

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 Canadian Farm Insurance Services Inc. o/a Canadian Special Risks
(the "Agency")

As represented by
Designated Representative
William (Bill) Grieve
The "DR"

AGREED STATEMENT OF FACTS AND JOINT SUBMISSION

WHEREAS the Alberta Insurance Council (the "AIC") undertook a review of the Agency's sales records, based on information that indicated that the Agency had been compensating an agent for sales made while the agent was unlicensed;

AND WHEREAS the review established that the Agency compensated an unlicensed agent for 22 general insurance policies during the period from November 24, 2015 to and including June 14, 2016 ("unlicensed period");

AND WHEREAS the Agency is aware of the opportunity to retain and instruct legal counsel with respect to the matters referred to in this Agreed Statement of Facts and Joint Submission;

NOW THEREFORE the DR and the Investigator agree as follows:

- 1.0 For the purposes of this Agreed Statement of Facts and Joint Submission, the Agency through its DR makes the following admissions and submissions:
 - 1.1.1 The Agency is the holder of a Certificate of Authority (7-10935501) to transact business as a general insurance agency and has been licensed since October 31 2013 except for the unlicensed period;
 - 1.1.2 On June 30, 2016, the investigator contacted the DR to verify if he had solicited or sold insurance when unlicensed and if he had been compensated by the Agency when unlicensed.
 - 1.1.3 The Agency advised they had compensated the DR \$7,604.10 for 22 policies when unlicensed. The Agency advised the AIC that they did not realize their sponsor had withdrawn sponsorship so continued to sell insurance until this matter came to their attention closer to renewal of their 2016 insurance license. The Agency also advised the AIC that when the problem was brought to their attention they worked on getting a new sponsor both for the DR/agent and the Agency. The Agency has since obtained a new license under a new sponsor.
 - 1.1.4 The Agent is also the DR of the Agency. He has been licensed for several years and acknowledges the seriousness of this matter. There were no licensing fees missed for the unlicensed period.
 - 1.1.5 The Agency is aware that any similar future occurrences may result in a potential fine as high as \$1,000.00 per policy compensated when unlicensed.
- 2.0 As a result of the facts set out in this Agreed Statement of Facts and Joint Submission, the Agency contravened section 499 (1) of the Act, and consequently violated section 480 (1) (b) of the Act for compensating an unlicensed agent.
- 3.0 The DR and the Investigator jointly recommend to the General Insurance Council ("Council") that the Council approve this Agreed Statement of Facts and Joint Submission and resolve, dispose of and finally conclude this matter involving the Agency by approving a

decision in the form annexed hereto as Schedule 1, which provides for a civil penalty in the amount of \$600.00, in accordance with the penalties prescribed in section 13 (1) (b) of the Certificate Expiry, Penalties and Fees Regulation, A.R. 125/2001.

- 4.0 The DR recognizes that the acceptance of the decision set out in Schedule 1 shall be at the unfettered discretion of the Council.
- 5.0 The Agency is aware of and acknowledges that upon receiving notification of the Council’s decision, the civil penalty specified in Schedule 1 must be paid within the time frames set out in section 480 (4) of the Act.
- 6.0 The Agency is also aware of and acknowledges that by entering into this Agreed Statement of Facts and Joint Submission, the Agency waives its right to appeal this decision as set out in section 482 of the Act.
- 7.0 The Agency waives any existing right it may have under the Act or otherwise to a hearing, review, judicial review or appeal of this matter.
- 8.0 The Agency acknowledges that this Agreed Statement of Facts and Joint Submission may be referred to in this or any other proceeding under the Act, and in regulatory proceedings in other jurisdictions.
- 9.0 The Agency recognizes that this Agreed Statement of Facts and Joint Submission resolves all issues involving the Agency in this matter only, as the matter is described above.

Dated at the City of Calgary, in the Province of Alberta this 9th day of December, 2016.

ALBERTA INSURANCE COUNCIL
PER:

ROY DIAS
Roy Dias, Investigator

Dated at the City of Athabasca, in the Province of Alberta, this 12th day of December, 2016.

WILLIAM GRIEVE
William (Bill) Grieve, Designated Representative

In the presence of:

WITNESS
Signature of Witness

WITNESS
Name of Witness (please print)

SCHEDULE 1

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The "DR"

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

WHEREAS the Investigator of the Alberta Insurance Council ("AIC") made a request for information in relation to an investigation being conducted by the AIC into the Agency compensating an unlicensed agent;

AND WHEREAS as a result of information received, the Investigator and the DR of the Agency entered into an Agreed Statement of Facts and Joint Submission, a copy of which is attached hereto;

AND WHEREAS pursuant to the Agreed Statement of Facts and Joint Submission, the DR has agreed that the Agency will pay a civil penalty in the amount of SIX HUNDRED DOLLARS (\$600.00) and has acknowledged that the Council has the discretion to accept or reject that recommendation;

AND WHEREAS the Council considers that it would be in the public interest to approve the said Agreed Statement of Facts and Joint Submission;

IT IS ORDERED that:

1. The Agreed Statement of Facts and Joint Submission be accepted and is hereby approved; and
2. The Agency pay a fine of SIX HUNDRED DOLLARS (\$600.00), in accordance with the terms and conditions set out in the Agreed Statement of Facts and Joint Submission.

The attached Agreed Statement of Facts and Joint Submission was reviewed by the Council and a motion to approve this decision was 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: February 1, 2017

AMANDA SAWATZKY
Member and Designee
General Insurance Council