

ALBERTA INSURANCE COUNCIL  
(the “AIC”)

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

And

Lonny Ladouceur  
(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 forty (40) occasions, provided false or misleading information in insurance transactions. 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 October 31, 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 July 23, 2003, to June 30, 2023, when his certificates of authority expired.

This matter arose in response to correspondence received by the AIC on July 31, 2023, from the Agent:

[...]

To the Directors of the Alberta Insurance Council and [D.I.L.] [redacted] (hereinafter the “Agency”),

As you are aware, my 2023-24 Level II General Insurance License renewal is currently under review. I need to advise you of additional matters concerning my conduct as an insurance representative. There have been applications of auto insurance that I have completed with clients and falsified addresses of residence for the clients to receive a lower premium. I thought I was helping the clients as they were at the dealership at time of application and they wanted to get the car that day and I also wanted to be their broker. I am ashamed of this behavior and how I allowed myself to go down this road knowing that integrity is of utmost importance not only to my oath as a broker but my oath that accompanies my FCIP status. I can assure both [the Agency] [redacted] and the AIC that this matter of dishonesty has been addressed and I can assure you it will never occur again.

I am asking the Alberta Insurance Council and [the Agency] [redacted] for grace in this matter so I may still be able to continue my career as an insurance broker in the Province of AB.

If your decision is that my license will not be renewed, is there an option for me to "step down" from my license so that action on your part is not taken and this matter is not on my permanent record? I await eagerly for your decision and if you require additional information, I am at your disposal. [...]

On August 9, 2023, the Agency provided the AIC the following information:

[...]

Please see attached some of the more egregious violations that have come up so far. [The Agency] [redacted] is withdrawing our sponsorship for Lonny Ladouceur regarding his Alberta License. I have cc'd Lonny. [...]

**[redacted] – PEN\*\*\*\*\*01 [redacted] (hereinafter “Client 1”)**

Lonny set up policy on May 30, 2023. \$[redacted] fee collected from [Client 1] [redacted]. Policy was put into cancellation status due to nonpayment; client was not contacted by Lonny.

**[redacted] – LAT\*\*\*\*\*01 [redacted] (hereinafter “Client 2”)**

Coverage was lapsed for [Client 2's] [redacted] tenant policy on April 12, 2023. It doesn't look like anything was done for the client from what we can see in our BMS, until July 4, 2023, not sure if [Client 2] [redacted] was even aware [Client 2] [redacted] had no coverage. Lonny was advised by [P.H.G.I.C.] [redacted] underwriting on March 16, 2023.

**[redacted] – TER\*\*\*\*-01 [redacted] (hereinafter “Client 3”)**

[E.A.] [redacted] was contacted by Lonny to add the insured's company as a named insured as he forgot. There is nothing on file for ownership by [redacted] Construction Ltd. A form was e-signed by the client to add the company (attached in BMS on July 11, but no date on the actual form), but no BOS or anything but registration showing the company.

**[redacted] – RIA\*\*\*\*-01 [redacted] (hereinafter “Client 4”)**

[E.A.] [redacted] received an email from Lonny to update the drivers [sic] list and get an MVR authorization as [the driver's parent] [redacted] was unlisted and involved in a claim. UW contacted Lonny on June 27, 2023 and again July 17, 2023, advising the family does not need an MVR authorization, just details. [E.A.] [redacted] emailed this back to Lonny with no reply. [The driver's parent] [redacted] was never listed on the original application as he stated to the UW.

**[redacted] – TEI\*\*\*\*\*01 [redacted] (hereinafter “Client 5”)**

[E.A.] [redacted] was contacted by UW to look into license issues; it looks like Lonny set up the policy with someone else's license and details using [G.A.] [redacted] as the driver. Lonny noted on June 19, 2023 that [G.A.] [redacted] now has a class 7 and removed [J.A.] [redacted] as a driver and told [G.A.] [redacted] to have a class 5 driver with [G.A.] [redacted]. There was a claim August 17, 2022 (1 day after inception with [G.A.] [redacted] as the driver). The new policy was processed on portal on August 26, 2022.

**[redacted] – MAT\*\*\*\*\*01 [redacted] (hereinafter “Client 6”)**

Insured contacted Lonny to cancel the policy and had no reply. Insured was upset payments still coming out. Lonny emailed [E.A.] [redacted] and told [E.A.] [redacted] to backdate the cancellation. [E.A.] [redacted] sent a cancellation request to the client to sign, no reply.

**[redacted] – ARS\*\*\*\*\*01 [redacted] (hereinafter “Client 7”)**

Policy cancelled via registered letter due to no license, no premium due to [W.M.I.C.] [redacted]. Insured has notice from [I.I.C.] [redacted] for amount due from cancelled policy in August 2022 of \$[redacted] – it appears this was not paid before new policy set up and the [W.M.I.C.] [redacted] application had been noted of no amounts due to others

and signed and new policy was set up with [W.M.I.C.] [redacted] anyways. ([I.I.C.] [redacted] policy was also through our office.)

**[redacted] – GIB\*\*\*\*\*01 [redacted] (hereinafter “Client 8”)**

Insured contacted Lonny for the Airbnb endorsement on [Client 8’s] [redacted] policy and Lonny advised [Client 8] [redacted] the coverage was in place and he was waiting on documents. No change was ever made or sent to the insurer and the client did not have the coverage. Lonny advised the client that [E.A.] [redacted] would back date for [Client 8] [redacted]. [E.A.] [redacted] confirmed with the insured this was not an option and added the endorsement effective July 13, 2023. [Client 8] [redacted] was very upset and asked to never be contacted by Lonny again.

**[redacted] – ULM\*\*\*\*\*01 [redacted] (hereinafter “Client 9”)**

The insured contacted [E.A.] [redacted] about missing vehicles from their policy as well as a written off vehicle still showing on the coverage. Lonny provided the client pink slips for 2 new vehicles over a year ago and never completed the change. UW did contact Lonny to advise of the incomplete change as his change submitted was wrong. The email to Lonny was deleted and the activity closed with no follow up by Lonny. Both changes for the new vehicles had been deleted by UW as they advised in an email to Lonny, so the clients have been driving without coverage for more than a year. The vehicle that was stolen last June was still on the policy and had not been removed by Lonny. The client wanted the premium refunded to them for this as they have been paying this whole time, though a number of issues came up with this one and the client and [E.A.] [redacted] are still working on it. The client requested to be moved from Lonny to [E.A.] [redacted] as they are upset.

**[redacted] – DER\*\*\*\*\*01 [redacted] (hereinafter “Client 10”)**

[E.A.] [redacted] was contacted to make a vehicle sub for the insured. The insured was afraid to contact us to remove [Client 10’s] [redacted] vehicle as the “fee to do so costs more than [Client 10’s] [redacted] payments.” [E.A.] [redacted] advised [Client 10] [redacted] there is no cost to remove a vehicle to [Client 10’s] [redacted] surprise, would like to deal with [E.A.] [redacted] moving forward.

[...]

**[redacted] – CLA\*\*\*\*\*01 [redacted] (hereinafter “Client 11”)**

Insured contacted [E.A.] [redacted] for an updated pink card, but [E.A.] [redacted] advised the policy was cancelled due to nonpayment. The insured stated they paid in full and doesn’t understand. It looks like Lonny made a change to add a vehicle and the updated premiums didn’t get paid. The client stated the added vehicle was supposed to be removed in two weeks, but it was not. The insured was very upset they have been driving without coverage for months.

**[redacted] – EAG\*\*\*\*\*01 [redacted] (hereinafter “Client 12”)**

[E.A.] [redacted] took a call with insured regarding their policies.  
[W.M.I.C.] [redacted] policy [redacted] missing multiple vehicles, [vehicle 1] [redacted] was to be added, and the [vehicle 2] [redacted] removed, but neither happened when requested.  
[N.I.C.C.] [redacted] policy was to be cancelled completely.  
[S.R.I.M.L.] [redacted] policy was to be cancelled completely.  
Home insurance has been cancelled for over a year Insured was not advised of this.  
Tenant insurance has been cancelled for over a year Insured was not advised of this.

