

SAMPLE DISCLOSURE FORM FOR COMPENSATION RELATED CONFLICTS

(Print on your company letterhead)

To my valued clients:

Effective November 1st, 2004, the Ontario government passed a new regulation, *Regulation 347-04*, which updated the licensing provisions for life insurance agents and brokers. One of these updates requires life insurance agents to disclose, in writing, any potential conflicts of interests to their clients. Accordingly, please carefully read the following information. Once signed and dated, I will give you the original and retain a copy in my files as proof that I have complied with the disclosure requirement. Your signature on this form just acknowledges that you received this information. It does not waive any legal rights you may have.

Please be advised that agents and brokers in the life insurance business in Ontario Canada are compensated by commissions, bonuses and other inducements, from the Insurance Companies we do business with. From time-to-time, some companies may offer specific incentives, such as travel rewards, for a limited number of agents/brokers in recognition of sales made over a specified period of time. Incentive-based compensation is an Industry wide practice and has been a normal form of payment to agents/brokers who sell such products for many years.

As an independent broker, I am bound by the laws governing life insurance agents in Ontario Canada and the Code of Ethics of my professional association, **(insert either Independent Financial Brokers of Canada or The Financial Advisors Association of Canada)**. This means that any insurance product(s) I recommend will be the one(s) I deem to be best suited to meet your needs, without regard to the compensation practices of any one company.

When you purchase insurance from me, I will be paid a commission by the insuring company and may possibly be eligible for other forms of compensation. My role, as an independent broker, is to work on your behalf as your intermediary, advocate with the insurance company and to resolve any questions you may have throughout the time you hold that policy, and to ensure your ongoing satisfaction.

When you buy a product from any insurance company listed below, I place this business through a Managing General Agent (MGA), _____. The MGA may have a financial relationship with this insurer, of which I am not a part. MGAs offer a service to independent agents/brokers, and insurance companies by assisting with marketing compliance and administrative issues, for example, ensuring the policy information is complete before sending it on to the insurer. MGAs do not provide financial or policy advice to consumers. This is the role of a broker/agent like me.

(Insert any conflicts of interest that may be specific to your practice, for example, if you have a financial relationship, such as an outstanding loan, with an insurer or other company relevant to your business)

(Delete this section if you do not sell insurance)

For your information, I am authorized to sell insurance products from the following companies: (Please list all companies you hold contracts with)

1. (Insert company name)
2. (Insert company name)
- 3.

(Delete this section if you do not sell financial products or services, such as mutual funds, GIC's through other than Insurance Companies, other referral arrangements)

I am authorized to sell financial products/services from the following companies:

1. (Insert company name)
2. (Insert company name)
- 3.

This disclosure is made in accordance with Ontario Regulation 347/04, under the *Insurance Act*, dated this ___ day of (month), 20--.

Signed:

<Agent's signature>

<Client signature>

<Print agent name>

<Print client name>