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

www.insurancecouncils.sk.ca

Insurance Councils of Saskatchewan

Administration Section

Reminder to licensees

Licensees are required to renew their licence annually and to conform to the various requirements contained in the bylaws.

Listed below are a few reminders for your reference.

1. *Licensees are required to renew their licence annually* on or before the day and month indicated on their licence known as the 'annual reporting date'.

Licensees who fail to renew their licenses by the reporting date will be subject to late filing fees and/or licence cancellation.

2. *Certificate of Attendance Forms for continuing education* are not required to be attached to the Annual Reporting Form.

You must retain all copies of the education credit forms in the event you are selected for an audit.

3. *A current copy of your Errors & Omissions Insurance* is now required to be attached to the Annual Reporting Form.
4. *A copy of your receipt* is verification of licence renewal.
5. *Agency Licenses* which include corporations, partnerships, registered trade styles and sole proprietors are reminded the

licensee cannot carry on business in a name or under a trade style other than the name in which the licence has been granted.

6. *Any change in ownership of an agency* must be filed in writing with the Council office.
7. *A change in a licensee's name* must be filed in writing no later than thirty days after the occurrence.
8. *Application for Licence Forms* can be obtained from the Council office or the web site.

Please refer to the bylaws for further details or clarification of the above items.

Payment of Fees

The Insurance Councils are investigating the payment of licence fees by Visa, MasterCard and debit card transactions.

Council is assessing the value and implications of this payment method. Please email Annette Graff at annette.graff@ibas.sk.ca if you believe credit/debit transactions would benefit the licensing process.

Audited Financial Statement

The December 31, 2002 Audited Financial Statement is available from the Council office upon request.

Industry Notice Section

Unlicensed Broker

Special Risk Insurance Brokers Ltd. 15573 Marine Drive, White Rock, B.C., is not licensed to transact insurance business in Saskatchewan.

Council has received information that Special Risk Insurance Brokers Ltd. are quoting on Saskatchewan business. Council cautions brokers who deal with unlicensed managing general agents that this poses certain risks for the broker since the broker will likely be the only Saskatchewan licensed entity.

If a Saskatchewan broker uses an unlicensed insurer it is the responsibility of the broker to contact the Superintendent of Insurance to determine the amount of premium tax to be collected. Failure to do so will place the broker in contravention of The Saskatchewan Insurance Act.

Brokers should know that if they deal with an unlicensed insurer they may not be covered under their E & O policy.

The Council recommends that you seek clarification with your E & O carrier.

Public Awareness

The Office of the Superintendent of Financial Institutions Canada (OSFI), as part of its contribution to the soundness of the Canadian financial system, publishes the names of entities that it believes may be of concern to the business community and the public. These entities are not regulated by OSFI or licensed

under any Canadian federal financial institutions legislation.

OSFI has issued a warning notice regarding a fictitious company, Empire Financial Group, of Newmarket Ontario, and a related entity, Reliance Insurance Company (not connected with the Reliance Insurance Company, a legitimate insurance company).

Neither entity is authorized as a Canadian financial institution. For more information, please contact OFSI at (www.osfi-bsif.gc.ca) or Phonebusters (www.phonebusters.com).

The OSFI web site includes information for consumers regarding various scams, links to the RCMP web site regarding fraud scams, list of licensed insurers, list of regulated financial institutions and more.

OmbudsNetwork

The Financial Services OmbudsNetwork (FSON), an independent, integrated complaint management and dispute resolution service for financial services consumers became fully operational in November 2002.

For more information please visit the Financial Services OmbudsNetwork web site at www.cfson-crcsf.ca.

Hail Section

Hail Adjuster Licence

The Hail Insurance Council of Saskatchewan commenced to licence Hail Adjusters effective January 1, 2003.

Individuals may qualify for licensing by either successfully writing the Hail Adjuster Examination or by providing evidence they have acted as a hail adjuster for a period of at least two years within the four years immediately prior to January 1, 2003.

Hail Adjuster Licensing Information, Hail Adjuster Bylaws and Application for Licence Forms can be obtained by contacting the Council office or by visiting the Council web site.

Errors & Omissions Insurance

Errors & Omissions 'E & O' insurance is now mandatory for all licensed Hail Agencies and Hail Agents.

