

CURRICULUM – LLQP

MODULE: Ethics and professional practice (Québec)

DURATION OF THE EXAM: 75 minutes - NUMBER OF QUESTIONS: 25 questions (including 5 pilot questions that do not count in the candidate's score)

Competency: Develop an ethical professional practice, in compliance with the rules governing the insurance of persons¹ sector

%	COMPETENCY COMPONENTS
20	<p>1. Understand the legal framework governing insurance of persons</p> <p>1.1 Define the provisions of the Civil Code of Québec applicable to insurance of persons</p> <p>1.2 Define the other sources of law applicable to insurance of persons</p>
40	<p>2. Integrate into practice the legal aspects of insurance and annuity contracts</p> <p>2.1 Characterize the parties involved in the contract</p> <p>2.2 Contextualize the rules relating to the contract's formation, taking effect, reinstatement and termination</p> <p>2.3 Explain the main provisions and clauses of an insurance or annuity contract</p> <p>2.4 Integrate into practice the rules relating to beneficiary designation and exemption from seizure of benefits</p> <p>2.5 Contextualize the rules relating to claims and the payment of benefits</p>
40	<p>3. Integrate into practice the rules governing the activities of representatives in insurance of persons</p> <p>3.1 Explain the role of the organizations that protect consumers</p> <p>3.2 Integrate into practice the duties and obligations set out in the Code of ethics of the Chambre de la sécurité financière</p> <p>3.3 Integrate into practice the obligations and responsibilities of representatives in insurance of persons</p>

¹ In the context of the ethics and professional practice module of the Curriculum, the term "insurance of persons" is used to refer broadly to all categories of individual and group insurance of persons products, namely, life insurance, accident and sickness insurance (living benefits), annuity contracts (segregated funds, GIAs and immediate annuities) and supplemental pension plans.

COMPETENCY: DEVELOP AN ETHICAL PROFESSIONAL PRACTICE, IN COMPLIANCE WITH THE RULES GOVERNING THE INSURANCE OF PERSONS SECTOR

%	COMPETENCY COMPONENTS	COMPETENCY SUB-COMPONENTS	CONTENTS
20	1. Understand the legal framework governing insurance of persons	1.1 Define the provisions of the Civil Code of Québec applicable to insurance of persons	<p>Overview of important Civil Code of Québec provisions for insurance of persons representatives</p> <ul style="list-style-type: none"> • Sources of law • Persons, family and successions <ul style="list-style-type: none"> – Legal and natural persons – Capacity – Marriage and civil union – Matrimonial regimes – Family patrimony – Divorce and separation from bed and board – <i>De facto</i> spouses – Successions – Trustees • Contracts <ul style="list-style-type: none"> – Contract in general – Conditions required for the validity of the contract – Contract of adhesion and external clause – Mandate (including the mandate in anticipation of incapacity) – Insurance of persons and damage insurance contracts – Annuity contract • Civil liability • Prescription
		1.2 Define the other sources of law applicable to insurance of persons	<p>Other important legislation for the insurance representative</p> <ul style="list-style-type: none"> • An Act respecting the distribution of financial products and services (Distribution Act) • An Act respecting the Protection of personal information in the private sector • Charter of Human Rights and Freedoms (Québec) • Canadian Charter of Rights and Freedoms • Proceeds of Crime (Money Laundering) and Terrorist Financing Act and FINTRAC <ul style="list-style-type: none"> – Criminal Code: fraud and forged signature • National Do Not Call List (DNCL) • An Act to promote the efficiency and adaptability of the Canadian economy by regulating certain activities that discourage reliance on electronic means of carrying out commercial activities, and to amend the Canadian Radio-television and Telecommunications Commission Act, the Competition Act, the Personal Information Protection and Electronic Documents Act and the Telecommunications Act (anti-spam legislation) <p>Public insurance and pension plans</p> <ul style="list-style-type: none"> • Social and tax legislation and economic and social aspects of insurance • Federal public plans <ul style="list-style-type: none"> – Employment insurance – Old Age Security Program (Old Age Security (OAS), Guaranteed Income Supplement (GIS), Allowance) • Québec public plans <ul style="list-style-type: none"> – Société de l'assurance automobile du Québec (SAAQ) – Régie des rentes du Québec (RRQ) – Commission de la santé et de la sécurité du travail (CSST) – Indemnisation des victimes d'actes criminels (IVAQ) – Québec Parental Insurance Plan (QPIP) – Régie de l'assurance maladie du Québec (RAMQ) (Drug insurance, Health insurance, Hospital insurance) • Coordination of benefits between public and private insurance and pension plans

