

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 Jones & Salt Insurance Brokerage Ltd.
(the "Agency")

As represented by
Designated Representative
John Salt
(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 provided by the Agency that indicated an unlicensed agent, Daniel Salt ("the Agent") at the Agency had transacted insurance sales and earned a salary;

AND WHEREAS the review established that the Agency compensated the Agent for the sale of 19 general insurance policies during the period from July 1, 2017 to and including September 17, 2017 ("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 (7-982115) to transact business as a general insurance agency and has been licensed since December 13, 2000;
 - 1.1.2 On September 29, 2017, the investigator contacted the DR regarding unlicensed insurance activity of the Agent and to verify how the Agent had been compensated for the same.
 - 1.1.3 The Agency advised the investigator it had been compensated \$5,221.98 for the sale of 19 policies during the unlicensed period and had in turn paid Dan a monthly salary. The Agency advised the AIC this occurred because they relied on individual brokers maintaining their own license status but after this incident have taken over monitoring all renewals of licensed brokers in their office and requiring all licenses to be renewed by mid-June rather than wait until the end of June to complete the renewal process;
 - 1.1.4 The DR is aware that any similar future occurrences may result in a potential fine as high as \$1,000.00 per policy compensated when unlicensed. There were no missed license renewal fees. This is the first such contravention by the Agency;

- 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 \$300.00, 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 23rd day of November, 2017.

ALBERTA INSURANCE COUNCIL

PER:

Original signed by

Roy Dias, Investigator

Dated at the City of Calgary, in the Province of Alberta, this 28th day of November, 2017.

Original signed by

John Salt, Designated Representative

In the presence of:

Original signed by

Signature of Witness

[J D-G]

Name of Witness (please print)

SCHEDULE 1

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John Salt
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**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 THREE HUNDRED DOLLARS (\$300.00) 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 THREE HUNDRED DOLLARS (\$300.00), 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 7, 2018

Original signed by
Lorrie King, Chair
General Insurance Council