**[redacted] – BOU\*\*\*\*\*01 [redacted] (hereinafter “Client 13”)**

Lonny set up coverage for [Client 13] [redacted] back in April, but never sent the app in until May 23, 2023, when [A.I.C.C.] [redacted] declined the risk due to convictions. [Client 13] [redacted] advised [Client 13] [redacted] paid Lonny \$[redacted] fee and was advised [Client 13] [redacted] had valid coverage. Nothing further was ever done by Lonny, so the client had no clue [Client 13] [redacted] was without coverage. Messages from Lonny to the client tell the client to lie about commercial exposure so [Client 13] [redacted] could get section C coverage.

**[redacted] – MUS\*\*\*\*\*01 [redacted] (hereinafter “Client 14”)**

The insured’s original new insurance policy was written on March 11, 2023, with the application indicating it should be effective from March 13, 2023. The application was e-signed on March 12, 2023. The application indicated 3 major convictions and 1 not at fault claim, which should have been at fault according to the Autoplus attached to the application. The policy was issued on [W.M.I.C.] [redacted] portal with a conviction-free discount and not rated for an accident, despite the application, MVR, and Autoplus all showing relevant information before issuance. This policy was later cancelled for non-payment, effective June 1, 2023.

On July 12, 2023, Lonny emailed [M.A.] [redacted] to set up a new policy for the insured, effective June 20, 2023. [W.M.I.C.] [redacted] has a 7-day binding authority. [W.M.I.C.] [redacted] would not backdate the new application, so a new application was signed by the client, effective July 24, 2023.

The new policy was rated on [the W.M.I.C.] [redacted] portal with the 3 major convictions and 1 AF accident, which [W.M.I.C.] [redacted] approved. The total premium was approximately \$[redacted], significantly higher than Lonny's quote of \$[redacted]. It was later discovered that the address shown on the previous policy and the application was a High River address, which the client was unaware of, as [Client 14] [redacted] has always been in Calgary. Due to the increased premium, the client signed a cancellation to void the application as [Client 14] [redacted] could not afford the updated premium.

**[redacted] – AUS\*\*\*\*-01 [redacted] (hereinafter “Client 15”)**

After sending a reminder notice to client, [R.A.] [redacted] found out that the client had received a renewal policy from Lonny that was not sent to be transacted in our BMS. He sent them a generic invoice (not one through [the Agency] [redacted]) for the \$[redacted] policy premium and a \$[redacted] policy fee, which they had paid to him directly. There was no signed fee agreement for this fee, as well as the premium collected has not yet been forwarded to [the Agency] [redacted] on the client’s behalf.

**[redacted] – MIC\*\*\*\*\*01 [redacted] (hereinafter “Client 16”)**

The insured had requested a vehicle substitution on January 1/23. Lonny charged \$[redacted] fee (no signed fee agreement), sent [Client 16] [redacted] a temporary pink card. Nothing was completed with the policy until [Client 16’s] [redacted] renewal February 9, resulting in a credit on the renewal. There should have been a credit on January 1 as well. This was corrected by [R.A.] [redacted], as well as [Client 16] [redacted] requested that [R.A.] [redacted] become [Client 16’s] [redacted] new broker.

**[redacted] – BEN\*\*\*\*\*01 [redacted] (hereinafter “Client 17”)**

New policy was set up on July 30/22 under the name of [J.B.] [redacted], who was [R.B.’s] [redacted] friend, teaching [R.B.] [redacted] how to drive. [R.B.] [redacted] contacted Lonny in January 2023 about [R.B.’s] [redacted] class 5 license and that the policy should have been in [R.B.’s] [redacted] name all along. Lonny added [R.B.] [redacted] as a named insured, changed the driver on the policy to [R.B.] [redacted], but using [J.B.’s] [redacted] driver’s license information. [R.B.] [redacted] contacted our office about the renewal showing in both names, which is how we discovered this error and that the premium is not rated for correct new driver information.

[...]

[Emphasis added in original document]

On August 15, 2023, the Agent participated in a recorded interview with the AIC investigator held via Microsoft Teams.

On August 15, 2023, the AIC investigator requested the following information from the Agency:

[...]

This morning I interviewed Mr. Ladouceur.

[...]

Also, he mentioned that once the decision was made for him not to access the systems anymore, he sent an email to your office with a detail explanation of all the files that needed to be reviewed.

I would appreciate if you could provide me with those emails [...]  
[...]

On August 15, 2023, the Agency provided the AIC investigator copies of correspondence from the Agent:

[...]

**From:** Lonny Ladouceur  
**To:** [M.A.] [redacted]  
**Subject:** Outstanding Endorsements and Policies Requiring Completion  
**Attachments:** Changes Required.pdf

Hi [M.A.] [redacted],

Attached is the list of all my outstanding work. Please have your staff call me with any questions, I will make myself available. I do have a few outstanding new business applications which I will finish and send today for processing.

[...]

***Expiration Report***

7/14/2023 8:45 AM

Exp Date	Client Code	Client Name [redacted]	[...]	Policy # [redacted]	[...]	Annualized Premium [redacted]
8/16/2023	[Client 5] [redacted]					
[...]	[...]	[...]	[...]	[...]	[...]	[...]
2/2/2024	[Client 12] [redacted]					
[...]	[...]	[...]	[...]	[...]	[...]	[...]
4/23/2024	[Client 4] [redacted]					
[...]	[...]	[...]	[...]	[...]	[...]	[...]
6/12/2024	[Client 15] [redacted]					
[...]	[...]	[...]	[...]	[...]	[...]	[...]
6/20/2024	[Client 14] [redacted]	[...]	[...]	[...]	[...]	[...]

[...]

[Emphasis added in original document]

By way of email dated the same, the Agency provided the AIC investigator with the following information:

[...]

A couple more that we are currently dealing with:

- [redacted] – E\*\*\*\*OV-01[redacted] (hereinafter “Client 18”) – Lonny took payment from the insured for a new policy in April 2023, as a down payment to put on financed contract. The contract was never submitted, nor was payment ever sent to [the Agency] [redacted] as the down payment.
- [redacted] – NEX\*\*\*\*\*-01[redacted] (hereinafter “Client 19”) – The client contacted Lonny originally about a stolen trailer on the policy. This trailer was supposed to have been added to the policy in June but was not completed. The trailer was then stolen on August 9, but we found that it was not on the policy. Since then, [E.A.] [redacted] has talked with the client, who also owns another company which

we insure, and discovered missing vehicles, vehicles not removed, missing drivers on the policies and charging fees without signed agreements.

These are some of the more major ones that we have been dealing with in the last few days.  
[...]

On August 15, 2023, the Agent provided the AIC investigator text message screenshots between the Agent and Client 2, dated May 23, 2023, and July 3, 2023, which provided in part:

[...]  
[Agent] And [redacted] is still your address?  
[Client 2] Yes :)  
[...]  
[Agent] This address will be updated by my assistant. Ty.  
[...]

On August 25, 2023, the Agency provided the AIC investigator the following information:

[...]  
Find [sic] more incidents that not only show unethical practises , intentional [sic] incorrect rating, but dereliction of his duties as a broker to the client and insurer , exposing [sic] the clients to not having coverage , but [sic] also potential denial of coverage. Feel free to give me a call to discuss.

[...]

