

EMPIRE LIFE INFORMATION CIRCULAR

DATE: March 16, 2015

Nº. 2015-11

CATEGORY: CONTRACTING

TO: Managing General Agents

SUBJECT: Advisor Screening

G18 Guidelines Recently the Canadian Life and Health Insurance Association (CLHIA) released a new guideline to members entitled "[Insurer-MGA Relationships](#)" (G18) to assist companies and MGAs in complying with recommendations made by the Canadian Council of Insurance Regulators (CCIR) in its 2012 position paper "Strengthening the Life MGA Distribution Channel". As a member company, Empire Life and its distribution partners must comply with the guidelines of the CLHIA in their day-to-day activities.

One aspect of G18 relates to the screening of advisors for contract. Currently, Empire Life has had its own screening form that we ask to be completed as part of the contracting documentation submitted for processing. Effective immediately, we will be asking MGAs to use the industry standard "[Advisor Screening Questionnaire](#)" (ASQ) as part of the screening process instead.

MGAs should refer to the MGA Compliance reference document of G18 (link provided above) to understand how they should be using this form within their own organizations to screen advisors prior to submitting contracting to Empire Life or any other CLHIA member company. The MGA version of the ASQ can be found on the CLHIA website (www.clhia.ca) and on our website under forms, Broker Contracting Documents.

The ASQ that is used by MGAs for their initial screening can be sent to Empire Life as part of the contracting documentation as long as it is dated no more than 3 months old. If it was completed more than 3 months ago, we ask the advisor to put in writing that there has been no change to the facts stated on the ASQ. This can be done on the Declaration page of the ASQ.

In order for Empire Life to be able to do our own due diligence, we require signed consent from the advisor. The consent contained in the MGA's ASQ does not allow for Empire Life to conduct its screening, therefore, a signed consent form must be sent in with contracting to Empire Life. This form can be found on our website. Click on forms, and then Broker Contracting Documents.

Summary To summarize, the main documents to be submitted to Empire Life for advisor contracting are:

- Fully completed ASQ
- Signed Empire Life consent form
- Broker Agreements
- EFT deposit form
- Licences and E&O

- Transition Rules** We will allow some time to transition to these new forms and processes. We will continue to process the old form until April 15, 2015.
- Questions** If you have any questions, please call our Customer Service team at 1 800 561-1268, Monday to Friday from 8:00 a.m. to 8:00 p.m. E.S.T.
- Reference** **Carol Anne Bracciodieta**, Director, Investment, Customer and Dealer Service

Consent and Authorization

In plain language, when you sign this Consent and Authorization, you agree that:

- *the Insurer can collect information from insurers and anyone else to confirm and add to the information you give to the Insurer in your application for a contract, including the answers you give in the Advisor Screening Questionnaire; and*
- *the Insurer can keep this information and use it later when it is looking at your continuing suitability to be an insurance advisor.*

The Consent and Authorization describes the kind of information the Insurer may collect, where it may collect this information, how it may use the information, and with whom it may share the information. It also says how long the Consent and Authorization may be used.

The legal Consent and Authorization begins after this sentence.

To whom it may concern:

I have applied to the below-named Insurer to be contracted to act on its behalf in the sale and servicing of insurance and other financial products of that Insurer. Part of the initial contracting process and of the ongoing review of my performance is an investigation of my background, including my business dealings. These investigations are conducted by the Insurer and/or its authorized agent(s).

I have sold financial services including insurance as principal through the following business styles, trade names, corporation or partnerships ("Listed Entities")

(leave blank if none):

Name

Date

Name

Date

Name

Date

I make this authorization on behalf of myself and as authorized representative of the Listed Entities.

I hereby authorize and direct you to release to the Insurer and/or its authorized agent(s), information contained in your files concerning my agency, my employment, my business records, my education record, my credit record including records pertaining to the listed entities and/or any other relevant information.

On behalf of myself and the Listed Entities, I specifically authorize the Insurer and/or its authorized agent(s) to

- obtain a criminal activity clearance report from any police agency or government; collect information concerning certificates, licenses and registrations from the applicable issuers or registrars; collect any information concerning complaints or disciplinary measures from regulators, industry and professional organizations and associations; and collect from relevant third parties any other information related to my education record, consumer credit record, or record of tax, securities or insurance related offences,

- collect information from, or exchange information with, any regulator, professional registry or database, insurance company, financial institution, personal information agents, detective and security agencies, organizations whose functions are the prevention, detection or repression of crimes or offenses, market intermediaries, my employer or ex-employer, and including all personal information which could be collected through verification of my application for employment or contract and ongoing performance evaluations.

While any contractual relationship subsists between us, I further specifically authorize the Insurer and/or its authorized agent(s) to use this authorization to update its information regarding my background from time to time to assess my ongoing suitability to act as an advisor.

Without limiting the generality of the above, I further specifically authorize the Insurer and/or its authorized agent(s) to obtain from any or all insurers identified in Question 18 of the Advisor Screening Questionnaire information about the status of my contract with the insurer(s); unresolved debts with the insurer(s); if appropriate, the possibility of renewing my contract with the insurer(s); and recorded concerns or complaints related to market conduct.

I understand that the Insurer will establish a file concerning my application, my contract with them and my subsequent performance and market conduct, and that the personal information contained in this file will be accessed by the Insurer's employees and its authorized agents in relation to my contract to sell life insurance and/or accident and sickness insurance as the Insurer's representative to sell its insurance products. The file will be kept at the Insurer's offices. A photocopy of the present consent has the same value as the original.

Where information is collected and retained under this Consent and Authorization I shall be entitled to be informed of the existence of the retained information, its use and to whom it has been disclosed, and shall have the right to access the information and request corrections to be made where the information retained is inaccurate or incomplete.

I further authorize the Insurer to use my Social Insurance Number (SIN) for tax purposes, as required by law, and for the purposes of identification. I understand that consent to the use of my SIN for identification purposes is optional, and if I wish to withdraw my consent for this purpose I can notify the Insurer by written letter or email.

These authorizations shall be valid until the earliest to occur, of when it is revoked in writing by the Applicant, or 12 months after the Applicant ceases to receive any commission earnings from the Insurer.

Applicant's name: _____ signed at _____ this _____.

Applicant's signature: _____

Business Phone Number: _____

Insurer: _____

Address: _____