

In the Matter of

The *FINANCIAL INSTITUTIONS ACT*

(R.S.B.C. 1996, c. 141)
(the “Act”)

And

THE INSURANCE COUNCIL OF BRITISH COLUMBIA

(“Council”)

And

HONG WEI (WINNIE) LIAO

(the “Licensee”)

ORDER

Pursuant to section 237 of the Act, Council convened a hearing at the request of the Licensee to determine if the allegations in the Notice of Hearing, dated March 17, 2023, would be established.

The Hearing Committee heard the matter on November 7-10, 2023 and April 15, 2025. During that initial hearing, the Hearing Committee determined whether Council had established the allegations in the Notice of Hearing.

The Hearing Committee then prepared its Reasons for Decision, dated July 30, 2025.

Council then convened a further hearing to determine the disciplinary measures and costs that would result from the Hearing Committee’s conclusions. By agreement of the parties, this hearing proceeded by way of written submissions.

In accordance with the decision-making powers delegated to the Hearing Committee pursuant to section 223 of the Act, Council makes the following orders:

- a. That the Former Licensee pay a fine of \$6,000, to be paid within 90 days of this order;
- b. That should the Former Licensee be granted a life and accident and sickness insurance licence in the future, following the expiration of the five-year cancellation period ordered by Council on March 4, 2025, that license will be suspended for a one-year period commencing on the date of issuance;
- c. That the Former Licensee will be supervised for a period of two years of active licensing by a qualified life and accident and sickness insurance agent, as approved by Council, should she be granted a licence in the future, which will commence at the expiration of the one-year suspension period;

- d. That the Former Licensee be prohibited from acting as a nominee for any insurance agency for a period of three years upon completion of the suspension noted in subparagraph (b) above;
- e. That the Former Licensee successfully complete the following courses, or equivalent courses as approved by Council, should she be granted a licence, within one year of the date of issuance of any future life and accident and sickness insurance licence as a condition of licensure:
 - a. Advocis Module 911 (Financial Planning Profession & Financial Services Industry Regulation);
 - b. Advocis Module 912 (Financial Analysis);
 - c. Advocis Module 918 (Investments);
 - d. FP Canada's "Introduction to Professional Ethics" (IPE) course;
 - e. The Council Rules Course for Life and/or Accident & Sickness Insurance Agents; and
 - f. An elder planning course, as approved by Council;
- f. That the Former Licensee be assessed Council's hearing costs and disbursements in the amount of \$81,296.26, to be paid within 90 days of this order;
- g. That the Former Licensee be assessed Council's investigative costs in the amount of \$2,593.75, to be paid within 90 days of this order; and
- h. That the Former Licensee must pay in full all costs and fines as a condition of any future licence approval.

This order takes effect on the **29th day of October, 2025.**


Lisa McCabe
Chair of the Hearing Committee

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THE INSURANCE COUNCIL OF BRITISH COLUMBIA
(“Council”)

and

HONG WEI (WINNIE) LIAO
(the “Former Licensee”)

Date: November 7-10, 2023 and April 15, 2025
9:30 a.m.

Before Lisa McCabe, Chair
Deneen Cunningham
Jared Webb

Location: In Person
Insurance Council of British Columbia
1400 – 745 Thurlow Street
Vancouver, BC

Present: Andrew D. Gay, K.C. Counsel for the Council
Oren D. Adamson

No one appearing Former Licensee

David T. Eleff Counsel for the Hearing Committee

REASONS FOR DECISION OF THE HEARING COMMITTEE

BACKGROUND/PROCEDURAL HISTORY AND ISSUES

1. Following a decision made at November 16, 2021 Council meeting, on January 20, 2022, the Council made and provided notice to the Former Licensee of, its intended decision pursuant to ss. 231, 236, and 241.1 of the *Act*, regarding allegations that the Former Licensee failed to comply with the *Act*, the *Financial Products Disclosure Regulation*, BC Reg 573/2004 (the “*Regulation*”), and the Council Rules and Code of Conduct.

2. The Former Licensee provided notice to require a hearing with respect to the intended decision on January 27, 2022.
3. The Council provided a Notice of Hearing to the Former Licensee on March 17, 2023. This Notice of Hearing was amended to reflect a change of venue on September 11, 2023, and again to identify the new hearing dates on April 8, 2025.
4. The Hearing of this matter commenced on November 7, 2023 but did not conclude within the original time allocated (the “November 2023 Hearing”). Legal counsel for both parties agreed that an additional week would be required to complete the Hearing.
5. During the break from the proceedings, the Council conducted a separate investigation into the legitimacy of a document tendered into evidence by the Former Licensee during the November 2023 Hearing.
6. Based on the findings of this investigation, the Council issued an order on May 29, 2024, cancelling the Former Licensee’s Life and Accident and Sickness insurance license for a period of three years.
7. The dates originally set aside to complete the November 2023 Hearing by agreement of the parties were then repurposed to be used for a second hearing to address the allegations stemming from the investigation into the document authenticity.
8. The Hearing Committee responsible for the second hearing found the allegations were proven and issued a penalty order, cancelling the Former Licensee’s Life and Accident and Sickness insurance license for a total period of five years. The Former Licensee also received a fine and an order to pay costs.
9. The continuation of the November 2023 Hearing was set for the week of April 14, 2025.
10. In advance of the continuation of the Hearing, the Former Licensee communicated that she had no intention to participate further in these proceedings. As such, the Council concluded its case on April 15, 2025, tendering additional affidavit evidence and presenting closing submissions.
11. The issues for hearing as set out in the Notice of Hearing center on two complaints relating to the Former Licensee’s sale of life insurance policies, referred to as “20 Pay” policies, to three complainants. The Notice of Hearing raises the issues of whether the Former Licensee failed to act competently, in good faith, in a trustworthy manner, or in accordance with the usual practice of the business of insurance, and in accordance with the Council Rules, Code of Conduct, the *Act* and the *Regulation*, by:
 - (a) failing to perform a competent needs assessment for the clients;
 - (b) recommending and selling life insurance products that were inappropriate given the clients’ stated objectives and circumstances;

- (c) failing to advise the clients of appropriate alternative products that would better serve their needs;
- (d) failing to adequately describe to the clients how the life insurance product she recommended worked and what would happen if they stopped paying premiums;
- (e) failing to maintain proper and adequate records;
- (f) rebating 25% of policy premiums to clients contrary to the *Act and Regulation*; and
- (g) describing her educational credentials in a misleading manner.

