

Companion Guide Maintenance of Registration

Firms and independent partnerships registered in **insurance, claims adjustment or financial planning**

The *Autorité des marchés financiers* (the “AMF”) has prepared this companion guide to help firms and independent partnerships registered in **insurance, claims adjustment or financial planning** answer the questions in the Maintenance of Registration form.

A separate companion guide has been prepared for firms and independent partnerships registered in the sector of mortgage brokerage.

For more information, please contact our Information Centre at 1-877-525-0337.

General instructions

To help you disclose your business relationships, consult the *Managing Business Relationships* companion guide.

You will need to fill out the Maintenance of Registration form before the Manage Business Relationships form. If you use E-Services, you can print a copy of the form before submitting it.

Definitions

General agent: A registrant to which an insurer has delegated certain tasks and which acts as an intermediary between that insurer and other registrants. The term "general agent" refers to general agents, affiliated general agents and any other industry title that meets the above definition.

Insurer: An enterprise registered with the AMF under the *Insurers Act*.

Mortgage lender: An individual or a business that grants loans secured by immovable hypothec to a registrant's clients.

Registrant: A firm, an independent partnership or an independent representative under the *Act respecting the distribution of financial products and services*.

Wholesaler: A business that pursues brokerage and enrollment activities concurrently or separately.

GENERAL DECLARATION

You must answer all the questions in this declaration. Indicate the business relationships to be disclosed. If necessary, refer to the Managing Business Relationships companion guide.

Q1- *Does the registrant receive or collect funds on behalf of others (e.g., for an insurer or a client)?*

Funds collected on behalf of others are funds that the registrant receives or cashes on behalf of others in the course of its activities, for example, for the payment of a premium to an insurer, a repayment to an insured or the payment of a claim. A cheque issued in the name of an insurer that is given to the registrant before being sent to the insurer is not considered to be funds collected on behalf of others.

The registrant must hold a separate account at a financial institution in which all funds received or collected on behalf of others must be deposited immediately. Refer to section 1.8 of the [Registrant Governance and Compliance Guide](#) for more information.

You must answer “yes” only if the funds are collected by the registrant as part of its activities under the *Act respecting the distribution of financial products and services*.

Q2- *Does the registrant have one or more separate or in-trust accounts?*

A **separate account** means a separate account opened at a financial institution (authorized to receive deposits in Canada) and in which the registrant must deposit all amounts that it receives or collects on behalf of others. This account is separate from the account(s) used for the registrant’s own regular business transactions so that the funds held on behalf of others are not commingled with its own assets. The registrant must disclose its separate account(s) to the AMF. Refer to section 1.8 of the [Registrant Governance and Compliance Guide](#) for more information.

Q3- *Does the registrant hold one or more loans with one or more insurers or mortgage lenders?*

This question relates to loans made by an insurer or a mortgage lender where the borrower is a registrant. Loan agreements must be entered into by the registrant and a legal person. Therefore, you should answer “no” if the lender or the borrower is a natural person (such as an officer of the registrant).

You only need to disclose the loan agreements entered into with the insurers or mortgage lenders with which you have business relationships in connection with your activities governed by the *Act respecting the distribution of financial products and services*.

Q4- Does the registrant hold one or more loans with one or more registrants?

This question relates to loans made by a firm, an independent partnership or an independent representative where the borrower is a registrant. The loan agreement must be entered into by the registrant and a legal person. Therefore, you must answer "no" if the lender or the borrower is a natural person (such as an officer).

Q5- Does the registrant share commissions with one or more businesses registered with the AMF?

This question relates to any firm or independent partnership registered with the AMF under the *Act respecting the distribution of financial products and services* and any firm registered with the AMF under the *Securities Act* as a mutual fund or scholarship plan dealer.

