

Funeral and Cremation Services Council of Saskatchewan 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.

This backgrounder covers the changes your members need to know and tells you what you need to do to make sure your members are in line with the new legislation.

New definitions and rules

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

- funeral expense insurance (only for funeral homes and crematoriums)

If your member's already sell funeral expense insurance under a full Life including Accident and Sickness insurance licence, they 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:

- Your members cannot require their customers to purchase an insurance policy in order to sell them a pre-paid funeral.

Audits

As of January 1, 2020, ICS will have the ability to audit its licensees.

The Insurance Regulations allow the Life Insurance Council 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.

If the funeral home chooses to maintain their current Life including Accident and Sickness licence their DR will require an individual Life including Accident and Sickness insurance licence.

The DR of a 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 applications and more information, please visit www.saskinsuranceact.info, email saskinsuranceact@skcouncil.sk.ca, or call [306-527-4202](tel:306-527-4202).