



# Insight

## The Voice of the Alberta Insurance Council

### URGENT NOTICE TO LIFE LEVEL 1 AND PROBATIONARY LIFE INSURANCE AGENTS

Effective May 1, 2006 the Insurance Agents and Adjusters Regulation (Alberta Regulation 122/2001) was amended. Among a number of changes is one which affects holders of Life Level 1 and Probationary Life insurance agent's certificates of authority.

Each year Life insurance agents are required to renew their certificates no later than February 15<sup>th</sup> when their certificates automatically expire. **As of February 15, 2007 Life level 1 and Probationary Life classes of certificates will no longer exist.** Therefore, insurance agents may not renew their certificates as Level 1 or Probationary agents. They must meet the qualification requirements to obtain their Life insurance agent's certificates as Full Life.

In order to qualify for a Full life agent's certificate, a Life level 1 insurance agent must complete the Full L.L.Q.P. course from an approved course provider and pass the Full L.L.Q.P. provincial examination before the expiry of their current Level 1 Life certificate. A Probationary Life insurance agent must complete the L.L.Q.P. program and pass the L.L.Q.P. Part B examination before the expiry of the current Probationary Life certificate.

The AIC will not accept the L.L.Q.P. Part B exam as a qualification from individuals who held the Probationary Life insurance agent's certificate once that certificate expires.

Life insurance agents who do not qualify for the Full Life insurance agent's certificate and who allow their Life level 1 or Probationary Life insurance agent's certificate to expire on February 15, 2007 will be required to provide proof of passing the Full L.L.Q.P. examination requirement in order to be eligible to apply for a Full Life insurance agent's certificate after February 15, 2007.

There is no provision in the Regulation to allow the reinstatement of a Life level 1 or Probationary Life insurance agent's certificate. Your failure to meet the qualification requirement and renew your certificate as Full Life Agent prior to the expiry of your Certificate of Authority will adversely affect your ability to continue to conduct Life insurance business. There is no "grace period." The AIC has no discretion in this matter.

A listing of the approved LLQP providers is available on the AIC website at: [www.abcouncil.ab.ca](http://www.abcouncil.ab.ca)



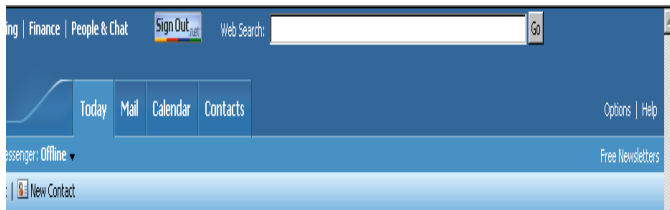
# Alberta Insurance Council

## ATTENTION HOTMAIL USERS

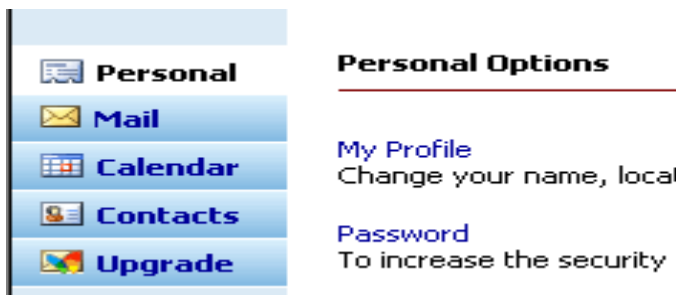
So, you gave us an email address for a Hotmail account when you registered for an exam or updated your contact information. We sent you an email with a temporary or existing password and you didn't get it. What happened, where did it go?

It's very likely that the Hotmail Junk E-Mail filter caught the email and deleted it. You will need to change the settings for your Junk E-Mail filter on your Hotmail account. Here's how:

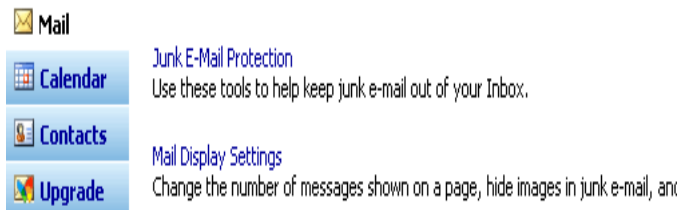
- Log in to your Hotmail account.
- On the right side of the page, just above the "Newsletter" link, click on 'Options'.



