



# Carrier panel - update on Advisor Practice Reviews

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March 2019

# Agenda

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- Introductions
- Re-cap of the Advisor Practice Review process
- A series of 5 questions to which the Carrier Compliance folks will respond, to understand:
  - The process
  - Results to date
  - Challenges, and
  - How advisors can prepare for 'an audit'

# Introductions

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Thank you to our carrier Compliance experts participating today:

- Lisa Lawlor, Empire Life
- Colin Simpson/Steve Jennings, Equitable Life
- Terry Sims, BMO
- Sandy Dolson/Dina Grammatikopoulos, Sun Life

# Background/refresh

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Why the focus on advisor compliance?

Why are carriers conducting advisor audits in addition to regulators?

# CLHIA Standardized Advisor Practice Review

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Compliance review process for use in the MGA Channel

Two Sections

1. 11 standard questions used by all insurers (3 only apply if licensed in Quebec)
2. Additional questions the Company can ask that they have specific interest in

Attestation to be signed

# Section 1 Questions

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1. Full legal name of the advisor
2. In which jurisdictions do you currently hold insurance licenses?
3. If you have answered yes to being licensed in any of the following provinces: BC, Alberta, Saskatchewan, Manitoba, Ontario, Quebec: Please confirm that you completed the required continuing education (CE) hours for your most recent license renewal.

# Section 1 Questions (cont'd)

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- 4. Is your errors & omissions (E&O) insurance valid, up-to-date and in-force in all of the jurisdictions in which you operate?
- 5. Are your written policies and procedures related to privacy complete and up-to-date?
- 6. Are your written policies and procedures related to AML/ATF, including AML/ATF risk assessment, complete and up-to-date?

## Section 1 Questions (cont'd)

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7. Are your advisor disclosure processes for managing conflicts of interest up-to-date and used consistently?
8. Have you incorporated needs-based sales practices, including fact find, written needs analysis, “reason why” letter into your business activities?



# Doing Business in Quebec:

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- 9. How do you make sure client records are maintained (or kept) in Quebec and/or readily available at the principal office in Quebec?
- 10. Do you have a policy for client complaint handling?
- 11. Are your policies and procedures available in French?

# Section 2

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“This section is reserved for additional questions an individual Company may wish to ask.

These questions may relate to one of the previous questions or to other matters of interest to the Company”.

# Attestation

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"I attest that I have knowledge of the information provided in this APR and attest that it, together with any documentation I have submitted as part thereof, fairly represents the policies and procedures I follow in my work as a licensed advisor and is, to the best of my knowledge, true, complete and accurate."

# 1. Carriers' process

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What is the overall process at your company?

- How do you select advisors?
- What's unique to your company?

## 2. What are you finding?

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What are you commonly finding when you do these audits?

What are the common gaps or concerns?

Do you see improvements?

### 3. What are you expecting to see?

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Let's hear from each of you - what you're specifically expecting to receive from advisors, including examples of what is a good demonstration.

## 4. How can an advisor prepare?

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What steps can you take?

Where can you find resources?

How can we ensure the process goes smoothly and efficiently?

# Resources

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BridgeForce Compliance website –  
[www.bridgeforcefinancial.com](http://www.bridgeforcefinancial.com)

Carrier websites -

CLHIA website, with tools for advisors and MGAs –  
[www.clhia.ca/advisor](http://www.clhia.ca/advisor)



## 5. What's next?

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What are your plans for 2019 and possibly next year, as your process matures.

What about the industry as a whole?

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# Questions?