

COMPLAINTS MANAGEMENT

If you are a Producer in Quebec or hold a license in Quebec, there are certain requirements to which you must adhere, including the establishment of a complaints protocol. You must be aware of these requirements.

You are required by CAILBA Producer Code of Conduct to maintain a Complaint Log that includes:

- Customer name
- Policy or document number
- Producer name
- Date of complaint, (written or verbal)
- Recipient of complaint
- Individual handling the complaint
- Summary of complaint (details should include whether a regulatory body is involved)
- Whether the complaint was reported to the insurer and/or MGA and the contact information.
- Steps towards resolution
- Statement of resolution and date of resolution

It is vitally important that you keep this log in good order. It is a protection for your business. You may be called upon to produce the complaint log in regulatory and insurer audits.

DEFINITION OF A COMPLAINT

A “complaint” is an expression of dissatisfaction made to or about an organization, related to its product, services, staff or the complaints-handling process itself, where a response or resolution is explicitly or implicitly expected. Complaints can be in the form of written or oral communications.

OM FINANCIAL INC. COMPLAINT HANDLING PROCESS

If a client complaint is received, the following procedures should be followed:

1. The Chief Compliance Officer of OM Financial is responsible for the Complaint Handling Process.
2. Upon the receipt of a client complaint either verbally or in writing, complete a complaint report.
3. If the complaint is received in writing, the client should be contacted within 3 business days to acknowledge receipt of the complaint.
4. If the complaint regards service, make efforts to resolve it.
5. If the complaint involves suitability of product or recommendations or other market conduct issues, gather the information from the customer, but avoid “forming” or “crystallizing” the complaint for the customer.
6. Notify the advisor and ask for a written explanation.
7. Notify the insurer and identify the steps you are taking. If the insurer want to take charge of the complaint, OM Financial Inc. will be on call for any information or assistance that we can reasonably provide.
8. If the insurer expects the OM Financial Inc. to manage the complaint, continue with the investigation and review of the advisor’s responses.
9. Ensure that the customer receives a written letter of acknowledgement from either the OM or insurer, depending on who has carriage of the complaint.
10. Upon resolution, the Complaint Report should be updated with the final agreed upon solution and an updated copy forwarded to Rahul Bhardwaj to close the file.
11. If consumer has an unresolved complaint, they must be advised that their complaint shall be transferred to the Ombudsman of the insurance carrier.

GUIDING PRINCIPLES AND STANDARDS

All complaints are to be thoroughly and efficiently investigated with the aim of achieving a mutually acceptable resolution. To facilitate the effective management of complaints, OM Financial is guided by the following principles:

- **Timeliness**
 - Complaints should be acknowledged and addressed in a clear and timely manner in accordance with the established timeframes found in the Complaint Management Process.
- **Commitment**
 - OM Financial is committed to appropriately manage complaints by providing proper training, resources, and support in the recording, investigation, resolution, and reporting. For the recording, appropriate management of complaints will be conducted by providing proper training, resources, and support.
- **Objectivity**
 - Each complaint should be addressed in an equitable, objective, and unbiased manner through the Complaints Handling Process.
- **Confidentiality**
 - The personal information of the complainant and the people who are the subject of a complaint must be kept confidential and only used for the purposes of addressing the complaint and any follow up actions.
- **Continual Improvement**
 - The continual improvement of the Complaint Handling Process and the quality of services is a permanent objective of the organization.

QUEBEC COMPLAINT EXAMINATION AND DISPUTE RESOLUTION POLICY

Effective Date: July 10, 2023

Purpose of the Policy

The purpose of this policy is to set up a free and equitable procedure for dealing with complaints. It is also intended to provide oversight for the receipt of complaints, delivery of the acknowledgment of receipt, creation of the complaint file, transfer of this file to the AMF and compilation of complaints for the purpose of preparing and filing reports twice a year to the AMF using the Complaint Reporting System (CRS).

Person(s) in Charge

Rahul Bhardwaj is the person in charge of applying this policy. The person in charge acts as the respondent with the AMF and the complainant. They train the firm's staff (as required) and provide them with the necessary information for compliance with the policy. They are also responsible for:

Delivering an acknowledgment of receipt and notice to the complainant;

Transferring the file to the AMF, at the complainant's request;

Filing a report with the AMF using the Complaint Reporting System (CRS) only if a complaint is received. To date, no such complaints have been received.

Definition of Complaint

For the purposes of the policy, a complaint is the expression of at least one of the following three elements:

- A reproach against the registrant;
- The identification of real or potential harm that a consumer has sustained or may sustain; or
- A request for remedial action.

Informal steps to correct a specific problem are not considered a complaint, provided the problem is resolved as part of the registrant's normal activities and the consumer has not filed a complaint.

Receipt of the Complaint

Consumers who wish to file a complaint must do so in writing to our office as follows:

OM Financial Inc.

Tel: (416) 491-7727 ext: 223

Fax: (905) 612-0801

Office Address:

Toronto

7191 Yonge Street Suite #711
Thornhill, ON, L3T 0C4

Mississauga

218 Export Blvd
Suite 610
Mississauga, ON L5S 0A7

EMPLOYEES WHO RECEIVE A COMPLAINT MUST IMMEDIATELY FORWARD IT TO THE PERSON IN CHARGE OF THIS POLICY, RAHUL BHARDWAJ.

The person in charge must acknowledge receipt of the complaint within 5 business days of receiving it.