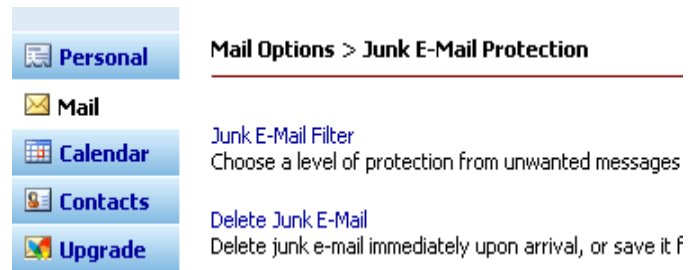
Now click on the 'Mail' icon on the left side of the options page.



Next click on 'Junk E-Mail Protection'



-Now, you have two setting to check, Junk E-Mail Filter & Delete Junk E-Mail.



If your Junk E-Mail Filter is set to 'Exclusive', you won't receive emails from anyone not on your contacts list. If you are concerned about junk emails, set the filter to 'Enhanced'.

Now let's look at the settings for 'Delete Junk E-Mail'. If this is set to 'Delete junk e-mail immediately' anything that matches the Hotmail junk filter rule is gone. Change this setting to 'Deliver to Junk E-Mail folder and delete later'.

An E-Mail coming from the Alberta Insurance Council with a password has 'system@abcouncil.ab.ca' as the sender; you can open the email from your Junk E-Mail or click on 'Not Junk E-Mail' and move the email to your Inbox.

## PROTECT YOUR CLIENT

Do you travel from farm to farm? Do you ever visit auction markets or other agricultural service industries?

Make sure that you do not accidentally spread disease among your clients' livestock. Find out about good biosecurity and practice it every day.

Need more information?

Want support to promote biosecurity? Check out the information at [www.agric.gov.ab.ca/biosecurity](http://www.agric.gov.ab.ca/biosecurity) and call the Office of the Chief Provincial Veterinarian at (780) 427-3448 for free promotional materials.

The above article was provided by Alberta Agriculture Food and Rural Development



## RECENT DISCIPLINARY ACTIONS

### *In the Matter of General Insurance Council (GIC) and Agent M*

In this case it was alleged that the Agent acted in an incompetent manner on three different occasions in that she failed to properly process certain applications for new insurance and a renewal for a client. Specifically, on two occasions the Agent failed to forward completed applications to an insurer after coverage was bound. As a result, the coverage was eventually cancelled by the insurer. Additionally, on one occasion the Agent failed to renew a crime coverage policy and this was not discovered until the client attempted to make a claim under the coverage. At the time that this matter was considered the Agent no longer held a certificate of authority.

Held: On the basis of the evidence the GIC found that the Agent acted in an incompetent manner in relation to all three counts. Part of the difficulty arose out of the Agent's failure to manage her duties and her reluctance to seek assistance when she could not cope with the demands placed upon her. Given all of the circumstances the GIC levied a civil penalty in the amount of \$250 and ordered that she complete an accredited errors and omissions continuing education course before she is allowed to renew or reinstate her certificate of authority.

### *In the Matter of the General Insurance Council (GIC) and Agent D*

It was alleged that the Agent manipulated the computer records of the agency in which she worked so as to avoid paying her own auto insurance premiums. Specifically, the Agent repeatedly suspended and altered her premium payment dates so that they would not appear to be in arrears. In so doing it was alleged that the Agent acted in a deceitful manner contrary to s. 480(1)(a) of the *Insurance Act*. In her responses the Agent recognized that she acted inappropriately and that she was motivated because of ongoing personal financial difficulties.

Held: The GIC concluded that in altering the Agency's computer records to avoid paying the premiums for her own automobile policy the Agent acted in a dishonest, untrustworthy and deceitful manner. The Agent no longer held a certificate of authority that could be revoked or suspended. As such, the GIC levied a civil penalty in the amount of \$2,500.

### *In the Matter of the Life Insurance Council (LIC) and Agent C*

In this matter it was alleged that the Agent perpetrated a scheme whereby he wrote numerous applications for accident & sickness insurance on fictitious individuals. He then added the premium amounts for these policies to the pre-authorized premium withdrawals of 17 different existing clients.

