

In the Matter of the

***FINANCIAL INSTITUTIONS ACT, RSBC 1996, c.141***  
(the “Act”)

and the

**INSURANCE COUNCIL OF BRITISH COLUMBIA**  
 (“Council”)

and

**MENGYUAN (MIA) LI**  
(the “Licensee”)

## **ORDER**

As Council made an intended decision on June 17, 2025, pursuant to sections 231 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 July 10, 2025, 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 241.1 of the Act, Council orders that:

- 1) The Licensee is required to complete the following courses, or equivalent courses as acceptable to Council, by November 3, 2025:
  - a. Council Rules Course for Life and/or Accident & Sickness Agents;
  - b. Making Choices I: Ethics and Professional Responsibility in Practice, currently available through Advocis;

- c. Making Choices II: Ethics and Professional Responsibility in Practice, currently available through Advocis;
  - d. Making Choices III: Ethics and Professional Responsibility in Practice, currently available through Advocis; and
  - e. The Challenge of Documenting Nothing course, available through Advocis (collectively, the “Courses”);
- 2) The Licensee is assessed Council’s investigation costs in the amount of \$3,125, to be paid by November 3, 2025; and
- 3) A condition is imposed on the Licensee’s life and accident and sickness insurance agent licence that failure to pay the investigation costs and complete the Courses by November 3, 2025, will result in the automatic suspension of the Licensee's licence, and that the Licensee will not be permitted to complete her 2027 annual licence renewal until such time as the Licensee has complied with the conditions listed herein.

This order takes effect on the **5<sup>th</sup> day of August, 2025**

  
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Janet Sinclair, Executive Director  
Insurance Council of British Columbia

## **INTENDED DECISION**

of the

### **INSURANCE COUNCIL OF BRITISH COLUMBIA**

("Council")

respecting

### **MENGYUAN (MIA) LI**

(the "Licensee")

1. Pursuant to section 232 of the *Financial Institutions Act* (the "Act"), Council conducted an investigation to determine whether the Licensee had acted in compliance with the requirements of the Act, Council Rules and Code of Conduct, regarding allegations that she: provided false employment and income information on the Complainant's Whole Life Policy (the "Policy"); set up a GoFundMe account to raise funds to compensate the Complainant; and used a logo from an insurance carrier in her presentation materials that she was not authorized to use.
2. On March 18, 2025, as part of Council's investigation, a Review Committee (the "Committee") comprised of Council members met via video conference to discuss the investigation. The Licensee attended the meeting with the Committee and was given an opportunity to make submissions and provide further information. An investigation report prepared by Council staff was distributed to the Licensee and Committee before the meeting. After reviewing the investigation materials and discussing the investigation, the Committee prepared a report for Council.
3. Council reviewed the Committee's report and the investigation report at its June 17, 2025, meeting, where it was determined the matter should be disposed of in the manner set out below.

## **PROCESS**

4. 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 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**

5. The Licensee has been licensed with Council as a life and accident and sickness insurance agent (“Life Agent”) and held an authority to represent the agency (the “Agency”) from July 15, 2020, to January 22, 2025. The Licensee has held an unaffiliated licence since June 17, 2024.
6. In early April 2021, the Licensee and EC (“EC”) were new life agents working for the Agency and were supervised by HZ (“HZ”).
7. In April 2021, JH (the “Complainant”) was a student in a Registered Massage Therapy program who was tutored by EC. EC had just started working for the Agency and referred the Complainant to the Licensee, who was more experienced.
8. In April 2021, the Complainant met with the Licensee and EC via video conference on numerous occasions. The Licensee sold the Complainant the following products:
  - a Registered Retirement Savings Plan (“RRSP”)
  - a Tax Free Savings Account (“TFSA”), requiring the Licensee to pay a weekly premium,
  - a TFSA consisting of a lump-sum transfer from an existing investment and
  - a policy with life coverage of \$221,872 through the insurer.
9. In September 2022, the Complainant filed a complaint with Council claiming that the Licensee misrepresented his employment income information on the Policy application and had advised him that he could receive his premiums paid into the policy if he stopped paying premiums before 20 years. He also had concerns that the Licensee had set up a GoFundMe account to raise funds for him.

