

**IN THE MATTER OF THE *FINANCIAL  
INSTITUTIONS ACT*, RSBC 1996, C. 141**

and

**SmartProgram Inc.**

**(Pursuant to section 208 of the *Financial Institutions Act*)**

**UNDERTAKING**

**[This Undertaking has been redacted before publication.]**

**WHEREAS** the BC Financial Services Authority (“BCFSA”) completed an investigation into the conduct of extraprovincial corporation SmartProgram Inc. (“SP”) pursuant to an Order issued under section 215(1) of the *Financial Institutions Act* (“FIA”);

**AND WHEREAS** the Superintendent of Financial Institutions (the “Superintendent”) is of the opinion, based on the investigation, that SP carried on the business of insurance in B.C. during the years 2022 to May 8, 2024 inclusive (“Term”) when SP underwrote its SmartCare, Tire & Rim, 3-in-1 and Tire & Rim Plus contracts (“Contracts”) to B.C. consumers (“Contract Holders”) through dealerships during the Term without being authorized to do so as required under the FIA, thereby contravening sections 75 and 159(1) of the FIA;

**AND WHEREAS** SP does not admit that it breached the FIA, but accepts that the Superintendent is of the opinion that SP carried on the business of insurance and that the alleged breaches of sections 75 and 159(1) of the FIA took place;

**AND WHEREAS** the Superintendent is not aware of any harm to B.C. Contract Holders;

**AND WHEREAS** the Superintendent considers it appropriate to enter into this Undertaking pursuant to section 208 of the FIA;

**AND WHEREAS** SP undertakes the following:

1. As of the date of the Undertaking, to not carry on any new business of insurance in B.C. through the underwriting, marketing and/or distribution of any new Contracts to B.C. consumers (other than adjusting claims made under Contracts in place with B.C. consumers prior to the effective date of the Undertaking) until and unless SP is authorized by BCFSA to engage in the business of insurance or



is otherwise permitted to do so pursuant to the FIA;

2. To pay to BCFSA the total amount of \$35,000.00 within 30 days of the date of this Undertaking in lieu of the Superintendent issuing an Administrative Penalty under section 253.1 of the FIA; and
3. To pay BCFSA investigative costs in the total amount of \$2,800.00 within 30 days of this Undertaking in lieu of the Superintendent issuing an order for investigative costs to be paid under section 241.1 of the FIA.

This Undertaking may be amended by the written agreement between the Superintendent and SP. An amendment that results in a release or partial release from this Undertaking does not release SP from complying with all applicable laws, including but not limited to enactments administered by BCFSA.

Signed to at the City of Edmonton

in the province of Alberta Canada.

This 4th day of December 2024

"Original signed by Ron Lucas"

**Authorized Signatory – SmartProgram Inc.**

Name: Ron Lucas

Title: CEO

Signed to at the City of Vancouver  
Province of British Columbia, Canada.

This 29th day of November 2024

"Original signed by Joy Tcheng"

**Authorized Signatory - BC Financial Services Authority**

Name: Joy Tcheng

Title: Vice President, Supervision