

ALBERTA INSURANCE COUNCIL
(the "AIC")

In the Matter of the *Insurance Act*, R.S.A. 2000 Chapter I-3
(the "Act")

And

RAINY CREEK POWESPORTS LTD
(the "Dealership")

AGREED STATEMENT OF FACTS AND JOINT SUBMISSION

WHEREAS the AIC undertook a review of the Dealership's 2013/2014 Application for Restricted Agents Certificate of Authority submitted March 25, 2013, during which review information came to light that indicated that the Dealership had been acting as a restricted insurance agent while unlicensed;

AND WHEREAS the review established that the Dealership had sold equipment warranty insurance policies during the period from November 1, 2010 to and including April 7, 2013, without a valid and subsisting Certificate of Authority and that during that same period of time, the Dealership was compensated for acting as a restricted insurance agent;

AND WHEREAS the Dealership is aware of the opportunity to retain and instruct legal counsel with respect to the matters referred to in this Agreed Statement of Facts and Joint Submission;

NOW THEREFORE the Dealership and the Investigator agree as follows:

- 1.0 For the purposes of this Agreed Statement of Facts and Joint Submission, the Dealership makes the following admissions and submissions:
 - 1.1.1. The Dealership is the holder of Certificates of Authority (29 and 99-4391829) to transact business as a Restricted Insurance Agent to sell equipment warranty insurance and credit related insurance policies and has been licensed since June 18, 2012, other than for the period from November 1, 2010 to April 7, 2013 for equipment warranty policy and since November 20, 2007 for credit related policies;
 - 1.1.2. Douglas Bolin is named as the Designated Individual on the Certificate of Authority held by the Dealership (the "DI");
 - 1.1.3. In response to a letter from the AIC dated April 4, 2013, the DI sent an undated letter to the AIC that was received on April 8, 2013, which confirmed that the Dealership had acted as, and been compensated for acting as, a restricted insurance agent since November 1, 2010;
 - 1.1.4. The AIC sent a letter to the DI dated April 17, 2013, which requested details as to the number of equipment warranty insurance policies the Dealership had sold from November 1, 2010 to and including April 7, 2013, as well as details in relation to the compensation it had received for doing so;

- 1.1.5. The AIC received an undated letter on May 27, 2013 from the DI advising the AIC that the Dealership sold a total of 22 policies and the Dealership received commission income in the amount of \$10,813.99. The DI explained that the Dealership thought that the application they received was a duplicate application and therefore did not submit that application to the AIC. The DI explained that the Dealership has since hired an in house financial officer to handle the Dealership's "regulatory certificates."
- 2.0 As a result of the facts set out in this Agreed Statement of Facts and Joint Submission, the Dealership contravened section 452(1) of the Act, and consequently violated section 480 (1) (b) of the Act for acting as a restricted insurance agent during a period of time the Dealership was unlicensed.
- 3.0 The Dealership and the Investigator jointly recommend to the General Insurance Council ("Council") that the Council approve this Agreed Statement of Facts and Joint Submission and resolve, dispose of and finally conclude this matter involving the Dealership by approving a decision in the form annexed hereto as Schedule 1.
- 4.0 The Dealership recognizes that the acceptance of the decision set out in Schedule 1 shall be at the unfettered discretion of the Council.
- 5.0 The Dealership is aware of and acknowledges that upon receiving notification of the Council's decision, the civil penalty specified in Schedule 1 must be paid within the time frames set out in section 480(4) of the Act.
- 6.0 The Dealership is also aware of and acknowledges that by entering into this Agreed Statement of Facts and Joint Submission, the Dealership waives its right to appeal this decision as set out in section 482 of the Act.
- 7.0 The Dealership waives any existing right it may have under the Act or otherwise to a hearing, review, judicial review or appeal of this matter.
- 8.0 The Dealership acknowledges that this Agreed Statement of Facts and Joint Submission may be referred to in this or any other proceeding under the Act, and in regulatory proceedings in other jurisdictions.

9.0 The Dealership recognizes that this Agreed Statement of Facts and Joint Submission resolves all issues involving the Dealership in this matter only, as the matter is described above.

Dated at the City of Edmonton, in the Province of Alberta this 20 day of August, 2013.

ALBERTA INSURANCE COUNCIL
PER:

Original signed by:
Trisha Lunt, Investigator

Dated at Echville, in the Province of Alberta, this 28 day of August, 2013.

Original signed by:
Douglas Bolin, DI

In the presence of:

Original signed by:
Signature of Witness

Original signed by:
Name of Witness (please print)

SCHEDULE 1

ALBERTA INSURANCE COUNCIL

In the Matter of the *Insurance Act*, R.S.A. 2000 Chapter I-3 (the "Act")

AND

IN THE MATTER OF Rainy Creek Powersports Ltd.

(the "Dealership")

DECISION of the GENERAL INSURANCE COUNCIL

(the "Council")

WHEREAS the Investigator of the Alberta Insurance Council ("AIC") made a request for information in relation to an investigation being conducted by the AIC into the compensation of an unlicensed restricted insurance agent, from November 1, 2010 to and including April 7, 2013;

AND WHEREAS as a result of information received, the Investigator and the DI entered into an Agreed Statement of Facts and Joint Submission, a copy of which is attached hereto;

AND WHEREAS pursuant to the Agreed Statement of Facts and Joint Submission, the DI has agreed to a finding of guilt in relation to the Dealership being compensated for acting as a restricted insurance agent during the period of time it was unlicensed and has acknowledged that the Council has the discretion to accept or reject that recommendation;

AND WHEREAS the Council considers that it would be in the public interest to approve the said Agreed Statement of Facts and Joint Submission;

IT IS ORDERED that:

1. The Agreed Statement of Facts and Joint Submission be accepted and is hereby approved; and
2. The Dealership pay a fine of THREE HUNDRED DOLLARS (\$300.00) in accordance with the terms and conditions set out in this Agreed Statement of Facts and Joint Submission.

The attached Agreed Statement of Facts and Joint Submission was reviewed by the Council and a motion to approve this decision was made and carried at a properly conducted meeting of the Council on September 19, 2013. This motion was duly recorded in the minutes of that meeting.

Original signed by:
Amanda Sawatzky, Chairman
General Insurance Council