

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 Nancy Jane Larsen
(the "Agent")

AGREED STATEMENT OF FACTS AND JOINT SUBMISSION

WHEREAS the Alberta Insurance Council (the "AIC") undertook a review of the Agent's 2013/2014 Form 1 Applications for Agents Certificate of Authority for Accident and Sickness ("A&S") and Life Insurance, during which review information came to light that the Agent failed to provide information required by the Minister;

AND WHEREAS the review established that the Agent failed to disclose that she had been subject to proceedings in bankruptcy in 2008 on her 2013/2014 A&S and Life Insurance Applications for Certificate of Authority dated July 16, 2013 and July 18, 2013, respectively;

AND WHEREAS the Agent 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 Agent and the Investigator agree as follows:

- 1.0 For the purposes of this Agreed Statement of Facts and Joint Submission, the Agent makes the following admissions and submissions:
 - 1.1.1 The Agent is the holder of Certificates of Authority (M, Q and H-150785) to transact business as a Life, A&S and General Insurance Agent and has been licensed since July 23, 2013 for Life Insurance, July 18, 2013 for A&S Insurance and October 10, 2013 for General Insurance;
 - 1.1.2 On October 4, 2013, the AIC received the 2013/2014 Form 2 Application for General Insurance Agents Certificate of Authority dated September 27, 2013 from the Agent, which contained the following question: "In the last ten years have you:
g) Been subject to proceedings in bankruptcy?" In response to that question, the Agent marked "YES" and advised that she was discharged on November 21, 2008. This was the first application on which the Agent disclosed that she had been subject to proceedings in bankruptcy;
 - 1.1.3 In response to a letter from the AIC dated October 8, 2013, the Agent sent a letter to the AIC dated October 9, 2013 explaining that the reason she did not disclose the bankruptcy was due to a misinterpretation of the question "subject to

proceedings in bankruptcy” and that she was never in court proceedings which is what she understood the question meant;

- 1.1.4 In response to a letter from the Investigator dated October 31, 2013, the Agent sent a letter to the Investigator dated November 3, 2013, explaining that when she interviewed with American Income Life Insurance Company (“AIL”) she disclosed that she had filed for bankruptcy and had been discharged. The Agent explained that AIL advised her she would not have a problem and she commenced completion of the LLQP and then passed the licensing exam. The Agent explained that when she completed the agent applications, she believed that because she had been discharged and was told she would not have a problem, she interpreted the question as meaning “court proceedings” which she was not involved in and therefore she assumed that the applications which were submitted to the AIC by AIL on her behalf, were submitted correctly. The Agent explained that after she left AIL to transfer to another agency, the new agency advised her that she had to disclose her bankruptcy. The Agent advised that is when she first realized her previous applications with AIL were completed incorrectly.
- 2.0 As a result of the facts set out in this Agreed Statement of Facts and Joint Submission, the Agent contravened section 467(1)(c) of the Act, and consequently violated section 480(1)(b) of the Act for failing to provide information required by the Minister on the Applications for Certificates of Authority.
- 3.0 The Agent and the Investigator jointly recommend to the Life 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 Agent by approving a decision in the form annexed hereto as Schedule 1, which provides for a civil penalty in the amount of \$300.00, in accordance with the penalties prescribed in section 13(1)(b) of the Certificate Expiry, Penalties and Fees Regulation, A.R. 125/2001.
- 4.0 The Agent recognizes that the acceptance of the decision set out in Schedule 1 shall be at the unfettered discretion of the Council.
- 5.0 The Agent 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 Agent is also aware of and acknowledges that by entering into this Agreed Statement of Facts and Joint Submission, the Agent waives her right to appeal this decision as set out in section 482 of the Act.
- 7.0 The Agent waives any existing right she may have under the Act or otherwise to a hearing, review, judicial review or appeal of this matter.
- 8.0 The Agent 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 Agent recognizes that this Agreed Statement of Facts and Joint Submission resolves all issues involving the Agent in this matter only, as the matter is described above.

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

ALBERTA INSURANCE COUNCIL
PER:

Original signed by
Bernie Van Brabant, Investigator

Dated at the City of Calgary, in the Province of Alberta, this 26 day of
May 2014.

Original signed by
Nancy Jane Larsen, Agent

In the presence of:

Original signed by
Signature of Witness

Original signed by
Name of Witness (please print)

SCHEDULE 1ALBERTA 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 Nancy Jane Larsen
(the "Agent")DECISION OF
The Life 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 Agent's failure to provide the information required by the Minister on her 2013/2014 Applications for Certificate of Authority for A&S and Life Insurance dated July 16, 2013 and July 18, 2013 respectively;

AND WHEREAS as a result of information received, the Investigator and the Agent 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 Agent has agreed that she will pay a civil penalty in the amount of THREE HUNDRED DOLLARS (\$300.00) 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 Agent pay a fine of THREE HUNDRED DOLLARS (\$300.00), in accordance with the terms and conditions set out in the 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. This motion was duly recorded in the minutes of that meeting.

Date : June 17, 2014

Original signed by
Kenneth Doll, Chair
Life Insurance Council