The acknowledgment of receipt must contain the following information:

- A description of the complaint, specifying the real or potential harm, the reproach against the registrant and the requested remedial action;
- The name and contact information of the person in charge of examining complaints;
- In the case of an incomplete complaint, a notice requesting more information to which the complainant must respond within a set deadline, failing which the complaint will be deemed to have been abandoned;
- The complaint examination policy;
- A notice stating that if not satisfied with the outcome or with the examination of the complaint, the complainant can request that the complaint file be transferred to the AMF. This notice must also mention that the AMF may offer dispute resolution services, if deemed appropriate;
- A reminder to the complainant that filing a complaint with the AMF does not interrupt the prescriptive period for civil remedies against the registrant.

Creation of the Complaint File: A separate file must be created for each complaint.

The file must contain the following:

- The written complaint and its three elements (the reproach against the registrant, the real or potential harm and the requested remedial action);

- The outcome of the complaint examination process (the analysis and the supporting documents);
- The final written response to the complainant with justifying reasons.

Complaint Examination

On receiving a complaint, we must initiate our complaint examination process. The complaint must be examined within 5 days of receiving all the information necessary for the examination.

After examining the complaint, the person in charge must send the complainant a *final response* with justifying reasons.

Transfer of the File to the AMF

We are required to describe the process for transferring a complaint file to the AMF.

If not satisfied with the outcome or with the examination of the complaint, the complainant may ask the registrant, at any time, to transfer the file to the AMF.

The transferred file must include all the information related to the complaint.

The registrant is responsible for complying with the rules governing the protection of personal information.

Complaint Reports

- Because we have a number of representatives, we must file reports twice yearly.

The reporting periods are as follows:

- no later than July 30, for data collected between January 1 and June 30;
- no later than January 30, for data collected between July 1 and December 31.

On May 25, 2007, the AMF issued guidance intended for independent representatives and firms with only one representative. This guidance states that the AMF no longer requires firms with only one representative or independent representatives governed by *An Act respecting the distribution of financial products and services* to file a report **if they have not received any complaints**. However, upon receipt of a complaint, they will still be required to report the complaint according to established procedures.*

Effective Date

The registrant must indicate the **effective date** of the policy. In addition, if the document is amended, the registrant must indicate the date of each amendment.

Sample Documents

We do not expect to receive any appreciable numbers of complaints from Quebec customers. Consequently, if we do receive such a complaint, the AMF makes a number of useful documents and forms available on its website, to assist in managing the complaint. See <http://www.lautorite.qc.ca/en/complaint-examination-obligations.html>.



Contact the AMF with questions:

Montréal: 514-395-0337

Toll-free: 1-877-525-0337

Fax: 418-525-9512 or 514-873-3090

E-mail: information@lautorite.qc.ca

INVESTIGATING AND REPORTING PROCEDURE

MGAs are expected to notify insurers if they become aware of an allegation, event, or circumstance that gives rise to a reasonable belief that an advisor may be unsuitable to continue to promote, sell or service insurance products. This includes but is not limited to client complaints, possible misconduct, financial difficulties and regulatory inquiries and investigations.

In addition, MGAs must notify all insurers when the advisor's contract with them is terminated. The Insurance Council of British Columbia requires MGAs to report Advisors directly to the regulator. Likewise, the Code of ethics of the Chambre de la sécurité financière requires an Advisor to report an unsuitable Advisor to the Authority in possession of "reasonable grounds to believe that another representative is unfit to practice in this capacity, is practicing incompetently or dishonestly, or is contravening the provisions of the Act and its regulations."

Procedure for Investigations:

1. When a concern about an advisor's activities arises, for whatever reason, review CLHIA Guideline G8 and perform a full review.
2. Gather all the facts about the situation.
3. If possible, ask the advisor for a full written explanation of what has occurred. Exercise care in doing this if you believe that money laundering has occurred or if there is any reason to believe that notifying the advisor will lead to document destruction or fabrication of information.
4. If the facts alone are insufficient to make a determination, review the advisor's full book of business for red flags or other evidence of wrongdoing that may have been missed.
5. If concerns persist, notify the insurer's Compliance department to discuss the matter and next steps. It is advisable to call the insurer first and to avoid putting anything in writing. The insurer should be able to instruct you on what information it requires. Exercise great care in writing. Stick to the facts; avoid speculation and defamatory comments.
6. If we terminate the advisor's contract for cause, notify the insurer and take any steps required by contract or provincial regulation.

Regulatory Investigations of Advisors

Notify the insurers involved immediately if we become aware of a regulatory investigation involving an advisor. If the investigation relates to the sale of one insurer's products, depending on the facts, notify that insurer only. If the investigation is more far-reaching, as a precaution notify all the carriers with which the Advisor has a contract.

Issues that should always be reported include but are not limited to:

1. Any concerns about advisor suitability identified in Guideline G8.
 - OM Financial Inc. is required to report concerns regarding the suitability of an agent to the Insurance Council of British Columbia. These include issues related to an agent's trustworthiness, competency, and ethics. Concerns should be reported by way of a written submission to the Insurance Council of British Columbia. Where an agency is uncertain if the concerns are relevant, it is encouraged to speak with the Insurance Council staff. As a general principle, given the overall importance of compliance programs as a means of protecting the customer, when there is any doubt, it is best to err on the side of caution and report the concern.



2. Evidence that IOLI/STOLI/Viatical/Life Settlements business (and any associated premium financing arrangements) may be occurring;
3. Evidence or concerns about fraud;
4. Evidence of new and/or unusual outside business activities being promoted to advisors, particularly if there are concerns about the average advisor's training and knowledge.

Note that items 2-4 may or may not relate to the suitability of agents, but some topics are so important to the industry that every effort should be made to share information with insurers as soon as it is available.



Complaint Investigation Log

Person taking the call:

Complaint Details:

Client Details:

Is this the first Complaint? If no, how many complaints have been received for this advisor?

Name of Insurance Company:

Policy Details:

Allegations:

Representative Comments:

Date:

Client Telephone Interview Details:

MGA Comments:
