

Insurance Councils of Saskatchewan

310 - 2631 - 28th Avenue, Regina, SK S4S 6X3

ICS Mission Statement

The Insurance Councils of Saskatchewan (ICS) are committed to a fair, ethical and professional industry which ensures that consumers receive responsible, trustworthy advice and service regarding insurance and financial matters.

Life Insurance Licensees

Segregated Funds 2000

Council continues to receive questions from licensees respecting what they can do after January 1, 2000, if they have not completed one of the Council approved segregated (seg) fund courses.

The simplest answer is that after January 1, 2000, no one may sell a seg fund unless they have completed a recognized seg fund course approved by Council. Insurers will have been asked by the Office of the Superintendent of Insurance to ensure that they do not accept business from agents who have not completed one of the authorized courses.

One of the questions Council has been asked

is, "Can an agent sell an universal life product that has a seg fund investment component?"

Life agents will continue to be allowed to sell universal life products having a seg fund investment component, without being required to do one of the approved seg fund courses.

There is one area that requires clarification, and that is the question of commissions being paid to an agent, after January 1, 2000, for sales made prior to that date. Council believes it is acceptable for an insurer to continue to pay commissions to an agent for sales made prior to January 1, 2000. After January 1, 2000, an agent who has not completed one of the approved courses may continue to service existing clients, however, no new seg fund sales to those existing clients can be made by the agent. Council would not view scheduled deposits being made into an existing seg fund as a new sale, nor would switching funds within a fund family be considered a new sale.

The approved seg fund course providers as of June 12, 1999 are:

- Canadian Association of Insurance and Financial Advisors (CAIFA) Seg Fund Course
- Canadian Investments Funds Course offered by the Investment Funds Institute of Canada
- Canadian Securities Course offered by the Canadian Securities Institute
- The Great-West Life Assurance Company Seg Fund Course
- London Life Insurance Company Seg Fund Course
- Primerica Life Insurance Company of Canada Seg Fund Course (*restricted – qualifies licensees to sell Primerica Seg Funds Only*)

Life Continuing Education

Just a reminder that the first compliance period for the continuing education requirements will be January 1, 2001.

Some of the requirements are:

- Licensees must attain a minimum of thirty credit hours every two years
- Credit hours must be earned within the two year reporting period.
- All Life and/or Accident & Sickness Licensees must comply
- Existing licensees – two year period commences on 1999 renewal date
- New licensees – first two year period will commence on the issue date of licence
- **Exception** – Fifty percent of the credit hours earned in 1997 and 1998 may be used towards the first reporting period providing you were licensed in these years.
- Failure to comply with the continuing education requirements will result in licence suspension until evidence of compliance can be determined.

Please refer to the November 1998 Bulletin for a detailed account of the continuing education requirements or contact the Council office if you require a current copy of the bylaws. ■

Errors & Omissions Insurance

Life licensees previously had thirty days from the licence issue date to forward a copy of the required Errors & Omission Insurance (E & O) to Council.

Council is concerned that some licensees are leaving the industry within the first thirty days of obtaining their licence. This places consumers at risk.

As a result, Council will now require that all new licence applications and reinstatements be

accompanied by a valid copy of the E & O Certificate of Insurance.

All licensees are reminded that they must maintain a valid E & O policy at all times.

Council receives notification from the E & O carrier when a policy is cancelled or not renewed by the licensee. If alternate E & O coverage is not registered with Council when the notice of cancellation or non-renewal is received the licence will immediately be suspended. ■

Uniform Disclosure Statement

The new Disclosure Statement is now the only form approved for use in Saskatchewan. The old Saskatchewan Disclosure Statement cannot be used after July 1, 1999.

A step-by-step guideline for use in Saskatchewan is available from Council. Licensees are encouraged to obtain a copy to assist in the completion of the new Life Insurance Disclosure Statement.

If you operate outside Saskatchewan, please contact the appropriate licensing jurisdiction to obtain specific requirements for replacement.