COMPETENCY: DEVELOP AN ETHICAL PROFESSIONAL PRACTICE, IN COMPLIANCE WITH THE RULES GOVERNING THE INSURANCE OF PERSONS SECTOR

%	COMPETENCY COMPONENTS	COMPETENCY SUB-COMPONENTS	CONTENTS		
40	2. Integrate into practice the legal aspects of insurance and annuity contracts	2.1 Characterize the parties involved in the contract	<p>Parties to the contract</p> <ul style="list-style-type: none"> • Insurer, policyholder (individual insurance) or member or participant (group insurance), insured, beneficiary, contingent policyholder and contingent beneficiary • Types of beneficiaries <ul style="list-style-type: none"> - Revocable - Irrevocable • Rights of parties under the contract • Policyholders – specific cases <ul style="list-style-type: none"> - Minors (guardians) - Trustee - Authorized representative 		
			Life insurance	Accident and sickness insurance	Segregated funds and annuities
					<p>Some parties' specific features in annuity contracts</p> <ul style="list-style-type: none"> • Annuitant (life insured) • Debtor (insurer) • Annuitant

COMPETENCY SUB-COMPONENTS	CONTENTS		
<p>2.2 Contextualize the rules relating to the contract's formation, taking effect, reinstatement and termination</p>	<p>Rules relating to the formation, entry into force, reinstatement and termination of individual contracts</p> <ul style="list-style-type: none"> • Rules relating to the formation of contracts <ul style="list-style-type: none"> – Insurance application and its acceptance – Insurance policy – Covering note and interim insurance • Insurance interest • Initial declaration of risk by client and consequences for client and his/her assigns in case of fraud, misrepresentation or concealment • Change in insurability • Entry into force and continuation in force of contract • Assignment and hypothecation • Cancellation and termination (grace period) • Reinstatement <p>Group insurance contract</p> <ul style="list-style-type: none"> • Determination of group and eligibility (Civil Code of Québec, RARI, Act respecting prescription drug insurance and the Québec Charter of Human Rights and Freedoms) • Representation of group (representation of client, rules of agency in respect of client, client's duty to disclose) • Types of group insurance <ul style="list-style-type: none"> – Workplace group insurance – Insurance offered through professional corporations and associations – Group insurance without a representative offered to consumers on savings and credit via distribution guide (life and health/accident insurance offered by non-licensed distributors: banks and credit unions (mortgages), automobile dealerships) • Rules relating to the formation of group insurance contracts <ul style="list-style-type: none"> – Insurance application and its acceptance – Insurance policy, certificate and distribution of certificates by policyholder • Enrolment process and coverage of dependents • Laws applicable to participant (residence) • Term of group insurance contract <ul style="list-style-type: none"> – Renewal of the master policy – Termination of the master policy (RARI) – Rights upon end of life insurance protection (RARI) – Impact of change of insurer • Termination 		
	<p>Life insurance</p>	<p>Accident and sickness insurance</p>	<p>Segregated funds and annuities</p>
		<p>Some specific features in accident and sickness insurance</p> <ul style="list-style-type: none"> • Entry into force • Termination notice • An Act respecting prescription drug insurance 	<p>Some specific features in annuity contracts</p> <ul style="list-style-type: none"> • Immediate or deferred annuity (payment and accumulation) • Life or term annuity deemed to be life insurance

