Pro-Seminars

SSC # 130 – ETHICAL SALES PRACTICES IN DISABILITY INSURANCE: AVOIDING MISREPRESENTATION AND REPLACEMENT RISK

This course is eligible for:

5.0 Life & A&S CE Credits for BC, SK, MB & ON.

5.0 A&S ONLY CE Credits for AB.

SK - 5 Life Ethics CE as indicated on course selection page.

Target Audience

This course is designed for:

- Life & Accident/Sickness licensed advisors
- Financial planners and insurance specialists
- Disability insurance (DI) advisors
- MGAs, compliance officers, and supervisors
- Advisors involved in insurance replacement, suitability, and disclosure
- Professionals preparing for regulatory audits or compliance reviews
- Advisors seeking to strengthen ethical sales practices

Course Overview

Disability insurance (DI) is one of the most technically complex and ethically sensitive product categories in Canadian financial services. It protects clients' most valuable asset — their ability to earn income — yet it is also one of the most frequently misrepresented, misunderstood, and improperly replaced insurance products.

Regulators across Canada have increased scrutiny on DI sales practices due to:

- Misleading comparisons
- Inadequate disclosure
- Improper replacement recommendations
- Failure to document needs analysis
- Misrepresentation of definitions, riders, and exclusions
- Advisors selling based on price rather than contract quality
- Incomplete explanation of limitations and waiting periods

*This course provides a **comprehensive, academically rigorous examination** of ethical DI sales practices, focusing on:*

- Avoiding misrepresentation
- Preventing unsuitable replacements
- Ensuring full disclosure
- Conducting compliant needs analysis
- Documenting recommendations
- Understanding regulatory expectations
- Protecting clients and advisors from harm

Course Purpose

The purpose of this course is to equip advisors with the knowledge, ethical frameworks, and compliance tools required to:

1. Sell disability insurance ethically and transparently
2. Avoid misrepresentation and misleading comparisons
3. Conduct proper needs analysis and suitability assessments
4. Document recommendations in a regulator-defensible manner
5. Avoid replacement risk and comply with provincial rules
6. Protect clients from financial harm
7. Strengthen professional integrity and client trust

Learning Objectives

Upon completion of this course, advisors will be able to:

1. Interpret regulatory expectations for DI sales across Canada
2. Identify common forms of misrepresentation in DI sales
3. Conduct compliant DI needs analysis
4. Evaluate when replacement is appropriate — and when it is not
5. Compare DI contracts ethically and accurately
6. Document recommendations to meet regulatory standards
7. Understand the financial and estate planning implications of DI
8. Recognize red flags in DI sales practices
9. Apply ethical frameworks to real client scenarios
10. Protect themselves from E&O exposure through proper documentation