The new Disclosure Statement is available from the Canadian Association of Insurance and Financial Advisors (CAIFA) at:
41 Lesmill Road
Don Mills ON M3B 2T3
Tel: (416) 444-5251 or (800) 563-5822

General Insurance Licensees

Continuing Education

Continuing education requirements for All Classes (General) Licensees were reinstated August 1, 1998. Licensees will receive a booklet this summer which outlines the continuing education requirements.

This booklet will include a copy of the current credit hours on file with Council for each licensee. The booklet will also explain annual reporting periods, reporting procedures, audit

procedures and answers to other frequently asked questions.

Please ensure that you read the information carefully and contact the Council office if you have further questions. ■

Alert Regarding Sub-Brokering

In the November 1998 Bulletin, Council provided extensive information respecting the concerns of regulators respecting sub-brokering and outlined the duties and responsibility of the producing and contracting broker.

Council has recently become aware of a contracting broker operating in Ontario under the name of Heritage International Inc. (principal is Ian Stuart-Smith) operating out of New Market, Ontario.

The broker has been the subject of an investigation and Cease and Desist Order issued by the Financial Institutions Commission in Vancouver. He was found to have been carrying on business activities as an insurance agent, but was not licensed in the province of British Columbia.

The Cease and Desist Order is reproduced in part.

“AND THEREFORE THE SUPERINTENDENT ORDERS PURSUANT TO SECTIONS 244(2) AND 238 THAT HERITAGE AND SMITH:

- ♦ CEASE FROM EITHER DIRECTLY OR INDIRECTLY CARRYING ON INSURANCE BUSINESS IN BRITISH COLUMBIA.”

The General Insurance Council did receive an inquiry respecting Heritage International Inc., and repeated requests to Heritage International Inc. have not been responded to. Council has been able to determine that Heritage International Inc. is not licensed as a broker in the Province of Ontario. Heritage International Inc., according to the Registered Insurance Brokers Association (RIBO), is a wholesaler and as such, does not require licensing in Ontario.

RIBO reported on an Ian Stuart-Smith in March

of 1997 and advised that his licence was cancelled and he was fined \$2,500. The cancellation and fine occurred when he was found guilty of misconduct for failure to discharge his duties to clients with integrity, arising out of a number of instances whereby clients were left uncovered for commercial coverage that were believed by the clients, to be in force.

Brokers are urged to proceed with extreme caution in sub-brokering business, and would be well advised to ensure that any contracting broker they may be dealing with, is licensed in the resident jurisdiction of the contracting broker. Failure to do so may constitute a failure of duty of care and open the producing broker in Saskatchewan to liability should problems arise with the insurance.

All Licensees

Procedural Guideline Access to Information

Council receives various requests for information. The following guideline will help licensees understand the current access to information rules.

ACCESS TO FILE INFORMATION

Information that may be released to anyone inquiring about the status of a licensee is:

1. The licensee's name and address for service and the class of licence held.
2. The name and address for service of the sponsoring agent, insurer or adjuster, where sponsorship is a requirement of licensing.
3. Information regarding terms and/or conditions that have been applied to the licence.
4. The status of a licence, i.e., whether it has been suspended, cancelled or expired.
5. Any formal disciplinary action, recorded on a licensee's record, such as letters of warning, licence suspensions, cancellations or other orders of a Disciplinary Hearing Committee confirmed by Council (except Cautionary Letters of Warning).

ACCESS TO INVESTIGATIVE INFORMATION

Information received at all stages of an investigation up to and including a Complaint Review Committee is confidential and may not be divulged to any person, other than the complainant or the accused.

During the course of an investigation, however, it often becomes necessary to approach other licensees, insurers or members of the public regarding information relevant to the investigation. In addition, other licensees may be used as expert resources when independent technical expertise is required. During these contacts, certain information will be released in the furtherance of the investigation. If this occurs the confidentiality of the investigative information is no longer within the direct control of Council or its staff.

