

**In the Matter of**

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

**and**

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

**and**

**HELEN QIAN HUANG**  
**(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 10, 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. The Licensee is reprimanded.
2. 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 30, 2016**. If the Licensee does not successfully complete the Council Rules Course on or before **November 30, 2016**, the Licensee's life and accident and sickness insurance licence is suspended as of **December 1, 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.

This order takes effect on the **30<sup>th</sup> day of August, 2016**.

  
\_\_\_\_\_  
Dr. Eric Yung  
Chairperson, Insurance Council of British Columbia

## **INTENDED DECISION**

of the

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

respecting

**HELEN QIAN HUANG**  
(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 since August 1995. Since July 1999, the Licensee has been the nominee of, and sole licensee authorized to represent, Nanshan Financial Corporation (the “Agency”).

On October 28, 2014, Council learned that the Licensee's, and the Agency's, errors and omissions ("E&O") insurance policy had expired on October 1, 2014. The Licensee had a personal E&O policy, which extended to the Agency through vicarious liability coverage. The Licensee explained that she had failed to inform her E&O provider of a change of address, and, consequently, did not receive a renewal notification. The Licensee stated that, as soon as she realized her E&O insurance had expired she immediately took steps to have it reinstated.

In January 2016, the Licensee had her continuing education ("CE") audited for the licence periods ending May 31, 2014 and May 31, 2015. Based on the records initially provided in response to the CE audit, the Licensee was unable to demonstrate that she had met the minimum CE requirements for the 2014 licence period, as required by Council Rule 7(5).

The Licensee subsequently provided additional evidence of CE credits completed during the 2014 licence year indicating that she was in compliance with Council Rule 7(5).

#### **ANALYSIS**

Council determined that the Licensee breached Council Rule 7(11) by failing to notify Council within five business days of ceasing to have E&O insurance and by failing to cease all insurance activities. Council noted, however, that as soon as the Licensee realized she was not in compliance with Council Rule 7(11), she immediately obtained E&O insurance.

Council found the Licensee's failure to notify her insurer of her change of address resulted in the lapse of E&O insurance and concluded that it was not the Licensee's intention to breach Council Rule 7(11).

With regard to the Licensee's CE requirements, Council concluded, based on the additional information provided, that the Licensee had not breached Council Rule 7(5).

Council concluded that the breach of Council Rule 7(11) was inadvertent and warranted only a reprimand. Council also determined that the Licensee would also benefit from completing the Council Rules Course.

## **INTENDED DECISION**

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

1. Reprimand the Licensee.
2. 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, available through the Insurance Brokers Association of British Columbia, within 90 days of the date of Council's order.

The Licensee is advised that should the intended decision become final, the Licensee will be required to successfully complete the Council Rules Course within 90 days of the date of the order. Failure 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 Council Rules Course is successfully completed.

The intended decision will take effect on **August 30, 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 29, 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 29, 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:

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Financial Services Tribunal  
PO Box 9425 StnProvGovt  
Victoria, British Columbia  
V8W 9V1

Reception: 250-387-3464  
Fax: 250-356-9923  
Email: [FinancialServicesTribunal@gov.bc.ca](mailto:FinancialServicesTribunal@gov.bc.ca)

Dated in Vancouver, British Columbia, on the **10<sup>th</sup> day of August, 2016.**

For the Insurance Council of British Columbia



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Gerald Matier  
Executive Director  
604-695-2001  
[gmatier@insurancecouncilofbc.com](mailto:gmatier@insurancecouncilofbc.com)

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