

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 Shiny Sood
(the “Agent”)

DECISION
OF
The General Insurance Council
(the “Council”)

This case involves allegations pursuant to s. 452(2)(c) of the Act. Specifically, it is alleged that the Agent acted as an insurance agent and sold sixty-seven (67) insurance policies 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 January 14, 2025 (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 is the holder of a General Insurance – Level 1 certificate of authority and has held such, periodically, since June 24, 2015. The Agent was unlicensed from July 1, 2022, to July 1, 2024.

This matter arose in response to correspondence received by the AIC from [C.G.I.C.] [redacted] (hereinafter the “Insurer”) on August 12, 2024, via email. This correspondence provided the following information:

[...]

Please accept this letter advising of unlicensed agent transactions and compensation for Shiny Sood as an addendum to her recently submitted application to reinstate her General Level 1 licence.

Shiny Sood, a [Insurer] [redacted] employee, transacted sales in Alberta while unlicensed during the period July 1, 2022 to July 2, 2024. Please note, however, that as explained in more detail below, the employee in question was not continuously engaged in sales throughout the entirety of this period.

Unfortunately, Ms. Sood was away from work for an extended time during the period under review due to personal leaves of absence. Regrettably, as a result of two periods of leave (June 13, 2022 – October 11, 2022 and November 14, 2022 to January 15, 2023), the renewal of Shiny Sood’s insurance agent license was not

completed, with this lapse recently detected as part of [the Insurer's] [redacted] monitoring of agent licensing and sales activities.

As a result of this situation pleased [sic] be advised that for licensed insurance representative (LIR) employees based in [the Insurer's] [redacted] contact centres, monitoring controls have been further enhanced and now include twice-weekly comparison reviews between the LIR's queue skills (which allows them to receive calls from specific jurisdictions) and their licenses. In addition, when an LIR returns from a leave, their licensing profile is reviewed, and queue skills revalidated with our Market Conduct team prior to being reinstated.

[...]

[Emphasis added in original document]

In the same email dated August 12, 2024, the Insurer provided another document with the following information:

[...]

Year	Report	Month In Year	[...]	Bound Date	Effective Date
2022		Oct		17/10/2022	26/10/2022
2023		Jan		25/01/2023	25/01/2023
		Feb		13/02/2023	01/03/2023
		Mar		13/03/2023	27/03/2023
				20/03/2023	20/03/2023
		Apr		21/04/2023	21/04/2023
				24/04/2023	04/05/2023
				25/04/2023	11/05/2023
		May		11/05/2023	11/05/2023
				12/05/2023	12/05/2023
				15/05/2023	06/06/2023
				15/05/2023	15/05/2023
		Jun		20/06/2023	20/06/2023
				26/06/2023	26/06/2023
				29/06/2023	29/06/2023
		Jul		26/07/2023	26/07/2023
		Aug		04/08/2023	04/08/2023
				10/08/2023	10/08/2023
				23/08/2023	23/08/2023
				29/08/2023	29/08/2023
		Sep		18/09/2023	18/09/2023
				20/09/2023	01/10/2023
				30/09/2023	30/09/2023
				30/09/2023	30/09/2023
		Oct		05/10/2023	05/10/2023
				10/10/2023	10/10/2023
				11/10/2023	15/10/2023
				20/10/2023	21/10/2023
				23/10/2023	23/10/2023
				28/10/2023	27/12/2023
		Nov		17/11/2023	17/11/2023
				27/11/2023	27/11/2023
		Dec		11/12/2023	14/12/2023
2024		Jan		02/01/2024	09/01/2024
				03/01/2024	04/01/2024
				06/01/2024	06/01/2024

		10/01/2024	10/01/2024
		16/01/2024	16/01/2024
		17/01/2024	18/01/2024
		31/01/2024	31/01/2024
	Feb	09/02/2024	09/02/2024
		21/02/2024	21/02/2024
	Mar	05/03/2024	05/03/2024
		19/03/2024	30/03/2024
		22/03/2024	22/03/2024
		25/03/2024	29/04/2024
	Apr	02/04/2024	02/04/2024
		03/04/2024	03/04/2024
		04/04/2024	04/04/2024
		11/04/2024	12/04/2024
		11/04/2024	01/05/2024
		15/04/2024	15/04/2024
		17/04/2024	20/04/2024
		19/04/2024	19/04/2024
		23/04/2024	23/04/2024
	May	13/05/2024	15/05/2024
		22/05/2024	23/05/2024
		22/05/2024	23/05/2024
		24/05/2024	25/05/2024
		30/05/2024	11/06/2024
		30/05/2024	11/06/2024
		31/05/2024	31/05/2024
	Jun	03/06/2024	03/06/2024
		08/06/2024	09/06/2024
		08/06/2024	08/06/2024
		13/06/2024	13/06/2024
		17/06/2024	01/07/2024

[...]

[Emphasis added in original document]

On October 9, 2024, the AIC investigator requested the following information from the Agent:

[...]

