

In the Matter of the

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

and the

INSURANCE COUNCIL OF BRITISH COLUMBIA
 (“Council”)

and

ADA CHUNG MAN TANG
(the “Former Licensee”)

ORDER

As Council made an intended decision on October 29, 2024, pursuant to sections 231, 236, and 241.1 of the Act; and

As Council, in accordance with section 237 of the Act, provided the Former Licensee with written reasons and notice of the intended decision dated December 9, 2024; and

As the Former 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 that:

- a. The Former Licensee is fined \$7,000, to be paid by April 21, 2025;
- b. The Former Licensee is required to complete the following courses, or equivalent courses as acceptable to Council, prior to being licensed in the future:
 - i. the Council Rules Course for General Insurance Agents, Salespersons and Adjusters;
and
 - ii. the Ethics and the Insurance Professional course, available through the Insurance Institute of Canada

(collectively the “Courses”);

- c. The Former Licensee is assessed Council’s investigation costs in the amount of \$2,137.50, to be paid by April 21, 2025;

Order
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- d. Council will not consider an application for any insurance licence from the Former Licensee for a period of one year from January 20, 2025 and until the fine and investigation costs are paid in full and the Courses have been completed; and
- e. Should the Former Licensee become licensed again in the future, the Former Licensee will be prohibited from holding a Level 2 general insurance agent licence until the Former Licensee has been actively licensed for one year as a Level 1 general insurance salesperson.

This order takes effect on the **20th day of January 2025**.



For Janet Sinclair, Executive Director
Insurance Council of British Columbia

INTENDED DECISION

of the

INSURANCE COUNCIL OF BRITISH COLUMBIA (“Council”)

respecting

ADA CHUNG MAN TANG (the “Former Licensee”)

1. 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, Council Rules and Code of Conduct relating to allegations that the Former Licensee regularly processed Insurance Corporation of British Columbia (“ICBC”) one-year vehicle insurance Autoplan policies that were then cancelled days later. Council further investigated whether the Former Licensee processed her own ICBC Autoplan transactions on her own vehicles contrary to ICBC Autoplan policies.
2. On August 21, 2024, as part of Council’s investigation, a Review Committee (the “Committee”) comprised of Council members met via video conference to discuss the investigation. An investigation report prepared by Council staff was distributed to the Committee and the Former Licensee before the meeting. Although the Former Licensee was provided with advance notice of the August 21, 2024, meeting, the Former Licensee did not attend the meeting. Having reviewed the investigation materials and after discussing the matter, the Committee prepared a report for Council.
3. The Committee’s report, along with the aforementioned investigation report were reviewed by Council at its October 29, 2024, meeting, where it was determined the matter should be disposed of in the manner set out below.

PROCESS

4. Pursuant to section 237 of the Act, Council must provide written notice to the Former Licensee of the action it intends to take under sections 231, 236 and 241.1 of the Act before taking any such action. The Former 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 Former Licensee.

FACTS

5. The Former Licensee became licensed with the Council as a Level 1 general insurance salesperson (“Level 1 Salesperson”) on August 16, 2017. The Former Licensee became a Level 2 general insurance agent (“Level 2 Agent”) on September 25, 2017. The Former Licensee’s Level 2 Agent licence was cancelled on August 2, 2023, for non-renewal. At all material times, the Former Licensee had the authority to represent (“ATR”) an agency (the “Agency”) from November 17, 2017, to December 14, 2020. The Former Licensee was also licensed as a life and accident and sickness insurance agent (“Life

Agent”) on September 11, 2019. The Former Licensee’s Life Agent licence was cancelled on August 2, 2023, for non-renewal.

