

REPRESENTATIVE EXAM MODULE 9



GENISTAR
Financial Freedom For All

TOPICS AND EXAM INFORMATION

In this module we'll be covering:

- Quality of Business
- IBA Process

EXAM

After you have gone through the learning materials, you will take an exam to test your understanding.

- Multiple-choice questions
- Not timed
- Refer to your notes
- Three attempts to pass

ADDITIONAL SUPPORT

The video presentation should cater to most learning styles, but if you have additional support needs, you must notify us before you use your 3 attempts.



QUALITY OF BUSINESS

GOOD BUSINESS PRACTICES

Happy Clients = Good Persistency

As you build your Genistar business, it is important to take care of your clients and maintain the highest standards.

Here are some ways to make sure you write quality business:



Work on your sales skills



Communicate effectively



Focus on the client and listen to their needs



Confirm client affordability



Let the client's needs, desires lead the sale



Provide good customer service



Stay in touch after the sale

WHAT IS PERSISTENCY?

The percentage of policies sold (including CFIs) that remain in force after a certain period of time (for example: 1 year).

CALCULATION (for 12—month persistency rate)

(The number of policies still in force) divided by (number of policies sold in the last 12 months) equals 12-month persistency.

Example:

24 Policies Sold
22 Policies Remain in Force

$22/24 = 91.67\%$

90% and above is acceptable persistency.



CANCELLED FROM INCEPTION (CFI)

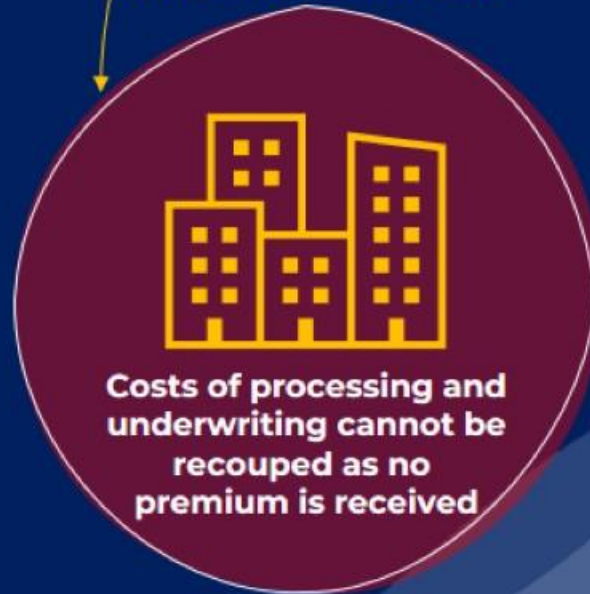
What is a CFI ?

A policy that is activated and put on risk, but the client cancels it before they've paid the first premium.

CFIs count in the number of policies sold and have a negative impact on your persistency.

CANCELLED FROM INCEPTION (CFI)

INSURANCE COMPANY



GENISTAR



CFI CONCERNS/ RISKS

QUESTIONS ABOUT THE SALES PROCESS

- Was the client sold a policy that didn't suit their needs?
- Did the client have a negative experience with Genistar?
- Does the client still need cover?

BUSINESS RISKS ASSOCIATED WITH CFIs:

- **Clawbacks** – Commissions paid will be clawed back: rep and Genistar
- **Poor persistency** – CFIs affect rep, team and company persistency
- **Complaints** – CFIs = Unhappy Clients = Complaints
- **Reputational damage** - To everyone: Rep, Genistar and Vitality

CFIs ARE SERIOUS



Genistar considers CFIs as a significant risk and will closely monitor any concerns.

If a Genistar rep has a low persistency rate and too many CFIs, action will need to be taken.

This could mean suspension, re-training, disciplinary action, heightened supervision, or even termination.

We believe in doing what's right for our clients 100% of the time. If we do that, they will value their financial plan and we will have good persistency.

PROMOTIONS

It is NEVER acceptable to write a policy for the purpose of earning a promotion and then having the client cancel it – resulting in a CFI.

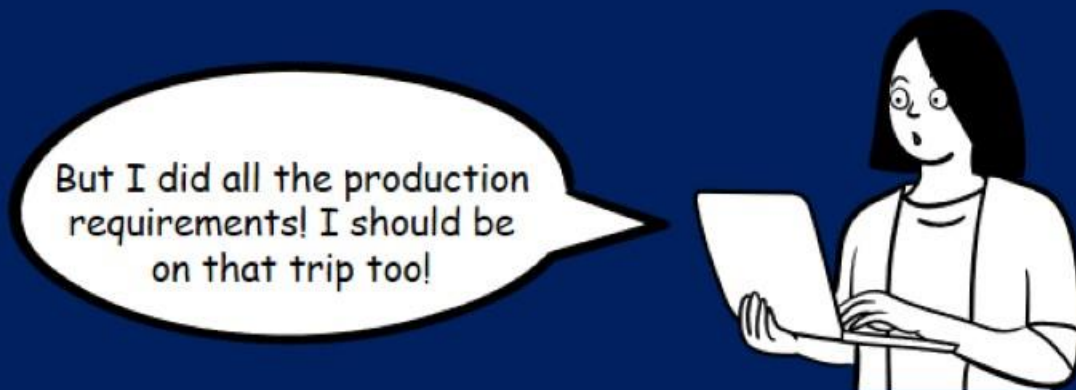
This goes against Genistar's values and Code of Conduct. Action will be taken against anyone involved in such activities.

