

Source: Superintendent of Insurance, Government of Alberta

Consumer Alert: Beware of “Ghost Brokers” in Alberta

The Superintendent of Insurance in Alberta has issued a critical notice regarding the rise of fraudulent auto insurance practices involving unlicensed agents, commonly referred to as “ghost brokers.”

This alert is essential for all Albertans seeking automobile insurance.

WHAT ARE GHOST BROKERS?

Ghost brokers are individuals who misrepresent themselves as licensed insurance agents. They typically operate online or over the phone, making it challenging to verify their legitimacy. They employ two main tactics:

1. **Customer Impersonation:** Providing falsified information to secure cheaper policies.
2. **Policy Forgery:** Creating and selling fake insurance documents, including forged pink cards.

WHO IS AT RISK?

Ghost brokers often target newcomers to Canada or those unfamiliar with Alberta’s insurance system, offering

seemingly attractive and unrealistic rates.

HOW TO PROTECT YOURSELF

To safeguard against becoming a victim of ghost brokers, consider the following recommendations:

- **Verify Licensing:** Always confirm that the insurance agent and agency are licensed with the Alberta Insurance Council (AIC). Use their online lookup service for verification.
- **Compare Quotes:** If a quote seems significantly lower than others, investigate further. Utilize the Automobile Insurance Rate Board’s comparative rate tool for guidance.
- **Check Payment Methods:** Legitimate agents will never demand cash payments or ask for payment via personal accounts, cryptocurrency, or gift cards.
- **Watch for Red Flags:** Be cautious if an agent uses personal email addresses instead of business accounts or if they refuse to meet in a professional setting.

REPORTING FRAUD

If you suspect fraudulent activity:

- Disengage immediately and contact local authorities.
- Report your concerns to the insurance fraud tips hotline at 1-877-422-8477.

Always ensure that your insurance is obtained through licensed professionals to avoid potential legal and financial repercussions. If you are ever uncertain about the legitimacy of an insurance broker or agent, do not hesitate to reach out to a Lloyd Sadd advisor.

If you have questions specific to your business, or would like additional information, please reach out to your Lloyd Sadd Advisor.

™©Local Touch. National Strength. Navacord and Navacord logo are Trademarks of Navacord. The information contained herein is general in nature and general insurance description only. The information is not intended to be insurance advice; nor does it amend, modify or supplement any insurance policy. Consult your actual policy or your broker for details regarding terms, conditions, coverage, exclusions, products, services and programs which may be available to you.

**LET US HELP YOU
MANAGE YOUR RISK**

Edmonton: 1.800.665.5243
Calgary: 1.866.845.8330
Kelowna: 1.800.665.5243

lloydsadd.com
info@lloydsadd.com