In the Matter of the

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

and the

INSURANCE COUNCIL OF BRITISH COLUMBIA
("Council")

and

KIRANPREET KAUR DHILLON
(the "Licensee")

ORDER

Pursuant to section 237 of the Act, Council convened a hearing at the request of the Licensee to dispute an intended decision of Council dated October 19, 2017.

The subject of the hearing was set out in a Notice of Hearing dated February 28, 2018.

A Hearing Committee heard the matter on May 1, 2018 and presented a Report of the Hearing Committee to Council at its December 18, 2018 meeting.

Council considered the Report of the Hearing Committee and made the following orders pursuant to sections 231, 236, and 241.1 of the Act:

1. The Licensee's life and accident and sickness insurance licence is cancelled with no opportunity to reapply for a life and accident and sickness insurance licence for a period of 4 years, commencing January 23, 2019 and ending at midnight on January 22, 2023;

2. The Licensee is assessed investigation costs of $2,930.00, which are due and payable no later than April 23, 2019;

3. The Licensee is assessed hearing costs of $5,447.79, which are due and payable no later than April 23, 2019; and

4. The Licensee is required to complete an ethics course (or equivalent), as approved by Council, before Council will consider a licence application from the Licensee.

This order takes effect on the **23rd day of January, 2019**.

Ken Kukkonen
Chairperson, Insurance Council of British Columbia

INSURANCE COUNCIL OF BRITISH COLUMBIA
("Council")

REPORT OF THE HEARING COMMITTEE

IN THE MATTER OF THE *FINANCIAL INSTITUTIONS ACT*
(S.B.C. 1996, c. 141)
(the "Act")

AND

KIRANPREET KAUR DHILLON
(the "Licensee")

Date:	May 1, 2018 9:30 a.m.	
Before:	Lesley Maddison	Chair
	David Russell	Member
	Chamkaur Cheema	Member
Location:	Suite 300, 1040 West Georgia Street Vancouver, British Columbia V6E 4H1	
Present:	Lanny Robinson	Legal Counsel for Council
	Michael D. Shirreff	Independent legal counsel for the Hearing Committee
	No appearance	Licensee, Ms. Dhillon

BACKGROUND AND ISSUES

As set out in the Notice of Hearing, dated February 28, 2018, the purpose of the Hearing was to determine whether or not the Licensee's life and accident and sickness insurance licence should be cancelled on the basis that the Licensee is not suitable to hold such a licence.

At the hearing, it was alleged by Council that the Licensee had colluded with other applicants in writing certain of her Council Life Licence Qualifying Program ("LLQP") examinations.

Council initially considered the allegations against the Licensee at its meeting on August 15, 2017. At that time, Council made an intended decision to cancel the life and accident and sickness insurance licence of the Licensee. In accordance with section 237 of the Act, on October 19, 2017 Council provided the Licensee with written reasons and notice of its intended decision. In response to the intended decision, the Licensee requested a hearing, as was her right pursuant to section 237(3) of the Act.

The Hearing Committee was then constituted pursuant to section 223 of the Act and this is the written report that the Hearing Committee has prepared in accordance with section 223(4) of the Act.

In considering the allegations against the Licensee, the Hearing Committee had the benefit of having addressed similar allegations the week prior with respect to Varinder Grewal. Ms. Grewal and the Licensee had the same legal counsel throughout Council's investigation of these matters. Unlike the allegations against Ms. Grewal, there was no suggestion with respect to this Licensee that she had taken steps to encourage and/or facilitate others to cheat on the LLQP examinations. Apart than this important distinction, the evidence called by Council with respect to the Licensee was very similar to the evidence that had been called by Council against Ms. Grewal. In particular, the expert statistical evidence in the two matters was identical. The Hearing Committee was careful to consider the evidence in this matter independently from the evidence that had been adduced by Council in the previous hearing, although Council took the position that any penalty for this Licensee should be informed by the Hearing Committee's recommendations with respect to Ms. Grewal.

