

ALBERTA INSURANCE COUNCIL
(the “AIC”)

In the Matter of the *Insurance Act*, R.S.A. 2000, Chapter I-3
(the “Act”)

And

Theresa Broekhuizen
(the “Agent”)

DECISION
OF
The General Insurance Council
(the “Council”)

This case involves allegations pursuant to s. 480(1)(a) of the Act. Specifically, it is alleged that the Agent, on two (2) occasions, misappropriated client funds by requesting that two (2) of the Agent’s clients pay their policy premiums through an email money transfer directly to her personal email account. In so doing, it is alleged that the Agent is guilty of misrepresentation, fraud, deceit, untrustworthiness, or dishonesty, as contemplated by s. 480(1)(a) of the Act.

Facts and Evidence

This matter proceeded by way of a written Report to Council prepared on September 20, 2024 (the “Report”). The Report was forwarded to the Agent for review and to allow the Agent to provide the Council with any further evidence or submissions by way of Addendum. In arriving at its conclusion, the Council carefully reviewed all evidence presented.

The Agent held a General Insurance – Level 2 Agency certificate of authority, periodically, from February 23, 2007, to November 2, 2023, when her certificate of authority was terminated. The Agent held a General Insurance – Level 1 Agency certificate of authority from March 27, 2006, to February 23, 2007.

This matter arose in response to an investigation report received by the AIC on November 9, 2023, from [W.F.G.I.] [redacted] (hereinafter the “Agency”). The investigation was undertaken by [W.M.I.C.] [redacted] (hereinafter the “Insurer”). This investigation report provided in part:

[...]

Respondent: Theresa Broekhuizen
Job title: Account Executive, Digital Sales
Unit/Region: Edmonton, AB

Report prepared by: [C.G.] [redacted], Corporate Investigator

Report date: October 25, 2023

[...]

Executive Summary:

A report was received by Corporate Compliance on September 25, 2023, alleging Theresa Broekhuizen (Ms. Broekhuizen), Account Executive, Digital Sales at [the Agency] [redacted] instructed a customer to submit payment for their tenant insurance via Email Money Transfer (EMT) into her personal bank account. The report was submitted via email by [Assistant Manager, HRBP] [redacted] at [the Agency] [redacted].

This matter was initially identified by leaders of the Digital Sales team when reviewing a sold tenant's policy being cancelled for non-payment. The customer transferred the money to Ms. Broekhuizen on June 27, 2023, and the funds were never deposited into a [Agency] [redacted] account.

Corporate Compliance interviewed Ms. Broekhuizen to obtain her statement regarding the allegation against her. She admitted to instructing the customer to transfer the payment into her personal account, suggesting the customer requested to make an EMT payment. She further suggested it was an oversight on her part to not complete the transaction by transferring the money into a Company account.

[The Manager, Digital Insurance Solutions] [redacted], [...] was interviewed and advised that under no circumstance is an EMT payment acceptable, and Ms. Broekhuizen knows that given her experience within the insurance industry. Upon review, Ms. Broekhuizen has offered EMT payments to customers on more than one occasion.

The evidence suggests that Ms. Broekhuizen did accept and receive funds from two customers on June 3, 2023, and June 27, 2023, respectively, which [the Agency] [redacted] did not receive. It was confirmed by her leader that this is not acceptable and a clear violation of Company policy.

Therefore, the allegation of Improper Workplace Conduct: Theft against Ms. Broekhuizen is substantiated.

Scope:

The investigation focused on the allegation suggesting Ms. Broekhuizen directed an insured to submit payment for a new tenant policy to her personal bank account, via email money transfer. The allegation, if substantiated would be considered a violation of the [Agency] [redacted] Code of Conduct policy.

The Investigation is classified as:

Primary Issue: Improper Workplace Conduct: Theft

Investigative Methodology:

The following persons were interviewed or provided information to aid the investigation:

Name	Title	Date of Interview(s)	Role	Interviewer/Method
[...]	Assistant Manager, HRBP	September 27, 2023	Information Provider	[Corporate Investigator] [redacted] / Microsoft Teams
[...]	Account Executive, Digital Sales	October 2, 2023	Respondent	[Corporate Investigator] [redacted] / Microsoft Teams
[...]	Manager, Digital Insurance Solutions	October 3, 2023, October 11, 2023	Information Provider	[Corporate Investigator] [redacted] /

				Microsoft Teams
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The following items were collected and analyzed:

1. Email dated September 22, 2023, from [Director, Digital Insurance Solutions] [redacted] summarizing the initial concern and findings.
2. Screenshot from [J.G.] [redacted] (hereinafter “Client 1”) showing payment was sent via EMT to Ms. Broekhuizen [sic] Personal email address.
3. Email dated June 27, 2023, from Ms. Broekhuizen to [Client 1] [redacted] requesting [Client 1] [redacted] send payment via EMT to her personal email address.
4. Copy of [the Agency’s] [redacted] Code of Conduct Policy.

Summary of Findings:

Theresa Broekhuizen (Respondent)

Ms. Broekhuizen admitted to accepting payment from [Client 1] [redacted] on June 27, 2023, into her personal bank account. She suggested that the client preferred to pay via EMT. She noted that her intentions were to process the payment right away into the [B.P.] [redacted] system, but it was not working, and she forgot thereafter. [B.P.] [redacted] is a system that allows employees to process applications, policy endorsements and payments.

Ms. Broekhuizen advised she did not advise any co-worker or leader about this matter and knows it was an error on her part. She further suggested her mental headspace was not where it should have been, leading to this oversight.

Ms. Broekhuizen has offered to pay the money to the Company if requested to make things right.

It was noted that Ms. Broekhuizen advised she was not notified at the time of the issue, which would have allowed her to correct the issue right away. She suggested that when a payment is missing or not found, someone generally will follow up with the broker for explanation to retain the business.

Ms. Broekhuizen suggested this matter was a new tenant policy for [Client 1] [redacted] who requested EMT as payment method. Ms. Broekhuizen advised she has not been trained on any process for EMT payments.

[...] She suggested she wouldn’t give up her career for \$[policy payment] [redacted] and apologized for the harm she has caused the Company.

It was suggested by Ms. Broekhuizen that accepting EMT is an option for payment. She advised she has accepted approximately 3-4 EMT payments into her account which she then transfers into a Company account using the [B.P.] [redacted] system.