EVIDENCE

Witnesses

12. In addition to the affidavits received into evidence, two witnesses were called during the course of the hearing:
 - a. Ms. Hong Wei Liao, the Former Licensee, called by the Council;
 - b. JS, Expert for the Council.

Exhibits

13. There were 18 exhibits entered into evidence during the course of the hearing, as follows:

- Exhibit 1:** Notice of Hearing dated September 11, 2023;
- Exhibit 2:** Joint Document Agreement;
- Exhibit 3:** Report of JS, dated August 11, 2022;
- Exhibit 4:** Report of JS, dated March 23, 2023;
- Exhibit 5:** Report of JS, dated May 30, 2023;
- Exhibit 6:** Email from DE, dated April 4, 2025;
- Exhibit 7:** Email from [REDACTED] in response to Mr. Eleff's email;
- Exhibit 8:** Amended Notice of Hearing;
- Exhibit 9:** Volume 1 of the Book of Documents;
- Exhibit 10:** Transcript of a telephone interview between Hong Wei Liao and Mr. VT;
- Exhibit 11:** Letter from Mr. VT to Hong Wei Liao, dated July 9, 2021;
- Exhibit 12:** Document titled "Benefits of Designated Beneficiary for Non-Registered Funds".
- Exhibit 13:** Transcript of the July 2021 Life Insurance Review Committee Meeting involving Hong Wei Liao;
- Exhibit 14:** Hong Wei Liao's MBA degree certificate from [REDACTED];
- Exhibit 15:** [REDACTED] Transcript for Hong Wei Liao;

- Exhibit 16:** Affidavit of SY;
Exhibit 17: Affidavit of KD;
Exhibit 18: Affidavit of MD, dated April 14, 2025.

Evidence of the Council

JS

14. The Council called JS as an expert witness to testify at the hearing.
15. JS is a senior agent and broker who has worked in the life insurance industry since 1968.
16. JS prepared an initial report as well as two supplemental reports.
17. There was no objection to the admissibility of his reports and very minimal cross examination on the reports' contents. No expert reports or witnesses were called by the Former Licensee, thus his opinion went largely unchallenged.
18. JS opined that the Former Licensee had failed to conduct a proper assessment of the insurance needs of the client cases in question.

The Former Licensee

19. The Council next called the Former Licensee to give evidence as an adverse witness.
20. The Former Licensee maintained that she had conducted a proper assessment of the insurance needs of each of the clients in question.
21. The Former Licensee urged the Hearing Committee that as her clientele had emigrated to Canada from China, the Hearing Committee should consider each case in the context of the "Chinese Canadian Insurance Market". The Former Licensee did not tender any expert witnesses, expert reports or documentation supporting this proposition.
22. The Former Licensee's evidence is further considered in the Hearing Committee's assessment of the allegations made by the Council.

Affidavits of MD and KT

23. The Council tendered affidavits from KT and MD, both employees of [REDACTED] confirming that the Former Licensee had never been enrolled in or attended a Master's Program at [REDACTED]
24. Legal Counsel for the Council informed the Hearing Committee that notice of Council's intention to tender these affidavits had been provided to the Former Licensee through her legal counsel and that the Former Licensee did not object.

SUBMISSIONS OF THE PARTIES

The Former Licensee

25. The Former Licensee did not participate in the Hearing and made no closing submissions.

Council

26. Council asked the Hearing Committee to find the Former Licensee guilty of all but one of the breaches/infractions set out in the Notice of Hearing.
27. Council in its submissions confirmed that it was not pursuing a determination that the Former Licensee failed to adequately describe insurance products. As such, the Hearing Committee finds the conduct alleged at para 1(d) of the Notice of Hearing has not been proven and is dismissed.

Credibility

28. Council in its submissions directs the Hearing Committee to multiple inconsistencies in the evidence of the Former Licensee. Council says that the Former Licensee was an argumentative witness and failed to answer questions in a straightforward manner.
29. Council also asks the Hearing Committee to consider in its credibility assessment the fact that the Former Licensee tendered fraudulent documents in support of her claim that she obtained an MBA from a Canadian university that she did not attend.
30. Council takes the position that the Former Licensee is not credible and that her explanations for what is or is not contained in her files, or for what communications she had with the clients, establish that she should not be believed on any point of controversy throughout the hearing.

THE FORMER LICENSEE FAILED TO CONDUCT A COMPETENT ASSESSMENT OF EACH CLIENT'S NEEDS

31. Council submits that the Former Licensee failed to perform a competent assessment of each of the clients' insurance needs, including incorporation of incorrect figures into the analysis of the clients' lump sum capital needs.
32. Council says that the Former Licensee's assumptions were either incorrect or unreasonable given the information she possessed for the clients in question, which had the effect of improperly inflating the insurance needs of each client.

33. Specifically, Council submitted the following in support of this allegation:

Ms. L and Mr. Z

- a. The Former Licensee inflated the probate and administration fee figures in a circumstance where jointly held assets would pass to the surviving spouse, and thus would not need to be probated at all.
- b. The Former Licensee allocated \$500,000 for debt elimination despite there being no documentation in the client's file notes regarding such a debt.
- c. The Former Licensee indicated there was an insurance need of \$200,000 for tax liabilities (capital gains) but there is no information about the adjusted cost base of the assets subject to the gains.
- d. The client and her husband did not have sufficient income to pay for the insurance premiums.
- e. The Former Licensee noted an arbitrary and inflated annual income need following death. There was nothing noted in the file to suggest an assessment had been done as to whether adult children of the client would have an income need upon the death of their parent.
- f. As per JS report:
 - i. the Former Licensee made no distinction between the client's personal assets and those that she shared with her husband.
 - ii. If reasonable assumptions were made in the needs analysis, there would have been a surplus of required assets at death, not a shortage. It follows that there was technically no need for life insurance for either husband or wife.

Ms. LJ

34. With respect to Ms. LJ, the needs assessment prepared by the Former Licensee assumes probate and administration expenses upon death of \$220,000. Council submits that much like Ms. L and Mr. Z's scenario, there was nothing on the Former Licensee's file to support that there would be a need for the client's property to be probated at all.
35. Similarly, Council points out that there was nothing noted to the Former Licensee's file to support \$90,000 in accounting costs, let alone the need for accountant involvement at all.

