

In the Matter of

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

and

The INSURANCE COUNCIL OF BRITISH COLUMBIA
("Council")

and

WING WA PAUL CHAN
(the "Licensee")

ORDER

As Council made an intended decision on February 17, 2015, 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 March 20, 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 and 236 of the Act, Council orders:

1. The Licensee is fined \$500.00.
2. A condition is imposed on the Licensee's life and accident and sickness insurance licence that requires him to pay the above-ordered fine no later than **July 8, 2015**. If the Licensee does not pay the ordered fine in full by this date, the Licensee's life and accident and sickness insurance licence is suspended as of **July 9, 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 is paid in full.

This order takes effect on the **8th day of April, 2015**.



Ruth Hoyte
Chairperson, Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA
(“Council”)

respecting

WING WA PAUL CHAN
(the “Licensee”)

INTRODUCTION

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.

On February 17, 2015, Council considered an allegation that the Licensee failed to notify Council of the expiry of his errors and omissions (“E&O”) insurance coverage within five business days of the loss of coverage, in accordance with Council Rule 7(11).

At the conclusion of its meeting, Council determined that 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 either accept Council’s decision or request a hearing. This intended decision operates as written notice of the action Council intends to take against the Licensee.

FACTS

Council made the following findings of fact:

1. The Licensee has held a life and accident and sickness insurance agent (“life agent”) licence since August 29, 2012.
2. The Licensee’s E&O insurance expired on July 30, 2013.

3. The Licensee failed to notify Council of the termination of his E&O insurance, as required by Council Rules.
4. The Licensee stated, and, in light of the fact there was no evidence to the contrary, Council accepted, that he did not conduct any insurance activities during the period he was without E&O insurance.

ANALYSIS

The Licensee's E&O insurance was allowed to lapse on July 30, 2013. The Licensee explained that at the time his E&O insurance lapsed, he was dealing with an illness in the family, which distracted him from his insurance business. The Licensee acknowledged that it was his responsibility to ensure he met his licence obligations and should have been paying more attention.

Council accepted that the Licensee did not conduct any insurance activities while he was without E&O insurance and, therefore, did not place any clients at risk. Council concluded there was no evidence to suggest the Licensee's actions were intentional and noted that the Licensee reinstated his E&O insurance as soon as he was contacted by Council.

Regardless, Council determined the Licensee's failure to notify Council within five business days of the expiry his of E&O insurance constituted a breach of Council Rule 7(11)(c)(i). In considering the appropriate disposition in this matter, Council noted that precedent for unintentional breaches of Council Rule 7(11)(c)(i), as it relates to individual life agents, is a fine of \$500.00. Council determined that a fine in the amount of \$500.00 was appropriate in these circumstances.

INTENDED DECISION

Pursuant to sections 231 and 236 of the Act, Council made an intended decision to fine the Licensee \$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. Failure to pay the fine within the 90 days will result in the automatic suspension of the Licensee's life and accident and sickness 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 **April 8, 2015**, subject to the Licensee's right to request a hearing before Council pursuant to section 237 of the Act.

Intended Decision
Wing Wa Paul Chan
189345
March 20, 2015
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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 **April 7, 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 **April 7, 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 or contact them directly at:

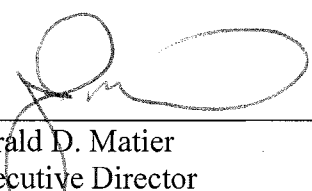
Financial Services Tribunal
PO Box 9425 Stn Prov Govt
Victoria, British Columbia
V8W 9V1

Reception: 250-387-3464
Fax: 250-356-9923

Email: FinancialServicesTribunal@gov.bc.ca

Dated in Vancouver, British Columbia, on the **20th day of March, 2015**.

For the Insurance Council of British Columbia



Gerald D. Matier
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