



SSC # 139 – THE FINANCIAL PLANNING RED FLAGS COURSE

This course is eligible for:

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

4.5 Life ONLY CE Credits for AB.

Target Audience

- **Licensed Canadian life insurance advisors** (LLQP – Life/A&S)
- **Financial planners** (CFP, QAFF, PFP, RRC, Pl. Fin., CHS, CLU)
- **Wealth managers and investment advisors** operating under CIRO-regulated firms
- **Bank-based financial advisors** and financial planning specialists
- **Group benefits advisors** and group retirement specialists
- **Estate-planning professionals** including estate planners, trust officers, and advisors supporting complex family structures
- **Advisors serving aging clients and vulnerable clients**, including those experiencing cognitive decline, financial stress, or behavioural instability
- **Advisors working with business owners**, incorporated professionals, and clients with multi-entity financial structures
- **Advisors supporting blended families, high-conflict families, or clients with complex interpersonal dynamics**
- **Insurance MGAs, compliance officers, and supervisory personnel** seeking to strengthen advisor oversight
- **Newer advisors** who need structured frameworks for identifying risk indicators early
- **Experienced advisors** seeking to enhance professional judgment, reduce liability exposure, and build an audit-ready practice

Course Purpose

The purpose of this course is to equip advisors with the ability to **spot, interpret, and act on red flags** that signal emerging financial, behavioural, legal, or compliance risks in a client's life or file. By strengthening the advisor's ability to detect subtle indicators early, the course helps prevent client harm, regulatory breaches, suitability failures, and reputational damage.

*The course aims to transform the advisor's mindset from **reactive problem-solver** to **proactive risk-spotter**, enabling them to:*

- Recognize patterns that precede financial crises.
- Intervene early with structured, compliant, client-centric strategies.
- Document concerns in a manner that protects both the client and the advisor.

- Integrate behavioural, financial, and estate-planning red flags into a unified risk-assessment framework.
- Elevate professional judgment and reduce exposure to complaints, litigation, and regulatory scrutiny.

Learning Objectives

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

1. Identify Red Flags Across All Planning Domains

- Recognize behavioural, financial, estate, insurance, and compliance red flags that signal emerging client risk.
- Distinguish between normal client behaviour and patterns that indicate deeper instability or vulnerability.
- Detect inconsistencies in documentation, instructions, or financial patterns that require escalation or clarification.

2. Interpret the Underlying Causes of Red Flags

- Analyze how life transitions, cognitive decline, emotional distress, financial trauma, or family conflict manifest as red flags.
- Understand how tax, legal, and estate structures can create hidden risks when misaligned or poorly documented.
- Evaluate how product suitability gaps or disclosure issues can lead to misrepresentation or claims denial.

3. Apply a Structured Red-Flag Assessment Framework

- Use a repeatable, compliance-aligned methodology to assess the severity, urgency, and implications of each red flag.
- Integrate behavioural finance principles to interpret client reactions, resistance, or avoidance patterns.
- Prioritize red flags based on client vulnerability, regulatory exposure, and potential financial harm.

4. Implement Advisor Actions to Prevent Client Crises

- Intervene early with appropriate planning adjustments, documentation, referrals, or risk-mitigation strategies.
- Communicate concerns to clients in a professional, ethical, and supportive manner.
- Coordinate with lawyers, accountants, and other professionals when red flags require multidisciplinary action.

5. Strengthen Documentation and Compliance Practices

- Document red flags in a manner that protects both the client and the advisor.
- Align actions with CISO, FP Canada, CSF, and provincial insurance council expectations for suitability, disclosure, and vulnerability care.
- Build an audit-ready file structure that demonstrates proactive risk identification and due diligence.

6. Reduce Advisor Liability and Enhance Professional Judgment

- Recognize advisor-side red flags—behaviours or omissions that increase regulatory or E&O exposure.
- Apply best practices to avoid suitability failures, misrepresentation, and client misunderstandings.
- Strengthen professional judgment through pattern recognition, early intervention, and structured decision-making.