Your Hail Agency or Hail Agent licence may be suspended if you fail to maintain or provide proof of a valid E & O insurance policy.

A licensee who fails to maintain or notify Council of cancellation or non-renewal of his or her E & O insurance will be in breach of the misconduct section of the bylaws.

To date the following E & O providers have identified themselves to Council.

Co-operators	(306) 934-7309
Encon	(613) 786-2218
Galon Insurance Brokers	(306) 525-0888
Henderson Insurance	(306) 694-5959
Independent Agencies	(306) 782-2275

Hail Bylaw Examination

All new applicants and individuals who allow their licence to become inactive for thirty days or more are required to successfully pass the Hail Bylaw Examination prior to licensing.

Copies of the examination registration form may be obtained from the Examination Coordinator at (306) 525-5900 or from the Council web site.

Life and Accident & Sickness Section

Life Licence Qualification Program (LLQP)

(Includes Accident & Sickness Only Licensees)

Effective January 1, 2003 it is mandatory for all applicants to enroll in an LLQP course of study and to be certified by an LLQP course provider prior to writing the provincial licence examination.

Upon certification by a course provider, arrangements can be made with the Examination Coordinator to schedule an examination sitting.

Upon successfully passing the required examination(s) the applicant may apply for an insurance agent licence.

Cancelled Level 2 Licenses

Individuals who have had their licence cancelled for failing to comply with the Level 2 education requirement may only re-qualify for a licence by successfully completing the LLQP Full course and examination.

Level 1 Licence

An individual qualifying for a Level 1 Licence under the LLQP Partial (Part A) must:

1. Within 180 days of initial licensing enroll in the full LLQP course; and

2. Within two years of initial licensing successfully complete the LLQP Full course and examination.

Failure to successfully complete items 1 and 2 will result in cancellation of the licence.

Supervision Requirements for Life including A&S Licensees

Where a licensee is the holder of a Level 1 or Level 2 Life and A&S Insurance Licence and has less than 2 years licensed experience or is subject to existing supervision requirements, must within ten days of taking an application for insurance ensure that a Supervision Certificate approved by Council is completed and signed. The certificate must be signed by a Level 2 licensee having at least three years licensed experience and who is not subject to licence restrictions for the insurance product he or she is accepting responsibility. A copy of the Supervision Certificate must be retained in the applicant's file.

Note:

Individuals licensed prior to January 1, 2003 may remove the supervision restriction by obtaining a Level 2 Licence.

Individuals licensed on or after January 1, 2003 must be licensed for a period of not less than 2 years before the supervision restriction may be removed from the licence.

Supervision Requirements for Accident & Sickness Licensees

Where a licensee is the holder of an Accident & Sickness Insurance Licence and has less than 2 years licensed experience or is subject to supervision requirements, he or she must within ten days of taking an application for insurance ensure that a Supervision Certificate approved by Council is completed and signed. The certificate must be signed by an

Accident & Sickness Licensee or by a Level 2 Life and A&S Licensee having at least three years licensed experience and who is not subject to council restrictions for the insurance product he or she is accepting responsibility.

A copy of the Supervision Certificate must be retained in the applicant's file.

Note:

The A&S supervision requirement only applies to individuals who were licensed for the first time on or after January 1, 2003.

Segregated Fund Requirements

A licensee shall not act as an agent in the sale of segregated funds unless the licensee has passed a course approved by Council.

The list of approved segregated fund courses and a list of individuals restricted from selling segregated funds can be obtained from the Council web site.

Licensees who are currently restricted must provide appropriate evidence to Council before having the licence restriction removed.

Continuing Education Requirements

All licensees including non-residents must comply with the continuing education requirements of the Life Council Bylaws.

Non-resident licensees who comply with continuing education requirements in their resident province will not be required to comply with Saskatchewan's requirements.

General Section

Errors & Omissions Insurance

The General Insurance Council of Saskatchewan requires E & O coverage of \$500,000 with a minimum aggregate limit of \$1M effective January 1, 2003.

Council will consider a further increase in the E & O limit from \$500,000 to \$1M in the future.

