

In the Matter of

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

and

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

and

**PAMELA PEEN HONG YEE
(the “Licensee”)**

ORDER

As Council made an intended decision on November 18, 2014, 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 December 9, 2014; and

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

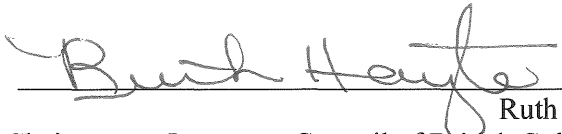
Under authority of sections 231, 236, and 241.1 of the Act, Council orders:

1. A condition is imposed on the Licensee’s life and accident and sickness insurance licence that requires her to be supervised by a qualified life and accident and sickness insurance agent (“life agent”) until such time as she accumulates an additional 24 months of active licensing from the effective date of this order.
2. A condition is imposed on the Licensee’s life and accident and sickness insurance licence that prohibits her from being a life agent supervisor, until such time as the Licensee accumulates an additional five years of active licensing from the effective date of this order.
3. A condition is imposed on the Licensee’s life and accident and sickness insurance licence that prohibits her from being a nominee of any insurance agency that has any authorized representatives other than the Licensee, until such time as the Licensee accumulates an additional five years of active licensing from the effective date of this order.

4. A condition is imposed on the Licensee's life and accident and sickness insurance licence that requires her to commence Advocis' Getting Established course (the "Course") on or before **March 30, 2015**, and successfully complete the Course on or before **March 30, 2016**.
5. A condition is imposed on the Licensee's life and accident and sickness insurance licence that if the Licensee does not commence the Course on or before **March 30, 2015**, the Licensee's life and accident and sickness insurance licence is suspended as of **March 31, 2015**, without further action from Council, and the Licensee will not be permitted to complete any annual filing until such time as the Course is successfully completed.
6. A condition is imposed on the Licensee's life and accident and sickness insurance licence that if the Licensee does not successfully complete the Course on or before **March 30, 2016**, the Licensee's life and accident and sickness insurance licence is suspended as of **March 31, 2016**, without further action from Council, and the Licensee will not be permitted to complete any annual filing until such time as the Course is successfully completed.
7. A condition is imposed on the Licensee's life and accident and sickness insurance licence that requires her to complete 30 hours of qualified continuing education ("CE"), in addition to her annual CE requirement of 10 credits, by **May 31, 2015**.
8. A condition is imposed on the Licensee's life and accident and sickness insurance licence that if the Licensee does not complete the 40 hours of qualified CE on or before **May 31, 2015**, the Licensee's life and accident and sickness insurance licence is suspended as of **June 1, 2015**, without further action from Council, and the Licensee will not be permitted to complete any annual filing until such time as the ordered CE is completed.
9. The Licensee is fined \$3,000.00.
10. The Licensee is assessed Council's investigative costs of \$1,500.00.
11. A condition is imposed on the Licensee's life and accident and sickness insurance licence that requires her to pay the above-ordered fine and investigative costs no later than **March 30, 2015**. If the Licensee does not pay the ordered fine and investigative costs in full by this date, the Licensee's life and accident and sickness insurance licence is suspended as of **March 31, 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.

Order
Pamela Peen Hong Yee
144842-11482
December 30, 2014
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This order takes effect on the 30th day of December, 2014.



Ruth Hoyte
Chairperson, Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA
(“Council”)

respecting

PAMELA PEEN HONG YEE
(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.

As part of Council’s investigation, on September 22, 2014, a Review Committee (the “Committee”) met with the Licensee to discuss allegations that the Licensee failed to identify a material misstatement on an application for insurance; failed to maintain proper client files; and failed to complete the minimum continuing education requirements (“CE”) during each of three licence periods.

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 made a recommendation to Council as to the manner in which this matter should be disposed.

A report setting out the Committee’s findings and recommended disposition, along with the aforementioned investigation report, were reviewed by Council at its November 18, 2014 meeting, resulting in the matter being 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 was originally licensed in British Columbia as a life and accident and sickness insurance agent (“life agent”) on September 22, 2000.

Until March 2, 2010, the Licensee had a contract with and represented one insurance company. She subsequently contracted with a different insurance company and now works as a sole proprietor life agent.

In December 2013, the Licensee was disciplined by Council for failing to maintain errors and omissions (“E&O”) insurance as required per Council Rule 7(11).

Misrepresentation on Application

On March 28, 2006, the Licensee met with a client (the “Client”) and completed an application for a smoker rated universal life yearly renewable term life insurance policy (the “Smoker Policy”). The Smoker Policy was issued in April 2006.

The Licensee advised that she spent approximately one hour with the Client when she completed his application for the Smoker Policy and the Licensee remembered that the Client smoked multiple times during that meeting.

In March 2010, the Licensee met again with the Client and completed an application for a non-smoker universal life policy (the “Non-Smoker Policy”). In completing the Non-Smoker Policy application, the question regarding use of tobacco and nicotine products in the past 12 months and the past five years was checked “*no.*”

The Licensee explained that when completing the Non-Smoker Policy application, she believed the Client when he said he had quit smoking. She failed to notice that five years had not passed since she had completed the application for the Smoker Policy, as she did not review the Smoker Policy in advance of her meeting with the Client. The Licensee explained that she does not maintain client files, stating she relies on her memory. The Licensee also explained that she does not conduct an annual review process with her clients.

