
INSURANCE COUNCILS OF SASKATCHEWAN

Bulletin

May 2001

ICS Mission Statement

The Insurance Councils of Saskatchewan (ICS) are committed to a fair, ethical and professional industry which ensures that consumers receive responsible, trustworthy advice and service regarding insurance and financial matters.

Council Web Site

The Insurance Councils of Saskatchewan have completed the first stage of web site development. The site includes forms, bylaws, links and a complete listing of licensees.

The address is www.insurancecouncils.sk.ca

We look forward to your feedback.

All Licensees

Tri-West Investments Alert!

The Insurance Councils of Saskatchewan have been receiving calls from Saskatchewan residents seeking information about Tri-West Investments of Belize.

These residents were planning to or have already invested money (minimum \$1,000) with Tri-West at a promised rate of return in excess of 65% per year.

Excerpt from the Saskatchewan Securities Commission.

News Release

March 1, 2001 Securities Commission – 100
Securities Commission Issues Investment Warning

“The Saskatchewan Securities Commission has ordered people to stop selling or promoting the Tri-West Investment Club.

Tri-West is a prime bank debt instrument fraud (bank debenture trading program) being promoted on the Internet. It is similar to numerous other prime bank debt instrument frauds that have appeared in Saskatchewan over the years, with a slight twist. This scheme offers referral bonuses of up to fifteen per cent on investments made by new investors.

The companies involved are all in countries where laws are not as strict as Canada's. Tri-West Investment Club is from Belize, and Haarlem Universal Corporation, to whom the cheques are made out, is a Panamanian corporation. The money is sent to the Bahamas or Latvia.

Companies accused of this type of fraud usually say they trade in a market available only to the world's largest banks and wealthiest families. Banks trade their debt instruments back and forth amongst themselves, generating enormous returns. Returns ranging from 30 to 1000 per cent per year have been promised in Saskatchewan. The problem is these markets do not exist. In the last seven years, Saskatchewan residents have lost over \$8 million investing in these schemes.

Warning signs:

- A promise of extraordinary rates of return (in this case, 10 per cent per month);
- A requirement to send money out of the country (Latvia, Bahamas);
- A confidentiality requirement (keep deal secret); and
- A promise to deal in an exclusive market available only to a few.

It is not uncommon for scam artists to pay some money back to investors – either in the form of referral bonuses or supposed interest payments, convincing investors the investment is legitimate. This only buys the scam artists more time and keeps investors from reporting the scheme to authorities. The principle or bulk of their investment is not due for a year. That's when investors realize they have been victimized.

This particular scheme seems to have attracted a lot of Saskatchewan investors who seem almost blinded by greed and the promise of riches. Because it is being promoted on the Internet, it is difficult for authorities to deal with. It is also being promoted by word of mouth by people who are eager to take advantage of the referral bonuses.

The Cease Trade Order makes it unlawful for anyone to sell or promote Tri-West Investments in Saskatchewan."

Are you dealing with Wholesalers?

Council is aware of a number of instances where resident brokers are accessing markets through wholesale brokers who are not licensed to do business in Saskatchewan.

Wholesale brokers usually act in the capacity of general agents and therefore, require licensing in Saskatchewan even though they only deal with licensed resident brokers.

This can be a problem for the Saskatchewan broker if a problem occurs and a lawsuit arises. The wholesale broker if not licensed has no requirement to be registered as a corporation with the provincial

business registrations department and as a consequence cannot be served with legal documents within Saskatchewan.

What this means is the Saskatchewan resident broker will be sued even though the problem may not be caused by them since as they are the only legal entity easily accessible for suit.

While a Saskatchewan resident broker will not be held to be in violation of the act for dealing with unlicensed wholesale brokers, Council believes it is in the interest of the consumer and the resident broker to ensure they are dealing only with licensed wholesale brokers.

Annual Reporting Forms

The Insurance Councils of Saskatchewan annually distributes reporting forms to all licensees approximately six weeks prior to their reporting date.

The licensee is responsible to ensure the form is filed on or before the day and month indicated on the licence as the "annual reporting date".

Licensees who fail to file their annual report on or before the annual reporting date will be assessed, in addition to their annual fee, a late filing surcharge equal to fifty per cent of their annual fee.

Licensees who fail to file the annual report within thirty days of their annual reporting date will have their licence cancelled.

Since January 1, 2001, seventy licenses have been cancelled. These include the following:

- 4 Accident & Sickness
- 21 All Classes
- 37 Life including Accident & Sickness
- 6 Travel
- 2 Warranty Dealerships

Four of these cancellations were agency licenses.

In order to avoid licence cancellation and late filing fees, Council suggests licensees:

- ✓ immediately notify Council of a change in address.
- ✓ diarize your calendar approximately six weeks prior to your annual reporting date. If you have not received the form, contact the Council to obtain another copy.
- ✓ contact Council if you do not wish to renew your licence. This will allow time to close your licence and avoid late filing fees.

Did you know you can now visit Councils' web site to review the status of your licence?

The address is www.insurancecouncils.sk.ca

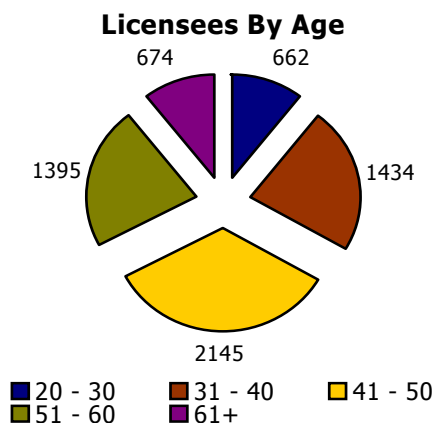
Audited Financial Statement

The December 31, 2000 Audited Financial Statement is available from the Council office upon request.