Licensees may wish to inquire with their carrier as to whether their E & O policy will respond to business related to hail insurance and whether it will cover agents who act solely as commissioned salespeople.

Licence Qualification Levels

Council is considering a change in the current licence levels to harmonize with the majority of other jurisdictions in Canada. This will better facilitate doing business across Canada and the movement of licensees between provinces.

The harmonized structure is based on a general consensus that Level 1 will be the entry level, Level 2 will be for fully practicing agents/brokers and Level 3 will be for management activities.

The proposed harmonized licence levels are:

- | | |
|---------|---|
| Level 1 | Fundamentals of Insurance; or CAIB 1; or Insurance Institute Courses; or equivalent |
| Level 2 | Level 1 <i>plus</i> CAIB 2 and CAIB 3; or CIP/AIIC designation; or equivalent |
| Level 3 | Level 2 <i>plus</i> CAIB 4; or FCIP/FIIC; or CIP/AIIC <i>plus</i> Course 931; or equivalent |

One significant change in the proposed structure is a Level 1 licensee must work under the supervision of a fully qualified agent. This would apply to new and existing Level 1 licensees.

Council will accept comments about the proposed harmonized licence structure until September 30, 2003.

Entrance Qualifications

The current entry level standard allows a licensee to transact all types of insurance other than life insurance subject to supervision requirements as may be required. Consistent with recently proposed changes to the level licensing structure, the General Insurance Council of Saskatchewan initiated a review of the entry level qualifications.

As a result of the review, consideration has been given to increasing the entry level standard to include the completion of a separate Accident & Sickness 'A&S' course and examination. The new A&S component would be required in addition to the existing entry level options which are CAIB 1 or Fundamentals of Insurance or appropriate Insurance Institute of Canada courses.

Council believes that new All Classes licensees should be able to knowledgeably advise consumers about out of province medical coverages, disability coverages, critical illness coverages and other similar products available in the marketplace. A review of existing entry level courses has shown that these courses do not adequately address the knowledge required to sell A&S products.

Council feels that increasing the entry level requirement will lead to greater professional competency and will bring the knowledge of an

All Classes licensee into harmony with the requirement for obtaining an Accident & Sickness licence. Council believes it is important that the same standard of knowledge should apply to all licensees engaged in the sale of the same product.

A decision to change the entry level standard for an All Classes licence will have implications for new applicants due to the additional cost and preparation time needed to meet the new requirement.

Council has estimated that a suitable qualification course would cost approximately \$200 plus appropriate examination fees. Discussions will also be held with course suppliers to determine if the existing licensing study courses can be upgraded to meet the A&S standard.

Council intends to consult with industry groups and individuals regarding the proposed change to the entry requirements before a final decision is made.

If you have comments or questions please contact the Council in writing prior to July 31, 2003.

Travel Section

Travel Qualifying Examination

New travel only agents or individuals who have allowed their licenses to become inactive for more than thirty days are required to successfully complete a qualifying examination and a bylaw examination prior to applying for a licence.

To assist licensees in preparing for the Travel Bylaw Examination, Council has posted pertinent sections of the study material on the web site.

Disciplinary Section

March 1, 2002 – April 30, 2003

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

Letters of Warning

Luis Simon representing The Maritime Life Assurance Company received a letter of warning for providing an inaccurate Disclosure Statement.

Mr. Simon failed to correctly show the death benefit under Part H of the Disclosure Statement and disregarded the increasing benefit provisions of the existing insurance even though he had access to this information through a complete policy illustration from the existing insurance company.

Graham Noble representing The Canada Life Assurance Company received a letter of warning for publishing printed material which, if taken at face value, intended to or was liable to damage the reputation of persons engaged in the life insurance business.

Mr. Noble was found to have published material that attempted to discredit insurance companies by implying that they employed practices of sneaky price increases and robbed clients due to high premiums. As well, the material implied that life insurance agents were more concerned about making

fat commissions than doing the best job for the client.

Co-operative Hail Insurance Company Limited received a letter of warning when they were found to have accepted business from an unlicensed agent.

Arvind S. Patel representing C-World Travel Ltd. received a letter of warning for providing false information in his Annual Reporting Form.