6. On July 4, 2018, and February 16, 2020, ICBC issued Broker News Bulletins on Licensing Vehicles Appropriately and Some Important Reminders for Temporary Operation Permits. ICBC reminded Autoplan agents that when a vehicle is licensed, it must be for the purpose of operation on a British Columbia highway. If a licensee is aware that the only reason a policy is being sold is to facilitate the export of the vehicle, and the intention of the customer is to cancel the policy within days of issuance, the customer should only be sold a Temporary Operation Permit (TOP).
7. On May 14, 2021, the Insurance Council issued a Production Order to ICBC requesting records from July 4, 2018, to May 14, 2021, where an agency (or a licensee in the same agency office) placed more than 40 one-year policies on newer vehicles that were subsequently cancelled and transferred within 30 days.
8. The records received from ICBC showed that between October 25, 2019, and December 29, 2020, the Former Licensee processed 42 transactions, all involving new vehicles. The Former Licensee issued 42 one-year insurance policies, cancelled all of the policies and then facilitated the transferred ownership of the vehicles to mainly one subsequent owner. Forty-one of the 42 one-year policies were cancelled within five days of the policy’s effective date, and one policy was cancelled 14 days after the effective date. In addition, ICBC records showed that between July 7, 2017, to May 26, 2021, the Former Licensee processed seven ICBC Autoplan transactions for vehicles that she owned or leased.
9. The investigation revealed that 16 of the 42 policies in question involved six common owners.
10. The Former Licensee issued four different one-year Autoplan policies to ZL: two policies on May 8, 2020, one on May 11, 2020, and one on December 29, 2020.
11. The Former Licensee processed four separate one-year Autoplan policies to YD: on October 27, 2019; April 29, 2020; May 7, 2020; and June 25, 2020.
12. The Former Licensee processed two separate one-year Autoplan policies to BP on April 1, 2020, and July 2, 2020.
13. The Former Licensee processed two separate one-year Autoplan policies to KP on November 6, 2019, and April 8, 2020.
14. The Former Licensee processed two separate one-year Autoplan policies to RW on April 18, 2020, and June 30, 2020.
15. The Former Licensee processed two separate one-year Autoplan policies to YP on November 4, 2019, and July 2, 2020.

16. Of the 42 one-year Autoplan transactions in question, the Former Licensee processed 40 transfers of ownership to the company, Company ABC Trading.
17. Eleven different named purchasers used an American Express credit card number ending in 2003 to purchase 11 one-year policies. Four different named purchasers used the same credit card number ending in 3007 to purchase four one-year policies. All of the vehicles were subsequently transferred to LX Trading.
18. In the period from July 7, 2017, to May 26, 2021, the Former Licensee processed seven transactions on her personal ICBC Autoplan insurance policies. The Former Licensee cancelled three policies, issued two policies, renewed one policy, and made one policy change.
19. On August 26, 2021, an ICBC representative conducted a telephone interview with the Former Licensee who stated that she occasionally serviced Mercedes-Benz dealerships and several other dealerships as an Autoplan Service Dealership broker. The Former Licensee stated that she was paid an hourly wage and commission, and that the commission was split equally with the Agency.
20. The Former Licensee stated that a former colleague introduced her to LX Trading. The Former Licensee stated that, on a few occasions, she did process short-term cancellations and transferred the vehicles on the same day or after two or three days but did not receive any additional compensation from LX Trading. The Former Licensee stated that she did not discuss this with anyone, and the Agency was unaware that she was working with LX Trading or that the vehicles would be transferred to LX Trading.
21. The Former Licensee stated that the owners would sign the policies and that she would cross-check the New Vehicle Information Statement with the customer's photo identification. The Former Licensee stated that the customers told her that they wanted one-year policies and she did not ask if they required a shorter-term policy. The policies were paid mostly by credit card.
22. On March 14, 2022, the Former Licensee emailed her response to the Council's investigator's questions. The Former Licensee stated that she was unaware of the ICBC Broker News Bulletins relating to TOP, dated July 4, 2018, and February 16, 2020, because she did not pay attention to them.
23. The Former Licensee explained that if she issued one-year insurance policies on new or newer vehicles and cancelled those policies shortly thereafter, it was done at the insured's request. She stated that it never occurred to her that processing insurance policies at the insured's request was equivalent to misrepresenting or making false declarations to the insurer, ICBC.
24. As a result of ICBC's investigation into the Former Licensee's conduct, the Former Licensee was prohibited from conducting ICBC Autoplan business and accessing ICBC's Broker Connect for a period of one year, ending at midnight on November 1, 2022.

