

As trusted insurance professionals in Manitoba, it's important to stay on top of practices that protect both your clients and your licence. One area that deserves special attention is how to manage electronic funds transfers (EFTs).

Accepting client payments into your personal bank account, whether directly or indirectly, can lead to serious compliance issues under *The Insurance Act* of Manitoba and the Codes of Conduct that guide our profession.

What Is Prohibited?

- Direct EFT to personal account: A client sends payment directly to your personal bank account.
- Indirect EFT via agency: A client e-transfers the agency, and you deposit the funds into your personal account.

Unless your agency has a formal EFT system that deposits funds into a designated company account, you must not accept payments into your personal account under any circumstances.

Why This Matters: Legal and Ethical Standards: These actions may violate several sections of The Insurance Act of Manitoba, including:

- **Section 113(1)(i)** – Prohibits unfair or deceptive practices.
- **Section 113(2)** – No person shall engage in such practices.
- **Section 375(1)** – Covers misrepresentation, dishonesty, failure to remit funds, and untrustworthiness.

These rules exist to protect clients, maintain public trust, and ensure the integrity of our industry.


Code of Conduct Violations: These actions also contravene the ethical standards outlined in the General Insurance Agent Code of Conduct and the Life Insurance and Accident & Sickness Agent's Code of Conduct are as follows:

General Insurance Agent Code of Conduct:

- **Section 1 – Integrity:** Agents must act with honesty and integrity in all dealings. Misappropriating or dealing dishonestly with your client's money or other monies deemed to be held in trust by you, do not meet the standard of integrity expected of insurance agents.
- **Section 10 – Conduct Towards Others:** Agents or brokers conduct towards other licensees, members of the public and the Council shall be characterized by courtesy and good faith.

Life Insurance and Accident & Sickness Agent's Code of Conduct:

- **Section 1 – Interests of the Client:** The client's interests must always take precedence over the agents. The agent is expected to act with integrity, competence, and utmost good faith.
- **Section 4 – Professionalism:** an agent must act in good faith at all times. He or she must act with honesty, integrity, fairness, due diligence, and skill.

 **Consequences of Non-Compliance:** Violations may result in disciplinary action by the Insurance Council of Manitoba, including:

- Fines and/or investigation costs

- Licence suspension or cancellation
- Mandatory supervision or retraining
- Public disclosure of enforcement decisions

✓ **What You Can Do Instead:** Here are a few simple steps to stay compliant:

- Use a secure EFT system that deposits into a corporate account.
- Never accept client payments into your personal account.
- Educate clients on proper payment procedures.
- Keep clear records of all transactions.

Protect your licence. Protect your reputation. Uphold the integrity of the profession.

INSURANCE COUNCIL OF MANITOBA

contactus@icm.mb.ca

www.icm.mb.ca