

In the Matter of the

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

and the

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

and

**MUYAN (LAURA) LI**  
(the “Former Licensee”)

**ORDER**

As Council made an intended decision on September 17, 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 November 26, 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 \$1,500, to be paid by April 15, 2025;
- b. The Former Licensee is required to complete the following courses, or equivalent courses as acceptable to Council:
  - i. Council Rules Course for General Insurance Agents, Salespersons and adjusters;
  - ii. Supervision Course for General Insurance Agents;
  - iii. The Autoplan Basics program; and
  - iv. Ethics and the Insurance Professional course, available through the Insurance Institute of Canada(collectively, the “Courses”);

Order  
Muyan (Laura) Li  
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January 15, 2025  
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- c. The Former Licensee is assessed Council's investigation costs of \$1,000, to be paid by April 15, 2025; and
- d. Council will not consider any application for an insurance licence by the Former Licensee until such time as the Former Licensee has complied with the conditions listed herein.

This order takes effect on the **15<sup>th</sup> day of January 2025**.



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For Janet Sinclair, Executive Director  
Insurance Council of British Columbia

## **INTENDED DECISION**

of the

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

respecting

### **MUYAN (LAURA) LI** (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 processed 15 Insurance Corporation of British Columbia (“ICBC”) Autoplan transactions that she knew, or ought to have known, were not insured for the purpose of operation on a British Columbia highway, and that the transactions were not in the best interests of ICBC.
2. On July 11, 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 prior to the meeting. Although the Former Licensee was provided with advance notice of the July 11, 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 September 17, 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 Council as a Level 1 General Insurance Salesperson (“Level 1 Salesperson”) on August 11, 2016, and upgraded to a Level 2 General Insurance Agent (“Level 2 Agent”) on January 7, 2021. The Former Licensee’s licence was terminated on February 2, 2024, at the Former Licensee’s request.
6. The Former Licensee maintained an authorization to represent (“ATR”) an agency (the “Agency”) from November 15, 2016, to February 2, 2024.

7. On May 14, 2021, Council issued a Production Order to ICBC requesting, among other things, 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. On April 5, 2022, Council issued an additional Production Order to ICBC requesting investigative records involving the Agency.
9. 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 (“TOP”). ICBC reminded licensees that when a vehicle is licensed, it must be for the purpose of operating 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 customer intends to cancel the policy within days of issuance, the customer should only be sold a TOP.
10. Between January 26, 2019, and August 4, 2019 (the “Transaction Period”), the Former Licensee, who was employed by the Agency at the material time, processed 15 transactions (eight submissions and seven cancellations) of one-year policies involving 11 vehicles to different purchasers.
11. Of the seven cancellations, two policies were cancelled by the Former Licensee on the same day that the policies were issued by other agents. Five policies were cancelled by the Former Licensee within one day after the policies were issued by other agents.
12. The Former Licensee processed repeated ICBC Autoplan transactions (policy issuance and cancellations) for the same vehicle. The Former Licensee processed two cancellations within two months for one vehicle. For another vehicle, the Former Licensee issued the Autoplan policy twice within seven months. Additionally, for two vehicles, the Former Licensee cancelled the Autoplan policy then subsequently issued the Autoplan policy for the same vehicles.
13. On November 4, 2019, ICBC determined that the Agency was issuing full-coverage annual policies, which were then cancelled on the same day or the next day. As a result of these transactions, ICBC paid a large amount of commissions to the Agency’s agents and merchant fees for the credit card transactions.
14. Further, ICBC concluded that these transactions were not “*in the best interest of ICBC*” and “*elements of tax evasion and potential money laundering were also discovered during the investigation.*” The transactions had not been reported to ICBC, contravening the Autoplan Procedures Manual.
15. In the transactions conducted by the Former Licensee, four main common policy owners were noted: Company EA, IH, Company WL and JW. The above owners accounted for 13 of the 15 transactions.
16. ICBC’s investigation suggested that ties existed between Company EA and IH. IH was the director of Company WL and was also the salesperson of Company EA. JW was identified by ICBC as being associated with IH.