ACCESS TO COMPLAINT REVIEW COMMITTEE INFORMATION

At this stage, information on the investigation is confidential and Complaint Review Committee members are advised of the importance of confidentiality.

Where the committee directs a letter of warning be sent, and the letter of warning has been issued; and the appeal period has expired, the letter of warning and its contents becomes public information and may be disclosed. It will also, at the first opportunity, be published in the Council Bulletin.

Where a complaint is referred to a Disciplinary Hearing Committee, and where the licensee has been informed of the need to appear before a Disciplinary Hearing Committee, the time and place of the hearing and the nature of the hearing becomes public information and may be disclosed.

ACCESS TO DISCIPLINARY HEARING COMMITTEE INFORMATION

Information at the Disciplinary Hearing Committee stage is not protected. The hearings are open to the public.

Where the Disciplinary Hearing Committee has rendered its written decision, and this decision has been provided to the licensee, the complainant, and the Council, it is public

information and may be provided to any person inquiring as to the findings of the Disciplinary Hearing Committee.

ACCESS TO COUNCIL INFORMATION

Where Council has rendered a decision respecting a penalty, the decision is public information, and will be published in the Council's Bulletin.

Council's deliberations will at all times remain confidential. The only information made public will be in the form of the written decision of Council.

ACCESS TO APPEAL INFORMATION

Where a Council decision is appealed to the Superintendent of Insurance or to the courts, Council members will decline comment on the decision. The person making the inquiry will be referred to Council staff, who will be able to advise them of the status of the appeal. ■

Compensation to Unlicensed Individuals

Council has received and continues to receive inquiries regarding the payment of compensation to unlicensed individuals. The Saskatchewan Insurance Act (Act) expressly prohibits the payment of compensation to any unlicensed person or corporation, where the compensation paid is a result of the person or corporation acting as an agent, as defined by Section 2(d) of the Act.

Section 2(d) of the Act states:

“agent” or “insurance agent” means a person who:

- (i) solicits, negotiates or effects for or on behalf of any insurer a contract of insurance;*
 - (ii) for compensation, acts in the solicitation or negotiation of insurance;*
 - (iii) transmits, for compensation, for a person other than himself, an application for or a policy of insurance to or from an insurer; or*
 - (iv) retains as compensation any portion of a premium received by him;*
- and includes a general agent but does not include an officer or salaried employee of an*

insurer.

The position that Council must take on this issue is one that is consistent with the Act. Therefore, Council will not hold an agent to be in contravention of the Act or the Bylaws where compensation is paid to an unlicensed individual or corporation, providing the individual or corporation is not in any way entering into an activity that would bring the unlicensed individual or corporation within the definition of an agent, as defined by Section 2(d) of the Act. ■

Administration Update

Non-sufficient Funds (NSF) Cheques

Councils wish to remind licensees that NSF cheques received for licence fees will jeopardize the status of the licence.

NSF cheques will result in the suspension of the licence until satisfactory payment, either cash, certified cheque or money order, is received by Council.

In addition, licensees will be charged a fifty dollar administration fee for any NSF cheque received by Council. ■

New Application Forms

New application forms for agencies, individuals and adjusters were developed in June. Companies and agencies may contact the Council office to obtain a supply of these forms.

Please note that old application forms will not be accepted after October 1, 1999. ■

Bankruptcies

All initial applicants with an undischarged bankruptcy will have their files referred to Council to determine the applicant's suitability for licensing.

It is, therefore, imperative that a complete copy

of the documents on file with the trustee be attached to the application form.

This will ensure that Council makes an informed decision on the information available. ■

Elimination of Dual Licence

In February 1999, holders of All Classes including Life and Life/Hail/Travel (dual licensees) were informed that separate licenses would be required.

All licensees affected should now have received new licenses and a letter confirming the action taken by Council.

Please contact Council if you have not received these documents. ■

Examination Scheduling and Results

Examination scheduling and administration has been contracted to the Insurance Brokers' Association of Saskatchewan (IBAS).

