Credit Score Reporting Policy for Carte Risk Management Inc.

Effective Date: March 13, 2025

Review Date: March 13, 2025

Reviewed by Maria Jose Flores, Chief Compliance Officer

1. Purpose

This policy establishes credit score reporting and monitoring guidelines under the Canadian Life and Health Insurance Association (CLHIA) guidelines for advisor supervision and monitoring. Carte Risk Management Inc. ("Carte Risk") ensures that all advisors meet financial integrity standards and maintain financial responsibility that aligns with industry regulations.

2. Scope

This policy applies to all advisors contracted with Carte Risk. The company reserves the right to inquire into an advisor's financial standing as part of its supervisory responsibilities.

3. Credit Score Monitoring and Review

1. Regular Monitoring: Carte Risk will conduct periodic reviews (once a month) of advisors' credit scores to ensure compliance with financial suitability requirements.

2. Threshold for Inquiry: Any advisor with a credit score below 600 will be subject to further review and inquiry.

3. Advisor Inquiry Process: If an advisor's credit score falls below 600, Carte Risk will:

- Notify the advisor in writing about the credit score concern.

- Request a written explanation and any supporting documentation regarding the circumstances affecting their credit score.

- Evaluate whether the financial situation poses a risk to the integrity of the business.

4. Decision Process: Carte Risk will determine whether the advisor can remain contracted with the MGA based on the review. Decisions will be made on a case-by-case basis and may include:

- Allowing the advisor to continue under heightened supervision.

- Requiring corrective action, such as financial counselling or reporting improvements.

- Terminating the contract if financial risks are deemed too significant.

4. Confidentiality and Compliance

1. Our contracting department will handle all credit score inquiries and reviews with strict confidentiality and in compliance with privacy laws and regulations.

2. Advisors can appeal decisions and provide additional supporting information.

3. Carte Risk will document all inquiries and decisions to maintain transparency and adherence to compliance requirements.

5. Policy Review and Updates

This policy will be reviewed annually to ensure alignment with industry regulations and best practices. Any changes will be communicated to all advisors in a timely manner.

For any questions or clarifications regarding this policy, don't hesitate to get in touch with our Compliance Department at compliance@cartewm.com