

## **Draft Specification**

Pursuant to subsection 15.11(2), the Superintendent of Insurance (the “Superintendent”) herein specifies the classes or types of insurance to be licensed pursuant to regulation 15.11 of *The Saskatchewan Insurance Amendment Regulations, 2009*:

### **In this specification:**

- a. “dealership” means an automobile dealership including a marine dealership, recreational dealership, farm implement dealership, construction equipment dealership, within the meaning of subsection 15.11 of *The Saskatchewan Insurance Regulations, 2009*;
- b. “financial institution” means a deposit taking institution;
- c. “deposit taking institution” means a bank, credit union, trust corporation, or a member institution of the Canada Deposit Insurance Corporation.
- d. "group insurance policy," in respect of a financial institution, a dealership or a travel agency, means a contract of insurance between an insurance company and the deposit-taking institution, or between an insurance company and a loan company that is an affiliate of the deposit-taking institution, that provides insurance severally in respect of a group of identifiable persons who individually hold certificates of insurance;
- e. “financing corporation,” is a financing corporation as defined pursuant to *The Saskatchewan Insurance Amendment Regulations, 2009*, and, for the purpose of this specification, does not include a person carrying on the business of: advancing money that is in an amount of \$1,500 or less, for a term of 62 days or less, and, in exchange for a post-dated cheque, a pre-authorized debit or a future payment of a similar nature but not for any guarantee, suretyship, overdraft protection or security on property and not through a margin loan, pawnbroking, a line of credit or a credit card;
- f. "insurance company" means an entity that is approved, registered or otherwise authorized to insure risks under an Act of Parliament or of the legislature of a province;
- g. "line of credit" means a commitment on the part of a financial institution to lend to a debtor, without a predetermined repayment schedule, one or more amounts, where the aggregate amount outstanding does not exceed a predetermined credit limit, which limit does not exceed the reasonable credit needs of the debtor;
- h. “mortgage broker” means a mortgage broker as defined pursuant to *The Saskatchewan Insurance Amendment Regulations, 2009*.

- i. "small business" means a business that is or, if it were incorporated, would be a small business corporation within the meaning of subsection 248(1) of the *Income Tax Act*.

**For the purposes of regulation 15.11 of *The Saskatchewan Insurance Amendment Regulations, 2009*, the Superintendent specifies the following licensable classes and types of insurance:**

- a. "equipment warranty insurance" means the sub-class of boiler and machinery insurance that comprises insurance against loss of or damage to a motor vehicle or to recreational, marine, farm implement or construction equipment, arising from its mechanical failure, but does not include automobile insurance or insurance incidental to automobile insurance;
- b. "cargo type insurance" means insurance covering goods in transit excluding carrier liability insurance;
- c. "credit or charge card-related insurance", in respect of a deposit-taking institution, means a policy of an insurance company that provides insurance to the holder of a credit or charge card issued by the deposit-taking institution as a feature of the card, without request and without an individual assessment of risk:
  - i. against loss of, or damage to, goods purchased with the card,
  - ii. under which the insurance company undertakes to extend a warranty provided by the manufacturer of goods purchased with the card, or
  - iii. against any loss arising from a contractual liability assumed by the holder when renting a vehicle, when the rental is paid for with the card;
- d. "creditors' disability insurance", in respect of a financial institution or a dealership, means a group insurance policy that will pay all or part of the amount of a debt of a debtor to the financial institution, the dealership, or to a loan company that is an affiliate of the financial institution if the financial institution is a deposit-taking institution, in the event of bodily injury to, or an illness or disability of:
  - i. where the debtor is a natural person, the debtor or the spouse or common-law partner of the debtor;
  - ii. a natural person who is a guarantor of all or part of the debt
  - iii. where the debtor is a body corporate, any director or officer of the body corporate, or
  - iv. where the debtor is an entity, any natural person who is essential to the ability of the debtor to meet the debtor's financial obligations to the deposit-taking institution or to the loan company;

