



Restricted Insurance Agents Backgrounders

As of January 1, 2020, the Saskatchewan insurance industry will be governed by a new Act: *The Insurance Act*.

There are several changes in the Act that will affect how you do business in Saskatchewan.

To ensure a smooth transition and compliance with the new Act, the Insurance Council of Saskatchewan (ICS) is committed to educating all our stakeholders about key changes in the Act and any actions that you must take as a result of these changes.

ICS has developed a comprehensive campaign and a variety of tools to ensure you are well informed and ready to comply with the Act when it comes into force.

This backgrounder covers the changes you need to know and tells you what you need to do to make sure your business is in line with the new Act.

New definitions and rules

Saskatchewan will now require Restricted Insurance Agent (RIA) licenses to sell:

- automobile gap insurance;
- funeral expense insurance (only for funeral homes and crematoriums);
- portable electronics insurance;
- rented-automobile accidental injury or death insurance;
- rented-automobile contents insurance; and,
- rented-automobile liability insurance.

If you pay compensation to anyone selling these insurance types, you must make sure they have a licence. You must also tell ICS who they are.

If you already sell funeral expense insurance under a full life including accident and sickness insurance licence, you may continue to do so instead of applying for an RIA licence. A funeral home is eligible to hold both an RIA licence for funeral expense insurance and the full life including accident and sickness insurance licence.

The new Act prohibits tied selling.

You cannot require your customers to purchase one product or service from you in order to receive the initial product or service they want to purchase. For example:

- You cannot require your customers to purchase an insurance policy from you in order to give the customer a loan.
- You cannot require tenants to purchase insurance from you to rent from you.

Audits

As of January 1, 2020, ICS will have the ability to audit your business.

The Insurance Regulations allow the General Insurance Council and the Life Insurance Council to carry out audits, examinations, inspections and investigations of licensees and persons who are required to be licensed.

Designative Representatives

The DR of a Restricted Insurance Agent (RIA) must be an individual who is recommended by the insurer that recommended the RIA be licensed. The DR is responsible for receiving notices and other documents on behalf of the restricted licensee.

For more information, please visit www.saskinsuranceact.info, email saskinsuranceact@skcouncil.sk.ca, or call [306-527-4202](tel:306-527-4202).