## *Committee Meeting*

10. At the Committee meeting, the Licensee stated that she currently works at the Agency as a sales manager, but is not in a supervisory position. The Licensee and EC were new agents at the time of the incident, but since the Licensee had more experience than EC, he referred the Complainant to her.
11. The Licensee stated that she met the Complainant during the COVID-19 pandemic through Zoom meetings and because of social distancing restrictions they were unable to meet in person. The Licensee explained that the Complainant had attended several financial presentations. The first was a public seminar hosted by HZ, who discussed the financial pyramid, compound interest, taxes, RRSPs, TFSAs and dollar-cost averaging. Since EC had invited the Complainant to the presentation, he was responsible for following up with the Complainant to answer any questions he had. The Licensee stated that the Complainant’s only feedback on the presentation was that it was “super useful.” Since he wanted to learn more about insurance and funds, EC arranged for a second presentation.

12. The Licensee and EC met exclusively with the Complainant for another Zoom presentation. At the meeting, the Licensee learned more about the Complainant and his circumstances. The Licensee stated that EC was taking notes at this meeting because the Complainant was his client and that client notes from the meeting were documented in three instances through client interaction logs, a fact-finding sheet and a reason why letter. The Licensee and EC completed a fact-finding sheet, and the Licensee stated the Complainant did not indicate that any information on it needed to be corrected.

#### *Employment Income*

13. The Complainant advised Council staff that he was not employed when he purchased his Policy and had no annual earnings. However, the application document, reason why letter, IA investor profile and the Agency fact-finding sheet noted that the Complainant was a self-employed Registered Massage Therapist earning \$85,000 annually and had no dependents.
14. The Licensee stated that the Complainant was aware of the employment income stated in the Policy and knew it was a long-term plan. The Licensee explained that the Complainant was given multiple opportunities throughout the process to correct the stated amount but never did and signed the contract. The Licensee stated that the Complainant had to confirm the employment income before they continued to the next section of the contract, and that after each section she would ask “if there is anything wrong, please let me know.”
15. The Licensee could not recall if it was the Complainant or EC who had given her the employment information, but she wrote down what she was told. She did not see any issue with the amount of employment income stated on the Policy because she assumed a man of his age would be working. She admitted that she genuinely believed the Complainant was working at the time and never questioned whether he was a student.
16. The Licensee stated that it is not typical for her to ask clients for proof of income because the majority of her clients are her friends and do not need to be vetted. When asked if she ever verifies clients’ documents, she stated that she has asked clients to send her a screen capture of their TFSA, RRSP contribution room or Notice of Assessment, but does not require formal proof of the documents to initiate a policy. She trusted EC and because the Complainant was his referral, she did not ask the Complainant for further information to confirm his employment income.

### *Repayment Efforts by the Licensee*

17. In September 2022, the Complainant contacted the Licensee to withdraw funds from his Policy to pay for a family member's medical care. The Complainant believed that he could withdraw approximately \$11,000 of the premiums he had paid into the Policy. The Licensee advised the Complainant that he could not receive his premiums back, so to assist him, she created a GoFundMe account and donated five dollars. When the Complainant learned the GoFundMe account was open to public donations, he deleted the account and made a formal complaint to Council against the Licensee.
18. The Licensee created a GoFundMe account on behalf of the Complainant to help him and his family. She stated that she made the account because she understood the tough circumstances the Complainant was in and that because she was unable to cancel the Policy and return his premiums, she wanted to do what she could to help him in her personal capacity. She stated that she felt she did nothing wrong when she created the Policy for him as he had asked. The Licensee explained that if she tried to return the funds to the Complainant, it could be viewed as her admitting that she did something wrong or that she had made a mistake. She was worried the Complainant might "play the victim." She also indicated that as a young female, she was worried about potential physical repercussions that might arise.
19. The Licensee stated that another reason for creating the GoFundMe account was because the Licensee was unsure if it was legally acceptable for her to return the commission she made on the Policy to the Complainant. She was a new Life Agent at the time and acknowledges that she did not think of contacting her supervisor or compliance officer to ask whether she could return the commission she made.

### *Presentation Material*

20. The Committee had the Licensee guide them through a PowerPoint presentation she had created to determine the Licensee's understanding of the products and services she provided to clients. The Licensee explained her presentation slides, described the text in the illustrations, as well as, the referral bonus, chargebacks and commissions she received. The Committee noticed the first slide of the Licensee's presentation depicted the insurer's logo, even though the presentation did not contain any representations from the insurer. The Licensee admitted that she "copy and pasted" the insurer's logo and was not sure whether she had permission to use it.

