

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 Ashley Krysa-Unland  
(the "Agent")

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

This case involved an alleged violation of s. 452(2) of the Act. Specifically, that the Agent acted as an insurance agent during a period of time in which they did not hold a valid and subsisting certificate of authority to do so, and that the Agent subsequently violated s. 480(1)(b) of the Act.

**Facts and Evidence**

This matter proceeded by way of a written Report to Council dated May 2, 2024 (the "Report"). The Report was forwarded to the Agent for review, and to allow the Agent an opportunity to provide the Council with any further evidence or submissions by way of Addendum.

The Agent held a General – Level 1 certificate of authority periodically from October 21, 2016, to October 3, 2022. The agent was unlicensed from October 4, 2022, to February 9, 2023.

This matter arose in response to the Agent's application for a General-Level 1 certificate of authority, dated February 10, 2023. When completing the application the Agent answered the question, "*Have you been compensated by way of salary, commissions or any other form of payment, while unlicensed, for acting as an insurance agent in relation to new business (only in the Province of Alberta) for the same class of license that you are re-applying for since the date you last held an Alberta certificate?*" as follows:

"I did not realize my license was inactivated on October 3rd and was not aware that I had to transfer it as I was still employed by [C.O.] [redacted] (hereinafter the "Former Agency"). I have been working as an insurance advisor since October 3rd, 2022 and was unaware that my license was not active. I have been compensated by way of salary, commission and bonus by [the Former Agency] [redacted] while unlicensed."

On March 7, 2023, the Former Agency provided the AIC investigator with the following information:

[...]

During the unlicensed period October 4, 2022 to February 9, 2023 I am confirming that [...] General policies were sold by the agent to Alberta residents [...]. No commissions or salary was paid in relation to the policies sold, Ms. Krysa-Unland was paid a straight salary [...].

On October 4, 2022 Ms. Krysa-Unland took an opportunity as a direct employee of [the Former Agency] [redacted]. Her licenses were terminated by the Designated Rep of [M.D.I.F.S.I] [redacted] (hereinafter the "Agency") but neglected to apply as a direct employee of [the Former Agency][redacted]. [...] as soon as it was discovered she was not licensed she immediately rectified the situation by submitting applications and getting the licenses reactivated.

[...]

On March 29, 2023, the Agency provided the following information to the AIC investigator:

[...]

- Ashley Krysa-Unland had been employed with us here in [location] [redacted] for many years until September 9<sup>th</sup>, 2022 at which time she provided us with her intent to resign and transferred to a branch with [the Former Agency] [redacted] but in [location 2] [redacted].
- The branch in [location 2] [redacted] is not individually owned at this point and instead is run by our head office. They call these "district run offices" and this is where Ashley transferred to.
- Approximately 4-5 months later, Ashley decided that intended to come back to our office. We re-hired Ashley Krysa-Unland on March 16<sup>th</sup>, 2023.
- When we went to transfer Ashley back to our office through AIC, she found out that her license wasn't in fact reinstated since her departure with our agency.

[...]

On April 19, 2024, the AIC investigator requested the following information from the Former Agency:

[...]

I am providing an overview of what we had discussed and please confirm if everything is correct:

1. The onboarding process for new/current employees:
  - a. The onboarding process for new v.s. transferring employees are different.
  - b. New employees are subject to a specific onboarding checklist to ensure they meet all the requirements (e.g. current certificate of authority).
  - c. Employees transferring from the agency to corporate follow an integrated offboarding system with HR.
  - d. When an employee transfers from the agency, HR will receive a notification who then notifies your department as a "task".
  - e. Your department can get a large volume of tasks per day (up to 100) as your department's purview is across Canada.
  - f. Employees move frequently between the agencies and corporate and Ashley's notification may have been missed due to the number of tasks received.
  - g. You are unsure if anyone from corporate had asked Ashley for her updated certificate of authority.
  - h. The agency neglected to inform and guide Ashley's application process with corporate during the offboarding process ensuring she obtain new certificates of authority under the [Former Agency] [redacted].
2. Termination letter by the agency:
  - a. You do not recall if the agency submitted to corporate Ashley's termination letter advising to cancel her certificates of authority.

3. We reviewed the policies sold by Ashley during her unlicensed period (October 4, 2022, to February 9, 2022 [sic]) that you had submitted to the AIC:
  - a. I asked confirmation if [...] policies were sold from the document you had submitted. You were unsure which policies were sold as some were highlighted and others were not.
4. We reviewed how Ashley had been compensated for the policies sold during her unlicensed period : [sic]
  - a. You were unsure if Ashley received a bonus for her overall performance as she may have not been in that timeframe.

Could you please provide clarification on the following items:

1. If [the Former Agency] [redacted] received the termination letter for Ashley from the agency?
2. What is an overall performance and how does an employee become eligible?
3. Did Ashley receiving compensation (e.g, commission and/or bonuses) for the policies sold?
4. Confirmation on the amount of policies Ashley sold during her unlicensed period from October 4, 2022 to February 9, 2022 [sic] and supporting documentation.