Ms. Broekhuizen requested that if this resulted in her termination, she would like the opportunity to resign so it doesn’t affect future opportunities.

[The Manager, Digital Insurance Solutions] [redacted] (Leader to Ms. Broekhuizen)

[The Manager, Digital Insurance Solutions] [redacted] advised [the Manager, Digital Insurance Solutions] [redacted] joined the Company in May 2023 and has been leader to Ms. Broekhuizen since that time. [The Manager, Digital Insurance Solutions] [redacted] advised Ms. Broekhuizen helped [the Manager, Digital Insurance Solutions] [redacted] with onboarding and was overall performing well. It was noted that Ms. Broekhuizen was meeting targets and expectations and was engaged with the team. It was suggested in July 2023 Ms. Broekhuizen’s performance dropped significantly with [the Manager, Digital Insurance Solutions] [redacted] unaware of any issues or personal matters going on.

[The Manager, Digital Insurance Solutions] [redacted] advised [the Manager, Digital Insurance Solutions] [redacted] took vacation July 24 – August 4, 2023. [The Manager, Digital Insurance Solutions] [redacted] noted that Ms. Broekhuizen went on a leave of absence sometime during the last week of July as well and has not returned to work to date. Upon [the Manager, Digital Insurance Solutions] [redacted] returning to work [the Manager, Digital Insurance Solutions] [redacted]

found many issues with Ms. Broekhuizen's work, including outstanding policies that were not bound, causing a risk for clients. It was noted that some policies were able to be backdated.

[The Manager, Digital Insurance Solutions] [redacted] advised that Ms. Broekhuizen is responsible for new online (digital) business in personal lines. She obtains leads from online sources (website, email), produces quotes for customers, binds policies and takes payments. [The Manager, Digital Insurance Solutions] [redacted] advised that EMT is not an acceptable form of payment and there is no [Agency] [redacted] bank account set up to receive such a payment. Discussion ensued surrounding Ms. Broekhuizen advising the Investigator she has accepted 3-4 payments via EMT and [the Manager, Digital Insurance Solutions] [redacted] suggested [the Manager, Digital Insurance Solutions] [redacted] would personally conduct a review.

[The Manager, Digital Insurance Solutions] [redacted] advised that the [B.P.] [redacted] system accepts credit card payments only. Acceptable forms of payment are clearly referenced on the invoice sent to customers when the policy is bound. EMT is not an option.

Analysis of Findings:

Corporate Compliance opened an investigation into this matter on September 26, 2023. Ms. Broekhuizen is on a leave of absence but agreed to be interviewed as part of this investigation.

During her interview, Ms. Broekhuizen advised a customer named [Client 1] [redacted] requested a new tenant policy, which she aided. On June 27, 2023, she advised the customer to make payment of \$[redacted] to her email account, {*****2@gmail.com [redacted]}, suggesting [Client 1] [redacted] wanted to pay via EMT. Ms. Broekhuizen suggested that she has accepted EMT payments from customers on multiple occasions since joining [the Agency] [redacted] and has later transferred the funds into a [Agency] [redacted] account.

She noted that due to a system issue she could not transfer the funds on June 27, 2023, and mistakenly forgot to complete the transfer of funds later. Ms. Broekhuizen admitted to receiving funds from [Client 1] [redacted] and not advising a leader or anyone else about the transaction.

Ms. Broekhuizen apologized for this matter and advised it was an oversight on her part. She suggested that given her 15 years in the insurance industry, she would not jeopardize her career for a \$[policy payment] [redacted] payment and offered to pay the money back if requested.

Ms. Broekhuizen's leader, [the Manager, Digital Insurance Solutions] [redacted] was interviewed as part of the investigation. [The Manager, Digital Insurance Solutions] [redacted] advised that EMT's are not an acceptable form of payment, and that acceptable forms of payment are listed on the invoice sent to customers. The payment options are:

1. To finance policy, go to [Agency website] [redacted]
2. Online – select Payee [Agency] [redacted], your account number is: (unique number)
3. Cheque – payable to [Agency] [redacted].

[The Manager, Digital Insurance Solutions] [redacted] advised [the Manager, Digital Insurance Solutions] [redacted] contacted [Client 1] [redacted] to obtain confirmation that payment was sent to Ms. Broekhuizen. A screenshot of the EMT was sent to the Investigator confirming the transaction was deposited into Ms. Broekhuizen's account. It was also confirmed that [the Agency] [redacted] put a new policy in place for [Client 1] [redacted], at no cost, to ensure no financial consequences for [Client 1] [redacted].

[The Manager, Digital Insurance Solutions] [redacted] advised that [the Agency] [redacted] never received any payment for [Client 1's] [redacted] tenant policy and therefore, the policy was subsequently cancelled for non-payment. It was noted this led to a review internally where the payment to Ms. Broekhuizen was discovered.

On October 11, 2023, the Investigator met with [the Manager, Digital Insurance Solutions] [redacted] to discuss additional emails that were located within Ms. Broekhuizen's work email inbox referencing EMT payment options to customers. After a review of these emails, two additional instances were discovered.

1. On June 3, 2023, an EMT in the amount of \$[policy payment] [redacted] was sent to t*****2@gmail.com [redacted] by a customer named [A.M.] [redacted] (hereinafter “Client 2”). Ms. Broekhuizen suggested to [Client 2] [redacted] that this was a necessary down payment for [Client 2’s] [redacted] policy.

The evidence shows that this payment was not applied to [Client 2’s] [redacted] policy nor received by the Company. In reviewing the correspondence between [Client 2] [redacted] and Ms. Broekhuizen, Ms. Broekhuizen suggests the payment system closes daily at 5pm to allow for maintenance and updates and offered the EMT option to [Client 2] [redacted]. [The Manager, Digital Insurance Solutions] [redacted] confirmed that this is not true and that the Company did not receive funds associated with [Client 2’s] [redacted] payment [...]. It was noted that [Client 2’s] [redacted] policy is currently in place, and [Client 2] [redacted] pays [...] [Client 2’s] [redacted] premium monthly, to which all payments are evenly distributed.

2. On June 9, 2023, Ms. Broekhuizen advises a customer named [T.A.] [redacted] with an email of m*****r@hotmail.com [redacted] to make payment [...] to her personal email via EMT.

There is no evidence to prove that payment was made to Ms. Broekhuizen. It was confirmed that [I.I.] [redacted] received the payment for this policy, and the policy remained in place until the customer cancelled the policy on renewal.

