

**In the Matter of**

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

**and**

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

**and**

**PING HONG CHOW**  
**(the "Licensee")**

**ORDER**

As Council made an intended decision on August 11, 2015, 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 August 31, 2015; 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. A condition is imposed on the Licensee's general insurance licence that restricts him to only having the authority to represent one general insurance agency.
2. The Licensee is fined \$5,000.00.
3. The Licensee is assessed Council's investigative costs of \$850.00.
4. A condition is imposed on the Licensee's general insurance licence that requires him to pay the above-ordered fine and investigative costs no later than **December 22, 2015**. If the Licensee does not pay the ordered fine and investigative costs in full by this date, the Licensee's general insurance licence is suspended as of **December 23, 2015**, without further action from Council and the Licensee will not be permitted to complete any annual filing until such time as the ordered fine and investigative costs are paid in full.

This order takes effect on the **22<sup>nd</sup> day of September, 2015**.

  
\_\_\_\_\_  
Brett Thibault  
Chairperson, Insurance Council of British Columbia

## **INTENDED DECISION**

of the

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

respecting

**PING HONG CHOW**  
(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 July 13, 2015, a Review Committee (the “Committee”) met with the Licensee to discuss allegations that the Licensee acted outside of the restrictions of his Level 1 general insurance salesperson (“Salesperson”) licence; and, that he deposited a client’s insurance premium payment into his personal bank account.

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 August 11, 2015 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 has been licensed as a Salesperson for approximately 17 years.

During the period under review, the Licensee was authorized to represent three different agencies, including Island Insurance Agency Ltd. ("Island"). The Licensee worked regularly at one of the other two agencies ("Agency A") he was authorized to represent and would attend the other two agencies as needed. The Licensee's primary means of contact for the various agencies' insurance clients was his cell phone. Clients would call his cell phone, at which point the Licensee stated he would report to the appropriate agency and then contact the client to discuss his or her insurance issues.

### **Licensee's Insurance Activities at Island**

At Island, the Licensee was considered a producer, with a role of soliciting new insurance business and clients. Generally, new business came from the Licensee's friends and relatives. The Licensee did not regularly work at Island's office, and did not have a specific desk or work station assigned to him. The Licensee attended Island on an as-needed basis, which was typically to process renewals. At Island, collection of outstanding premiums was part of the Licensee's responsibilities. The Licensee often met with Island's insurance clients outside of the office to collect insurance premiums, get policies signed, and to deliver policy documents.

In October 2011, the Licensee collected a premium cheque from an Island client (the "Client") while away from the office. The Licensee proceeded to deposit the Client's premium cheque into his own bank account using an automated teller machine ("ATM"). The Licensee stated he realized his mistake right away, but, because he used an ATM, he was unable to retrieve the cheque. It is not clear what, if any, steps the Licensee took to correct his mistake, but the premium was not returned until Island discovered that the premium was missing in April 2013. Throughout this period, the Client was not affected by the Licensee's actions because the Client's insurance policy remained in force given that Island had paid the premium to the insurer.

With regard to the Licensee's insurance activities at the other agencies he was authorized to represent, the Licensee worked as an Insurance Corporation of British Columbia ("ICBC") mobile road service agent for Agency A. As such, he was required to attend motor vehicle dealerships in Vancouver, Richmond, New Westminster, and Surrey. The Licensee acknowledged that, on occasion, he would attend a dealership late in the day and would not be able to return ICBC inventory to Agency A because it was closed. Instead, the Licensee would keep the ICBC inventory with him and return it the next time the agency was open, contrary to ICBC policy.

## **ANALYSIS**

Council determined the Licensee regularly acted contrary to his licence restrictions on his Salesperson licence by conducting insurance activities outside of an insurance agency office. These activities included collecting insurance premiums, discussing insurance coverage with clients, and assisting clients with the completion of an insurance application.

Council found that the Licensee's regular use of his personal cell phone as the main point of contact for the agencies' clients was not appropriate. While the Licensee explained that he would wait until he was at an agency office before discussing insurance business, Council could not envision a situation where a Salesperson would be providing a personal cell phone number to insurance clients, or be receiving telephone calls from an insurance client on a personal cell phone. Council found the Licensee's use of his cell phone, in the manner with which he did, to be a breach of his licence restriction.

With regard to the Licensee depositing the Client's insurance premium cheque into his personal bank account, Council accepted that it may have been done by accident, but found his failure to return the premium to Island for approximately 18 months to reflect directly on his suitability. The Licensee was unable to provide a reasonable explanation why, after realizing his mistake, he made no effort to return the funds until Island brought it to his attention 18 months later.

Council noted that the fact the Licensee represented three different agencies was a contributing factor in enabling the Licensee to act in contravention of his licence restrictions. However, Council recognized that the Licensee had previously been reminded to only engage in insurance activities in accordance with his licence restrictions. The fact that the Licensee has 17 years of experience as a Salesperson, and had received a previous reminder, made his breaches even more serious.

In determining an appropriate disposition in this matter, Council concluded that a fine, an assessment of Council's investigative costs, and a restriction on how many agencies the Licensee can represent at one time, would be appropriate. In addition, whatever agency the Licensee represents in the future, the nominee will be advised that, based on the Licensee's history, any subsequent breach of his licence restrictions will reflect directly on the nominee and the agency.

## **INTENDED DECISION**

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

1. Impose a condition on the Licensee's general insurance licence that restricts him to representing only one insurance agency.
2. Fine the Licensee \$5,000.00.
3. Assess the Licensee Council's investigative costs of \$850.00.

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. In addition, failure to pay the fine and investigative costs 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 and investigative costs are paid in full.

The intended decision will take effect on **September 22, 2015**, 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 **September 21, 2015**. 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 **September 21, 2015**, 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](http://fst.gov.bc.ca) or contact them directly at:

Intended Decision  
Ping Hong Chow  
109555-11560  
August 31, 2015  
Page 5 of 5

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](mailto:FinancialServicesTribunal@gov.bc.ca)

Dated in Vancouver, British Columbia, on the **31<sup>st</sup> day of August, 2015.**

For the Insurance Council of British Columbia



---

Gerald Matier  
Executive Director  
604-695-2001  
[gmatier@insurancecouncilofbc.com](mailto:gmatier@insurancecouncilofbc.com)

GM/ig