

CONSENSUAL AGREEMENT AND UNDERTAKING

("Agreement")

Between

THE MARKET PRACTICES COMMITTEE

("Committee")

of

THE GENERAL INSURANCE COUNCIL OF SASKATCHEWAN

("Council")

And

AFFINITY INSURANCE SERVICES INC.

("Affinity")

Affinity, through its designated representative ("DR") acknowledges and agrees that it received the Notice regarding a Proposed Action pursuant to Section 10-11 of *The Insurance Act* (the "Act"), and the reasons therefor, from Council, dated May 10, 2022.

Affinity acknowledges and agrees that it is guilty of misconduct and that it violated Council Bylaws and the Act as follows:

Affinity failed to establish a set of policies or procedures for DR and a Branch Manager, to follow in order to ensure that the agency's legal obligations were met, which is a violation of Bylaws 4-1 (1) (c) and 4-1 (2) (r), which state that:

Bylaw 4-1 (1) For the purposes of the Act, the regulations and these bylaws, professional misconduct is a question of fact but includes any matter, conduct or thing, whether or not disgraceful or dishonorable that:

(c) is a breach of the Act, the regulations or these bylaws.

Bylaw 4-1 (2) Without limiting the generality of subsection 4-1(1), a licensee may be guilty of misconduct if the licensee:

(r) fails to follow sound business practices or maintain proper records;



Consensual Agreement and Undertaking

Affinity Insurance Services Inc.

Affinity, through its DR acknowledges and agrees that:

- a. Affinity's right to make a written submission to, or appear before the Committee at an oral hearing, as to why this action should not be taken, has been explained to it and that it fully understands its rights and/or obligations.
- b. Affinity waives its right to make a written submission to the Committee or to appear before the Committee at an oral hearing and chooses to resolve this matter by way of this Agreement and accordingly waives any right of appeal with respect to this action.
- c. This Agreement does not preclude the Councils from pursuing any other investigation and/or sanctions against it for activities not identified in this Agreement that may be in violation of the Act, *The Insurance Regulations* ("the regulations") or the Bylaws of the Councils.
- d. Affinity has been advised that it is in its best interest to obtain independent legal advice before entering into this Agreement, and it has either:
 - i. obtained such independent legal advice prior to executing this Agreement; or,
 - ii. has willingly chosen not to obtain such advice prior to executing this Agreement.
- e. The DR hereby affirms that he has read and understands the terms of this Agreement and is signing it voluntarily on behalf of Affinity.

Affinity having waived its rights, accepts and undertakes to fulfill the sanctions imposed by the Committee as follows:

- a. Pay a penalty in the amount of \$750.00
- b. Pay the costs of investigation in the amount of 5 hours x \$110 = \$550.00; and
- c. Pay the total fine and costs of \$1300.00 within 30 days from the date of receipt of this Agreement.



Consensual Agreement and Undertaking

Affinity Insurance Services Inc.

The Committee's Agreement:

Upon fulfillment of the sanctions imposed, the Committee agrees this will be the full and final resolution of the violations of Council's Bylaws by Affinity as outlined in this Consensual Agreement and Undertaking

Originally signed by the DR:

May 19, 2022

Date

Signature of the DR of Affinity Insurance Services Inc.

Originally signed by Anne Parker for:

May 30, 2022

Date

THE MARKET PRACTICES COMMITTEE
General Insurance Council of Saskatchewan

Penalties affecting insurance intermediary's licence

5-39(3)

If a penalty imposed against a holder of an insurance intermediary's licence pursuant to subsection (2) is not paid within 30 days after the holder is served with the written notice of the penalty and the decision of the Superintendent is not appealed, the licence is automatically suspended immediately following the last date for paying the penalty or appealing the decision, whichever is later, and remains suspended until the penalty is paid or the licence expires.