36. The Former Licensee recorded to the file debt elimination in the amount of \$200,000 and explained this in her testimony as a mortgage amount. There was no notation in the file of the existence of a mortgage at all, in any amount.
37. Council says that the Former Licensee considered a capital gains tax liability on an amount the client had in cash, despite the fact that there are no capital gains on cash amounts.
38. Council points out that the Former Licensee entered a figure of zero dollars for realizable assets, despite the fact that the client had realizable assets in the form of cash and real property that the Former Licensee was well aware of.
39. JS in his Report comments with respect to Ms. LJ:
 - iii. the Former Licensee overstated the likely probate and administrative expenses by close to ten times.
 - iv. The Former Licensee assumed a tax liability on death of \$100,000 without any justification.
 - v. The Former Licensee treated \$70,000 per year from assumed property growth as income. However, this unrealized growth is not income and the only evidence of actual income shows it to be \$20,000.
 - vi. The Former Licensee failed to account for cash and investments as realizable assets.

THE FORMER LICENSEE MADE INAPPROPRIATE PRODUCT RECOMMENDATIONS

40. Council submits that the Former Licensee sold life insurance products that were inappropriate given the clients' respective stated objectives and circumstances.
41. Council directed the Hearing Committee to the fact that Ms. L and Mr. Z were a married couple in their mid-70s with a retirement fund already in place. The couple had 1 million in cash and 1 million in stocks. The Former Licensee also claimed they had overseas assets, though there is no mention in her file of what those assets were or the value of such assets. No evidence was introduced in that regard.
42. The Former Licensee recommended a policy referred to as "20 Pay" that involves paying premiums over 20 years. For this particular couple, the premiums would have totaled \$2.92 million dollars.
43. Council notes that the Former Licensee's file did not contain any comparisons for any alternative policies, including investing a similar amount into the existing retirement fund, for example.
44. Council submits that the premiums paid in 20 years would exceed the death benefit generated.
45. Council emphasized that a policy over 20 years for a client in their mid-70s should be highly scrutinized and compared carefully to other products given the length of the policy in relation to life expectancy of the client(s).

46. With respect to Ms. LJ, JS testified that that the product recommended could have been appropriate but that the full extent of the circumstances was not known. Council acknowledged that no application was ever submitted on Ms. LJ's behalf.
47. On that basis, Council confirmed it was not asking the Hearing Committee to find the Former Licensee committed a breach of this nature in relation to her dealings with Ms. LJ.

THE FORMER LICENSEE FAILED TO PROVIDE ALTERNATIVE PRODUCT RECOMMENDATIONS THAT WOULD BETTER SERVE THE CLIENTS' INTERESTS

48. Flowing from the previous allegation, Council claims that the Former Licensee breached her duty in failing to recommend insurance products to the clients that would better serve their interests/needs.
49. Council concedes that while the Former Licensee's file notes mention that she talked to the client about universal and term insurance, there is nothing in the file to indicate that a detailed comparison was done. There are no illustrations in the file for comparative purposes.
50. JS on pages 3 and 5 of his report opines that a prudent advisor would compare various products and provide a client with full descriptions and comparisons of the available options.
51. At page 13 of his report, JS expressed that a "Joint Last to Die" Policy ("JLTD") would have been favourable for Ms. L and Mr. Z.
52. Under cross-examination, the Former Licensee claimed she had proposed a JLTD policy initially but later said that such a policy would not have matched the needs of these particular clients.
53. The Former Licensee also claimed in her testimony that she generated comparisons on her computer and provided them to the clients but did not keep copies in the file.
54. Council says that the Former Licensee's evidence that she generated and provided comparisons to the clients should not be believed.

THE FORMER LICENSEE FAILED TO MAINTAIN PROPER AND ADEQUATE RECORDS

55. Council submits that the Former Licensee failed to meet her record keeping obligations.
56. Council in support refers to the Former Licensee's files containing no notes or records of communications to justify the needs assessments for all three clients. There are no written recommendations found in any of the client files.
57. With respect to the "20 Pay" policy, there is nothing in the files to confirm that the Former Licensee provided the clients with a detailed explanation of how this type of policy operates.
58. The files are absent documentation to support that the Former Licensee presented the clients with comparisons or general information about alternative insurance products.

59. The Former Licensee gave evidence about overseas assets of her clients. There is no documentation of the type of assets, value of such assets or how these assets factored into the needs analysis for any of the three clients.

THE FORMER LICENSEE REBATED 25% PREMIUMS

60. The Council alleges that the Former Licensee rebated 25% of policy premiums to clients in violation of s. 79(1) of the *Act* and section 2 of the *Regulation*, mandating that any rebate must be less than 25%.
61. The Former Licensee claimed on cross-examination that she received one dollar back from clients, and hence the rebate given fell just below 25%.
62. Council in closing submissions directed the Hearing Committee to the transcript from the earlier Review Committee meeting where the Former Licensee said she did not collect one dollar from clients in relation to issuing premium rebates. The Former Licensee on cross-examination claimed that the Review Committee transcript was in error.
63. Council submits that the Former Licensee's lack of credibility, the presumed accuracy of the transcript and the lack of any documentation to support any one dollar transactions on the client files confirm the nature of the alleged breach.

THE FORMER LICENSEE DESCRIBED HER CREDENTIALS IN A MISLEADING MANNER

64. Council submits that the Former Licensee described her credentials in a misleading manner by representing that she had a Master's Degree in Business Administration ("MBA") from [REDACTED]
65. The Former Licensee had in the past listed "MBA" on her business card among her credentials.
66. At the Hearing, the Former Licensee tendered documents purporting to be from [REDACTED] including a copy of the MBA certificate itself and a transcript itemizing course names, dates of the courses, the number of students in each course and letter grades for each course.
67. Council tendered affidavits from two employees of [REDACTED] that confirm that the Former Licensee did not attend [REDACTED] or obtain an MBA from the institution.
68. Council submits that as the Former Licensee chose not to participate further in the Hearing, no evidence to support any alternative finding is before the Hearing Committee and the Former Licensee has done nothing to refute this allegation.