CE Credits

As part of the investigation, the Licensee acknowledged that she did not maintain proper records relating to the completion of CE credits for the licence periods ending May 31, 2011, May 31, 2012, and May 31, 2013.

The Licensee stated she attended seminars and training where CE credits were granted; however, she did not sign the attendance log. The Licensee was unable to provide any CE certificates or other forms of proof of attendance for the three licence periods.

Council noted that the Licensee had signed and submitted annual filings in 2011, 2012, and 2013, which included a declaration she was in compliance with Council Rules, including CE requirements. The CE requirements include both completion of a minimum amount of CE credits and maintenance of the appropriate records.

Client Meeting Notes and Documentation

In addition to the audit of the Licensee's CE requirements, a review of 15 of the Licensee's client files revealed fact finds, needs analyses, and illustrations were not kept or included in the files. The Licensee acknowledged that she is weak in administration and record-keeping.

ANALYSIS

Council considered the actions of the Licensee and the Licensee's submissions.

Council determined the Licensee failed to identify the misrepresentation on the Client's Non-Smoker Policy insurance application regarding the Client's smoking habits within the past five years. As the Licensee took the Client's Smoker Policy insurance application approximately four years earlier, Council determined the Licensee ought to have known the Client had smoked within the last five years, and that his response on the Non-Smoker Policy application was incorrect. The Licensee's failure to ensure that the Client completed the application for insurance correctly placed the Client's insurance coverage at risk.

Council determined it was not the Licensee's intention to withhold material information from the insurer. Rather, Council determined her failure arose from a lack of adequate record-keeping and client management procedures in her insurance practice. Council was troubled that despite having been licensed as a life agent since 2000, the Licensee did not appear to grasp the importance of proper record-keeping. Council found the Licensee's failure to maintain proper client records brought into question her competency and her ability to act in accordance with the usual practice of the business of insurance.

Council determined that both the Licensee and the public would benefit from the imposition of a supervision requirement for a period of two years. In addition, Council determined that the Licensee should be required to complete CE respecting E&O and best practices, and be assessed Council's investigative costs.

With respect to the Licensee's failure to demonstrate she had completed the minimum CE credits in accordance with Council Rule 7(5), Council concluded the Licensee had not met the CE requirements for the licensing periods ending May 31, 2011, May 31, 2012, and May 31, 2013. As a result, Council found that the Licensee had made material misstatements on her annual filings made in 2011, 2012, and 2013.

Council held that a fine of \$1,000.00 for each licence period in which the Licensee failed to complete the required CE and made a false declaration on a licence filing was an appropriate penalty.

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 life and accident and sickness insurance licence that requires her to be supervised by a qualified life and accident and sickness insurance agent until such time as she accumulates an additional 24 months of active licensing.
2. Impose a condition on the Licensee's life and accident and sickness insurance licence that prohibits her from being a supervisor of any licensee or nominee of any agency where any licensee other than the Licensee is employed, until such time as she accumulates an additional five years of active licensing.
3. Impose a condition on the Licensee's life and accident and sickness insurance licence that requires her to commence the Advocis Getting Established course (the "Course") within 90 days of the date of Council's order, and successfully complete the Course within 15 months of the date of Council's order.
4. Impose a condition on the Licensee's life and accident and sickness insurance licence that requires her to complete 30 hours of CE, in addition to her annual CE requirement of 10 credits, by May 31, 2015;
5. Fine the Licensee \$3,000.00.
6. Assess the Licensee Council's investigative costs of \$1,500.00.

The Licensee is advised that should the intended decision become final, the fine and costs will be due and payable within 90 days of the date of the order. In addition, failure to pay the fine and costs 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 and costs are paid in full. Further, failure to commence the Course within 90 days of the date of Council's order, or failure to successfully complete the Course within 15 months of the date of Council's order 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 course completion requirements are up-to-date.

Intended Decision
Pamela Peen Hong Yee
144842-I1482
December 9, 2014
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The intended decision will take effect on **December 30, 2014**, 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 **December 29, 2014**. 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 **December 29, 2014**, the intended decision of Council will take effect.

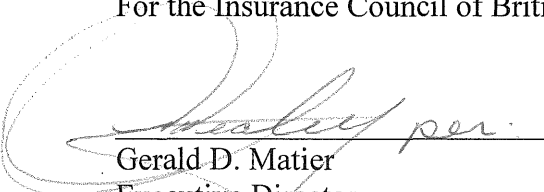
Even if this decision is accepted by the Licensee, pursuant to section 242(3) of the Act, the Financial Institutions Commission still has a right to appeal this decision of Council to the Financial Services Tribunal ("FST"). The Financial Institutions Commission has 30 days to file a Notice of Appeal, 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 **9th day of December, 2014**.

For the Insurance Council of British Columbia


Gerald D. Matier
Executive Director
604-695-2001
gmatier@insurancecouncilofbc.com

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