Statistical Information

The Insurance Councils of Saskatchewan is in the process of conducting an analysis of the licensing database.

The first stage of the analysis has been completed. The data indicates the following:



Licence Type	Under 40		Over 40	
	#	%	#	%
Accident & Sickness	66	42	91	58
Adjusters	12	15	66	85
All Classes	695	36	1,222	64
Hail	366	24	1,158	76
Life	715	32	1,499	68
Travel	242	58	178	42
Total:	2,096	33	4,214	67

Hail Licensees

Licensing Requirements

Hail Agents, insurers and managing general agents are reminded that all new Hail Agents must successfully write the Hail Bylaws Exam prior to applying for a licence.

Licenses who allow their licence to become inactive for thirty days or more will be required to write the bylaws exam prior to applying for reinstatement.

Annual Reporting Forms have been forwarded to licensees and must be returned to the Council office no later than June 1, 2001, to avoid suspension or late filing fees. There are approximately 817 licensees who have not yet renewed their licenses.

Errors & Omissions Insurance is still under review by Council. Licensees will be kept apprized of any developments.

Travel Licensees

Licensing Requirements

Council has approved travel bylaws which require all Travel insurance licensees to comply with the following licensing requirements:

1. New Travel only agents or individuals who have allowed their licenses to become inactive for at least thirty days, must successfully complete an Insurance Qualification Exam and a Bylaw Exam prior to applying for a licence.
2. Council wishes to confirm that all Travel licensees have complied with the Errors & Omissions Insurance (minimum of \$500,000) as of May 1, 2001.
3. All Travel only licensees (including non-residents) must obtain a minimum of three hours of continuing education annually.

Pre-approved Travel Insurance Continuing Education Course Providers include:

CAA Travel Agency Saskatchewan

200 Albert Street
Regina SK S4R 5E2
Tel: (306) 791-4441
Fax: (306) 791-4447

Hufsmith Insurance Ltd.

123 Pinehouse Drive
Saskatoon SK S7K 5W1
Tel: (306) 242-8822
Fax: (306) 933-1244

RBC Travel Insurance Company

420 – 10655 Southport Road S.W.
Calgary AB T2W 4Y1
Tel: (403) 271-0504
Fax: (403) 271-8168

TIC Travel Insurance Co-ordinators

300 – 2609 Westview Drive
North Vancouver BC V7N 4M2
Tel: (800) 663-4494
Fax: (604) 986-5797

Did you know you can obtain a current copy of the Council bylaws from the web site?

The address is www.insurancecouncils.sk.ca

Life Licensees

Continuing Education Requirements

Life licensees are reminded the first reporting period for continuing education commenced January 1, 2001. Licensees must have attained a total of thirty continuing education hours by their 2001 annual reporting date.

The credit hours must be earned within the two year reporting period. Licensees are reminded there is no carry-over provision.

On your 2001 Annual Reporting Form you will be asked to disclose the courses you have attended to obtain thirty hours of continuing education credits. Do not attach the actual attendance certificates, simply list the information as requested.

Failure to comply with the continuing education requirement will result in a suspension of your licence.

As of April 12, 2001, twenty-three licenses were suspended for failing to comply with the requirement.

Licensees should be aware that Council conducts regular audits. These audits do require the licensee to provide original copies of the certificate of attendance forms as verification of course attendance.

Segregated Fund Requirement

All Life licensees prior to selling Segregated Funds are required to provide Council with evidence of completing one of the following courses:

- Canadian Association of Insurance and Financial Advisors Segregated Funds Course (new only)
- Canadian Bankers Investments Funds Course
- Canadian Investments Funds Course offered by the Investment Funds Institute of Canada
- Canadian Securities Course offered by the Canadian Securities Institute
- The Great-West Life Assurance Company's Segregated Funds Course
- London Life Insurance Company's Segregated Funds Course
- Primerica Life Insurance Company of Canada's Segregated Funds Course (Restricted to selling Primerica Seg Funds only)

Did you know that you can obtain a complete list of licensees authorized to sell Segregated Funds by visiting the Council web site?

The address is www.insurancecouncils.sk.ca

Approved Course Providers

A list of pre-approved course providers is available upon request from Council's office or by visiting the Council web site.

Mutual Fund Dealers Association (MFDA) Financial Planning Rule

The Life Insurance Council, in addition to a joint submission with other Western Councils, believes separate comment on this matter is required due to the unique situation that exists within Saskatchewan. Saskatchewan, to our knowledge, is the only Insurance SRO that presently requires licensees who hold themselves out as financial planners to meet certain education standards. It has been doing so since 1994.

Council requires all Life Licensees to:

- Demonstrate a basic level of knowledge and competency prior to obtaining a licence by passing two nationally standardized examinations plus a Council bylaws examination.
- Demonstrate a higher standard of knowledge and understanding of life insurance and financial planning principles within three years of first becoming licensed.
- Attain a minimum of thirty hours of continuing education every two years.
- Maintain errors and omissions insurance with a minimum amount of \$1,000,000 plus fraudulent acts coverage of \$1,000,000.
- Demonstrate proficiency by attaining a recognized financial planning designation where the licensee holds themselves out as a financial planner.
- Conform to a strict code of conduct and be subject to disciplinary action by the Life Insurance Council if an infraction occurs.

As a recent case in point, the Life Insurance Council through its disciplinary process imposed a thirty year ban respecting the sale of all life insurance products on a licensee. It also demanded restitution of \$50,000 to the policyholder as part of the disciplinary settlement.

