

Proposed Draft of The Saskatchewan Insurance Amendment Regulations, 2009

Title

1 These regulations may be cited as *The Saskatchewan Insurance Amendment Regulations, 2009*.

R.R.S. 2003, c. S-26, Reg 8 amended

2 *The Saskatchewan Insurance Regulations, 2003* are amended in the manner set forth in these regulations.

New Part IV.1

3 The following Part is added after Part IV:

“Part IV.1

Exemptions from Act for Sale of Certain Types of Insurance

15.1 In this Part:

(a) “deposit taking institution” means:

- (i) a chartered bank;
- (ii) a credit union to which *The Credit Union Act, 1998* applies;
- (iii) a trust company licensed under *The Trust and Loan Corporations Act, 1997*;
- (iv) a member institution as defined in the *Canada Deposit Insurance Corporation Act* (Canada);

(b) “restricted licensee” means a body corporate, partnership or sole proprietorship that holds a valid and subsisting restricted insurance agent’s licence, but does not include an insurer;

(c) “financing corporation” means a financing corporation, licensed pursuant to the *Trust and Loan Corporation Act, 1997*;

(d) “mortgage broker” means a licensed mortgage broker within the meaning of *The Mortgage Brokers Act*.

15.11(1) Subject to subsection (2), a restricted insurance agent’s licence may be issued to:

- (a) a deposit-taking institution,
- (b) a transportation company;

(c) a financing corporation;

(d) a mortgage broker

(d) the operator of:

(i) a travel agency;

(ii) an automobile dealership including a marine dealership, recreational dealership, farm implement dealership, construction equipment dealership;

(iii) a customs brokerage; or

(vi) a freight forwarding business.

(2) The superintendent may specify:

(a) classes or types of insurance with respect to which a restricted licensee may act or offer to act as an insurance agent; and

(b) categories of business activities with respect to which a restricted licensee may act or offer to act as an insurance agent or with respect to which a restricted insurance agent's license may not be issued.

(3) Subject to any conditions and restrictions imposed on the licence, a restricted insurance agent's licence authorizes the restricted licensee and the restricted licensee's employees to act or offer to act as an insurance agent in respect of insurance that:

(a) is specified in the restricted insurance agent's license; and

(b) is offered by the restricted licensee in the course of the conduct by the restricted licensee of the business activity specified in the restricted agent's license.

15.12 Restricted insurance agent's licences are established for restricted licensees with respect to all classes of insurance except hail insurance.

15.13(1) Sections 416 and 417 and subsections 422(3) and (4) of the Act do not apply to an individual who is acting in the course of his or her employment with a restricted licensee.

(2) Section 418 of the Act does not apply to a restricted licensee.

(3) Subsection 423(1) of the Act does not apply to an application for a restricted insurance agent's licence.

(4) Section 438 does not apply to insurance with respect to which a restricted insurance agent's license may be issued.

15.14(1) Every application for a restricted insurance agent's licence for a class of insurance must include a recommendation from an insurer that is licensed to undertake that class of insurance and that has entered into an agency contract with the applicant.

15.15 Every restricted licensee must designate an individual to be responsible for receiving notices and other documents under the Act.

15.16 Every restricted licensee must:

- (a) establish reasonable procedures to ensure that its employees who are transacting insurance for the restricted licensee are knowledgeable about the insurance being transacted; and
- (b) use those procedures.

15.17 Every insurer on behalf of which a restricted licensee is transacting insurance must:

- (a) establish reasonable procedures to ensure that personnel transacting insurance are knowledgeable about the insurance being transacted; and
- (b) use those procedures.

15.18(1) A restricted licensee must, at the time a person applies for insurance coverage:

- (a) provide to the person buying insurance:
 - (i) a summary of the terms, including limitations and restrictions, of the insurance offered;
 - (ii) a summary of the circumstances under which the insurance commences or terminates and the procedures to follow in making a claim; and
 - (iii) written documentation evidencing the insurance;
- (b) ensure that purchasers or potential purchasers of insurance are informed that they are contracting or considering contracting with an insurer and not with the restricted licensee;

- (c) ensure that written documentation is provided to the purchaser of insurance evidencing the insurance and setting out that the policy will be sent to the person, or in the case of a contract of group insurance, a certificate will be sent to the person;
- (d) notify the person buying insurance that the policy will be sent to the person, or in the case of a contract of group insurance, a certificate will be sent to the person;
- (e) provide to the person buying insurance a statement that the duration of the insurance is less than the term of the amortization period of any related loan, or that the amount of the insurance is less than the indebtedness, if that is the case; and
- (f) inform the person buying insurance that the person may contact the insurer for further information or clarification, the name of the insurer that is providing the insurance and how that insurer may be contacted.

(2) The insurer on behalf of which the restricted licensee is transacting insurance must ensure that procedures are in place to effect the requirements of this section.

(3) Where a restricted licensee or an employee of a restricted licensee receives any compensation, inducement or benefit from an insurer, directly or indirectly, for selling insurance, the restricted licensee must disclose that fact to any person who is considering buying insurance from that restricted licensee.

15.19(1) The restricted licensee:

- (a) may not use personal information given by a person buying insurance unless it is used for the purpose for which it is given and the person signs a consent that meets the requirements of subsection (2); and
 - (b) may not release the information described in clause (a) to someone who is not an employee of the restricted licensee unless the person signs a consent that meets the requirements of subsection (3).
- (2) The consent referred to in clause (1)(a) must be identified as a consent to the person who is the subject of the information and specifically identify the purpose for which the information may be used by the restricted licensee.
- (3) The consent referred to in clause (1)(b) must be identified as a consent to the person who is the subject of the information and specifically identify the information to be released, to whom the information is to be released and the purpose for which the released information may be used.

(4) Clause (1)(b) does not apply if the personal information:

(a) is released to another person as required by law; or

(b) is released to the insurer on behalf of which the restricted licensee is transacting insurance.

15.20(1) If a restricted licensee receives, for the purposes of a non-insurance transaction, personal information pertaining to a person's insurance coverage, the restricted licensee may not:

(a) release the information to another person except for the purposes of the non-insurance transaction or a similar subsequent transaction; or

(b) use the information for a purpose except for the purpose of the non-insurance transaction or a similar subsequent transaction.

(2) Subsection (1) does not apply if the release or use of the information pertaining to the person's insurance coverage is required by law.

15.21 If a restricted licensee offers financial services other than insurance and has errors and omissions insurance in respect of the other financial services, the coverage for errors and omissions required by the bylaws in respect of the restricted licensee must be separate and distinct from the errors and omissions insurance in respect of the other financial services, but may be provided within one policy of insurance.

15.22(1) Subject to subsection (2), the annual fee payable for a restricted insurance agent's licence is as follows and is based on the number of employees soliciting insurance on behalf of the restricted insurance agent's restricted licensee:

(a) 1 - 4 employees, \$150;

(b) 5 - 10 employees \$225;

(c) 11 - 15 employees \$375;

(d) 16 - 20 employees \$500;

(e) 21 - 99 employees \$700;

(f) 100 - 249 employees \$1500;

(g) 250 - 499 employees \$3000;

(h) 500 - or more \$5500.

(2) Where a restricted insurance agent's license is issued by a council, the fee mentioned in subsection (1) is payable to the council.