



## CONSENSUAL AGREEMENT AND UNDERTAKING

(Agreement)

Between

### THE LIFE INSURANCE COUNCIL OF SASKATCHEWAN

(Council)

And

### Paula Mae Espinosa

(the Licensee)

The Licensee acknowledges and agrees that she received Notice regarding a proposed action, pursuant to Section 10-11 of *The Insurance Act* (the Act), and the reasons therefor, from Council, dated August 15, 2025.

**The Licensee acknowledges and accepts responsibility for misconduct, and agrees that her actions were in violation of the Act, The Insurance Regulations, and Council Bylaws as follows:**

**The Act, Section 5-26 Financial security required for insurance intermediaries**

(1) Every business and individual that applies for or holds an insurance intermediary's licence shall meet and maintain the prescribed financial security requirements.

**The Act, Section 5-39 Penalties affecting insurance intermediary's licence**

(1) The Superintendent may act pursuant to subsection (2) if the Superintendent is satisfied that the holder or a former holder of an insurance intermediary's licence:

(a) has made a material misstatement in the application for the licence;

**Regulation 5-10 Financial security – insurance intermediaries and adjusters**

(1) For the purposes of subsections 5-26(1) and 5-47(1) of the Act:

(a) every business that applies for or holds an insurance agent's license for life, accident and sickness, or life and accident and sickness insurance shall maintain and provide annually proof of a valid policy of errors and omissions insurance that:

(i) provides a minimum of:

(A) \$1,000,000 coverage with respect to any one occurrence



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and a minimum aggregate limit of \$1,000,000 with respect to all occurrences within a year; and

(B) \$1,000.00 extended coverage for loss resulting from fraudulent or dishonest acts;

(ii) covers the insurance activities of the licensee; and

(iii) is underwritten by an insurance company licensed to do business in Canada;

### **Bylaw 3-1 Licences and obligations**

(4) A licence imposes on the licensee, and if a business, the designated representative, obligations including but not limited to, the following:

(c) to immediately notify LICs of:

(i) the failure to maintain the prescribed financial security requirements (errors and omissions insurance or the bond), pursuant to sections 5-10 and 5-23 of the regulations;

### **Bylaw 4-1 Professional misconduct**

(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.

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

[...]

(k) makes a material misstatement in an application for licence or report to continue a licence, pursuant to clauses 5-39(1)(a) and 5-64(1)(a) of the Act;

### **The Licensee acknowledges and agrees that:**

- a. The Licensee's right to make a written submission to or appear before the Market Practices Committee of Council (Committee) at an oral hearing to make representations as to why this action should not be taken has been explained and that she fully understands her rights and/or obligations.
- b. The Licensee waives her 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.



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- c. This Agreement does not preclude Council from pursuing any other investigation and/or sanctions against the Licensee for activities not identified in this Agreement that may be in violation of the Act, *The Insurance Regulations* (the regulations) or Council Bylaws.
- d. The Licensee has been advised that it is in her best interest to obtain independent legal advice before entering into this Agreement. The Licensee has either:
  - a. obtained such independent legal advice prior to executing this Agreement; or
  - b. has willingly chosen not to obtain such advice prior to executing this Agreement.
- e. The Licensee hereby affirms that she has read and understands the terms of this Agreement and that she is signing it voluntarily and of her own free will.

**The Licensee, having waived her rights, accepts and undertakes to fulfill the sanctions imposed by the Council as follows:**

- a. Pay a penalty in the amount of \$1,300.00.
- b. Pay the costs of investigation in the amount of 3 hours x \$110.00 = \$330.00.
- c. Pay the fine and costs, in the total amount of \$1,630.00 within thirty (30) days from the date of this Agreement.

**The Committee's Agreement:**

Upon fulfillment of the sanctions imposed, the Council agrees this to be the full and final resolution of the violations of Council's Bylaws by the Licensee as outlined in this Agreement.

*Originally Signed By:*  
\_\_\_\_\_  
**Paula Mae Espinosa**

*August 27, 2025*  
\_\_\_\_\_  
**Date**

*Originally Signed By:*  
\_\_\_\_\_  
**Denny Huyghebaert, Executive Director  
Insurance Councils of Saskatchewan**

*September 2, 2025*  
\_\_\_\_\_  
**Date**