

**Producer Information Kit
(2020)**

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General Remarks

The Producer's Information Kit is supplemented by electronic circulars issued by Way from time to time. Producers are advised to keep informed of the latest rules and regulations issued by the Administration Department.

1. Professional Conduct & Compliance

a. General

Producers are responsible for maintaining a valid Life Insurance License as well as sufficient coverage of the Errors and Omissions Insurance in accordance to regulations. It is also necessary for Producers to maintain a professional conduct in line with industry regulations as well as Way's service standards, detailed in the Independent Producer's Agreement and Way's Code of Conduct. This includes maintaining a regime for general compliance, anti-money/anti-terrorist financing and privacy. See the enclosed Compliance Checklist for details.

b. Anti-Money Laundering ("AML")/Anti-Terrorist Financing ("ATF")

As part of Way's AML/ATF measures, cash payments/deposits for carriers' products are not accepted. Bank drafts or money orders must also have an indication of the source of the funds although some carriers do not accept these methods of payment at all. Producers are also required to document and report to the Compliance Officer any of the following immediately:

- i. Suspicious Transactions (eg. Contributor to policy has no obvious relation with the beneficiary/insured)
- ii. Terrorist Property
- iii. (Attempts of) Large Cash Transactions of \$10,000 or more
- iv. Lump-sum payment of \$100,000 or more by a Politically Exposed Foreign Person ("PEFP")

Use the enclosed AML checklist and compliance program for anti-money laundering and terrorism financing as good business practice. More detailed information can be found on the government website: <http://www.fintrac-canafe.gc.ca/re-ed/li-eng.asp>

In addition, an NB amount of FYC 5,000 or more, or investment amount of \$300,000 or more, as well as any case written for the Producer him/herself or his/her family, will be cross-examined by the Compliance Officer.

c. Client's Records & Privacy

Producers are required to keep a record of all their correspondence with clients. This will not only help manage businesses, but also provide the Producers evidence of proper conduct in case of disputes in the future.

Such record (electronic, including files on laptops and cell phones, as well as hard copies) is to be kept private and confidential, such as keeping them locked physically or password protected electronically. Usage of this information for purposes outside the regular business scope is strictly prohibited.

The Compliance Officer will conduct periodic checks to ensure Producers meet such standards.

Client's Privacy Rights

All members shall abide by guidelines set out by B.C.'s Personal Information Protection Act (the "PIPA") at <http://www2.gov.bc.ca/gov/content/employment-business/business/managing-a-business/protect-personal-information>.

Pay attention to:

- Be accountable to your information practices
- Obtain consent
- Follow the rules for collecting personal information
- Follow the rules for using personal information
- Follow the rules for disclosing personal information
- Follow the special rules for employee personal information
- Follow the special rules for business transactions
- Follow the rules for giving individual access to their personal information
- Follow the rules for correcting personal information
- Follow the rules for accuracy, protection and retention of personal information

Producers must report a breach of privacy immediately to the Compliance Officer who will take action according to the Privacy Breach Guidelines issued by the government, with full cooperation by the relevant Producers.

Other Privacy Measures

Privacy matters are very important and there are serious consequences if not properly managed. A breach may already occur even if there is only a possibility of information leakage. Producers' role is very important as clients entrust their private information, such as ID, medical history and financial information, in you.

Here are some measures to save guard electronic files:

- i. Lock computer screen when away from keyboard
- ii. Use secured passwords (number + letter + symbol)
- iii. Change passwords every quarter
- iv. Don't save passwords for programs or online portals
- v. Remember to log-off
- vi. Don't leave your laptop behind or keep it locked at the office
- vii. Be aware when using publicly accessible tools such as Google Calendar and ensure no private information is displayed
- viii. E-mails are generally more vulnerable to interception and hacking. Ensure not to reveal client information in details, whether sending to the clients themselves or to colleagues/carriers.

Also keep all client profiles as well as other sensitive personal information (such as policies waiting to be delivered) in a safely stored and locked place. Don't carry them around unless you will be meeting those specific clients.

Updating Clients' Investment Strategies and Insurance Needs

Producers are required to review their clients' investment strategies periodically. Before clients invest into new or existing accounts, a Producer must update their Comprehensive KYC form, if the one on hand is more than two years old. Failure to do so would render the business application invalid for further processing.

Clients' insurance needs should also be reviewed periodically to ensure adequate coverage is in place.

d. Business Initiatives

Producers are encouraged to take on their own business initiatives and explore different feasible platforms with their own business budgets. When doing so, Producers must not hold out as representing Way or a Carrier in any way without receiving prior written approval.

Promotional materials should always have a disclaimer included, be they paper materials or presentations for a seminar. An example for each category is found below. In cases of doubt, seek clarification from the Compliance Officer, relevant Carriers or governing regulatory bodies.

Paper Materials:

Above contents are for illustration purpose only and should not be regarded as an offer to sell, to subscribe to, or provide any recommendation with respect to any financial products, and are not indicative of future returns. Parties are advised to consult professionals.

