

ALBERTA INSURANCE COUNCIL
(the "AIC")

In the Matter of the *Insurance Act*, R.S.A. 2000 Chapter I-3
(the "Act")

And

In the Matter of Chad Laskey-Roest
(the "Agent")

DECISION
OF
The General Insurance Council
(the "Council")

This case involved an allegation pursuant to s. 481 of the Act. Specifically, it is alleged that the Agent failed to respond to a Demand for Information. As such, it is alleged that she contravened a section of the Act or regulations as contemplated by s. 480(1)(b) of the Act.

Facts and Evidence

This matter proceeded by way of a written Report to Council dated March 24, 2016 (the "Report"). The Report was forwarded to the Agent for him to review and to allow the Agent to provide the Council with any further evidence or submissions by way of Addendum. The Agent did not respond to the Report.

The Agent is a former holder of a general insurance agent certificate of authority for the sale of general insurance and was so licensed from September 3, 2013 to January 18, 2016 at which time his license was terminated by his agency.

On February 1, 2016 an official from his agency ("LP") advised the AIC that they had terminated the Agent's employment due to allegations that he had misappropriated funds from a social organization through his role as Treasurer of the organization. The letter set out a number of alleged occurrences and the associated amounts. LP also recounted the contents of the exit interview that the agency conducted with the Agent upon termination.

An AIC investigator thereafter wrote to the Agent to obtain further information surrounding the allegations. This letter was sent by registered mail on February 25, 2016 and it invoked the Demand for Information

language found in s. 481 of the Act and the letter specifically cited that section. The Agent was given until March 15, 2016 to comply with the demand. The letter was successfully delivered, however, the Agent did not respond.

Discussion

The AIC operates under a delegation from the Minister of Treasury Board and Finance that authorizes the AIC to investigate complaints against holders and former holders (such as the Agent in this case) of insurance agent certificates of authority. Pursuant to the Minister of Finance Directive No. 05/01, the Minister also delegated his powers under s. 481 to the AIC. Section 481 states that “[t]he Minister may direct the holder or former holder of a certificate of authority to provide to the Minister within a reasonable period of time specified in the direction any information specified by the Minister relating to the matters in section 480(1).” Subsection 2 states that the “...A person served with a direction ... who has the information must provide the information in accordance with the direction.”

While not directly related to his insurance agent activities, allegations related to outside activities can, in certain circumstances, form the basis of AIC disciplinary proceedings brought pursuant to s. 480(1)(a) of the Act. At this stage it is impossible to make any statement about the validity of the allegations made against the Agent and we operate on the presumption that everyone is presumed not-guilty until an allegation is proven. However, the investigator’s Demand for Information was made to determine whether or not the Agent committed the alleged activities and to collect evidence to determine whether or not the initiation of disciplinary proceedings was appropriate in the circumstances. This, coupled with the fact that the Agent is a former holder of a certificate of authority who was given a reasonable period in which to respond proves that the Agent contravened s. 481 of the Act as alleged.

In terms of the applicable sanction, the public relies on the AIC to investigate complaints and the Act requires that holders and former holders of licenses provide information when called upon to do so. Therefore, the public is not well-served when agents simply ignore Demands like those made in this case. Given the facts in their entirety, we order that a civil penalty in the amount of \$750.00 be levied against the Agent pursuant to s. 13(1)(b) of the *Certificate Expiry, Penalties and Fees Regulation*, A.R. 125/2001. The civil penalty must be paid within thirty (30) days of receiving this notice. In the event that the penalty is not paid within thirty (30) days, interest will begin to accrue at the applicable

prescribed rate. Pursuant to s. 482 of the Act (copy enclosed), the Agent has thirty (30) days in which to appeal this decision by filing a notice of appeal with the Office of the Superintendent of Insurance.

This Decision was made by way of a motion made and carried at a properly conducted meeting of the General Insurance Council. The motion was duly recorded in the minutes of that meeting.

Date: June 29, 2016

Original Signed By

Lorrie King, Member
On Behalf of the General Insurance Council

Extract from the *Insurance Act*, Chapter I-3**Appeal**

482 A decision of the Minister under this Part to refuse to issue, renew or reinstate a certificate of authority, to impose terms and conditions on a certificate of authority, to revoke or suspend a certificate of authority or to impose a penalty on the holder or former holder of a certificate of authority may be appealed in accordance with the regulations.

Extract from the *Insurance Councils Regulation*, Alberta Regulation 126/2001**Notice of appeal**

16(1) A person who is adversely affected by a decision of a council may appeal the decision by submitting a notice of appeal to the Superintendent within 30 days after the council has mailed the written notice of the decision to the person.

(2) The notice of appeal must contain the following:

- a) a copy of the written notice of the decision being appealed;
- b) a description of the relief requested by the appellant;
- c) the signature of the appellant or the appellant's lawyer;
- d) an address for service in Alberta for the appellant;
- e) an appeal fee of \$200 payable to the Provincial Treasurer.

(3) The Superintendent must notify the Minister and provide a copy of the notice of appeal to the council whose decision is being appealed when a notice of appeal has been submitted.

(4) If the appeal involves a suspension or revocation of a certificate of authority or a levy of a penalty, the council's decision is suspended until after the disposition of the appeal by a panel of the Appeal Board.

Address for Superintendent of Insurance:

Superintendent of Insurance
Alberta Finance
402 Terrace Building
9515-107 Street
Edmonton, Alberta

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