PERSISTENCY REQUIREMENT


Excellent persistency is a requirement for every Genistar rep.

**Persistency is figured into requirements for all:
Promotions - Trips - Awards**

If you meet all the premium and recruiting requirements to qualify for an incentive trip, but your persistency is below 90% - sorry, but you're not going with us.



But I did all the production requirements! I should be on that trip too!



Wish you were here, but your persistency is below 90%...

MINIMISE CANCELLATIONS

WHAT CAN I DO?

COMMON REASONS FOR POLICY CANCELLATIONS AND HOW TO MINIMISE THEM:

REASON	WHAT TO DO
Affordability – Being oversold	Make sure every product sold meets the client's affordability needs.
Affordability - Change in client circumstances: Divorce / Job loss / Cost of living	If you get notice that a client's policy is about to lapse, it's a good time for a client review. Contact the client to find out how you can help them: Do they need to reduce their cover? Can you help them adjust some of their other expenses so they can afford their protection?
No long-term commitment to the plan	During the presentation, make sure your client understands the importance of their insurance policy, that their cover is affordable and that they are committed to their financial plan.

MONITORING TEAM PERSISTENCY



Let's talk about your persistency.



Genistar monitors personal and team persistency.

- The Compliance Department sends a monthly report to each EVP, listing anyone on their team with a persistency rate below 90%.

ACTION TAKEN:

- **90% - 85%** - Warning Letter
- **85% - 75%** - Heightened Supervision
- **Below 75%** - Suspension & Re-training

Ways to keep your team persistency rate high.

WITH YOUR TEAM:

- Monitor business logs – identify/respond to potential problems
- Coach your team on persistency
- Share lapse reports to your team

- Work with the team on saving cancellations

SPAN OF CONTROL

Span of Control = number of people a manager is responsible for

As you build a team, you must ensure that you and each of your downline managers can provide **suitable supervision** to your entire team.

NARROW SPAN = managing a small number of people

WIDE SPAN = managing a large number of people

Both have advantages and disadvantages.

Factors that affect which model is best for you and your team:

- Ability/competency of reps
- Ability of supervisors/EVP
- Degree of delegation
- Communication

The spans of control should be reviewed regularly to ensure that they are suitable to ensure good client outcomes and minimise the risk of client detriment.



NARROW SPAN



WIDE SPAN

SELLING AWAY

A Genistar rep who ALSO sells other, non-related products.



Genistar reps **MAY NOT:**

- Work for competitors of Genistar
- Sell products for other regulated companies.

However, it could happen that a part-time Genistar rep also holds a sales position in another, non-related company.



This situation must be carefully managed as there are risks involved.

- Confusion: The client could easily be confused about which organisation you are representing.
 - Reputational Risk
 - Complaints
- Data protection: There is a risk of using client data gathered for one company in another company.
- Conflict of interest
- Regulatory fines and penalties

SELLING AWAY EXAMPLES

These are both examples of things
you must NOT do.



A Genistar rep who also works as a representative with a cosmetic company, is discussing skin care products with a client. During the conversation about skin care, the rep starts to talk about Genistar and the products and services that Genistar offers.



A Genistar representative is with a client discussing their financial future, and the client indicates they would like to make a Will. Instead of referring the person for a Will through Genistar, the rep refers them to a friend of theirs who owns a Will company and will pay them a commission.

KEEP GENISTAR SEPARATE

If you are a part-time Genistar rep and you also sell products for another, non-related company, you must take the utmost care to keep the two companies separate.

SEPARATE APPOINTMENTS

You must book separate appointments to ensure that Genistar is discussed separately from other types of business.

DATA PROTECTION

You must NEVER allow client data to flow between the two companies. This is a breach of General Data Protection Regulation (GDPR) and could have serious consequences:

FINE

It would have to be reported to the Information Commissioner's Office (ICO) and could involve a fine.

DISCIPLINARY ACTION

Any rep found to be breaching GDPR, will face disciplinary action and/or possible termination.

CHURNING

Churning occurs when a representative replaces a client's insurance policy with another one, with no change to the cover and no benefit to the client.

This is often done without the client's knowledge or consent. The rep's motivation is to secure additional commission – this is usually done after the clawback period has ended.

Churning to gain profit is an unlawful practice if you engage in it without the client's consent and if it brings no advantage for the insured person.



