

BC FINANCIAL SERVICES AUTHORITY
IN THE MATTER OF THE FINANCIAL INSTITUTIONS ACT,
RSBC 1996, C 141

AND

PAVONIA LIFE INSURANCE COMPANY OF MICHIGAN

NOTICE OF ADMINISTRATIVE PENALTY

[This Notice has been redacted before publication.]

The Superintendent of Financial Institutions (the "Superintendent") of BC Financial Services Authority ("BCFSA") provides this Notice of Administrative Penalty (the "Notice") pursuant to section 253.1 of the *Financial Institutions Act* ("FIA").

TAKE NOTICE the Superintendent is of the opinion that you have contravened one or more of the sections of the FIA designated as subject to administrative penalty pursuant to section 253.1 of the FIA and section 2 of the *Administrative Penalties Regulation* (collectively the "Designated Sections").

TAKE NOTICE the Superintendent is imposing the following administrative penalties based on your having contravened the following Designated Sections:

Section: 163; Maximum Penalty: \$40,000 **IMPOSED PENALTY: \$40,000;**

Details: see the table below.

Fiscal Year	Filing	FIA	Due Date	Extended Due Date	Number of Days Late	Penalty Amount (\$100 per diem + \$400 base rate)
2018	Auditor's Report on Life Annual Return	s 163(3)	May 31, 2019	May 31, 2021	In excess of 400	\$100x400+\$400=\$40,400
2018	Auditor's Report on Life Insurance Margin Adequacy Test ("LIMAT") Quarterly Return and Annual Supplement	s 163(3)	May 31, 2019	May 31, 2021	In excess of 400	Maximum per filing=\$10,000
2018	Annual Audited Financial Statements	s 163(2)	May 31, 2019	May 31, 2021	In excess of 400	
2019	Auditor's Report on Life Annual Return	s 163(3)	May 31, 2020	May 31, 2021	In excess of 400	
2019	Auditor's Report on LIMAT Quarterly Return and Annual Supplement	s 163(3)	May 31, 2020	May 31, 2021	In excess of 400	Maximum per filing=\$10,000
2019	Annual Audited Financial Statements	s 163(2)	May 31, 2020	May 31, 2021	In excess of 400	
2020	Auditor's Report on Life Annual Return	s 163(3)	May 31, 2021	n/a	In excess of 400	
2020	Auditor's Report on LIMAT Quarterly Return and Annual Supplement	s 163(3)	May 31, 2021	n/a	In excess of 400	Maximum per filing =\$10,000
2020	Annual Audited Financial Statements	s 163(2)	May 31, 2021	n/a	In excess of 400	
2021	Auditor's Report on Life Annual Return	s 163(3)	May 31, 2022	n/a	In excess of 100	100x100+\$400=\$10,400

2021	Auditor's Report on LIMAT Quarterly Return and Annual Supplement	s 163(3)	May 31, 2022	n/a	In excess of 100	Maximum per filing =\$10,000
2021	Annual Audited Financial Statements	s 163(2)	May 31, 2022	n/a	In excess of 100	
Total administrative penalties:						\$40,000

DISPUTE PROCESS

You have the right to dispute this administrative penalty, including the amount of penalty. To do so, you must deliver a written notice of dispute ("Dispute Notice") to BCFSA **within 14 days** of receipt of this notice.

If the administrative penalty under this Notice is \$5,000 or more in the case of a corporation or \$2,000 or more in the case of an individual, you must indicate in your Dispute Notice whether you would like to proceed by written submission or oral hearing. If the administrative penalty is less than those amounts, then the matter will proceed by written submissions. Your Dispute Notice does not need to set out the particulars of the dispute.

WRITTEN DISPUTE

If your dispute is proceeding by written submission, you must deliver your entire written submission, including any documents you want considered, **within 30 days** of your receipt of this Notice.

Your written submission must clearly articulate the reason for the dispute. It must clearly set out the facts and enclose the documents for the Superintendent's review, such as how you exercised due diligence to prevent the above-noted contravention and/or any extenuating circumstances that prevented compliance. You may also provide any other information that you believe the Superintendent should consider. Upon receipt of your submission the Superintendent may, by order, confirm the penalty, reduce the penalty, or order no penalty. The Superintendent cannot increase the penalty.

ORAL HEARING

If the administrative penalty under this Notice is \$5,000 or more in the case of a corporation or \$2,000 or more in the case of an individual and you choose to proceed by oral hearing in your Dispute Notice, the Superintendent will hold an oral hearing within a reasonable time of receiving your Dispute Notice. The BCFSA will contact you to schedule such a hearing. After a hearing, the Superintendent may, by order, confirm the penalty, reduce the penalty, or order no penalty. The Superintendent cannot increase the penalty. If you fail to appear at the time scheduled for the hearing the Superintendent may make an order in your absence.

PAYMENT

Unless you deliver a Dispute Notice within 14 days of your receipt of this Notice, you must pay the administrative penalty within 14 days of the date you received this Notice and payment must be made to BCFSA.

CONTACT INFORMATION

Dispute Notices should be sent to apreconsiderations@bcfsa.ca.
For other inquiries, please email filings@bcfsa.ca.

“BLAIR MORRISON”

Blair Morrison
Superintendent of Financial Institutions

October 11, 2022

Date