ANALYSIS

25. Council determined that the Former Licensee repeatedly processed and collected commissions for one-year Autoplan insurance policies where the Former Licensee ought to have known the transactions were suspicious and were not intended for the purpose of operation on a British Columbia highway or would be cancelled shortly after being issued. Additionally, of the 42 one-year Autoplan transactions in question, the Former Licensee processed 40 transfers of ownership to LX Trading. This alone should have raised suspicion on the Former Licensee's part that a company, with the word "trading" in its name, was transferring vehicles shortly after they were purchased. Further, 16 of the 42 policies in question involved six common owners. Council questioned how the Former Licensee would not have realized or made inquiries as to why common owners would purchase multiple vehicles in a short time span and subsequently transfer ownership of the vehicles to LX Trading. Council also noted that two common credit cards were used to pay for several Autoplan policies, which again should have put the Former Licensee on notice that something was not right. Given all of the indicators, the Former Licensee should have made appropriate inquiries about whether a TOP was required instead of continuously issuing one-year Autoplan policies and then cancelling them shortly thereafter. The Former Licensee should have known issuing these 42 one-year Autoplan policies was contrary to the procedures and interests of ICBC, and she cannot rely on her willful blindness to the circumstances as a defense.
26. The Former Licensee stated that she was unaware of the July 4, 2018, and February 16, 2020, ICBC Bulletins relating to the issuance of TOP, which, in Council's opinion, demonstrated a lack of competence and would not be in line with the usual practice. The Former Licensee should be making herself aware of ICBC procedures and announcements relating to the insurance service she was providing.
27. Council was further concerned by the Former Licensee conducting seven Autoplan transactions for herself. The Former Licensee, as a Level 2 Agent, should have been aware that conducting Autoplan transactions for her own policies would be contrary to ICBC directives and would place the Former Licensee in a conflict-of-interest situation.
28. Given these factors, Council found the Former Licensee did not conduct herself in a manner consistent with the usual practice. Council considered the impact of Council Rule 7(8) and Council's Code of Conduct guidelines on the Licensee's conduct, including section 3 ("Trustworthiness"), section 4 ("Good Faith"), section 5 ("Competence"), section 7 ("Usual Practice: Dealing with Clients") and section 8 ("Usual Practice: Dealing with Insurers"). Council concluded that the Former Licensee's conduct amounted to breaches of the above Council Rule and Code of Conduct sections, as well as the professional standards set by the Code.

PRECEDENTS

29. Before making its decision in this matter, Council took into consideration the following precedent cases. While Council is not bound by precedent and each matter is decided on its own facts and

merits, Council found that these decisions were instructive in providing a range of sanctions for similar types of misconduct.

30. [Anthony Bryan Chua Cua \(February 2021\)](#) concerned a Level 2 general insurance agent licensee who unethically profited from commissions received from ICBC by regularly processing one-year vehicle insurance policies for an automobile dealership engaged in the export of vehicles out of Canada, and then cancelling the policies several days later. The licensee was found to have processed at least 129 transactions for the dealership and had served as a straw buyer on two occasions by purchasing two vehicles using funds provided by the dealership. In total, the licensee earned over \$24,000 in commissions from ICBC. Council found that the licensee's actions demonstrated an overall lack of trustworthiness and good faith, and was exploitative of ICBC and its commissions system. In terms of mitigating factors, Council believed that the remorse shown by the licensee was genuine and noted that the licensee was a relatively inexperienced agent with no previous disciplinary history at the time of misconduct. Most notably, Council considered that the licensee had already experienced sanctions from ICBC, having had his Autoplan privileges suspended for a year and being required to complete courses. As for aggravating factors, Council found that the licensee's actions were financially motivated and demonstrated a lack of due diligence and willful blindness. Council believed its decision should send a message to the insurance industry and public that generating commissions by processing exploitative transactions is not acceptable to Council, and that licensees should self-correct and seek guidance and clarification in situations in which they suspect there may be ethical problems. Council ordered that the licensee's general insurance licence be suspended for a period of one year and downgraded to a Level 1 Salesperson general insurance licence for a period of one year of active licensing. The licensee was also fined \$7,000 and assessed investigation costs.
31. [Ting En \(Brian\) Lin \(February 2021\)](#) concerned a Level 2 general insurance agent and a life and accident and sickness insurance agent licensee who unethically profited from commissions received from ICBC by regularly processing one-year vehicle insurance policies for an automobile dealership engaged in the export of vehicles out of Canada, and then cancelling the policies several days later. The licensee was found to have processed at least 30 transactions while employed at two insurance agencies and had served as a straw buyer on three occasions by purchasing vehicles using funds provided by the dealership. Council concluded that the licensee had facilitated grey market transactions involving the export of luxury vehicles. Council found that the licensee's actions demonstrated an overall lack of trustworthiness and good faith, and was exploitative of ICBC and its commissions system. In terms of mitigating factors, Council believed that the remorse shown by the licensee was genuine, and considered the licensee to have been open and forthright with information. Most notably, Council considered that the licensee had already experienced sanctions from ICBC, having had his Autoplan privileges suspended for a year and being required to complete courses. As for aggravating factors, Council found that the licensee's actions were financially motivated and demonstrated a lack of due diligence and wilful blindness. Council believed its decision should send a message to the insurance industry and public that generating commissions by processing exploitative transactions is not acceptable, and that licensees should self-correct and seek guidance and clarification in situations in which they suspect there may be ethical problems. Council ordered that the licensee's general insurance licence and life and accident and sickness insurance licence be suspended for a period of six months and downgraded to a Level 1 Salesperson general insurance

