

## Companion Guide

### Renewal of Certificate / Maintenance of Registration

Independent representatives registered in **insurance, claims adjustment** or **financial planning**

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

A separate companion guide has been prepared for independent representatives 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 Renewal of Certificate / 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.

## DECLARATION RELATED TO PROFESSIONAL PRACTICE

*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.*

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### **Q1-** *Do you use a business name ("doing business as")?*

A **business name** is a corporate name. Your business name must be registered with the Registraire des entreprises du Québec (REQ) if it does not contain your first and last names.

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### **Q2-** *Do you 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 you receive or cash on behalf of others in the course of your 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 you before being sent to the insurer is not considered to be funds collected on behalf of others.

You 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 as part of your activities under the *Act respecting the distribution of financial products and services*.

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### **Q3-** *Do you 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 you must deposit all amounts that you receive or collect on behalf of others. This account is separate from the account(s) used for your own regular business transactions so that the funds held on behalf of others are not commingled with your own assets. You must disclose your separate account(s) to the AMF. Refer to section 1.8 of the [Registrant Governance and Compliance Guide](#) for more information.

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**Q4-** *Do you 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.

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*.

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**Q5-** *Do you 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.

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**Q6-** *Do you 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*.

**Sharing of commissions** takes place when a registrant (firm, independent partnership or independent representative) 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.

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**Q7-** *Do you 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 (firm, independent partnership or independent representative) 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.

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**Q8-** *Do you share commissions with one or more businesses other than those mentioned in questions 6 and 7?*

This question relates to any business other than those referred to in questions 6 and 7.

**Sharing of commissions** takes place when a registrant (firm, independent partnership or independent representative) 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 6 and 7 (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.

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**Q9-** *Do you have agreements with client referral agents or did you 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, you could pay an agent money because the agent referred one or more potential clients to you or provided you 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.

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**Q10-** *Do you 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 your benefit. Under this type of agreement, **you derive a benefit free of charge**. This question does not relate to services where you pay monthly administration fees, such as:

**Server and/or Internet site hosting:** Hosting and maintenance of your 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 your disposal.

**Staff loans:** Administrative assistant, etc.

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**Q11-** *Do you 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, **you derive a benefit free of charge**. This question does not relate to services where you pay monthly administration fees, such as:

**Server and/or Internet site hosting:** Hosting and maintenance of your 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 your disposal.

**Staff loans:** Administrative assistant, etc.

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## **Q12-** *Do you 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 your activities following an incident (e.g., failure of your computer systems, pandemic, fire or flooding in your premises). In some cases, the plan may also provide for measures to take in the event you become disabled or incapacitated.

If you have 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.

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## **Q13-** *Do you charge your clients policy fees, transaction fees, professional fees, compensation or administrative fees (any fees other than premiums or rates)?*

This question relates to fees that you bill consumers for your 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 to the client for selling products or providing services.

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## **Q14-** *Do you have clients who no longer have a home address in Québec?*

This question relates to your current clients who no longer have a home address in Québec and who currently reside in a jurisdiction where you are not authorized to pursue activities.

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## **Q15-** *Do you have partnerships with the following businesses?*

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

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## DECLARATION PERTAINING TO DAMAGE INSURANCE

*You must answer the questions in this declaration **if you have a right to practise in damage insurance, whether or not you have 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.*

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

If so, indicate the business volume placed with insurers for which you sold products. You must provide information only for insurers representing at least 10% of your 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/>.

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### **Q2-** *In general, from how many insurers do you request quotes before offering product(s) to your clients?*

Please indicate the average number of insurers from which you request quotes before offering product(s) to your clients.

Indicate "N/A" if you do not offer any products.

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### **Q3-** *In general, how many insurers have created the products that you present to your clients?*

Please enter the average number of insurers whose products you present to your clients.

Indicate "N/A" if you do not offer any products.

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### **Q4-** *Do you use the services of wholesalers?*

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

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## DECLARATION PERTAINING TO INSURANCE OF PERSONS

*You must answer the questions in this declaration **if you have a right to practise in insurance of persons, whether or not you have 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.*

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### **Q1-** *Do you have direct distribution agreements with insurers?*

The AMF wants to know if you offer insurance products by dealing directly with the insurer, without the intermediary of a general agent.

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### **Q2-** *Do you have distribution agreements with general agents?*

The AMF wants to know if you have entered into an agreement to use the services of 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.

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### **Q3-** *Do you have distribution agreements with other registrants?*

The AMF wants to know if you have entered into a distribution agreement with another registrant that does not act as a general agent with you.

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**Q4-** *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 your 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.

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## DECLARATION PERTAINING TO GROUP INSURANCE OF PERSONS

*You must answer the questions in this declaration **if you have a right to practise in group insurance of persons, whether or not you have 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.*

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### **Q1-** *Do you have direct distribution agreements with insurers?*

The AMF wants to know if you offer insurance products by dealing directly with the insurer, without the intermediary of a general agent.

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### **Q2-** *Do you have distribution agreements with general agents?*

The AMF wants to know if you have entered into an agreement to use the services of 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.

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### **Q3-** *Do you have distribution agreements with other registrants?*

The AMF wants to know if you have entered into a distribution agreement with another registrant that does not act as a general agent with you.

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### **Q4-** *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.
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