AIC received a complaint from [...] the [Insurer] [redacted], that you solicited and sold insurance policies while not holding a valid or subsisting Certificate of Authority in the Province of Alberta during the period of July 1, 2022, to July 2, 2024. As it appears you may have sold policies during the period you were unlicensed, I am writing to request the following details:

- 1) An explanation as to the reason(s) why you sold the insurance policy(s) during the period in which you were unlicensed;
- 2) Details with respect to the type and amount of compensation which you received in relation to such sales (including both salary and commission); and
- 3) Confirmation as to whom you are paid by for all insurance sales.

Additionally, if you have sold other insurance policy(s) during this period, please provide a comprehensive list of all insurance policies that you sold during the unlicensed period, specifying the name of the insurance company which underwrote each policy, the date on which the policies were sold, and the policy numbers.

[...]

On October 21, 2024, the Agent provided the AIC investigator with the following information:

[...]

I have included my responses to the request for information below;

1. Unfortunately, this was an oversight. Selling insurance policies while being unlicensed was not something I was aware of at the time. I am aware that I must be licensed in order to sell insurance policies in any jurisdiction. I was on personal leave of absence [...] from June-October 2022 and then November 2022-January 2023.

When I resumed work, I assumed and was under the impression that my license was still active. Failure to renew my license was completely unintentional and apologize as this was mistake that happened from my end.

2. In my role, I am not subject to receiving commissions for the policies I sold other than my regular salary. My salary details for that time period are as follows:

2022 Salary - \$[redacted]

2023 Salary + EIP - \$[redacted] salary plus \$[redacted] EIP bonus for 2022

2024 Salary + EIP - \$[redacted] salary plus \$[redacted] EIP bonus for 2023

3. I work for [the Insurer][redacted] and am paid solely by them. All policies sold are underwritten by the [the Insurer] [redacted]. I have included the policies bound in Alberta during the unlicensed period. Additionally, I held valid insurance licenses for Ontario and Saskatchewan during the period concerned.

[...]

On November 19, 2024, the AIC investigator requested the following information from the Insurer:

[...]

In follow up to the above-noted case, was an audit completed to review the policies sold during the unlicensed activity of Shiny Sood to ensure no issues arose? If you have an audit document, kindly provide a copy of the same.

[...]

On November 28, 2024, the Insurer provided the AIC investigator with the following information:

[...]

We are pleased to confirm that all policies sold during Shiny Sood's unlicensed period have been reviewed by an Alberta licensed insurance representative, with the results detailed in the attached.

All required follow-ups, as noted in the attached, have been completed, with no impact to the issued policies. Aside from one complaint, related to a total loss settlement which was subsequently resolved to the customer's satisfaction, we have no record of any other concerns having been raised in connection with these policies.

[...]

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 no requirement on the AIC to prove that the Agent's actions were intentional.

The evidence in the Report established that the Agent did not hold a valid and subsisting certificate of authority from July 1, 2022, to July 1, 2024.

The Council noted the statements made by the Insurer in its August 12, 2024, correspondence:

[...]

Please accept this letter advising of unlicensed agent transactions and compensation for Shiny Sood as an addendum to her recently submitted application to reinstate her General Level 1 licence.

Shiny Sood, a [Insurer] [redacted] employee, transacted sales in Alberta while unlicensed during the period July 1, 2022 to July 2, 2024.

[...]

The Council also noted the statements made by the Agent in their October 21, 2024, correspondence:

[...]

1. Unfortunately, this was an oversight. Selling insurance policies while being unlicensed was not something I was aware of at the time. I am aware that I must be licensed in order to sell insurance policies in any jurisdiction. I was on personal leave of absence due to a family emergency from June-October 2022 and then November 2022-January 2023.

When I resumed work, I assumed and was under the impression that my license was still active. Failure to renew my license was completely unintentional and apologize as this was mistake that happened from my end.

[...]

The evidence made it clear that the Agent acted 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 and subsisting certificate of authority. The Agent sold sixty-seven (67) policies while unlicensed. As such, the Council finds, on sixty-seven (67) counts, the Agent guilty of violating s. 452(2)(c) of the Act, and subsequently violating 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.

In terms of the available sanction, the Council may impose a civil penalty for a violation of s. 480(1)(b) of the Act not exceeding \$1,000.00 per demonstrated offence, pursuant to s. 36.1(1)(b) of the *Insurance Agents and Adjusters Regulation*, AR 122/2001.

Given the evidence provided, the Agent's cooperation throughout the investigation and no clients being impacted, the Council orders that a civil penalty in the amount of \$75.00, per demonstrated offence, resulting in sixty-seven (67) offences, equaling a total civil penalty of \$5,025.00 be levied against the Agent.

The civil penalty of \$5,025.00 must be paid within thirty (30) days of the date the decision is mailed. 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.

Date: May 2, 2025

[Original Signed By]
Amanda Sawatzky, Chairperson
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*