

Insurance File Reviews - Example

File Review Criteria

The file review pages following do not need to be submitted to Aviso Insurance Inc with the annual attestation, however they should be kept on file by the insurance agency compliance officer and provided to AVI upon request.

File reviews should be completed every 18 – 24 months for each advisor holding out and representing the insurance agency. Reviews may be required more frequently for new or less experienced advisors, or as requested by Aviso. Approximately 10 – 12 files should be reviewed. Policies issued at standard rates should be randomly selected within the following guidelines:

- A sample each of term, universal life or whole life, disability and segregated fund policies
- Focus should be on universal life
- No more than three files of one type of product (i.e. no more than three term policies)

Also to be reviewed should be one of each of the following types of policies if available in the advisor's book of business:

- Declined insurance application
- Rated insurance policy
- Not Proceeded With (NPW) insurance application
- Replacement insurance policy
- Large case (annual premium > \$5,000)

Best Practices to review should include:

- Appropriate follow up during application process, indicated by weekly notes
- Timely policy delivery within 1 -2 weeks of receipt of policy; extenuating circumstances for delivery delay, such as client vacation, should be indicated in notes
- Ongoing and regular policy service stipulates reviewing term and living benefits policies tri-annually unless other reason (i.e. lapse notice) requires earlier review, permanent insurance (UL/WL) should be reviewed every 1 – 2 years, and segregated funds should be reviewed at various times depending on market conditions, reset options of the policy etc.

Advisor name	[insert advisor name]
Most recent review completed on	[insert date]
Review completed by	[insert compliance officer name]
Compliance	
Compliance with AML policies/procedures demonstrated	Yes <input type="checkbox"/> No <input type="checkbox"/>
Insurance files separate from mutual fund/securities files	Yes <input type="checkbox"/> No <input type="checkbox"/>
Files kept in secure fashion (i.e. locked cabinet or office)	Yes <input type="checkbox"/> No <input type="checkbox"/>
No banking information / copies of cheques in files	Yes <input type="checkbox"/> No <input type="checkbox"/>
If no to any of the above please provide details / further explanation	
Needs Analysis and Illustrations	
Needs Analysis completed or need assessed with notes in file	Yes <input type="checkbox"/> No <input type="checkbox"/>
Multiple products discussed or investigated	Yes <input type="checkbox"/> No <input type="checkbox"/>
Product / premium comparison completed (ie Lifeguide, quotes)	Yes <input type="checkbox"/> No <input type="checkbox"/>

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Selected carrier / product is appropriate	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Approved illustration software used	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Illustration rate used (should be <6%) *Universal Life only*	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Selected investments are appropriate *Universal Life only*	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Written decline for product(s) not taken in file	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Segregated Fund suitability				
	N/A	<input type="checkbox"/>		
Age of clients at time of sale is appropriate	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Policy features are appropriate	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Time horizon is appropriate	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Suitable liquidity (< 20% of net worth)	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
No indication of early withdrawal need	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Information Folder and Fund Facts delivered in advance of application	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Insurance Policy Replacement				
	N/A	<input type="checkbox"/>		
Complete and accurate paperwork in file	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Appropriate rationale for replacement explained in notes	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Cancellation of previous coverage confirmed	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Best Practices				
Signed customer consents retained in file	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Meeting logs in file	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Copy of application paperwork in file	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Appropriate follow up during application process	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Timely policy delivery	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Ongoing servicing on a regular basis	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>

Review findings discussed with advisor on

[insert date]

Any deficiencies to be rectified by

[insert date]

Next review expected

[18–24 months for clean reviews]
[6–12 months for deficient reviews]

Date

Signature of Insurance Compliance Officer

Signature of Insurance Advisor