In the Matter of

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

and

The INSURANCE COUNCIL OF BRITISH COLUMBIA
("Council")

and

ROYDEV SAHOTA
(the "Licensee")

ORDER

As Council made an intended decision on May 17, 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 June 28, 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 is reprimanded.
2. A condition is imposed on the Licensee's general insurance licence that requires the Licensee to successfully complete the Insurance Corporation of British Columbia course on garage insurance, or an equivalent course, upon the first available offering of the course, or within 90 days of the date of Council's order, whichever is later, or the Licensee's general insurance licence will be suspended without further action from Council and the Licensee will not be permitted to complete any subsequent annual filings until such time as the garage insurance course is successfully completed.
3. The Licensee is assessed Council's investigative costs of $987.50.

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4. A condition is imposed on the Licensee's general insurance licence that requires the Licensee to pay the above-ordered investigative costs no later than **October 28, 2016**. If the Licensee does not pay the ordered investigative costs in full by this date, the Licensee's general insurance licence is suspended as of **October 29, 2016**, without further action from Council and the Licensee will not be permitted to complete any subsequent annual filings until such time as the ordered investigative costs are paid in full.

This order takes effect on the **19th day of July, 2016**.

Dr. Eric Yung
Chairperson, Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA
("Council")

respecting

ROYDEV SAHOTA
(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.

As part of Council's investigation, on April 11, 2016, a Review Committee (the "Committee") met with the Licensee and the nominee of the agency that the Licensee is authorized to represent, respecting a complaint that the Licensee sold a motor vehicle and cancelled insurance on the vehicle without the owner's knowledge or consent.

The Committee was comprised of one voting member and three non-voting members of Council. Prior to the Committee's meeting with the Licensee, an investigation report was distributed to the Committee and the Licensee for review. A discussion of this report took place at the meeting and the Licensee was provided an opportunity to make further submissions. Having reviewed the investigation materials, and after discussing this matter with the Licensee, the Committee prepared a report of its meeting for Council.

The Committee's report, along with the aforementioned investigation report, were reviewed by Council at its May 17, 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.

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FACTS

The Licensee has been licensed in British Columbia for more than 13 years, and holds a Level 2 general insurance agent licence. The Licensee is employed full-time at a single agency (the "Agency"), working both in the Agency office and conducting mobile road services activities at motor vehicle dealerships ("MVD").

In October 2015, Council received a complaint alleging the Licensee sold a motor vehicle and cancelled the motor vehicle insurance without the owner's (the "Complainant") knowledge. Furthermore, the Complainant alleged the Licensee had his Insurance Corporation of British Columbia ("ICBC") documents mailed to the Agency's office address without his knowledge. The complaint arose after the breakdown of the marriage between the Complainant's daughter and the Licensee.

In March 2012, the Licensee helped facilitate the sale of the Complainant's vehicle at an MVD that was familiar to both the Licensee and the Complainant. To facilitate the sale, the Licensee cancelled the insurance on the vehicle, which was subsequently sold in May 2012. The Complainant stated that he was not aware of the cancellation of his insurance policy, or the sale of the vehicle, until several years later.

When the insurance was cancelled, the Complainant did not sign the cancellation form. The Licensee agreed this was an oversight; however, the Complainant did receive a premium refund from ICBC.

When the Licensee cancelled the insurance, he requested the Complainant's daughter, who was the Licensee's fiancée at the time, have the Complainant sign the Vehicle Transfer/Tax Form. The Licensee did not verify that the signature on the Vehicle Transfer/Tax Form was the Complainant's, and the Complainant now denies it is his signature. The Vehicle Transfer/Tax Form was subsequently provided to the MVD when the vehicle was sold. The Licensee was out of town when the vehicle was sold, and another licensee handled the transaction. That licensee also did not verify that the signature on the Vehicle Transfer/Tax Form was the Complainant's.

Ownership of the vehicle was not transferred from the Complainant until it was sold by the MVD. Having cancelled the insurance before the vehicle was sold, the Licensee believed that, because the vehicle was in the possession and control of the MVD, it was covered under the MVD's garage policy from the date of the insurance cancellation in March 2012 until it sold in May 2012. The Licensee acknowledged that he did not take any steps to confirm his understanding of the MVD's garage coverage.

ANALYSIS

Council found the Complainant's allegations lacked merit. Council found it difficult to believe that the Complainant was not aware of the whereabouts of the vehicle for more than three years, and noted that he only raised the matter after a breakdown in the marriage between his daughter and the Licensee. In addition, Council noted that the Complainant acknowledged receipt of his premium refund from ICBC in 2012, supporting the Licensee's argument that the Complainant was aware of what happened to his vehicle.

However, Council was concerned with the manner in which the Licensee handled the insurance cancellation and subsequent sale of the vehicle. Specifically, the cancellation of insurance was completed without proper signatures, and the subsequent vehicle transfer occurred without verification of the signatures on the Vehicle Transfer/Tax Form.

Council noted that the cancellation of the vehicle's insurance, before a transfer of vehicle ownership, could have left the vehicle uninsured. Council determined that, before cancelling the vehicle's insurance, the Licensee should have confirmed that the vehicle would be covered under the MVD's garage policy, since the vehicle's ownership was not transferred to the MVD. Council concluded that the Licensee's failure to understand the coverage on a garage insurance policy reflected on his competency.

INTENDED DECISION

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

1. Reprimand the Licensee.
2. Impose a condition on the Licensee's general insurance licence that requires the Licensee to successfully complete the ICBC course on garage insurance policies, or an equivalent course, upon the first available offering of the course, or within 90 days of the date of Council's order, whichever is later.
3. Assess the Licensee Council's investigative costs of $987.50.

The Licensee is advised that, should the intended decision become final, the investigative costs will be due and payable within 90 days of the date of the order. In addition, failure to pay the investigative costs within the 90 days, or failure to successfully complete the ICBC course on garage insurance policies, or an equivalent course, within the 90 days or as soon as the course becomes available, will result in the automatic suspension of the Licensee's general insurance licence, and the Licensee will not be permitted to complete any annual filing until such time as the investigative costs are paid in full and a course on garage insurance policies is successfully completed.

The intended decision will take effect on **July 19, 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 **July 18, 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 **July 18, 2016**, the intended decision of Council will take effect.

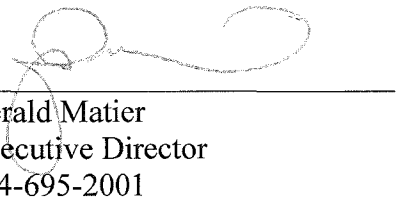
Even if this decision is accepted by the Licensee, pursuant to section 242(3) of the Act, the Financial Institutions Commission still has a right to appeal this decision of Council to the Financial Services Tribunal ("FST"). The Financial Institutions Commission has 30 days to file a Notice of Appeal, 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 **28th day of June, 2016**.

For the Insurance Council of British Columbia



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Executive Director
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