DECISION OF THE HEARING COMMITTEE

LEGAL PRINCIPLES

69. In determining whether the allegations set out in the Notice of Hearing are proven, the Hearing Committee must apply a “balance of probabilities” standard. This requires the Hearing Committee to assess whether it is more likely than not that the Former Licensee engaged in the conduct alleged in the Notice of Hearing based on “sufficiently clear, convincing and cogent” evidence (*FH v McDougall*, 2008 SCC 53 at paras. 45-46). The burden is on the Council to prove the allegations in the Notice of Hearing.
70. In determining whether the Council has proven its case, the Hearing Committee must assess the Former Licensee’s credibility and reliability. The BC Supreme Court provided the following guidance on assessing credibility in *Bradshaw v. Stenner*, 2010 BCSC 1398 at paras. 186-187, aff’d 2012 BCCA 296 (citations omitted):

The art of assessment involves examination of various factors such as the ability and opportunity to observe events, the firmness of his memory, the ability to resist the influence of interest to modify his recollection, whether the witness' evidence harmonizes with independent evidence that has been accepted, whether the witness changes his testimony during direct and cross-examination, whether the witness' testimony seems unreasonable, impossible, or unlikely, whether a witness has a motive to lie, and the demeanour of a witness generally ... Ultimately, the validity of the evidence depends on whether the evidence is consistent with the probabilities affecting the case as a whole and shown to be in existence at the time...

It has been suggested that a methodology to adopt is to first consider the testimony of a witness on a ‘standalone’ basis, followed by an analysis of whether the witness’ story is inherently believable. Then, if the witness testimony has survived relatively intact, the testimony should be evaluated based upon the consistency with other witnesses and with documentary evidence. The testimony of non-party, disinterested witnesses may provide a reliable yardstick for comparison. Finally, the Court should determine which version of events is the most consistent with the “preponderance of probabilities which a practical and informed person would readily recognize as reasonable in that place and in those conditions”. ...

71. The Hearing Committee must make an assessment based on probable interpretations of the evidence, which may be informed by common-sense, life experience, and logic (*R. v. Kruk*, 2024 SCC 7 at paras. 71-73, 75). At the same time, the Hearing Committee is mindful of the fact that the Former Licensee speaks English as a second language, provided most of her evidence through an interpreter, and grew up in a different cultural context, and these considerations are relevant to its analysis of the Former Licensee’s evidence (*Broman v Pang*, 2023 BCSC 353 at para. 17; *Fu v. Zhu*, 2018 BCSC 9 at paras. 39-42).

THE FORMER LICENSEE FAILED TO CONDUCT A COMPETENT ASSESSMENT OF EACH CLIENT'S NEEDS

72. The Code requires licensees to conduct insurance activities in a competent manner, including by applying knowledge and skill consistent with the usual practice of the industry in the circumstances (s. 5.2).
73. The standard of conduct is that of a reasonable and prudent licensee in similar circumstances (s. 5.3.1).
74. The Code further requires that a licensee evaluate a client's needs. Failing to fully assess a client's needs and objectives is a form of misconduct (s. 7.2; s. 7.4.1).
75. Failure by a licensee to conduct adequate fact finding and assessment of a client's needs reflects on the competence of the licensee (s. 5.3.2.(d)).
76. The Hearing Committee finds the Former Licensee did not conduct a proper needs analysis for the insurance needs of the clients in question.
77. The Hearing Committee agrees with the Council that the Former Licensee utilized incorrect figures in her needs analysis.
78. The Hearing Committee agrees with JS's opinion and his underlying rationale in determining that the Former Licensee failed to conduct competent assessments of each client's needs.
79. The Hearing Committee finds that the Former Licensee utilized incorrect assumptions regarding probate and administration expenses, tax liability and capital gains for Ms. L and Mr. Z.
80. The Hearing Committee accepts the evidence of JS that had the Former Licensee made reasonable assumptions in her needs analysis for either or both of Ms. L and Mr. Z, there would have been no technical need for life insurance for either client.
81. The Hearing Committee finds that the Former Licensee overstated Ms. LJ's probate and administration expenses and assumed a tax liability on death for Ms. LJ without any proper basis for having done so. Further, the Former Licensee failed to account for Ms. LJ's cash and investments as realizable assets which was necessary to conduct a proper needs analysis.
82. The Hearing Committee finds that the conduct alleged at paragraph 1(a) of the Notice of Hearing is proven on a balance of probabilities in respect of Ms. L, Mr. Z, and Ms. LJ, and that the Former Licensee's actions in this respect breached ss. 5.2 and 7.2 of the Code of Conduct.

THE FORMER LICENSEE MADE INAPPROPRIATE PRODUCT RECOMMENDATIONS

83. Licensees are required to carry on the business of insurance in good faith and act in their clients' best interests (s. 4.2).
84. Taking advantage of a client's inexperience and/or lack of sophisticated understanding of insurance products does not accord with this duty.
85. JS opines on page 15 of his Report:

The needs at death and assets of Ms. L and Mr. Z were recorded in Ms. Liao's analyses and underwriting memos as separate from each other while they appear to be joint assets. If we combine the premiums that would be paid over a 20-year period for both spouses, they would total \$2,920,000. The total cash value, at current dividends, was projected to be \$2,551,147. The total death benefit at year 20 (at ages 93 and 94) was projected to be 2,863,770. Looking at the combined annual income of Ms. L and Mr. Z (\$54,000 annually), and the total assets disclosed on the application memos, it is quite apparent that these policies would be unsustainable. There are total verifiable assets of \$2,500,000 (not counting the primary residence condo) to support \$2,920,000 in premium obligations. The documents suggest their pension and investment income was at a level which would require the use of other investments and assets to support their retirement. In my opinion, a competent and experienced life insurance agent would not have made these recommendations.

86. The Hearing Committee agrees with JS's opinion and Council's submissions that the product recommended and sold to Ms. L and Mr. Z was inappropriate given their age and financial circumstances.
87. The Hearing Committee finds that the conduct alleged at paragraph 1(b) of the Notice of Hearing is proven with respect to Ms. L and Mr. Z, and that the Former Licensee's actions in this respect breached s. 4.2 of the Code of Conduct.

