

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 AutoLife Global Corp.
(the “Dealership”)

As represented by Jean-Paul Demeria
Designated Individual,
(the “DI”)

AGREED STATEMENT OF FACTS AND JOINT SUBMISSION

WHEREAS the AIC undertook a review of the Dealership’s sale of equipment warranty insurance, during which a Demand for Information (the “Demand”) was sent to the Dealership;

AND WHEREAS the Dealership did not respond to the Demand as required;

AND WHEREAS the General Insurance Council (the “GIC”), by way of Decision dated August 19, 2014, sanctioned the Dealership for failing to respond to the Demand;

AND WHEREAS the Dealership initiated an appeal of the GIC decision pursuant to s. 482 of the Act;

AND WHEREAS the Appeal Panel was appointed on September 29, 2014 to hear the Dealership’s appeal and that it is properly constituted and has jurisdiction over the Dealership’s appeal;

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 AIC agree as follows:

1.0 For the purposes of this Agreed Statement of Facts and Joint Submission, the Dealership through its DI makes the following admissions and submissions:

1.1.1 The Dealership is the holder of a Certificate of Authority #10906800 to transact business as a restricted insurance agent to sell credit-related policies, and has been so licensed since May 10, 2012;

1.1.2 Jean-Paul Demeria is named as the Designated Individual on the Restricted Certificate of Authority held by the Dealership (the “DI”);

- 1.1.3 On May 27, 2013 the AIC received a letter of complaint from two of the Dealership's clients ("PB and "DB", collectively referred to as the "Clients"). The Clients' complaint related to an equipment warranty that they purchased from the Dealership. On June 11, 2013, the AIC sent a Demand letter, written pursuant to s. 481 of the Act, to the DI that requested the DI provide the AIC with certain information.
- 1.1.4 The DI did not retrieve the registered letter and on July 16, 2013, the Investigator telephoned the DI to confirm that both letters were sent to the correct address. The DI confirmed that the address on both letters was correct. The DI stated that he had not received those letters. The DI provided the investigator with an email address to forward the above-noted letters to him;
- 1.1.5 On July 16, 2013, the AIC sent an email to the DI requesting a response to the two letters dated June 11, 2013 and June 27, 2013. The DI and Dealership did not respond. Given this, the AIC sent the DI another demand letter via registered mail pursuant to sections 481 (1) and (2) of the Act. Once again, the DI did not retrieve the letter;
- 1.1.6 On August 19, 2013, the AIC sent an email to the DI advising the DI that numerous pieces of correspondence had been sent to him and that he did not retrieve or respond to any of them.
- 1.1.7 The investigator emailed the DI on August 23, 2013. In this email the investigator told the DI that she required a response to the specific questions set out in the original communication to him dated June 11, 2013,
- 1.1.8 During the period in question, there were occasions when the Dealership experiences problems with mail delivery,
- 1.1.9 The Dealership recognizes that this does not excuse its failure to respond in a timely manner,
- 1.1.10 The Dealership has taken steps to avoid further breaches of s. 481 of the Act, These include:
 - 1.1.10.1 The Dealership has contacted Canada Post and submitted a request to have their own separate mailing address in their complex. It has also been approved to have such separate mailing address in their commercial complex;
 - 1.1.10.2 The Dealership also now has their own separate back of building designation to which Canada Post daily delivers mail;
 - 1.1.10.3 The Dealership has made arrangements with its neighbours to place a sign at its physical location that directs any correspondence to its direct location;

1.1.10.4 The Dealership has resolved its outstanding mail issues such that correspondence seems to be arriving seamlessly; and

1-1-10.5 The DI further assures that any mail or email from AIC shall be responded in a timely fashion.

- 2.0 As a result of the facts set out in this Agreed Statement of Facts and Joint Submission, the Dealership contravened s. 481(2) of the Act for failing to respond to a properly made Demand.
- 3.0 The Dealership and the AIC jointly recommend to the Appeals Panel that the Panel 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, which provides for a civil penalty in the amount of \$1000.00, a two (2) month suspension of the Dealership's certificate of authority in accordance with the penalties prescribed in section 13(1)(b) of the Certificate Expiry, Penalties and Fees Regulation, A.R. 125/2001, and the remittance of the appeal fee to the Dealership pursuant to s. 24 of the *Insurance Councils Regulation*.
- 4.0 The Dealership and the AIC acknowledge that the anticipated suspension is presently being served and that, providing it meets all statutory and regulatory conditions, the Dealership can apply to reinstate its certificate of authority on October 19, 2014.
- 5.0 The Dealership recognizes that the acceptance of the decision set out in Schedule 1 shall be at the unfettered discretion of the Panel.
- 6.0 The Dealership is aware of and acknowledges that upon receiving notification of the Panel'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.
- 7.0 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 s. 482 of the Act.
- 8.0 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.
- 9.0 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.
- 10.0 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.

11.0 The Dealership and the AIC agree that if this Agreement and Joint Submission is accepted by the Appeal Panel the appeal fee be remitted to the Dealership.

Dated at the City of Calgary, in the Province of Alberta this 17 day of October 2014.

ALBERTA INSURANCE COUNCIL
PER:

Original signed by
Warren Martinson,
Director of Legal & Regulatory Affairs

Dated at Edmonton, in the Province of Alberta, this 15 day of October 2014.

Original signed by
Jean-Paul Demeria, Designated Individual

In the presence of:

Original signed by
Signature of Witness

Original signed by
Name of Witness (please print)

SCHEDULE 1

INSURANCE COUNCILS APPEAL BOARD OF ALBERTA

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

And

In the Matter of AutoLife Global Corp.
(the “Dealership”)

As represented by Jean-Paul Demeria
Designated Individual,
(the “DI”)

A Panel of the Insurance Councils Appeal Board
(the “Panel”)

WHEREAS the Alberta Insurance Council (“AIC”) made a Demand for Information (the “Demand”) in relation to an investigation being conducted by the AIC into the sale of equipment warranty policies by the Dealership;

AND WHEREAS as a result of the Dealership’s failure to respond to the Demand, the AIC 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 that the Dealership contravened s. 481 of the Act, the Dealership will pay a civil penalty in the amount of ONE THOUSAND DOLLARS (\$1000.00) and its certificate of authority will be suspended for a period of two (2) months;

AND WHEREAS the Panel 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;
2. The Dealership pay a fine of ONE THOUSAND DOLLARS (\$1000.00) and have its certificate(s) suspended for two (2) months in accordance with the terms and conditions set out in this Agreed Statement of Facts and Joint Submission; and
3. That the appeal fee be remitted to the Dealership pursuant to s. 24 of the *Insurance Councils Regulation*.

Date: October 21, 2014

Original signed by
Randolph Langley, Chair
Insurance Appeals Panel