At the outset of the hearing, the Hearing Committee had to determine whether or not it was appropriate to proceed in the absence of the Licensee, who failed to attend the hearing. Council tendered evidence through the affidavit of Jenny Wong (an assistant at the office of legal counsel for Council) that established that the Licensee had been represented by a lawyer in the weeks and days leading up to the hearing. Ms. Wong's evidence also confirmed that legal counsel for the Licensee had acknowledged service of the Amended Notice of Hearing and had advised Council by email on April 28, 2018 that the Licensee would not be attending the hearing and wished to withdraw her objection to the proposed order cancelling her licence.

In light of this evidence, the Hearing Committee was satisfied that the Licensee had notice of the hearing and was prepared to proceed in her absence.

EVIDENCE

a. Witnesses

Michael Stitt was the only witness called by Council at the hearing. Mr. Stitt is an investigator employed by Council and he was responsible for conducting the underlying investigation with respect to the possible collusion on the LLQP examinations.

b. Exhibits

In addition to Mr. Stitt, Council tendered the following documentary evidence:

Exhibit 1 Affidavit of Ms. Wong, dated April 30, 2018, which provided the evidence relating to the Licensee and her lawyer advising that they were in receipt of

the Notice of Hearing and that they would not be attending the hearing on May 1, 2018.

Exhibit 2 Council's Book of Documents, which contained seven tabs providing information about aspects of the LLQP examinations and the investigation (and the Licensee's exam results).

Exhibit 3 Expert report, dated January 26, 2018, prepared for Council by Chris Beauchamp, Ph.D., of Yardstick Testing & Training. Mr. Beauchamp's report provided a statistical analysis of certain issues relating to the LLQP examination results.

Council's Book of Authorities and Closing Submissions were also filed as **Exhibit 4** and **Exhibit 5**, respectively.

c. Facts

The facts with respect to the allegations against Ms. Dhillon are similar to the facts in the earlier Grewal matter.

All applicants for a life insurance licence must complete the LLQP, which consists of a mandatory education course, as well as four multiple-choice qualifying licensing examinations. The examinations are divided into four specific subject areas: Life Insurance; Accident & Sickness Insurance; Segregated Funds; and Ethics (Tab 7, Exhibit 2). These examinations must be passed by an applicant within one year of completing the education course.

The Licensee in this matter was licensed as a life agent in British Columbia on January 13, 2017. At the time she obtained her licence, the Licensee became affiliated with an agency in Surrey that is licensed to engage in life insurance activity (the "Agency"). The Licensee joined the same agency as Ms. Grewal and many other licensees who were alleged to have colluded on the LLQP examinations.

In February 2017, Council was alerted to certain statistical anomalies in a recent sitting of the LLQP examinations that appeared to suggest some level of collusion amongst the examinees. In particular, Council received a collusion detection analysis that had been commissioned by the Canadian Insurance Services Regulatory Organizations ("CISRO") with respect to all LLQP exam results across Canada. In its report, CISRO had identified possible collusion amongst recent LLQP exam writers in British Columbia. What the CISRO collusion analysis revealed were a surprisingly high number of exam results in British Columbia where candidates had used a substantially similar or identical answer sequence for certain LLQP exams.

After Council received the CISRO collusion analysis report, Mr. Stitt was tasked by Council with investigating the matter further. Mr. Stitt began his investigation by reviewing the exam results from the February 8, 2017 LLQP exam sitting (as the investigation advanced, over 7,000 LLQP

exam results were analyzed by Mr. Stitt). After looking at the February 2017 exam results, Mr. Stitt determined that six candidates had used a combination of *precisely the same answers* across certain combinations of the exams. When Mr. Stitt looked up these six candidates in Council's licensee database, he discovered that all six individuals were licensees with the same agency – which is the Agency that the Licensee and Ms. Grewal were also affiliated with.

Mr. Stitt then discovered further linkages between these candidates, including the email addresses used by the candidates to receive their exam results. Eventually, as the scope of Council's investigation increased, Mr. Stitt determined that there were dozens of licensees associated with the same Agency who had appeared to have used the same or very similar answer sequences on the LLQP exams.

The evidence revealed that Council and Mr. Stitt undertook a lengthy and comprehensive investigation to determine the extent and scope of the possible collusion. During the course of Mr. Stitt's investigation, the Licensee was identified as having been one of the licensees from the Agency who had used a common answer sequence on two of her LLQP exams – Segregated Funds and Accident and Sickness. The Licensee had written the Segregated Funds exam on December 19, 2016 and the Accident and Sickness exam on December 21, 2016.