COMPETENCY SUB-COMPONENTS	CONTENTS		
<p>2.3 Explain the main provisions and clauses of an insurance or annuity contract</p>	<p>Major provisions and terms of individual insurance contract</p> <ul style="list-style-type: none"> • General provisions • Provisions of public order • Divergences between policy and application • Exclusion and coverage reduction provisions <ul style="list-style-type: none"> – Distinction between reduction, limitation and exclusion – Legal and contractual exclusions – Pre-existing conditions – Suicide clause • Contract amendments (riders) • Cash value • Advances <p>Specific provisions concerning group insurance</p> <ul style="list-style-type: none"> • Policy and certificates: divergences 		
<p>Life insurance</p>	<p>Accident and sickness insurance</p>	<p>Segregated funds and annuities</p>	
	<p>Specific provisions concerning accident and sickness insurance</p> <ul style="list-style-type: none"> • Nature of coverage <ul style="list-style-type: none"> – Disability insurance – Drug insurance: An Act respecting prescription drug insurance – Critical illness insurance (premium refund) and long-term care – Accidental death and dismemberment (AD&D) 	<p>Specific provisions concerning segregated funds and annuities</p> <ul style="list-style-type: none"> • Specific provisions concerning the annuity contract (Civil Code and an Act respecting insurance) • Redemption rights • Various accumulated annuity products such as: <ul style="list-style-type: none"> – Annuity contracts backed by segregated funds (individual variable insurance contracts (IVICs) and AMF guidelines) – Guaranteed Investment Account (GIA)-type contracts (insurance company general funds) – Registered annuity contracts (RRSP, TFSA, RRIF, LIF and LIRA) and non-registered contracts • Specific provisions concerning group annuity contracts <ul style="list-style-type: none"> – Defined benefit pension plans (DBPP) – Defined contribution pension plans (DCPP) – Specific types of defined contribution pension plans: simplified pension plan (SIPP) and voluntary retirement savings plan (VRSP) (also pooled registered pension plan (PRPP)) – Group registered retirement savings plan (RRSP), deferred profit-sharing plan (DPSP) – Guidelines for Capital Accumulation Plans – Transfer instruments: locked-in retirement account (LIRA), life income fund (LIF) and annuity contract 	