The evidence shows that Ms. Broekhuizen admitted to taking EMT payments from [Client 1] [redacted] and [Client 2] [redacted] and failed to provide the corresponding funds to the Company. In addition, it was shown that she has offered customers the payment option of EMT on more than one occasion, which is not acceptable and would constitute a violation of Company policy. Despite Ms. Broekhuizen being truthful about accepting the payment, her actions substantiate the allegation of improper workplace conduct.

Given the fact that Ms. Broekhuizen has accepted funds into her personal account on more than one occasion and not advised or provided the funds to the Company, it is more likely than not that her actions were intentional. A reasonable person would have known that the actions could cause harm or that harm would be a likely consequence. [...]

In her interview, Ms. Broekhuizen suggested her actions were an oversight regarding [Client 1’s] [redacted] payment, which is plausible, however three instances where she instructed customers to pay via EMT were discovered. This pattern of behaviour suggests that Ms. Broekhuizen is accepting funds from customers without any knowledge by the Company. Not only is this considered a form of theft as the Company never received the funds, but Ms. Broekhuizen’s actions have also impacted the affected policies and the customers associated with those policies, creating additional risk for the Company.

Based on a preponderance of the evidence, the allegation of Improper Workplace Conduct: Theft by Ms. Broekhuizen is substantiated.

[...]

[Emphasis added in original document]

On November 9, 2023, the Agency provided the AIC copies of email correspondence between the Agent and Client 1, dated June 27, 2023 (hereinafter the “June 27 2023 Emails”), which stated:

From: Theresa Broekhuizen
To: *****@hotmail.com [redacted]
Subject: EFT payment
Date: June 27, 2023 4:39:00 PM
[...]

Hi [Client 1] [redacted],
The application is sent and just waiting on your signature.
Please send your payment to
t*****2@gmail.com [redacted]
Security is: insurance
Amount: \$[redacted]

[...]

From: Theresa Broekhuizen <Theresa.Broekhuizen@*****.ca> [redacted]
Sent: June 27, 2023 4:57 PM
To: j*****d@hotmail.com [redacted] <j*****d@hotmail.com> [redacted]
Subject: Home Insurance Cover Note

Hi [Client 1] [redacted],
You are set to go. Please see attached the confirmation of insurance which you can provide to your property management.
Our processing team will issue your policy tomorrow and your policy documents and payment confirmation will follow shortly.

If you require any further assistance during this waiting period please reach out to me.

[...]

[Emphasis added in original document]

On November 9, 2023, the Agency provided the AIC copies of email correspondence between the Agent and Client 2, dated June 3, 2023 (hereinafter the “June 3 2023 Emails”), which stated:

On Sat, Jun 3, 2023 at 10:12 AM Theresa Broekhuizen
<Theresa.Broekhuizen@*****.ca> [redacted] wrote:

Hi [Client 2] [redacted],
Please see attached the offer from [P.I.] [redacted].
Monthly installments \$[redacted]
Annual premium \$[redacted]

Coverage is full coverage with the “waiver of depreciation” for 30 months. The coverages provided in this quote meet the requirements of your lienholder.

I am in the office today until 12:00pm. I only require the VIN# and lienholder of your vehicle to be able to put the application together to send to you to sign. Once you have signed the documents I will then provide you a pink card and confirmation of insurance and you will be set to pick up your vehicle and register it

[...]

From: [Client 2] [redacted] <a*****8@gmail.com> [redacted]
Sent: Saturday, June 3, 2023 1:49 PM
To: Theresa Broekhuizen <Theresa.Broekhuizen @*****.ca> [redacted]
Subject: Re: [P.I.] [redacted] - auto quote

Hey Theresa, how are you?
Can you give me a quote for this car please Thank you
[vehicle] [redacted]
[...]
VIN: [redacted]

[...]

On Sat, Jun 3, 2023 at 2:25 PM Theresa Broekhuizen
<Theresa.Broekhuizen@*****.ca> [redacted] wrote:

Thank you and I have spoken to [J.A.] [redacted] at the dealership and they have not determined your lienholder yet, we are ok to issue the pink card and we will provide the confirmation on Monday This will not delay you in picking up your vehicle.

Working on your documents now

[...]

From: [Client 2] [redacted] <a*****8@gmail.com> [redacted]
Sent: Saturday, June 3, 2023 4:55 PM
To: Theresa Broekhuizen <Theresa.Broekhuizen@*****.ca> [redacted]
Subject: Re: [P.I.] [redacted] - auto quote

Hey theresa, sorry to disturb you again and again
My dealer offered me a payment for one year insurance for my [vehicle] [redacted]. Can you please give me a new quote for that
Thank you sorry for the problem

[...]

On Sat, Jun 3, 2023 at 5:06 PM Theresa Broekhuizen
<Theresa.Broekhuizen@*****.ca> [redacted] wrote:

Yes I will.. give me a minute

[...]

From: [Client 2] [redacted] <a*****8@gmail.com> [redacted]
Sent: Saturday, June 3, 2023 5:08 PM
To: Theresa Broekhuizen <Theresa.Broekhuizen@*****.ca> [redacted]
Subject: Re: [P.I.] [redacted] - auto quote

Thank you so much. [Vehicle] [redacted]
vin [redacted] Car information

[...]

On Sat, Jun 3, 2023 at 5:17 PM Theresa Broekhuizen
<Theresa.Broekhuizen@*****.ca> [redacted] wrote:

Are you able to put 1 month down?

[...]

From: [Client 2] [redacted] <a*****8@gmail.com> [redacted]
Sent: Saturday, June 3, 2023 5:22 PM
To: Theresa Broekhuizen <Theresa.Broekhuizen@*****.ca> [redacted]
Subject: Re: [P.I.] [redacted] - auto quote

Yes, I can do [payment] [redacted]\$ [sic] today on monday if that works.

[...]

On Sat, Jun 3, 2023 at 5:26 PM Theresa Broekhuizen
<Theresa.Broekhuizen@*****.ca> [redacted] wrote:

Yes with [E.I.] [redacted] we must collect the first payment and if you are going with the [vehicle] [redacted] I will need to collect.
Will it be on credit card or etransfer, you will receive a receipt of payment for either. This amount will be applied to your first payment
The annual premium is \$[redacted]
With monthly installments of \$[redacted]

[...]