Council believes it is unacceptable and inappropriate that a mutual fund dealer should supervise the financial planning activities of a life licensee particularly where the products and services relate to life insurance which is already subject to regulation by Council.

Council believes that its concerns could be alleviated if two changes were made to the MFDA Rule. The first is the permitting of licensed life agencies (incorporated entities) and/or carrying arrangement of Rule 1.1.6. The second is that section 1.1.5 as it relates to agents specify that the MFDA Rule will only apply to activities that are otherwise unregulated.

Council welcomes the proposed MFDA regulation of financial planning and is encouraged that the MFDA will bring a greater level of supervision to the mutual fund industry. Council trusts that the MFDA recognizes that life licensees have acted as independent agents incorporated or otherwise for a number of years without evidence to suggest that the supervision requirements laid out in the MFDA Rules would improve consumer protection with respect to dual licensed/registered individuals and/or corporations.

All Classes Licensees

Continuing Education Requirements

The General Insurance Council discontinued tracking continuing education hours for licensees July 31, 1999. Licensees are reminded that they are responsible to track this information and retain certificate of attendance forms for use in the event of an audit.

Licensees are allowed to carry-over up to a maximum of eight credit hours from the previous reporting period. The balance of hours must be attained in the current reporting period.

Example

Reporting period is Aug 1, 2001

- Number of hours required 15
- Available carry-over from Aug 1, 1999 to Aug 1, 2000 8
- Hours required between Aug 1, 2000 and Aug 1, 2001 7

Please contact the Council office if you require clarification on this issue.

Continuing Education Audits

The General Insurance Council of Saskatchewan recently completed the first test audit and wishes to advise that compliance was one hundred per cent.

Council will conduct further audits this year. If notified of an audit a licensee is required to provide original copies of the certificate of attendance form to the Council office as verification of course attendance.

Guideline for Accredited Course Providers

Definition of Continuing Education

Acceptable continuing education is a structured learning program which meets the following criteria:

1. The curriculum must be directly related to:
 - knowledge relevant to giving advice about any general insurance products and services, or
 - the operation of a general insurance business

This includes programs that are structured for the specific purpose of education but excludes activities such as programs based on motivation or product specific sales promotion.

2. The number of hours of acceptable continuing education must be attested to in writing by a program provider and is measured by the actual time spent in attendance at a program. Where a program is not provided in a face-to-face setting, the program provider will designate the time required for completion of a program.

Assigning Credit Hours (subject to the percentages allowed for each category)

In order for an accredited course provider to properly assign credit hours to a particular course, the following steps must be followed:

1. Credit hours may only be provided to licensees who attend the entire session/module.
2. Assign one credit hour for each hour of actual course time. These must be allocated based on eligible continuing education course content as per the above definition of continuing education.
3. If an eight hour course ends a half hour early, it is allowable to grant eight credit hours. If a course ends more than a half hour earlier than it was scheduled to end the credit hours given must be reduced to the actual hours the course lasted.
4. A maximum of twenty-four credit hours may be awarded in respect of any one course or training program.
5. Course leaders, instructors or moderators are eligible to receive two credit hours for each hour the course has been approved. Maximum of fifteen hours.
6. Assistant course leaders, instructors and moderators are eligible to receive one and a half credit hours for each hour the course has been approved. Maximum of fifteen hours.
7. Course providers are asked to assign credit hours according to the following three categories. Credit hours may be entirely earned in any category or may be a mix of the three categories. The credit hours must be assigned in accordance with the percentage allowed for each category.

The list of qualifying items under each category is not an exhaustive list, however, it is provided as a guide to assigning continuing education (c.e.) hours.

Technical (100% credits)

Information must be directly related to giving advice regarding All Classes of insurance other than Life insurance.

Continuing education credits may be granted equal to 100% of the course/class time.

Examples:

- Claims management
- Policy contract wording
- Risk identification
- Risk management
- Specialized insurance and risks
- Underwriting of risks

Management (75% credits)

Information must be related to the administrative/management functions of an All Classes insurance agency. Continuing education credits may be granted equal to 75% of the course/class time.

Examples:

- Accounting
- Computerization – software designed specifically for a All Classes agency – i.e Agency Manager
- Human resources

Personal Skills (50% credits)

Information must be related to the development of personal skills important to servicing insurance customers. Continuing education credits may be granted equal to 50% of the course/class time.

Examples:

- Communication and writing skills
- Customer service
- Non-product specific sales, market and promotion skills
- General computer courses – i.e. Microsoft Word, Access, etc.

Sample

1. Day 1	Policy wording (TECHNICAL) 8 hours @ 100% =	8 c.e.
Day 2	Policy wording (TECHNICAL) 4 hours @ 100% = Accounting (MANAGEMENT) 4 hours @ 75% =	4 c.e. 3 c.e.
Day 3	Effective writing (PERSONAL SKILLS) 8 hours @ 50% =	<u>4 c.e.</u>
	Total =	19 c.e.

Approved Course Providers

A list of pre-approved course providers is available upon request. Please contact the Council office to obtain this list or visit the Council web site at www.insurancecouncils.sk.ca

Errors & Omissions Insurance

Council has requested that All Classes agencies and Direct Writers (excluding Travel) be advised that a review of the limit of E & O insurance coverage is being conducted.

The Council is considering an increase to the E & O limit in two phases. The initial increase to \$500,000 (\$1M aggregate) would occur by December 31, 2002. A further increase from \$500,000 to \$1M is under consideration for 2004.

The E & O limits as presently recorded with Council are as follows:

59 licensees	\$100,000 - \$499,999 limit
410 licensees	\$500,000 + limit

Please address your written comments to the Council office.