Sharing of commissions takes place when a registrant splits or divides remuneration it was paid and gives part of it to another person authorized to receive it under the *Act respecting the distribution of financial products and services*. There is a sharing of commissions when a product is sold or a service is provided by only one registrant, who assumes responsibility toward the client, and another registrant receives part of the remuneration for the transaction and agrees to share it (e.g., as a result of a client referral).

When two registrants sell a product or provide a service jointly to a client, they are both responsible for the product or service provided to this client. Consequently, both are entitled to receive a commission. In this case, there is no sharing of a commission.

Paying a registrant remuneration in the form of a commission when it results from a distribution agreement is not considered commission sharing; for example, a general agent that pays remuneration in the form of a commission to a registrant that sold a product on its behalf.

You must disclose agreements under which you share commissions as well as those under which you receive a share of commissions. Agreements must be disclosed, but not their terms and conditions.

Q6- *Does the registrant share commissions with a broker or agency governed by the Real Estate Brokerage Act?*

This question relates to brokers or agencies governed by the *Real Estate Brokerage Act*.

Sharing of commissions takes place when a registrant splits or divides remuneration it was paid and gives part of it to another person authorized to receive it under the *Act respecting the distribution of financial products and services*. There is a sharing of commissions when a product is sold or a service is provided by the registrant, who assumes responsibility toward the client and agrees to share the remuneration with a broker or an agency governed by the *Real Estate Brokerage Act* (e.g., as a result of a client referral).

You must disclose agreements under which you share commissions as well as those under which you receive a share of commissions. Agreements must be disclosed, but not their terms and conditions.

Q7- *Does the registrant share commissions with one or more businesses other than those mentioned in questions 5 and 6?*

This question relates to any business other than those referred to in questions 5 and 6. For a firm, a business may include an insurer, a deposit institution, a bank or a trust company.

Sharing of commissions takes place when a registrant splits or divides remuneration it has been paid and gives part of it to another person authorized to receive it under the *Act respecting the distribution of financial products and services*. There is a sharing of commissions when a product is sold or a service is provided by the registrant, who assumes responsibility toward the client and agrees to share the remuneration with any business other than those referred to in questions 5 and 6 (e.g., as a result of a client referral).

You must disclose agreements under which you share commissions as well as those under which you receive a share of commissions. Agreements must be disclosed, but not their terms and conditions.

Q8- *Does the registrant have agreements with client referral agents or did it pay money to such agents during the year ended last December 31?*

A **client referral** is defined as the act of referring a client to a person or business that is likely to sell a product or provide a service to that client. The client referral agent can be a natural person or a legal person.

For example, the registrant could pay an agent money because the agent referred one or more potential clients to the registrant or provided the registrant with a list of client names. The agent's remuneration must not be contingent on the sale of a product or the provision of a service. The agent can, for example, be paid by way of an amount for each referral, a lump sum, an annual amount, and so forth.

Q9- *Does the registrant have agreements with one or more insurers or mortgage lenders for server and/or Internet site hosting, administration services, equipment supply, premises leasing or staff loans?*

This question relates to agreements reached with an insurer or a mortgage lender whereby the insurer or mortgage lender operates services at its own expense for the benefit of the registrant. Under this type of agreement, **the registrant derives a benefit free of charge**. This question does not relate to services where the registrant pays monthly administration fees, such as:

Server and/or Internet site hosting: Hosting and maintenance of the registrant's Internet site, etc. This question does not relate to the access the insurer or mortgage lender gives you to its platform or computer system.

Administration services: Verification of transaction compliance, contract renewal or monitoring services, etc.

Equipment supply: Office supplies, computer equipment, furniture, etc.

Premises leasing: Office space or premises put at the disposal of the registrant.

Staff loans: Administrative assistant, etc.

Q10- *Does the registrant have agreements with one or more registrants for server and/or Internet site hosting, administration services, equipment supply, premises leasing or staff loans?*

This question relates only to agreements entered into with a firm, an independent partnership or an independent representative. Under this type of agreement, **the registrant derives a benefit free of charge**. This question does not relate to services where the registrant pays monthly administration fees, such as:

Server and/or Internet site hosting: Hosting and maintenance of the registrant's Internet site, etc. This question does not relate to the access another registrant gives you to its platform or computer system.