Same or lower cover /
Same or higher
premium / No benefit
to client

= CHURNING

CHURNING RISKS

Genistar reps are only authorised to replace coverage on behalf of the client under certain conditions:



Replacement must be for the client's benefit



Client must be aware and agree to any replacement



Never persuade a client to replace a policy just to receive a commission



IBA PROCESS

IBA PROCESS AND CHECKS

RECRUITMENT PROCESS

£140 IBA Fee



Electronic Identity Verification
(SmartSearch)



Credit Check
(Equifax Report)



Anti-Money
Laundering Check



Politically Exposed
Person's Check



Sanction's
Check



Special Interest
Person's Check



Relative and Close
Associates Check



Processing and
Administration Costs



Training and
Certification Costs

PAYMENT OF IBA FEES

Every person you recruit must pay their IBA fee from their own funds.

- You CANNOT, accept cash from a new recruit, then pay their IBA fee with your own bank card. This could raise suspicion of money laundering because if the IBA fee were refunded, it would go back to the cardholder as 'clean' money.
- You CANNOT pay for anyone else's IBA fee under any circumstances.
- You CANNOT pay for anyone's IBA fee in order to get a promotion or win a contest.

Can I pay you the IBA fee in cash, then you can pay it from your bank account?



POTENTIAL RECRUIT

I'm sorry, we can't do that as it may raise suspicion of money laundering.



REPRESENTATIVE

RIGHT TO WORK WITH GENISTAR

A potential recruit must have the right to work in the UK and documentation to prove this.

VISA RESTRICTIONS

Some visas have restrictions, so you must review the documents carefully.

SUPPORTING EVIDENCE

- Sometimes Genistar will need supporting evidence, such as a share code (a unique code that proves a worker's immigration status)
- If requested evidence is not provided in a timely manner, the IBA will be rejected.

BE CERTAIN

- If the potential recruit is unsure of their right to work with Genistar, they can visit the government website and complete a self-assessment to submit with their IBA.
- If you, as a rep, are unsure about someone's documentation, please contact the Compliance Department to discuss further.



ADVERSE INFORMATION

Adverse information is any negative information about a potential recruit that might mean they are ineligible to become a Genistar rep, or it could be something that might expose Genistar to risks.

Not all adverse information means that a person won't be able to join, it just means there is something that must be looked into further.

Adverse information can be found:

- On the IBA
- During the many checks that Genistar performs

When adverse information shows up, Genistar must investigate, and decide whether the IBA can be processed or not.

There's something that might not look good on my application. Do I need to disclose it?

Yes, it's best to be honest and list everything. It will show up on the checks we run anyway, so it's best to hear it from you along with any explanation you want to give.



**POTENTIAL
RECRUIT**



REPRESENTATIVE

CREDIT AND FINANCIAL ISSUES

An applicant must disclose if they have had any credit or financial issues in the past or currently have any debt. They must also disclose if they are the subject of any current proceedings.

This is because Genistar, like all regulated companies, must assess whether an individual who wishes to join the company is fit and proper to perform their role - and that includes being financially sound.

TYPES OF ISSUES THAT MIGHT AFFECT AN IBA:

COUNTY COURT JUDGEMENT (CCJ)

DEBT RELIEF ORDER (DRO)

BANKRUPTCY

INDIVIDUAL VOLUNTARY ARRANGEMENT (IVA)

CRIMINAL CONVICTIONS

WHAT IS A CRIMINAL CONVICTION?

A criminal conviction is any conviction, caution, reprimand, or final warning. This includes minor misdemeanors as well.

We must take appropriate action to protect our clients, reps, staff, the general public, and the company from any potential harm.

PAST AND CURRENT CRIMINAL CONVICTIONS

On the IBA, an applicant must declare any criminal convictions **in the past**, or if they are **currently** the subject of proceedings that might lead to a criminal conviction

FUTURE CRIMINAL CONVICTIONS

If anyone should become the subject of a proceeding that might lead to criminal convictions **during their contract with Genistar**, they must declare it to the Compliance Department immediately.

I just got notice of criminal proceedings against me. I need to speak with the Compliance Department right away.



IBA REFUNDS

I've changed my mind. Can I get my money back?

IBA REFUND

Rejected IBA = Yes
Requested before approval = Yes
Requested within 14 days of approval = Yes
Requested after the 14 days = No

REFUND REQUESTS:

- Must be in writing or email to Business.Integrity@genistar.net
- Must include: Full Name, G-Code, Phone Number, Post Code, Upline EVP, Reason for Refund Request
- Must come from the person who signed the IBA

- If by email, must come from the registered email address on genistar.online.
- Refunds will be returned to original payment source, to prevent any risks of money laundering.

WHEN REFUND REQUEST IS RECEIVED:

- Determine whether it falls within the 14-day period
- Notification sent to rep and EVP to confirm status of request

If a refund is refused, the individual must inform the Compliance Department within 72 hours whether they wish to continue as a Genistar rep.

GENISTAR VALUES

We believe in writing quality business and taking care of our clients and our reps.

- ❖ INTEGRITY
- ❖ DIVERSITY & INCLUSIVITY
- ❖ TEAMWORK

HELPING PEOPLE SECURE A BETTER FINANCIAL FUTURE





THANKS FOR WATCHING!

You must now answer some questions about what you have just learnt!



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Financial Freedom For All