Ian Stuart, Ian Stuart-Smith, Ian Smith and Heritage International

Liberty International Canada would like to make it known to all relevant parties that none of the above entities have the authority to represent Liberty International Canada, Liberty Mutual Insurance Company or any other member of the Liberty Mutual Group.

Should any licensee have knowledge of any representations made by Ian Stuart, Ian Stuart-Smith, Ian Smith and Heritage International on behalf of the Liberty Mutual Group, please send details of such representation in writing addressed to:

Harvey Swedlove
Liberty Canada, Liberty Centre
3500 Steeles Avenue East
Markham ON L3R 0X4

Puget's Sound Agricultural Society

Council has received the following information from Bernard Rodrigues of the Alberta Treasury.

The RCMP in Alberta have laid two charges against an individual who has produced a Puget's Sound financial responsibility card as proof of insurance. One conviction has been obtained to date. It is possible that individuals in other provinces and territories are members of Puget's Sound and are using the financial responsibility card as proof of valid automobile insurance.

An article from Property/Casualty BestWeek dated August 28, 2000, is reproduced below.

Conn. Stops Auto Insurer's Internet Sales

Connecticut regulators have ordered a California company to stop selling automobile insurance to Connecticut residents through its Web site.

Puget's Sound Agricultural Society Ltd., which bills itself on its Web site as "a Christian membership society," was ordered by the state Department of Insurance to stop selling auto insurance in Connecticut after the department received a complaint from the state Department of Motor Vehicles.

Insurance department spokesman Walter Bell said the motor vehicle agency was alerted when a Connecticut motorist tried to renew the registration on his car. Since Puget's Sound isn't a licensed insurer in the state, his registration was denied.

"This is not an entity that is an insurance company or is licensed to do business in the state of Connecticut," Bell said.

James Kalfsbeek, a spokesman for Puget's Sound, responded with a faxed statement denying that Puget's Sound sells insurance or collects premiums.

"Members of Puget's Sound Agricultural Society are Christian men and women responsible for their own actions (automobile liability) accidentally damaging others in accordance with the scriptures (we are responsible for our own actions) and do collectively have automobile financial responsibility," the statement said.

The insurance department has requested information from Puget's Sound on how many state residents may have paid it for coverage, Bell said. The Aug. 9 request has received no response, Bell said.

Puget's Sound's Web site claims the organization isn't an insurer or a business, makes no profit, is not an agent and doesn't sell anything. Based in Winters, California, Puget's Sound offers something called "Vehicle Financial Responsibility Program," which it claims is "a low-cost alternative to other plans, such as commercially available insurance," according to the Web site.

Disciplinary Action

April 2, 2000 – April 30, 2001

A licensee using any information in this Bulletin to discredit another licensee or any other person will be in violation of the bylaws and called to account for their actions.

Letters of Warning

Andres Marcelo Davalos, representing The Standard Life Assurance Company, received a letter of warning for providing inaccurate Disclosure Statements.

He was found to have failed to accurately and fully complete Part H of the disclosure statements, as it related to the current and future values, for both the existing and proposed insurance.

Thomas Joseph Keon, representing RBC Life Insurance Company, received a letter of warning for failing to provide to an existing insurer, within three days of taking an application for insurance that was intended to replace an existing insurance policy a duly completed disclosure statement.

Barbara Ann Miller, representing Primerica Life Insurance Company of Canada, received a letter of warning for providing an inaccurate disclosure statement.

Mrs. Miller ignored the dividend values of the existing insurance and failed to use policy information that was provided by the existing insurer.

Judith Mae Tourscher, representing The Standard Life Assurance Company, received a letter of warning for countersigning inaccurate and incomplete disclosure statements.

Ms. Tourscher was found to have countersigned disclosure statements that were not fully or accurately completed. When a Level II agent accepts countersigning responsibility, the Level II agent must ensure that the disclosure statement being countersigned is duly completed in all respects.

Disciplinary Hearings

Donald Dennis Danyluk representing The Wawanesa Life Insurance Company had his Life and Accident & Sickness licence, which was currently under suspension due to sponsorship withdrawal, cancelled for his lifetime.

Mr. Danyluk was found to have failed to act in utmost good faith in his dealings with a policyholder by making false and/or misleading representations to an insurer that falsely represented the client's intention to cash surrender a policy of insurance.

Mr. Danyluk arranged for the cash surrender cheque to be directed to him and then cashed the cheque. His actions left a policyholder uninsured until the transaction was discovered by the policyholder. The insurance company was able to determine that false documentation had been provided to the insurance company.

Stanley Eric Dixon, representing The Maritime Life Assurance Company, had his Life and Accident & Sickness licence suspended for a period of six weeks from September 18, 2000, through to and including October 27, 2000. Upon relicensing Mr. Dixon must successfully complete an education course leading to the Certified Financial Planning Designation (CFP).

Mr. Dixon was found to have failed to act with utmost good faith and by doing so breached his fiduciary duty to his client to provide balanced and prudent recommendations respecting the purchase of insurance products. He was also found to not have acted in the interests of the insured by recommending insurance products that were inappropriate to the client's needs and financing capabilities.

Jean Maximilien Lambert, representing The Canada Life Assurance Company, had his Life and Accident & Sickness licence suspended for seven days from June 12, 2000, through to and including June 18, 2000.

Mr. Lambert admitted to failing to ascertain whether replacement of a contract of life insurance was being planned and as a consequence failed, prior to the taking of an application for insurance where replacement was involved to present and

review with the applicant a duly completed disclosure statement.

John Greg Pearson, representing The Manufacturers Life Insurance Company, had his Life and Accident & Sickness licence suspended for a period of four weeks from November 27, 2000, through to and including December 27, 2000.