## ANALYSIS

21. Council concluded that the Licensee's conduct amounted to breaches of Council Rules 7(8) and 7(9) and Code of Conduct section 4 ("Good Faith"), section 5 ("Competence") and section 7 ("Usual Practice: Dealing with Clients").
22. Council found that there were significant competency concerns and breaches of section 5 ("Competence") of the Code of Conduct with regard to the Licensee's actions involving the documentation of the Complainant's employment income. It was not clear to Council whether the Licensee took down income information provided to her by the Complainant or EC. Since she was new to the industry, it appeared she simply took down instructions that she was provided, without conducting further due diligence. The Licensee relied heavily on what EC had instructed, but Council noted that since she was the writing agent, she should have confirmed the information directly with the client.
23. The Licensee's naivety and inexperience in the industry were noted as factors impacting her competency. The Licensee's business practice consisted of basic planning, but did not meet the standard that a fully qualified life insurance agent should offer their clients. Council had concerns of the Licensee's understanding of the product and services she provided clients, including that the Licensee did not have a complete understanding as to what "income" on the application form included. The Licensee indicated that the Complainant's "other income" on the application form could include monetary gifts, but Council identified this as a competency issue because she should be familiar with the definition of "other income." The Licensee also did not consider the length of the Complainant's Canadian residency for tax purposes or obtain the proper documentation to identify the Complainant's TFSA and RRSP contribution room, leading to additional competency concerns.
24. Council found the Licensee breached her obligation of client confidentiality when she created the GoFundMe account on behalf of the Complainant, in breach of Section 7 ("Usual Practice: Dealing with Clients"). She knew about the Complainant's circumstances when making the GoFundMe account because of her professional relationship with him. Council believed the Licensee had good intentions but noted that she did not seek out more appropriate alternatives to help her client. Council believed some of the Licensee's reasons for why she created the GoFundMe account, including her fears of repercussion from the Complainant, that returning the funds might be perceived as an admission of guilt, and that she genuinely believed she could help the Complainant when she created the GoFundMe account and made a donation.

25. Council found the Licensee breached section 4 (“Good Faith”) and section 7 (“Usual Practice: Dealing with Clients”) when she prepared her presentation slides. Council had significant concerns about the Licensee’s use of the insurer’s logo on the cover page slide of her presentation, despite not having authorization from the insurer to use its logo in a presentation that does not exclusively feature the insurer’s products. The presentation the Licensee created for her clients features different insurance products by various insurance carriers. Council found that the unauthorized use of the insurer’s logo could potentially mislead clients to believe that the representations the Licensee made were on behalf of the insurer.
26. Council identified further issues with the Licensee’s illustrations, including one that may be misleading to clients because it left out the cash value a client would receive in the first few years of the policy, and only identified the cash value that accumulated at 20 years and beyond. Council recognized that it may not have been clear to the Complainant that the cash refund would go back into purchasing death benefits, instead of being paid out in cash to him. However, Council did note that one page of the Licensee’s presentation described that the Complainant would receive a “0 cash value.” If the Licensee did not explain the illustration clearly to the Complainant and the Complainant thought he would receive any cash back, it could be perceived as misleading.
27. Council found that the Licensee breached section 5 (“Competence”) and failed to properly document communications and instructions from a client to ensure mutual understanding and provide a record of the transaction and failed to conduct an adequate fact finding and assessment of a client’s insurance needs. Council concluded the Licensee did not keep proper documentation of the client meetings and did not find her to be conversant in discussing the advantages and disadvantages of long-term and short-term policies. She failed to document product comparisons from different insurance providers, and it was not clear whether alternative insurance products were considered but not selected by the client, leading to issues with product suitability.
28. In light of the breaches to Code of Conduct section 4 (“Good Faith”), section 5 (“Competence”) and section 7 (“Usual Practice: Dealing with Clients”), there were consequently breaches to Council Rules 7(8) and 7(9).

## **PRECEDENTS**

29. Before making its recommendation on this matter, Council took into consideration the following precedent cases. While Council recognizes that it is not bound by precedent and that each matter is decided on its own facts and merits, Council found that these decisions were instructive in terms of providing a range of sanctions for similar types of misconduct.



