



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 remit the credit as well as the endorsement to the insured within a reasonable period of time.

Reimbursing the Insured

The credit must be sent to the client within a reasonable period of time, in other words, 30 days at most after receiving 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. If applicable, 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.

Accountability

The representative must scrupulously follow up with the insurer in order to ensure that an endorsement confirming the credit has been issued to the insured. If the representative feels that this is taking too long, he must immediately notify his superior, who must take the appropriate steps with the insurer.

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, references), on the Internet or through any other relevant means.



PROCEDURE

- Carefully note in the client's file all attempts made to find him and the results of these searches.
- Keep all documents related to unsuccessful searches, such as returned mail or e-mail.
- Search the Bankruptcy and Insolvency Records at the Office of the Superintendent of Bankruptcy Canada in order to verify whether an insured—be it an individual or a company—has declared bankruptcy. If this is the case, the credit must be sent immediately to the insured's bankruptcy trustee.
- Keep the credit in the separate account, earmarked to the client's file, for a minimum of one year after its issuance. After one year, if all attempts to find the client have failed, the credit can be written off 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. Should this occur, the representative must remit to the client all monies owed to him as soon as possible.

Breach of the Code of Ethics

A damage insurance representative who keeps a credit without the insured's consent or who fails to properly search for the client may be considered to have violated his professional obligations provided for in the [Code of Ethics of damage insurance representatives](#).