On the Segregated Funds exam, the Licensee obtained an exam score of 63.33% (19/30). Her score was identical to at least 19 other candidates identified in the collusion analysis. More importantly, the Licensee had not only obtained the same raw score on the exam (19/30), but she had used exactly the same answer sequence as the 19 other candidates. That is, all 30 of the responses given by the Licensee on the exam matched the 30 responses given by the 19 other persons who obtained the same score (19/30). These candidates got the same 11 questions incorrect, but also selected the same wrong answer for each of the 11 questions.

On the Accident and Sickness exam, the Licensee obtained an exam score of 70% (21/30). For that exam, the Licensee again used an answer sequence that was substantially the same as 13 other examinees who had written the exam in 2016 and 2017. It was not a perfect match because the Licensee had one answer which differed from a group of 13 examinees who used exactly the same answer sequence (a matching rate of 97%). Notably, the group of 13 candidates with the same sequence included two examinees who wrote different versions of the test (after it had been changed by Council) and who therefore obtained a raw score of 3/30 (10%).

During the course of Council's investigation, Mr. Stitt communicated with the Licensee and directly asked her whether she had used a collusion sequence or had cheated on the two exams. The Licensee denied that she had cheated in any way. She advised Mr. Stitt that she had studied online, as well as at home with some friends (Exhibit 2, Tab 3). It was further noted by Mr. Stitt that the Licensee's exam history had shown that she had made a number of unsuccessful attempts to write certain of the LLQP examinations and only passed the two exams in issue in this matter when using the sequences of answers that Council believed to have been shared between candidates from the Agency.

The expert opinion report prepared by Mr. Beauchamp provided a detailed statistical analysis of the probabilities of two candidates to a multiple choice examination having the same answer sequence, both in terms of the questions that were answered correctly as well as the answers that were given when questions were wrong (Exhibit 3). This was the same report that Council had tendered with respect to the allegations against Ms. Grewal.

As Mr. Beauchamp outlined at page 3 of his report, his statistical analysis examined the potential for collusion using two well-validated statistical indices (the B-index and the g2 index). These indices are discussed in detail by Mr. Beauchamp in his report, but what the Hearing Committee found to be of most significance is that, just like in the Grewal matter, when the Licensee's answer sequences for the LLQP exams were reviewed and compared to other candidates, Mr. Beauchamp's analysis illustrated that the statistical probability of the Licensee's answer sequences independently matching the answer sequence of another candidate was *less than 1 in a billion.* The Hearing Committee further noted that Mr. Beauchamp set out that the statistical probability of multiple candidates having the same answer sequence as being even lower.

FINDINGS OF THE HEARING COMMITTEE

The burden at this hearing lies with Council, which must prove the allegations of collusion against the Licensee on a balance of probabilities.

Having reviewed and considered all of the evidence introduced by Council, even in the absence of an opportunity to hear from the Licensee, the Hearing Committee is of the view that Council has established that the Licensee cheated and colluded on her LLQP examinations by using a collusion sequence on at least two of her exams.

The Hearing Committee discussed its conclusions in more detail in its report to Council following the Grewal hearing, but common sense dictates that it is highly improbable, if not impossible, for two candidates writing a 30 question multiple-choice examination to provide the exact same sequence of 30 answers (both right and wrong). The improbability of identically matching answers was brought home when the Hearing Committee reviewed the report from Mr. Beauchamp, which set out the statistical probability of this occurring as being less than 1 in one billion.

As in the Grewal matter, the Hearing Committee regards the circumstantial evidence in this instance to be overwhelming. In addition to the statistical analysis, it is particularly telling that every licensee alleged to have colluded on the LLQP exams, including Ms. Grewal and the Licensee, was licenced or affiliated with the same Agency. The Hearing Committee also notes that Mr. Stitt reviewed the results from over 7,000 LLQP examinations and did not find any identical or substantially similar answer sequences from any candidates not affiliated with that particular Agency.

