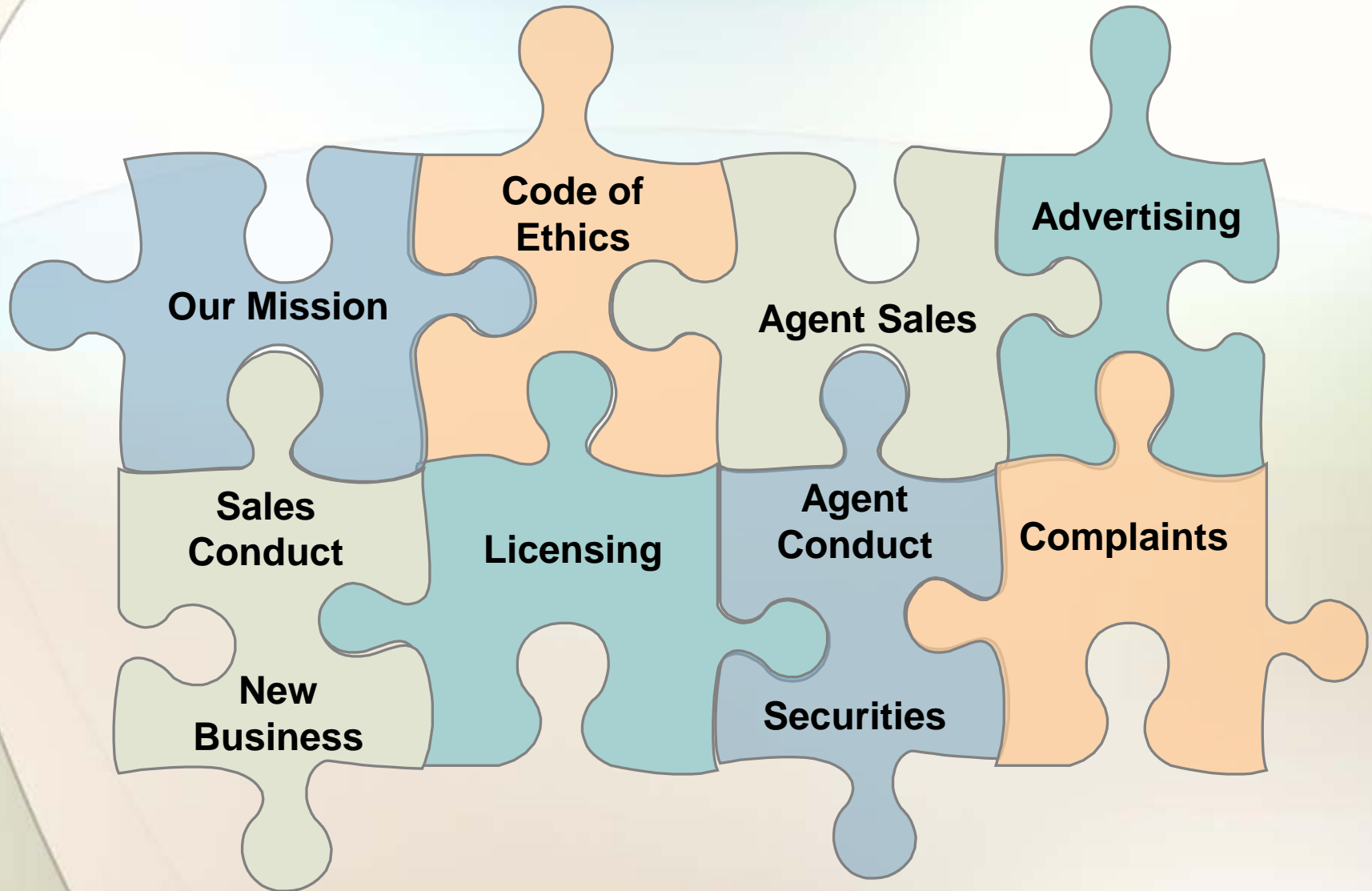


Fitting the Pieces Together



Irwin Financial Group

Compliance & Suitability

Producer Training

Our Mission

- Leading the process of change in the financial services industry by setting the standard for performance in all the markets we serve.
- Dedicated to the best products and services for our customers and agents and the most rewarding careers for our employee associates.
- To be the most compliant FMO in the country
- Protecting the clients is of utmost importance
- Strongly committed that every annuity contract is suitable for our clients needs

Code of Ethics

- Honesty & Integrity
- Customer -based focus
- Fair competition
- Clearly Stated Sales Information
- Ethical Sales Practices
- Prompt Responses
- Professionalism
- Zero Tolerance for Code Violations
- Continuing Improvement

Zero Tolerance for Violations

We will take corrective action, through effective communications and education, when mistakes result from unintentional acts of omissions. However, the company will not tolerate or continue its relationship with anyone who proves unwilling or unable to conduct him/herself in accordance with the Code of Ethics on an ongoing basis.

Customer-Based Focus

We shall foster an atmosphere in which meeting the needs of the customer is the basis for an agent and employee recommendations, thereby avoiding duplication of coverage or inappropriate coverage.

Compliance Manual

We have developed a compliance manual, which you will receive in its entirety after completing this training, to define Irwin Financial Groups current guidelines and corporate compliance policies that we have learned from carriers and state regulators.

This manual is to provide guidelines for our agents. It is each agents responsibility to understand the regulations, products, use of materials and standards that Irwin Financial Group expects.

It is designed to educate agents that are licensed with Irwin Financial Group. We make it clear that we are not responsible for agents actions. It is the agents responsibility to know his/her state laws and carrier policies.

Advertising

In advertising, state insurance laws and regulations and carrier guidelines determine what message is communicated, how it is communicated and how it looks.

