

# FAQs on Limited Trading Authorizations

## 1. What is a Limited Trading Authorization, or LTA?

A Limited Trading Authorization (LTA) is a form that once completed in full, submitted to and accepted by your Service Centre, will allow the representative/agent of record to submit future transactions permitted by the LTA, on behalf of their client, without the client's signature.

By completing and signing the LTA, the client authorizes the representative/agent to provide Industrial Alliance or Industrial Alliance Pacific to carry out their instructions for the specific transactions on their behalf. Instructions from your client can be obtained by phone, fax, e-mail, etc. A documented record of the instructions/directions must be kept within the representative/agent files for future reference.

## 2. Where a LTA is already on file, can the representative/agent take the initiative to request a transaction on behalf of their client without having received instructions from their client?

No. Specific and comprehensive instructions for each subsequent transaction must be authorized by the client and the representative/agent is strongly encouraged to obtain written documentation to support the transaction being requested. All instructions/directions received from the client must be kept and readily available upon request.

## 3. Are representatives/agents required to have their clients complete a LTA?

The LTA is not a mandatory form and clients are not required to complete them.

## 4. What financial transactions are covered by a LTA?

### Deferred Annuity Contracts:

- New premiums/deposits;
- Resets of the guaranteed minimum values;
- Fund switches within the same contract, allocating & transferring monies between accounts;
- Redemptions (payable to the applicant);
- Renewals of guaranteed interest term investments

### Individual Universal Life Policies:

- New premiums/deposits, submitted with investment instructions;
- Renewals of guaranteed interest term investments;
- Fund switches within the same policy, allocating & transferring monies between accounts;
- Partial withdrawals (payable and sent to the Policyowner).

## 5. What types of contracts are eligible with respect to a LTA?

The LTA applies to all Investment products, including My Education and Diploma contracts. However, the transactions authorized by the LTA greatly reduce the impact of RESP contracts.

The LTA applies to all Universal Life policies.

## 6. Where can I get a copy of a LTA?

The Limited Trading Authorization (Form F51-201A) is available within:

- The Extranet under *Investment and Retirement Savings/Administration/Forms and Individual Insurance/Administration/Forms*
- Cyberia under *Forms/Corporate forms/Individual Savings and Retirement* (Cyberia is for Head Office use only)
- Financial Advisor's Library under [www.inalco.com/documents/marketing](http://www.inalco.com/documents/marketing)

## 7. Does the LTA have an expiry date?

No, the LTA does not expire. It continues to be valid until:

- the client who signed it sends a written cancellation request to their Service Centre,
- the death of the Policyowner/Applicant or the representative/agent,
- the Company receives proof of mental incapacity or bankruptcy of one of the parties who signed the LTA,
- there is a change in the servicing representative/agent on file for the client's policies,
- the representative/agent is no longer contracted by Industrial Alliance/Industrial Alliance Pacific,
- the servicing representative/agent is no longer associated with the client.

The Company reserves the right to withdraw the LTA form if deemed necessary. The Company may, at its sole discretion, refuse to accept or perform transactions under the LTA and reserves the right to limit the use of the LTA for reasons such as, but not limited to, inappropriate use.

## 8. Do representatives/agents need to complete a separate LTA for each contract/policy their client has with the Company?

Investment contracts and individual Universal Life policies **cannot be combined** within the same LTA. However, multiple investment contracts for the same Applicant can be clearly indicated on one LTA. The same applies to individual Universal Life policies. Multiple UL policies for the same Policyowner can be clearly indicated on one LTA. Should the LTA no longer apply to one of the contracts/policies contained in a LTA that covers more than one contract/policy, a new LTA is required for the contracts/policies which are to continue under a LTA.

## 9. Does the "Limited Trading Authorization" section of the Ecoflex/Ecoflextra application form (F17A) replace form "F51-201A Limited Trading Authorization"?

No. The "Limited Trading Authorization" section of form F17A should only be completed if a Limited Trading Authorization has already been signed by the same parties (client and representative/agent) for an existing account and the client wants it to apply to the new account as well. Signing the "Limited Trading Authorization" section of form F17A does not replace the Limited Trading Authorization if an LTA does not already exist. The account number indicated in the "Limited Trading Authorization" section of the new application should never be the NP number on that same application. Therefore, if a LTA is attached to the new F17A form, then the "Limited Trading Authorization" section should not be completed.

Investment Contracts: When a new account is opened, a section is added to the Ecoflex/Ecoflextra application (F17A) and the Signatures form (F17EA) to extend the scope of the client's existing LTA. However, if the client has never signed a LTA and wants to use one for a new account, a LTA will have to be included with the Ecoflex/Ecoflextra application or the Signatures form, as the case may be.

## 10. If a client already has a LTA with one representative/agent, can another representative/agent put this down in reference to the "Limited Trading Authorization" section of Form F17A for that client?

No. It is important to make sure all the information on form F17A is the same as the information we have on the LTA in order for the LTA to be valid for the new account. For example, if we don't have the same representative/agent on the F17A and on the LTA, the LTA cannot be used for the new account. The client will have to sign a new LTA if he/she wants to have a valid LTA for the new account.

**11. For inter-contract transfers and transfers to individual Universal Life policies, is the representative/agent signature sufficient if there is a LTA on file?**

Yes. The client's signature is no longer mandatory in this case.

For individual UL policies, a "Confirmation of Transaction" will be sent directly to the Policyowner, confirming transactions related to the UL policy.

