

# THE INVESTMENT EXECUTIVE

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NORM BETTS

Silu Modi, vice president of digital marketing with Macquarie Banking and Financial Services Group, is leading a committee to develop an in-house social media policy for the firm's brokerage arm, Macquarie Private Wealth. The committee, Modi says, aims "to understand the best way to get advisors out there and using social media channels, while keeping within the regulatory guidelines." See story on page 10.

## INSURANCE

# Big gaps in E&O coverage

*Financial awards made to clients often cannot be paid*

BY GAVIN ADAMSON

**INSURANCE INDUSTRY** Experts say the errors and omissions insurance regime for independent advisors needs a fix.

Insurance companies and some provincial regulators require that advisors selling life, health, and property and casualty insurance have E&O insurance on their prac-

tices. This coverage is designed to compensate a client in the event the client is awarded damages in a court case resulting from errors in service or product selection by the advisor.

However, clients are often left in the lurch after discovering that awards cannot be paid because the advisors have no—or insufficient—E&O insurance.

"I don't think there's any dispute that there's a fundamental flaw in the E&O structure," says Harold Geller, a lawyer with Doucet McBride LLP in Ottawa.

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## INCORPORATION

# Reviews are mixed

BY JAMES LANGTON

**FINANCIAL ADVISORS** HOPING for a solution to the long-standing regulatory dilemma over the use of personal corporations may be disappointed yet again if investor advocates have anything to say about it.

Late last year, Alberta's Ministry of Finance and Enterprise published a consultation paper proposing several ways in which regulators could allow advisors to adopt business structures that

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## BUDGET 2011

# Hold the excitement

BY RUDY MEZZETTA

**FINANCIAL SERVICES** INDUSTRY associations remain hopeful that Ottawa will adopt at least some of their pre-budget recommendations in the upcoming federal budget, even as the Conservatives shift their focus to cutting the deficit and preparing for a possible spring election.

"This will be an election budget," says Rick Robertson, associate professor with the Richard Ivey School of Business at the

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