

Your Compliance Regime

Broker Responsibilities Summary

	Obligation	Risk Assessment Checklist		
Advisor Disclosure	<ul style="list-style-type: none"> • To comply with industry guidelines/standards • Must be provided prior to the sales transaction • **Regulatory requirement of all licensed advisors <p>The client must have clear information about:</p> <ol style="list-style-type: none"> 1. Any industry-related licence(s) you hold 2. Companies you represent 3. Nature of your relationship with the Companies 4. How you are compensated 5. Additional compensation you may receive (e.g. volume bonus; travel incentives) 6. Any Conflict of Interest 7. Client’s right to ask for more information <p>**Note: CLHIA also offers guidance for group products</p>	<ul style="list-style-type: none"> • Have you reviewed the CLHIA reference document “Advisor Disclosure” for the specific requirements of the jurisdictions you are licensed in? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<ul style="list-style-type: none"> • Do you provide your Disclosure document to all clients? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<ul style="list-style-type: none"> • Do you have a client signed Disclosure document in all client files? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<ul style="list-style-type: none"> • Have you included information pertaining to other business activities in your personal Disclosure document? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Managing Conflicts of Interest	<ul style="list-style-type: none"> • Disclosure of actual, potential or perceived conflicts of interest • Interest of the client must be placed ahead of the advisor • Product must be suitable for the client’s needs • To comply with industry requirements / standards 	<ul style="list-style-type: none"> • Have you provided information which the client needs to assess whether a conflict may influence the advice given? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<ul style="list-style-type: none"> • Do you disclose any real or potential conflicts of interest on an on-going basis? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<ul style="list-style-type: none"> • Have you considered and included any perceived conflicts associated with other occupations or business activities? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<ul style="list-style-type: none"> • Have you considered and included any perceived conflicts associates with personal or professional relationships with the client? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Product Suitability	<ul style="list-style-type: none"> • To help your client make an informed and confident purchase decision • To comply with regulatory / industry / company requirements and standards 	<ul style="list-style-type: none"> • Do you follow the “Approach”? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<ul style="list-style-type: none"> • Do you understand the products recommended to clients? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<ul style="list-style-type: none"> • Have you provided your client sufficient information to make an informed and confident purchase decision? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Needs Analysis <ul style="list-style-type: none"> To comply with regulatory / industry/ company requirements and standards Identify and assess the client’s insurance needs in order to recommend a product that is suitable and meets the needs of the client Document the reasons for recommendations made <p>The Approach – General Principle: The recommended product or service must be appropriate for the needs of the client as determined by a needs assessment and/or as identified by the client.</p> <ol style="list-style-type: none"> Provide Disclosure to the client Set Client Expectations regarding the advisor/client relationship Conduct a reasonable Fact Find Conduct a Needs Assessment Provide client with Recommendations & professional Advice Provide written explanation of recommendation – Reasons Why Provide Product Information to the client 	<ul style="list-style-type: none"> Do you follow the sales process outlined within the “Approach”? 	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<ul style="list-style-type: none"> Have you conducted a fact find on the client? 	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<ul style="list-style-type: none"> Have you gathered and documented sufficient information from the client to identify the life insurance needs? 	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<ul style="list-style-type: none"> Have you reviewed and considered existing policies or contracts held by the client? 	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<ul style="list-style-type: none"> Have you engaged the client in the selection process? 	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<ul style="list-style-type: none"> Do the product features fit the need of the client? 	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<ul style="list-style-type: none"> Have you provided the client with a written summary and explanation of the recommendation? 	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Policy Replacement <ul style="list-style-type: none"> Disclose all information needed to ensure client has a good understanding of the product recommend and the impact of proposed replacement Ensure policy replacement is in the best interests of the client To comply with provincial regulations 	<ul style="list-style-type: none"> Do you understand the provincial replacement disclosure regulations? 	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<ul style="list-style-type: none"> Have you provided the client with the replacement declaration? 	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<ul style="list-style-type: none"> Have you provided the client with a written explanation of the advantages and disadvantages of replacing their existing life insurance policy (prior to starting a new application for coverage)? 	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<ul style="list-style-type: none"> Do you have a copy of the client signed documents in your client file? 	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<ul style="list-style-type: none"> Have you reviewed the existing coverage to ensure your understanding of the policy to be replaced? 	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