All study material may be purchased through IBAS as well.

For exam scheduling and results, please call:

Tel: (306) 525-5900

Fax: (306) 569-3018 ■

Inquiries

Council receives numerous calls each day from applicants and licensees. All licensing staff are qualified to answer inquiries, however, we do request that you refrain from calling the Council office regarding a new application until ten working days have expired.

Council requests that each company appoint one contact person for licensing matters. This will alleviate the duplicate calls that now occur on a daily basis for the same licence file. ■

Suspension Notification Required by Sponsor

The Saskatchewan Insurance Act requires that where a licensee ceases employment with the sponsor named on the licence, that the sponsor must notify Council in writing within five days after cessation.

The notice is to include the licensee name, date of cessation and the reason for leaving. ■

Not Renewing?

All licenses must be renewed on an annual basis. In the event you do not wish to renew a licence, please advise Council, preferably in writing upon receipt of the renewal form. If you inform Council immediately, the late filing fee will not be charged in the event you wish to reinstate your licence at a later date. It will also reduce the costs incurred if a licence is cancelled for failure to renew. ■

Disciplinary Action November 1, 1998 to June 1, 1999

A LICENSEE USING ANY INFORMATION IN THIS BULLETIN TO DISCREDIT ANOTHER LICENSEE OR ANY OTHER PERSON WILL BE IN VIOLATION OF THE BYLAWS AND CALLED TO ACCOUNT FOR THEIR ACTIONS.

The following information identifies only those licensees for whom the appeal process has expired:

Disciplinary Hearings

October 1, 1998

Christian John Carduner, representing *Insurance World International Ltd. o/a Insurance World International* had his All Classes Salesperson's Licence (under suspension from April 1, 1998) cancelled October 1, 1998. *Christian John Carduner* (licensee) was provided an opportunity to show

cause why his licence should not remain cancelled. On December 17, 1998, Council, on the recommendation of a Disciplinary Hearing Committee cancelled his licence for a period of no less than two years from December 17, 1998. Any reapplication after December 17, 2000, would be subject to a suitability review.

The licensee was found to have:

1. While under oath, provided testimony that was intentionally misleading in an appearance before a Disciplinary Hearing Committee of the General Insurance Council on December 6, 1996, while under oath.
2. Continued to hold himself out as an insurance agent and act as an insurance agent at a time his licence was suspended.
3. Failed to produce documents demanded, pursuant to Section 469, subsection (4) of The Saskatchewan Insurance Act, within the specified time.

The licensee has appealed Council's decision to the Superintendent of Insurance. The licence, pending outcome of the appeal, remains cancelled. ■

June 1, 1999

Christian John Carduner, representing *Insurance World International Ltd. o/a Insurance World International* had his all Classes Salesperson's Licence (previously cancelled until December 17, 2000) cancelled indefinitely.

Christian John Carduner was found to have, in a number of instances, failed to act with utmost good faith and integrity in his dealings with clients of *Insurance World International Ltd. o/a Insurance World International*. ■

Letters of Warning

James Michael Overend and *D.A. Scrivener Adjusters Ltd. o/a Scrivener Adjusters* received a Letter of Warning for an advertisement that a Disciplinary Hearing Committee found to be misleading, as it related to a branch in Swift Current. The licensees, as well, were warned that requests from Council staff for information

relating to the business for which they are licensed, are expected to be answered fully and promptly.