Failure to comply with guidelines could compromise the image and integrity of not only you, but to the carrier and industry as a whole.

Most carriers not only require that you comply with state laws and regulations, but also any advertising used for their products be clear and understandable.

Recent regulatory developments, regarding suitability in the sale of annuities to seniors, require special attention to any marketing methods targeting seniors.

What is Advertising

- Product Brochures
- Newsletters
- Stationary
- Articles
- Websites
- Yellow Page Ads
- Agent Training Material
- Seminars
- Prospect Letters
- Agent Recruiting Material
- Business Cards
- Point of Sale Illustrations
- Sales Presentations
- Videos
- Seminars
- Trade Publication Ads
- Print, Radio, TV, Internet and all forms of Media Advertising

What are the different types of Advertising?

- Consumer
- Agent Recruiting/Training
- Fixed Indexed Annuity
- Blind Ad
- Blind or general lunch/dinner seminars

Consequences of using non-approved advertising

Most carriers specify in their agents contracts that any advertising referencing their company cannot be used without prior written consent of the carrier. Doing so, could result in the termination of your appointment.

Sales Conduct & Point of Sale

Irwin Financial Group stresses the importance of conduct and integrity and that agents conduct themselves in a manner consistent with all market conduct compliance rules and regulations during a sales presentation.

Adherence to ethical and procedural guidelines will result in better business practices and higher quality sales.

Since customers are expecting to receive what you tell them, the key to fulfilling customer expectations is to ensure that customers understand everything they will be receiving from the carrier.

The key to professional and ethical salesmanship comes down to having a genuine and positive attitude towards the customer.

Sales Conduct & Point of Sale

- Upon initial conduct with prospect, agents should clearly and prominently identify themselves as an insurance agent.
- Agents shall not engage in any high pressure or aggressive sales tactics.
- Agents must only use presentation materials, brochures and applications that have been approved and provided by the carrier specific to the product they are presenting.

Sales Conduct & Point of Sale

- Agents should not solicit or negotiate to sell insurance in any state until the agent is licensed in the state in which she/he is doing business.
- Agents should leave the client copies of sales material and product information used, in accordance with state and carrier guidelines.
- Effective dates are assigned by the Home Office and should never be promised by an agent at any time.

Agent Licensing

- Each state has specific guidelines determined by its Department of Insurance and Carriers.
- All agents must be properly licensed and appointed according to state guidelines, prior to any sales activity or product representations.

IFG Agent Licensing Guidelines

- IFG requires its agents to have \$1M Claims and \$1M Aggregate in Errors and Omissions coverage.
- Incomplete contracts will not be submitted to carriers.
- Agents wishing to contract as an agency must have a license for said agency as well as all legal documents surrounding said agency

Agent Conduct

In order to ensure that our agents are conducting themselves in a suitable manner and being as compliant as possible, we have defined certain activities that we feel do not comply with guidelines and regulations. These activities are significant indicators of a need for disciplinary review.

Although IFG cannot monitor every independent agent in our down line, we do receive periodic reports from carriers and once reviewed, we will determine what, if any, further action should be taken on behalf of IFG at anytime.

Any patterns detected or intentional violations will require discipline and potential termination.

Agent Conduct Indicators

- Criminal behavior: Felonious conduct during the contractual relationship intended or tending to result to harm to others
- Forgery: Forging a signature or initials on any document
- Misrepresentation: Intentional misrepresentation of any material fact and any intentional omission of information that would otherwise exclude the applicant

Agent Conduct Indicators

- Theft: Failure to submit premium payment and/or applications to the Home Office or submitting false documents on non-existent applicants in order to receive commissions
- Withholding information: Failure to communicate to the carrier an insured request for cancellation or any complaint to the agent

Complaint Resolution

When allegations are made to conduct or content of materials presented, the agent has a responsibility to respond to the allegations in a timely and accurate manner.

Upon receipt of an allegation or any other incident that does not comply with the Compliance Guidelines of a specific carrier, the carrier will request an agent statement and provide the agent of the allegations made. The agent statement will be required in 3-10 days, depending on the carrier. If a statement is not received, the agent can be referred for discipline and potential termination.

It is also important for agents to respond in a timely manner on requests from the carrier or Irwin Financial Group for missing information from applications in connection with new business.

How to Respond

Consumer complaints are taken very seriously by Irwin Financial Group and the Carrier.

To respond to an allegation made by a consumer or by the Carrier, address the issue at all times truthfully and accurately.

The statement should reflect the complete perspective of the events, activities and conversation that occurred relative to the complaint or allegation being investigated by the Carrier.

An incomplete or insignificant response will be deemed as no response and will cause action, including disciplinary action, to occur in order to resolve any potential problems.

IFG expects its agents to respond promptly, courteously and professionally and take appropriate action once the investigation has been completed.

Use of Illustrations

Agents must use illustrations approved by carriers during client sales.

Any other illustrations are for **Agent Use Only** and should not be used during any part of an agent sales presentation.

New Business

As a value added service, IFG has a new business department to assist agents with application processing. IFG reviews applications only in terms of completeness and accuracy, to assist the agents and carriers with making sure the applications are filled out as accurately as possible.

However, IFG **does not** review the applications for suitability and compliance. It is the agents and carriers responsibility to make sure it is suitable and compliant on a case by case basis.

Dealing with Securities

If you are **NOT** securities licensed you cannot analyze, interpret or give any investment advice pertaining to securities. Our suggestions are to become securities licensed, state to the prospect “I am not securities licensed therefore I cannot sell securities” or refer prospect to a registered representative to present or discuss securities products.

If you **ARE** securities licensed you are responsible to adhere to all guidelines and submit all materials communicating with the public to your Broker/Dealer for compliance review.

You must also have the proper license in order to discuss various investments.

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