

## **AGENCY CONTRACT APPROVAL CRITERIA**

### **(Federally Regulated Financing Corporation)**

Regulation 15.11(1)(f) of *The Saskatchewan Insurance Amendment Regulations, 2010* authorizes an agent of a financing corporation (FC) to apply to the Superintendent of Insurance for Saskatchewan (Superintendent) for a restricted licence, on condition that the agent is engaged by that FC through an agency contract (the Agency Contract) that, in the opinion of the Superintendent, provides adequate authority for the agent to meet the obligations of a restricted licensee on behalf of the FC.

This Agency Contract Approval Criteria identifies the terms and conditions that the Superintendent will require in an Agency Contract before the Superintendent is prepared to view the contract as providing adequate authority for the agent to meet the obligations of the restricted licensee on behalf of the FC.

By execution of the Agency Contract Approval Criteria, the FC acknowledges that it has engaged the agent applicant for the purpose of soliciting, negotiating or effecting insurance on behalf of the FC in a manner that is consistent with the terms and conditions of the FC's restricted licence, or with the terms and conditions of the restricted licence the FC is applying for.

Upon receipt of an executed copy of the Agency Contract Approval Criteria, the Superintendent may approve the Agency Contract for the purpose of allowing the agent to apply for a restricted insurance agent's licence.

The FC acknowledges that the Agency Contract meets the following criteria:

1. The FC is a subsidiary of a Federally Regulated Entity (FRE) and is a:
  - a. FRE Group entity as defined in OSFI Guideline B-10 Section 3.2.1; or
  - b. Regulated Financial Institution Parent Group (RFIP Group) as defined in OSFI Guideline B-10 Section 3.2.2
2. The Agency Contract contains terms and conditions that are consistent with the contractual requirements for a material outsourcing arrangements within the meaning of OSFI Guideline B-10.
3. All references to "OSFI" in the applicable portions of Guideline B-10 are interpreted, for the purpose of these criteria, to refer to "the Superintendent of Insurance for Saskatchewan", unless otherwise stated herein. (For example, "The Contract for Services Requirements" [See subsection 7.2.1(h) of Guideline B-10] refers to audit rights and obligations for OSFI. For the purposes of the Agency Contract, the Superintendent expects that identical rights and obligations to be accorded to the Superintendent.)

4. The Agency Contract does not permit the agent to subcontract restricted licence activity to a party that does not hold a restricted licence for that activity, itself.

5. The Agency Contract is compliant with the requirements identified in the section "Risk Management Program for Material Outsourcing Arrangements" of Guideline B-10. It is understood and acknowledged by the Superintendent that the Agency Contract need not address the requirements of Subsection 7.3.1 of Guideline B-10 respecting the Centralized List of All Material Outsourcing Arrangements for the purpose of these criteria.

6. The FC acknowledges and undertakes that:

- a. at no time will the Agency Contract fall short of the requirements set out in this Agency Contract Approval Criteria; and
- b. subsequent to approval of the Agency Contract by the Superintendent, the FC will not make or cause to be made any material changes to the contract concerning supervision, monitoring and control of the agent, without prior notice to, and prior approval of, the Superintendent.

\_\_\_\_\_ (*name of FC*) HEREBY  
ACKNOWLEDGES THAT IT IS COMMITTED TO THE FOREGOING  
UNDERTAKINGS AND IT AGREES THAT THE TERMS AND CONDITIONS OF  
ITS AGENCY CONTRACT WITH  
\_\_\_\_\_ (*name of Agent*), dated \_\_\_\_\_  
of \_\_\_\_\_, \_\_\_\_\_ COMPLY WITH THE ABOVE REQUIREMENTS.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,

\_\_\_\_\_  
(*name of FC*)

“SEAL”

Per: \_\_\_\_\_  
(*proper officer/signing authority for FC*)

Position: \_\_\_\_\_