

## **DECISION**

of the

### **GENERAL INSURANCE COUNCIL OF MANITOBA** (“Council”)

Respecting

**PETER LEUNG**  
(“Former Licensee”)

## **INTRODUCTION**

The General Insurance Council of Manitoba (“Council”) derives its authority from *The Insurance Act* C.C.S.M. c. 140 (the “Act”) and the *Insurance Councils Regulation 227/91* (“Regulation 227/91”).

In response to information received by Council, an investigation was conducted pursuant to sections 375(1) and 396.1(7)(e), of the *Act* and section 7(2)(e), of *Regulation 227/91*. The purpose of the investigation was to determine whether the Former Licensee’s activity violated the *Act*, its *Regulations*, the General Insurance Agents Licensing Rules, and/or the General Insurance Agent Code of Conduct (the “Code of Conduct”).

During the investigation, the Former Licensee was notified of relevant information and was provided an opportunity to make submissions.

On July 16, 2025, during a meeting of Council, the evidence compiled during the investigation was presented and reviewed. Upon assessment of the evidence, Council determined its Intended Decision.

As part of its Intended Decision, Council informed the Former Licensee that he may request a Hearing to dispute Council’s determinations and penalty/sanction. The Former Licensee failed to respond to Council’s notice and did not notify Council of a request for a Hearing to dispute Council’s determination and the imposed penalty/sanction.

Pursuant to section 375(1), of the *Act* and section 7(2)(e), of *Regulation 227/91*, the Council hereby renders its Decision and corresponding reasons.

## **ISSUES**

1. Did the Former Licensee mislead the consumer by presenting an incomplete application for signature, and then subsequently filling in the “Notes” with false information pertaining to the electrical and plumbing?
2. Did the Former Licensee have a duty to disclose the electrical and plumbing details to the insurer, and by failing to do so, caused or potentially caused harm through cancellation due to misrepresentation of risk?
3. By failing to disclose the presence of fuses and galvanized plumbing, did the Former Licensee knowingly and intentionally misrepresent the risk to the insurer?

## **FACTS AND EVIDENCE**

1. The Former Licensee was employed with [the Agency] from April 13, 2000 to January 12, 2024, and held a Level 2 General Insurance Agent licence.
2. The Insurance Council of Manitoba (ICM) launched its investigation following the Agency’s Termination Notice and correspondence, which stated that the Former Licensee knowingly altered an insurance quote by adding inaccurate handwritten details about the risk after the [prospective Insured] had signed the document. The altered quote was then submitted to the insurer for binding.
3. The Insured’s insurance policy was cancelled by registered letter due to “*Misrepresentation of Risk*”.
4. By emails dated January 30, 2025, May 28, 2025, and June 18, 2025, Council’s Investigator corresponded with the Agency and received supporting documentation which indicated that:
  - a. On October 3, 2023, an Agency employee emailed an application, completed by the Former Licensee, to the insurer, and requested a quote. The email stated that [Client A], a client of the Agency for over 10 years, had sold 50% of its 11-unit commercial apartment building to the Insured.
  - b. The application indicated that the risk contained 100-amp circuit breakers and copper plumbing, both updated in 1990.
5. On October 4, 2023, the insurer provided a commercial quote which was dependent on confirmation that the risk did not contain fuses, aluminum or knob and tube wiring, nor galvanized steel or cast iron plumbing.
6. On October 16, 2023, the Insured signed an application that differed from the version submitted to the insurer. The signed copy lacked a “Notes” section

requesting details about electrical or plumbing, which was present in the submitted version.

7. On October 16, 2023, the Former Licensee emailed the Insured and requested the additional building details. Approximately 30 minutes later, the Insured responded to the email and indicated *“Hi Peter, there is a fuse box in the mechanical room...”*, and *“The plumbing supply lines are also galvanized,…”*.
8. On October 16, 2023, the insurer received a request to bind coverage. The *“Notes”* section of the application contained handwritten answers which falsely indicated *“No”* to the fuses and galvanized plumbing.
9. On December 15, 2023, a loss control inspector notified the insurer that the risk was under renovation and contained fuses. The insurer requested a *“Scope of Renovations”* from the Agency. The scope indicated that the risk contained fuses, and full replacement of the hot and cold-water supply lines were required.
10. The insurer informed the Agency that they were unaware of the renovations, fuses, and galvanized plumbing. An Agency employee inspected the property and confirmed the presence of live fuses to the insurer.
11. On December 20, 2023, the insurer issued a Notice of Cancellation, effective January 5, 2024, to both the Insured and the Agency citing *“Misrepresentation of Risk”* as the reason.
12. By emails dated February 3, 2025, and May 6, 2025, the Former Licensee indicated to Council’s Investigator that:
  - a. He had been the broker for the commercial building for over 20 years. When the new Insured struggled with the survey, he completed it using his prior knowledge of the property.
  - b. He emailed the application to the Insured for signature. Under pressure from the Insured’s lawyer and a tight possession deadline, he filled in missing details based on the old file, which the Insured did not initially note.
  - c. The Insured later responded to his inquiry about the missing details, but the Former Licensee missed the email due to system changes and his upcoming vacation. Upon returning, he met with management and was terminated.
  - d. The incident occurred during the Agency’s transition from The Agency Manager to EPIC, and the Insured’s email remained in the old system.
  - e. Relying on his long history with the property, he assumed the previous owner’s file was accurate and used it to complete the application.

