

## **Saskatchewan Automobile Dealers' Association Backgrounder**

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 Councils 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.

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.

## Disclosures

Are you an agent who works for more than one business? If so, you need to clearly tell your clients which business you represent— ***every time, and for each transaction.***

The General Insurance Council (GICS) and Life Insurance Council (LICS) Bylaws already require you to tell customers about any fees you charge over and above premium (advising them in writing of both the fee and the reason for it). As of January 1, 2020, consumers must also ***agree in writing to any fees*** before you can charge them.

## Audits

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

*The Insurance Regulations* allow the GICS and LICS to carry out audits, examinations, inspections and investigations of licensees and persons who are required to be licensed.

## Designated Representatives

There are many changes and new responsibilities for Designated Representatives (DRs) under the new Act; we've included a summary here.

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](http://www.saskinsuranceact.info), email [saskinsuranceact@skcouncil.sk.ca](mailto:saskinsuranceact@skcouncil.sk.ca), or call [306-527-4202](tel:306-527-4202).