Administration services: Verification of transaction compliance, contract renewal or monitoring services, etc.

Equipment supply: Office supplies, computer equipment, furniture etc.

Premises leasing: Office space or premises put at the disposal of the registrant.

Staff loans: Administrative assistant, etc.

GENERAL DECLARATION (continued)

You must answer all the questions in this declaration.

Q1- *Does the registrant carry out paid activities (whether related or not to financial services) other than those provided for under its registration?*

This question relates to the other paid activities that a firm or an independent partnership may carry out (e.g., a firm leases premises in the building that it owns and in which its offices are located). It is important to distinguish the activities of the registrant or legal person from those of individuals.

For example, the activities of a maintenance services company belonging to one of the registrant's owners or partners are not considered to be activities of the registrant. However, the maintenance service activities offered by the registrant, in addition to the activities provided for under its registration, are covered by this question.

Q2- *Do uncertified employees of the registrant carry out customer service? For example, respond to general inquiries about existing products or contracts or make administrative changes.*

In order to be authorized to advise consumers and offer financial products and services as an employee of a registrant, an individual must hold a right to practise (certificate).

The purpose of this question is to characterize the role of administrative staff. It thus concerns activities other than those reserved for certified representatives, including responding to general inquiries about existing insurance products or contracts **without giving advice**.

Q3- *Does the registrant have pre-hire screening measures for uncertified employees?*

Pre-hire screening measures include background checks to validate information provided by candidates, their integrity and solvency, and any other verifications to ensure that candidates are honest, e.g., checking criminal, financial and insolvency records.

Q4- *Does the registrant hold the following insurance?*

Cyber risk insurance covers risks related to the use of technology and social media, e.g., hacking, data theft, phishing/ransomware attacks.

Directors and officers (D&O) liability insurance covers natural persons who face legal action related to their decisions or those of their colleagues as part of their duties as a director or an officer (for example, mismanagement, breach of due diligence).

Q5- *Does the registrant use compliance audit software or does it deal with businesses that offer such services?*

Compliance audit software is software used to automate any or all tasks carried out by administrative staff to ensure transaction compliance (“RegTech”).

Database software or any other type of electronic recordkeeping aid, such as customer relationship management (CRM) software, are not considered compliance audit software.

Q6- *Does the registrant have policies for the following?*

This question relates to any **written document** (policy, procedure, guide, instruction or guideline) that specifies the registrant’s orientations to be applied by its staff.

The registrant can use a third party’s policies (for example, those of its general agent), provided that they refer to the registrant’s activities and they are put at its staff’s disposal. If this is the case, answer “yes.”

For existing policies, indicate the year of the latest update. If the year of the latest update to the registrant’s policies precedes the earliest date available in E-Services, please select that date.

- **Ethics and professional conduct:** This policy promotes the rules of ethics and professional conduct that the registrant’s employees must adhere to in the course of their professional activities.
- **Compensation:** This policy defines the remuneration rules that the registrant’s employees must adhere to in the course of their professional activities.
- **Hiring and selection of representatives:** This type of policy could define, for example, the representative selection process and provide a list of the background checks to be performed to validate candidates’ competence and integrity. Refer to the [Registrant Governance and Compliance Guide](#) for more information (section 3.2.1).
- **Conflicts of interest:** This type of policy could define, for example, the notion of conflict of interest and provide examples of situations that may generate conflicts of interest or the appearance of conflicts of interest. It could include a procedure for avoiding or resolving the conflict of interest situations identified. Refer to the [Registrant Governance and Compliance Guide](#) for more information (section 4.1).
- **Use of social media:** This type of policy could, for example, define the behaviours expected of employees and provide examples of appropriate and inappropriate use of social media.
- **Maintenance of representatives’ right to practise:** This type of policy could, for example, set out a process to help a registrant verify the validity of its representatives’ right to practise, in particular, during the certificate renewal period or the reference period for professional development units. Refer to the [Registrant Governance and Compliance Guide](#) for more information (section 3.2.2).