licence for a period of one year of active licensing. The licensee was further required to be supervised for a period of one year. The licensee was also fined \$5,000 and assessed investigation costs.

32. [Peter Hing-Fu Hung \(January 2015\)](#) concerned a Level 1 Salesperson licensee who worked mostly as a mobile road services agent. Over the course of two days, the licensee completed insurance transactions for two different luxury vehicles, for an individual who was later found to have been an imposter. There were suspicious circumstances involved with the transactions, but the licensee did not put notation on the transaction documents or take any other action to flag suspicions to ICBC or their supervisor. Council believed that the licensee had “turned a blind eye” to the suspicious circumstances, and that they had not appreciated their responsibilities when conducting suspicious transactions. The licensee was fined \$1,000, assessed costs of \$2,625 and required to complete three ICBC courses. The licensee was also required to complete the Insurance Brokers Association of British Columbia’s Ethics for Insurance Brokers course and was only allowed to conduct insurance business from their agency’s office until their courses were completed.
33. [Wendy Chui Ping Kwan \(July 2022\)](#) concerned a Level 2 Agent licensee who had processed her own ICBC Autoplan transactions since the early 1990s and misrepresented the principal operator of her personal vehicle on several ICBC policies. The misrepresentation became known after ICBC’s investigation into the licensee’s stolen vehicle claim. ICBC prohibited the licensee from conducting Autoplan business for nine months. By processing her own insurance transactions, Council found that the licensee engaged in a clear conflict of interest. Council determined that the licensee ought to have known that her conduct was unacceptable, given that the licensee has over 30 years of experience in the insurance industry. In addition, the licensee made material misstatements to Council during its investigation. The licensee derived a financial benefit from her misconduct, as the misrepresentation led to reduced premiums to the detriment of ICBC. Council accepted that the licensee did not have a prior discipline history with Council. The licensee was suspended for one year; had her Level 2 Agent licence downgraded to a Level 1 Salesperson licence for one year; was required to complete an ethics course, the Council Rules Course and the Autoplan Basics program; and assessed investigation costs of \$2,312.50.
34. [Jasbir \(Jessie\) Singh Minhas \(March 2023\)](#) concerned a Level 3 agent licensee who processed his own ICBC Autoplan transactions on 13 occasions between September 14, 2016, and January 12, 2019. Additionally, the licensee’s son was involved in a motor vehicle collision where the son was driving the licensee’s vehicle. The son left the scene of the accident. The licensee reported to ICBC that he was the driver involved in the collision and not his son. After an ICBC investigation, it was proven that the son was, in fact, the driver and not the licensee. The licensee admitted that he falsely declared being the driver in the accident when he knew his son had been the driver. The licensee was restricted from conducting ICBC Autoplan business for one year and was required to complete courses. Council determined that the licensee engaged in a conflict of interest by processing his own ICBC transactions, did not respond promptly and honestly to inquiries from Council and failed to disclose to Council his criminal charges. Council ordered that the licensee be suspended for a period of one year, downgraded the licensee to a Level 1 Salesperson licence for one year following the suspension, required the licensee to complete courses and assessed investigation costs.

