

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 Blue Pearl Mortgage Group Inc.
(the "Blue Pearl")

AGREED STATEMENT OF FACTS AND JOINT SUBMISSION

WHEREAS the AIC undertook a review of Blue Pearl's errors and omissions ("E&O") policy information that was disclosed on its 2017/18 renewal application, during which review information came to light that indicated that the E&O information provided by Blue Pearl was invalid;

AND WHEREAS the review established that Blue Pearl had a E&O insurance policy in place, however that policy that failed to provide coverage for Blue Pearl's insurance agents activity;

AND WHEREAS Blue Pearl 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 Blue Pearl and the Investigator agree as follows:

- 1.0 For the purposes of this Agreed Statement of Facts and Joint Submission, Blue Pearl through it's Designated Individual ("DI") makes the following admissions and submissions:
 - 1.1.1 Blue Pearl is the holder of a Certificate of Authority (93-10968121) to transact business as a restricted insurance agency to sell mortgage policies and has been licensed since November 3, 2016.
 - 1.1.2 On March 7, 2018, the AIC sent an email to the DI requesting that she provide the AIC with information regarding Blue Pearl's E&O insurance policy. On March 22, 2018, the DI provided a copy of Blue Pearl's 2017/2018 policy which showed that coverage has been in place.
 - 1.1.3 The DI advised that Nitesh Prakash ("NP"), with Blue Pearl provided the E&O information to her. In good faith, the DI relied on the E&O information provided by NP and entered that E&O information onto the 2017/18 renewal application
 - 1.1.4 Blue Pearl is aware that any similar future occurrences may result in a potential fine as high as \$1000.00 per occurrence.
- 2.0 As a result of the facts set out in this Agreed Statement of Facts and Joint Submission, Blue Pearl contravened section 465(1) of the Act, and consequently violated section 480(1)(b) of the Act for failing to meet the E&O requirements in the Act.

- 3.0 Blue Pearl and the Investigator jointly recommend to the Life 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 Blue Pearl 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, AR 125/2001.
- 4.0 The Blue Pearl recognizes that the acceptance of the decision set out in Schedule 1 shall be at the unfettered discretion of the Council.
- 5.0 Blue Pearl 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 Blue Pearl is also aware of and acknowledges that by entering into this Agreed Statement of Facts and Joint Submission, Blue Pearl waives its right to appeal this decision as set out in section 482 of the Act.
- 7.0 Blue Pearl 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 Blue Pearl 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 Blue Pearl recognizes that this Agreed Statement of Facts and Joint Submission resolves all issues involving the Blue Pearl in this matter only, as the matter is described above.

Dated at the City of Edmonton, in the Province of Alberta this 24th day of April, 2018.

ALBERTA INSURANCE COUNCIL

PER:

[Original signed by]

Trisha Lunt, Investigator

Dated at the City of Calgary, in the Province of Alberta, this _____ day of _____ 2018.

Blue Pearl Mortgage Group Inc

PER:

[Original signed by]

Nitesh Prakash

In the presence of:

[Original signed by]

Signature of Witness

[JS]

Name of Witness (please print)

SCHEDULE 1

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 Blue Pearl Mortgage Group Inc.
(the "Blue Pearl")

DECISION OF
The Life 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 an errors and omissions review;

AND WHEREAS as a result of information received, Blue Pearl and the Investigator 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, Blue Pearl has agreed that Blue Pearl will pay a civil penalty in the amount of THREE HUNDRED DOLLARS (\$300.00) in relation to Blue Pearl failing to meet the E&O requirements in the Act 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. Blue Pearl pay a fine of THREE HUNDRED DOLLARS (\$300.00) in accordance with the terms and conditions set out in this 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 Life Insurance Council. The motion was duly recorded in the minutes of that meeting.

Date: June 13, 2018

Original signed by
Kenneth Doll, Chair
Life Insurance Council