



**Brokers International**  
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**compliance**  
connection

**ONE OF YOUR  
BUSINESS'S MOST  
IMPORTANT PROPERTIES  
IS YOUR CLIENT FILES.**

**MANY REGULATORS WILL WANT TO  
REVIEW YOURS WHEN THEY VISIT.**

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*Incomplete, insufficient or non-existent client files not only expose you to potential regulatory fines, but could also result in lawsuits. One way to help protect yourself is to keep detailed, easily accessible documentation for each of your clients so—if a carrier or regulator asks to see your client files—you're prepared.*

#### Things to keep in the client file.

The basic guidelines below may be considered as standard practice across the industry; however, this is not an all-inclusive list. Since each carrier's requirements for client documentation can vary, you should check with each of your carriers regarding their specific requirements. You should also be familiar with the state regulations that apply to you.

- Documentation from any conversations with the client regarding the solicitation of the sale, the basis for the recommendations provided and issuance of the policy. This includes any follow-up client conversations after policy issuance.
- Copies of any advertising or sales materials, including but not limited to brochures, seminar invitations and materials, workbooks, etc., used during the sales process.
- Suitability information that was used as the basis for your recommendation.
- Any illustrations used during the sale of the product.
- The completed 84/24 disclosure with any pertinent notes.
- All product recommendations, including the product selection tool or method used, and all corresponding notes and paperwork used to make the recommendation.
- Application for the product and any additional forms required by the carrier.
- If applicable, a signed delivery receipt.

#### The devil is in the details.

When it comes to documenting your discussions with clients, this idiom couldn't be truer. It's critical to keep meticulous notes regarding client meetings—right down to the smallest detail. The better you document the discussions you have with clients—including any products you've discussed—the better off you may be.

Think of it this way: "If there isn't documentation, then it didn't happen." This perspective emphasizes the importance of keeping your client file detailed and current.

## How long should you retain documents?

A general rule of thumb is to keep all active clients' records throughout the duration of the policy plus three years, and keep inactive clients' records for three years after the date of becoming inactive. This allows you access should you need it during a regulatory audit. Again, carrier requirements and state regulations may vary regarding retention time frames so be sure you are familiar with the retention periods that pertain to you.

For more information, keep an eye out for an upcoming Compliance Connection blog focused on Records Retention. Remember, safeguarding your clients' information is your responsibility. Check out our blog "Keeping Your Clients' Information Safe" for some tips on keeping customer information safe.



If you have questions regarding this or other compliance-related issues, send them to the Brokers International compliance team at [ComplianceConnection@biltd.com](mailto:ComplianceConnection@biltd.com). As your partner, we'll assist you in keeping your advertising on the right side of the regulators.

**Want to stay up to date with changing regulations that could impact your practice?** Subscribe to our Compliance Connection blog to receive industry quick tips and news directly in your inbox.

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