THE FORMER LICENSEE FAILED TO PROVIDE ALTERNATIVE PRODUCT RECOMMENDATIONS THAT WOULD BETTER SERVE THE CLIENTS' INTERESTS

88. A licensee is required to be trustworthy and conduct all business with integrity, reliability and honesty (s. 3.2). A licensee must evaluate the client's needs and disclose all material information (s. 7.2).
89. A licensee must make full and fair disclosure of all material facts to all clients to enable them to make informed decisions about what, if any, insurance products to purchase (s. 7.3.6).
90. The Hearing Committee accepts JS's evidence that a JLTD policy would have been the most logical option for Ms. L and Mr. Z, as it had tax advantages, significantly lower premiums and would still accumulate cash value that could be accessed similarly to that of any single life type policy. Further,

the Hearing Committee accepts JS's point that a JLTD policy would be favorable as it would serve to insure two lives but the death benefit would only be paid on the second death, with the cost of the policy amortizing over the two lifespans.

91. The Former Licensee was unable to produce any documentation to corroborate that she had presented the clients with comparisons on alternative insurance product options. The Hearing Committee rejects the Former Licensee's claim that she would have presented these documents to her clients without having kept copies of the documents in her file or made note of having done so.
92. The Hearing Committee finds that the Former Licensee failed to provide adequate information about alternative insurance products, including a JLTD policy, to her clients.
93. The Hearing Committee finds that the conduct alleged at paragraph 1(c) of the Notice of Hearing is proven with respect to Ms. L, Mr. Z, and Ms. LJ, and that the Former Licensee's actions in this respect breached s. 3.2 and 7.2 of the Code of Conduct.

THE FORMER LICENSEE FAILED TO MAINTAIN PROPER AND ADEQUATE RECORDS

94. Former Licensees are required to "keep books, records and other documents necessary for the proper recording of insurance transactions and related financial affairs" (Rule 7(9)).
95. Record keeping is necessary to demonstrate professional competence. This duty includes properly documenting communications and instructions from clients (s. 5.3.2(f), s. 5.3.2(i)).
96. The Hearing Committee finds that Council has proven this allegation.
97. The records contained for each of the three clients were wholly inadequate and do not properly document the communications between the Former Licensee and her clients. The records are inadequate in documenting important details to the needs analysis for each client. Similarly, the records fail to establish that the Former Licensee adequately explained the insurance products sold, or provided adequate, or any, explanation regarding alternative insurance products the clients may have wished to consider.
98. The Hearing Committee finds that the conduct alleged at paragraph 1(e) of the Notice of Hearing is proven with respect to all three clients, and that the Former Licensee's actions in this respect breached s. 7(9) of the Council Rules and s. 5.3.2 of the Code of Conduct.

THE FORMER LICENSEE REBATED 25% PREMIUMS

99. The Hearing Committee places weight on the fact that no documentary evidence was presented at the Hearing of any transaction where the Former Licensee charged clients one dollar to satisfy the "less than 25%" requirement for premium rebates.
100. Any such transactions need to be properly documented. Any charge to the client requires taxes to be applied, which again requires the transaction to be properly documented.

101. The Former Licensee wrote a letter to the investigator for the Council on July 9, 2021, in which she appears to acknowledge having made a mistake which she labels as careless in giving 25% rebates, apologizes and says she will “correct from today to pay a rebate of [up to] 24% of the premium”.
102. Given the Former Licensee’s inconsistencies and the lack of any documentary evidence to corroborate her claims for each of the three clients, the Hearing Committee finds that the conduct alleged at paragraph 1(f) of the Notice of Hearing is proven and the Former Licensee breached s. 79 of the *Act*.

THE FORMER LICENSEE DESCRIBED HER CREDENTIALS IN A MISLEADING MANNER

103. The Hearing Committee agrees with the Council’s submission and finds that the Former Licensee described her credentials in a misleading manner as alleged in paragraph 1(g) of the Notice of Hearing. Uncontradicted evidence presented at the Hearing clearly supports the Former Licensee’s claim with respect to her MBA to be untrue.
104. The Hearing Committee finds that in doing so, the Former Licensee violated her professional obligation to represent herself honestly so as not to mislead the public and specifically violated the prohibition against using designations for which she is not qualified (s. 10.2; s. 10.3.4).
105. Further, the Hearing Committee finds that in misrepresenting her credentials, the Former Licensee violated her obligations to be trustworthy and conduct all business with integrity, reliability and honesty (s. 3.2).
106. The Hearing Committee also finds that the Former Licensee violated her obligation to not mislead clients or the Council by providing false information (s. 3.3.1(c), s. 7.2, s. 12).

ORDERS OF THE HEARING COMMITTEE

107. In summary, the Hearing Committee makes the following findings in relation to the Former Licensee:
 - a. In respect of Ms. L, Mr. Z, and Ms. LJ, the Former Licensee failed to perform a competent assessment of each of the clients’ insurance needs, including by adopting arbitrary or incorrect figures in the analyses of the clients’ lump sum capital needs at death and realizable assets, and in so doing breached sections 5.2 and 7.2 of the Code of Conduct;
 - b. In respect of Ms. L and Mr. Z, the Former Licensee recommended and sold life insurance products that were inappropriate given the clients’ respective stated objectives and circumstances, and in so doing breached section 4.2 of the Code of Conduct;

- c. In respect of Ms. L, Mr. Z, and Ms. LJ, the Former Licensee failed to advise each of the clients of alternative life insurance products that would better serve the clients' best interests, and in doing so breached sections 3.2 and 7.2 of the Code of Conduct;
 - d. In respect of Ms. L, Mr. Z, and Ms. LJ, the Former Licensee failed to maintain proper and adequate records, including records which would support the needs analyses performed by the Former Licensee and records which appropriately document communications and instructions from the clients, and in so doing breached s. 7(9) of the Council Rules and s. 5.3.1 of the Code of Conduct;
 - e. In respect of Ms. L, Mr. Z, and Ms. LJ, the Former Licensee issued rebates below 25% contrary to s. 79(1) of the *Act* and section 2 of the *Regulation*; and
 - f. The Former Licensee described her educational credentials in a misleading manner, and in particular by falsely representing that she had a Master's Degree in Business Administration (MBA), and in doing so breached sections 10.2, 10.3.4, 7.2, 3.2, 3.3.1(c), and 12 of the Code of Conduct.
108. Under Rule 7(8) of the Council Rules, the Former Licensee's failure to comply with the Code of Conduct means she has breached a condition of her license.
109. The Hearing Committee invites submissions from the parties on whether an order under section 2 of the Notice of Hearing ought to be made as a result of the above findings and requests that a proposed schedule for submissions be provided by counsel within one week of the date of this decision.

