

How to Avoid and Mitigate Claims



Know your products

Know the product guidelines, disclose and explain all product information to the client. Remember, placing clients in similar products may still require updated information from and to your client.



Understand your client's needs

Catch up with your clients regularly, track their life milestones, and update KYC forms. Not only can this help bulletproof your practice, it can help strengthen your relationships with your clients.



Privacy

Protect your client's privacy and personal information. Change your passwords regularly, encrypt your documents and know your responsibilities in the event of a privacy breach.



Document your files – What should be in my files?

- Client needs, exposures
- Responses to questions
- Clients' refusal to follow recommendations
- Summary of all client conversations
- Applications, intake forms, agreements. KYC's
- Options presented to clients and client rational for selection
- Changes in circumstances or risk appetite

Lack of documentation can be a significant issue in the event that there are allegations of: **Suitability, Trading Errors and Authority or Beneficiary issues.**



Remember, customer service is important and it is always great to help your clients out but make sure you never do the following:

- Answer questions for your clients
- Use pre-signed forms
- Re-date or re-use old forms
- Guarantee results or earnings
- Alter product provider content

For a complete understanding of your obligations to your clients, please check in with your compliance team, life regulators and the MFDA.