[...]

On April 18, 2024, the AIC investigator conducted an interview with the Agent by way of Microsoft Teams. The AIC investigator created a transcript of the interview (hereinafter the “Interview Transcript”). The Interview Transcript provided in part:

[...]

AIC Investigator: [...] so as you’re aware, you know on your application, right you self reported that you know you’re working between and unlicensed period with the [Former Agency] [redacted]

AIC Investigator: And you receive some compensation, right?

AIC Investigator: So that’s essentially how everything kind of came to be about.

AIC Investigator: So if you could just take the time going as much detail as you can and provide specific information and dates just from your recollection of just exactly just kind of what happened up to the point of when you reported that on your application and you know you’re you’re [sic] transition between you know the agency and the insurance company.

Agent: [...] I think I already provided this information when I self reported from my application, didn’t I?

AIC Investigator: [...], you see did provide a little bit of information, but I just kind of like to go over everything again, right, just essentially how everything came about your time with [the Agency] [redacted] and just transferring from [the Former Agency] [redacted].

[...]

AIC Investigator: And so I’m when you started with [the Former Agency] [redacted]., so did anyone ask for you for your certificate of authority.

[...]

Agent: Not that I recall.

[...]

AIC Investigator: So on February 10th, [...], you apply for your new certificate of authority and then you're still employed.

AIC Investigator: You said for about a week, right?

AIC Investigator: With [the Former Agency] [redacted].

Agent: Mm-hmm.

AIC Investigator: But during that time, you didn't sell any other insurance policies while you're still working with [the Former Agency] [redacted]., right?

Agent: That's correct, yes.

[...]

AIC Investigator: And just to clarify again, so nobody from [the Former Agency] [redacted]., did they ask you for your certificate of authority or any kind of proof that you've had your updated license?

Agent: Not that I recall.

[...]

AIC Investigator: And just to confirm again, so when you at the [Former Agency] [redacted].

AIC Investigator: In the [location 2] [redacted] locations

AIC Investigator: So you were unlicensed from October 4th, 2022, to February 9th, 2023.

Agent: Yes.

[...]

AIC Investigator: And what kind of policies did you sell during that time?

Agent: Auto Insurance, home insurance, commercial insurance [...].

[...]

AIC Investigator: And this is little while ago do you recall how many policies you may have sold?

Agent: I would not have known what I've got no idea.

[...]

AIC Investigator: [...], so on the information [the Former Agency] [redacted] provided [the Former Agency] [redacted] states that there was [...] policy sold.

[...]

AIC Investigator: [...], they seemed like home auto policies, a commercial.

[...]

Agent: Yeah, it says closed one right beside it.

Agent: So that would leave me to believe that that would be.

[...]

AIC Investigator: [...], just to confirm, so you were compensated for those policies sold, correcting your employment with the [Former Agency] [redacted].

Agent: Yes.

[...]

AIC Investigator: And how are you compensated?

Agent: I earned a salary.

Agent: I received a bonus and I earned some Commission on commercial.

AIC Investigator: OK, so you did receive a bonus.

Agent: I think so.

Agent: I believe so.

[...]

AIC Investigator: How did you find out that your license was no longer active under the appropriate agency?

Agent: I don't remember exactly.

[...]

Agent: I'm like, I'm not sure if I had to, like, give them my license numbers or if I had to start the process of switching my license back over to them or what happened.

Agent: But I think there there's for some reason I I [sic] signed into like the AIC website and then saw that my licenses were technically inactive and well, not technically.

Agent: I guess they they [sic] were inactive and.

Agent: Yeah, I don't, I don't remember exactly why.

[...]

AIC Investigator: [...] after you found out that your licenses, you know were in active [sic] when you logged in, what were the next steps that you took for that?

Agent: I immediately contacted my my [sic] manager, my supervisor

[...]

AIC Investigator: And then what were [the manager's] [redacted] instructions?

Agent: [The manager] [redacted] said [the manager] [redacted] would speak to the compliance department and we would go from there, but not to sell any policies in the meantime.

[...]

AIC Investigator: And then [the manager] [redacted], you know when [the manager] [redacted] contacted whoever [the manager] [redacted] contacted within Compliance, what was the instructions after that?

[...]

Agent: I remember that like I was not to sell any policies until everything was reinstated.

Agent: I knew that I had to reapply for it.

[...]

Agent: I think the instructions weren't too like reapply for my license and like fill out all the fields like with what exactly happened.

[...]

On April 26, 2024, the Former Agency provided the following response to the AIC Investigator:

[...]

