

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

and

The INSURANCE COUNCIL OF BRITISH COLUMBIA
("Council")

and

HAROLD WONG YANG
(the "Licensee")

ORDER

As Council made an intended decision on June 27, 2016, 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 August 4, 2016; and

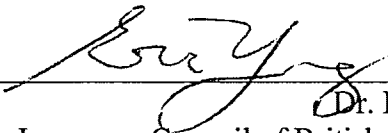
As the Licensee has not requested a hearing of Council's intended decision within the time period provided by the Act;

Under authority of sections 231 and 236 of the Act, Council orders:

1. A condition is imposed on the Licensee's life and accident and sickness insurance licence that requires the Licensee to successfully complete the Council Rules Course on or before **November 23, 2016**. If the Licensee does not successfully complete the Council Rules Course on or before **November 23, 2016**, the Licensee's life and accident and sickness insurance licence is suspended as of **November 24, 2016**, without further action from Council and the Licensee will not be permitted to complete any subsequent annual filings until such time as the ordered Council Rules Course is successfully completed.
2. The Licensee is fined \$3,000.00 for his breach of Council Rule 7(5).
3. The Licensee is fined \$2,000.00 for his breach of Council Rule 7(11).

5. A condition is imposed on the Licensee's life and accident and sickness insurance licence that requires the Licensee to pay the above-ordered fines in minimum monthly installments of \$250.00 commencing on **October 3, 2016**, and then by the first day of each subsequent month until the total fines have been paid in full. If the Licensee does not meet the minimum monthly installment schedule, the Licensee's life and accident and sickness insurance licence is suspended effective the first day following the missed payment date without further action from Council and the Licensee will not be permitted to complete any annual filing until such time as the total amount of the fines is paid in full.

This order takes effect on the **23rd day of August, 2016**.



Dr. Eric Yung
Chairperson, Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA
(“Council”)

respecting

HAROLD WONG YANG
(the “Licensee”)

Pursuant to section 232 of the *Financial Institutions Act* (the “Act”), Council conducted an investigation into allegations the Licensee breached Council Rules 7(5) and 7(11).

As part of Council’s investigation, on May 16, 2016 the Licensee met with a Review Committee (the “Committee”) to discuss allegations against the Licensee. 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 June 27, 2016 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 held a life and accident and sickness insurance agent (“life agent”) licence in British Columbia since December 2008. He is the nominee and sole licensee authorized to represent Goldenlight Financial Services Incorporated (the “Agency”) since September 2011.

In December 2013, Council was notified by a third party that the Licensee’s errors and omissions (“E&O”) insurance had expired on November 1, 2013 and had not been renewed. The Licensee carried his own E&O insurance, which included coverage of the Agency through vicarious liability coverage.

The Licensee stated he first became aware that his E&O insurance had lapsed in mid-November 2013, but he became ill and failed to follow up. The Licensee acknowledged that he failed to notify Council within five business days, as required by Council Rule 7(11).

On December 16, 2013, the Licensee purchased new E&O coverage, but it did not meet Council’s minimum requirements. In accordance with Council Rule 7(11), the Licensee’s and the Agency’s licences were terminated on January 2, 2014. The Licensee and the Agency subsequently reapplied for their licences, which were issued on January 13, 2014.

In September 2015, the Licensee was the subject of a continuing education (“CE”) audit which found the Licensee had failed to meet the CE requirements, as set out in Council Rule 7(5) for the 2013, 2014, and 2015 licence periods. The Licensee did, however, meet the minimum CE credits for the 2012 licence period.

ANALYSIS

Council found that the Licensee breached Council Rule 7(11) by failing to notify Council within five business days after ceasing to meet the minimum E&O insurance requirement. Council found that the Licensee was aware he was in breach of Council Rule 7(11) by mid-November 2013, yet did not contact Council until mid-December 2013, nor did he cease all insurance activities.

Council also found that the Licensee breached Council Rule 7(5) in the 2013, 2014, and 2015 licence periods by failing to meet the minimum CE requirements in each of the three licence periods.

Council took into consideration that the Licensee had health issues in 2013, but found this did not justify his failure to comply with Council Rule 7(5) over multiple licence periods. Council concluded the Licensee was aware of the requirements under Council Rule 7(5), but chose not to comply with them.

While the Licensee has completed some of the CE credits he failed to complete for the 2013, 2014, and 2015 licence periods, there are still 16.5 CE credits outstanding.

Council determined that a fine was warranted to address the Licensee's failure to comply with Council Rule 7(5) over multiple years and for failing to comply with Council Rule 7(11) in 2013. Council also determined that successful completion of the Council Rules Course would be appropriate in this matter to ensure the Licensee is fully aware of all his obligations under Council Rules.

INTENDED DECISION

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

1. Fine the Licensee \$3,000.00 for his breach of Council Rule 7(5).
2. Fine the Licensee \$2,000.00 for his breach of Council Rule 7(11).
3. Impose a condition on the Licensee's life and accident and sickness insurance licence that requires the Licensee to successfully complete the Council Rules Course within 90 days of Council's decision becoming final.
4. Impose a condition on the Licensee's life and accident and sickness insurance licence that requires the Licensee to successfully complete the outstanding 16.5 CE requirements from the 2013, 2014, and 2015 licence periods within 90 days of Council's decision becoming final.

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 and to successfully complete the Council Rules Course 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 and the Council Rules Course successfully completed.

The intended decision will take effect on **August 23, 2016**, 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 **August 22, 2016**. 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 22, 2016**, the intended decision of Council will take effect.

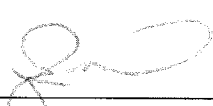
Even if this decision is accepted by the Licensee, pursuant to section 242(3) of the Act, the Financial Institutions Commission still has a right to appeal this decision of Council to the Financial Services Tribunal ("FST"). The Financial Institutions Commission has 30 days to file a Notice of Appeal, 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 **4th day of August, 2016**.

For the Insurance Council of British Columbia



Gerald Matier
Executive Director
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gmatier@insurancecouncilofbc.com

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