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Twelve months' jail for deceiving the bank in issuing insurance policies

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A former relationship manager of a bank, charged by the ICAC, was today (Friday) sentenced to 12 months' imprisonment at the District Court for using insurance applications which contained false information to deceive the bank in issuing insurance policies with total premiums at over HK\$12 million.

Jonathan Yan Cheuk-fung, 35, formerly employed by the Hongkong and Shanghai Banking Corporation Limited (HSBC), was earlier found guilty of six counts of agent using document with intent to deceive his principal, contrary to Section 9(3) of the Prevention of Bribery Ordinance.

In sentencing, Deputy Judge Peter Longley said the defendant deserved an immediate custodial sentence in view of the substantial premiums involved in the insurance scam.

The judge also reprimanded the defendant for showing no remorse, while giving no discount in his jail term.

The court heard that while being employed by HSBC, the defendant was appointed as a licensed insurance agent of HSBC's subsidiary namely HSBC Life (International) Limited (HSBC Life). Amongst his clients was a Chinese medical practitioner, aged about 73.

Between October 9, 2010 and February 14, 2011, the defendant submitted to HSBC Life six application forms for an insurance product, namely the RetireIncome Annuity Plan.

In the application forms, a close friend of the defendant was named as the insured person, the policyholder and the beneficiary.

The defendant dishonestly misled the Chinese medical practitioner to pay all the premiums amounting to over US\$1.6 million (over HK\$12 million) for these six insurance policies by claiming to the medical practitioner that the policies would later on be changed back to his name.

In the application forms, the defendant deliberately omitted to state that the medical practitioner was the payor of the premiums.

In the belief that the payor of the premiums, the insured person and the policyholder were the same person, HSBC Life approved the first five applications. But the sixth application was rejected because the total premiums paid for the same insured person exceeded the limit, the court heard.

The medical practitioner died in February 2012. The defendant had never changed the first five policies back to the name of the medical practitioner, the court was told.

HSBC had rendered full assistance to the ICAC during its investigation.

The prosecution was today represented by prosecuting counsel John Dunn, assisted by ICAC officer Bryan Tang.

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