

CANADIAN SECURITIES ADMINISTRATORS' STAFF NOTICE 33-305

Sale of Insurance Products by Dually Employed Salespersons

On August 27, 1999, the CSA Distribution Structures Position Paper (the "Paper") was published setting out the CSA position with respect to commercial structures employed by dealer registrants. One of the issues addressed in the Paper is that of dually employed salespersons. The Paper takes the position that dual employment should be allowed provided the salesperson's other employment does not interfere with his/her duties and responsibilities as a salesperson and the dealer is responsible for all financial activities of the salesperson that are not subject to another regulatory regime. The Paper includes insurance product sales and deposit taking activities as examples of activities that are subject to another regulatory regime.

Staff has become aware that some dealers and salespersons have interpreted the Paper to mean that *all* activities of the salesperson must be the responsibility of the dealer, including the sale of insurance products.

Staff would like to emphasize that the Paper does not require salespersons to offer the sale of insurance products through a dealer. However, if insurance products are being offered through or by the dealer, the dealer would be responsible for the sale of those products by the salesperson.

Questions may be addressed to:

Wayne Alford
Legal Counsel
Alberta Securities Commission
(403) 297-2092
Wayne.Alford@seccom.ab.ca

Simon Millner
Senior Legal Counsel
British Columbia Securities Commission
(604) 899-6642 or (800) 373-6393 (in B.C.)
smillner@bcsc.bc.ca

Jennifer Elliott
Legal Counsel
Ontario Securities Commission
(416) 593-8109
jelliott@osc.gov.on.ca

Renée Piette
Conseillère à la réglementation
Commission des valeurs mobilières du Québec
(514) 940-2199 ext.4558
renee.piette@cvmq.gouv.qc.ca

Terry Ford
Deputy Director, Registration
Saskatchewan Securities Commission
(306) 787-5876
terry.ford.ssc@govmail.gov.sk.ca

January 7, 2000