30. [Rosalie Abando Ninalga](#) (February 2024): concerned a licensee who was alleged to have sold insurance products to a client without conducting any fact-finding needs analysis or gaining mutual understanding with the complainant of whether the recommended products were suitable. The licensee also failed to maintain sufficient record-keeping and justification of recommendations sent to the client for five life insurance policies. Council questioned the licensee's competency and ordered her to be supervised for 12 months, pay \$1,000 in investigation costs, and complete the Council Rules course for life and/or accident and sickness insurance, the Challenge of Documenting Nothing course, the Compliance Toolkit: Know Your Client and Fact-Finding, and the Compliance Toolkit: Know Your Product and Suitability.
31. [Sherlock Hsu](#) (September 2023): concerned a life agent licensee who was alleged to have submitted applications for insurance products without the client's full understanding and failed to maintain proper and adequate books and records. The licensee was unable to provide sufficient evidence in the form of documentation for summaries of the discussions that he had with the client, including documentation of client instructions, client emails, notes or summaries related to the specific assessment of the client's needs or circumstances. Council determined that without documentation that illustrates the fact-finding or justification of the recommendations and/or strategy sent, it is very difficult for an outside party to assess the transaction in question and objectively verify if the recommended products were suitable for or understood by the client. Additionally, Council concluded that the licensee failed to engage in the usual practice of the business of insurance by witnessing a signature on the application form when the licensee had not, in fact, witnessed the signature. Council ordered that the licensee be fined \$2,000, be required to be supervised for 24 months, be required to complete courses and be assessed Council's investigation costs.
32. [Allen Stanley Young](#) (August 2022): concerned a life agent licensee who was found to have failed to document client communications and instructions. Council noted that without documentation it is difficult for a licensee to demonstrate that he or she acted appropriately should a concern arise regarding the handling of a client file. The lack of a documentation system in place called into question the licensee's ability to engage in the usual practice of insurance and the licensee's competency. Council ordered that the licensee be supervised for a period of 12 months, be required to complete various courses and be assessed investigation costs.
33. [Kamna Suri](#) (November 2020): concerned a new life and accident and sickness insurance agent who failed to conduct a written financial needs analysis for a client's policy, failed to provide accurate information on the client's annual income in the insurance application, provided the client with a copy of a policy illustration for another person, and failed to properly document her conversations with the client. Council determined that the licensee did not act with ill intent; rather, Council found that the licensee's conduct was careless. The licensee had no prior discipline history and there was no objective client harm. Council fined the licensee \$1,000, required her to complete the Council Rules course and an ethics course, required her to be supervised for six months, and assessed the licensee investigation costs of \$1,543.75.

34. [Pamela Peen Hong Yee](#) (June 2019): concerned a licensee who had been licensed as a life agent since September 2000. Council considered allegations that included that the licensee had made material misrepresentations on a life insurance application submitted for a client, processed a life insurance application without receiving the client's consent, and improperly attempted to persuade the client to keep the policy after the client declined to proceed with the insurance. Council cancelled the licensee's life agent licence with no opportunity to reapply for two years, fined her \$5,000 and assessed her investigation and hearing costs.
35. [Jack Leonard Parkin](#) (January 2015): concerned a licensee who had held a life agent licence since 1982. Council considered allegations that he had sold his clients a product that did not suit their needs. Council concluded that the licensee had failed to fully understand the product before recommending it to clients and, as a result, did not adequately advise them about certain investment features. Council accepted that the licensee did not intend to harm his clients and that he genuinely believed he had made appropriate recommendations. However, Council concluded that the licensee had failed to act in a competent manner, in accordance with the usual practice of the business of insurance, in recommending the product and in addressing the clients' concerns about the product. Council placed a condition on his life agent licence that he be supervised by a qualified life agent for a period of 24 months, that he complete certain courses designated by Council and assessed him Council's investigation costs.
36. [Lambert John Schmid](#) (March 2012): concerned a life and accident and sickness insurance agent who failed to conduct sufficient needs analysis, allowed transactional documentation to be improperly executed, proceeded with a transaction without a client's full awareness of its occurrence, witnessed forged signatures, and completed forms that misrepresented to an insurer that the client was fully informed about the nature of the insurance transaction. The licensee had been licensed with Council for approximately 24 years at the time of misconduct. Council found that the licensee did not act with ill intent or for personal gain and was motivated by a genuinely held belief that the client wanted the insurance that was applied for. Council fined the licensee \$2,000 and required him to complete the Advocis Best Practices program and pay investigation costs of \$850.
37. Council considered cases that applied a lower level of discipline where competency issues were the primary concern. They found [Kamna Suri](#) and [Lambert John Schmid](#) to be helpful, as they dealt with competency issues, and in both cases the licensee did not act with ill intent. Council emphasized that the Licensee's competency issues could be addressed with continuing education courses to improve her business practice.

### **MITIGATING AND AGGRAVATING FACTORS**

38. Council considered relevant mitigating and aggravating factors. In Council's opinion, mitigating factors included the Licensee's limited experience in the insurance industry and the isolated nature of the misconduct. The Licensee was sympathetic and made efforts to contribute to the Complainant when she created a GoFundMe account and donated five dollars to it. Council concluded that although this may not have been the best method to remedy the situation, it was well-intended, and the Licensee sincerely tried to help the Complainant. The Licensee was also co-operative in Council's investigation of the matter.
39. Conversely, Council felt that the Licensee could be likely to repeat the misconduct without corrective discipline. They found her actions to be willfully blind when she deliberately refrained from making inquiries to confirm or deny facts provided to her by the Complainant. The Licensee failed to consider different insurance products when making recommendations, offered rudimentary planning and had knowledge gaps in her insurance concepts. Council determined that without corrective action, the Licensee's practice of insurance could pose a risk of harm to the public.

