



## AGA COMPLIANCE OVERSIGHT

**Responsibility for Compliance of Associate General Agents (AGAs)** Virtually everything an MGA does is as a result of delegation by an insurer. If the MGA in turn delegates responsibilities to an AGA, it is required to perform the same kinds of actions that an insurer would in using an MGA, including:

1. Thorough screening and initial due diligence on the AGA
2. Clear contract that lays out responsibilities
3. Provision of tools and templates to ensure that the AGA is meeting or exceeding the MGA's/insurers' requirements.
4. Ongoing monitoring of the activities and value provided by AGAs, including regular review of the contract and relationship with the AGA.

**“Auditing” Advisors** CLHIA guidelines and reference documents do not call on MGAs to “audit” Advisors. OM Financial Inc. is expected to monitor the activities of the AGAs that put business through us. From time to time, on as-needed or random selection basis, as part of its ongoing monitoring process, OM Financial Inc. may require an AGA to produce files and records for review. The kinds of reviews performed, particularly if a serious concern about an Advisor exists, can be quite in-depth.