Mr. Pearson was found to have failed to do a disclosure statement where replacement was intended and for not acting in good faith when he provided false and/or misleading statements to an insurer respecting the insured's intention to replace existing insurance.

Jeremy Paul Saxby, representing The Standard Life Assurance Company, had his Life and Accident & Sickness Licence suspended for seven days from May 14, 2001 through to and including May 20, 2001.

Mr. Saxby received the suspension as a consequence of his failing to, within ten days of taking an application of insurance as a Restricted Level I Licensee, have a Supervision Certificate duly completed and signed by a Level II Licensee.

Maurice Wilfred Roberge, representing The Maritime Life Assurance Company, had his Life and Accident & Sickness Licence that was currently under suspension due to cancellation of Errors & Omissions Insurance, cancelled until June 30, 2007.

Mr. Roberge was found to have failed to carry on business in good faith, in conformity with the provisions of the Life Insurance Council Bylaws and the law of each jurisdiction in which he held a licence, when he breached the registration requirement of Section 27 of The Securities Act, 1988 and the prospectus requirement of Section 58 of The Act, and traded in unregistered securities.

Mr. Roberge was, as well, found to have demonstrated an incompetence and/or untrustworthiness to act as an insurance agent through his involvement in promoting an investment in an off-shore bank debenture trading program, which had

all of the characteristics of a prime bank debt instrument scheme.

Wilfredo Crisostomo Santiago, representing Westbury Canadian Life Insurance Company, had his Life and Accident & Sickness licence suspended for six months from October 17, 2000, through to and including April 17, 2001.

Mr. Santiago was found to have failed to act in utmost good faith by witnessing signatures that were not those of the policyholder. In addition, he allowed the insurance company to believe that the signatures on several documents were those of the policyholder.

Mr. Santiago as well failed to appear at a hearing duly convened by the Life Insurance Council and as a consequence of his failure to appear received a three month concurrent suspension.

Michelle Dawn Verhelst, representing The Equitable Life Insurance Company of Canada, had her Life and Accident & Sickness Licence cancelled, pursuant to Section 13 of the Life Insurance Council Bylaws, when she was convicted under Section 334 (b) of the Criminal Code, for stealing money of a value not exceeding \$5,000.

General Insurance Council

IBAS Appointments

Chairman

J. Drew Byers, AIIC Tel: (306) 653-2233

Vice Chairman

Dwight Dunn, CAIB, CCIB Tel: (306) 698-2513

Randy Buschmann, CAIB, CCIB Tel: (306) 682-2656

J. Bruce Pendleton, AIIC, CAIB Tel: (306) 244-7955

Superintendent Appointments

Dave Prociuk, AIIC Tel: (306) 651-4424

Hugh Smith Tel: (306) 789-7720

Doug Wright Tel: (306) 934-7312

Hail Insurance Council

Superintendent Appointments

Chairman

Leon Cornet Tel: (306) 648-3456

Arden Body Tel: (306) 372-4383

Dwayne Mitchell Tel: (306) 446-1326

Walter Weir Tel: (306) 586-9750

CCHA Appointments

Vice Chairman

Rob Goeres Tel: (306) 584-8844

Murray Bantle Tel: (306) 242-1415

Dennis Reidy Tel: (306) 694-5959

Life Insurance Council

CAIFA Appointments

Chairman

Fred H. Smith, CFP, RFP Tel: (306) 651-4270

Gil Ennis, CFP, CLU, CH.F.C. Tel: (306) 789-3744

Bob Sutton, CFP, CLU, CH.F.C., RFP Tel: (306) 934-5540

CLHIA Appointments

Vice Chairman

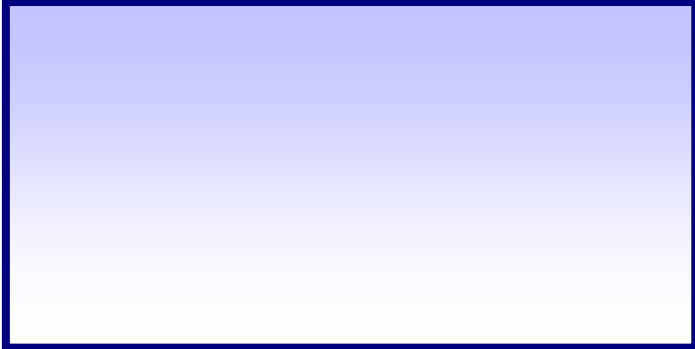
Ron Fullan Tel: (306) 751-6333

Richard Tomalty, CFP, CLU, CH.F.C. Tel: (306) 934-7060

Brian Kilback, CFP, CLU, CH.F.C. Tel: (306) 757-8631

Superintendent Appointments

Tracey Bakkeli Tel: (306) 585-0974
Amber Bieber Tel: (306) 373-8257
Beverly DeJong Tel: (306) 729-4330



Staff

Ernie Gaschler **Administrator**
ernie.gaschler@ibas.sk.ca

Penny Barlow **Licensing Officer/
Compliance Assistant**
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Annette Graff **Administrative Assistant**
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Diane Lindsay **Licensing Officer**
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Cindy Swales **Licensing Officer**
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John Waugh **Director of Compliance**
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Licensing **(306) 347-0862**
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Insurance Brokers' Association of SK

Examinations and Study Material

Ingrid Stroeder **Exam Co-ordinator**
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Exam Scheduling **(306) 525-5900**
Fax **(306) 569-3018**



