

Fair Treatment of Consumers

Advisors

Provide clients with life insurance advice and products which meet their assessed needs.

- ✓ **Meet proficiency standards**
 - New entrants: LLQP, suitability
 - Know the client: gather financial and personal information
 - Know the product: trained and competent
 - Document needs assessment & reason why letter to support a recommendation
- ✓ **Meet market conduct standards**
- ✓ **Support the fair and ethical treatment of clients**
 - Address client complaints
 - Advocate on behalf of clients
 - Post sale: Service the policy client information
 - Support financial literacy through helping educate clients
 - Compliance with voluntary code of conduct (where no regulatory requirement exists)

Life Insurance Regulators

Establish regulatory framework.

- ✓ **Set robust competency regime for advisors**
 - New entrants: proficiency standards (LLQP); suitability; licensing regime
 - Ongoing: license renewals; sponsorship; CE requirements; E&O
 - Marketplace Monitoring: client/advisor/insurer complaints (company statistics, OLHI)

- ✓ **Establish market conduct standards: enforcement & disciplinary action as required**
 - Advisor code of conduct, FTC principles & guidance adopted by some provinces

Distribution Firm

Provide administrative and compliance support to advisors and insurers.

- ✓ **Meet contractual obligations to support advisor oversight**
 - monitor advisors & report unsuitable advisors to insurers
 - monitor applications to help detect unsuitable sales – report to insurers
 - advisor audits – written sales support procedures, AML, privacy
- ✓ **Support fair and ethical marketplace**
 - Compliance with voluntary code of conduct for distribution firm or insurers
- ✓ **Promote and monitor advisor competencies**
 - Ensure advisors are well-trained and understand the intended (target) market

Insurers

Provide insurance products which meet the FTC principles throughout the product lifecycle.

- ✓ **Design of products, target market, suitability factors appropriate for customers**
 - Clear language
 - Key product risks
 - Sales and marketing
- ✓ **Promote and monitor advisor competencies**
 - Ensure advisors are well-trained and understand the intended (target) market
 - Monitoring of products post-sale – red flags, high risk
- ✓ **Advisor oversight**
 - Advisor audits
 - Monitor advisor proficiency standards
 - Chargeback arrangements to help deter mis-selling/fraud
- ✓ **Support fair and ethical marketplace**
 - Client complaints
 - Code of conduct