MITIGATING AND AGGRAVATING FACTORS

35. Council considered relevant mitigating and aggravating factors in this matter. A mitigating factor considered by Council was that the Former Licensee was given a one-year prohibition from conducting ICBC Autoplan business as a result of these transaction. Council considered this to be a significant penalty. Council found there to be aggravating factors in this case. The Former Licensee repeated the misconduct over a period of time as opposed to this being an isolated event. Council also found that the Former Licensee's actions caused harm to the credit card company involved in these transactions, as any potential points were paid to the clients and refunds were issued by cheque by ICBC. ICBC also incurred merchant fees for the credit card transactions that were ultimately cancelled and paid back to the client by cheque. Further, Council considered that, whether directly or indirectly, the Former Licensee's actions caused harm to the public as a whole as the transactions had the potential to facilitate money laundering.

CONCLUSIONS

36. After weighing all of the relevant considerations, Council found the Licensee to be in breach of the Council's Rules and the Code of Conduct.

37. Council concluded that the Former Licensee's processing of the described transactions demonstrated an overall lack of competence and ability to act in good faith. Council considered the Cua precedent to be the most instructive and determined that similar sanctions should result. Council concluded that it is appropriate in these circumstances that Council will not consider a licence application from the Former Licensee for a period of one year and that a fine of \$7,000 be imposed. Further, Council determined that should the Former Licensee come back to the industry, the Former Licensee's general licence should be downgraded for a period of one year of active licensing. Council has also concluded that the Former Licensee must complete the Council Rules Course as well as an ethics course before being licensed in the future.

38. With respect to investigation costs, Council has concluded that these costs should be assessed to the Former Licensee. As a self-funded regulatory body, Council looks to licensees who have engaged in misconduct to bear the costs of their discipline proceedings, so that those costs are not otherwise borne by British Columbia's licensees in general. Council has not identified any reason for not applying this principle in the circumstances.

INTENDED DECISION

39. Pursuant to sections 231, 236 and 241.1(1) of the Act, Council made an intended decision that:

- a. The Former Licensee be fined \$7,000, to be paid within 90 days of Council's order;
- b. The Former Licensee be required to complete the following courses, or equivalent courses as acceptable to Council, prior to being licensed in the future:

- i. the Council Rules Course for General Insurance Agents, Salespersons and Adjusters; and
- ii. the Ethics and the Insurance Professional course, available through the Insurance Institute of Canada

(collectively the “Courses”);

- c. The Former Licensee be assessed Council’s investigation costs in the amount of \$2,137.50, to be paid within 90 days of Council’s order;
- d. Council will not consider an application for any insurance licence from the Former Licensee for a period of one year and until the fine and investigation costs are paid in full and the Courses have been completed; and
- e. Should the Former Licensee become licensed again in the future, the Former Licensee will be prohibited from holding a Level 2 general insurance agent licence until the Former Licensee has been actively licensed for one year as a Level 1 general insurance salesperson.

40. Subject to the Former 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.

ADDITIONAL INFORMATION REGARDING FINES/COSTS

41. Council may take action or seek legal remedies against the Former Licensee to collect outstanding fines and/or costs, should these not be paid by the 90-day deadline.

RIGHT TO A HEARING

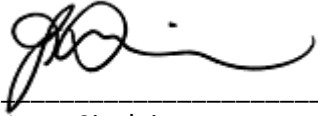
42. If the Former Licensee wishes to dispute Council’s findings or its intended decision, the Former Licensee may have legal representation and present a case in a hearing before Council. **Pursuant to section 237(3) of the Act, to require Council to hold a hearing, the Former Licensee must give notice to Council by delivering to its office written notice of this intention within fourteen (14) days of receiving this intended decision.** 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 Former Licensee does not request a hearing within 14 days of receiving this intended decision, the intended decision of Council will take effect.

43. Even if this decision is accepted by the Former Licensee, pursuant to section 242(3) of the Act, the British Columbia Financial Services Authority (“BCFSA”) still has a right of appeal to the Financial Services Tribunal (“FST”). The BCFSA has thirty (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 www.bcfst.ca or visit the guide to appeals published on their website at <https://www.bcfst.ca/app/uploads/sites/832/2021/06/guidelines.pdf>.

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Dated in Vancouver, British Columbia, on the **9th day of December 2024.**

For the Insurance Council of British Columbia

A handwritten signature in black ink, appearing to read 'Janet Sinclair', written over a horizontal line.

Janet Sinclair
Executive Director