

or “Chartered Life Underwriter” (C.L.U.) before the date of coming into force of this Regulation may, at his choice, be awarded this title in accordance with the regulation in force before this date or in accordance with the provisions of this Regulation, provided he has taken and passed the required courses.

If this individual cannot satisfy the requirements of the former program because certain courses are no longer offered, he shall have to take and pass the equivalent courses proposed by the Chamber.

10. An individual who began the training required to obtain the title of “Registered Life Underwriter” (R.L.U.) or “Chartered Life Underwriter” (C.L.U.) before the date of coming into force of this Regulation and chooses to take the R.L.U. or C.L.U. program of the Association des intermédiaires en assurance de personnes du Québec must take and pass the courses required to obtain his diploma within five years of the effective date of this Regulation.

11. This Regulation comes into force on 1 October 1999.

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Gouvernement du Québec

O.C. 1039-99, 8 September 1999

An Act respecting the distribution of financial products and services
(1998, c. 37)

Chambre de la sécurité financière — Code of ethics

Code of ethics of the Chambre de la sécurité financière

WHEREAS under subparagraph 1 of the first paragraph of section 313 of the Act respecting the distribution of financial products and services (1998, c. 37), each Chamber shall determine, by regulation, the rules of ethics applicable to the representatives, other than the securities representatives, of each sector or class of sectors in which contributors carry on business;

WHEREAS under that section, the Chambre de la sécurité financière made the Code of ethics of the Chambre de la sécurité financière;

WHEREAS in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), the text of that Code was published as a draft in Part 2 of the *Gazette officielle du Québec* of 12 May 1999 with a notice that it

could be submitted to the Government for approval upon the expiry of 45 days following that publication;

WHEREAS it is expedient to approve the Code, with amendments;

IT IS ORDERED, therefore, on the recommendation of the Minister of State for the Economy and Finance and Minister of Finance:

THAT the Code of ethics of the Chambre de la sécurité financière, attached to this Order in Council, be approved.

MICHEL NOËL DE TILLY,
Clerk of the Conseil exécutif

Code of ethics of the Chambre de la sécurité financière

An Act respecting the distribution of financial products and services
(1998, c. 37, s. 313, 1st par., subpar. (1))

DIVISION I GENERAL PROVISIONS

1. This Regulation aims at promoting the protection of the public and the honest and competent practice of representatives.

2. This Regulation applies to all representatives in insurance of persons, all group insurance representatives and all financial planners regardless of the classes of sectors in which they practise.

3. A representative must ensure that his employees or mandataries comply with the provisions of this Regulation, and those of An Act respecting the distribution of financial products and services (1998, c. 37) and the regulations adopted thereunder.

DIVISION II DUTIES AND OBLIGATIONS TOWARDS THE PUBLIC

4. A representative must promote improvement of the quality and availability of the services that he offers to the public.

5. A representative must promote measures designed to provide education and information in the field in which he practises.

6. The conduct of a representative must be characterized by dignity, discretion, objectivity and moderation.

7. A representative must refrain from practising in conditions or in a state liable to compromise the quality of his services.

8. A representative must refrain from persistently or repeatedly urging a person to use his professional services or purchase a product.

DIVISION III

DUTIES AND OBLIGATIONS TOWARDS CLIENTS

9. In the practice of his profession, a representative must take into account the limits of his knowledge and the means available to him. He must not undertake or continue a mandate for which he is not sufficiently prepared without obtaining the necessary assistance.

10. A representative must not make any false representations as to his level of competence or the quality of his services, or those of his firm or his independent partnership.

11. A representative must practise with integrity.

12. A representative must act towards his client or any potential client with integrity and as a conscientious adviser, giving him all the information that may be necessary or useful. He must take reasonable steps so as to advise his client properly.

13. A representative must fully and objectively explain to his client or any potential client the type, advantages and disadvantages of the product or service that he is proposing to him and must refrain from giving information that may be inaccurate or incomplete.

14. A representative must provide his client or any potential client with the explanations the client needs to understand and evaluate the product or services that he is proposing or that he provides to the client.

