

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 Danica Taylor  
(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 or refused to provide information and documentation requested by the AIC through a formal Demand for Information (the "Demand"). In so doing, it is alleged that the Agent contravened a provision of the Act under section 481(2) and has subsequently violated s. 480(1)(b) of the Act.

**Facts and Evidence**

This matter proceeded by way of a written Report to Council dated March 24, 2021 (the "Report"). The Report was forwarded to the Agent for review and to allow the Agent to provide the Council with any further evidence or submissions by way of Addendum. The Agent did not provide any additional material by way of Addendum.

This investigation arose in response to the Agent's failure to provide information relating to the Agent's termination for cause from the Agent's Former Agency.

The Agent was the holder of a general insurance certificate of authority and was licensed from November 22, 2019 to January 18, 2021 when the Agent was terminated for cause from the Former Agency.

On February 26, 2021 the Agent was sent the Demand via registered mail. Due to the Agent's email address listed on the licensing profile being the email address associated with the Former Agency, the Demand was sent via registered mail. The Demand was delivered to the Agent. To date, the Agent has not responded to the Demand.

**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 of insurance agent certificates of authority. Pursuant to

the Minister of Finance Directive No. 05/01, the Minister has 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 s. 480(1).” Subsection 2 states that “... A person served with a direction ... who has the information must provide the information in accordance with the direction.”

The offence of failing to respond to a Demand is one of strict liability. This means that in order to be found guilty, the AIC only needs to prove that the Demand was properly made and delivered. There is no requirement that the AIC prove that the Agent’s failure to respond was intentional. Once the AIC proves that the Demand was made, the onus shifts to the Agent to demonstrate that the Agent took all reasonable efforts to avoid committing the offence. From the evidence in the Report, the Council is satisfied that the AIC’s Demand meets the requirements of s. 481 of the Act. The investigation arose out of matters found in s. 480 of the Act and the Agent was given a reasonable opportunity to respond. Given the fact that the Agent failed to respond to the Report, the Agent has not met the burden of establishing the due diligence defence and the Council finds the Agent guilty of violating ss. 481(2) of the Act and subsequently violating s. 480(1)(b) of the Act.

In terms of the applicable sanction, the public relies on the AIC to investigate complaints and the Act requires that current and former certificate holders provide information when called upon. Therefore, the public is not well-served when an insurance intermediary simply ignores demands like those made in this situation.

The Council may levy civil penalties up to \$1,000.00 pursuant to s. 13(1)(b) of the *Certificate Expiry, Penalties and Fees Regulation*, A.R. 125/2001/ Given the facts in their entirety, the Council is of the view that a significant civil penalty is warranted in the circumstances. Therefore, the Council orders that a civil penalty in the amount of \$750.00 be levied against the Agent. The civil penalty must be paid within thirty (30) days of receiving this notice.

In the event that the civil 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.

Dated: June 1, 2021

[Original Signed By]  
Janice Sabourin, Chair  
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 T5K 2C3