Council's primary mandate is of course the protection of the public. The LLQP plays an important role in ensuring that all licensees possess a basic level of competency and knowledge in order to effectively, properly and ethically engage in life insurance transactions and serve the public.

It is the Hearing Committee's view that the Licensee's actions are contrary to the public interest mandate of Council and are a serious violation of a number of provisions of the Code of Conduct, particularly sections 3, 4 and 5, which establish that trustworthiness, good faith and competence are critically important characteristics of a licensee. Further, these provisions of the Code also reveal that licensees are expected to conduct all professional activities with the utmost of integrity and reliability.

A licensee who has engaged in collusion and cheating in the course of obtaining her licence has engaged in conduct that is diametrically opposed to the standards that a licensee is expected to uphold and represent. A willingness by the Licensee to cheat on the qualifying examinations should cause Council great concern about the Licensee's competency, but perhaps even more importantly, her character and honesty.

The Hearing Committee believes that it is imperative that licensees adhere to the highest ethical standards. The Licensee in this instance has failed in a number of serious ways to meet her professional obligations.

RECOMMENDATIONS OF THE HEARING COMMITTEE

In determining its recommendations to Council with respect to this matter, the Hearing Committee was referred to the same authorities as in the Grewal matter. In particular, the Hearing Committee has reviewed and considered the following: *Moore v. College of Physicians and Surgeons of Ontario*, [2003] O.J. No. 5200 (Ont. SC); *Financial Services Commission v. Insurance Council of British Columbia and Maria Pavicic*, November 22, 2005; *Gurvinder Singh Lehal and Sukhvir Singh Mann*, 2009; *Larry James Clark and Clark Thomas Insurance Services*, 1999; and *the Matter of Richard Jones*, FST 06-020.

The Hearing Committee believes that the key factors in determining an appropriate penalty for the Licensee in this instance are deterrence, both general and specific, as well as the maintenance of the public confidence in the integrity of the profession and the regulatory system itself. At the same time, although not bound by the prior decisions, the Hearing Committee has considered the above-noted prior decisions so as to ensure that the penalty for the Licensee is proportional to penalties levied by Council in similar previous matters.

The Hearing Committee views the actions of the Licensee as being quite serious and demanding a significant disciplinary response by Council. In cheating on her LLQP exams, the Licensee has engaged in conduct which fundamentally undermines the integrity of the licensing process and has shown that she lacks the integrity and honesty required of a licensee.

In determining the appropriate disciplinary penalty, Council submitted that the penalty must be informed by the Hearing Committee's prior recommendations in the Grewal matter. The Hearing Committee accepts Council's submission on this issue and has noted that the Licensee's penalty must be less severe than the penalty given to Ms. Grewal, given that there was no evidence in this

matter that the Licensee was an active participant in perpetuating the collusion by encouraging other examinees to cheat on the LLQP exams. As discussed above, there had been evidence in the Grewal matter that Ms. Grewal had given the answer sequences to at least one other candidate.

Noting that important distinction from Grewal, the Hearing Committee still believes that the nature of the Licensee's misconduct demands a significant sanction. For the reasons set out above, the Hearing Committee recommends that Council consider the following penalty:

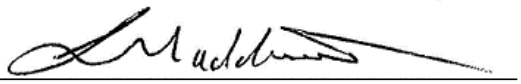
1. the Licensee's licence be cancelled for a period of 4 years;

2. the Licensee be required to pay Council's costs of the hearing, in an amount to be determined (with such costs to be paid prior to the Licensee reapplying for a licence); and

3. before reapplying to obtain a licence, the Licensee must also complete, at her own expense, an ethics course (or equivalent) that is approved by Council.

With respect to the hearing costs, the Hearing Committee considered the Licensee's position on costs as articulated in the email that her lawyer sent to Council only few days before the hearing (Exhibit 1). It was the Licensee who elected to require a hearing with respect to this matter. Once a hearing is elected, the Hearing Committee notes that there is no specific mechanism in the statute to allow for a resolution and Council is not required to accept a withdrawal. Therefore, the Hearing Committee recommends to Council that the Licensee should be required to pay costs of the hearing.

Dated at Vancouver, British Columbia on December 3rd, 2018



Lesley Maddison, Chair of the Hearing Committee
Insurance Council of British Columbia