

In the Matter of

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

and

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

and

**ALEX LOB YEE LAM
(the “Licensee”)**

ORDER

As Council made an intended decision on December 13, 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 January 23, 2017; 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. The Licensee is fined \$1,000.00.
3. A condition is imposed on the Licensee’s general insurance licence that requires the Licensee to be actively supervised by a Level 3 general insurance agent until such time as the Licensee accumulates an additional six months of active licensing.
4. A condition is imposed on the Licensee’s general insurance licence that requires the Licensee to successfully complete the Council Rules Course on or before **May 14, 2017**. If the Licensee does not successfully complete the Council Rules Course by this date, the Licensee’s general insurance licence is suspended as of **May 15, 2017**, without further action from Council, and the Licensee will not be permitted to complete any subsequent annual filings until such time as the Council Rules Course is successfully completed.

5. A condition is imposed on the Licensee's general insurance licence that requires the Licensee to pay the above-ordered fine no later than **May 14, 2017**. If the Licensee does not pay the ordered fine in full by this date, the Licensee's general insurance licence is suspended as of **May 15, 2017**, without further action from Council, and the Licensee will not be permitted to complete any subsequent annual filings until such time as the ordered fine is paid in full.

This order takes effect on the **14th day of February, 2017**.



Dr. Eric Yung
Chairperson, Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA ("Council")

respecting

ALEX LOB YEE LAM (the "Licensee")

Pursuant to section 232 of the *Financial Institutions Act* (the "Act"), Council conducted an investigation into an allegation the Licensee signed an insurance policy cancellation document on behalf of a client (the "Complainant") without the Complainant's consent.

As part of Council's investigation, on November 14, 2016, a Review Committee (the "Committee") considered the evidence relating to the allegation. The Committee was comprised of one voting member and three non-voting members of Council. After considering the evidence, the Committee prepared a report for Council.

The Committee's report was reviewed by Council at its December 13, 2016 meeting, where it was determined that 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 first obtained a general insurance licence in December 2013, and has been a Level 2 general insurance agent since November 2015.

The Licensee stated that the Complainant requested the cancellation of a vehicle replacement policy (the "Policy") that had been purchased 46 days earlier. A full refund was payable if the Policy was cancelled within 30 days but, as more than 30 days had passed, the Complainant was only entitled to a partial refund. The Licensee stated that the Complainant was not pleased to learn that a full refund would not be received, and demanded the Policy be cancelled as soon as possible.

The Licensee submitted the Complainant's cancellation request to the agency the Licensee represented. The Licensee stated that when the documents were ready, he attempted to contact the Complainant to arrange to have him sign the cancellation forms, but was unable to reach him. Knowing the Complainant was upset and wanted the Policy cancelled as soon as possible, the Licensee signed the cancellation documents on behalf of the Complainant, and submitted them to the insurer. The Licensee did not attempt to reach the Complainant afterwards, nor did he disclose to his agency or the insurer that he had signed the Policy cancellation forms on behalf of the Complainant.

The Licensee explained that his rationale for signing and submitting the documents without proper authority was that the Complainant wanted this done quickly. The Licensee acknowledges that he should not have signed on the Complainant's behalf.

The Complainant acknowledged that he had requested the Policy be cancelled, but stated that he had not given, nor had the Licensee requested, permission to sign the Policy cancellation document on his behalf.

ANALYSIS

Council found the Licensee acted inappropriately when he signed an insurance document on behalf of a client, without the client's knowledge or consent. The Licensee knew, or ought to have known, that he did not have the authority to sign an insurance document on behalf of a client. While the Licensee did not do so for financial benefit, Council concluded the Licensee signed the client's signature rather than have to deal with the Complainant again.

While it is inappropriate to sign any insurance document on behalf of a client without proper authority, Council found the fact that the document related to a policy cancellation made the Licensee's actions more egregious. Council noted that the Licensee was forthright, and accepted his responsibility in acting improperly.

Council found the Licensee's actions brought into question his competence and trustworthiness. In determining penalty Council took into consideration that he was forthright with Council about his actions, and concluded that the Licensee should be reprimanded, placed under supervision, and be required to successfully complete 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. Fine the Licensee \$1,000.00.
3. Impose a condition on the Licensee's general insurance licence that requires the Licensee to be actively supervised by a Level 3 general insurance agent until such time as he accumulates an additional six months of active licensing.
4. Impose a condition on the Licensee's general insurance licence that requires the Licensee to successfully complete the Council Rules Course within 90 days of the date of Council's order.

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 within the 90 days, or failure to successfully complete the Council Rules Course within 90 days of the date of Council's order, will result in the automatic suspension of the Licensee's general 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 is successfully completed.

The intended decision will take effect on **February 14, 2017**, 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 **February 13, 2017**. 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 **February 13, 2017**, the intended decision of Council will take effect.

Intended Decision
Alex Lob Yee Lam
LIC-194056C140874R1
January 23, 2017
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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 **23rd day of January, 2017.**

For the Insurance Council of British Columbia



Gerald Matier
Executive Director
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gmatier@insurancecouncilofbc.com

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