- [Client 18] [redacted]
  - he took payment of \$[redacted] to set up financing contracts for 2 policies in April 2023; no contracts set up, no payment forwarded to [the Agency] [redacted] at that time. This has now been sent to us and finance contracts set up. Client has requested [E.A.] [redacted] become their broker.
- [redacted]Mett[redacted] (hereinafter “Client 20”)
  - [Client 20] [redacted] has been receiving calls from collection agency for \$[redacted] time on risk from October 2021; [Client 20] [redacted] called, quite angry, as [Client 20] [redacted] had given Lonny \$[redacted] cash in October 2021 that he never forwarded to [A.I.C.C.] [redacted]. This has now been paid through us, and he has forwarded \$[redacted] to us.
- Mor[redacted] (hereinafter “Client 21”)
  - fee agreement we found in his emails (not attached to EPIC) was for \$[redacted]; [Client 21] [redacted] advised [Client 21] [redacted] sent him \$[redacted], which was \$[redacted] fee and \$[redacted] towards [Client 21’s] [redacted] new policy premium. This was not paid to insurer. [Client 21] [redacted] had also requested that [Client 21] [redacted] have \$2M liability on [Client 21’s] [redacted] auto policy, as [Client 21] [redacted] needed that for work. The policy was set up as pleasure use, 5000km/year, not used for work or commuting. When [Client 21] [redacted] contacted him about this, he told [Client 21] [redacted] he would get this taken care of – it was not. Policy was cancelled for nonpayment. [Client 21] [redacted] contacted him again about the \$[redacted] that was supposed to go toward [Client 21’s] [redacted] policy. He told [Client 21] [redacted] the policy is cancelled, and he paid the time on risk of \$[redacted]. There were no refunds for the remaining \$[redacted] from the \$[redacted].
- Dim[redacted] (hereinafter “Client 22”)
  - Fee agreement we found in his emails (not attached to EPIC) was for \$[redacted]; client advised [Client 22] [redacted] sent him \$[redacted], which was for the fee and \$[redacted] towards the new policy premium. This was not paid to the insurer. The policy has now cancelled for nonpayment, so insured is quite upset. Lonny sent us \$[redacted] for this, from which we have paid the time on risk for \$[redacted]. Insured is now working with [D.A.] [redacted] in our office.
- Ale[redacted] (hereinafter “Client 23”)
  - Requested cancellation in April 2023 after Lonny asked for \$[redacted] fee for renewal (no fee agreement sent to [Client 23] [redacted]). He did not send [Client 23] [redacted] cancellation request for signature, so we received call in August from [Client 23] [redacted], stating [Client 23] [redacted] got

insurance elsewhere and shouldn't have been getting notices or been cancelled for non-payment. [D.A.] [redacted] has since reached out to insurer to backdate the cancellation.

- Dom[redacted] (hereinafter "Client 24")
  - Discovered after talking to client that they sent Lonny a total of \$[redacted] – Lonny said \$[redacted] fee (no signed fee agreement); he made a payment of \$[redacted] on one policy, leaving a balance of \$[redacted], for which Lonny has advised that this is for his fees.
- Con[redacted] (hereinafter "Client 25")
  - They advised they have sent him \$[redacted] fees on several occasions without a signed fee agreement.
- Heat[redacted] (hereinafter "Client 26")
  - After receiving returned mail, we confirmed with [Client 26] [redacted] that the address was incorrect on the policy, as well as [Client 26's] [redacted] date licensed – [Client 26] [redacted] was not licensed as long as was entered on the policy. When corrected, the renewal premium increased by \$[redacted] to \$[redacted] from \$[redacted].
- Ky[redacted] (hereinafter "Client 27")
  - After discussing the current renewal premium of \$[redacted], as [Client 27] [redacted] thought it was too much, it was discovered that again the address was incorrect and the date licensed was longer than [Client 27] [redacted] actually was. I told [Client 27] [redacted] I would look into this further – the renewal premium is going to increase by \$[redacted] to \$[redacted].
- Matt[redacted] (hereinafter "Client 28")
  - After contacting the insured about an increase in premium on [Client 28] [redacted] policy, it was discovered again that the address was incorrect, use was shown as pleasure, 5000km/yr, and [Client 28] [redacted] commutes with more mileage/year. [Client 28] [redacted] also advised the car is financed, which was not showing on the policy. After updating the information, [Client 28's] [redacted] premium increased by \$[redacted] mid-term from August 4 to December 20/23.
- Dese[redacted] (hereinafter "Client 29")
  - We received information from the insured that Lonny had them send him \$[redacted] by cheque to an address in Kelowna, BC, cheque payable to [H.I.] [redacted]. There are no signed fee agreements.
- Ria[redacted] (hereinafter "Client 30")
  - Insured is asking for confirmation of insurance for snow removal "as was shown on the COI last year for snow hauling contracts", however snow removal is not included in operations on the policy.

[...]

On August 30, 2023, the Agency provided the AIC investigator email correspondence between the Agency and the Agent, dated August 29, 2023, regarding a former client of the Agent:

[...]

> From: Lonny Ladouceur <[email address]> [redacted]

> Sent: Tuesday, August 29, 2023 11:45 AM

> To: [T.D.] [redacted] (hereinafter the "DR")

> Subject: [Client 13] [redacted]

>

> Hi [DR] [redacted],

>

> I see you returned my fee to [Client 13] [redacted] I don't think this is fair without talking to me first. [Client 13] [redacted] signed the agreements, knew about the fee and I bent over backwards for [Client 13] [redacted]. Please advise.

>

> Lonny

[...]

> On Aug 29, 2023, at 12:32, [DR] [redacted] <[email address]> wrote:

>

> You took the fee, couldn't get personal lines to write it so you submitted to commercial, and [sic] texted client if [Client 13] [redacted] ever gets in a [sic] accident just tell the adjuster [Client 13] [redacted] carries pipe in the back

of the truck, [A.I.C.C.] [redacted] declined, you deleted the decline email and did nothing to get [Client 13] [redacted] a policy leaving [Client 13] [redacted] with no insurance. So [Client 13] [redacted] was driving without insurance!

[...]

From: Lonny Ladouceur <[email address]> [redacted]  
Sent: Tuesday, August 29, 2023 1:13 PM  
To: [DR] [redacted]  
Subject: Re: [Client 13] [redacted]

That is fine [DR] [redacted], all I am asking is for a heads up that fees are being returned. Thank you.

Lonny  
[...]

On August 31, 2023, the Agency provided the AIC investigator correspondence between the Agency and a former client of the Agent, as well as between individuals at the Agency, which stated:

[...]

**From:** [R.T.] [redacted] (hereinafter the "Operations Manager")  
**Sent:** Thursday, August 31, 2023 2:44 PM  
**To:** [DR] [redacted]  
**Subject:** FW: INTERAC e-Transfer: Your money transfer to LONNY LADOUCEUR was deposited.

Hi.

This is proof of a fee paid to Lonny for that home policy he never issued last August.  
Do I have your permission to add this to his August commission statement?

[...]

**From:** [H.A.] [redacted] (hereinafter "Client 31")  
**Sent:** Thursday, August 31, 2023 2:23 PM  
**To:** [J.C.] [redacted]  
**Subject:** Fwd: INTERAC e-Transfer: Your money transfer to LONNY LADOUCEUR was deposited.

Sent from my iPhone

Begin forwarded message:

**Subject: Re: INTERAC e-Transfer: Your money transfer to LONNY LADOUCEUR was deposited.**

Hi [J.C.] [redacted]

This is the e-Transfer of \$[redacted] paid to Lonny for the home insurance policy.

Thanks so much

[Client 31] [redacted]

**From:** [R.B.C.] [redacted] [...]

**Date:** August 11, 2022 at 1:18:39 PM MDT

**To:** [redacted]

**Subject:** INTERAC e-Transfer: Your money transfer to LONNY LADOUCEUR was deposited.

**Reply-To:** [redacted]

The \$[redacted] (CAD) you sent to LONNY LADOUCEUR has been successfully deposited.

Details of the Transfer:

Message: brokerage fee for insurance

[...]