Dated in Vancouver, British Columbia, on the **30th day of July, 2025.**


Lisa McCabe
Chair of the Hearing Committee

In the Matter of
The *FINANCIAL INSTITUTIONS ACT*
(R.S.B.C. 1996, c. 141)
(the “Act”)

and

THE INSURANCE COUNCIL OF BRITISH COLUMBIA
(“Council”)

and

HONG WEI (WINNIE) LIAO
(the “Former Licensee”)

Before	Lisa McCabe	Chair
	Deneen Cunningham	Member
	Jared Webb	Member
Location:	In Person	
	Insurance Council of British Columbia	
	1400-745 Thurlow Street	
	Vancouver, BC	
Present:	Andrew D. Gay, K.C.	Counsel for Council
	Oren D. Adamson	
	William B. Smart, K.C.	Counsel for the Former Licensee
	Nicole C. Gilewicz	
	David T. Eleff	Counsel for the Hearing Committee

REASONS FOR DECISION OF THE HEARING COMMITTEE RE PENALTY AND COSTS

INTRODUCTION

1. On July 30, 2025, this Hearing Committee gave its reasons for finding that the majority of the allegations set out against the Former Licensee in s.1(a) of the Notice of Hearing were proven on a balance of probabilities. As set out in the July 2025 reasons, this Committee found that the Former Licensee committed the following breaches:

- a. In respect of Ms. L, Mr. Z and Ms. LJ (collectively, the “Complainants”), the Former Licensee failed to perform competent assessments of each of the clients’ insurance needs, contrary to sections 5.2 and 7.2 of the Code of Conduct;
 - b. In respect of Ms. L and Mr. Z, the Former Licensee recommended and sold life insurance products that were inappropriate given the clients’ respective stated objectives and circumstances, contrary to section 4.2 of the Code of Conduct;
 - c. In respect of the Complainants, the Former Licensee failed to advise each of alternative life insurance products that would better serve the best interests of each client, contrary to sections 3.2 and 7.2 of the Code of Conduct;
 - d. In respect of the Complainants, the Former Licensee failed to maintain proper and adequate records, including records which would support the needs analyses as well as the communications and instructions received from each client, contrary to section 7(9) of the Council Rules and section 5.3.1 of the Code of Conduct;
 - e. In respect of the Complainants, the Former Licensee issued rebates that were not below 25%, contrary to s. 79(1) of the Act and section 2 of the *Financial Products Disclosure Regulation*, BC Reg 573/2004 (the “*Regulation*”);
 - f. The Former Licensee described her educational credentials in a misleading manner, in particular by falsely representing that she had a Masters Degree in Business Administration (“MBA”), contrary to sections 10.2, 10.3.4, 7.2, 3.2, 3.3.1(c) and 12 of the Code of Conduct.
2. The Former Licensee was sanctioned following a subsequent disciplinary proceeding stemming from her testimony regarding her academic credentials and the tendering of false documents in support of her claim that she possessed a valid MBA. A separate Hearing Committee found the Former Licensee guilty of this misconduct and ordered a 5 year cancellation of her licence as well as a fine and costs (“Hearing #2”).
 3. By agreement of the parties, the hearing on penalty and costs proceeded by way of written submissions.
 4. In fulfilling its mandate, the Hearing Committee must consider the overarching purpose of the Act: the protection of the public. Council is responsible for protecting the public and ensuring that licensees are competent and carry on the business of insurance in accordance with their ethical obligations. It is through this lens that the Hearing Committee has considered the positions of the parties as to the appropriate disciplinary order.

LEGAL PRINCIPLES: DISCIPLINARY ACTION

5. There are many summaries of the legal principles that apply when crafting an appropriate sanction in a professional disciplinary matter. Hearing Committees have often referred to the following guidance set out by James T. Casey in his textbook, *Regulation of Professions in Canada*:

A number of factors are taken into account in determining how the public might best be protected, including specific deterrence of the member from engaging in further misconduct, general deterrence of other members of the profession, rehabilitation of the offender, punishment of the offender, isolation of the

offender, denunciation by society of the conduct, the need to maintain the public's confidence in the integrity of the profession's ability to properly supervise the conduct of its members, and ensuring that the penalty imposed is not disparate with penalties imposed in other cases.

6. These factors are oft cited with approval in regulatory decisions of Council and other professional regulatory bodies in Canada. In addition, the Sanctions Principles Guidelines in the Council's Guide to the Disciplinary Process sets out a list of possible aggravating and mitigating factors, which the Committee has considered.
7. Similar principles are applied by other professional regulators when considering how to determine a fair and appropriate penalty for professional misconduct. One of the leading decisions of the British Columbia Law Society is *Law Society of BC v. Ogilvie*, [1999] LSBC 17 (para 10), where the hearing panel provided a lengthy list of factors that might be considered, including:
- a. The nature and gravity of the conduct proven;
 - b. The age and experience of the respondent;
 - c. The previous character of the respondent, including details of prior discipline;
 - d. The impact upon the victim;
 - e. The advantage gained, or to be gained, by the respondent;
 - f. The number of times the offending conduct occurred;
 - g. Whether the respondent has acknowledged the misconduct and taken steps to disclose and redress the wrong and the presence or absence of other mitigating circumstances;
 - h. The possibility of remediating or rehabilitating the respondent;
 - i. The impact upon the respondent of criminal or other sanctions or penalties;

- j. The impact of the proposed penalty on the respondent;
 - k. The need for specific and general deterrence;
 - l. The need to ensure the public's confidence in the integrity of the profession; and
 - m. The range of penalties imposed in similar cases.
8. It is through these principles that the Hearing Committee has analyzed the misconduct proven by Council in this matter and reached its conclusion about the appropriate penalty order to make given the particular facts and circumstances of this case.