BYLAW AMENDMENTS

As of October 31, 2000

ADJUSTER'S BYLAWS

- Section 3. (1) (a) have been licensed as a Level One Licensee for a minimum of one year and have passed four courses leading to the Chartered Insurance Professional (CIP) or an Associateship (AIIC) in the Insurance Institute of Canada; or
- Section 4. (1) (a) establish eligibility to hold a Level Two Licence and have passed eight courses leading to the Chartered Insurance Professional (CIP) or the Associateship (AIIC) in the Insurance Institute of Canada; or
- (b) have held a Level Two Licence for a minimum of two years and have passed eight courses leading to the Chartered Insurance Professional (CIP) or the Associateship (AIIC) in the Insurance Institute of Canada; or
- Section 5. (1) (a) have attained the Chartered Insurance Professional (CIP) or the Associateship (AIIC) in the Insurance Institute of Canada and completed a minimum of two years practical adjusting experience in the employment of a Level Five Licensee; or
- (b) have attained the Chartered Insurance Professional (CIP) or the Associateship (AIIC) in the Insurance Institute of Canada and have five years continuous employment as a general adjuster; or

Level Five – Adjusting Firm

- Section 6. (1) An applicant shall have at least one Level IV licensee sponsored at all times. Failure to do so will result in an immediate suspension of the adjusting firm's licence until proof is provided to Council that the adjusting firm has a Level IV licensee sponsored.
- (2) (a) An adjusting firm that operates branch office(s) within Saskatchewan shall designate a Level IV licensee to provide supervision for the branch office(s). A Level IV licensee that has been designated as the Level IV licence at one location can not be designated as the Level IV licensee at any other office location; and
- (b) the branch office(s) must be staffed by on site personnel and be open during regularly scheduled business hours.
- (3) If a partnership or corporation, provide evidence that the partnership or corporation is registered with the Corporations Branch of the Government of Saskatchewan.

Non-resident Licensing Requirements

- Section 7. (1) Where the applicant is applying for a non-resident licence the applicant shall be eligible for licensing after satisfying Council that an equivalent level of licence is held in another jurisdiction and the application provides a non-resident endorsement to Council.

Sponsorship

- Section 7. (2) The applicant must be sponsored by a Level Five Licensee.

GENERAL BYLAWS

- Section 2. any four of the Broker Agents Program courses towards the Insurance Institute of Canada Chartered Insurance Professional (CIP) designation; or
- Section 3. (b) a Chartered Insurance Professional (CIP) or an Associate (AIIC) designation through the Insurance Institute of Canada.
- Section 4. (b) a Fellow Chartered Insurance Professional (FCIP) or a Fellowship (FIIC) designation through the Insurance Institute of Canada.
(c) a Chartered Insurance Professional (CIP) or an Associate (AIIC) designation through the Insurance Institute of Canada plus Course 931 (Insurance Brokerage/Agency Operations) of the Fellow Chartered Insurance Professional (FCIP) program.
- Section 4.2 (1) (a) (ii) a Chartered Insurance Professional (CIP) or an Associate (AIIC) designation through the Insurance Institute of Canada; or
(b) (ii) a Fellow Chartered Insurance Professional (FCIP) or a Fellowship (FIIC) designation through the Insurance Institute of Canada; or
(iii) a Chartered Insurance Professional (CIP) or an Associate (AIIC) designation through the Insurance Institute of Canada plus Course 931 (Insurance Brokerage/Agency Operations) of the Fellow Chartered Insurance Professional (FCIP) program.

Travel Only Licence

- Section 4.3 (1) Effective March 1, 2001, an applicant for a Travel Only Licence must complete the licensing requirements set out in either subsection (a) or (b) of this section:
- (a) Successfully complete the following examinations approved by Council:
- (i) General Insurance Council Bylaws; and
 - (ii) Accident and Sickness Insurance
- Or
- (b) Successfully complete the following examination and course approved by Council:
- (i) General Insurance Council Bylaws; and
 - (ii) Universal Career College Travel Course (U.C.C.) (Rev. 11/00)
- (2) An applicant must obtain a pass mark of not less than 75% on the examinations specified in subsection (1), subparagraph (a), (i) and (ii) and subparagraph (b), (i). (Rev. 11/00)
- (3) An applicant shall be entitled to attempt the examination specified in subsection (1), subparagraph (a), (i) and (ii) and subparagraph (b), (i) three (3) times. (Rev. 11/00)
Where an applicant is not successful on the third attempt they shall not be eligible to attempt the examination(s) until six (6) months from the date of the third attempt. After the mandatory six (6) month waiting period an applicant may attempt each examination once, thereafter each attempt shall be at a minimum of six (6) month intervals. (Rev. 11/00)
- (4) An applicant who holds a subsisting licence at the time of application shall not be required to write the examination(s) referred to in (1), (a) or (b) of this section. (Rev. 11/00)
- (5) Where an applicant whose licence:
- (a) has expired and the period of time between the expiration and the application is less than thirty (30) days; or
 - (b) been suspended for a period of less than thirty (30) days;
- the applicant shall not be required to write the examination(s) referred to in (1), (a) or (b) of this section. (Rev. 11/00)

Travel Only Agency licence

- Section 7.1 (1) An applicant who proposes to use a business name other than the applicant's own personal name must provide evidence that the corporation, partnership or business name is registered with the Corporations Branch of the Government of Saskatchewan. (Rev. 11/00)

- (2) An agency shall have at least one Travel Only licensee sponsored at all times. Failure to do so will result in an immediate suspension of the agency licence until proof is provided to Council that the agency has a Travel Only licensee sponsored. *(Rev. 11/00)*

