

**In the Matter of**

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

**and**

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

**and**

**JUNYI ZHANG**  
**(the "Licensee")**

**ORDER**

As Council made an intended decision on March 8, 2016, pursuant to section 231 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 21, 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 section 231 of the Act, Council orders the Licensee's life and accident and sickness insurance licence is cancelled.

This order takes effect on the **12<sup>th</sup> day of April, 2016**.



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Brett Thibault  
Chairperson, Insurance Council of British Columbia

## **INTENDED DECISION**

of the

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

respecting

**JUNYI ZHANG**  
(the “Licensee”)

Pursuant to section 232 of the *Financial Institutions Act* (the “Act”), Council conducted an investigation to determine whether the Licensee is in compliance with Council Rules.

At its March 8, 2016 meeting, Council considered the Licensee’s suitability in light of his failure to make restitution on a dishonored cheque paid to Council on November 23, 2015, as part of the Licensee’s application for a first life and accident and sickness insurance agent (“life agent”) licence.

Council 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 section 231 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**

On November 23, 2015, Council received an application for a life agent licence from the Licensee. Included with the Licensee’s application was a cheque for \$225.00 as payment for his licence application fee. The Licensee’s application was approved and a life agent licence was issued, effective November 27, 2015. The Licensee’s licence is currently active.

On December 2, 2015, Council received notice that the Licensee’s cheque was returned as non-sufficient funds (“NSF”).

Over the course of the next three months, Council sent three letters to the Licensee requesting payment of the outstanding fees and applicable service charge resulting from his NSF cheque.

One of the letters to the Licensee was sent by registered mail, and according to Canada Post, was signed for by the Licensee.

During the same period, Council left a voice mail message for the Licensee at his given contact telephone number asking him to call Council. Council also sent an email to the Licensee regarding the outstanding fees and service charge payment. In the communications to the Licensee, Council advised him that if the required payments were not received, the matter would be considered by Council.

As of March 8, 2016, Council had not heard from the Licensee, nor has it received the outstanding amounts owed by the Licensee.

#### **ANALYSIS**

Under Council Rules, one of the requirements for obtaining an insurance licence is the payment of an application fee, as prescribed in Council's Fee Schedule. The application fee includes a \$25.00 government fee, which Council is required to remit to the Financial Institutions Commission upon issuance of an insurance licence.

As a result of the Licensee's failure to reply to Council's inquiries, his failure to make restitution on the dishonored cheque, and his failure to pay the service charge, Council determined the Licensee's NSF cheque brings into question his financial reliability, and his ability to act in good faith, as required under Council's Code of Conduct. Council also took into consideration that the Licensee failed to respond to an inquiry by Council in a timely manner, contrary to section 231 of the Act.

Council concluded that the Licensee's failure to address his NSF cheque, and his failure to respond to Council's inquiries, bring into question his suitability to hold an insurance licence.

#### **INTENDED DECISION**

Pursuant to section 231 of the Act, Council made an intended decision to cancel the Licensee's life and accident and sickness insurance licence.

If the Licensee pays the outstanding fee and service charge before this intended decision is final, the Licensee's life and accident and sickness insurance licence will not be cancelled, and this matter will be discontinued.

If this intended decision becomes final, resulting in the cancellation of the Licensee's life and accident and sickness insurance licence, Council will not accept any future application for an insurance licence from the Licensee, until such time as Council has received payment of the outstanding fee and related service charge, in addition to the required licence application fee as part of any future licence application.

The Licensee is also advised that Council will not accept any payment from the Licensee in future that is not made in cash, by money order, or by certified cheque.

The intended decision will take effect on **April 12, 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 **April 11, 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 **April 11, 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](http://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](mailto:FinancialServicesTribunal@gov.bc.ca)

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Dated in Vancouver, British Columbia, on the **21<sup>st</sup> day of March, 2016.**

For the Insurance Council of British Columbia



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