Record Keeping	<ul style="list-style-type: none"> Files must be current, correct, complete, consistent & contemporaneous Elements of good record keeping: Client signed Disclosure/Engagement Letter Consent to collect personal information Fact Find Risk Assessment / ID verification Illustrations Needs Assessment/Recommendations Replacement forms Reasons Why Letter Policy Delivery Receipt Consent to communicate electronically (CASL) Notes relating to sales process and on-going service 	<ul style="list-style-type: none"> Do you have consistent process for documenting client interactions? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<ul style="list-style-type: none"> Does your record keeping process cover all recommended elements of appropriate documentation? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<ul style="list-style-type: none"> Have you obtained consent to retain any personal information collected from the client? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<ul style="list-style-type: none"> Have you obtained consent to communicate with your client electronically regarding your services and any new products you may recommend? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
AML/ATF	<ul style="list-style-type: none"> To help detect and deter money laundering and the financing of terrorist activities To comply with AML/ATF regulation Appoint a Compliance Officer Written policy & procedure Conduct a Risk Assessment (every 2 years) Complete a Self-Assessment (every 2 years) On-going training 	<ul style="list-style-type: none"> Do you have a written AML/ATF compliance regime? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<ul style="list-style-type: none"> Have you completed a risk assessment of your clients and your business? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<ul style="list-style-type: none"> Have you completed a risk assessment of your compliance regime (self-assessment)? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<ul style="list-style-type: none"> Do you understand your obligations? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<ul style="list-style-type: none"> Have you undergone training and conducted training for any staff members? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Privacy	<ul style="list-style-type: none"> Protect client's information To comply with federal and provincial privacy laws Appoint a Compliance Officer Written policy & procedure Privacy Breach process Testing of policy & procedure On-going training 	<ul style="list-style-type: none"> Do you have a written privacy program? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<ul style="list-style-type: none"> Have you and your employees completed privacy training? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<ul style="list-style-type: none"> Do you communicate personal information in a secure manner? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<ul style="list-style-type: none"> Do you provide clients with a copy of your privacy statement? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<ul style="list-style-type: none"> Do you obtain client consent to collect and retain personal information? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<ul style="list-style-type: none"> Have you reviewed the privacy practices in your office? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<ul style="list-style-type: none"> Do you have secure file storage measures in place? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Canada Anti-Spam Law (CASL)	<ul style="list-style-type: none"> • To obtain express consent from all clients to communicate electronically • To comply with CASL rules and legislation 	<ul style="list-style-type: none"> • Do you communicate products and services to clients electronically? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<ul style="list-style-type: none"> • Have you obtained written consent from all clients? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<ul style="list-style-type: none"> • Do you have an “unsubscribe” mechanism in place? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Do Not Call	<ul style="list-style-type: none"> • To comply with the CRTC National Do Not Call Legislation 	<ul style="list-style-type: none"> • Are you engaged in telemarketing? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<ul style="list-style-type: none"> • If yes, is the telemarketing exempt or non-exempt? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<ul style="list-style-type: none"> • Is the telemarketing being done on behalf of the advisor or on behalf of a company? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
E&O	<ul style="list-style-type: none"> • Understand your policy • Licensing requirement in most provinces • Carrier requirement as part of your contract • Protection of advisor assets in the event of a claim 	<ul style="list-style-type: none"> • Do you have E&O coverage? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<ul style="list-style-type: none"> • Do you understand your policy? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<ul style="list-style-type: none"> • If you are incorporated, does your policy cover the activities conducted on behalf of your agency? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<ul style="list-style-type: none"> • Has your E&O coverage been continuous (no gaps in coverage)? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Education & Training	<ul style="list-style-type: none"> • C.E. Credits • License requirement in many provinces 	<ul style="list-style-type: none"> • Do you attend educational classes to stay informed of your obligations? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No
		<ul style="list-style-type: none"> • Do you meet the minimum CE requirements of your provincial regulator? 	<input type="checkbox"/> Yes	<input type="checkbox"/> No