

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 Beverly Sullivan
(the "Agent")

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

This case involves an allegation pursuant to s. 481(2) of the Act. Specifically, it is alleged that the Agent failed or refused to provide information requested by the Minister, through the AIC, by way of a formal demand for information (the "Demand"). In so doing, it is alleged 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 October 3, 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.

This matter arose due to the Agent's failure to respond to the Demand issued in the course of a separate investigation involving the Agent.

The Agent is the holder of Life and Accident & Sickness certificates of authority and has held such, periodically, since March 31, 2022.

On April 28, 2024, the AIC investigator sent a request for information to the Agent via email, with no response being received from the Agent.

On June 10, 2024, the AIC investigator sent a request for information to the Agent via email, with no response being received from the Agent.

On July 24, 2025, the AIC investigator sent the Demand to the Agent via email, with a response deadline of August 11, 2025.

On August 6, 2025, the AIC investigator sent the Demand to the Agent via regular mail, with a response deadline of August 21, 2025.

On October 20, 2025, the Agent provided the following additional information, via email, by way of addendum (the “Agent Addendum”):

[...]

I acknowledge receipt of [the AIC investigator’s] [redacted] correspondence referenced in the Investigation Report. When I reviewed the request from [the AIC investigator] [redacted], I understood that [they were] [redacted] asking two things from me.

[...]

When I received [the AIC investigator’s] [redacted] requests, I promptly forwarded them to the Compliance Officer at [S.L.F.] [redacted], as I am required to do whenever I receive an inquiry from a regulator.

[...]

I was asked by [S.L.F.] [redacted] (my sponsoring insurer) to hold off on responding to [the AIC investigator’s] [redacted] request [...]

Each time that I received subsequent correspondence from [the AIC investigator] [redacted] regarding the request for information, I would pass that along to [S.L.F.] [redacted].

When I received the Investigation Report, I also forwarded it along to [S.L.F.] [redacted].

[...] Unfortunately, despite coming to this understanding in late July, no one at [S.L.F.] [redacted] ever informed me of the outcome of these discussions, nor provided me with any further direction as to how I should respond to the requests from [the AIC investigator] [redacted]

[...]

Request for Consideration

On a telephone call that I had earlier today with [the AIC investigator] [redacted], [the AIC investigator] [redacted] confirmed that the Demand for Information had been satisfied with the information provided in my email to [the AIC investigator] [redacted] on Friday, October 17, 2025. [...]

While I understand that, as an agent authorized in Alberta, I am required to respond to requests from Council, I feel that I was placed in a difficult position in these circumstances because [...] [S.L.F.] [redacted], who is my sponsoring insurer, had asked me to hold off on responding to [the AIC investigator’s] [redacted] request for confirmation until they understood the cause of the concern, then failed to notify me once they came to understand the non-compliance issue.

[...]

[Emphasis added in original document]

On October 23, 2025, the AIC investigator provided the Agent, via email, with additional information by way of addendum (the “AIC Addendum”):

[...]

1. On Friday, October 17, 2025, the respondent emailed AIC in response to the Demand for Information she received in relation to a misconduct compliance case that is not relevant to the non-response. She advised that the reason for her non-response is that her sponsoring insurance company (the “insurer”) advised her not to respond to the AIC.

On the same day the AIC received an email from the insurer’s legal counsel confirming that the insurer advised the respondent not to respond to the AIC.

2. On Monday, October 20, 2025, the AIC had a Microsoft Teams conference call with both the respondent and the insurer's legal counsel. It was confirmed that the insurer advised the respondent not to reply to the AIC's demand for information until they were able to get clarification on the matter. Once clarification was obtained, the insurer failed to update the respondent and advise her how to proceed.

The AIC acknowledged the challenging position this may have placed the respondent in. However, we reviewed the respondent's professional obligations to their regulator and reminded them that they could have taken a more proactive approach by contacting the investigator for clarification if needed—particularly after receiving multiple communications from the AIC and no further guidance from their sponsor.

3. The Demand for Information has now been satisfied.

[...]