From: [Client 2] [redacted] <a*****8@gmail.com> [redacted]
Sent: Saturday, June 3, 2023 5:40 PM
To: Theresa Broekhuizen <Theresa.Broekhuizen@*****.ca> [redacted]
Subject: Re: [P.I.] [redacted] - auto quote

I can do it

[...]

On Sat, Jun 3, 2023 at 5:40 PM Theresa Broekhuizen
<Theresa.Broekhuizen@*****> [redacted] wrote:

Ok which vehicle are you going with? Ha ha

[...]

From: [Client 2] [redacted] <a*****8@gmail.com> [redacted]
Sent: Saturday, June 3, 2023 5:45 PM
To: Theresa Broekhuizen <Theresa.Broekhuizen@*****.ca> [redacted]
Subject: Re: [P.I.] [redacted] - auto quote

[vehicle] [redacted]

[...]

On Sat, Jun 3, 2023 at 6:13 PM Theresa Broekhuizen
<Theresa.Broekhuizen@*****.ca> [redacted] wrote:

Hi [Client 2] [redacted],
[E.I.'s] [redacted] credit card system is down and I must accept payment prior to releasing your pink card. You can either wait until Monday for me to try to process again or send your payment to me at t*****2@gmail.com [redacted]
Please use the password: Insurance

Sorry but we are after 5:00pm and most of our systems close down to allow for maintenance and updates.
I will send you a receipt and pink card once received.

[...]

From: [Client 2] [redacted] <a*****8@gmail.com> [redacted]
Sent: Saturday, June 3, 2023 6:15 PM
To: Theresa Broekhuizen <Theresa.Broekhuizen@*****.ca> [redacted]
Subject: Re: [P.I.] [redacted] - auto quote

Can you try again with the card or you want me to give you another card number

[...]

On Sat, Jun 3, 2023 at 6:16 PM Theresa Broekhuizen
<Theresa.Broekhuizen@*****.ca> [redacted] wrote:

No it is not the card, the portal is down

[...]

From: [Client 2] [redacted] <a*****8@gmail.com> [redacted]
Sent: Saturday, June 3, 2023 6:22 PM
To: Theresa Broekhuizen <Theresa.Broekhuizen@*****.ca> [redacted]
Subject: Re: [P.I.] [redacted] - auto quote

Ok, thanks.
I have sent you.

[...]

On Sat, Jun 3, 2023 at 6:27 PM Theresa Broekhuizen
<Theresa.Broekhuizen@*****.ca> [redacted] wrote:

I have received and pink card and confirmation coming your way

[...]

From: [Client 2] [redacted] <a*****8@gmail.com> [redacted]
Sent: Saturday, June 3, 2023 6:28 PM
To: Theresa Broekhuizen <Theresa.Broekhuizen@*****.ca> [redacted]
Subject: Re: [P.I.] [redacted] - auto quote

I am gonna get physical copy also

[...]

On Sat, Jun 3, 2023 at 6:30 PM Theresa Broekhuizen <Theresa.Broekhuizen@*****.ca> [redacted] wrote:

Absolutely. We will process the application Monday and you will receive your policy documents and permean [sic]
1 year pink card within 10 – 15 business days.

[...]

On Sat, Jun 3, 2023 at 6:34 PM Theresa Broekhuizen <Theresa.Broekhuizen@*****.ca> [redacted] wrote:

Did you get the pink card? My system is now shutting down for some reason

[...]

On Sat, Jun 3, 2023 at 6:35 PM [Client 2] [redacted] <a*****8@gmail.com> [redacted] wrote:

Yes, I got it, thank you.

[...]

From: [Client 2] [redacted] <a*****8@gmail.com> [redacted]
Sent: Saturday, June 3, 2023 6:36 PM
To: Theresa Broekhuizen <Theresa.Broekhuizen@*****.ca> [redacted]
Subject: Re: [P.I.] [redacted] - auto quote

[...]
Is there any app where i can keep records of payment.

[...]

From: Theresa Broekhuizen
To: [Client 2]

Subject: RE: [P.I.] [redacted] - auto quote

Date: June 3, 2023 6:38:00 PM

[...]

You will have online access once the policy is issued and you are always able to access your policy and payments thru [sic] us as well. I will send a receipt in the morning with your confirmation.

[...]

[Emphasis added in original document]

On November 9, 2023, the Agency also provided the AIC copies of email correspondence between Client 2 and [L.F.] [redacted] (hereinafter the “Branch Manager”) at the Agency, dated June 16, 2023 (hereinafter the “June 16 2023 Emails”), which stated:

[...]

On Fri, Jun 16, 2023 at 2:48 PM [Branch Manager] [redacted] <[email address]> [redacted] wrote:

Hi [Client 2] [redacted],

I am only able to address a couple of your concerns regarding your auto policy and would like to confirm that I as [sic] wrong when I said it looked like two policies had been issued for you.

The policy was issued incorrectly on the [vehicle 1] [redacted], and then amended the same day to the [vehicle 2] [redacted].

The first policy premium for the [vehicle 1] [redacted] was \$[policy payment] [redacted] and then when it was corrected to the [vehicle 2] [redacted], an additional charge of \$[payment amount] [redacted] was generated.

I only see the first payment of \$ [policy payment] [redacted] taken on June 7 2023 and that the remainder of your payments will be \$[payment amount] [redacted]

I will ask Theresa, who I have cc'd in this email to followup [sic] on the payments for you.

[...]

From: [Client 2] [redacted] <a*****8@gmail.com> [redacted]

Sent: Friday, June 16, 2023 3:01 PM

To: [Branch Manager] [redacted] <[email address]> [redacted]

Subject: Re: [Vehicle 2] [redacted]

There are two attachments in this email. One screenshot is when i send [sic] payment for insurance on june 3,2023. Other one for june 12, 2023 which is for [vehicle 1] [redacted]. In total [payment amount] [redacted] i have already paid.

[...]

On Fri, Jun 16, 2023 at 3:23 PM [Branch Manager] [redacted] <[email address]> [redacted] wrote:

Oh Ok, thank you.

Were you asked to make this extra payment [...]?

Is there an account number or policy number in your online banking that doesn't show up on the screen shot you sent me?

[...]

On Fri, Jun 16, 2023 at 3:28 PM [Client 2] [redacted] <a*****8@gmail.com> [redacted] wrote:

I sent it on theresea's [sic] email

[...]