Presentations:

The information contained herein has been obtained from sources believed to be reliable at the time obtained but neither the Presenter nor its employees, agents, or information suppliers can guarantee its accuracy or completeness. The examples provided are for illustration purposes only and are not indicative of future returns; fees and commissions are not included in these calculations.

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2. Business Workflows

a. Business Submissions and Related Matters

Any new business – including business transfers – must be placed in the New Business (“Business Process”) Box before the time indicated for that day’s processing. Electronic Applications can be sent via e-mail to process@wayfinancial.ca. Incomplete information will delay the processing of the business.

The NB box accepts only business related correspondence that has been labeled appropriately (i.e. sender and recipient’s names); personal correspondence will not be mailed out by the company.

Compliance Document Package, Financial Needs Analysis, Know-Your-Client (“KYC”) and Other Forms

All new business must be accompanied by a Compliance Document Package, including Advisor Disclosure Form, Privacy Statement and Signature Page.

Insurance business requires a completed Financial Needs Analysis (“FNA”) to ensure clients’ needs are well assessed. Producers should be aware of guidelines on cover letters for children and corporate policies. Replacement of an existing insurance policy including one that has lapsed or got cancelled *within six months* (before and after) of the new business must include a *Replacement Declaration Statement*. To let underwriters better understand your submission, a cover letter or notes in the additional comment area of the FNA are always helpful.

Investment business submission must be accompanied by a KYC. New investments to an old account with a form completed over two years ago must be submitted with an updated KYC. The Producer is responsible for the checking the date of the KYC and submitting a copy of the same or new version accordingly.

In cases where the client is submitting an application for a **leveraged investment**, the Leverage Loan Review Worksheet must also be completed. The KYC must indicate the client’s wish of:

Investment Knowledge	Must be “Moderate” or “Extensive”
Timeline	Must be 7 years or more
Investment Objectives	At least 70% Growth
Risk Tolerance	A total of 70% on “Medium”, “Medium to High” or “High”. 42 points or above under KYC Section 3 - Risk Profile
Additional requirements	Income Proof & Asset Proof are needed if loan amount is \$100,001 and above Detailed justification required if client is aged 60 or above

All completed business should be followed by the “Reason Why Letter”, which can be submitted together with the application. If submitted later, it must be submitted within 30 days after the new investment account gets settled or along with the insurance policy’s delivery receipt.

Investment Transactions (fund switches & redemption)

Fund switch and redemption requests for investment business should be e-mailed directly to process@wayfinancial.ca before noon (i.e. 12 pm) for same day for processing. Incomplete information will delay transactions.

Processing will give priority to the first 10 accounts (per advisor) for fund switch or redemption request for same day processing. Requests over this number will be prioritized according to that day's volume.

Rebating

Producers must adhere to the regulator **and** the carriers' rules on rebating. Some have strict rules forbidding rebating. Way does **not** encourage or promote rebating.

b. Commission Payments and Related Matters

Payments for commissions, overrides and other incentives are based on amounts **received** from the carriers and not from projection.

Large Commission Hold Up Case on Insurance Products

A large commission hold up case is an insurance policy of annual payment frequency with Annual FYC ("AFYC") 10,000 or more or monthly payment frequency with AFYC 3,000 or more.

In such a case, the compensation will be paid out in two installments: 50% at first installment and the remaining 50% to be paid out after the 2nd year or 13th month premium is received by the Carrier. Some Carriers may have a different chargeback period, such as 5 years chargeback period, in which case the second installment will be paid the year the chargeback period is over, in the example above, after the 5th year premium is received by the Carrier.

Settlement of Chargebacks

In the case of chargebacks, the amount will be first offset against a Producer's upcoming compensation. Should a negative balance surface, the Producer will have up to 14 days to settle the debit to prevent the accrual monthly interest of 1%.

Way may execute the Producer's block of business transfer to Way if

- i. the business has a commission splitting with Way;
- ii. the business is assigned from Way projects; or
- iii. the Producer does not repay the chargeback within 30 days.

3. Office Workflow

a. Office Hours

The office is open: **Monday to Friday** **09:30am to 05:30pm**

(Except for statutory holidays or otherwise as announced by the Administration Department).

Producers away from the office for extended periods of time are asked to keep the Administration Department informed.

b. Office Facilities & Resources

General

Producers are welcome to use the facilities available in the office during office hours. Some may require advance booking and the commonly used items are highlighted below.

Producers are asked to take care of the materials/facilities lent out and must return them in the same condition as before.

Supply Room

Each Producer is allocated a mailbox in the supply room in which relevant mails as well as information will be inserted. Please check your mailboxes daily to avoid missing important notices. Information on clients should be stored away in a locked area to adhere to privacy guidelines.

To ensure supplies, such as carriers' forms, are well stocked, Producers coming upon a "Replenish Card" in a supply box should bring the same, as well as the low-in-stock form, to the Administration Department for replenishment. Producers should not restock unused forms themselves as the version they previously took may not be up-to-date anymore.