Mr. Patel answered yes to the question respecting continuing education compliance, but when contacted by Council staff, was unable to provide evidence of having attended an approved education course.

Council heard from Mr. Patel that he in error believed he had attended courses that were acceptable. For this reason Council agreed to leave the matter as a formal letter of warning and in the future he must attend approved educational courses.

Disciplinary Hearing

Allan Errol Albert Duncan representing RBC Life Insurance Company had his Life and Accident & Sickness Licence, which was currently suspended, cancelled for a period of five years with a full suitability review upon any reapplication after five years.

Mr. Duncan made a false declaration relating to his occupation in his 2001 Annual Licence Reporting Form. He, as well, in his 2002 Annual Reporting Form made material misstatements that misled Council.

In addition, in correspondence to Council he provided false or misleading information.

The conduct demonstrated an untrustworthiness to act as an insurance agent.

Larry Leo Wieggers representing The Maritime Life Assurance Company had his Life including Accident & Sickness Licence suspended for a period of six months and was required to make restitution to a policyholder in the amount of \$4,651.

Mr. Wieggers was found to have sold insurance policies that were inappropriate to the circumstances of the policyholder. He was found to have witnessed signatures that were forged by his unlicensed business partner. The forged documents were for the transfer of monies from the policyholder's investment contract to insurance policies set up by the policyholder for her children. As well, a receipt and acknowledge of summary information folder document carried a forged signature and it was admitted that the document had a forged signature on it.

Bylaw Amendments Section

May 2, 2002 – April 30, 2003

It is the responsibility of a licensee to remain in full compliance with the bylaws. The following sections have been added, amended or deleted.

A current version of the bylaws can be obtained from the Council office or by visiting the Council web site.

Hail Adjuster Bylaws



Hail Council Bylaws

Section 4.1 amended

General Council Bylaws

Section 4.3 amended

Section 4.4 amended

Section 7.1 amended

Section 9 amended

Section 9.1 amended

Section 16 amended

Section 17 amended

Section 20 amended

Life Council Bylaws

LLQP



Section 9 amended

Section 11 deleted

Section 20 (h) amended

Section 20 (k) amended

Section 20 (l) new

Section 21 (q) deleted

Section 21 (r) amended

Contact Section

General Council Members

Insurance Brokers' Association of Saskatchewan Appointments

Dwight Dunn, CAIB, CCIB – Chairman

Randy Buschmann, CAIB, CCIB

– Vice Chairman

Bob Elliott, CAIB, FLMI, CLU

Barb Ricard, CAIB

Superintendent of Insurance Appointments

Dave Prociuk, AICC

Darcia Schirr

Terri Uhrich

Hail Council Members

Canadian Crop Hail Association Appointments

Dennis Reidy, CAIB – Chairman

Nick Gayton – Vice Chairman

Murray Bantle

Superintendent of Insurance Appointments

Leon Cornet

Dwayne Mitchell

Walter Weir

Life Council Members

Advocis Appointments

Bob Sutton, CFP, CLU, CH.F.C.,
RFP – Chairman

Gil Ennis, CFP, CLU, CH.F.C.

Dean Owen, CLU, CH.F.C.

Canadian Life and Health Insurance Association Appointments

Brian Kilback, CFP, CLU, CH.F.C.,
– Vice Chairman

Paul Jones

Richard Tomalty, CFP, CLU,

CH.F.C.

Superintendent of Insurance Appointments

Tracey Bakkeli

Beverly DeJong

Sheila Hart

Council Staff

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

Penny Barlow, Licensing Officer/
Compliance Assistant
penny.barlow@ibas.sk.ca

Annette Graff, Administrative Assistant
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Diane Lindsay, Licensing Officer/
Education Coordinator
diane.lindsay@ibas.sk.ca

Cindy Swales, Licensing Officer
cindy.swales@ibas.sk.ca

John Waugh, Director of Compliance
john.waugh@ibas.sk.ca

Contact Information

Licensing (306) 347-0862
Complaints (306) 352-7870
Fax (306) 569-3018

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

Exam and Study Material Section

Council licence examinations are administered through the Insurance Brokers' Association of Saskatchewan.

Ingrid Stroeder, Examination Coordinator

Exam scheduling (306) 525-5900

RETURN TO

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



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