

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 Sunlife Assurance Company of Canada
(the "Agency")

As represented by
Sabbir Mahmud
(the "Agent")

AGREED STATEMENT OF FACTS AND JOINT SUBMISSION

WHEREAS the Alberta Insurance Council conducted an investigation of unlicensed activity. The findings of the investigation indicated that the Agent had operated without a valid and subsisting Certificate of Authority and acted as a life insurance agent from July 1, 2017 to May 22, 2018 ("unlicensed period");

AND WHEREAS the investigation established that the Agent sold 43 insurance policies and was compensated in the form of salary for those policies during the unlicensed period;

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 a Full Life Agent's Certificate of Authority M-2131982 and an Accident and Sickness Agent's Certificate of Authority Q-2131982 to transact business as a life insurance Agent and has been licensed since at least September 8, 2016;

1.1.2 In response to an email from the AIC dated August 2, 2018, the Agency sent an email dated August 17, 2018 on behalf of the Agent, confirming that the Agent had been compensated in the form of salary for acting as a life insurance agent during the unlicensed period;

1.1.3 The Agency stated the following:
"Regarding the unlicensed activities, please note that due to the administrative error by our licensing area, Mr. Mahmud's renewal application for his Alberta license was not completed prior to the June 30, 2017 deadline. This was an oversight on our part, and not an intentional omission by the Agent or the organization. Mr. Mahmud relies on our licensing area to process his license renewal... In 2018, when the Alberta renewals were being processed licensed employees in our call centre, the Licensing Associate did not find an "option to

renew”... at this point she realized that the license had been inactive since last year.”

- 1.1.4 The Agent confirmed to the investigator that he issued 43 policies during the unlicensed period and earned no commission as he is paid by salary. Sun Life Assurance Company of Canada also confirmed the number of policies sold by the Agent during the unlicensed period.
- 1.1.5 The Agent stated the following:
“As a licensee, I accept the responsibility and accountability of my license. As an employee of Sun Life Financial, we heavily rely on our licensing team to support our licensing renewals. Due to a clerical error made by the Licensing area, my license didn’t get renewed. I was unaware of this situation and unknowingly sold in the province of Alberta with an inactive license. As soon as it came to our attention, Sun Life Financial and I stopped all my activities in the Province of Alberta and we reported the incident to the Alberta Insurance Council.”
- 1.1.6 This is the first occurrence of unlicensed activity for this Agent.
- 1.1.7 The Agent is aware that any similar future occurrences may result in a potential fine as high as \$1,000.00 per policy sold when unlicensed.
- 2.0 As a result of the facts set out in this Agreed Statement of Facts and Joint Submission, the Agent contravened section 452 (2) of the Act, and consequently violated section 480 (1) (b) of the Act for acting as a life insurance agent when unlicensed.
- 3.0 The AGENT and the investigator jointly recommend to the 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 \$455.00, in accordance with the penalties prescribed in section 13 (1) (b) of the Certificate Expiry, Penalties and Fees Regulation, AR 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 its right to appeal this decision as set out in section 482 of the Act.
- 7.0 The AGENT waives any existing right it 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 Calgary, in the Province of Alberta this 3 day of December, 2018.

ALBERTA INSURANCE COUNCIL

PER:

[Original signed by]

Crystal Ellis, Investigator

Dated at the City of Calgary, in the Province of Alberta this 29 day of November, 2018.

[Original signed by] (Toronto, On)

Sabbir Mahmud

In the presence of:

[Original signed by]

Signature of Witness

[N.K.]

Name of Witness (please print)

SCHEDULE 1

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DECISION OF
The Life Insurance Council
(the "Council")

WHEREAS the investigator of the Alberta Insurance Council made a request for information in relation to an investigation being conducted by the AIC into the Agent acting as a restricted travel agent while unlicensed;

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 the Agent will pay a civil penalty in the amount of FOUR HUNDRED FIFTY-FIVE DOLLARS (\$455.00) 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 Agency pay a fine of FOUR HUNDRED FIFTY-FIVE DOLLARS (\$455.00), 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 The Life Insurance Council. The motion was duly recorded in the minutes of that meeting.

Date: January 21, 2019

[Original signed by]
Chair Life Insurance Council