

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 William (Bill) Grieve
(the "Agent")

AGREED STATEMENT OF FACTS AND JOINT SUBMISSION

WHEREAS the AIC conducted an investigation into the Agent based on the Agent's self-reported admission that he engaged in, and was compensated for, unlicensed activity;

AND WHEREAS the investigation established that the Agent sold an accidental death and dismemberment product (the "Product") as an add on to a commercial general liability product between January 2018, and August 2019, without the valid and subsisting Certificates of Authority required to do so.

AND WHEREAS the Agent was compensated for acting as an accident and sickness/life insurance agent by Canadian Farm Insurance Services Inc. o/a Canadian Special Risks (the "Agency");

AND WHEREAS the Agent 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 Agent and the investigator agree as follows:

- 1.0 For the purposes of this Agreed Statement of Facts and Joint Submission, the Agent makes the following admissions and submissions:
 - 1.1.1 The Agent is the holder of a Certificate of Authority (K-92528) to transact business as a General Insurance Agent and has been continuously licensed since September 8, 1999, but for a brief unlicensed period from November 24, 2015, to June 14, 2016.
 - 1.1.2 The Agent is the Designated Representative of the Agency.
 - 1.1.3 The Agency has primarily sold a commercial general liability product, sponsored by Chubb Insurance Company of Canada ("CICC"), since mid-2016.
 - 1.1.4 On November 26, 2019, the Agent emailed the AIC to advise that the Agent and the Agency had inadvertently engaged in unlicensed activity.
 - 1.1.5 The Agent advised the AIC that the Agency was approached by CICC to sell the Product as an add-on to a CICC commercial general liability product. The Agent informed the investigator that he was advised by the President of CICC that the Product was covered under the Agent's general license.
 - 1.1.6 Accordingly, the Agent worked with CICC to develop a program to market and sell the Product and, in January 2018, the Agent began to sell the Product as an add on to CICC's commercial

general liability product resulting in \$68,232,80 in gross premiums being paid to CICC and resulting in approximately \$20,409.84, in commissions being paid to the Agency.

- 1.1.7 The investigator wrote to CICC in March 2019 to verify these amounts. CICC confirmed the number of policies sold and the amounts received in premiums/paid in commissions.
- 1.1.8 In the Summer of 2019, the Agent was advised by CICC that the Product did not fall under the Agent's general license; therefore, the Agent, and the Agency, would be required to get Life and Accident and Sickness Certificates of Authority in order to be permitted to sell the Product in Alberta.
- 1.1.9 Until this matter was brought to the Agent's attention in August 2019, the Agent advised the investigator that the inadvertent licensing error resulted in the Agent marketing, selling, and receiving commissions for the Product while he was not properly licensed.
- 1.1.10 Accordingly, upon discovering the licensing issue, the Agent ceased selling the Product and another individual from the Agency obtained their Life and Accident and Sickness Certificates of Authority in August 2019. This individual is now responsible for the sale of the Product.
- 1.1.11 The Agent was previously sanctioned by the General Insurance Council for a brief period of unlicensed activity in 2017.
- 1.1.12 The Agent advised the investigator that he acknowledges this mistake and has instituted processes to correct the issue and to ensure that it does not reoccur. The Agent is aware that any similar future occurrences may result in a potential fine amount as high as \$1,000.00 per policy sold while unlicensed.

- 2.0 As a result of the facts set out in this Agreed Statement of Facts and Joint Submission, the Agent contravened section 452(1) of the Act, and consequently violated section 480(1)(b) of the Act for unlicensed activity.
- 3.0 The Agent and the investigator jointly recommend to the The Life Insurance Council (the "Council") that the Council approve this Agreed Statement of Facts and Joint Submission and resolve, dispose of and finally conclude this matter involving the Agent by approving a decision in the form annexed hereto as Schedule 1, which provides for a civil penalty in the amount of \$1,000.00 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 Agent recognizes that the acceptance of the decision set out in Schedule 1 shall be at the unfettered discretion of the Council.
- 5.0 The Agent 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 Agent is also aware of and acknowledges that by entering into this Agreed Statement of Facts and Joint Submission, the Agent waives their right to appeal this decision as set out in section 482 of the Act.
- 7.0 The Agent waives any existing right they may have under the Act or otherwise to a hearing, review, judicial review or appeal of this matter.
- 8.0 The Agent 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 Agent recognizes that this Agreed Statement of Facts and Joint Submission resolves all issues involving the Agent in this matter only, as the matter is described above.
- 10.0 This Agreement can be executed in several counterparts, each of which will be treated in the same way as an original, and all the counterparts will together make a single agreement.
- 11.0 This Agreement can be executed and exchanged by facsimile or other electronic means and in such a way is binding as if original signatures were used.

Dated at the City of Calgary, in the Province of Alberta this 14th day of August, 2020.

ALBERTA INSURANCE COUNCIL
PER:

[Original signed by]
Nicholas Woodhouse, Investigator

Dated at the City of Athabasca, in the Province of Alberta this 20th day of August, 2020.

[Original signed by]
William (Bill) Grieve, Agent

In the presence of:

[Original signed by]
Signature of Witness

[H.M]
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 William (Bill) Grieve
(the "Agent")

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

WHEREAS the AIC conducted an investigation into the Agent based on the Agent's self-reported admission that he engaged in, and was compensated for, unlicensed activity;

AND WHEREAS the investigator of the AIC made a request for information in relation to the investigation being conducted by the AIC into the Agent for unlicensed activity;

AND WHEREAS as a result of information received, the investigator and the Agent 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 Agent has agreed that the Agent will pay a civil penalty in the amount of ONE THOUSAND DOLLARS (\$1,000.00) 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 Agent pay a fine of ONE THOUSAND DOLLARS (\$1,000.00), 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 The Life Insurance Council. The motion was duly recorded in the minutes of that meeting.

Date: September 2, 2020

[Original signed by]
Chair Life Insurance Council