

# Protect Your Practice: Client File Recordkeeping Considerations

You met a married couple at a client seminar and have had a couple of follow up meetings with them. Based on your initial discussions, it appears a fixed index annuity recommendation may be in their best interest and you're busy preparing some proposals for them to consider. Their grandkids, their travel plans, their retirement goals and objectives, the small details from your conversations with them, are all on top of your mind. Right now, you can fully explain why this recommendation is being made.

But, what if your state insurance regulator asks you for this information a year or more down the road?

Will your client file records be able to tell the full story and help protect your practice?

Will the client file present everything from the seminar materials used when you first met them, to the detailed meeting notes that led to the thoughtfully documented product recommendation, to a summary of your annual reviews with them?

With the evolving regulatory landscape and focus on best interest recommendations, it is likely regulators will continue to ask for these details. Some states require producers to maintain, or make client file records available for several years after an insurance transaction is completed.

It is not unusual to be asked to provide client files in the case of an inquiry, complaint, or investigation. Having thorough and complete documentation may help demonstrate your diligence and care during the sales process.

What should you be keeping in your client files? The following list offers you a starting point of items you may want to include in your files. Understandably, records may vary based on the situation and you'll need to check the regulations in the states where you conduct business to be sure you're meeting any specific state requirements for content and retention.

- // **FINANCIAL INVENTORY**
- // **CLIENT FACT FINDERS OR OTHER CLIENT PROFILING DOCUMENTS**
- // **FINANCIAL PROFESSIONAL'S NOTES**
  - / **Explanation for product recommendation(s)**
  - / **Details and notes from all client meetings**
  - / **Date of meeting**
  - / **Meeting location**
  - / **Individuals present**

- / **Topics discussed**
- / **Decisions made and the rationale**
- / **Next steps**

- // **COPY OF ILLUSTRATION**
- // **COPIES OF ADVERTISING AND SALES MATERIALS USED**
- // **REPLACEMENT FORMS/DOCUMENTS, IF REPLACING ANOTHER PRODUCT,**
- // **COPIES OF ALL COMPLETED CARRIER FORMS (E.G., APPLICATION, PRODUCT DISCLOSURES, SUITABILITY FORM, ETC.)**
- // **SIGNED AND DATED CONTRACT/POLICY DELIVERY RECEIPT**
- // **DEPARTMENT OF LABOR PTE 84-24 DISCLOSURE FORM (FOR QUALIFIED RECOMMENDATIONS)**
- // **INFORMATION OR OTHER DISCLOSURES PROVIDED TO THE CLIENT**
- // **NOTES ON PHONE CALLS**
- // **RETAIN COPIES OF ALL EMAIL AND OTHER CORRESPONDENCE TO/FROM CLIENT**
- // **ANY OTHER DOCUMENTS PERTINENT TO THE SALE OF A PRODUCT OR YOUR RELATIONSHIP WITH THE CLIENT**

Keep in mind, there is clearly some material you don't ever want to include in a client file. Examples include:

- / **Cash**
- / **Original contracts, tax or legal forms**
- / **Pre-signed forms of any kind**

Maintaining thorough records is one of the many ways you can help serve your clients and protect your practice. Please utilize the checklist as you have interactions with your clients and as you see fit for your business. Please contact WealthVest with questions.

This material is designed to provide general information on the subjects covered and it is not intended to provide specific legal advice. Please note that WealthVest and its representatives do not give legal advice. You are encouraged to seek legal counsel as necessary for your particular situation. Producers are responsible for meeting the regulatory requirements in the states they conduct business.

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