

Managing Conflicts of Interest- Relationships Between Insurers and Sales Intermediaries - Achieving Best Practices

The NS Superintendent of Insurance supports the work of the Canadian Council of Insurance Regulators (CCIR). CCIR is made up of all the provincial insurance regulators in Canada. CCIR after public consultations, agreed on three principles as best practices in managing actual or potential conflicts of interest. The principles promote consumer confidence in the insurance industry by outlining best practices for managing these situations when they arise. We hope you will put them to good use.

The principles are:

Client's interests come first: Agents must put the interests of policyholders and purchasers ahead of their own;

Make clear any conflicts or potential conflicts of interest: Consumers must receive disclosure of any actual or potential conflict of interest that is associated with a transaction or recommendation; and

Ensure products are the right fit: Products recommended must meet the needs of the consumer.

Appendix I (see link below) provides some further detail explanations of the principles cited above.

To manage conflicts of interest, several industry associations have prepared tools to apply these principles. The following are links to the website of industry associations on information regarding managing conflicts of interest:

<http://www.ccir-ccra.org/CCIR/iprc.htm>