AGENCY VA

MA COMPLIANCE TRAINING

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MODULE 6:

COMPLIANCE, PRIVACY & ESCALATION

“PROTECTING THE AGENCY, THE CLIENT, AND YOURSELF: LEGAL COMPLIANCE FOR UNLICENSED REPS”

MODULE 6: COMPLIANCE, PRIVACY & ESCALATION

“Protecting the Agency, the Client, and Yourself: Legal Compliance for Unlicensed Reps”

PURPOSE OF THIS MODULE

This module trains you to operate with integrity, legal clarity, and strict respect for client privacy. Whether you’re prospecting, quoting, or servicing, staying compliant ensures:

- You avoid personal or agency-level liability
- Clients are properly protected
- Your agency remains in good standing with regulators and carriers

SECTION 1: LEGAL COMPLIANCE — WHAT YOU MUST FOLLOW

Massachusetts Law (M.G.L. ch. 175, § 162H)
In the Commonwealth of Massachusetts, you must be licensed to:

- Solicit insurance
- Negotiate coverage terms
- Recommend, interpret, or sell a policy
- Bind or finalize coverage
- Explain what a policy covers or doesn’t

You Are Allowed To:

- Collect and enter information
- Deliver pre-approved scripts and templates
- Schedule appointments and organize files
- Provide administrative support to licensed agents

YOU ARE NEVER ALLOWED TO:

ACTIVITY	WHY IT’S NOT ALLOWED
Recommend limits or coverages	It’s a licensed producer activity under state law
Interpret policy wording	This can create liability and legal misrepresentation
Say “you are covered” or “this is better”	Suggests you’re selling or advising – both require a license
County Tax Assessor Websites	Requires a license and carrier appointment

SECTION 2: PRIVACY & DATA PROTECTION

What Constitutes Private Client Data (PII/PHI)?

- Full name, date of birth
- Driver's license number
- Social Security Number (if ever used)
- Home address
- Vehicle VINs
- Business financial info or payroll
- Claims histories and loss runs

HOW TO PROTECT THAT DATA

DO	DON'T
Use only agency-approved systems (e.g., HawkSoft, Google Workspace)	Store client info in personal email, WhatsApp, or notes apps
Send files via encrypted email or secure portal	Upload docs to personal Google Drive or Dropbox
Log all communications in the CRM	Communicate from private number or personal devices
Lock your computer when stepping away	Leave printed documents on desks or in shared folders

Red Flags to Avoid at All Times

- Sending screenshots of policy info via text or WhatsApp
- Downloading MVRs to a personal desktop
- Leaving voicemails with sensitive details (e.g., driver's DOB)
- Sharing a PDF of the entire dec page without security measures

SECTION 3: ESCALATION — KNOW WHEN TO PASS IT ON

When to Escalate to a Licensed Producer
You must escalate when a client:

- Asks, "Which quote is better?"
- Says, "I don't think this covers everything I need"
- Wants to compare coverage options
- Has a claim and wants to know if it's covered
- Is confused by pricing or wants to negotiate
- Requests wording changes to a COI
- Expresses dissatisfaction or threats (e.g., legal action, complaints)

Remember: The 3R Rule
If the task involves:

- Recommending
- Responding to coverage
- Representing coverage decisions

STOP — escalate immediately.

Escalation Script Examples

- "I'm not licensed to answer coverage questions, but I'm flagging this now for one of our licensed team members to follow up quickly."
- "Thanks for explaining that — I'll make sure the right licensed team member reviews it and gets back to you today."

SECTION 4: LOGGING & AUDIT TRAIL

Always Document in CRM:

- Every email, call, text, and document interaction
- Who you escalated to, when, and why
- Notes on client tone or concerns ("Client seemed frustrated about pricing")
- Upload confirmations (e.g., "ID card emailed on 7/28, 2:16 PM EST")

DAILY LOGGING BEST PRACTICES

LOG TYPE	EXAMPLE
Call Log	"Spoke with Jane; collected DOB & VINs. Escalated to Dan for quoting."
Email Note	"Sent dec page to client. No questions asked. No coverage discussion."
Escalation Note	"Client asked about deductibles. Escalated to Nadia via internal chat."
Task Created	"Tagged for licensed follow-up in AgencyZoom. Set for 10 AM tomorrow."

KEY TAKEAWAYS

- Don't guess. Escalate. You protect everyone by staying in your lane.
- Privacy violations can cost you your job and your agency money. Treat client data like gold.
- You are an extension of the agency's licensed team — not a replacement for it.
- Logging, templates, and structured escalation = professional, legal, and trusted operations.

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