From: [Client 2] [redacted] <a*****8@gmail.com> [redacted]

Sent: Friday, June 16, 2023 3:29 PM

To: [Branch Manager] [redacted] <[email address]> [redacted]

Subject: Re: [Vehicle 2] [redacted]

[...]

All the screenshots attached on this email

[...]

From: [Branch Manager] [redacted]

To: Theresa Broekhuizen

Subject: FW: [Vehicle 2] [redacted]

Date: June 16, 2023 3:57:01 PM

[...]

Can you please track down the clients [sic] missing payment and confirm for [Client 2] [redacted].

[...]

[Emphasis added in original document]

On November 9, 2023, the AIC also received copies of email correspondence between several Agency representatives regarding an investigation into the Agent's conduct, dated September 22, 2023, and September 27, 2023 (hereinafter the "September 2023 Emails"), which stated:

From: [Director, Digital Insurance Solutions] [redacted] <[email address]> [redacted]

Sent: Friday, September 22, 2023 12:24 PM

To: [Assistant Manager, HRBP] [redacted] <[email address]> [redacted]; [N.G.] [redacted] <[email address]> [redacted]

Cc: [R.C.] [redacted] <[email address]> [redacted]; [Manager, Digital Insurance Solutions] [redacted] <[email address]> [redacted]; [G.O.] [redacted] <[email address]> [redacted]

Subject: Employee Investigation

[...]

Background:

- We have an employee Theresa Broekhuizen (Digital PL AE), who is currently away [...].
- While investigating a sold tenant's policy being cancelled for non-payment, we found Theresa instructed the insured to send premium payment via e-transfer [...] to her personal Gmail account and the customer complied (see email correspondence below).
- [...]

Actions:

- We are working with this customer to obtain confirmation that the e-transfer was sent and accepted by our AE.
- Currently investigating all cancelled policies written by this AE over the past 13 months
 - We have reviewed the last 6 months and have not uncovered any additional suspicious activity

Next Steps:

- By end of day Monday Sept 25th, we will provide an update on our account investigation as well as confirmation from the insured that payment was sent as outlined in the email below.

We wanted to bring this to your attention as soon as possible.

[...]

From: [Assistant Manager, HRBP] [redacted] <[email address]> [redacted]
Sent: Wednesday, September 27, 2023 12:19 PM
To: [Director, Digital Insurance Solutions] [redacted] <[email address]> [redacted]
Subject: RE: Employee Investigation

[...]

I wanted to follow up because our Corporate Compliance team is starting the investigation and had some questions before they reached out to Theresa. Has anything further come out of the canceled policies you and the team were looking into (i.e., suspicious activity or misconduct in Theresa's work)? I also wanted to confirm if the client below, [Client 1] [redacted], had said whether or not they sent the etransfer to Theresa's personal email?

[...]

From: [Director, Digital Insurance Solutions] [redacted] <[email address]> [redacted]
Sent: Wednesday, September 27, 2023 11:22 AM
To: [Manager, Digital Insurance Solutions] [redacted] <[email address]> [redacted]
Cc: [Assistant Manager, HRBP] [redacted] <[email address]> [redacted]
Subject: FW: Employee Investigation

[...]

Can you please provide and [sic] update to [Assistant Manager, HRBP] [redacted]?

[...]

From: [Manager, Digital Insurance Solutions] [redacted]
To: [Director, Digital Insurance Solutions] [redacted]
Cc: [Assistant Manager, HRBP] [redacted]
Subject: RE: Employee Investigation
Date: September 27, 2023 1:13:39 PM
[...]

I did receive a screenshot from [Client 1] [redacted] showing the amount, date, email address that the funds were sent [sic] and status showing it was deposited. I also included the email from Theresa advising this is where the funds are to be sent, and another email confirming the policy is bound.

I did review the previous 13 months of cancellations and did not find any other suspicious activity

[...]

[Emphasis added in original document]

On November 20, 2023, the Agent provided the AIC investigator the following information:

[...]

I apologize for my delayed response. My understanding was that I was terminated due to 1 transaction which was a breach of corporate conduct. I have not taken many payments, I have taken many payments by credit card over the phone yes but not etransfer [sic]

I am absolutely beside myself in regards to this matter and how it was handled. I take full responsibility for the payment that I received and did not forward,. [sic] I did not take the payment for personal gain, illegal actions or malice. I am guilty of negligence yes, theft or illegal doings no.I [sic] have offered immediately to pay back the monies to both the

[Insurer] [redacted] investigator and to [the Agency] [redacted] as soon as I was aware. I again offered and was taken aback that [the Agency] [redacted] did not want the payment, they advised they reimbursed the client and that they were not going any further with the investigation but my position was terminated. I am hurt that [Agency] [redacted] managers from my team never once called me to discuss or question my actions although they did call every week [...] however never mentioning any problems with any of my files. When I received the investigation notice from [the Insurer] [redacted], my heart sunk to my feet. Not out of guilt but out of complete stupidity on my part, I let the client down and was not sure if there had been a claim. When speaking to the [Insurer's] [redacted] investigator I offered to pay the money back immediately and. I questioned if there had been a loss, thankfully no.
[...]

In regards to this transaction in question,

Please understand that some of the information I have is not all from memory, a co worker was able to look into the file and advised me of what [the co-worker] [redacted] seen [sic],

I remember that the client wrote a tenant policy, [Client 1] [redacted] was moving into a rental unit in BC, and [Client 1] [redacted] did not have or want to pay by credit card, [Client 1] [redacted] wanted to pay annually at the time of writing the application, and I did not know which office I could send [Client 1] [redacted] to or if they would even be able to take the payment as our systems are not linked and I was not trained on how to take a payment from client directly to [the Agency] [redacted]. The co worker who looked at the file advised that I wrote the application to [P.H.] [redacted] but it was not issued within 30 days as the file was not addressed by another AE until after 30 days, in my absence, and so it was declined. The AE assigned then rewrote the application it to [sic] [the Insurer] [redacted]. I have no information on this application.

I received the payment on June 27th and therefore I would have signed application on file, in my email or in our signing software. My understanding is that [the Manager, Digital Insurance Solutions] [redacted], did not have access to our emails though if the application was in there. I don't know if I had attached the application or not. Below is the transaction received.

I understand that I breached corporate compliance. I understand that I lost my job and potentially my career due to a decision I made. [...]

Sender

[Client 1] [redacted]

Status

Deposited

Date

Jun 27, 2023

[...]