15. Before providing information or making a recommendation to his client or to any potential client, a representative must seek to have a complete understanding of the facts.

16. No representative may, by whatever means, make statements that are incomplete, false, deceptive or liable to mislead.

17. A representative may not appropriate, for personal purposes, sums of money entrusted to him or securities belonging to his clients or to any other individual and of which he has custody.

18. A representative must, in the practice of his profession, always remain independent and avoid any conflict of interest.

19. A representative must subordinate his personal interests to those of his client or any potential client. Without limiting the generality of the foregoing, the representative:

(1) may not advise a client to invest in a legal person, partnership or property in which he has, directly or indirectly, a significant interest;

(2) may not conduct any transaction or enter into any agreement or contract whatsoever with a client who, manifestly, is unable to manage his affairs, unless the decisions to conduct these transactions or enter into these agreements or contracts are made by persons who may legally decide in lieu of this client;

(3) may not conduct any transaction or enter into any agreement or contract whatsoever in the capacity of representative with respect to a client for whom he acts as dative tutor, curator or adviser within the meaning of the Civil Code.

20. A representative must be objective when his client or any potential client asks him for information. He must express opinions and make recommendations objectively and impartially, without considering his personal interest.

21. A representative must ignore any intervention by a third party that could influence the way in which he performs the duties related to his practice to the detriment of his client or any potential client.

22. A representative must not pay or undertake to pay to a person who is not a representative any compensation, any remuneration or any other advantage, except where permitted by An Act respecting the distribution of financial products and services.

23. A representative must demonstrate availability and diligence with respect to his client or any potential client.

24. A representative must report to his client on any mandate given to him and must carry out the mandate diligently.

25. In the practice of his profession, a representative must not, through dishonesty, fraud, trickery or other deceitful means, avoid or attempt to avoid his professional civil liability or that of the firm or independent partnership in which he practises.

26. A representative must respect the secrecy of any personal information that he obtains about a client and only use that information for the purposes for which it was obtained, unless he is relieved of that obligation by a provision of a law or by order of a competent court.

27. A representative must not disclose personal or confidential information that he obtained, except in accordance with the provisions of the Act, and must not use that information to the detriment of his client or to obtain an advantage for himself or for another person.

28. A representative must not dissuade his client or any potential client from consulting another representative or another person of his choosing.

29. A representative must promptly give to his client, or to any person his client designates, the books and documents belonging to the client, even though the latter owes him sums of money.

DIVISION IV DUTIES AND OBLIGATIONS TOWARDS OTHER REPRESENTATIVES, FIRMS, INDEPENDENT PARTNERSHIPS, INSURERS AND FINANCIAL INSTITUTIONS

30. A representative must not, directly or indirectly, make comments of any kind which are false, inaccurate or incomplete about another representative, a firm, an independent partnership, an insurer, a financial institution or one of their representatives, products or services.

31. A representative must use fair methods of competition and solicitation.

32. A representative must not denigrate, belittle or discredit another representative, a firm, an independent partnership, an insurer or a financial institution.

DIVISION V DUTIES AND OBLIGATIONS TOWARDS INSURERS

33. A representative must not fail to pay an insurer, upon request or within the prescribed time, the sums of money that he has collected on its behalf.

34. A representative must give insurers the information that it is common practice for him to provide.

DIVISION VI DUTIES AND OBLIGATIONS TOWARDS THE PROFESSION

35. A representative must not practise dishonestly or negligently.

36. A representative must not, directly or indirectly, without the knowledge of the insurer, give a discount on a premium stipulated in an insurance contract or agree to a premium payment method different from the one provided for in the contract.

37. A representative must not, directly or indirectly, pay a person to act in the capacity of representative if that person does not hold a certificate.

38. A representative must not accept payment from a person who does not hold a certificate and who acts or attempts to act as a representative through a representative who holds a certificate.

39. Subject to the provisions of this Act, a representative must not receive or arrange to receive payment from a person other than the person who retained his services.