1. The onboarding process for new/current employees:
  - a. [...]
  - b. [...]
  - c. Employees transferring from the agency to corporate follow an integrated offboarding system with HR. – if leaving an agency it is the D/R's responsibility to offboard the advisor
  - d. When an employee transfers from the agency, HR will receive a notification who then notifies your department as a "task". The individual will go through a new hire process through our HR Dept. and will feed into Salesforce through an integrated process
  - e. [...]
  - f. [...]
  - g. You are unsure if anyone from corporate had asked Ashley for her updated certificate of authority. – Corporate HR is not involved with licensing processes and would not ask for confirmation of licensing
  - h. The agency neglected to inform and guide Ashley's application process with corporate during the offboarding process ensuring she obtain new certificates of authority under the [Former Agency] [redacted]. – once offboarding occurs and licenses have been terminated by the agency their involvement ends. It would be by my [sic] licensing team and the district team that works with the individual to ensure applications are submitted.
2. Termination letter by the agency:
  - a. You do not recall if the agency submitted to corporate Ashley's termination letter advising to cancel her certificates of authority. – I don't believe that HR would ask for this. My team manages licensing and would reach out to the D/R of an agency if they don't see the licenses being terminated on the AIC website.
3. We reviewed the policies sold by Ashley during her unlicensed period (October 4, 2022, to February 9, 2022 [sic]) that you had submitted to the AIC:
  - a. I was asked confirmation if [...] policies were sold from the document you had submitted. You were unsure which policies were sold as some were highlighted and others were not. – All policies on the document were sold. [...]
4. We reviewed how Ashley had been compensated for the policies sold during her unlicensed period : [sic]

- a. You were unsure if Ashley received a bonus for her overall performance as she may have not been in that timeframe. – I can confirm that Ashley received a bonus on the policies that were highlighted

Could you please provide clarification on the following items:

1. If [the Former Agency] [redacted] received the termination letter for Ashley from the agency? - no, this would have been kept by the agency
2. [...]
3. Did Ashley receiving compensation [sic] (e.g, commission and/or bonuses) for the policies sold? - during the timeframe in question Ashley was a direct employee of the [Former Agency] [redacted] and was paid a salary, not commissions.
4. Confirmation on the amount of policies Ashley sold during her unlicensed period from October 4, 2022 to February 9, 2022 [sic] and supporting documentation. – the list of policies sold by Ashley that was provided to you is correct [...]

On May 29, 2024, the Agent provided the following information to the AIC investigator:

[...] Due to the seamlessness, the transfer of my active licenses were overlooked. From my perspective, I had not changed companies. I was still working for [the Former Agency] [redacted], the only thing that had changed was the location where I was working.

[...]

I realized my licenses were inactive in February of 2023 and notified both [the Former Agency] [redacted] head office and the AIC immediately. When I contacted [the Former Agency] [redacted] head office, I was left confident that this had been corrected and there were no further issues.

To my knowledge, there is no reason why my licenses wouldn't have successfully transferred. I held all the required training and had met all CE requirements. I was completely unaware that my licenses were inactive and did not intend to sell insurance policies with an inactive license. At the time, I had recently renewed my licenses and wholeheartedly believed they were active. This entire situation is the result of a very honest and very unintentional administrative error.

[...]

### **Discussion**

Offences such as those considered under s. 452(2) of the Act are strict liability offences. As such, the AIC has the onus to prove that the Agent acted in the capacity of an insurance agent, as defined in the Act, during a period in which they did not hold a valid and subsisting certificate of authority to do so. Once this occurs, the responsibility then shifts to the Agent to demonstrate that due diligence was exercised to avoid acting as an insurance agent when they did not hold a valid and subsisting certificate of authority to do so. There is nothing that requires the AIC to prove that the Agent's actions were intentional.

The evidence in the Report established that the Agent's certificate of authority was terminated on October 4, 2022, as the Agent transferred locations and did not transfer her certificate of authority. The Agent stated, in her application, *"I did not realize my license was inactivated on October 3rd and was not aware that I had to transfer it as I was still employed by [the Former Agency] [redacted]. I have been working as an insurance advisor since October 3rd, 2022 and was unaware that my license was not active. I have been compensated by way of salary, commission and bonus by [the Former Agency] [redacted] while unlicensed."*

It is clear that the Agent's certificate of authority was not transferred to the Former Agency and was terminated on October 3, 2022. It is equally clear that the Agent continued to act in the capacity of an insurance agent while unlicensed.

The Agent did not provide evidence that they exercised due diligence to ensure that they did not act in the capacity of an insurance agent while not holding a valid certificate of authority. The Agent simply assumed that her license was transferred when she transferred agencies. Additionally, when the Agent became aware that her license was inactive, she immediately notified her Former Agency and her Agency. The Agent sold policies while unlicensed. As such, the Council finds the Agent guilty of violating s. 452(2) of the Act, and subsequently violated s. 480(1)(b) of the Act.

It is the responsibility of an agent to ensure that a valid and subsisting certificate exists prior to conducting insurance business.

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 per demonstrated offence. Given the fact that the Agent self-reported, has no prior disciplinary history, and co-operated throughout the investigation, 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 the 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. If the Agent has active certificates of authority at the time that the civil penalty becomes due, and that civil penalty has not been duly satisfied, the Agent's active certificates of authority will be suspended in accordance with s. 480(4) of the Act. 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: July 12, 2024

[Original Signed By]  
Ashley Ziprick, Vice-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](mailto: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*