The Agency's *Premium Collection, Financing Policy and Branch Manager Guide* dated July 2021, provided, in part:

[...]

1. Method of Payments:

- **Payment in full** must be collected if the client does not qualify for premium financing.
- **Cash**
- **Cheques**
 - Post Dated cheques: the client can write a maximum of 2 cheques, dated within 30 days of the effective date of the policy. No other postdated cheques are accepted.
- **Debit**
- **Visa & MasterCard in BC, Saskatchewan, and Manitoba only**
 - In Alberta, email [redacted] for exception-based credit card processing (pre-approval by a Director is required).
- **Online Payments**
- **Premium Finance**
 - Clients have the option to decide how to pay their insurance when they receive the [invoice] [redacted] which directs them to a client portal to finance their policy(ies).

- Any exceptions to the above list of approved payment methods must be requested in accordance with [the Agency's] [redacted] Payment Exception Policy and Payment Exception Request Form
- [...]
[Emphasis added in original document]

Discussion

For the Council to conclude that the Agent has committed an offence pursuant to s. 480(1)(a) of the Act, the Report must prove, on the basis of clear and cogent evidence, that it is more likely than not that the Agent committed the act as alleged. The Council is cognizant that findings of guilt under s. 480(1)(a) can dramatically impact an insurance intermediary's ability to remain in the industry. Therefore, the Council carefully weighs all evidence before it before reaching its decision.

The applicable legal test to determine the Agent's guilt in violating s. 480(1)(a) of the Act is set out in the Court of Queen's Bench of Alberta decision, *Roy v. Alberta (Insurance Councils Appeal Board)*, 2008 ABQB 572 (hereinafter referred to as "*Roy*"). In *Roy*, the Life Insurance Council found that an agent violated s. 480(1)(a) of the Act by attesting to completing the required continuing education hours when he did not, in fact, complete the required continuing education hours. The Insurance Councils Appeal Board also found the agent guilty on appeal. The agent advanced the decision to the Court of Queen's Bench of Alberta.

In his reasons for judgment dismissing the appeal, Mr. Justice Marceau wrote as follows at paragraphs 24 to 26:

[24] The *Long* case, albeit a charge under the Criminal Code of Canada where the onus of proof is beyond a reasonable doubt (not on a preponderance of evidence as in this case), correctly sets out the two step approach, namely the court or tribunal must first decide whether objectively one or more of the disjunctive elements have been proven. If so, the tribunal should then consider whether the mental element required has been proved. While the Appeal Board said it was applying the *Long* decision, it did not make a finding as to whether step 1 had been proved with respect to each of the disjunctive elements. Rather it immediately went into a step 2 analysis and found that the mental element required for untrustworthiness might be less than the mental element required for fraud (as a given example).

[25] I am of the view that statement was in error if it was made to convey a sliding scale of *mens rea* or intent depending on which of the constituent elements was being considered. In my view, **the difference between the disjunctive elements may be found in an objective analysis of the definition of each** and certainly, as demonstrated by the *Long* case, what constitutes fraud objectively may be somewhat different from untrustworthiness. However **once the objective test has been met, one must turn to the mental element.** Here to decide the mental element the Appeal Board was entitled, as it did, to find the mental element was satisfied **by the recklessness of the Applicant.**

[26] While the language used by the Appeal Board may be characterized as unfortunate, on this review on the motion of the Applicant I need not decide whether the Appeal Board reasonably could acquit the Applicant on four of the disjunctive elements. Rather, the only matter I must decide is whether the Appeal Board **acting reasonably could conclude, as they did, that the Applicant's false answer together with his recklessness justified a finding of "untrustworthiness".**
[Emphasis added]

The decision of the Insurance Councils Appeal Board was subsequently upheld, its findings confirmed, and the agent was found guilty of an offence pursuant to s. 480(1)(a) of the Act.

The evidence in these types of cases is based on the concept of “*clear and cogent*” evidence. In *The Matter of the Appeal of Arney Falconer*, Chairperson Hopkins dealt with this principle of clear and cogent evidence and provided as follows:

The Life Insurance Council stated in the Decision that there is a requirement “for ‘clear and cogent evidence’ because our findings can dramatically impact an insurance agent’s ability to remain in the industry”. However, the requirement for clear and cogent evidence does not mean that the evidence is to be scrutinized any differently than it should be in any other civil case. **In all civil cases evidence must be sufficiently clear, convincing and cogent to satisfy the balance of probabilities.** In *F.H. v. McDougall* 2008 SCC) [sic]; [2008] 3 S.C.R. 41 the Supreme Court of Canada states:

[45] To suggest that depending upon the seriousness, the evidence in the civil case must be scrutinized with greater care implies that in less serious cases the evidence need not be scrutinized with such care. I think it is inappropriate to say that there are legally recognized different levels of scrutiny of the evidence depending upon the seriousness of the case. There is only one legal rule and that is that in all cases, evidence must be scrutinized with care by the trial judge.

[46] Similarly, evidence must always be sufficiently clear, convincing and cogent to satisfy the balance of probabilities test. But again, there is no objective standard to measure sufficiency. In serious cases, like the present, judges may be faced with evidence of events that are alleged to have occurred many years before, where there is little other evidence than that of the plaintiff and defendant. As difficult as the task may be, the judge must make a decision. If a responsible judge finds for the plaintiff, it must be accepted that the evidence was sufficiently clear, convincing and cogent to that judge that the plaintiff satisfied the balance of probabilities test.

[Emphasis added]

Contraventions of s. 480(1)(a) are *mens rea* offences that require proof of intent, knowledge, or recklessness on a balance of probabilities. Section 480(1)(a) of the Act reads:

If the Minister is satisfied that the holder or a former holder of a certificate of authority has been guilty of misrepresentation, fraud, deceit, untrustworthiness or dishonesty, [...] the Minister may revoke, suspend or refuse to renew or reinstate one or more of the certificates of authority held by the holder, impose terms and conditions provided for in the regulations on one or more of the certificates of authority held by the holder and impose a penalty on the holder or former holder.

The Report alleged that the Agent was guilty of two (2) counts of fraud, deceit, dishonesty, untrustworthiness and/or misrepresentation as contemplated by s. 480(1)(a) of the Act when the Agent misappropriated client funds by requesting that two (2) of the Agent’s clients pay their policy premiums through an email money transfer directly to her personal email account.