- **Information security:** This type of policy could establish a series of measures to be applied to ensure the protection of confidential information, whether hard copy or electronic. Refer to the [Registrant Governance and Compliance Guide](#) for more information (section 4.8).
 - **Transaction compliance:** This type of policy could, for example, define the points that should be covered when analyzing a client’s needs and determining product suitability. It could also list the documents to be completed as well as the information to be given to the client and kept in the client file.
 - **Vulnerable clientele:** This policy concerns persons who have a limited ability to make informed decisions, altered cognitive capabilities or difficulty understanding certain financial aspects, regardless of age. Such a policy could, for example, define the measures to be taken to identify signs of client vulnerability and ensure that clients receive appropriate service. Refer to the guide [Protecting vulnerable clients](#) for more information.
 - **Management of orphan policies:** This policy applies to all in-force insurance policies for which the client is without an assigned representative and no longer receives service because the person who sold the client the policy has changed employers or is no longer practising. It allows the client to obtain advice from a new representative.
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Q7- *Does the registrant have a business continuity plan?*

A **business continuity plan** is a **written document** that sets out the actions required to ensure the continuity and resumption of the registrant’s activities following an incident (e.g., failure of the registrant’s computer systems, pandemic, fire or flooding in its premises). In some cases, the plan may also provide for measures to take in the event the registrant’s representative(s) become(s) disabled or incapacitated.

If the registrant has a business continuity plan, indicate the year of the most recent update. If the year of the latest version precedes the earliest date available in E-Services, please select that date.

Q8- *Does the registrant charge its clients contract fees, transaction fees, professional fees, compensation or administrative fees (any fees other than premiums)?*

This question relates to fees that the registrant bills consumers for its services, other than those required by the insurer, such as file opening fees. Compensation is a remuneration or payment representing a fixed or variable fee charged by the registrant or its representative to the client for selling products or providing services.

Q9- *Does the registrant have clients who no longer have a home address in Québec?*

This question relates to the registrant's current clients who no longer have a home address in Québec and who currently reside in a jurisdiction where the registrant is not authorized to pursue activities.

Q10- *Does the registrant have partnerships with the following businesses?*

This question is intended to specify the type of unregistered businesses with which the registrant has partnerships or business relationships that are directly related to its insurance activities, excluding any administrative or business management component.

DECLARATION PERTAINING TO DAMAGE INSURANCE

*You must answer the questions in this declaration **if the registrant has a right to practise in damage insurance, whether or not it has carried out any activities in this sector within the past year.** Indicate the business relationships to be disclosed. If necessary, refer to the Managing Business Relationships companion guide.*

Q1- *Did the registrant sell damage insurance products in Québec during the year ended last December 31?*

If so, indicate the business volume placed with insurers for which the registrant sold products. You must provide information only for insurers representing at least 10% of the registrant's business volume in Québec by type of product.

Enter only one insurer per line and indicate the premium **in dollars** (approximate amounts). Please answer to the best of your ability.

The list of insurers is available in the public register on our website at <https://lautorite.qc.ca/en/general-public/registers/>.

Q2- *In general, from how many insurers does the registrant (through its representatives) request quotes before offering product(s) to its clients?*

Please indicate the average number of insurers from which the registrant requests quotes before offering product(s) to its clients.

Indicate "N/A" if the registrant does not offer any products.

Q3- *In general, from how many insurers does the registrant (through its representatives) select products to present to its clients?*

Please enter the average number of insurers whose products the registrant presents to its clients.

Indicate "N/A" if the registrant does not offer any products.