- Section 9.1 (1) A licensed Travel Only agency or a Travel Only licensee sponsored by a direct writer shall, as a condition of licence:
- (a) maintain and provide proof of a valid policy of Errors and Omissions Insurance that meets the following conditions:
- (i) a minimum of \$500,000 coverage;
 - (ii) be broad enough to cover all insurance products which a licensee is licensed to sell as defined by The Saskatchewan Insurance Act; and
 - (iii) the insurer shall provide Council with notice required in paragraphs (A) and (B), by registered mail, of cancellation, non-renewal or any change whereby the policy does not meet the limits or conditions (hereinafter referred to as the action) set out in this Section.
 - (A) where the insurer takes the action, the insurer shall give thirty (30) days advance notice to Council; or
 - (B) where the insured takes the action, the insurer shall give immediate notice to Council. *(Rev. 11/00)*

- Section 9.1 (2) **Exemption**
A Warranty Only licensee selling only Extended Third-Party Warranty insurance is exempt from the requirements of this Section. *(Rev. 11/00)*

Minimum hours required

- Section 16. (1) Licensees who do not qualify under Section 16 (2), (3) or (4) are required to attain a minimum of fifteen (15) credit hours of education each year. *(Rev. 11/00)*
- (4) Travel Only licensees are required to attain a minimum of three (3) credit hours of continuing education each year. *(Rev. 11/00)*
- Section 16. (3) Licensees who hold one of the following recognized insurance designations are required to attain a minimum of eight (8) credit hours of education each year:
- (f) CRM (Certificate in Risk Management) *(Rev. 6/00)*
 - (g) FRM (Fellow in Risk Management)
 - (h) CIP (Chartered Insurance Professional of the Insurance Institute of Canada)
 - (i) FCIP (Fellow Chartered Insurance Professional of the Insurance Institute of Canada)

Classification of credit hours and carry-over provision

- Section 17 (1) (a) Continuing education for All Classes licensees must be directly related to knowledge relevant to giving advice about general insurance products or services, or the operation of a general insurance business. This includes programs that are structured for the specific purpose of education, but excludes activities such as programs and meetings primarily based on sales production, promotion and motivation. *(Rev. 7/99, 11/00)*
- (b) Excess hours are subject to a maximum carry over of eight (8) hours. *(Rev. 7/99)*
- Section 17. (1.1) (a) Continuing education for Travel Only licensees must be directly related to knowledge relevant to giving advice about travel insurance products. This includes programs that are structured for the specific purpose of education, but excludes activities such as programs and meetings primarily based on sales production, promotion and motivation. *(Rev. 11/00)*
- (b) Travel Only licensees are not eligible to carry over continuing education credit hours. *(Rev. 11/00)*

Terms of credit

- Section 20. (1) Course leaders, instructors or moderators are eligible to receive two hours for each hour the course has been approved, to a maximum of fifteen (15) hours. For Travel Only licensees, the maximum is three (3) hours. *(Rev. 7/99, 11/00)*

- (2) Assistant course leaders, instructors and moderators are eligible to receive one and a half hours for each hour the course has been approved, to a maximum of fifteen (15) hours. For Travel Only licensees, the maximum is three (3) hours. *(Rev. 7/99, 11/00)*

HAIL BYLAWS

Administration

Powers of Administrator

- Section 8 (1) Pursuant to the Insurance Council Regulations, Chapter S-26, Reg. 2, the Administrator is authorized, under the general supervision of the Hail Insurance Council, to exercise:
- (a) the power of licence granting where all of the applicable items listed in clause (c) have been complied with; and
 - (b) the power of licence refusal or cancellation where at least one of the applicable items listed in clause (c) has not been complied with.
 - (c)
 - (i) required applications;
 - (ii) licence fees;
 - (iii) errors and omissions insurance or bond requirements;
 - (iv) entry level education requirements;
 - (v) continuing education standards; or
 - (vi) any other licensing requirement set out in these Bylaws. *(Rev. 09/96)*

Application for licence

- Section 8.1 Every application for a licence shall be made to Council upon a form prescribed by Council and shall be accompanied by the fee prescribed by these Bylaws. *(Rev. 09/96)*

Continuous licence

- Section 8.2 (1) A licence issued before May 1, 2000, shall continue in force indefinitely unless suspended or cancelled. *(Rev. 05/00)*
- (2) A licence issued on or after May 1, 2000, shall continue in force indefinitely unless suspended or cancelled. *(Rev. 05/00)*

Annual reporting requirements

- Section 8.3 (1) All Hail Only Licensees shall have a common annual reporting date of June 1st. *(Rev. 05/00)*
- (2) A licensee shall file an annual report in a form approved by Council. This report shall be in the form of a declaration and shall contain information as required by Council. *(Rev. 05/00)*
- (3) The report shall be filed each year on or before the day and month indicated on the licence as the "annual reporting date". *(Rev. 05/00)*
- (4) Licensees who fail to file their annual report on or before the annual reporting date shall be assessed, in addition to their annual fee, a late filing surcharge equal to fifty per cent of their annual fee.
- (5) Licensees who fail to file their annual report within thirty days of their annual reporting date shall have their licence cancelled.
- (6) A licensee who makes a false declaration in respect of the declaration referred to in Section 8.3(2) will be subject to disciplinary action for untrustworthiness to act as an agent pursuant to clause 439 (d) of The Saskatchewan Insurance Act. Penalties could include licence suspension or cancellation.

