# 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