
IN THE MATTER OF the *Insurance Act*, R.S.O. 1990, c.I.8, as amended (the “Act”), in particular sections 392.5 and 407.1

AND IN THE MATTER OF Hui Wen (Polly) Liu and Cheng (Kevin) Qi.

NOTICE OF PROPOSAL TO REVOKE LICENCES

TO: Hui Wen (Polly) Liu

AND TO: Cheng (Kevin) Qi

TAKE NOTICE THAT pursuant to sections 392.5 and 407.1 of the Act, and by delegated authority from the Chief Executive Officer (“Chief Executive Officer”) of the Financial Services Regulatory Authority of Ontario (“FSRA”), the Director, Litigation and Enforcement (the “Director”) is proposing to revoke the insurance agent licence issued to Hui Wen (Polly) Liu.

AND TAKE NOTICE THAT pursuant to sections 392.5 and 407.1 of the Act, and by delegated authority from the Chief Executive Officer, the Director is proposing to revoke the insurance agent licence issued to Cheng (Kevin) Qi.

Details of these contraventions and reasons for this proposal are described below. This Notice of Proposal includes allegations that may be considered at a hearing.

SI VOUS DÉSIREZ RECEVOIR CET AVIS EN FRANÇAIS, veuillez nous envoyer votre demande par courriel immédiatement à: contactcentre@fsrao.ca.

YOU ARE ENTITLED TO A HEARING BY THE FINANCIAL SERVICES TRIBUNAL (THE “TRIBUNAL”) PURSUANT TO SECTIONS 441.3(2) AND 441.3(5) OF THE ACT.

A hearing by the Tribunal about this Notice of Proposal may be requested by completing the enclosed Request for Hearing Form (Form 1) and delivering it to the Tribunal within fifteen (15) days after this Notice of Proposal is received by you. The Request for Hearing Form (Form 1) must be mailed, delivered, faxed or emailed to:

Address: Financial Services Tribunal
25 Sheppard Avenue West, 7th Floor
Toronto, Ontario
M2N 6S6

Attention: Registrar

Fax: 416-226-7750

Email: contact@fstontario.ca

TAKE NOTICE THAT if you do not deliver a written request for a hearing to the Tribunal within fifteen (15) days after this Notice of Proposal is received by you, orders will be issued as described in this Notice of Proposal.

For additional copies of the Request for Hearing Form (Form 1), visit the Tribunal's website at www.fstontario.ca

The hearing before the Tribunal will proceed in accordance with the *Rules of Practice and Procedure for Proceedings before the Financial Services Tribunal* ("Rules") made under the authority of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended. The Rules are available at the website of the Tribunal: www.fstontario.ca. Alternatively, a copy can be obtained by telephoning the Registrar of the Tribunal at 416-590-7294, or toll free at 1-800-668-0128 extension 7294.

At a hearing, your character, conduct and/or competence may be in issue. You may be furnished with further and or other particulars, including further or other grounds, to support this proposal.

REASONS FOR PROPOSAL

I. INTRODUCTION

1. These are reasons for the proposal by the Director to revoke the insurance agent licenses of Hui Wen (Polly) Liu (“Liu”) and Cheng (Kevin) Qi (“Qi”). Liu and Qi are not suitable for licensing under the Act because they have demonstrated incompetence and untrustworthiness to transact insurance agency business.

II. BACKGROUND

A. Licensing History

2. Liu is presently licensed as a Life Insurance and Accident and Sickness Agent (licence number #12129028). Her license is scheduled to expire on April 17, 2025.
3. Qi is presently licensed as a Life Insurance and Accident and Sickness Agent (licence number #17157275). His license is scheduled to expire on May 12, 2025.
4. Junwei Feng (“Feng”) is presently unlicensed. Feng was previously licensed as a Life Insurance and Accident and Sickness Agent between December 17, 2009, and December 16, 2019. On March 2, 2020, Feng entered into a settlement agreement with FSRA in respect of fraudulent activity in which Feng agreed not to reapply for a license for a period of one year.
5. Feng and Liu were previously married.
6. Qi worked with Feng during the time Feng was the Director of Business Development at London Life Insurance Company.

B. Dealings with “JKR”

7. “JKR” is a resident of Ontario. Between 2018 and 2021, Feng, Liu, and Qi engaged in improper conduct with respect to life insurance policies issued to JKR.
 - (i) *JKR’s “K” life insurance policy*
8. In 2015, JKR’s wife purchased a life insurance policy from Sun Life Financial (“Sun Life”) insuring JKR’s life (the “K Policy”). In 2017, ownership of the K Policy was transferred to JKR.
9. In 2017 or 2018, JKR contacted Feng for assistance renewing the K Policy.
10. In October 2018, JKR’s wife provided a cheque to Feng with the understanding that these funds would be used for premium payments in respect of the K Policy. However, unknown to JKR or his wife these funds were instead used to purchase a GIC (the “GIC”).
11. Liu was the agent listed on the application form for the GIC.