Annual fees

- Section 8.4
- (1) A licence shall not be issued to an applicant unless the applicant pays the applicable annual fees provided for in Section 8.4 (5). *(Rev. 05/00)*
 - (2) Licensees shall pay their annual fee each year on or before the day and month indicated on their licence as the "annual reporting date". *(Rev. 05/00)*
 - (3) Licensees who fail to pay the applicable annual fees on or before their annual reporting date shall be assessed, in addition to their annual fee, a late filing surcharge equal to fifty percent of their annual fee. *(Rev. 05/00)*
 - (4) Licensees who fail to pay the applicable annual fees within thirty (30) days of their annual reporting date shall have their licence cancelled. *(Rev. 05/00)*
 - (5) The annual fees are as follows:
 - (a) The annual fee for an agency licence for:
 - (i) Hail only \$55
 - (b) The annual fee for an individual agent or salesperson for:
 - (i) Hail Only \$35*(Rev. 05/00)*

Other fees

- Section 9.
- (1) An administration fee of \$25 is required for:
 - (a) transfer of sponsorship from one insurer to another;
 - (b) issuing a duplicate licence;
 - (c) reinstatement of a licence;
 - (d) certificate of licence status; *(Rev. 09/96)*
 - (e) adding or deleting a licence class to an existing licence; *(Rev. 04/98)*
 - (f) any amendment to a licence that may be required to ensure compliance with the requirements of The Saskatchewan Insurance Act or Council's bylaws. *(Rev. 02/01)*
 - (2) An administration fee of \$25 shall accompany all requests for a non-resident endorsement.
 - (3) An administration fee of up to \$50 shall be retained where an application for licence has been received but: *(Rev. 04/98)*
 - (a) not issued.
 - (b) denied by Council. *(Rev. 04/98)*
 - (c) the application is so incomplete as to require supplemental information to be provided by the applicant and where such additional information is not provided within thirty (30) days of the initial request, such application shall be deemed to be withdrawn and returned to the applicant.

Refund of fees

- Section 10. No refunds of annual fees will be made once a licence has been issued. *(Rev. 05/00)*

Reinstatement or re-issuance of a licence

- Section 11.
- (1) Where a licence has been suspended, all annual fees, fines or penalties owing by the licensee at the time of the suspension shall be paid before the licence will be reinstated. *(Rev. 05/00)*
 - (2) Where a licence has been cancelled, all annual fees, fines or penalties owing by the licensee at the time of the cancellation shall be paid before a licence may be reissued. *(Rev. 05/00)*

Notice requirements

- Section 11.1
- (1) **Agency notification where change of ownership**
A licensee registered under The Business Names Registration Act or The Corporations Act must immediately notify Council of any change in the ownership of the firm or corporation.
 - (2) **Transfer of sponsorship**
Where a licensee changes sponsorship, Council shall notify the former sponsor that they have been relieved of responsibility with respect to sponsorship only of that licensee.

(3) **Notification by sponsor where sponsorship is withdrawn**

A sponsor shall notify Council within five (5) days of withdrawal of sponsorship with the reason(s) in writing.

Extension of time to meet requirements

- Section 11.2 (1) An applicant or licensee who cannot meet the requirements with respect to the issuance of a licence or the annual requirements for a licence within the time period prescribed in the bylaws may apply to the Council, within that time period or within sixty days, thereafter if the Council is satisfied the application could not have reasonably been made within the prescribed period, for an extension of time within which to meet the requirements. *(05/00)*
- (2) An applicant or licensee requesting an extension of time must satisfy the Council that:
- (i) all of the requirements with respect to the licence except for the requirement with respect to which the application is sought have been complied with;
 - (ii) the requirement cannot be met within the prescribed time period due to reasons that are beyond the control of the applicant or licensee;
 - (iii) the requirement will be met within the period of time for which the extension has been requested;
 - (iv) granting the extension would not be prejudicial to the public; and
 - (v) the applicant or licensee is otherwise suitable to be licensed
- (3) Where the Council is satisfied that it is appropriate to grant an extension of time, the Council may issue a conditional licence or impose conditions on a licence requiring that an applicant or licensee comply with the conditions within the period of the extension that has been granted. *(Rev. 03/98, 05/00)*

Exemptions from licensing requirements

Section 11.3 Where the Council is satisfied that:

- (a) an applicant or licensee has education, training, work experience and professional qualifications that are equivalent to all the requirements for education and licensing in the bylaws for the level of licence being applied for;
 - (b) the applicant or licensee has otherwise complied with the administration, education and licensing requirements in the bylaws; and
 - (c) the applicant or licensee is otherwise suitable to be licensed;
- the Council may issue the appropriate licence to the applicant or licensee. *(Rev. 03/98)*

Agency suspension where no licensed agent

Section 11.4 Where an agency ceases to have a licensed agent, such agency licence shall be immediately suspended by the Administrator.

Sponsorship

Section 11.5 Every licence application for,

- (a) A Hail Only Agents Licence; or
- (b) A Hail Only Agency Licence

shall be sponsored by a Hail Insurer or an authorized Managing General Agent of a Hail Insurer.

Suspension of sponsorship

Section 11.6 Where sponsorship is withdrawn the licence shall be immediately suspended.

Publication of suspension or cancellation

Section 11.7 Council may publish in a form and at such frequency as it determines to be in the public interest, a list of all licensees whose licenses have been suspended or cancelled. *(Rev. 05/00)*

LIFE BYLAWS

Other fees

- Section 17. (1) An administration fee of \$25 is required for: *(Rev. 04/98)*
- (a) transfer of sponsorship from one insurer to another.
 - (b) issuing a duplicate licence.
 - (c) reinstatement of a licence.
 - (d) certificate of licence status.
 - (e) adding or deleting a licence class to an existing licence. *(Rev. 04/98, 05/00)*
 - (f) any amendment to a licence that may be required to ensure compliance with the requirements of The Saskatchewan Insurance Act or Council's Bylaws. *(Rev. 04/98, 05/00)*

RETURN TO

**Insurance Councils of Saskatchewan
310 – 2631 – 28th Avenue
Regina SK S4S 6X3**

ADDRESS CORRECTION REQUESTED