[Emphasis added in original document]

Discussion

The President of Treasury Board and Minister of Finance has delegated their authority to the AIC to investigate complaints against holders, and former holders, of certificates of authority, pursuant to Ministerial Directive 01/2011. Section 481(1) of the Act 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).” Section 481(2) states that “[a] person served with a direction...who has the information must provide the information in accordance with the direction.”

The ability to issue the Demand itself is derived from s. 481 of the Act:

Demand for information

481(1) The 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 section 480(1).

(2) A person served with a direction under subsection (1) who has the information must provide the information in accordance with the direction.

[Emphasis added in original document]

Section 480 of the Act provides, in part:

Sanctions affecting certificates

480(1) If the Minister is satisfied that the holder or a former holder of a certificate of authority

[...]

- (b) has contravened any provision of this Act or the regulations or similar legislation in another jurisdiction or legislation that is a predecessor of this Act or the regulations,

[...]

the Minister may revoke, suspend or refuse to renew or reinstate one or more of the certificates of authority held by the holder, impose terms and conditions provided for in the regulations on one or more of the certificates of authority held by the holder and impose a penalty on the holder or former holder.

[...]

[Emphasis added in original document]

In this regard, the act of failing to provide information in accordance with s. 481(2) of the Act, and the potential violation of s. 481(2) of the Act regarding the Demand, prompted the AIC to commence an investigation.

Regulatory offences such as these are strict liability offences. As such, the AIC has the onus to prove that the Demand was properly made upon the Agent, and that the Agent did not comply in accordance with the Demand. Once this has been established, the responsibility then shifts to the Agent to establish that due diligence was exercised in meeting the statutory requirement to respond. To substantiate this due diligence defence, the Agent must prove that all reasonable means were taken to avoid making the offence. There is nothing that requires the AIC to prove that the Agent's failure to respond was intentional.

In reviewing the evidence before it, the Council took note of the fact that the Demand was related to a regulatory investigation and was sent to the Agent using both email and mail, with the Demand being sent only after previous requests for information were sent to the Agent and no response was received. Although the Agent did eventually respond to the Demand, this was done only after the AIC investigator had made several attempts to obtain the information and after the Report was issued to the Agent, as well as over several months past the deadline provided in the Demand.

The regulator relies on timely, complete, and accurate responses to its requests for information in order to effectively carry out its mandate of protecting the public and maintaining confidence in the insurance industry. A failure to respond within prescribed timelines undermines the regulator's ability to perform its oversight function and raises concerns about the individual's understanding of and commitment to their regulatory obligations. In this case, although the Agent indicated that she refrained from responding because her sponsoring insurance company advised her not to engage with the regulator, that instruction does not relieve her of her independent professional responsibilities.

Imposing discipline in these circumstances serves not only to address this individual's conduct but also to deter similar behaviour by others, reinforcing the expectation that licensed agents must always cooperate fully and promptly with the regulator. Despite receiving several pieces of correspondence clearly directing her to provide information, the Agent took no steps to respond or seek clarification. This disregard for repeated communications from the Agent's regulator represents a significant breach of her responsibilities and is of serious concern to the Council.

In consideration of the evidence before it, and the appropriateness of the request to provide information under the Act, the Council is satisfied that the Demand met the requirements of s. 481(2) of the Act. The Council is in agreement that the Agent was provided with a reasonable opportunity to respond to the Demand and that the Agent failed to respond within the prescribed timeline, and therefore the Agent has not met the burden of proof to establish a due diligence defence. As such, the Council finds the Agent guilty of violating s. 481(2) of the Act, as alleged, and therefore also finds that the Agent has subsequently violated 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 all holders and former holders of certificates of authority provide the regulator with information when called upon. The Council is of the view that the public is not well served when insurance agents do not respond to requests for information from the regulator. 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 penalty is warranted in the circumstances, and 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 Life Insurance Council. The motion was duly recorded in the minutes of that meeting.

Date: December 18, 2025

[Original signed by]
Tammy Hynes, Chair
Life Insurance Council

Extract from the *Insurance Act, R.S.A. 2000, 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*