17. The eight ICBC Autoplan policies issued by the Former Licensee had combined total premiums of \$100,190. The average premium per policy was \$12,524, which was seven times higher than the 2019 average auto premium in BC (\$1,832), according to the Insurance Bureau of Canada. All eight policies had premiums greater than BC's 2019 average auto premium.
18. In addition, ICBC's investigation concluded that IH (including Company EA and Company WL) obtained new vehicles both locally and from out of province and subsequently purchased full-coverage annual policies by credit card at the Agency. IH would then routinely cancel the policies the same day and request a refund by cheque. ICBC noted that "The refund by cheque also provided the prospect to launder money" and "the vehicles are then believed to be exported out of the country." IH would purchase the full policy instead of the standard non-licence or TOP to "conceal from the manufacturer that the vehicles were purchased for exportation."
19. ICBC also noted "the manufacturer[s] of these high-end vehicles are also financially impacted as these vehicles, as admitted by IH to a broker, are being exported out of the country."
20. On September 24, 2019, ICBC conducted an interview with the Former Licensee. The Former Licensee stated that she reported the same-day cancellation transactions and the high premium policies to her supervisor, KL. The Former Licensee stated that the owners of the Agency, were also aware of the alleged transactions. The Former Licensee claimed that she was instructed to proceed with the transactions if the documents were in order. In addition, the Former Licensee stated that she had discussed TOP options with IH.
21. On April 1, 2020, the Agency agreed to provide a payment of \$42,812 to ICBC to conclude the matter.
22. Between June 14, 2023, and July 21, 2023, the Former Licensee provided submissions to Council. The Former Licensee was aware of the ICBC communications entitled Licensing Vehicles Appropriately, dated July 4, 2018, and Some Important Reminders for Temporary Operation Permits, dated February 16, 2020. The Former Licensee understood it meant that she should ask the clients what types of insurance they needed. The Former Licensee was unaware of the business of exporting new luxury vehicles from dealerships to foreign markets. The Former Licensee claimed that she did not facilitate the export of new luxury vehicles out of British Columbia through the insurance business.
23. The Former Licensee admitted that she had engaged in the practice of issuing annual insurance policies on new or newer vehicles and then cancelling the policies shortly after. However, she did not consider that this was misrepresenting the risk to ICBC.
24. The Former Licensee claimed that she did not know the vehicle would not be driven in Canada. Hence, she issued an annual vehicle insurance policy rather than a TOP. The Former Licensee explained to the customers the meaning of one-year insurance and temporary insurance. IH was an experienced dealer and a regular customer of the Agency. IH requested that the Former Licensee issue a one-year policy.

25. The Former Licensee worked on salary for the Agency and also received a commission from part of the concerned transactions. However, she could not recall the amount of commission she received.
26. The Former Licensee stated that KL had provided training regarding the ICBC policy center transactions. The Former Licensee admitted issuing high premium policies between January 2019 and August 2019; however, she never questioned the appropriateness of the policies as she acted on the request of the customers.
27. There was no substantive evidence suggesting that the Former Licensee knew of or was involved in the vehicle export grey market.