[Emphasis added in original document]

On September 15, 2023, the Agency provided the AIC investigator with client insurance applications, policies, and other documents, which provided the following information:

Broker's Client ID	Information in the Application and/or Policy	Information in the Additional Documents
HAN*****01[redacted] (hereinafter "Client 32")	<u>Address on Application:</u> [...] Airdrie, AB T4A [...]	<u>Temporary Pink Card:</u> [...] Calgary, AB T3K [...]  <u>AutoPlus Gold Report:</u> [...] Calgary, AB T3K [...]
	<u>Date Licensed on Application:</u> 2012/5/1	<u>Saskatchewan Driver's Abstract:</u> 01 Feb 2019
	<u>Convictions from the Operation of any Automobile on Application:</u> none	<u>Saskatchewan Driver's Abstract:</u> Conviction Date: 29 Oct 2019 Offence Date: 16 Sep 2019 Offence Description: Exceed Speed Limit
RAM*****01[redacted] (hereinafter "Client 33")	<u>Address on Application:</u> [...] Okotoks, AB T1S [...]	<u>Temporary Pink Card:</u> [...] Calgary, AB T3J [...]
	<u>Address on Policy:</u> [...] Okotoks, AB T1S [...]	
HEN*****01[redacted] (hereinafter "Client 34")	<u>Address on Application:</u> [...] Calgary, AB T2B [...]	<u>Temporary Pink Card:</u> [...] Calgary, AB T2B [...]
	<u>Address on Insurance Policy:</u> [...] Black Diamond, AB T0L [...]	
ABI*****01[redacted] (hereinafter "Client 35")	<u>Address on Application and Policy:</u> [...] Fort McMurray, AB T9H [...]	<u>Temporary Pink Card:</u> [...] Edmonton, AB T6H [...]  <u>AutoPlus Gold Report:</u> [...] Edmonton, AB T6H [...]
RON*****01[redacted] (hereinafter "Client 36")	<u>Address on Application and Policy:</u> [...] Medicine Hat, AB T1B [...]	<u>Temporary Pink Card:</u> [...] Calgary, AB T2T [...]  <u>AutoPlus Gold Report:</u>

		[...] Calgary, AB T2T [...]
FIK*****01[redacted] (hereinafter "Client 37")	<u>Address on Application and Policy:</u> [...] Brooks, AB T1R [...]	<u>Temporary Pink Card:</u> [...] Calgary, AB T2E [...]  <u>AutoPlus Gold Report:</u> [...] Calgary, AB T2E [...]
POU*****01[redacted] (hereinafter "Client 38")	<u>Address on Application and Policy:</u> [...] Calgary, AB T5E [...]	<u>Temporary Pink Card:</u> [...] Edmonton, AB T5X [...]  <u>Alberta CGI Abstract:</u> [...] Edmonton, AB T5E [...]
ROB*****01[redacted] (hereinafter "Client 39")	<u>Address on Application and Policy:</u> [...] Brooks, AB T1R [...]	<u>Temporary Pink Card:</u> [...] Edmonton, AB T5E [...]  <u>Alberta Driving Record:</u> [...] Edmonton, AB T5E [...]
BRA*****01[redacted] (hereinafter "Client 40")	<u>Address on Policy:</u> [...] Chestermere, AB T1X [...]  <u>Address on Application:</u> [...] Calgary, AB T2G [...]	<u>Temporary Pink Card:</u> [...] Calgary, AB T2G [...]

On October 24, 2023, the AIC investigator conducted a Government of Alberta Corporation/Non-Profit Search on the Corporate Registration System, which provided the following information:

[...]  
**Legal Entity Name:** [[H.I.L.] [redacted]]  
 [...]
 **Alberta Corporation Type:** Named Alberta Corporation  
 [...]
 **Directors:**  
  
**Last Name:** LADOUCEUR  
**First Name:** LONNY  
 [...]
 **Voting Shareholders:**  
  
**Last Name:** LADOUCEUR  
**First Name:** LONNY  
 [...]
 [Emphasis added in original document]

On October 26, 2023, the Agency provided the AIC investigator the following information:

[...]

As requested, I have attached a copy of the invoice he had sent to [Client 15] [redacted] for the \$[redacted] and his fee.

[...]

[The Agency]

Bill To: [redacted] [phone number] [redacted] [Agent's email address] [redacted]  
 Address: [redacted] Invoice #: [redacted]  
 Fax: Invoice Date: 2023-07-05

Invoice For: 2023-24 Cargo Renewal

Item #	Description	Policy#	Unit Price	Column1	Premium
1	2023-24 Cargo Policy	[redacted]			\$[redacted]
2	Broker Fee				\$[redacted]
				Invoice Subtotal	\$[redacted]
				Tax Rate	
				Sales Tax	\$[redacted]
				Other	
Please send etransfer to: [Agent's email address] [redacted]				Deposit Received	
				TOTAL	\$[redacted]

[...]

On October 27, 2023, the AIC investigator requested the following information from the Agent:

[...]

We took the time to review your files, and in the files listed below, there is no fee agreement on file.

Please forward the agreements to me by November 10, 2023.

In the meantime, I will contact the insureds to see if they have signed the fee agreement beforehand.

In addition, while understanding the Agency had paid some insured fees improperly collected or/and money that was supposed to be sent to the insured.

Today, are you aware of any additional insured still needing to come forward that monies would be owed to them?

[...]

By way of email dated the same, the Agent provided the AIC with the following response:

[...]

I will be calling each client and get back to you. I have no access to any of my files anymore so I cannot advise of any outstanding issues on my end.

[...]

The AIC received a copy of a correspondence, dated November 28, 2022, sent to the Agent from the Agency:

[...]

**1<sup>ST</sup> WARNING NOTICE**

Dear Lonny,

Recently there were discussions regarding applications and policy issuance with [P.H.G.I.C.] [redacted], which led to the suspension of your binding authority with them for the month of July. We take these discussions and decisions quite seriously, as they put our contract with the insurance company at risk. Further to this, rules and procedures that have been put in place by both [the Agency] [redacted] and the insurance companies have not been complied with.

We do understand that there may be some unexpected issues occasionally, but we expect our employees and producers to comply with these procedures and act in the best interests of the company.

This is your first warning notice. We expect you to correct the behaviour and comply with the following procedures on an ongoing basis:

- New applications need to be completed, reviewed by myself, then processed in the company portals or emailed to the company within 5 business days, as per our binding authority with the insurance companies. The only time that this time limit may be extended is if you have prior, documented authority by underwriting. A completed application includes all documents required for a new application.
- When an application review is returned to you with errors or questions, follow up is expected immediately (same day).
- Emails, phone calls, correspondence and notes need to be entered into our broker management system for all clients, as per [the Agency's] [redacted] procedures.

If these procedures are not followed, we will have to take further disciplinary action, which may result in [the Agency] [redacted] suspending the sponsorship of your insurance license.

[...]

[Emphasis added in original document]

The AIC received a copy of correspondence between the Agency and the Agent, dated November 28, 2022, and November 29, 2022:

[...]

**From:** [Operations Manager] [redacted]

**Sent:** November 28, 2022 2:33 PM

**To:** Lonny Ladouceur <[email address]> [redacted]

**Cc:** [DR] [redacted]

**Subject:** Employee Warning Notice - 1st Warning

**Importance:** High

Hi.

Please see attached letter for your files. We will keep a copy in our files as well.

On the letter, there are several issues that need to be addressed immediately.

[...]

**From:** Lonny Ladouceur

**Sent:** November 29, 2022 4:09 AM

**To:** [Operations Manager] [redacted]

**Cc:** [DR] [redacted]

**Subject:** RE: Employee Warning Notice - 1st Warning

Good Morning,

I am in receipt of the 1st warning letter. As I mentioned to [the Operations Manager] [redacted], I have [personal information] [redacted] and just doing my best to still take calls, answer emails and write new business. I have multiple applications over the 5 day mark, probably 10-15 to get caught up on. It is currently 4am so obviously, I am doing my best to get caught up and still stay on my phone calls.

