

Treating your client fairly

Introduction to Fair Treatment of Customers and Guidelines



Presenter Name

Date



Agenda



- 1 Review of the FTC guidelines
- 2 What role do you play?
- 3 Advice
- 4 Client documentation
- 5 Disclosure to policy holders
- 6 Product promotion
- 7 Complaint handling
- 8 Protection of personal information



What is FTC? Ensuring fair treatment of customers

- Provide customers with accurate, clear, honest and sufficient information throughout the point of sale.
- Give relevant advice.
- Develop, market and sell products in a way that puts customers' interests first.
- Deal with customer claims, complaints and disputes in a fair and timely manner.
- Protect the privacy of customer information.



RBC Insurance is committed to adopting FTC principles throughout the entire product life-cycle and consumer journey



How does it apply to you?

- Provide clients with accurate, clear (not misleading) and sufficient information.
- Minimize risk of sales.
- Ensure any advice given is relevant.
- Promote and sell products that puts clients' interests first.
- Deal with client claims, complaints and disputes in a fair and timely manner.
- Protect clients' information and privacy.



Placing your client at the centre of it all



To ensure you are building an ethical business you must put your **clients needs first**

Coming together as one, to place the customer at the **center** of it all



Insurance

What is advice?



1 Life, Living Benefits, Wealth

- Premature Death & Estate Planning
- Disability & Critical Illness
- Protecting their Wealth

3 All-Around Balanced Financial Plan

Advice: Taking the right steps

What the FTC Guidelines say

Advice goes beyond the provision of product information and relates specifically to the provision of a **personalized recommendation** on a product in relation to the disclosed needs of the customer.

- Know and understand the solutions you are recommending to your client.
- Attend ongoing training.
- Continue to be a student of the business.
- Review advisors guides and sample contracts if unsure.
- Are you answering questions outside of your advisor role?

Connect with our licensed consultants, your MGA resources or your team of trusted partners



The Needs Analysis

What the FTC Guidelines say

Before giving advice, appropriate information should be sought from customers for assessing their insurance demands and needs. This information may differ depending on the type and the complexity of product and may include information on the customer's:

- Financial knowledge and experience
 - Needs, priorities and circumstances
 - Ability to afford the product and risk profile
-
- Connect with your client. Build trust.
 - Get to know them by asking the right questions
 - Complete a thorough Needs Analysis



Building your recommendation

Total Life Insurance

\$1,353,049
Coverage

[More](#)

Disability Insurance

\$4,126
Per month

[More](#)

Critical Illness Insurance

\$61,889
Coverage

[More](#)

Retirement Solutions

Let's see if you're
on track

[Calculate](#)

A Business Needs Analysis is important when recommending a Business Insurance Solution.

Your Reason Why Letter reflects discrepancies between your recommendations and your client's choices.



Insurance

Presenting your recommendation

- Is your client making an informed decision?
- Have I presented a recommendation based on my level of comfort?
- Am I able to create a benefits, advantage and features statement to ensure the client understands why I am presenting the solution?



In 2021, less than half advisors sold CI & only 37% sold DI

Presenting your recommendation

B

Benefits: Why the product / plan / solution uniquely helps your client.

A

Advantages: How the features of the product work to help your client.

F

Features: What a product does.

It all starts with a proper discovery...



Insurance

The importance of the BAF statement

Help your client make the right decision based on what is important to them.

- I understand that you have not chosen to move forward with the disability coverage...
- If you choose to move forward without putting disability insurance in place...



Client facing documentation

- Review specific guidelines for products:
 - Wealth Solutions
 - Universal Life
 - Participating Whole Life
- Ensure clients understand exclusions and limitations when choosing your recommendation.
 - Disability Insurance
 - Critical Illness Insurance
- Complete Advisor disclosure forms, when applicable.



Sales Resource Centre



Disclosure to policyholders

Life Changes

Term Switch

Future Income Option – Disability Insurance

Conversion from Term to Permanent Life Insurance

Client will receive a letter notifying them of their option

Reach out to offer support. Ensure that the solution still meets their needs.



Product promotion

What the FTC Guidelines say

To promote products in a **fair manner**, information must be:

- Easy to understand.
- Consistent with the coverage offered.
- Accurate in identifying the insurer.
- Prominently stating the basis for any claimed benefits and significant limitations.
- Visible, clear and not obscuring important statements or warnings.



Complaints handling

What the FTC Guidelines say

- Respond to complaints **without delay** and keep clients informed.
- Analyze the complaints they receive to identify trends and recurring risks.
- Provide clear, transparent and easy to understand information about independent dispute resolution processes.



Protection of personal information

What the FTC Guidelines say

Theft, loss or inappropriate use of personal information obtained from customers represents a risk to customers and a threat to the reputation of organizations. The protection of personal information is a key issue for Insurers and Intermediaries. The sustainability of their operations depends on public confidence in this regard. Customers expect their information to remain confidential and be handled accordingly.

- If you are meeting a client virtually, close all windows or application with another client's information.
- If you are meeting a client in person, you should not have another client's printed documents or information on your laptop.
- Disclose information on an insured only to the insured.
- Safekeeping of printed material.



Insurance

Coming together as one



Treating our clients fairly is at the centre of all our actions!

Your actions/advice impacts your client's future.



Insurance

Questions?

Thank you!