40. A representative must not share his commission, except within the limits permitted by this Act.

41. A representative must not promise or pay compensation, in any form whatsoever, for his services to be retained.

42. A representative must, without delay, reply in full and courteously to any correspondence from the syndic, the co-syndic, an assistant of the syndic, an assistant of the co-syndic or a member of their staff acting in their capacity.

43. A representative must, in particular, appear before the syndic, the co-syndic, an assistant of the syndic, an assistant of the co-syndic or a member of their staff as soon as he is required to do so.

44. A representative must not interfere with the work of the Bureau, the Chamber or one of its committees, the syndic, an assistant of the syndic, the co-syndic, an assistant of the co-syndic or a member of their staff or an officer of the Chamber.

45. A representative must inform the Bureau when he has reasonable grounds to believe that another representative is unfit to practise in this capacity, is practising incompetently or dishonestly, or is contravening the provisions of this Act and its regulations.

46. A representative who is informed that the syndic, the co-syndic, an assistant of the syndic or an assistant of the co-syndic is conducting an inquiry into his professional competence or conduct, or that a disciplinary complaint has been served on him pursuant to section 132 of the Professional Code (R.S.Q., c. C-26) must not

communicate with the person who requested the holding of the inquiry nor with the witnesses who have been summoned for the complainant in accordance with section 146 of this code, except with prior written permission from the syndic, the co-syndic, an assistant of the syndic or an assistant of the co-syndic.

DIVISION VII **GRAPHIC SYMBOL**

47. If a representative uses the graphic symbol of the Chamber for publications or advertisements of any kind, he must make sure that it is in conformity with the original held by the secretary of the Chamber.

48. Where a representative uses the graphic symbol of the Chamber for advertising purposes, other than on a business card, he shall include the following warning in the advertisement: "This advertisement does not originate from the Chambre de la sécurité financière and does not commit its liability."

DIVISION VIII **SPECIFIC PROVISIONS APPLICABLE TO** **FINANCIAL PLANNERS**

49. This Division applies only to a representative who is entitled to use the title of financial planner or a similar title in accordance with An Act respecting the distribution of financial products and services and its regulations.

50. When soliciting clients, a representative must avoid using methods that would have the effect, in particular, of emphasizing a specific aspect of financial planning in order to unduly attract the attention of a potential client.

51. A representative must refrain from:

(1) out of malice, making an unfounded accusation against another representative, a firm or an independent partnership;

(2) directly or indirectly paying a person who is not legally entitled to use the title of financial planner to act in that capacity or to use that title;

(3) directly or indirectly accepting or receiving payment from a person who is not legally authorized to use the title of financial planner and who acts or attempts to act in that capacity;

(4) not informing his client as soon as he is aware of a problem that will prevent him from continuing with his mandate.

52. This Regulation comes into force on the fifteenth day following its publication in the *Gazette officielle du Québec*.

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Gouvernement du Québec

O.C. 1040-99, 8 September 1999

An Act respecting the distribution of financial products and services
(1998, c. 37)

Claims adjusters **— Code of ethics**

Code of ethics of claims adjusters

WHEREAS under subparagraph 1 of the first paragraph of section 313 of the Act respecting the distribution of financial products and services (1998, c. 37), each Chamber shall determine, by regulation, the rules of ethics applicable to the representatives, other than the securities representatives, of each sector or class of sectors in which contributors carry on business;

WHEREAS under that section, the Chambre de l'assurance de dommages made the Code of ethics of claims adjusters;

WHEREAS in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), the text of that Code was published as a draft in Part 2 of the *Gazette officielle du Québec* of 12 May 1999 with a notice that it could be submitted to the Government for approval upon the expiry of 45 days following that publication;

WHEREAS it is expedient to approve the Code, with amendments;

IT IS ORDERED, therefore, on the recommendation of the Minister of State for the Economy and Finance and Minister of Finance:

THAT the Code of ethics of claims adjusters, attached to this Order in Council, be approved.

MICHEL NOËL DE TILLY,
Clerk of the Conseil exécutif