Regarding the transactions with both Client 1 and Client 2, the Council took particular note of a number of findings in the Investigation Summary Report:

[...]

Corporate Compliance interviewed Ms. Broekhuizen to obtain her statement regarding the allegation against her. She admitted to instructing the customer to transfer the payment into her personal account, suggesting the customer requested to make an EMT payment. She further suggested it was an oversight on her part to not complete the transaction by transferring the money into a Company account.

[The Manager, Digital Insurance Solutions] [redacted], [...] was interviewed and advised that under no circumstance is an EMT payment acceptable, and Ms. Broekhuizen knows that given her experience within the insurance industry. Upon review, Ms. Broekhuizen has offered EMT payments to customers on more than one occasion.

The evidence suggests that Ms. Broekhuizen did accept and receive funds from two customers on June 3, 2023, and June 27, 2023, respectively, which [the Agency] [redacted] did not receive. It was confirmed by her leader that this is not acceptable and a clear violation of Company policy.

Therefore, the allegation of Improper Workplace Conduct: Theft against Ms. Broekhuizen is substantiated.

[...]

Ms. Broekhuizen admitted to accepting payment from [Client 1] [redacted] on June 27, 2023, into her personal bank account. She suggested that the client preferred to pay via EMT. She noted that her intentions were to process the payment right away into the [B.P.] [redacted] system, but it was not working, and she forgot thereafter. [...]

[...]

During her interview, Ms. Broekhuizen advised a customer named [Client 1] [redacted] requested a new tenant policy, which she aided. On June 27, 2023, she advised the customer to make payment of \$[redacted] to her email account, t*****2@gmail.com [redacted], suggesting [Client 1] [redacted] wanted to pay via EMT. Ms. Broekhuizen suggested that she has accepted EMT payments from customers on multiple occasions since joining [the Agency] [redacted] and has later transferred the funds into a [Agency] [redacted] account.

[...]

[The Manager, Digital Insurance Solutions] [redacted] advised that [the Agency] [redacted] never received any payment for [Client 1's] [redacted] tenant policy and therefore, the policy was subsequently cancelled for non-payment. It was noted this led to a review internally where the payment to Ms. Broekhuizen was discovered.

On October 11, 2023, the Investigator met with [the Manager, Digital Insurance Solutions] [redacted] to discuss additional emails that were located within Ms. Broekhuizen's work email inbox referencing EMT payment options to customers. After a review of these emails, two additional instances were discovered.

1. On June 3, 2023, an EMT in the amount of \$[redacted] was sent to t*****2@gmail.com [redacted] by a customer named [Client 2] [redacted]. Ms. Broekhuizen suggested to [Client 2] [redacted] that this was a necessary down payment for [Client 2's] [redacted] policy.

The evidence shows that this payment was not applied to [Client 2's] [redacted] policy nor received by the Company. In reviewing the correspondence between [Client 2] [redacted] and Ms. Broekhuizen, Ms. Broekhuizen suggests the payment system closes daily at 5pm to allow for maintenance and updates and offered the EMT option to [Client 2] [redacted]. [The Manager, Digital Insurance Solutions] [redacted] confirmed that this is not true and that the Company did not receive funds associated with [Client 2's] [redacted] payment

[...]

The evidence shows that Ms. Broekhuizen admitted to taking EMT payments from [Client 1] [redacted] and [Client 2] [redacted] and failed to provide the corresponding funds to the Company. In addition, it was shown that she has offered customers the payment option of EMT on more than one occasion, which is not acceptable and would constitute a violation of Company policy. Despite Ms. Broekhuizen being truthful about accepting the payment, her actions substantiate the allegation of improper workplace conduct.

In her interview, Ms. Broekhuizen suggested her actions were an oversight regarding [Client 1's] [redacted] payment, which is plausible, however three instances where she instructed customers to pay via EMT were discovered. This pattern of behaviour suggests that Ms. Broekhuizen is accepting funds from customers without any knowledge by the Company. Not only is this considered a form of theft as the Company never received the funds, but Ms. Broekhuizen's actions have also impacted the affected policies and the customers associated with those policies, creating additional risk for the Company.

Based on a preponderance of the evidence, the allegation of Improper Workplace Conduct: Theft by Ms. Broekhuizen is substantiated.

[...]

Regarding the transaction with Client 1, the Council found the June 27 2023 Emails from the Agent to be of significance:

[...]
Hi [Client 1] [redacted],
The application is sent and just waiting on your signature.
Please send your payment to
t*****2@gmail.com [redacted]
Security is: insurance
Amount: \$[redacted]

[...]

Hi [Client 1] [redacted],
You are set to go. Please see attached the confirmation of insurance which you can provide to your property management.
Our processing team will issue your policy tomorrow and your policy documents and payment confirmation will follow shortly.
[...]

Regarding the transaction with Client 1, the Council also took note of the statement made by the Agency's Director, Digital Insurance Solutions, in the September 2023 Emails:

[...]
Subject: Employee Investigation

[...]

Background:

- [...]
- While investigating a sold tenant's policy being cancelled for non-payment, we found Theresa instructed the insured to send premium payment via e-transfer [...] to her personal Gmail account and the customer complied (see email correspondence below).

[...]
[Emphasis added in original document]

Regarding the transaction with Client 1, the Council also noted the statement made by the Agency's Manager, Digital Insurance Solutions in the September 2023 Emails:

[...]
I did receive a screenshot from [Client 1] [redacted] showing the amount, date, email address that the funds were sent and status showing it was deposited. I also included the email from Theresa advising this is where the funds are to be sent, and another email confirming the policy is bound.
[...]

Regarding the transaction with Client 2, the Council found the June 3 2023 Emails from the Agent to be of significance:

[...]
Yes with [E.I.] [redacted] we must collect the first payment and if you are going with the [vehicle] [redacted] I will need to collect.
Will it be on credit card or etransfer, you will receive a receipt of payment for either. This amount will be applied to your first payment
The annual premium is \$[redacted]
With monthly installments of \$[redacted]

[...]

Hi [Client 2] [redacted],
[E.I.'s] [redacted] credit card system is down and I must accept payment prior to releasing your pink card. You can either wait until Monday for me to try to process again or send your payment to me at t*****2@gmail.com [redacted]
Please use the password: Insurance

Sorry but we are after 5:00pm and most of our systems close down to allow for maintenance and updates.
I will send you a receipt and pink card once received.

