

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

and

The INSURANCE COUNCIL OF BRITISH COLUMBIA
(“Council”)

and

ANNIE CHU
(the “Licensee”)

ORDER

As Council made an intended decision on February 13, 2018, 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 April 12, 2018; 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 fined \$2,000.00 for failing to meet the CE requirements for her general insurance licence.
2. The Licensee is fined \$1,000.00 for failing to meet the CE requirements for her life and accident and sickness insurance agent licence.
3. A condition is imposed on the Licensee’s life and accident and sickness insurance agent licence that requires the Licensee to successfully complete the Council Rules Course, available through Advocis, no later than **August 2, 2018**, or the Licensee’s life and accident and sickness insurance agent licence is suspended as of **August 3, 2018**, 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.

4. A condition is imposed on the Licensee's general insurance licence that requires the Licensee to make up the missing 5.5 continuing education credits for her general insurance licence no later than **August 2, 2018**, or the Licensee's general insurance licence is suspended as of **August 3, 2018**, without further action from Council and the Licensee will not be permitted to complete any subsequent annual filings until such time as the missing continuing education credits are successfully completed.
5. A condition is imposed on the Licensee's life and accident and sickness insurance agent licence that requires the Licensee to pay the above-ordered fine no later than **August 2, 2018**. If the Licensee does not pay the ordered fine in full by this date, the Licensee's life and accident and sickness insurance agent licence is suspended as of **August 3, 2018**, 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.
6. A condition is imposed on the Licensee's general insurance licence that requires the Licensee to pay the above-ordered fine no later than **August 2, 2018**. If the Licensee does not pay the ordered fine in full by this date, the Licensee's general insurance licence is suspended as of **August 3, 2018**, 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 **2nd day of May, 2018**.



Michael Connors, CIP, CRM
Chairperson, Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA
(“Council”)

respecting

ANNIE CHU
(the “Licensee”)

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 December 14, 2017, a Review Committee (the “Committee”) met with the Licensee to discuss the allegations that the Licensee had not completed the required amount of continuing education (“CE”) credits for prior licence years.

The Committee was comprised of two voting members and four 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 for Council.

The Committee’s report, along with the aforementioned investigation report, were reviewed by Council at its February 13, 2018 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 with Council since 2012 and a Level 1 general insurance salesperson (“Salesperson”) licence with Council since 2006. In October 2015, the Licensee was the subject of a CE audit which found the Licensee had failed to meet the CE requirements, as set out in Council Rule 7(5) for the 2014 licence periods for both her life agent and Salesperson licences. The Licensee did, however, meet the minimum CE credits for the 2015 licence period for both licences. The Licensee was subsequently asked to provide her CE records for the 2016 licence period. She was unable to provide evidence of having completed the minimum CE for both her life agent and Salesperson licences for this period.

During her meeting with the Committee, the Licensee provided a number of additional certificates, however these credits had already been provided and therefore did not change the number of credits for the periods audited. The Committee questioned the Licensee as to whether she understood her CE requirements, to which the Licensee responded that she did.

Subsequent to the Committee meeting, the Licensee submitted additional CE credits for the 2016 licence year for her life agent licence, completed in the licence year, which demonstrated she had a sufficient number of CE credits for 2016. While the Licensee has now completed a sufficient number of makeup credits to address the shortage of credits for the 2014 licence year of her life agent licence, the Licensee is still short credits for her Salesperson licence for 2014 and 2016.

ANALYSIS

Council found that the Licensee breached Council Rule 7(5) in the 2014 and 2016 licence periods by failing to meet the minimum CE requirements in each of the two licence periods.

While the Licensee has demonstrated she completed a sufficient number of makeup credits to address the shortfall for 2014 for her life agent licence, these credits were not completed in the year in which they were required, and she was unable to provide evidence of completing the minimum required credits for the 2014 and 2016 licence periods for her Salesperson licence.

Council concluded that the failure of the Licensee to complete the required CE credits showed a disregard for Council Rules, especially considering her acknowledgement that she was aware of her CE requirements.

Council determined that a fine was warranted to address the Licensee's failure to comply with Council Rule 7(5) over multiple years for both licences. Council also determined that successful completion of the Council Rules Course would be appropriate in this matter to ensure the Licensee is fully aware of all her obligations under Council Rules.

INTENDED DECISION

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

1. Impose a condition on the Licensee's life and accident and sickness insurance agent licence requiring the Licensee to successfully complete the Council Rules Course, available through Advocis within 90 days of the date of Council's order.
2. Fine the Licensee \$1,000.00 for each year she had insufficient continuing education credits for each licence that the Licensee holds with Council for a total of \$3,000.00.
3. Require the Licensee to makeup the missing continuing education credits for her general insurance licence.

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 and make up the missing continuing education credits within 90 days 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's general insurance licence, and the Licensee will not be permitted to complete any subsequent annual filing until such time as the fine is paid in full and the Council Rules Course and the missing continuing education credits are completed.

Subject to the Licensee's right to request a hearing before Council pursuant to section 237 of the Act, the intended decision will take effect after the expiry of the hearing period.

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 **within fourteen (14) days of receiving this intended decision.**

Intended Decision
Annie Chu
LIC-165593C136931R2 and LIC-165593C101002R2 / COM-2017-00014
April 12, 2018
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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 **within fourteen (14) days of receiving this intended decision**, the intended decision of Council will take effect.

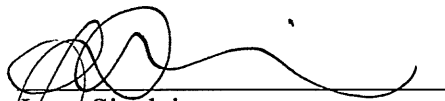
Even if this decision is accepted by the Licensee, pursuant to section 242(3) of the Act, the Financial Institutions Commission still has a right to appeal this decision of Council to the Financial Services Tribunal ("FST"). The Financial Institutions Commission has 30 days to file a Notice of Appeal, 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 **12th day of April, 2018**.

For the Insurance Council of British Columbia



Janet Sinclair
Executive Director
604-695-2001
jsinclair@insurancecouncilofbc.com

JS/vy