

## Life Insurance Agent Supervisor – Obligations and Duties

In signing the Supervision Certificate, the agent being supervised and Supervising Agent agree to fulfill their duties and to comply with the requirements to co-sign certain documents in compliance with Sections 8 and 9 of the Life Insurance Agents and Accident & Sickness Insurance Agents Licensing Rules.

A supervisor's duties include but are not limited to:

- The Supervisor is expected to provide ongoing training to ensure the supervised agent has appropriate product knowledge and awareness of regulatory requirements.
- The Supervisor must ensure the recommendations of the supervised agent are suitable to the client's interests and needs.
- Supervisors must inform supervised agents of their responsibility to complete a needs analysis for the sale of every life insurance policy and of the supervised agent's responsibility to present the needs analysis and application to the Supervisor to be countersigned.
- Supervisors must review any proposed replacement life insurance policy prior to the supervised agent recommending the product to the client. A supervised agent must not replace a contract of life insurance unless the Supervising Agent countersigns the Life Insurance Replacement Declaration (LIRD) form and Written Comparative Analysis. A Supervising Agent accepts responsibility for the documents as if he or she had completed them as the life insurance agent.
- Supervisors must ensure the level of risk for segregated funds sold by the supervised agent is suitable to the client's risk tolerance and that the supervised agent has sufficient expertise with regard to the selling of individual variable insurance contracts (otherwise known as segregated funds). Guidance Notes to Licensees – Individual Variable Insurance Contracts can be found on the ICM website at [www.icm.mb.ca](http://www.icm.mb.ca).
- Any recommendation by the supervised agent for leveraging segregated funds must be reviewed and approved by the Supervisor; a needs analysis and the application must be countersigned by the Supervisor. The Supervising Agent has the duty to ensure that the client has the financial ability to pay the servicing costs and any potential margin call of a leverage loan.

The Supervisor will be held mutually responsible, along with the supervised agent, and may face potential disciplinary action where recommendations are not appropriate to the client's interests and needs or where disclosure of the risks was not sufficient.