

## Association of Canadian Travel Agencies Backgrounder (ACTA)

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 you need to know and tells you what you need to do to make sure your business is in line with the new legislation.

### New definitions and rules

The definition of “property and casualty insurance” has been updated. As of January 1, 2020, it means any class of insurance other than life insurance.

There is also a new definition of "general insurance." As of January 1, 2020, it means any class of property and casualty insurance other than accident and sickness insurance.

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 sell the customer a travel package.
- You cannot require tenants to purchase insurance from you to rent from you.

### Disclosures

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* (regulations) allow the GICS and the 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.

DRs of a property and casualty insurance (P&C) business restricted to travel insurance are responsible for screening new licence applicants and for the ongoing monitoring of licensees that represent the business. The DR must have procedures in place and use those procedures to ensure that applicants and licensees have the knowledge needed to obtain and maintain the licence for whichever classes of insurance they are selling.

If a P&C business restricted to travel insurance loses its DR, its recommending insurer needs to immediately recommend a new DR. At that point, the new DR is responsible to recommend any new individuals hired by the business. This is a change from the old Act, where the insurer recommended the agency, then the agency recommended the DR and the individual agents.

When a licensee leaves the P&C business restricted to travel insurance, the DR of that business needs to notify the GICS **immediately** that the licensee's recommendation is cancelled and why the recommendation has been cancelled.

A DR can assign their responsibilities to other licensees, but ultimately the DR will be held accountable for their responsibilities.

**For applications and 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).**