

# Life and Health Insurance Shopping Guide

Step-By-Step Approach to Buying Insurance

Section : **How to prepare for the Meeting With a Representative**

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## Introduction

Shopping for individual life and health insurance, but don't know where to start?

We've put together the main information you'll need to know and laid out the steps involved to help you with this important task.

**Step 1:** First, you have to **Analyze your Situation**

**Step 2:** You should learn more about the **different insurance companies, the services they offer and the products they distribute.**

To do this, refer to **I'm Shopping Around for Insurance** to see what to keep in mind when comparing products.

Desjardins Financial Security also invites you to take a look at **the main features** of the various types of insurance products available on the market. This will help you think of questions to ask insurance representatives and will guide you in the process ahead.

**Step 3:** You must **prepare for your Meeting With a Representative.**

So you've decided to meet with a representative and are wondering :

- What **questions should I ask myself before** the meeting?
- What should I do to **prepare myself** for the encounter?
- What **questions should I ask the representative?** What should I **expect?**

**To learn more, refer to the sections:**

- I Need to Analyze my Situation & I'm Shopping Around for Insurance

## I'm Preparing to Meet with a Representative

- What I should I before the meeting
- What I should do during the meeting
- What are our mutual responsibilities and expectations?

### What I should do before the meeting

- Questions to ask myself
- Making an appointment
- Getting ready

### Questions to ask myself

To begin, the following exercise will help me properly understand my needs.

- Prepare a Personal Balance Sheet to evaluate my net worth. This step is the foundation of all sound financial planning. The Personal Balance Sheet is available on the Desjardins Financial Security Website.
- Determine my financial goals and put them in order of priority (for example, maintaining my purchasing power in the event of a critical illness or disability, protecting my family from the financial consequences of my death, preparing for retirement, or purchasing a home).
- Do I want my spouse to be present at the meeting? Would I prefer an individual or a joint action plan?
- How much am I prepared to invest to ensure my financial security and that of my family? I consider this budget item an investment, not an expense. Using the Budget simulator will help me determine how much I have available every month.
- How much individual and group insurance do I have?
- Because I don't want to have to postpone my plans, I've established an investment horizon. To that end, I can use the Saving Up For Something Special simulator.
- What is my investor profile? In other words, in keeping with my personal situation and risk-tolerance level, how should I allocate my investments? A good representative should be able to help me determine my profile.
- What is the value of my assets and savings? Am I satisfied with the results I've obtained in relation to my retirement goals? To answer these questions, I can use the Retirement simulator.

- In what **areas do representatives specialize**? What licences and training should a representative have in order to meet my needs? For more information on this subject, I can consult the definitions of Representative and Financial Planner in the glossary.

## Making an Appointment

I contact **my financial security advisor or life insurance representative** who can provide answers to my questions and guide me towards the product most suited to my life insurance needs. If I do not have a financial security advisor or life insurance representative, I simply dial 1-866-838-7553.

- When setting up a meeting, I should feel free to ask the representative the following questions:
  - What is your professional training?
  - What licences do you have?
  - How many years have you been working in this field?
  - What are your areas of expertise?
  - Is there a fee for your services?
  - How are you compensated for your services?
  - What services do you offer?
- I should clearly pinpoint the objectives of the meeting.  
Example:
  - Do I need life or health insurance or an investment program?
  - Do I need a comprehensive financial plan?
- I should specify how much time I have available for the meeting.
- I should ask which documents I need to bring with me (insurance policies, tax returns, etc.).

## Getting Ready

- I can use the Internet to research the product or service in question, or ask the representative to send me this information prior to the meeting.
- I should have the documents mentioned by the representative ready for the meeting.

## What I should do during the meeting

- During the meeting
- Sample questions to ask

## During the meeting

- I should feel free to ask any question that pops into my head. After all, if I were an expert, I wouldn't have to consult a professional!
- If this individual is to be in charge of my financial security, there should be a bond of trust between us.
- I should ensure the representative has a good grasp of my goals, limitations, financial resources, and, if applicable, investor profile.