Q4- *Is the registrant a member of a banner?*

A **banner** is the designation under which a business carries on its activities. A banner is any name, mark, symbol or sign belonging to a group, network or association of firms or independent partnerships.

Q5- *Does the registrant act as a wholesaler?*

Damage insurance **wholesalers** are businesses that pursue brokerage and enrollment activities concurrently or separately.

Indicate the number of registrants to which the registrant offers services as a wholesaler. The AMF wants to know the number only. You do not need to disclose a business relationship for each of them. However, you must disclose a business relationship for each insurer for which the registrant acts as a wholesaler (refer to the instructions in the Maintenance of Registration form).

Q6- *Does the registrant use the services of wholesalers?*

Please refer to the above definition.

DECLARATION PERTAINING TO INSURANCE OF PERSONS

*You must answer the questions in this declaration **if the registrant has a right to practise in insurance of persons, whether or not it has carried out any activities in this sector within the past year.** Indicate the business relationships to be disclosed. If necessary, refer to the Managing Business Relationships companion guide.*

Q1- *Does the registrant act as general agent?*

General agent means a registrant to which an insurer has delegated certain tasks and which acts as an intermediary between that insurer and other registrants. This includes general agents, affiliated general agents and any other industry title that meets the above definition.

➤ ***If so:***

Number of registrants to which the registrant offers general agent services: The AMF wants to know the number only. You do not need to disclose a business relationship for each of them.

Annual premium volume in individual insurance of persons for the registrant's general agent activities in Québec: The AMF wants to know the premium volume written by the registrant **in its role as a general agent**. To answer this question, a general agent that also has attached representatives must exclude premiums written by them.

➤ ***If not:***

Direct distribution agreements with insurers: The AMF wants to know if the registrant offers insurance products by dealing directly with the insurer, without the intermediary of a general agent or another registrant.

Distribution agreements with other registrants: The AMF wants to know if the registrant offers insurance products through another registrant that does not act as a general agent.

Q2- *Does the registrant have distribution agreements with general agents?*

The AMF wants to know if the registrant has entered into an agreement to use the services of one or more general agents.

Q3- *Indicate the volume of premiums sold in Québec for the year ended last December 31.*

Please answer to the best of your ability. The AMF wants to know the volume of premiums **sold**. You must therefore exclude renewal commissions.

Indicate the volume of premiums sold for each of the products listed and the total volume (approximate amounts).

- If you did not sell one of the products listed during this period, enter "\$0" on the corresponding line.
- If you did not sell any products during this period, enter "\$0" on each line.

Living benefits include critical illness, disability and accident and sickness products.

Death benefits refer to life insurance products.

Annuity products refers mainly to segregated funds. For annuities and segregated funds, premiums correspond to amounts invested.

Segregated fund assets under management is the aggregate value as at December 31 of all premiums invested.

DECLARATION PERTAINING TO GROUP INSURANCE OF PERSONS

You must answer the questions in this declaration **if the registrant has a right to practise in group insurance of persons, whether or not it has carried out any activities in this sector within the past year**. Indicate the business relationships to be disclosed. If necessary, refer to the Managing Business Relationships companion guide.

Q1- **Does the registrant act as a general agent?**

General agent means a registrant to which an insurer has delegated certain tasks and which acts as an intermediary between that insurer and other registrants. This includes general agents, affiliated general agents and any other industry title that meets the above definition.

➤ **If so:**

Number of registrants to which the registrant offers general agent services: The AMF wants to know the number only. You do not need to disclose a business relationship for each of them.

Annual premium volume in group insurance of persons, including group annuities, for the registrant's general agent activities in Québec: The AMF wants to know the premium volume written by the registrant **in its role as a general agent**, i.e., as an intermediary between the insurer and another registrant (independent representative, firm or independent partnership). To answer this question, a general agent that also has attached representatives must exclude premiums written by them, as these premiums were not written as part of its role as an intermediary between another registrant and an insurer.