COMPETENCY SUB-COMPONENTS	CONTENTS						
<p>2.4 Integrate into practice the rules relating to beneficiary designation and exemption from seizure of benefits</p>	<p>Beneficiary designation, succession and exemption from seizure</p> <ul style="list-style-type: none"> • Authority to designate and mandatary's authority • Contingent beneficiary or multiple beneficiaries • Rules concerning beneficiary designations: presumption in favour of the spouse, whether married or in a civil union • Means of designating a beneficiary (designation in insurance contract, designation in a written instrument other than a will, communication to insurer for the purpose of setting up) <ul style="list-style-type: none"> • Consequences of conjugal breakdown for a spousal beneficiary (separation from bed and board, divorce after 1982, annulment of marriage) • Minor as a beneficiary / incapable • Revocation of beneficiary • Exemption from seizure resulting from beneficiary designation (relationship with policyholder or participant in group insurance) 						
	<table style="width: 100%; border-collapse: collapse;"> <tr style="background-color: #d9ead3;"> <th style="width: 33%; padding: 5px;">Life insurance</th> <th style="width: 33%; padding: 5px;">Accident and sickness insurance</th> <th style="width: 33%; padding: 5px;">Segregated funds and annuities</th> </tr> <tr> <td style="height: 150px;"></td> <td style="padding: 5px;"> <p>Specific features in accident and sickness insurance</p> <ul style="list-style-type: none"> • Exemption from seizure of benefits (disability insurance) </td> <td style="padding: 5px;"> <p>Specific provisions concerning annuity contracts</p> <ul style="list-style-type: none"> • Bankruptcy and Insolvency Act (exemption from seizure) – RRSP, RRIF, DPSP • Effects of partition of family patrimony <p>Specific features in supplemental pension plans</p> <ul style="list-style-type: none"> • Supplemental pension plan exemption from seizure • Death benefit and exemption from seizure of locked-in retirement account (LIRA), and life income fund (LIF) • Priority of spouse over designated beneficiary in the event of death </td> </tr> </table>	Life insurance	Accident and sickness insurance	Segregated funds and annuities		<p>Specific features in accident and sickness insurance</p> <ul style="list-style-type: none"> • Exemption from seizure of benefits (disability insurance) 	<p>Specific provisions concerning annuity contracts</p> <ul style="list-style-type: none"> • Bankruptcy and Insolvency Act (exemption from seizure) – RRSP, RRIF, DPSP • Effects of partition of family patrimony <p>Specific features in supplemental pension plans</p> <ul style="list-style-type: none"> • Supplemental pension plan exemption from seizure • Death benefit and exemption from seizure of locked-in retirement account (LIRA), and life income fund (LIF) • Priority of spouse over designated beneficiary in the event of death
Life insurance	Accident and sickness insurance	Segregated funds and annuities					
	<p>Specific features in accident and sickness insurance</p> <ul style="list-style-type: none"> • Exemption from seizure of benefits (disability insurance) 	<p>Specific provisions concerning annuity contracts</p> <ul style="list-style-type: none"> • Bankruptcy and Insolvency Act (exemption from seizure) – RRSP, RRIF, DPSP • Effects of partition of family patrimony <p>Specific features in supplemental pension plans</p> <ul style="list-style-type: none"> • Supplemental pension plan exemption from seizure • Death benefit and exemption from seizure of locked-in retirement account (LIRA), and life income fund (LIF) • Priority of spouse over designated beneficiary in the event of death 					
<p>2.5 Contextualize the rules relating to claims and the payment of benefits</p>	<p>Rules pertaining to claims and payment of benefits</p> <ul style="list-style-type: none"> • Notice of claim • Other documents required (e.g., death certificate, medical records) • Time the insurer has to pay benefits • Specific case: attempt on insured's life 						
	<table style="width: 100%; border-collapse: collapse;"> <tr style="background-color: #d9ead3;"> <th style="width: 33%; padding: 5px;">Life insurance</th> <th style="width: 33%; padding: 5px;">Accident and sickness insurance</th> <th style="width: 33%; padding: 5px;">Segregated funds and annuities</th> </tr> <tr> <td style="height: 150px;"></td> <td style="padding: 5px;"> <p>Specific features of health/accident insurance</p> <ul style="list-style-type: none"> • Specific features of health/accident insurance (timelines, documents required as evidence) • Other documents required (e.g., physician's statement for disability claims) </td> <td style="padding: 5px;"> <p>Supplemental pension plans</p> <ul style="list-style-type: none"> • Death benefit before retirement • Death benefit after retirement <p>Immediate annuities</p> <ul style="list-style-type: none"> • Guaranteed period annuity </td> </tr> </table>	Life insurance	Accident and sickness insurance	Segregated funds and annuities		<p>Specific features of health/accident insurance</p> <ul style="list-style-type: none"> • Specific features of health/accident insurance (timelines, documents required as evidence) • Other documents required (e.g., physician's statement for disability claims) 	<p>Supplemental pension plans</p> <ul style="list-style-type: none"> • Death benefit before retirement • Death benefit after retirement <p>Immediate annuities</p> <ul style="list-style-type: none"> • Guaranteed period annuity
Life insurance	Accident and sickness insurance	Segregated funds and annuities					
	<p>Specific features of health/accident insurance</p> <ul style="list-style-type: none"> • Specific features of health/accident insurance (timelines, documents required as evidence) • Other documents required (e.g., physician's statement for disability claims) 	<p>Supplemental pension plans</p> <ul style="list-style-type: none"> • Death benefit before retirement • Death benefit after retirement <p>Immediate annuities</p> <ul style="list-style-type: none"> • Guaranteed period annuity 					

