# File Review Criteria

The file review pages following do not need to be submitted to Qtrade Insurance Solutions with the annual attestation, however they should be kept on file by the insurance agency compliance officer and provided to QIS 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 Qtrade. 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  No |
| Insurance files separate from mutual fund/securities files | Yes  No |
| Files kept in secure fashion (i.e. locked cabinet or office) | Yes  No |
| No banking information / copies of cheques in files | Yes  No |
| 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  No |
| Multiple products discussed or investigated | Yes  No |
| Product / premium comparison completed (ieLifeguide, quotes) | Yes  No |
| Selected carrier / product is appropriate | Yes  No |
| Approved illustration software used | Yes  No |
| Illustration rate used (should be <6%) \*Universal Life only\* | Yes  No |
| Selected investments are appropriate \*Universal Life only\* | Yes  No |
| Written decline for product(s) not taken in file | Yes  No |
|  |  |
| **Segregated Fund suitability** | N/A |
| Age of clients at time of sale is appropriate | Yes  No |
| Policy features are appropriate | Yes  No |
| Time horizon is appropriate | Yes  No |
| Suitable liquidity (< 20% of net worth) | Yes  No |
| No indication of early withdrawal need | Yes  No |
| Information Folder and Fund Facts delivered in advance of application | Yes  No |
|  |  |
| **Insurance Policy Replacement** | N/A |
| Complete and accurate paperwork in file | Yes  No |
| Appropriate rationale for replacement explained in notes | Yes  No |
| Cancellation of previous coverage confirmed | Yes  No |
|  |  |
| **Best Practices** |  |
| Signed customer consents retained in file | Yes  No |
| Meeting logs in file | Yes  No |
| Copy of application paperwork in file | Yes  No |
| Appropriate follow up during application process | Yes  No |
| Timely policy delivery | Yes  No |
| Ongoing servicing on a regular basis | Yes  No |

**Review findings discussed with advisor on** [insert date]

**Any deficiencies to be rectifiedby** [insert date]

**Next review expected** [18–24 months for clean reviews]

[6–12 months for deficient reviews]

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Date

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Signature of Insurance Compliance Officer Signature of Insurance Advisor