12. JKR denies any knowledge of the purchase of the GIC and states that his purported signature on the GIC application form is a forgery. Furthermore, the plan holder address on the GIC application form did not belong to JKR or his wife but was instead an address linked to Feng.
13. On October 22, 2019, a cheque for a loan against the K Policy was issued to JKR. However, the cheque was endorsed to Feng. JKR denies receiving or endorsing this cheque. Sun Life's investigation into the matter confirmed that the cheque was deposited into Feng's bank account.
14. On January 8, 2020, an "Identity Verification" form in connection with the K Policy was submitted to Sun Life. The agent on the form is Liu. JKR states that his purported signature on this form is a forgery.
15. Also on January 8, 2020, a cancellation form for the K Policy was submitted to Sun Life. The agent on the form was Liu.
16. The instructions on the cancellation form state that the K Policy's cash surrender value was to be used for two purposes:
 - (i) \$4,224.49 was to be used to pay the "Q Policy" (see below); and
 - (ii) The remainder of the cash surrender value was to be sent via cheque to the "client's new address" in Markham. However, this address is not JKR's but is instead linked to Feng and Liu.
17. A cheque for \$3,691.74 was issued by Sun Life on January 29, 2020, and sent to the Markham address. The reverse of the cheque was endorsed to Feng. Sun Life's investigation confirmed that the cheque was deposited into Feng's bank account.
18. JKR states that he did not complete or authorize the cancellation form, his purported signature on the form is a forgery, and he did not receive or endorse the cheque.
 - (ii) *JKR's "Q" life insurance policy*
19. On December 11, 2019, an application for a new insurance policy insuring the life of JKR was submitted to Sun Life (the "Q Policy"). Qi was the agent listed on the application.
20. JKR denies any knowledge of the Q Policy and states that his purported signature on the application is a forgery. The address on the application does not belong to JKR but instead is linked to Feng and Liu.
21. The application specifically opts out of email communication to JKR. Therefore, the insurer's means of contacting JKR were through the agent, Qi, to the provided mailing address, which was linked to Feng and Liu, or to the provided phone number.

22. The "Advisor's Report" section of the application indicates that the agent, Qi, had known JKR for a period of one year and that the agent had met the insured person in person to complete the application.
23. Qi was interviewed by FSRA regarding, among other things, the Q Policy. Qi admitted that he provided Feng with his insurance agent portal credentials to allow Feng to complete and submit insurance applications to Sun Life on his behalf, including the application for the Q Policy.
24. Qi stated he was unaware of the applications submitted by Feng, until he received commissions on them, at which point he forwarded them to Feng. Qi forwarded the full amount of the commission for the Q Policy to Feng on February 25, 2020.
25. Qi stated that he never met JKR.
26. On January 8, 2020, a "Policy delivery (Receipt or request for changes)" form in connection with the Q Policy was submitted to Sun Life. JKR states that his purported signature on this form is a forgery.
27. On February 6, 2020, JKR purportedly signed an application for a "Sun Par Protector II" policy illustration for the Q policy was printed. The total initial premium was paid using the funds from the K Policy cancellation described above.
28. The agent on this policy was Qi. JKR states that his purported signature on the application form for this policy is a forgery.
29. On April 10, 2020, an "Application for change to an existing life insurance policy" in connection with the Q Policy was completed, seeking the addition of "plus premium benefit" payments. The agent on this form was Qi. JKR states that his purported signature on this form is a forgery.
30. On October 15, 2020, a cheque was made payable from JKR to Sun Life in respect of the Q Policy. JKR denies issuing this cheque and states that his purported signature on it is a forgery.
31. On April 13, 2021, Sun Life received an online payment from Feng in connection with the Q policy. JKR states he did not know about this payment and does not know why Feng sent it to Sun Life.

III. GROUNDS FOR REVOCATION OF LICENCE

32. Section 392.4 of the Act states that the Chief Executive Officer shall renew an insurance agent's licence if the agent has satisfied the prescribed requirements for a licence unless he believes on reasonable grounds that the applicant is not suitable to be licensed, having regard to such circumstances as may be prescribed and other matters the Chief Executive Officer considers appropriate.

33. Subsection 392.5(2) of the Act states that the Chief Executive Officer may revoke or suspend an agent's licence if any prescribed grounds for revoking or suspending a licence, or for refusing to issue a licence, exist.
34. The prescribed grounds are set out in sections 4 and 8 of Ontario Regulation 347/04. Subsection 8(d) of Ontario Regulation 347/04 states that the Chief Executive Officer may suspend or revoke a licence if, after due investigation and hearing, it appears to the Chief Executive Officer that the licensee has demonstrated incompetence or untrustworthiness to transact the insurance agency business for which the licence has been granted.
35. The Director has reasonable grounds to believe that Qi and Liu have demonstrated incompetence and untrustworthiness to transact the insurance agency business for which their licenses have been granted, as contemplated by subsection 8(d) of Ontario Regulation 347/04:
 - (i) Liu acted as a front for Feng in respect of Feng's dealings with the K Policy and the GIC;
 - (ii) Qi acted as a front for Feng in respect of Feng's dealings with the Q Policy; and
 - (iii) Qi provided Feng with his insurance agent portal credentials to allow Feng to complete insurance applications on his behalf, and remitted commissions to Feng.
36. When licensed individuals like Liu and Qi incentivize a non-licensee like Feng to solicit and negotiate life insurance, they put the public at risk and rob clients of valuable protections, like errors and omissions insurance, proficiency requirements and regulatory oversight. By acting as a front for Feng, and allowing Feng to receive compensation from JKR, Liu and Qi have shown incompetence and untrustworthiness.
37. The Director is satisfied that a sanction less than revocation, such as suspension or licence conditions, would not reflect the severity of Liu and Qi's conduct and would not adequately protect the public.
38. For these reasons, and subject to such further and other particulars as may come to the attention of the Director, the Director proposes to revoke Qi and Liu's licence under the Act.

DATED at Toronto, Ontario,

Elissa Sinha
Director, Litigation & Enforcement
By delegated authority from the Chief Executive Officer