In the Matter of

The *FINANCIAL INSTITUTIONS ACT*
(RSBC 1996, c.141)
(the "Act")

and

The INSURANCE COUNCIL OF BRITISH COLUMBIA
("Council")

and

TARA LYNN WATSON
(the "Licensee")

ORDER

As Council made an intended decision on April 12, 2016, pursuant to sections 231, 236, and 241.1 of the Act; and

As Council, in accordance with section 237 of the Act, provided the Licensee with written reasons and notice of the intended decision dated May 11, 2016; and

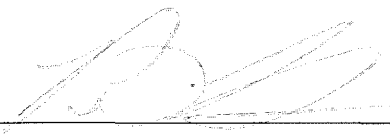
As the Licensee has not requested a hearing of Council's intended decision within the time period provided by the Act;

Under authority of sections 231, 236, and 241.1 of the Act, Council orders:

1. The Licensee's general insurance licence is suspended for a period of one year, commencing on **June 14, 2016** and ending at midnight on **June 13, 2017**.
2. The Licensee is fined $3,000.00.
3. The Licensee is assessed Council's investigative costs of $1,362.50.
4. A condition is imposed on the Licensee's general insurance licence that requires her to pay the above-ordered fine and investigative costs no later than **June 13, 2017**. If the Licensee does not pay the ordered fine and investigative costs in full by this date, the Licensee's general insurance licence will remain suspended and the Licensee will not be permitted to complete any subsequent annual filings until such time as the ordered fine and investigative costs are paid in full.

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This order takes effect on the **31st day of May, 2016**.



Brett Thibault
Chairperson, Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA
("Council")

respecting

TARA LYNN WATSON
(the "Licensee")

Pursuant to section 232 of the *Financial Institutions Act* (the "Act"), Council conducted an investigation to determine whether the Licensee acted in compliance with the requirements of the Act.

An investigation report concerning allegations the Licensee forged consumers' signatures on Insurance Corporation of British Columbia ("ICBC") documents and utilized the ICBC database in an unauthorized manner was reviewed by Council at its April 12, 2016 meeting, where it was determined the matter should be disposed of in the manner set out below.

PROCESS

Pursuant to section 237 of the Act, Council must provide written notice to the Licensee of the action it intends to take under sections 231, 236, and 241.1 of the Act before taking any such action. The Licensee may then accept Council's decision or request a formal hearing. This intended decision operates as written notice of the action Council intends to take against the Licensee.

FACTS

The Licensee is a Level 1 general insurance salesperson with approximately six years of experience. At the time of Council's review of this matter the Licensee's licence was inactive.

The Licensee's former employer (the "Agency") terminated the Licensee's authority to represent the Agency, alleging the Licensee had forged clients' signatures on ICBC documents. The Agency also alleged the Licensee improperly utilized the ICBC database to access a client's banking information.

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The Licensee worked full-time at the Agency, primarily conducting ICBC Autoplan insurance transactions and training new Agency staff on insurance product knowledge.

Client A: ICBC Database Access

On April 27, 2015, the Licensee met with Client A and sold a non-ICBC automobile insurance policy that required a void cheque and a signed financial withdrawal form to facilitate automatic payments from Client A's bank account. The Licensee failed to obtain a void cheque and Client A's signature on the financial withdrawal form during their meeting on April 27, 2015.

On April 30, 2015, Agency staff advised the Licensee that the financial withdrawal form and void cheque were required from Client A. The Licensee stated that she subsequently ran into Client A when he was grocery shopping (the Agency was also located in the grocery store) and asked him to come to the Agency counter to sign the financial withdrawal form.

Agency staff subsequently spoke with Client A on May 14, 2015, at which time he denied meeting with the Licensee, as she had claimed. Client A expressed confusion as to how his banking information had been obtained, as monthly payments had already been taken from his account for the policy, despite him not having provided banking information.

An ICBC Broker Access Investigation determined that on May 2, 2015, the payment plan information for Client A was accessed on the ICBC database through a user identification code that was assigned to the Licensee. The Licensee did not recall accessing the ICBC database and denied forging Client A's signature on the financial withdrawal form.

While denying that she improperly accessed the ICBC database, the Licensee stated that she was trained by an insurer that it was acceptable to access the ICBC database for the purposes of obtaining banking information for the non-ICBC policy.

Client B: Client Denies Signing Authorization Form

On April 30, 2015, Agency staff advised the Licensee that upon review of Client B's file, it appeared the Licensee had failed to obtain a signed authorization form to facilitate Client B's monthly payment plan when she processed an insurance transaction on April 27, 2015.

A signed authorization form was subsequently placed in Client B's file; however, no Agency staff recalls seeing Client B return to the Agency. Agency staff contacted Client B, who denied returning to the Agency and denied completing the signed authorization form. The Licensee denies forging Client B's signature.

