Life Insurance agent licence, and therefore the Superintendent cannot grant her the licence for which she applied.