### **CONCLUSIONS**

40. After weighing all of the relevant considerations, Council found the Licensee to be in breach of the Council Rules and the Code of Conduct.
41. Council understands that the Licensee was new to the insurance industry at the time of the incident and that her lack of knowledge and failure to consider different suitable insurance products may be due to her inexperience. However, they found her credible and felt she provided a sincere account of the events.
42. Since the incident with the Complainant, the Licensee has moved into a supervisory role, in a position of influence on new agents and clients, so Council recommends that she refresh her knowledge through educational courses to develop strong business practices and to be in a better position to provide sound advice to clients. Council determined she would benefit from corrective discipline to address competency issues and the gaps in her knowledge base. Council ordered that she take the Council Rules course, ethics courses and a course on documenting client notes. They noted formal discipline was required to protect the public and ensure the Licensee would complete the required courses.
43. Council acknowledged that the Complainant contributed in part to the incorrect employment income on the Policy because he was allowed to review the documents provided to him by the Licensee, failed to read them carefully and ultimately signed the Policy. Council determined the Licensee is not fully

culpable and discussed the possibility of the Complainant using the incorrect employment income as an excuse to get out of the Policy.

44. Council also intends to assess its investigation costs to the Licensee. As a self-funded regulatory body, Council looks to licensees who have engaged in misconduct to bear the costs of their discipline proceedings, so that those costs are not otherwise borne by British Columbia's licensees in general. Council has not identified any reason for not applying this principle in the circumstances.

#### **INTENDED DECISION**

45. Pursuant to sections 231 and 241.1 of the Act, Council made an intended decision that:
- a) The Licensee be required to complete the following courses, or equivalent courses as acceptable to Council, within 90 days of Council's order:
    - i. The Council Rules Course for Life and/or Accident & Sickness Agents;
    - ii. Making Choices I: Ethics and Professional Responsibility in Practice, currently available through Advocis;
    - iii. Making Choices II: Ethics and Professional Responsibility in Practice, currently available through Advocis;
    - iv. Making Choices III: Ethics and Professional Responsibility in Practice, currently available through Advocis; and
    - v. The Challenge of Documenting Nothing course, available through Advocis (collectively, the "Courses");
  - b) The Licensee be assessed Council's investigation costs in the amount of \$3,125, to be paid within 90 days of Council's order; and

- c) A condition be imposed on the Licensee's life and accident and sickness insurance agent licence that failure to pay the investigation costs and complete the Courses within 90 days of Council's order will result in the automatic suspension of the Licensee's licence, and that the Licensee will not be permitted to complete her 2027 annual licence renewal until such time as the Licensee has complied with the conditions listed herein.

- 46. Subject to the Licensee's right to request a hearing before Council pursuant to section 237 of the Act, the intended decision will take effect after the expiry of the hearing period.

#### **ADDITIONAL INFORMATION REGARDING COSTS**

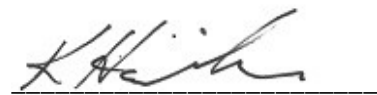
- 47. Council may take action or seek legal remedies against the Licensee to collect outstanding costs, should these not be paid by the 90-day deadline.

#### **RIGHT TO A HEARING**

- 48. If the Licensee wishes to dispute Council's findings or its intended decision, the Licensee may have legal representation and present a case in 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 within fourteen (14) days of receiving this intended decision.** 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 within 14 days of receiving this intended decision, the intended decision of Council will take effect.**
- 49. Even if this decision is accepted by the Licensee, pursuant to section 242(3) of the Act, the British Columbia Financial Services Authority ("BCFSA") still has a right of appeal to the Financial Services Tribunal ("FST"). The BCFSA has thirty (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 <https://www.bcfst.ca/> or visit the guide to appeals published on their website at <https://www.bcfst.ca/app/uploads/sites/832/2021/06/guidelines.pdf>.

Dated in Vancouver, British Columbia, on the **10<sup>th</sup> day of July, 2025.**

For the Insurance Council of British Columbia

A handwritten signature in dark ink, appearing to read 'J. Sinclair', is written over a horizontal line.

*Per* Janet Sinclair

Executive Director