

Insurance agent charged with \$130,000 commission and bonus fraud

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An insurance agent was charged by the ICAC yesterday (July 15) with deceiving an insurance company into paying commissions and bonuses totalling over \$130,000 to two down-line insurance agents by falsely representing that an insurance product was sold to a client by the duo.

Kong Mo-hon, 56, then senior branch manager of MassMutual Asia Limited (MassMutual), now known as YF Life Insurance International Limited (YF Life), faces one count of fraud, contrary to Section 16A(1) of the Theft Ordinance.

The defendant will appear in the Eastern Magistrates' Courts tomorrow (July 17) for plea.

The case arose from a corruption complaint. Subsequent ICAC enquiries revealed the above alleged offence.

At the material time, the defendant was a senior branch manager of MassMutual. The defendant and down-line insurance agents under his supervision were responsible for promoting MassMutual's insurance products.

When an insurance product was jointly sold by two insurance agents, each handling agent would receive half of the sales commission. MassMutual would also release various kinds of bonuses to its insurance agents, subject to the sales targets they met.

The charge alleges that between December 8, 2008 and January 9, 2009, the defendant falsely represented to MassMutual that an insurance policy taken out by a policyholder was jointly handled by two down-line insurance agents, with intent to defraud, induced MassMutual to pay them over \$130,000 in total as their commissions and bonuses, which resulted in benefit to the two insurance agents or in prejudice to MassMutual.

YF Life has rendered full assistance to the ICAC during its investigation into the case.

The defendant has been released on ICAC bail, pending his court appearance tomorrow.