Producers may also subscribe to an account for the paid usage of the printing machine. The amount of usage will be totalled and billed at the end of each year. There is also a tray next to the machine for documents waiting to be picked up.

Communal stationery is also available for Producers' use.

The "Lost and Found" box temporarily hosts items left uncollected or unattended such as umbrellas, food containers, mugs and others. The box will be cleared each month and remaining items will be disposed.

Lounge

The lounge is open to use for multiple purposes: refreshments, breaks, meetings, etc.

For sanitary purpose, Producers are asked to clear away their garbage immediately after use. Dishes should be washed by their users.

Food and drinks placed inside the refrigerator and freezer must be labelled with the owner's name in the form of a sealed package or container. Items exposed will be disposed without prior notice. Items already expired or left uncollected (one week for the refrigerator and one month for the freezer) will also be disposed without prior notice. Unattended food and drinks found elsewhere will be disposed immediately.

Meeting Rooms

Meeting rooms can be used free of charge with prior reservation during office hours. Producers wishing to use the rooms can check the availability via Google calendar and reserve them **one business day in advance**:

Boardroom: boardroom@wayfinancial.ca

Lounge: lounge@wayfinancial.ca

Usage outside office hours will be subject to approval and a rental charge. Ask Administration Staff for the rental rates.

Other Resources

Everyone is encouraged to make use of the resources provided by the Way Platform to further professional image, increase business efficiency and enhance results.

Training Program

Our diversified training program and speakers: product knowledge, sales concepts, case studies, role plays, compliance regimes and marketing strategies help develop the professional, practical and personal aspects of our members' business.

There are group trainings of various topics on Wednesdays and Fridays, while there are classes helping new members on the other days. Carriers' one-on-ones are also available throughout the month.

Producers will receive a specific calendar invitation for the sessions so please RSVP to secure a spot. For the carriers' one-on-one, you can check the venue's calendar (i.e. Boardroom or Lounge) to see which session is still available for your booking. Feel free to ask our Administration staff if you have any question regarding the reservation procedures.

Clients Events

Events like client seminars are organized to which members can bring their own clients. Use this resource to regularly connect with your clients and to generate repeat and referral business.

Career Sessions for Your Connections

Sessions take place each month, where business opportunities and career paths for HLLQP and RESP will be introduced. Please invite your connections to come. Leverage this platform to build business.

Marketing Materials & Promotions

In-house marketing materials are available for your use in prospecting your clients and connections. Check the Way Intranet for more details. Your login details will be sent to you in a separate e-mail.

Specific Case Coordinator

To provide closer support including new case processing, underwriting follow-up, new contract application, fund switches, etc, a case coordinator is assigned to especially look after each member. Producers will receive the contact information in the Welcome E-mail.

Case Studies

In addition to the general training sessions, Director, Training & Compliance, Mr. Stephen Lai, is available to help you with your business applications, including case studies on closing a business and the actual form filling of applications. Make an appointment with him at stephen.lai@wayfinancial.ca or tel: 604 279 0866 ext. 114

Company Campaigns

Join us in company-wide campaigns throughout the year to promote your business. Stay tuned for notices circulated and posted on the Bulletin Board and Office TVs.

Stay alert of market updates and other important information via the Weekly Bulletins.

c. Safety and Security

Entrance and Exit

The front glass doors are kept unlocked during office hours for convenient access. Outside this period, Office Renters are allocated a smart key to open the doors. Persons found unlocking the doors outside office hours or without permission will be liable for any loss or damage caused by such breach of security. An immediate **fine of \$100** will also be charged.

Alarm System

Producers with a smart key are assigned an alarm code to disarm the alarm upon entry. Those setting off a false alarm are required to report the same to the alarm company (telephone number indicated on the system) without delay. If the company phone rings at the time (as the alarm company will also call to check), Producers are to answer the phone and report the mistake accordingly. Failure to do so may trigger further action by the alarm company such as notifying the police.

A **\$50 fine** will also be issued, the payment of which will be the responsibility of the concerned person. Producers should inform Administration Staff should they have set off a false alarm.

The last person to leave the office is required to set the alarm. Failure to do so may lead to loss and damage to the company as well as other colleagues, the amounts of which will be the responsibility of the violator.

The Emergency Exit is for emergencies only.

Fire Extinguisher & First Aid Kit

While fire extinguishers and a first aid kit are available at the office, call 9-1-1 in cases of emergencies.

d. *Others*

Parking

Colleagues should be mindful of parking rules, including overnight parking, as laid out by Building Management. Parking in other tenants' stalls as well as in visitors' will render fining and/or immediate towing at the owner's expense.

Violators will be **fined \$80**.

Producers should also pay attention to rules set for reserved spots specifically for monthly competitions. Other spots are available for Producers on a first-come-first-park basis.

Visitors

In order for clients to be greeted properly, Producers are asked to inform Front Desk should they have visitors to the office at least **half a day in advance**. Clients are sometimes unable to identify their Advisor's name, which will create confusion at the reception. Producers are therefore asked to send a simple calendar invitation (including client's name and language spoken) to Front Desk staff so clients can be received properly.