After I get caught up with this next batch, I will do my best to keep my applications within the 5 business days or I just will not write any more new business.

[...]

**From:** Lonny Ladouceur

**To:** [Operations Manager] [redacted]; [DR] [redacted]

**Subject:** FW: Employee Warning Notice - 1st Warning

**Date:** November 29, 2022 5:01:25 AM

[...]

In addition to my email below, for my applications that are currently beyond the 5 day mark, I will call an underwriter for each application explaining that I was ill and ask them to put a note on their end that I called in to advise.

[...]

[Emphasis added in original document]

The AIC received a copy of correspondence, dated March 24, 2023, sent to the Agent from the Agency:

[...]

**RE: 1st Written Warning Follow-up Letter**

---

[...]

Further to the 1<sup>st</sup> Written Warning issued on November 28, 2022, we would like to follow up with deadlines for the recommended performance changes.

In the previous letter, the below behavioral corrections were recommended and outlined:

- New applications need to be completed, reviewed by [the Operations Manager] [redacted], then processed in the company portals or emailed to the company within five (5) business days, as per our binding authority with the insurance companies. The only time that this limit may extended [sic] is if you have prior, documented authority by underwriting. A completed application includes all documents required for a new application.
- When an application review is returned to you with errors or questions, follow up is expected immediately (ie: the same business day).
- Emails, phone calls, text messages, correspondence and notes need to be entered into our broker management system (BMS) for all clients, as per [the Agency's] [redacted] procedures.
- A signed fee agreement needs to be signed and attached in the client file for each and every fee that is collected from a client, as per the Insurance Act with regards to fees: "No insurance agent may charge or collect a fee for providing a service to a person who is or is in the process of acquiring insurance through the agent unless the person has agreed [in writing] before the service is provided to pay the fee."

In working to improve these behaviors, your BMS transactions will be monitored with supporting paper documentation on a weekly basis. We will require you to provide all your notes made throughout the week (ie: sticky and scrap paper notes) while servicing your book, with regards to any [Agency] [redacted] clients and set time aside to enter all this information into the BMS with a formal sign off from [the Operations Manager] [redacted].

[...]Should these behaviors continue without noticeable improvement, further disciplinary action including a performance plan, and up to the suspension of your insurance license may take place.

[...]

[Emphasis added in original document]

The AIC received a copy of correspondence between the Agency and the Agent, dated March 24, 2023, and March 27, 2023:

[...]

**From:** [Operations Manager] [redacted]

**Sent:** Friday, March 24, 2023 2:31 PM  
**To:** Lonny Ladouceur <[email address]> [redacted]  
**Cc:** [DR] [redacted]  
**Subject:** Employee Warning Notice - 2nd Warning

Hello.

Please see attached follow up letter to the 1<sup>st</sup> warning letter sent on November 28, 2022. We do require you to sign this letter please, so if you would like me to send to you for an e-signature, please let me know.

[...]

**From:** [Operations Manager] [redacted]  
**Sent:** Monday, March 27, 2023 3:41 PM  
**To:** Lonny Ladouceur <[email address]> [redacted]  
**Cc:** [DR] [redacted]  
**Subject:** FW: Employee Warning Notice - 2nd Warning  
**Importance:** High

I have not heard from you yet, so am sending this again.

[...]

**From:** Lonny Ladouceur  
**To:** [Operations Manager] [redacted]  
**Cc:** [DR] [redacted]  
**Subject:** RE: Employee Warning Notice - 2nd Warning  
**Date:** March 27, 2023 5:40:56 PM  
**Attachments:** image001.jpg

I need to talk to [the DR] [redacted].

[...]

[Emphasis added in original document]

The AIC received a copy of correspondence, dated May 29, 2023, sent to the Agent from the Agency:

[...]

**RE: 2nd Written Warning Follow-up Letter**

---

[...]

Further to the 1<sup>st</sup> Written Warning issued on November 28, 2022, and the 2<sup>nd</sup> Written Warning issued on March 24, 2023, we would like to follow up with deadlines for the recommended performance changes.

Further to the previous letter, the below behavioral corrections will be in place:

- The ability to write and bind new auto insurance with any of our companies will be suspended.
- All existing business and the files will be cleaned up. This includes:
  - Emails, phone calls, text messages, correspondence and notes need to be entered into our broker management system (BMS) for all clients, as per [the Agency's] [redacted] procedures. This includes any and all correspondence from our companies.
  - Policy changes will be entered properly into the BMS, then forwarded to our processor ([L.] [redacted]) for completion in the portals, as per [the Agency's] [redacted] procedures.
- A signed fee agreement needs to be signed and attached in the client file for each and every fee that is collected from a client, as per the Insurance Act with regards to fees: "No insurance agent may charge or collect a fee for providing a service to a person who is or is in the process of acquiring insurance through the agent unless the person has agreed [in writing] before the service is provided to pay the fee." This includes any fees received for policy changes and renewals.

In working to improve these behaviors, your BMS transactions will be monitored with supporting paper documentation on a weekly basis. We will require you to provide all your notes made throughout the week (ie: sticky and scrap paper notes) while servicing your book, with regards to any [Agency] [redacted] clients and set time aside to enter all this information into the BMS with a formal sign off from [the Operations Manager] [redacted].

[...] Should these behaviors continue without noticeable improvement, further disciplinary action including suspension of your insurance license may take place.

[...]

[Emphasis added in original document]

On December 2, 2024, the Agent provided the following additional information by way of Addendum, which stated, in part:

[...]

I am writing to address the allegations against me under the Alberta Insurance Act and to provide a full account of my professional history, personal challenges, and the steps I have taken to rebuild trust, integrity, and compliance in my career. I understand the gravity of these matters and deeply regret the actions that have led to this point.

[...]

#### **Acknowledgment of Actions**

I fully acknowledge and take responsibility for my actions, which went against the standards outlined in the Insurance Act. While my intent was to assist clients in securing necessary coverage, I now recognize that my methods were misguided and violated the principles of integrity and public protection.

I deeply regret the consequences of these actions, not only for my clients and insurers but also for my professional body and the trust it places in its members. I also deeply regret time that was taken from [the Agency] [redacted] and the AIC having to investigate these matters over the past months.

[...]

[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 forty (40) counts of fraud, deceit, dishonesty, untrustworthiness and/or misrepresentation as contemplated by s. 480(1)(a) of the Act when the Agent provided false or misleading information in insurance transactions.

The Council was concerned by the evidence received from the Agency on August 9, 2023, August 15, 2023, and August 25, 2023, indicating that the Agent had requested broker fees from clients while not having written agreements in place for the broker fees, and indicating that the Agent took actions that negatively impacted clients in insurance transactions. That evidence included:

Client	Agency Notes
1	Lonny set up policy on May 30, 2023. \$[redacted] fee collected from [Client 1] [redacted]. Policy was put into cancellation status due to nonpayment; client was not contacted by Lonny.
2	Coverage was lapsed for [Client 2's] [redacted] tenant policy on April 12, 2023. It doesn't look like anything was done for the client from what we can see in our BMS, until July 4, 2023, not sure if [Client 2] [redacted] was even aware [Client 2] [redacted] had no coverage. Lonny was advised by [P.H.G.I.C.] [redacted] underwriting on March 16, 2023.
3	[E.A.] [redacted] was contacted by Lonny to add the insured's company as a named insured as he forgot. There is nothing on file for ownership by [redacted] Construction Ltd. A form was e-signed by the client to add the company (attached in BMS on July 11, but no date on the actual form), but no BOS or anything but registration showing the company.
4	[E.A.] [redacted] received an email from Lonny to update the drivers [sic] list and get an MVR authorization as [the driver's parent] [redacted] was unlisted and involved in a claim. UW contacted Lonny on June 27, 2023 and again July 17, 2023, advising the family does not need an MVR authorization, just details. [E.A.] [redacted] emailed this back to Lonny with no reply. [The driver's parent] [redacted] was never listed on the original application as he stated to the UW.
5	[E.A.] [redacted] was contacted by UW to look into license issues; it looks like Lonny set up the policy with someone else's license and details using [G.A.] [redacted] as the driver. Lonny noted on June 19, 2023 that [G.A.] [redacted] now has a class 7 and removed [J.A.] [redacted] as a driver and told [G.A.] [redacted] to have a class 5 driver with [G.A.] [redacted]. There was a claim August 17, 2022 (1 day after inception with [G.A.] [redacted] as the driver). The new policy was processed on portal on August 26, 2022.
6	Insured contacted Lonny to cancel the policy and had no reply. Insured was upset payments still coming out. Lonny emailed [E.A.] [redacted] and told [E.A.] [redacted] to backdate the cancellation. [E.A.] [redacted] sent a cancellation request to the client to sign, no reply.
7	Policy cancelled via registered letter due to no license, no premium due to [W.M.I.C.] [redacted]. Insured has notice from [I.I.C.] [redacted] for amount due from cancelled policy in August 2022 of \$[redacted] – it appears this was not paid before new policy set up and the [W.M.I.C.] [redacted] application had been noted of no amounts due to others and signed and new policy was set up with [W.M.I.C.] [redacted] anyways. ([I.I.C.] [redacted] policy was also through our office.)

8	Insured contacted Lonny for the Airbnb endorsement on [Client 8's] [redacted] policy and Lonny advised [Client 8] [redacted] the coverage was in place and he was waiting on documents. No change was ever made or sent to the insurer and the client did not have the coverage. Lonny advised the client that [E.A.] [redacted] would back date for [Client 8] [redacted]. [E.A.] [redacted] confirmed with the insured this was not an option and added the endorsement effective July 13, 2023. [Client 8] [redacted] was very upset and asked to never be contacted by Lonny again.
9	The insured contacted [E.A.] [redacted] about missing vehicles from their policy as well as a written off vehicle still showing on the coverage. Lonny provided the client pink slips for 2 new vehicles over a year ago and never completed the change. UW did contact Lonny to advise of the incomplete change as his change submitted was wrong. The email to Lonny was deleted and the activity closed with no follow up by Lonny. Both changes for the new vehicles had been deleted by UW as they advised in an email to Lonny, so the clients have been driving without coverage for more than a year. The vehicle that was stolen last June was still on the policy and had not been removed by Lonny. The client wanted the premium refunded to them for this as they have been paying this whole time, though a number of issues came up with this one and the client and [E.A.] [redacted] are still working on it. The client requested to be moved from Lonny to [E.A.] [redacted] as they are upset.
10	[E.A.] [redacted] was contacted to make a vehicle sub for the insured. The insured was afraid to contact us to remove [Client 10's] [redacted] vehicle as the "fee to do so costs more than [Client 10's] [redacted] payments." [E.A.] [redacted] advised [Client 10] [redacted] there is no cost to remove a vehicle to [Client 10's] [redacted] surprise, would like to deal with [E.A.] [redacted] moving forward.
11	Insured contacted [E.A.] [redacted] for an updated pink card, but [E.A.] [redacted] advised the policy was cancelled due to nonpayment. The insured stated they paid in full and doesn't understand. It looks like Lonny made a change to add a vehicle and the updated premiums didn't get paid. The client stated the added vehicle was supposed to be removed in two weeks, but it was not. The insured was very upset they have been driving without coverage for months.
12	[E.A.] [redacted] took a call with insured regarding their policies. [W.M.I.C.] [redacted] policy [redacted] missing multiple vehicles, [vehicle 1] [redacted] was to be added, and the [vehicle 2] [redacted] removed, but neither happened when requested. [N.I.C.C.] [redacted] policy was to be cancelled completely. [S.R.I.M.L.] [redacted] policy was to be cancelled completely. Home insurance has been cancelled for over a year Insured was not advised of this. Tenant insurance has been cancelled for over a year Insured was not advised of this.
13	Lonny set up coverage for [Client 13] [redacted] back in April, but never sent the app in until May 23, 2023, when [A.I.C.C.] [redacted] declined the risk due to convictions. [Client 13] [redacted] advised [Client 13] [redacted] paid Lonny \$[redacted] fee and was advised [Client 13] [redacted] had valid coverage. Nothing further was ever done by Lonny, so the client had no clue [Client 13] [redacted] was without coverage. Messages from Lonny to the client tell the client to lie about commercial exposure so [Client 13] [redacted] could get section C coverage.
14	The insured's original new insurance policy was written on March 11, 2023, with the application indicating it should be effective from March 13, 2023. The application was e-signed on March 12, 2023. The application indicated 3 major convictions and 1 not at fault claim, which should have been at fault according to the Autoplus attached to the application. The policy was issued on [W.M.I.C.] [redacted] portal with a conviction-free discount and not rated for an accident, despite the application, MVR, and Autoplus all showing relevant information before issuance. This policy was later cancelled for non-payment, effective June 1, 2023. On July 12, 2023, Lonny emailed [M.A.] [redacted] to set up a new policy for the insured, effective June 20, 2023. [W.M.I.C.] [redacted] has a 7-day binding authority. [W.M.I.C.] [redacted] would not backdate the new application, so a new application was signed by the client, effective July 24, 2023. The new policy was rated on [the W.M.I.C.] [redacted] portal with the 3 major convictions and 1 AF accident, which [W.M.I.C.] [redacted] approved. The total premium was approximately \$[redacted], significantly higher than Lonny's quote of \$[redacted]. It was later discovered that the address shown on the previous policy and the application was a High River address, which the client was unaware of, as [Client 14] [redacted] has always been

	in Calgary. Due to the increased premium, the client signed a cancellation to void the application as [Client 14] [redacted] could not afford the updated premium.
15	After sending a reminder notice to client, [R.A.] [redacted] found out that the client had received a renewal policy from Lonny that was not sent to be transacted in our BMS. He sent them a generic invoice (not one through [the Agency] [redacted]) for the \$[redacted] policy premium and a \$[redacted] policy fee, which they had paid to him directly. There was no signed fee agreement for this fee, as well as the premium collected has not yet been forwarded to [the Agency] [redacted] on the client's behalf.
16	The insured had requested a vehicle substitution on January 1/23. Lonny charged \$[redacted] fee (no signed fee agreement), sent [Client 16] [redacted] a temporary pink card. Nothing was completed with the policy until [Client 16's] [redacted] renewal February 9, resulting in a credit on the renewal. There should have been a credit on January 1 as well. This was corrected by [R.A.] [redacted], as well as [Client 16] [redacted] requested that [R.A.] [redacted] become [Client 16's] [redacted] new broker.
17	New policy was set up on July 30/22 under the name of [J.B.] [redacted], who was [R.B.'s] [redacted] friend, teaching [R.B.] [redacted] how to drive. [R.B.] [redacted] contacted Lonny in January 2023 about [R.B.'s] [redacted] class 5 license and that the policy should have been in [R.B.'s] [redacted] name all along. Lonny added [R.B.] [redacted] as a named insured, changed the driver on the policy to [R.B.] [redacted], but using [J.B.'s] [redacted] driver's license information. [R.B.] [redacted] contacted our office about the renewal showing in both names, which is how we discovered this error and that the premium is not rated for correct new driver information.
18	Lonny took payment from the insured for a new policy in April 2023, as a down payment to put on financed contract. The contract was never submitted, nor was payment ever sent to [the Agency] [redacted] as the down payment.  he took payment of \$[redacted] to set up financing contracts for 2 policies in April 2023; no contracts set up, no payment forwarded to [the Agency] [redacted] at that time. This has now been sent to us and finance contracts set up. Client has requested [E.A.] [redacted] become their broker.
19	The client contacted Lonny originally about a stolen trailer on the policy. This trailer was supposed to have been added to the policy in June but was not completed. The trailer was then stolen on August 9, but we found that it was not on the policy. Since then, [E.A.] [redacted] has talked with the client, who also owns another company which we insure, and discovered missing vehicles, vehicles not removed, missing drivers on the policies and charging fees without signed agreements.
20	[Client 20] [redacted] has been receiving calls from collection agency for \$[redacted] time on risk from October 2021; [Client 20] [redacted] called, quite angry, as [Client 20] [redacted] had given Lonny \$[redacted] cash in October 2021 that he never forwarded to [A.I.C.C.] [redacted]. This has now been paid through us, and he has forwarded \$[redacted] to us.
21	Fee agreement we found in his emails (not attached to EPIC) was for \$[redacted]; [Client 21] [redacted] advised [Client 21] [redacted] sent him \$[redacted], which was \$[redacted] fee and \$[redacted] towards [Client 21's] [redacted] new policy premium. This was not paid to insurer. [Client 21] [redacted] had also requested that [Client 21] [redacted] have \$2M liability on [Client 21's] [redacted] auto policy, as [Client 21] [redacted] needed that for work. The policy was set up as pleasure use, 5000km/year, not used for work or commuting. When [Client 21] [redacted] contacted him about this, he told [Client 21] [redacted] he would get this taken care of – it was not. Policy was cancelled for nonpayment. [Client 21] [redacted] contacted him again about the \$[redacted] that was supposed to go toward [Client 21's] [redacted] policy. He told [Client 21] [redacted] the policy is cancelled, and he paid the time on risk of \$[redacted]. There were no refunds for the remaining \$[redacted] from the \$[redacted].
22	Fee agreement we found in his emails (not attached to EPIC) was for \$[redacted]; client advised [Client 22] [redacted] sent him \$[redacted], which was for the fee and \$[redacted] towards the new policy premium. This was not paid to the insurer. The policy has now cancelled for nonpayment, so insured is quite upset. Lonny sent us \$[redacted] for this, from which we have paid the time on risk for \$[redacted]. Insured is now working with [D.] [redacted] in our office.

23	Requested cancellation in April 2023 after Lonny asked for \$[redacted] fee for renewal (no fee agreement sent to [Client 23] [redacted]). He did not send [Client 23] [redacted] cancellation request for signature, so we received call in August from [Client 23] [redacted], stating [Client 23] [redacted] got insurance elsewhere and shouldn't have been getting notices or been cancelled for non-payment. [D.A.] [redacted] has since reached out to insurer to backdate the cancellation.
24	Discovered after talking to client that they sent Lonny a total of \$[redacted] – Lonny said \$[redacted] fee (no signed fee agreement); he made a payment of \$[redacted] on one policy, leaving a balance of \$[redacted], for which Lonny has advised that this is for his fees.
25	They advised they have sent him \$[redacted] fees on several occasions without a signed fee agreement.
26	After receiving returned mail, we confirmed with [Client 26] [redacted] that the address was incorrect on the policy, as well as [Client 26's] [redacted] date licensed – [Client 26] [redacted] was not licensed as long as was entered on the policy. When corrected, the renewal premium increased by \$[redacted] to \$[redacted] from \$[redacted].
27	After discussing the current renewal premium of \$[redacted], as [Client 27] [redacted] thought it was too much, it was discovered that again the address was incorrect and the date licensed was longer than [Client 27] [redacted] actually was. I told [Client 27] [redacted] I would look into this further – the renewal premium is going to increase by \$[redacted] to \$[redacted].
28	After contacting the insured about an increase in premium on [Client 28] [redacted] policy, it was discovered again that the address was incorrect, use was shown as pleasure, 5000km/yr, and [Client 28] [redacted] commutes with more mileage/year. [Client 28] [redacted] also advised the car is financed, which was not showing on the policy. After updating the information, [Client 28's] [redacted] premium increased by \$[redacted] mid-term from August 4 to December 20/23.
29	We received information from the insured that Lonny had them send him \$[redacted] by cheque to an address in Kelowna, BC, cheque payable to [H.I.] [redacted]. There are no signed fee agreements.
30	Insured is asking for confirmation of insurance for snow removal “as was shown on the COI last year for snow hauling contracts”, however snow removal is not included in operations on the policy.

In regards to Client 2, the Council also noted the text messages between Client 2 and the Agent, dated May 23, 2023, and July 3, 2023, indicating that the Agent did not inform Client 2 that their policy had lapsed even when he had been informed of this by the insurer:

[...]  
[Agent] And [redacted] is still your address?  
[Client 2] Yes :)  
[...]  
[Agent] This address will be updated by my assistant. Ty.  
[...]

As it related to Client 13, the Council noted the email correspondence, dated August 30, 2023, between the Agency and the Agent:

[...]  
> From: Lonny Ladouceur <[email address]> [redacted]  
> Sent: Tuesday, August 29, 2023 11:45 AM  
> To: [DR] [redacted]

> Subject: [Client 13] [redacted]  
 >  
 > Hi [DR] [redacted],  
 >  
 > I see you returned my fee to [Client 13] [redacted] I don't think this is fair without talking to me first. [Client 13] [redacted] signed the agreements, knew about the fee and I bent over backwards for [Client 13] [redacted]. Please advise.  
 >  
 > Lonny

[...]

> On Aug 29, 2023, at 12:32, [DR] [redacted] <[email address]> [redacted] wrote:

>  
 > You took the fee, couldn't get personal lines to write it so you submitted to commercial , and texted client if [Client 13] [redacted] ever gets in a [sic] accident just tell the adjuster [Client 13] [redacted] carries pipe in the back of the truck, [A.I.C.C.] [redacted] declined, you deleted the decline email and did nothing to get [Client 13] [redacted] a policy leaving [Client 13] [redacted] with no insurance. So [Client 13] [redacted] was driving without insurance!

[...]

From: Lonny Ladouceur <[email address]> [redacted]  
 Sent: Tuesday, August 29, 2023 1:13 PM  
 To: [DR] [redacted]  
 Subject: Re: [Client 13] [redacted]

That is fine [DR] [redacted], all I am asking is for a heads up that fees are being returned. Thank you.

Lonny  
 [...]

Regarding Client 15, the Council further noted the information provided from the Agency on October 26, 2023, to the AIC, which indicated that the Agent had utilized an invoice not approved by the Agency and that the payments from Client 15 would be sent directly to the Agent:

[...]  
 As requested, I have attached a copy of the invoice he had sent to [Client 15] [redacted] for the \$[redacted] and his fee.

[...]

[The Agency]

Bill To: [redacted] [phone number] [redacted] [Agent's email address] [redacted]  
 Address: [redacted] Fax: Invoice #: [redacted]  
 Invoice Date: 2023-07-05

Invoice For: 2023-24 Cargo Renewal

Item #	Description	Policy#	Unit Price	Column1	Premium
1	2023-24 Cargo Policy	[redacted]			\$[redacted]
2	Broker Fee				\$[redacted]
				Invoice Subtotal	\$[redacted]
				Tax Rate	

Please send etransfer to: [Agent's email address] [redacted]	Sales Tax	\$[redacted]
	Other	
	Deposit Received	
	TOTAL	\$[redacted]

[...]

In relation to Client 29, the Council noted the evidence from the AIC investigator's October 24, 2023, Government of Alberta Corporation/Non-Profit Search on the Corporate Registration System, indicating a business of which the Agent is the sole director and shareholder:

[...]

**Legal Entity Name:** [H.I.L.] [redacted]

[...]

**Alberta Corporation Type:** Named Alberta Corporation

[...]

**Directors:**

**Last Name:** LADOUCEUR

**First Name:** LONNY

[...]

**Voting Shareholders:**

**Last Name:** LADOUCEUR

**First Name:** LONNY

[...]

[Emphasis added in original document]

Regarding Client 31, the Council noted the evidence from the information provided by the Agency on August 31, 2023, indicating that Client 31 had paid a broker fee to the Agent, the broker fee was not provided to the Agency, and that Client 31 did not receive a policy:

[...]