➤ **If not:**

Direct distribution agreements with insurers: The AMF wants to know if the registrant offers insurance products by dealing directly with the insurer, without the intermediary of a general agent or another registrant.

Distribution agreements with other registrants: The AMF wants to know if the registrant offers insurance products through another registrant that does not act as a general agent.

Q2- **Does the registrant have distribution agreements with general agents?**

The AMF wants to know if the registrant has entered into an agreement to use the services of one or more general agents.

Q3- *Indicate the volume of premiums sold in Québec for the year ended last December 31.*

Please answer to the best of your ability. For group annuities, premiums correspond to amounts invested.

Indicate the volume of premiums sold for each of the products listed and the total volume (approximate amounts).

- If you did not sell one of the products listed during this period, enter "\$0" on the corresponding line.
- If you did not sell any products during this period, enter "\$0" on each line.

Q4- *Does the registrant carry out activities as a program administrator (TPA)?*

This question is intended to help the AMF better understand the market.

A **third-party administrator** is a business specializing in group benefit programs, whether insurance, annuities or supplemental pension plans.

Q5- *Does the registrant carry out activities as a third-party payer (TPP)?*

This question is intended to help the AMF better understand the market.

A **third-party payer** is a business that provides premium billing administration services to one or more insurers and can also administer the payment of claims.

Q6- *Does the registrant have a procedure to help representatives draft proper mandates before setting up group plans?*

As part of its activities, the registrant must ensure that representatives send certain information to their clients, including the nature and scope of their mandates and a needs analysis. Refer to the [Registrant Governance and Compliance Guide](#) for more information (section 4.6).

DECLARATION PERTAINING TO PRODUCTS OR SERVICES OFFERED ON A DIGITAL SPACE (VIA THE INTERNET)

*You must provide the information requested in this declaration **if the registrant used a digital transaction space** to enter into contracts for insurance products, settle claims or prepare financial plans in Québec **during the year ended last December 31.***

The data you must provide covers only:

- The amount of premiums written through the digital space;
- The number of insurance policies issued, financial plans prepared and claims settled entirely through the digital space;
- The number of cases where a client rescinded an insurance contract purchased on the digital space.

If you are completing the paper form, you must also provide the following information in order to clearly identify each digital space used and each product and service offered:

Name of digital space: Enter the name of the digital space (or the name of the firm if the same name is used for the digital space).

Name of product or service: Enter the name of the insurance product, claims adjustment service or financial planning service, as applicable.

Hyperlink or means to access the digital space: Enter the website address or the means to access the digital space (e.g., iOS or Android mobile app).

Class of insurance product: Refer to the table on the following page in order to determine the class to be entered.

Type of insurance product: Refer to the table on the following page in order to determine the type of insurance product to be entered based on the class selected.

Class of product	Type of product
Life insurance (insurance of persons)	Death benefits (individual)
	Living benefits (individual)
	Annuities (individual)
Accident and sickness insurance (insurance of persons)	Death benefits (individual)
	Living benefits (individual)
Life insurance (group insurance of persons)	Group insurance
	Group annuities
Accident and sickness insurance (group insurance of persons)	Group insurance
Automobile insurance	Commercial-lines
	Personal-lines
Aircraft insurance	Commercial-lines
	Personal-lines
Property insurance	Commercial-lines
	Personal-lines – Home
	Personal-lines – Other than home
Boiler and machinery insurance	Commercial-lines
Credit insurance	Commercial-lines
	Personal-lines
Credit protection insurance	Personal-lines
Mortgage insurance	Commercial-lines
	Personal-lines
Insurance against embezzlement	Commercial-lines
Legal expense insurance	Commercial-lines
	Personal-lines
Hail insurance	Commercial-lines
Fire insurance	Commercial-lines
	Personal-lines
Liability insurance	Commercial-lines
	Personal-lines
Title insurance	Commercial-lines
	Personal-lines