**12. What about enrolments in or changes to a Periodic Income Program (PIP)?**

If PIP payments are made to the client by direct deposit, we require the signature of the client or the representative/agent if there is a LTA on file.

If the PIP is used to pay an insurance or other premium, the client's signature is required. For a change to a PIP (change to the amount, date, etc.), it is mandatory that we have the signature of the client or the representative/agent if there is a LTA on file.

**13. Can the Automatic Investment Term (AIT) or Automatic Investment Instructions (All) be changed under a LTA?**

Yes. The AIT/All is part of the investment transactions allowed by the LTA.

**14. If the client already has an active LTA for a contract/policy, is a new LTA required to add additional contracts/policies?**

Yes, a new LTA covering the contracts/policies including the most recent one(s) is required **OR** a separate LTA for the new contract/policy (please remember that investment contracts and individual Universal Life policies cannot be combined on the same LTA). All the fields within the LTA must be completed, without exception (name of the client, SIN, date of birth and contracts/policies to be covered). All information provided on the LTA must be accurate and complete. LTAs will be returned if incomplete, i.e. missing signatures and representative/agent codes, incorrect SIN or date of birth information. Since this document has an important legal significance, accuracy and thoroughness of the required information is extremely important.

**15. Can the representative/agent also sign the LTA as a witness?**

Yes, but only under extenuating circumstances. We recommend that a disinterested party witness the client signature, as this protects you as a representative/agent, should there be problems in the future. However, we recognize that there may be special circumstances where it is not possible to have a witness available to sign.

**16. What happens if the contract/policyholder is a legal entity?**

<b>Contract holder is a...</b>	<b>Can an LTA be signed?</b>
Company	Yes, but the client's signature is required for any redemptions/surrenders.
Curator	No.
Legal representative	No, unless specified in the mandate.
Estate	No, unless specified in the will.

**17. Do we accept LTAs if there is more than one representative/agent on the account?**

We will accept LTA if there is 2 or more representatives/agents on the contract/policy, however, only the servicing representative/agent may complete and sign the LTA. The servicing representative/agent indicated on the LTA, is the only one authorized by the client to act under the terms of the LTA.

## Mandatory Signature – Deferred Annuity Contracts

Transactions	Mandatory signature		
	Client	Client or Agent + LTA <sup>1</sup>	Agent without LTA <sup>1</sup>
<b>Banking information</b>			
<b>Pre-authorized cheque (PAC)</b>			
Cheque specimen non-personalized			X
Cheque specimen personalized			X
<b>Direct deposit or Electronic Funds Transfer (EFT)</b>			
Cheque specimen non-personalized	X		
Cheque specimen personalized			X
<b>Application / Deposit</b>			
Acknowledgement of receipt of Information Folder	X		
Application	X		
Dollar Cost Averaging (DCA) (Application)		X	
Investor profile	X		
PAC registration	X		
PIP application (cheque is to be sent to client)		X	
PIP application (money is to be used as a life ins. Premium or other)	X		
Rate guarantee agreement for guaranteed investments		X	
RRSP line of credit application	X		
Subsequent deposit - Instructions		X	
<b>Surrender</b>			
Inter-contract transfer (Life Insurance, single premium annuity...)*	X		
Payment of premium from RRIF, LIF, PIP or single premium annuity	X		
Surrender		X	
Switch within the same contract (including My Education)		X	
Transfer out	X		
<b>Change / modification</b>			
Addition – Increase CID	X		
Benefits amount modifications		X	
Change of address			X
Change of annuitant	X		
Change of applicant	X		
Change of beneficiary	X		
Change of guarantee	X		
Change to AIT (including My Education) and AWT		X	
Change to the guarantee maturity date		X	

<sup>1</sup> LTA – Limited Trading Authorization

\*Some restriction may apply

Transactions	Mandatory signature		
	Client	Client or agent + LTA <sup>2</sup>	Agent without LTA <sup>2</sup>
<b>Change / modification (continued...)</b>			
Date of birth correction			X
Name change	X		
Name change – correction only			X
PAC modification / termination (other than Diploma)			X
PAC registration	X		
Registration or contract type modifications	X		
Reset		X	
<b>RESP (My Education and Diploma)</b>			
Change – addition of a beneficiary	X		
Co-subscriber addition	X		
PAC modification (Diploma)	X		
Surrender (including EAP and AIP)	X		
To put on hold a PAC (Diploma)			X
<b>Others</b>			
Receipts, income tax slips, statements or contract duplicates			X

<sup>2</sup> LTA – Limited Trading Authorization  
 \* Some restriction may apply

**Mandatory Signature – Individual Universal Life Policies**

Transactions	Mandatory signature		
	Client	Client or Agent + LTA <sup>3</sup>	Agent without LTA <sup>3</sup>
Deposit with specific instructions		X	
Set or change the Automatic Investment Instructions for future deposits		X	
Set or change the Designated Deduction Account(s) for the Accumulation Fund		X	
Set or change the Automatic Investment Instructions for future deposits to the Shuttle Fund		X	
Request a partial withdrawal from the Accumulation and/or Shuttle Fund		X	
Investment Transfer/Rebalance/Withdrawal for the Accumulation Fund		X	
Investment Transfer/Rebalance/Withdrawal for the Shuttle Fund		X	

<sup>3</sup> LTA – Limited Trading Authorization  
 \*Some restriction may apply