POSITIONS OF THE PARTIES

Council

9. Council submits that all licensees must see that conduct which wrongly inflates the client's insurance needs and involves inappropriate product recommendations will be met with a serious penalty.
10. Further, Council submits that the Former Licensee's dishonest misconduct triggers both specific and general deterrence.
11. Council seeks by way of penalty a fine in the maximum amount of \$10,000, as well as a one year suspension of her license, should she apply for and be granted a licence at the conclusion of the cancellation order stemming from Hearing #2. Council submits that the suspension should commence on the date of issuance of the license, if granted.
12. Council additionally seeks an order that if the Former Licensee is granted a licence, once eligible, that she should be prohibited from acting as a nominee for any insurance agency for three years and supervised for a period of two years by an active agent approved by Council. Council submits these terms should take effect upon the expiry of the one year suspension.
13. Council seeks an additional term of order that the Former Licensee be required to complete several remedial courses as a condition of future licence approval, or alternatively, within a defined period of time after being relicensed. Specifically, Council seeks an order that the Former Licensee complete of the following courses:
 - i. Advocis Module 911 (Financial Planning Profession & Financial Services Industry Regulation);
 - ii. Advocis Module 912 (Financial Analysis);
 - iii. Advocis Module 918 (Investments);
 - iv. FP Canada's "Introduction to Professional Ethics" (IPE) course;
 - v. The Council Rules Course for Life and/or Accident & Sickness Insurance Agents; and
 - vi. An elder planning course, as approved by Council.

14. Council seeks \$2,593.75 in investigative costs as well as \$81,296.26 in Hearing Costs under the Costs Assessment Schedule "A" and pursuant to s. 241.1 of the Act.
15. Additionally, Council seeks \$55,812.48 in actual costs – comprised of the legal fees incurred by Council in relation to this matter. Council says that the actual amount incurred in legal fees exceeds \$300,000, but that the amount sought represents recovery of the costs incurred from the point in time in the hearing forward, where Council says the Former Licensee triggered a consideration of exceptional circumstances under Council Policy J.21.
16. Specifically, Council takes the position that exceptional circumstances did not exist in the hearing up until the Former Licensee lied under oath and tendered fraudulent documents relating to her academic credentials.
17. Council also seeks a term that any fine and/or costs ordered be paid within 90 days of Council's order and that if any amount remains unpaid, that payment of the balance be a condition of future licence approval.
18. Council submits that to date, the Former Licensee has shown no remorse for any of the breaches this Hearing Committee determined she committed in the July 2025 decision.

Former Licensee

19. The Former Licensee submits that no suspension is warranted. The Former Licensee points to the fact that Council has cancelled her licence until May of 2029 at which point she becomes eligible to reapply. She contends that Council will have to decide at that time whether or not she is fit to be licensed again.
20. The Former Licensee submits that no additional fine should be imposed given that she was subject to a fine and costs in relation to Hearing #2.
21. The Former Licensee says that no exceptional circumstances exist to trigger an award of actual costs.
22. Further, the Former Licensee argues that as she elected to withdraw from the proceeding beyond the adjournment at the conclusion of the first week of hearing, that there was no need for the hearing to continue in person, or at all.
23. The Former Licensee takes the position that the penalty and costs assessed in relation to Hearing #2 have already achieved specific deterrence and served to sufficiently protect the public as well as maintain public confidence.
24. The Former Licensee takes the position that her denial of a breach, misconduct or any involvement in the breach cannot be interpreted in law as an aggravating factor.
25. The Former Licensee submits that her withdrawal from the proceedings does not equate to a lack of remorse and that the law does not support that a lack of remorse can be used as the basis to impose

or increase a penalty. The Former Licensee submits that punishing her for failing to express remorse falls “perilously close” to punishing her for exercising her right to make full answer and defence¹.

Council Reply

26. Council in reply concedes that when the hearing resumed post adjournment, absent the participation of the Former Licensee, it could have been conducted virtually, and as such amended its claim for costs to abandon the costs incurred in association with the final day of the hearing proceeding live.
27. Council rejects the assertion of the Former Licensee that her election not to participate should or could have resulted in a cancellation of the proceedings. Council says that once a hearing has been triggered, it must be held within a reasonable time after delivery of notice pursuant to section 237 of the Act.

ANALYSIS

28. In the following section of the decision, the Hearing Committee considers the relevant factors in relation to this matter, with a view to addressing whether the penalty terms being sought by Council are just and appropriate in the circumstances of this case.

Deterrence and public confidence

29. The Hearing Committee is of the view that the penalty must adequately reflect the seriousness and nature of the offences in order to send a strong message to other licensees and the public. Trustworthiness, good faith and honesty in all dealings with the Council are core professional elements required by all licensees. There is a need on the part of Council to ensure that the disciplinary action in this proceeding adequately promotes and preserves the public confidence in the regulation of the profession.

Range of penalties in prior decisions

30. The Hearing Committee considered the range of sentences imposed in similar cases to be relevant to ensuring that the penalty in the current proceeding is not inconsistent with prior disciplinary outcomes
31. Council referred the Hearing Committee to the following cases:
 - i. *Andreas Lauri Hinkkala* (August 30, 2019);
 - ii. *Eunice Chew Hoon Gan* (January 21, 2021);

¹ R. v Valentini, 1999 CanLII 1885 (ONCA) at para 83.

- iii. *Adam Sidney Heinrich* (December 31, 2016);
 - iv. *Grant Sheldon Persall* (May 21, 2014).
32. The Hearing Committee will not address all of the decisions advanced by the parties but has reviewed them in the course of reaching this decision.
33. In addition to the cases provided, the Hearing Committee considered the following cases in determining the appropriateness of a fine and the corresponding amount:
- a. *Liza Tanigue Gatasi* (July 11, 2024): A former life agent licensee who was alleged to have procured life insurance for clients without confirming that key details of the policy were understood and that she had subsequently facilitated the cancellation of an existing life insurance policy, contrary to the best interests of the clients. Council found that the former licensee's fact-finding and evaluation of the complainants' needs were insufficient. Additionally, Council found that the former licensee failed to ensure the complainants understood the insurance products they were purchasing and that the former licensee did not take sufficient action to confirm whether the complainants could afford the products sold to them. As a result of the complainants' complaint, the former licensee was fined \$1,000 by her agency and also contributed just over \$2,000 in reimbursement to the complainants. Given the financial penalties already incurred, Council found that the appropriate disciplinary outcome was for the former licensee to complete courses and be required to be supervised should the former licensee re-enter the industry. Council ordered that the former licensee complete various courses, be required to be supervised for two years should she re-enter the industry and be assessed Council's investigation costs.
 - b. *Martin Hroch* (February 24, 2020): A former Level 1 Salesperson who submitted at least 76 fraudulent insurance claims through his agency's employee health and wellness program. The amount claimed in each instance ranged from \$25 to \$75, leading to a total of \$3,045 received fraudulently. Council ordered that no application for a licence would be considered by the former licensee for five years, fined him \$5,000 and assessed investigation costs.
34. While no two cases contain the identical facts and circumstances, the Hearing Committee finds that the range of disciplinary action in situations bearing some similarities to the Former Licensee's case, that the penalty terms being sought are well warranted given the nature of the breaches and misconduct.

