Policies for Addressing Identified Deficiencies

1. Immediate Documentation & Notification

- **Log the deficiency** in a centralized compliance file.
- **Notify relevant stakeholders**: Compliance, Sales Management, and the advisor (as appropriate).
- Include detailed notes: what was found, when, and why it's a concern (e.g., suitability, lapse rates, disclosure).

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2. Conduct a Root Cause Analysis

- Investigate whether the issue is:
  - A **knowledge gap** (e.g., misunderstanding of product suitability)?
  - A **process failure** (e.g., missing Needs Analysis, Advisor Disclosure, Reason Why Letter, etc.)?
  - **Intentional misconduct**?
- Use client interviews, file reviews, and advisor meetings to dig deeper.

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3. Assign Responsibility and Timeline

- Designate a **supervisor** to manage remediation.
- Set clear deadlines for corrective actions (e.g., 10 business days for documentation updates).
- Track progress in a **compliance task tracker** or audit log.

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4. Advisor Coaching or Training

- Provide **targeted retraining** on the relevant topics (e.g., suitability, disclosure, replacement rules).
- Consider mandatory **compliance re-certification** for repeat or serious issues.
- Offer support rather than punishment—unless misconduct is evident.

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5. Corrective Actions & File Rectification

- Require the advisor to **correct client files**, update documentation, or re-engage with clients to address deficiencies.
- In cases of unsuitable sales, consider facilitating **policy replacements**.

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6. Follow-Up Audit or Review

- Schedule a **follow-up review within 30–90 days** to confirm that issues have been resolved.
- Escalate if deficiencies persist or worsen.

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7. Enforce Consequences if Necessary

- Progressive discipline for repeat offenses:
    - Written warnings
    - Temporary suspension
    - Termination of contract
- Always ensure decisions are **documented** and **in compliance with regulatory guidelines**.

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8. Client Communication (If Impacted)

- If client harm is identified, develop a **transparent, proactive communication plan**:
    - Notify clients of errors
    - Offer remediation or resolution paths
    - Record interactions and client responses

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9. Update Policies and Training

- If deficiencies reveal gaps in procedures or training, update:
    - Compliance manuals

- Sales procedures
- Onboarding and annual training materials

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10. Regulatory Reporting (If Required)

- If the issue involves a reportable event (e.g., misconduct, client harm, significant breaches), **report to the regulator** (e.g., FSRA, AMF or any other provincial regulator).
- Ensure timelines and formats follow regulatory requirements.