Held: The LIC found the Agent guilty of 17 counts of acting in a fraudulent, dishonest, untrustworthy and deceitful manner pursuant to s. 480(1)(a) of the *Insurance Act*. As such, the LIC levied a civil penalty in the amount of \$2,500 in relation to each count for a total civil penalty of \$42,500. The Agent no longer holds a certificate of authority.

### *In the Matter of the Life Insurance Council (LIC) and Agent W*

In this matter, it was alleged that the Agent failed to disclose the fact that he was subject to a money judgment issued out of the Provincial Court of Alberta that remained unsatisfied at the time he completed his certificate of authority renewal application. In so doing, it was alleged that he failed to provide the AIC with the information required to process the application and that this constituted an offence pursuant to the Act.

Held: The LIC found the Agent guilty of failing to disclose the existence of a judgment against him as required in the renewal application. The evidence was clear that a default judgment was entered against the Agent on September 1, 2004. The Agent then applied to set aside the judgment on September 9, 2004. Despite his knowledge that there was an outstanding judgment against him, on September 13, 2004 the Agent answered "No" to the renewal application question: "Since the date of the last application in Alberta for a Certificate of Authority or Renewal thereof have you: ...[h]ad a judgment of court against you for the award of money that has not been satisfied?" In regard to this matter, the LIC levied the \$250 civil penalty prescribed by the applicable regulation.



# Alberta Insurance Council

## CONTINUING EDUCATION TRACKING SYSTEM

The AIC has recently expanded its website services to include a Continuing Education tracking component. The C.E. certificate information can be entered under the personal profile. Once the certificates are entered, the system will calculate the credits for each class of insurance. In the event a course which has not been approved is entered, a message indicating that the course is not valid will be displayed. The course provider should then be contacted to confirm the validity of the course. Invalid courses are not included in the calculation for audit purposes. A trial audit for compliance is performed as the information is entered and saved.

Only courses which are listed on the Alberta Insurance Council website may be used to meet a continuing education requirement. Courses which are approved for more than one class of certificate may be used to meet the certificate requirements of each class for which the course is accredited. The response timeframe which an individual has to comply with an audit demand has been extended from 14 days to 30 days.

If the AIC does not receive a response within the required time frame, or insufficient certificates/credits are received, the Certificate of Authority will be suspended. Regulation states that an agent/adjuster must complete 15 hours of continuing education hours per certificate class, per certificate term. The AIC has no discretion in this area.

A requirement of 100% attendance for a single day course and at least 75% attendance for a multiple day course must be obtained to receive course credit. If a course is taken by correspondence or internet an exam or quiz must be passed

to earn the course credits. If the exam or quiz is not passed

the credits are not earned. Course providers do not have the authority to grant partial credits.

The AIC will only accept original certificates to verify course completion. The certificates must indicate the individuals name (if not typeset original signature or stamp is required), course provider name, course title (as listed on the AIC website), course completion date and course ID number. If the certificates do not include this information they will be returned with instruction to provide corrected certificates. The AIC will return original certificates once the audit is completed.

The Alberta Insurance Council will audit individuals for up to 3 **previous** certificate terms. C.E. certificates must be kept for 4 previous certificate terms if a carry over of credits is used to meet a requirement. If a carry over of credits is used to meet a C.E. requirement, the individual must provide proof that the credits used are in excess of the initial 15 hour requirement. The maximum carry over from one certificate term to the next is 7.5 hours per certificate class.

If the 15 hour requirement is not met within the certificate timeframe, credits earned after the timeframe will be used to back-fill the missing credits until the requirement has been met. The credits used to backfill a past requirement cannot be re-used to meet the same certificate class requirement for another timeframe.

The AIC has developed a CE approved seminar which outlines the Regulation changes in regards to licensing and continuing education. Any organization wishing to receive this seminar may contact Dawn Tardy at the AIC Edmonton office.



Alberta Insurance Council

**Return Undeliverable Canadian Address to:**  
Suite 901, Toronto Dominion Tower  
10088 102 Avenue  
Edmonton, AB. T5J 2Z1