## Sample questions to ask

- Insurance
- Investments
- Other

### Insurance

I can consult the Insurance Shopping Guide, which lists the main features of various life, health and disability products. This information can help me determine the points I want to discuss with my representative before purchasing coverage.

### Investments

- Are the products recommended consistent with my investor profile?
- Why is the representative recommending a particular investment, and why is it suitable for me?
- What are the returns on the investment suggested, as compared to those of other vehicles?
- Can I cash in the investment at any time?
- What are the terms and conditions for cashing in the investment? If I redeem it before it matures, will I have to pay penalties or suffer tax consequences?
- Are there fees to be paid on purchasing or selling this type of investment?
- How often will I receive a transaction statement?

- If a mistake has been made on my statement, whom should I contact?
- If the representative suggests certain investment strategies, what are their advantages and attendant risks?
- If I invest in an RRSP, when will I receive a receipt for income-tax purposes?
- In the event of my death, what redemption or transfer options would the representative suggest for my investments?

## Other

- What products can the representative offer? Are they exclusive? Is the representative acting as a broker with access to a wide range of products?
- Should I sign a contract committing me to deal with this representative over a given period of time?
- If necessary, does the representative have access to other specialists, such as a tax expert or notary, to analyze my file?
- Can the representative establish and monitor a customized action plan? Can I have an example of such a plan?
- How often will we communicate with each other? (N.B.: This means sending me the information I actually need, not a just bunch of irrelevant brochures!)
- Will I be seeing my representative again face to face, or will I have to do business with a subordinate?
- After our first meeting, will the representative be available to answer questions?

## Responsibilities and Expectations

When dealing with a representative, we both have **responsibilities** and **expectations**.

- My responsibilities
- My representative's responsibilities

## My Responsibilities

- Supply accurate information on my family and financial status. Inform my representative of any important events occurring in my life, as these may have considerable impact on my financial position (e.g.: I'm A New Parent, I'm No Longer Single and I'm Starting A Business - Examples are available on the Desjardins

Financial Security Website). The more data my representative has, the more suitable my action plan will be.

- Stick with my action plan. Showing discipline is the best way to reach my goals.
- Be honest with myself and my representative. If I'm having trouble making insurance investment payments, there's no point trying to hide anything; I should tell my representative, who'll steer me straight and suggest appropriate solutions.
- Make sure my expectations about the return on my investments are realistic, as all investments involve a certain degree of risk.
- Read all literature, contracts and other information provided. If necessary, ask my representative for clarification.
- Keep my file up to date: retain copies of all transactions and any information, documentation and forms received, as well as any notes taken, during meetings with my representative.
- Take responsibility for myself. Although my representative can offer solutions, only I can make the decisions required.

## **My Representative's Responsibilities**

- Demonstrate competence, professionalism and honesty.
- Act to the best of my representative's knowledge and in my best interest.
- Determine my needs, identify my goals, and specify the resources at my disposal to ensure my financial security; recommend an action plan and products tailor-made for my particular situation.
- Provide information on any risks associated with recommendations made.
- Inform me of any possible conflicts of interest involved in making such recommendations.
- Monitor my financial and family situation on a regular basis, in order to make any necessary changes to my action plan.

**I can also go to the site of the Chambre de la sécurité financière and consult the Code of Ethics governing my advisor.** Under the Consumer Protection tab, under Regulating the Practices, click on the Codes of Ethics option to access the following documents:

- **Code of Ethics of the Chambre de la sécurité financière** (for financial security representatives)
- **Regulation respecting the rules of ethics in the securities sector** (for securities sales representatives)

**A financial security representative cannot:**

- Make recommendations that are always lucrative. Unfortunately, no one has a crystal ball for predicting the future;
- Make recommendations tailored to my particular situation unless I provide all the information needed to analyze them;
- Monitor my financial position and goals if I do not report events that could influence them;
- Guarantee that I will reach my goals if I do not follow the action plan suggested (regardless of returns).