**From:** [Operations Manager] [redacted]

**Sent:** Thursday, August 31, 2023 2:44 PM

**To:** [DR] [redacted]

**Subject:** FW: INTERAC e-Transfer: Your money transfer to LONNY LADOUCEUR was deposited.

Hi.

This is proof of a fee paid to Lonny for that home policy he never issued last August.

Do I have your permission to add this to his August commission statement?

[...]

**From:** [Client 31] [redacted]

**Sent:** Thursday, August 31, 2023 2:23 PM

**To:** [J.C.] [redacted]

**Subject:** Fwd: INTERAC e-Transfer: Your money transfer to LONNY LADOUCEUR was deposited.

Sent from my iPhone

Begin forwarded message:

**Subject: Re: INTERAC e-Transfer: Your money transfer to LONNY LADOUCEUR was deposited.**

Hi [J.C.] [redacted]

This is the e-Transfer of \$[redacted] paid to Lonny for the home insurance policy.

Thanks so much

[Client 31] [redacted]

**From:** [R.B.C.] [redacted] [...]

**Date:** August 11, 2022 at 1:18:39 PM MDT

**To:** [redacted]

**Subject:** INTERAC e-Transfer: Your money transfer to LONNY LADOUCEUR was deposited.

**Reply-To:** [redacted]

The \$[redacted] (CAD) you sent to LONNY LADOUCEUR has been successfully deposited.

Details of the Transfer:

Message: brokerage fee for insurance

[...]

[Emphasis added in original document]

The Council was also concerned by the multiple inconsistencies, between documents provided by the Agency on September 15, 2023, the information provided by the Agent in the actual insurance applications and/or what was in the policies, and the information contained in other related documents. The Council further noted the price differences for average premiums between the inconsistent postal codes documented for each affected client. These comparisons were conducted by the AIC investigator using the “Premiums and Claims by FSA” tool from the Alberta Automobile Insurance Rate Board (AIRB), which displays the five-year weighted average premium per policy in a specific postal code. Those information inconsistencies and premium comparisons included:

Client	Information in the Application and/or Policy	Information in the Additional Documents	AIRB Postal Code Comparison
32	<u>Address on Application:</u> [...] Airdrie, AB T4A [...]	<u>Temporary Pink Card:</u> [...] Calgary, AB T3K [...]  <u>AutoPlus Gold Report:</u> [...] Calgary, AB T3K [...]	<u>Airdrie (T4A)</u> \$1,426.00  <u>Calgary (T3K)</u> \$1,654.00
	<u>Date Licensed on Application:</u> 2012/5/1	<u>Saskatchewan Driver's Abstract:</u> 01 Feb 2019	
	<u>Convictions from the Operation of any Automobile on Application:</u> none	<u>Saskatchewan Driver's Abstract:</u> Conviction Date: 29 Oct 2019 Offence Date: 16 Sep 2019 Offence Description: Exceed Speed Limit	
33	<u>Address on Application:</u> [...] Okotoks, AB T1S [...]	<u>Temporary Pink Card:</u> [...] Calgary, AB T3J [...]	<u>Okotoks (T1S)</u> \$1,417.00

	<u>Address on Policy:</u> [...] Okotoks, AB T1S [...]		<u>Calgary (T3J)</u> \$2,071.00
34	<u>Address on Application:</u> [...] Calgary, AB T2B [...]  <u>Address on Insurance Policy:</u> [...] Black Diamond, AB T0L [...]	<u>Temporary Pink Card:</u> [...] Calgary, AB T2B [...]	<u>Black Diamond (T0L)</u> \$1,297.00  <u>Calgary (T2B)</u> \$1,760.00
35	<u>Address on Application and Policy:</u> [...] Fort McMurray, AB T9H [...]	<u>Temporary Pink Card:</u> [...] Edmonton, AB T6H [...]  <u>AutoPlus Gold Report:</u> [...] Edmonton, AB T6H [...]	<u>Fort McMurray (T9H)</u> \$1,629.00  <u>Edmonton (T6H)</u> \$1,698.00
36	<u>Address on Application and Policy:</u> [...] Medicine Hat, AB T1B [...]	<u>Temporary Pink Card:</u> [...] Calgary, AB T2T [...]  <u>AutoPlus Gold Report:</u> [...] Calgary, AB, T2T [...]	<u>Medicine Hat (T1B)</u> \$1,200.00  <u>Calgary (T2T)</u> \$1,720.00
37	<u>Address on Application and Policy:</u> [...] Brooks, AB T1R [...]	<u>Temporary Pink Card:</u> [...] Calgary, AB T2E [...]  <u>AutoPlus Gold Report:</u> [...] Calgary, AB T2E [...]	<u>Brooks (T1R)</u> \$1,420.00  <u>Calgary (T2E)</u> \$1,747.00
38	<u>Address on Application and Policy:</u> [...] Calgary, AB T5E [...]	<u>Temporary Pink Card:</u> [...] Edmonton, AB T5X [...]  <u>Alberta CGI Abstract:</u> [...] Edmonton, AB T5E [...]	<u>Calgary (T5E)</u> \$1,747.00  <u>Edmonton (T5X)</u> \$1,748.00
39	<u>Address on Application and Policy:</u> [...] Brooks, AB T1R [...]	<u>Temporary Pink Card:</u> [...] Edmonton, AB T5E [...]  <u>Alberta Driving Record:</u> [...] Edmonton, AB T5E [...]	<u>Brooks (T1R)</u> \$1,420.00  <u>Edmonton (T5E)</u> \$1,786.00
40	<u>Address on Policy:</u> [...] Chestermere, AB T1X [...]	<u>Temporary Pink Card:</u> [...] Calgary, AB T2G [...]	<u>Calgary (T2G)</u> \$1,761.00

	<u>Address on Application:</u> [...] Calgary, AB T2G [...]		<u>Chestermere</u> <u>(T1X)</u> \$1,499.00
--	--	--	--

In the Council's opinion, the evidence in the Report demonstrates that the Agent provided false or misleading information to clients and insurers when the Agent collected broker fees from clients without having any written broker fee agreements in place, and when the Agent's actions, including submitting false client addresses, prevented insurers from adequately underwriting the business and exposed insureds to risk from a lack of insurance coverage and the potential denial or cancellation of coverage.

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 Agent's 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. Clients 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. Clients should also be made fully aware of what they are paying for and should be properly informed of the reasons as to why they are submitting any amount of funds to the insurance agent. Insurance agents must explain any broker fees charged to clients, and clients must be able to provide their informed consent to any broker fees in a written agreement.

Insurance agents work in a profession which necessitates the accurate completion of forms and insurance documents. Clients can experience difficulties when false information is submitted to insurers on their behalf. Insurers also rely on the honesty of insurance intermediaries, such as brokerages, agents, and agencies, to complete forms accurately. If there was no responsibility on the insurance intermediary to ensure accuracy of information, then the insurer would presumably be assuming risk on which it had no basis of information. Therefore, it is not unreasonable to expect a high standard of due diligence and honesty be practiced by insurance intermediaries when soliciting and finalizing insurance documents. The relationship between the agent and the client, and the agent and the insurer, results in a fiduciary duty, one which requires insurance agents to act in the best interest of their clients. Clients are never well served when information is inaccurately or falsely recorded, as this false or inaccurate information may lead to coverage being denied or cancelled, rendering the client uninsured.

In light of the evidence that the Agent provided false or misleading information to clients and insurers, including when the Agent collected broker fees from clients without having any written broker fee agreements in place, and when the Agent submitted false information to insurers, 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 forty (40) 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 provided false or misleading information to clients and insurers in forty (40) insurance transactions, the Council orders that a civil penalty of \$5,000.00, per demonstrated offence, resulting in forty (40) offences, equaling a total civil penalty of \$200,000.00 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: May 2, 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](mailto: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*