Aggravating and Mitigating Factors

35. The Hearing Committee in considering the appropriateness of the penalty sought has considered Council's Sanctions Principles Guidelines.

36. The Hearing Committee finds that the following factors are aggravating in the circumstances:
- a. Of the three Complainants in this case, two were a married couple, the other was unrelated. It follows that the misconduct relating to the Former Licensee's improper needs analysis and related breaches therefore do not qualify as an isolated incident;
 - b. Further, the Former Licensee's use of "MBA" on insurance documents generated and her business cards, support a determination that her referencing of false credentials extended well beyond the scope of an isolated incident;
 - c. The Former Licensee was senior and very experienced;
 - d. With Respect to the breaches pertaining to the Complainants, the Former Licensee did not formally acknowledge the misconduct or show remorse in relation to each or any one Complainant.
 - e. No evidence was tendered in support of the Former Licensee making effort to remedy the breaches stemming from her business dealings with the Complainants.
37. No mitigating factors were identified by the Hearing Committee.

DECISION OF THE HEARING COMMITTEE

38. The Hearing Committee finds that the misconduct proven by Council falls at the serious end of the spectrum, even in the absence of the Former Licensee's misrepresentation of her academic credentials and tendering of false documents.
39. Clients or prospective clients must be able to trust that a licensee is conducting a proper analysis of their insurance needs and recommending suitable products that best suit those needs. The reputation of the industry hinges on licensees being honest and forthright in assessing, recommending and selling insurance products.
40. The Former Licensee was an experienced broker with years of experience who sold products to the Complainants that were inappropriate given each client's actual insurance needs. Her needs analysis was inadequate and had it been done properly, it would have shown that none of the Complainants had a technical need for insurance, let alone the policies the Former Licensee sold to each.
41. When considering its findings in the July 2025 Decision, the applicable aggravating factors and absence of mitigating factors, the submissions of both parties and previous cases, the Hearing Committee determines that in the circumstances the Former Licensee will receive a fine in the amount of \$6,000 and a suspension of her licence for a one year period, should she apply and be granted a licence once eligible to do so.

42. The Hearing Committee grants a term of order barring the Former Licensee from being a nominee for any insurance agency for a 3 year period from the date of issuance of her licence assuming she is granted a licence by Council in the future.
43. The Hearing Committee finds that the Former Licensee must complete the remedial courses sought by Council, or equivalents thereof, as approved by Council within one year of the date of issuance of her Licence, should she apply and be granted a licence once eligible to do so.

Costs

44. The Hearing Committee must consider the reasonableness of the costs sought by Council. The Act provides for the assessment of costs in section 241.1. As set out in the Act, costs can be ordered in relation to both the investigation and the hearing.
45. In total, Council asked for an order that it be reimbursed its costs in the amount of \$81,296.26, to be paid by the Licensee within 90 days and in any event, before the Licensee can apply for licensure, once she regains eligibility to do so.
46. The Hearing Committee has reviewed the costs claimed by Council as against the provisions and tariff set out in Policy J.21 – Assessing Investigation Costs and Hearing Costs Policy. The Hearing Committee is satisfied that the investigative costs and the hearing costs and disbursements sought by Council are just and appropriate in accordance with Schedule A.
47. The Hearing Committee does not find that exceptional circumstances exist to warrant an award for actual costs as claimed. The Former Licensee’s testimony and tendering of fraudulent documents triggered a subsequent investigation and disciplinary proceeding. The actual costs incurred by Council in this proceeding from the point in time where the Former Licensee tendered the fraudulent documents and testified regarding the same, would have been virtually the same regardless. Following the adjournment, despite a week being reserved to complete the hearing, the matter concluded just inside of one day.
48. The Hearing Committee, therefore, orders costs as follows:
 - a. \$81,296.26 in Hearing Costs and Disbursements;
 - b. \$2,593.75 in investigative costs.

ORDERS OF THE HEARING COMMITTEE

49. For the reasons set out above, the Hearing Committee orders as follows:
 - a. That the Former Licensee be fined \$6,000, to be paid within 90 days of Council’s order;
 - b. That should the Former Licensee be granted a life and accident and sickness insurance licence in the future, following the expiration of the five-year cancellation period ordered

by Council on March 4, 2025, that license will be suspended for a one-year period commencing on the date of issuance.

- c. That the Former Licensee will be supervised for a period of two years of active licensing by a qualified life and accident and sickness insurance agent, as approved by Council, should she be granted a licence at the expiration of the one-year suspension period;
- d. That the Former Licensee be prohibited from acting as a nominee for any insurance agency for a period of three years upon completion of the suspension noted in subparagraph (b) above;
- e. That the Former Licensee successfully complete the following courses, or equivalent courses as approved by Council, should she be granted a licence, within one year of the date of issuance of any future life and accident and sickness insurance licence as a condition of licensure:
 - i. Advocis Module 911 (Financial Planning Profession & Financial Services Industry Regulation);
 - ii. Advocis Module 912 (Financial Analysis);
 - iii. Advocis Module 918 (Investments);
 - iv. FP Canada's "Introduction to Professional Ethics" (IPE) course;
 - v. The Council Rules Course for Life and/or Accident & Sickness Insurance Agents; and
 - vi. An elder planning course, as approved by Council;
- f. That the Former Licensee be assessed Council's hearing costs and disbursements in the amount of \$81,296.26, to be paid within 90 days of Council's order;
- g. That the Former Licensee be assessed Council's investigative costs in the amount of \$2,593.75, to be paid within 90 days of Council's order; and
- h. That the Former Licensee must pay in full all costs and fines as a condition of any future licence approval.

Dated in Vancouver, British Columbia, on the **29th day of October, 2025.**



Lisa McCabe
Chair of the Hearing Committee