

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 Esraa Hamdan
(the "Agent")

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

This case involved an alleged violation of s. 490(1) of the Act. Specifically, that the Agent carried out insurance agent activities under a business name different from the name set out in her certificate of authority. As such, it is alleged the Agent violated s. 490(1) of the Act and subsequently violated s. 480(1)(b) of the Act.

Facts and Evidence

This matter proceeded by way of a written Report to Council dated September 7, 2023 (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. In arriving at its conclusion, the Council carefully reviewed all evidence presented.

The Agent was the holder of a General Insurance – Level 1 Agency certificate of authority, periodically, from December 16, 2013 to August 21, 2023, when the Agent was granted a General Insurance – Level 2 certificate of authority.

The AIC investigation commenced in response to an email correspondence from [S.K.] [redacted] (hereinafter the "Complainant") with [C.A.I.F.P.L.] [redacted], dated April 22, 2022 (hereinafter the "Complaint"). The Complaint stated:

[...]

Is Core Insurance group an actual Broker as they claim? Do they actually have contracts with the carriers they claim to represent? I have so many questions about this company. I hope you can confirm their legitimacy.

[...]

On April 26, 2022, the AIC investigator undertook internet research into Core Insurance Group. The AIC investigator located a website for Core Insurance Group, listing the following information connected to the Agent:

1. A phone number;
2. A link for Instagram; and
3. A link for a LinkedIn account.

On May 10, 2022, the AIC investigator sent a request for information to the Agent via email, with a response deadline of May 26, 2022, requesting the following information:

[...]

The AIC is in the process of reviewing a complaint from [the Complainant], whereby [the Complainant] has alleged that you have some connection with Core Insurance Group and that Core Insurance Group may not be licensed with the AIC.

In order to assist in my investigation, please provide the following information:

1. A detailed description of your relationship with Core Insurance Group and the nature of business that Core Insurance Group partakes in;
 2. A detailed timeline and explanation of the events that pertain to this matter; and
 3. Any other information or documentation which you feel may assist in the understanding of the material facts.
- [...]

On May 27, 2022, the AIC investigator sent a demand of information to the Agent, with a response deadline of June 13, 2022 (the “May 2022 Demand”). The May 2022 Demand stated the following:

[...]

The AIC is in the process of reviewing a complaint from [the Complainant], whereby [the Complainant] has alleged that you have some connection with Core Insurance Group and that Core Insurance Group may not be licensed with the AIC.

In order to assist in my investigation, please provide the following information:

1. A detailed description of your relationship with Core Insurance Group and the nature of business that Core Insurance Group partakes in;
 2. A detailed timeline and explanation of the events that pertain to this matter; and
 3. Any other information or documentation which you feel may assist in the understanding of the material facts.
- [...]

On June 10, 2022, the AIC investigator sent an email to the Agent, reminding the Agent to respond to the May 2022 Demand by the deadline provided.

On June 13, 2022, the Agent responded to the AIC with the following information:

[...]

I am not really sure what to provide right now. I've spoken with the DR of our Brokerage and he is in the process of changing my contract to match the proper licensing name.

Also... I spoke to [the Complainant] and they advised this wasn't even a complaint but an inquiry? [The Complainant] also told me [the Complainant] that the [sic] AIC was contacted (along with you directly) to rescind the "complaint"

Can you shed some light on this?

On June 20, 2022, the AIC investigator provided the Agent with the following information:

[...]

The AIC investigators every complaint received and goes through the full investigation process in order to determine if there is sufficient evidence demonstrating that a breach of the Act and/or the Regulations has occurred.

As part of our investigation process you have an opportunity to respond to the demand letter originally sent to you on May 27, 2022. If you do not provide a response, then the investigation will continue on without your response to the demand letter.

If there is sufficient evidence demonstrating that a breach of the Act and/or the Regulations has occurred, then an Investigation Report to the General Insurance Council will be written and once completed it will be sent to you for your review and you will have an opportunity to provide a response to the report.

[...]

On June 25, 2022, the Agent responded to the AIC with the following:

[...]

Which Demand Letter?

This is super confusing?? [sic] Again, not sure what information you need? Also, [the Complainant] did not actually send in a complaint [sic]. [The Complainant] has contacted you regarding this.

[...]

On April 13, 2023, the AIC investigator sent a request for information, via email, to the Agent with a response deadline of April 28, 2023 (the "2023 Request"). The 2023 Request sought the following:

[...]

The AIC is in the process of an investigation where it has come to the attention of the AIC that you may have some connection with Core Insurance Group and that Core Insurance Group may not hold the appropriate valid and subsisting certificate of authority with the AIC.