- e. "creditors' life insurance" , in respect of a financial institution or a dealership, means a group insurance policy that will pay to the financial institution, or to a loan company that is an affiliate of the financial institution that is a deposit-taking institution, all or part of the amount of a debt of a debtor or, where a debt is in respect of a small business or a farm, fishery or ranch, all or part of the amount of the credit limit of a line of credit, in the event of the death of:
  - i. where the debtor is a natural person, the debtor or the spouse or common-law partner of the debtor,
  - ii. a natural person who is a guarantor of all or part of the debt,
  - iii. where the debtor is a body corporate, a director or officer of the body corporate, or
  - iv. where the debtor is an entity, any natural person who is essential to the ability of the debtor to meet the debtor's financial obligations to the deposit-taking institution or to the loan company;
- f. "creditors' loss of employment insurance" , in respect of a financial institution or a dealership, means a policy of an insurance company that will pay, without any individual assessment of risk, all or part of the amount of a debt of a debtor to the financial institution, the dealership, or to a loan company that is an affiliate of the deposit-taking institution, in the event that:
  - i. the debtor, if the debtor is a natural person, becomes involuntarily unemployed, or
  - ii. a natural person who is a guarantor of all or part of the debt becomes involuntarily unemployed;
- g. "creditors' vehicle inventory insurance" , in respect of a financial institution, means a policy of an insurance company that provides insurance against direct and accidental loss or damage to vehicles that are held in stock for display and sale purposes by a debtor of the financial institution, some or all of which have been financed by the financial institution;
- h. "export credit insurance" means a policy of an insurance company that provides insurance to an exporter of goods or services against a loss incurred by the exporter due to a non-payment for exported goods or services;
- i. "mortgage insurance" , in respect of a financial institution, means an insurance policy that provides insurance to the financial institution, or to a loan company that is an affiliate of the financial institution if it is a deposit-taking institution, against loss caused by a default on the part of a debtor who is a natural person under a loan from the deposit-taking institution or from the loan company that is secured by a mortgage on real property or on an interest in real property;

j. "personal accident insurance" means a group insurance policy that provides insurance to a natural person:

- i. whereby the insurance company undertakes to pay one or more sums of money in the event of bodily injury to, or the death of, the person that is caused by an accident, or
- ii. whereby the insurance company undertakes to pay a certain sum for each day that the person is hospitalized in the event of bodily injury to the person that is caused by an accident or in the event of an illness or disability of the person;

k. "travel insurance" means:

- i. a policy of an insurance company that provides insurance to a natural person in respect of a trip by the person away from the place where the person ordinarily resides, without any individual assessment of risk, against:
  - (A) loss that results from the cancellation or interruption of the trip,
  - (B) loss of, or damage to, personal property that occurs while on the trip, or
  - (C) loss that is caused by the delayed arrival of personal baggage while on the trip, or
- ii. a group insurance policy that provides insurance to a natural person in respect of a trip by the person away from the province in which the person ordinarily resides:
  - (A) against expenses incurred while on the trip that result from an illness or the disability of the person that occurs on the trip,
  - (B) against expenses incurred while on the trip that result from bodily injury to, or the death of, the person caused by an accident while on the trip,
  - (C) whereby the insurance company undertakes to pay one or more sums of money in the event of an illness or the disability of the person that occurs on the trip, or of bodily injury to, or the death of, the person that is caused by an accident while on the trip,
  - (D) against expenses incurred by the person for dental care necessitated by an accident while on the trip, or
  - (E) in the event that the person dies while on the trip, against expenses incurred for the return of that person's remains to the place where the person was ordinarily resident before death, or for travel expenses incurred by a relative of that person who must travel to identify that person's remains.

**The following businesses may apply for a restricted insurance agent's licence with respect to the identified classes:**

An Automobile Dealership, Marine Dealership, Recreational Dealership, Farm Implement Dealership and a Construction Equipment Dealership may apply for a restricted insurance agent's licence to transact equipment warranty insurance, creditors' disability insurance; creditors' life insurance; and, creditors' loss of employment insurance.

A Travel Agency may apply for a restricted insurance agent's licence to transact travel insurance as defined by insurance class "k" of this Specification.

A Transportation Company may apply for a restricted insurance agent's licence to transact: travel insurance as defined by insurance class k(i) of this Specification; and, cargo type insurance.

A Deposit Taking Institution may apply for a restricted insurance agent's licence to transact credit or charge card related insurance: creditors' disability insurance; creditors' life insurance: creditors' loss of employment insurance; export credit insurance; mortgage insurance; personal accident insurance; travel insurance within the definition of insurance class k of this specification; and, creditors' vehicle inventory insurance.

A Financing Corporation may apply for a restricted insurance agent's licence to transact: creditors' disability insurance; creditors' life insurance; and creditors' loss of employment insurance.

A Mortgage Broker may apply for a restricted insurance agent's licence to transact: creditors' disability insurance; creditors' life insurance; and creditors' loss of employment insurance.

A Customs Brokerage may apply for a restricted insurance agent's licence to transact: cargo type insurance.

A Freight Forwarding Business may apply for a restricted insurance agent's licence to transact: cargo type insurance