

# Conflicts of Interest and Customer Loans

426NB

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We have an important reminder about a prohibited conflict of interest for a producer – receiving a loan from a customer (including an investment in a producer’s business). Receiving a loan from customers is a conflict of interest and is strictly prohibited by our Company and the laws of many states.

Your Contract states:

*“The acceptance of a loan from a customer is an unacceptable conflict of interest that the producer must avoid and like other prohibited activities, may result in termination and a referral to the appropriate regulatory body.”*

*“North American further prohibits a producer from soliciting or accepting an investment from a North American policy/contract owner in a producer’s business.”*

For additional clarification, the North American Compliance Guide also states:

*“North American, and the laws of many states, prohibit a producer from receiving loans from their customers unless the customer is the producer’s “immediate family” member, defined as a spouse, child, step-child, mother, father, grandparent, brother or sister.”*

North American takes conflicts of interests such as this seriously, investigates them thoroughly and takes appropriate action. We want to thank you for your business and your commitment to compliant business practices.

**If you have questions about this bulletin, please contact the Special Investigation Unit at 800-923-3223.**

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