%	COMPETENCY COMPONENTS	COMPETENCY SUB-COMPONENTS	CONTENTS	
40	3. Integrate into practice the rules governing the activities of representatives in insurance of persons	3.1 Explain the role of the organizations that protect consumers	<p>Regulatory, disciplinary and consumer protection agencies for insurance of persons</p> <ul style="list-style-type: none"> • Canadian Insurance Services Regulatory Organizations (CISRO) • Canadian Council of Insurance Regulators (CCIR) • Canadian Association of Pension Supervisory Authorities (CAPSA) • Joint forum • Canadian Life and Health Insurance Association (CLHIA) (guidelines) • Régie des rentes du Québec (RRQ) <ul style="list-style-type: none"> • Autorité des marchés financiers (AMF) • Chambre de la sécurité financière (CSF) • Assuris • Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) • Canada Revenue Agency (CRA) • Ombudsman for Life and Health Insurance • Commission d'accès à l'information (CAI) 	
		3.2 Integrate into practice the duties and obligations set out in the Code of ethics of the Chambre de la sécurité financière	<p>General</p> <ul style="list-style-type: none"> • Restricted occupations • Availability requirement • Titles /representation / client soliciting • Tied selling • Remuneration, commission sharing and other benefits: contests / promotions • Collection of payments: separate account • Liability insurance <p>Representative in insurance of persons</p> <ul style="list-style-type: none"> • Needs analysis • Information notice on products • Contract delivery <ul style="list-style-type: none"> – Ensure no change in health status since the application was signed – Extra premium – Reduced insurer's commitments and divergences • Policy replacement <p>Firm</p> <ul style="list-style-type: none"> • Definition • General obligations • Titles • Advertising and representations • Responsibility • Client file management • Records management • Complaint settlement • Commission sharing • Liability insurance <p>Registration of insurance representatives and insurance firms</p> <ul style="list-style-type: none"> • Representative's certification (including distinction between licences) • Firm, independent representative and independent partnership registration <p>Representative's responsibility</p> <p>Representative in group insurance</p> <ul style="list-style-type: none"> • Mandate • Needs analysis • Recommendation <p>Financial planner</p> <ul style="list-style-type: none"> • Definition of financial planner • Titles • Mandate and reporting 	

COMPETENCY: DEVELOP AN ETHICAL PROFESSIONAL PRACTICE, IN COMPLIANCE WITH THE RULES GOVERNING THE INSURANCE OF PERSONS SECTOR

<p>Independent partnership</p> <ul style="list-style-type: none"> • Definition • General obligations • Titles • Advertising and representations • Client file management • Records management • Complaint settlement • Commission sharing • Liability insurance <p>Distinction between bank products, securities and insurance, regulating agencies and licensing rules</p> <ul style="list-style-type: none"> • Difference with bank products and securities • Compliance with limits of registration 	<p>Independent representative</p> <ul style="list-style-type: none"> • Definition • General obligations • Titles • Advertising and representations • Client file management • Records management • Complaint settlement • Commission sharing • Liability insurance
---	--

COMPETENCY SUB-COMPONENTS
3.3 Integrate into practice the obligations and responsibilities of representatives in insurance of persons

CONTENTS
<p>Ethics and conduct of representatives in insurance of persons, group insurance of persons and health/accident insurance</p> <ul style="list-style-type: none"> • Code of ethics of the Chambre de la sécurité financière (CSF) <ul style="list-style-type: none"> – Duties and obligations towards the public – Duties and obligations towards clients – Duties and obligations towards other representatives – Duties and obligations towards firms and financial institutions – Duties and obligations towards insurers – Duties and obligations towards the profession