In order to assist in my investigation, please provide the following information:

1. A detailed description of your relationship with Core Insurance Group and the nature of business that Core Insurance Group partakes in;
2. If Core Insurance Group is partaking in business acting as an insurance agent, then an explanation as to why Core Insurance Group does not hold the appropriate valid and subsisting certificate of authority;
3. A detailed timeline and explanation of the events that pertain to this matter; and

4. Any other information or documentation which you feel may assist in the understanding of the material facts.
[...]

By way of email dated the same, the Agent responded to the AIC with the following information:

[...]
This was rescinded by [the Complainant] last year. This as not a complaint nor investigation, but rather an inquiry by my previous Broker and taken as an investigation.

Please reach out to them for clarification.
[...]

On April 17, 2023, the AIC investigator provided the Agent with the following information:

[...]
Thank you for your response. The AIC investigation is still ongoing, as explained previously. You now have an opportunity to reply to the questions posed to you in the request for information sent to you on April 13, 2023. This request for information as a deadline of April 28, 2023.
[...]

On August 18, 2023, the Agent provided the AIC investigator with the following information:

[...]
Further to the attached, I have included my responses to the initial request for information.

RE: Case #71965 (Hamdan, Esraa) – Request for Information

- 1.A detailed description of your relationship with Core Insurance Group and the nature of business that Core Insurance Group partakes in;
I signed my Branch Partner Agreement with [L.A.] [redacted] (hereinafter the “Broker”) using the following name: Esraa Hamdan and 2175251 Alberta Ltd./Core Insurance Group Ltd.
- 2.A detailed timeline and explanation of the events that pertain to this matter; and,
Core Insurance Group Ltd was incorporated on May 7, 2021
2175251 Alberta Ltd was incorporated on February 25, 2019
I signed my [Broker] Branch Partner Contract on September 2, 2021 using the above mentioned Names.
I had an Instagram account previously for my insurance related business only and had amended the name on October 1, 2021 for marketing purposes.
- 3.Any other information or documentation which you feel may assist in the understanding of the material facts.
No other information or documentation.
[...]

On September 1, 2023, the AIC investigator undertook internet research. The results of this research revealed Google reviews for Core Insurance Group, the newest of which being four (4) months old.

On September 5, 2023, the AIC investigator contacted the Agent via telephone to discuss the Agent’s use of Core Insurance Group.

Discussion

Offences such as those considered under s. 490(1) of the Act are strict liability offences. As such, the AIC has the onus to prove that the Agent carried out insurance agent activities under a business name different from the name set out in her certificate of authority. Once this occurs, the responsibility then shifts to the Agent to demonstrate that due diligence was exercised to avoid carrying out insurance agent activities under a business name different from the name set out in her certificate of authority.

The evidence in the Report established that the Agent carried out insurance agent activities under a business name different from the name set out in her certificate of authority. The internet research undertaken by the AIC investigator in April 2022, provided an Instagram account under the name of the Agent and Core Insurance Group. It is clear to the Council that the Agent was conducting insurance agent activities under a business name different than that set out in her certificate of authority.

The Agent did not provide evidence that she exercised due diligence to ensure that she did not carry out insurance agent activities under a business name different from the name set out in her certificate of authority. In September 2023, the AIC investigator conducted additional internet research and located Google reviews for Core Insurance Group. The investigation into the Agent and Core Insurance Group commenced in April 2022. The newest review was dated four (4) months prior to September 1, 2023, that being approximately May 2023. Therefore, the Council is of the view that the Agent knew, or ought to have known, for over one (1) year that she was prohibited from carrying out insurance agent activities under the name of Core Insurance Group. As such, the Council finds the Agent guilty of violating s. 490(1) of the Act, and subsequently violated s. 480(1)(b) of the Act as alleged.

It is the responsibility of an agent to ensure that they are conducting insurance agent activities under the business name set out in their certificate(s) of authority.

Pursuant to s. 36.1(1)(b) of the *Insurance Agents and Adjusters Regulation*, A.R. 122/2001, the Council has the discretion to levy a civil penalty in an amount up to \$1,000.00. Given the facts in their entirety, the Council is of the view that a significant civil penalty is warranted in the circumstances, as the Agent continued to carry out insurance agent activities under a business name different than the name set out in her certificate of authority, when the Agent knew or ought to have known she was prohibited from conducting business in the name of Core Insurance Group. Therefore, the Council orders that a civil penalty in the amount of \$1,000.00 be levied against the Agent.

The civil penalty of \$1,000.00 must be paid within thirty (30) days of mailing of this decision. In the event that the civil penalty is not paid within thirty (30) days interest will begin to accrue at the prescribed rate. Pursuant to s. 482 of the Act (excerpt 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: November 8, 2023

[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.

Contact Information and Useful Links for Appeal:

Email: tbf.insurance@gov.ab.ca

Phone: 780-643-2237

Fax: 780-420-0752

Toll-free in Alberta: Dial 310-0000, then the number

Mailing Address: 402 Terrace Building, 9515 – 107 Street Edmonton, AB T5K 2C3

Link: [Bulletins, notices, enforcement activities | Alberta.ca](#) – *Interpretation Bulletin 02-2021 – Submitting Notices of Appeal of Insurance Council Decisions*