

In the Matter of

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

and

The *INSURANCE COUNCIL OF BRITISH COLUMBIA*
("Council")

and

SE-SUI HSIA
(the "Licensee")

ORDER

As Council made an intended decision on May 9, 2017, pursuant to sections 231 and 236 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 July 20, 2017; 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 and 236 of the Act, Council orders:

1. The Licensee is fined \$1,500.00.
2. A condition is imposed on the Licensee's general insurance licence that requires the Licensee to pay the above-ordered fine no later than **November 8, 2017**. If the Licensee does not pay the ordered fine in full by this date, the Licensee's general insurance licence is suspended as of **November 8, 2017**, without further action from Council and the Licensee will not be permitted to complete any subsequent annual filings until such time as the ordered fine is paid in full.

This order takes effect on the **8th day of August, 2017**.



Ken Kukkonen
Vice Chairperson, Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA (“Council”)

respecting

SE-SUI HSIA
(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 10, 2017, a Review Committee (the “Committee”) met with the Licensee and her legal counsel to discuss allegations the Licensee received confidential client information from her spouse which belonged to his employer (the “Agency”), without the clients’ consent or the Agency’s knowledge.

The Committee was comprised of three voting members and one non-voting member 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 for Council.

The Committee’s report, along with the aforementioned investigation report, were reviewed by Council at its May 9, 2017 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 and 236 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 has been licensed in British Columbia as a Level 1 general insurance salesperson (“Salesperson”) since August 2015 and was authorized to represent an agency (“Agency B”) from August 2015 to March 2016. The Licensee was office-based with Agency B and conducted primarily automobile insurance business. The Licensee now represents another insurance agency.

An investigation was conducted by the Agency after it became aware of four Agency clients, who had their Insurance Corporation of British Columbia (“ICBC”) Autoplan insurance policy renewed through Agency B, without the clients’ knowledge or consent. All four of the clients had been assigned to the Licensee’s spouse by the Agency.

Before the Licensee obtained an insurance licence, she was enlisted by her spouse to assist him by contacting clients regarding their ICBC Autoplan renewals. The Licensee did this to assist her spouse because he was too busy to make the calls and schedule the appointments himself.

The Licensee confirmed that she began assisting her spouse with scheduling renewals in May 2015. The Licensee’s spouse provided her with a printout of a renewal list that had been provided to him by the Agency. The renewal lists included client contact information, as well as Autoplan expiry dates and vehicle information. The Licensee would contact the Agency’s clients, stating that she was calling on behalf of her spouse to arrange a time for the clients to meet with him to process an Autoplan renewal. The Licensee made these calls from their home.

The Licensee and her spouse eventually determined it would be more effective if the Licensee held an insurance licence because the Licensee would be able to provide quotes as well as schedule appointments with the Agency’s clients. After qualifying for a Salesperson’s licence, the Licensee obtained an authority to represent Agency B, which had no affiliation or relationship with the Agency. After commencing work with Agency B, the Licensee continued to contact the Agency’s clients on behalf of her spouse from Agency B’s office.

In the four identified cases where the Agency’s clients’ insurance policies were renewed through Agency B, the Licensee explained that in each of the situations, there was an urgency and the client was unable to meet with anyone at the Agency.

Although the spouse did not receive any compensation from Agency B for these transactions, the Licensee did. The Licensee explained that while these clients were provided with renewal materials in Agency B pouches, she did not provide specific disclosure to the clients and it was her intent that the clients believed the transaction was through her spouse and the Agency.

The Licensee also acknowledged that on some occasions, she delivered policies outside of Agency B’s office.

The Licensee stated she had no intention to mislead clients, the Agency or Agency B, and was only try to assist her spouse.

ANALYSIS

Council found that the Licensee had access to clients' or the Agency's information prior to obtaining an insurance licence but determined that this was the responsibility of the Licensee's licensed spouse and did not reflect on her suitability.

However, once she obtained an insurance licence, Council found the Licensee had an obligation to be aware of her duties and responsibilities as a Salesperson. The Licensee knew or ought to have known that she could only act on behalf of Agency B, which precluded her from conducting insurance business on behalf of her spouse or the Agency.

Council determined that the Licensee breached her licence conditions by acting on behalf of a licensee other than Agency B and acted contrary to her licence restrictions by delivering insurance policies to clients.

In determining penalty, Council noted that the Licensee had very little insurance experience and that her actions were guided by her spouse. Council recognized that the Licensee was forthright with Council and was remorseful of her conduct.

INTENDED DECISION

Pursuant to sections 231 and 236 of the Act, Council made an intended decision to fine the Licensee \$1,500.00.

The Licensee is advised that should the intended decision become final, the fine will be due and payable within 90 days of the date of the order. In addition, failure to pay the fine within the 90 days, 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 fine is paid in full.

The intended decision will take effect on **August 8, 2017**, subject to the Licensee's right to request a hearing before Council pursuant to section 237 of the Act.

Intended Decision
Se-Sui Hsia
LIC-201119C148363R1 / COM-2016-00010
July 20, 2017
Page 4 of 4

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 **August 7, 2017**. 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 **August 7, 2017**, the intended decision of Council will take effect.

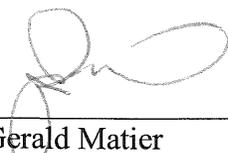
Even if this decision is accepted by the Licensee, pursuant to section 242(3) of the Act, the Financial Institutions Commission still has a right to appeal this decision of Council to the Financial Services Tribunal ("FST"). The Financial Institutions Commission has 30 days to file a Notice of Appeal, 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 **20th day of July, 2017**.

For the Insurance Council of British Columbia



Gerald Matier
Executive Director
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gmatier@insurancecouncilofbc.com

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