Client C: Transfer of Vehicle Ownership Forms

On May 5, 2015, Agency staff noticed that the Licensee had not completed an ICBC vehicle transfer form during a vehicle registration transaction conducted with Client C. When this omission was brought to the Licensee's attention, Agency staff witnessed the Licensee take a blank transfer form to the back office, where the Licensee completed the form, and then added it to Client C's file. When Agency staff reviewed the transfer form, it contained Client C's signature. At no time did Agency staff see Client C return to the Agency office. The Licensee denied that she forged Client C's signature.

The Licensee's Position

The Licensee stated that she was aware of the Agency's policies and procedures, but advised that "*nobody followed them*". The Licensee acknowledged that she had made recurring mistakes, including failing to obtain void cheques and misplacing documents, which were the result of a stressful working environment. The Licensee did not express remorse for her conduct.

ANALYSIS

Council determined that the Licensee breached Client A's confidentiality when she accessed an ICBC database to obtain Client A's banking information for a non-ICBC insurance transaction without the client's knowledge or consent. In doing so, Council rejected the Licensee's submission that she subsequently met with Client A after conducting the initial transaction.

Council found that the Licensee forged the signatures of at least three clients on insurance documents. Council noted that the forgeries were probably done for convenience, without any material gain for the Licensee, but was concerned that the Licensee continued to deny that she had done so.

Council noted that the Licensee had acknowledged that her general practice of document management was poor, which was concerning in that she was experienced and because she refused to take personal responsibility for her actions.

Council determined that the Licensee's conduct called into question her competency, trustworthiness, and her ability to act in good faith and in accordance with the usual practice of the business of insurance.

Council considered a number of past cases in determining penalty.

In *K. Burr*, Council determined that the licensee breached a consumer's confidentiality and ICBC's privacy policy when she accessed an ICBC database to obtain information about a driver who had backed into her vehicle. The licensee used the information to report the incident to ICBC's claims department. Council suspended the licensee's licence for a period of six months and assessed investigative costs.

In *K. Styles*, the licensee accessed an acquaintance's information on an ICBC database without his permission because she was curious about how much of a discount the acquaintance received on his vehicle insurance and had hoped to assist him with a better discount. Council determined that a suspension of one year was required, but reduced the suspension to eight months to take into account that the licensee had already been unemployed for four months as a result of the misconduct. Council also assessed investigative costs.

In *C. Potter*, the licensee accessed an ICBC database without client knowledge or authorization in order to place coverage for clients and increase her business. In determining that a suspension of six months and a period of supervision was appropriate to address the privacy breaches and related issues, Council took into consideration the fact that the licensee had been unemployed for nine months as a result of her conduct.

Council determined that a licence suspension, fine, and assessment of investigation costs were appropriate to address the Licensee's conduct.

INTENDED DECISION

Pursuant to sections 231, 236, and 241.1 of the Act, Council made an intended decision to:

1. Suspend the Licensee's general insurance licence for a period of one year.
2. Fine the Licensee $3,000.00.
3. Assess the Licensee Council's investigative costs of $1,362.50.

The Licensee is advised that should the intended decision become final, the fine and investigative costs will be due and payable within 90 days of the date of the order. Failure to pay the fine and investigative costs before the completion of the suspension period will result in the continued suspension of the Licensee's general insurance licence. The Licensee will not be permitted to complete any annual filing until the fine and investigative costs are paid in full.

The Licensee's suspension will begin on **June 14, 2016**, and end at midnight on **June 13, 2017**.

The intended decision will take effect on **May 31, 2016**, subject to the Licensee's right to request a hearing before Council pursuant to section 237 of the Act.

RIGHT TO A HEARING

If the Licensee wishes to dispute Council's findings or its intended decision, the Licensee may have legal representation and present a case at a hearing before Council. Pursuant to section 237(3) of the Act, to require Council to hold a hearing, the Licensee must give notice to Council by delivering to its office written notice of this intention by **May 30, 2016.** A hearing will then be scheduled for a date within a reasonable period of time from receipt of the notice. Please direct written notice to the attention of the Executive Director.

If the Licensee does not request a hearing by **May 30, 2016**, the intended decision of Council will take effect.

Even if this decision is accepted by the Licensee, pursuant to section 242(3) of the Act, the Financial Institutions Commission still has a right to appeal this decision of Council to the Financial Services Tribunal ("FST"). The Financial Institutions Commission has 30 days to file a Notice of Appeal, once Council's decision takes effect. For more information respecting appeals to the FST, please visit their website at fst.gov.bc.ca or contact them directly at:

Financial Services Tribunal
PO Box 9425 Stn Prov Govt
Victoria, British Columbia
V8W 9V1

Reception: 250-387-3464
Fax: 250-356-9923
Email: FinancialServicesTribunal@gov.bc.ca

Dated in Vancouver, British Columbia, on the **11th day of May, 2016**.

For the Insurance Council of British Columbia

per _____

Gerald Matier
Executive Director
604-695-2001
gmatier@insurancecouncilofbc.com

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