



**GLOBAL PACIFIC
FINANCIAL SERVICES LTD.**

INSURANCE - INVESTMENTS - WEALTH MANAGEMENT

Risk Management Requirement for E&O Purposes and Regulatory Compliance

A compliant Managing General Agency (MGA) is required to:

- periodically review agent compliance with the licensing provisions of the regulatory body in the province the agent is licensed;
- terminate an agent contract where the agent is no longer licensed and subsequently, notify all contracted carriers immediately;
- suspend an agent contract when the agent remains uninsured with Errors & Omissions Insurance for a period exceeding 30 calendar days, and subsequently notify all contracted carriers immediately. In many cases this will result in the termination of the agent's contract with carriers;
- comply with federal and provincial privacy laws to ensure the protection of confidential information;
- comply with Anti-Money Laundering legislation;
- advise the regulatory body(ies) where there are issues related to an agent's suitability or conduct as a licensee. These include competency, trustworthiness, financial reliability or compliance with the Act and its Rules and Regulations;
- notify the regulatory body(ies) in writing within five business days if an agent's authority to represent Global Pacific (GP) ceases;
- when withdrawing an agent's authorization to represent GP, notify the regulatory body(ies) if the reason(s) for withdrawing the authorization relates to the agent's suitability or conduct as a licensee; and
- when terminating an agent's contract with carriers for reason's noted above, assign affected policyholders to a licensed representative for service.

You may periodically hear from our Agency Services or Compliance team regarding the status of your license and/or insurance for compliance and audit purposes.

Please comply with our requests in a timely manner to ensure you remain in good standing with your contract(s), license and insurance status. Generally, your response is required within 2 business days.

Thank you for your cooperation and assistance in this matter.