



Crediting Insureds

This procedure is designed to help damage insurance agents and brokers respond in a professional and ethical manner to the legitimate expectations of insureds who are due a credit or a premium reimbursement.

Implementing this procedure allows representatives to comply with their ethical obligations, in particular, carrying out the mandate in a transparent manner (section 25 of the Code of Ethics of damage insurance representatives) and reporting on the carrying out of a mandate (section 37 (4) of the Code).

As soon as a damage insurance representative receives confirmation from the insurer that a credit note must be issued to the insured, regardless of the reason, the representative must act with diligence and transparency and remit the credit as well as the endorsement to the insured within a reasonable period of time.

Accountability

It is the representative's responsibility to scrupulously follow up with the insurer in order to obtain the endorsement confirming that the insured has been credited. If the representative feels that the process is taking too long, he must notify his superior who must then take the necessary steps with the insurer.

Reimbursing the Insured

The credit must be deposited in the separate account,¹ and then sent to the client within a reasonable period of time, for example, 30 days after having received the insurer's confirmation of the credit or the endorsement confirming the credit.

Using a Credit for Other Purposes

If the representative suggests using this credit for another purpose—for example, paying off the balance on another insurance policy or keeping the credit to pay for a future change (such as an upcoming renewal)—he must obtain his client's verbal or written consent or that of the co-insureds, where applicable. If the client disputes the balance to be paid, the representative must be transparent with him and clearly explain the insurer's or the firm's relevant procedures. Finally, the representative must send the insured an invoice or a statement detailing how the credit has been used as well as a copy of the relevant endorsement.

¹ Autorité des marchés financiers. "Separate account" [\[online\]](#). Consulted May 2, 2023



A Missing Client?

If the client cannot be located, the damage insurance representative must:

- Conduct a proper search to find the client, for example, by using information in the files (i.e., financial institution, creditors, spouse, employer, or other references), searching the Internet or using any other relevant means.
- Carefully note in the client's file all attempts made to find the insured and the results of these searches.
- Keep all documents related to unsuccessful searches, such as returned mail or e-mails that have bounced back.
- Keep the credit in the separate account, earmarked to the client's file, for a reasonable period of time, for example a minimum of one year after its issuance. Once this reasonable period of time is up and all attempts to find the client have failed, the credit can be written off from the client's account. You must, however, clearly note this in the file and include the amount of the write-off in the event that the client re-appears one day.

Breach of the Code of Ethics

A damage insurance representative who keeps a credit without the insured's consent or who uses it for other purposes (in particular, for personal use), or who fails to properly search for the client may be deemed to have violated his professional obligations as stipulated in the [Code of Ethics of damage insurance representatives](#) and the [Act respecting the distribution of financial products and services](#).