## **ANALYSIS AND DETERMINATIONS**

Section 375(1) Investigation by superintendent, etc., of the Act states as follows:

*If, after due investigation by the superintendent and after a discipline hearing, if a hearing is required under the regulations, the superintendent determines that the holder or former holder of an insurance agent licence*

- (a) has been guilty of misrepresentation, fraud, deceit or dishonesty;*
- (b) has violated any provision of this Act or any rule or regulation under this Act;*
- .*
- .*
- (e) has demonstrated his or her incompetency or untrustworthiness to transact the business of insurance agency for which the licence was granted;*
- .*

*the superintendent may take one or more of the actions set out in subsection (1.1).*

Section 375(1.1) Disciplinary actions by the superintendent, of the Act states that:

*For the purposes of subsection (1), the superintendent may do one or more of the following after giving a notice of decision in writing to the licence holder or former licence holder:*

- .*
- (c) subject to the regulations, impose a fine on the licence holder or former licence holder and fix a date for the payment of the fine;*

In accordance with sections 1 (Integrity), 3 (Quality of Service), and 10 (Conduct Towards Others), of the *Code of Conduct*, agents owe a duty to their clients to discharge their duties with integrity, provide a quality of service at least equal to that which agents or brokers would generally expect of a licensee in a like situation, and should make sure that their conduct towards the public is characterized by courtesy and good faith.

The Former Licensee had a duty to disclose accurate information about the property's electrical and plumbing systems to the insurer. By failing to do so, and instead relying on outdated file information, he misrepresented the risk, which ultimately led to the cancellation of the policy and potential harm to the consumer.

Although the Insured had communicated details about the presence of fuses and galvanized plumbing, the Former Licensee did not forward this critical information to the insurer. His decision to alter the application using outdated data, rather than verifying current details, was negligent and demonstrated a lack of due diligence.

These actions did not reflect the integrity, professionalism, or quality of service expected in the insurance industry. They also failed to uphold the ethical standards and duty of care owed to both the consumer and the insurer.

Based on the information and evidence reviewed, Council concluded that the Former Licensee violated sections 375(1)(a) has been guilty of misrepresentation, fraud, deceit, or dishonesty, 375(1)(b) any violation of any provision of the *Act* or any rule or regulation under the *Act*, and 375(1)(e) has demonstrated his or her incompetency or untrustworthiness to transact the business of insurance agency for which the licence was granted, of the *Act*, and sections 1 (Integrity), 3 (Quality of Service), and 10 (Conduct Towards Others), of the *Code of Conduct*, and that disciplinary action was warranted.

### **PENALTY**

Council's Decision dated December 1, 2025, was delivered to the Former Licensee by registered mail on December 8, 2025. The Decision outlined the foregoing background, analysis and conclusions on a preliminary basis. Having regard to its initial determination that the foregoing violations had occurred, Council imposed the following penalty and sanction pursuant to section 375(1.1)(c), of the *Act* and sections 7(1) and 7(2), of *Regulation 227/91*, Council hereby orders the following reprimand:

1. The Former Licensee be assessed a fine of \$1,000.00.

Pursuant to section 389.0.1(1) of the *Act*, the Former Licensee had the right to appeal this Decision **within twenty-one (21) days of receipt**. The Former Licensee was advised of this right in the Decision and was provided with the Notice of Appeal form, in accordance with section 389.0.1(2) of the *Act*. As an appeal was not requested in this matter, this Decision of Council is final.

In accordance with Council's determination that publication of its Decisions is in the public interest, this will occur, in accordance with sections 7.1(1) and 7.1(2) of *Regulation 227/91*.

Dated in Winnipeg, Manitoba on the 10<sup>th</sup> day of January, 2026.