[...]

No it is not the card, the portal is down

[...]

The Council noted that after Client 2 made the e-transfer to the Agent, they contacted the Agency requesting an explanation regarding payments they had made on their new insurance policy in the June 16 2023 Emails:

[...]

On Fri, Jun 16, 2023 at 2:48 PM [Branch Manager] [redacted] <[email address]> [redacted] wrote:

Hi [Client 2] [redacted],

[...]

I only see the first payment of \$[redacted] taken on June 7 2023 and that the remainder of your payments will be \$[redacted]

I will ask Theresa, who I have cc'd in this email to followup [sic] on the payments for you.

[...]

From: [Client 2] [redacted] <a*****8@gmail.com> [redacted]

Sent: Friday, June 16, 2023 3:01 PM

To: [Branch Manager] [redacted] <[email redacted]> [redacted]

Subject: Re: [Vehicle 2] [redacted]

There are two attachments in this email. One screenshot is when i send [sic] payment for insurance on june 3,2023. Other one for june 12, 2023 which is for [vehicle] [redacted]. In total [redacted] i have already paid.

[...]

On Fri, Jun 16, 2023 at 3:23 PM [Branch Manager] [redacted] <[email address]> [redacted] wrote:

Oh Ok, thank you.

Were you asked to make this extra payment [...]?

Is there an account number or policy number in your online banking that doesn't show up on the screen shot you sent me?

[...]

On Fri, Jun 16, 2023 at 3:28 PM [Client 2] [redacted] <a*****8@gmail.com> [redacted] wrote:

I sent it on theresea's [sic] email

[...]

From: [Branch Manager] [redacted]

To: Theresa Broekhuizen
Subject: FW: [Vehicle 2] [redacted]
Date: June 16, 2023 3:57:01 PM
[...]

Can you please track down the clients [sic] missing payment and confirm for him.
[...]
[Emphasis added in original document]

In the Council's opinion, the findings in the Investigation Summary Report, and the statements made by the Agent in emails with both Client 1 and Client 2 instructing them to send their payment via email money transfer directly to the Agent's personal email address, demonstrate that the Agent intended to misappropriate client funds by having them deposited into her personal account.

Collectively, the Council is comprised of both industry and public members who are well-equipped to assess consumer risk and industry competence. The Council weighed the effects of the alleged actions, the evidence presented, and the accounts of all parties involved when arriving at their conclusion.

Consumers who purchase insurance products expect that insurance agents will act with the utmost good faith while carrying out their work. Honesty and integrity are the hallmarks of a good insurance agent, especially when client funds are involved. It is not unreasonable to expect that a high standard of due diligence be practiced by insurance agents when soliciting insurance products and dealing with payments from a client. Client's can be negatively affected and exposed to unnecessary risk when insurance agents do not appropriately handle premium payments, as it may lead to insurance policies being cancelled by an insurer.

In light of the Agent's admission to receiving the payment from Client 1 into her personal bank account, the statements the Agent made in emails to both Client 1 and Client 2 instructing them to send their payments via email money transfer to her personal email address, the fact that the Agent did not forward the payments to the Agency's account, and the findings in the Investigation Summary Report, the objective and subjective elements of the applicable legal test under s. 480(1)(a) of the Act are met. As such, the Council finds, on two (2) counts, the Agent's conduct was intentional, and it is fraud, deceit, dishonesty, untrustworthiness and/or misrepresentation as contemplated by s. 480(1)(a) of the Act.

In terms of the available sanction, the Council may impose a civil penalty for a violation of s. 480(1)(a) of the Act not exceeding \$5,000.00 per demonstrated offence, pursuant to s. 36.1(1)(a) of the *Insurance Agents and Adjusters Regulation*, AR 122/2001.

Given the evidence that the Agent misappropriated client funds by requesting that two (2) of the Agency's clients pay their policy premiums through an email money transfer directly to her personal email account, the Council orders that a civil penalty of \$5,000.00, per demonstrated offence, resulting in two (2) offences, equaling a total civil penalty of \$10,000.00 be levied against the Agent.

The civil penalty must be paid within thirty (30) days of the date the decision is mailed. In the event that the civil penalty is not paid within thirty (30) days, interest will begin to accrue. Pursuant to s. 482 of the Act (copy enclosed), the Agency has thirty (30) days in which to appeal this decision by filing a Notice of Appeal with the Office of the Superintendent of Insurance.

This Decision was made by way of a motion made and carried at a properly conducted meeting of the General Insurance Council. The motion was duly recorded in the minutes of that meeting.

Date: February 26, 2025

[Original Signed By]

Amanda Sawatzky, Chairperson
General Insurance Council

Extract from the *Insurance Act*, Chapter I-3**Appeal**

482 A decision of the Minister under this Part to refuse to issue, renew or reinstate a certificate of authority, to impose terms and conditions on a certificate of authority, to revoke or suspend a certificate of authority or to impose a penalty on the holder or former holder of a certificate of authority may be appealed in accordance with the regulations.

Extract from the *Insurance Councils Regulation*, Alberta Regulation 126/2001**Notice of appeal**

16(1) A person who is adversely affected by a decision of a council may appeal the decision by submitting a notice of appeal to the Superintendent within 30 days after the council has mailed the written notice of the decision to the person.

(2) The notice of appeal must contain the following:

- a) a copy of the written notice of the decision being appealed;
- b) a description of the relief requested by the appellant;
- c) the signature of the appellant or the appellant's lawyer;
- d) an address for service in Alberta for the appellant;
- e) an appeal fee of \$200 payable to the Provincial Treasurer.

(3) The Superintendent must notify the Minister and provide a copy of the notice of appeal to the council whose decision is being appealed when a notice of appeal has been submitted.

(4) If the appeal involves a suspension or revocation of a certificate of authority or a levy of a penalty, the council's decision is suspended until after the disposition of the appeal by a panel of the Appeal Board.

Contact Information and Useful Links for Appeal:

Email: tbfi.insurance@gov.ab.ca

Phone: 780-643-2237

Fax: 780-420-0752

Toll-free in Alberta: Dial 310-0000, then the number

Mailing Address: 402 Terrace Building, 9515 – 107 Street Edmonton, AB T5K 2C3

Link: [Bulletins, notices, enforcement activities | Alberta.ca](#) – *Interpretation Bulletin 02-2021 – Submitting Notices of Appeal of Insurance Council Decisions*