## **ANALYSIS**

28. Council considered the impact of Council's Code of Conduct on the Former 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 sections 4 and 8, and minor breaches of sections 5 and 7, of the Code of Conduct and the professional standards set by the Code of Conduct. Council found that the Former Licensee did not breach section 3 of the Code of Conduct. Licensees are required by Council Rule 7(8) to comply with the Code of Conduct.
29. Council determined that the Former Licensee breached her duty of good faith to ICBC. The Former Licensee admitted that she received and was aware of communications from ICBC regarding TOP; however, she proceeded to process the alleged transactions by acting on the clients' requests, and without adequately questioning the transactions. The Former Licensee also claimed that she did not misrepresent the risks of the transactions to ICBC, which Council found concerning. Council has noted the Former Licensee could have been more diligent by using the resources available to her at the time, including ICBC's Broker Enquiry Unit. Similarly, by continuing to recommend the full annual policies and blindly complying with the clients' instructions, the Former Licensee breached her duty of care to ICBC, as the transactions were not in ICBC's best interests. For these reasons, Council concluded that the Former Licensee breached the Usual Practice: Dealing with Insurers principle.
30. Council accepted that the Former Licensee did seek direction from the Agency's management regarding the transactions. However, as stated earlier, Council concluded the Former Licensee could have been more diligent by taking further action to question the transactions. Accordingly, Council determined that the Former Licensee's conduct was inconsistent with the usual practice of the business of insurance. Further, Council concluded that the Former Licensee failed to adequately protect her clients' interests and to evaluate their needs. By following the clients' instructions in the manner the Former Licensee did, Council found that the Former Licensee breached the Usual Practice: Dealing with Clients principle.
31. While Council questioned the Former Licensee's decision to proceed with the transactions, Council took into consideration that she was a Level 1 Salesperson at the time, and that she was following instructions from the Agency's management. Moreover, Council found that the Former Licensee's

completion of the transactions was insufficient in itself to determine her intentions in doing so. As such, Council did not find the Former Licensee to be untrustworthy.

## PRECEDENTS

32. Before making its determination, 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.
33. [\*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 an incredible amount of willful blindness. Council believed its decision should send a message to the insurance industry and general public that generating commissions through the processing of 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.
34. [\*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 determined 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 an incredible amount of wilful blindness. Council believed its decision should send a message to the insurance industry and general public that generating commissions through the processing of 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 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.

35. [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 he had not appreciated his 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 his courses were completed.

#### **MITIGATING AND AGGRAVATING FACTORS**

36. Council found several aggravating factors to be applicable in this case. Council considered that, whether directly or indirectly, the Former Licensee's actions caused harm to the public, ICBC and the vehicle manufacturers. In addition, Council determined that these kinds of incidents could cause a lack of confidence in the insurance industry. Further, although there was no evidence to suggest the Former Licensee had bad intentions, the transactions had the potential to facilitate money laundering.
37. Council noted the Former Licensee derived a financial benefit from the alleged transactions, as she admitted that she received commissions. Also, although the Former Licensee was a Level 1 Salesperson at the time, Council believed that the Former Licensee ought to have known that the transactions, at the very least, were suspicious, especially given that she had access to the ICBC bulletins on TOP.
38. As for mitigating factors, Council accepted that the Former Licensee only conducted 15 transactions over a seven-month period, which Council concluded was a relatively small number of questionable transactions, given the high volume of Autoplan transactions being processed each day.



## **CONCLUSIONS**

39. After weighing all of the relevant considerations, Council found the Former Licensee to be in breach of the Council's Rules and the Code of Conduct.
40. Council concluded the Former Licensee should be fined \$1,500. As the Former Licensee just recently terminated her insurance licence, should she wish to rejoin the industry or reactivate her licence, Council has determined that it is appropriate the Former Licensee complete various courses before being licensed.
41. 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**

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

- a. The Former Licensee be fined \$1,500, 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:
  - i. Council Rules Course for General Insurance Agents, Salespersons and adjusters;
  - ii. Supervision Course for General Insurance Agents;
  - iii. The Autoplan Basics program; and
  - iv. 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 of \$1,000, to be paid within 90 days of Council's Order; and
- d. Council will not consider any application for an insurance licence by the Former Licensee until such time as the Former Licensee has complied with the conditions listed herein.

43. 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**

44. 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.

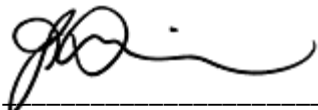
#### **RIGHT TO A HEARING**

45. 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.

46. 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](http://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>.

Dated in Vancouver, British Columbia, on the **26<sup>th</sup> day of November 2024.**

For the Insurance Council of British Columbia



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Janet Sinclair  
Executive Director