The Letter of Warning is under appeal to the Superintendent of Insurance. ■

Stuart Leonard Ogren representing *The Mutual Life Assurance Company of Canada* received a Letter of Warning for his failure in a replacement, to attempt to obtain from the existing insurer current policy information, and as a consequence, failed to present and review a fully completed Disclosure Statement with the policyholder. As well, the licensee was found to have compared guaranteed values against non-guaranteed values, and in doing so provided false and/or misleading information to the policyholder. ■

Clifford Alphonse Wiegers representing *The Canada Life Assurance Company* received a Letter of Warning when he failed to attempt to obtain from the existing insurer, current policy information that would have enabled him to fully and accurately complete a Disclosure Statement. ■

Ernest Charles Wilson representing *Lutheran Life Insurance Society of Canada* received a Letter of Warning when he failed to attempt to obtain from the existing insurer, current policy information that would have enabled him to fully and accurately complete a Disclosure Statement. ■

Sylvester Henry Osicki representing *Royal & Sun Alliance Life Insurance Company* received a Letter of Warning for failure to attempt to obtain from the existing insurer, current policy information that would have enabled him to fully and accurately complete a Disclosure Statement. ■

Remarks from the Superintendent

The Superintendents of Insurance across Canada, collectively known as the Canadian Council of Insurance Regulators (CCIR), have recently undertaken three initiatives which will focus on better communications with other regulators of financial services and the insurance industry.

The first initiative is the Joint Forum of Financial Market Regulators, which met for the first time in April 1999 at Toronto. The Joint Forum is comprised of four insurance regulators (Quebec, Manitoba, Saskatchewan and British Columbia), five securities regulators (Ontario, Quebec, British Columbia, Alberta and Nova Scotia) and four pension regulators (British Columbia, Alberta, Ontario and Newfoundland). Newfoundland will also represent regulators of trust and loan companies and credit unions. Representatives to the Joint Forum will meet quarterly to discuss issues that are of common interest and propose solutions where there are perceived gaps in regulation. One issue that is currently being discussed by the Forum is the regulation of financial planners with a view to establishing common standards for dually licensed insurance agents and securities dealers and salespersons.

The second initiative is the establishment of a secretariat for the CCIR to provide resources for policy development and selected projects. The secretariat will have a full time policy analyst and a part-time administrative person. The annual funding for the secretariat will be provided by an assessment from each jurisdiction. It is expected the secretariat will be in place in the fall of 1999.

The third initiative is the production of a five year strategic plan for the CCIR. The plan has been approved in principle and is expected to be formally adopted by the CCIR at its September 1999 meeting in Prince Edward Island. Further details of the plan will be provided to you in the next Bulletin.

I look forward to updating you on these initiatives as they take shape over the next year. If you have any questions or comments about these CCIR activities or any other aspect of the role of the Superintendent of Insurance in Saskatchewan please call me at (306) 787-7881 or send an e-mail to jhall@justice.gov.sk.ca

General Insurance Council

IBAS Appointments

Chairman

Irvin Bender Tel: (306) 642-5977

Vice Chairman

J. Bruce Pendleton, AIC, CAIB Tel: (306) 244-7955

J. Drew Byers, AIC Tel: (306) 653-2233
Dwight Dunn, CAIB, CCIB Tel: (306) 698-2513

Superintendent Appointments

Dave Prociuk, AIC Tel: (306) 651-4424
Hugh Smith Tel: (306) 789-7720
Doug Wright Tel: (306) 934-7312

Hail Insurance Council

CCHA Appointments

Chairman

Rennie McQueen Tel: (306) 955-1330

Rob Goeres Tel: (306) 584-8844
Scott Wray Tel: (306) 694-1797

Superintendent Appointments

Vice Chairman

Leon Cornet Tel: (306) 648-3456

Arden Body Tel: (306) 372-4383
Dwayne Mitchell Tel: (306) 446-1326
Walter Weir Tel: (306) 586-9750

Life Insurance Council

CAIFA Appointments

Chairman

Wayne Joyce, CFP, CLU, CH.F.C. Tel: (306) 757-4171

Gil Ennis, CFP, CLU, CH.F.C. Tel: (306) 789-3744
Fred H. Smith, CFP Tel: (306) 664-7400

CLHIA Appointments

Vice Chairman

Ron Fullan Tel: (306) 751-6333

Jim Dale Tel: (306) 347-6270
Harvey Ross, CLU, CH.F.C. Tel: (306) 586-8121

Superintendent Appointments

Tracey Bakkeli
Amber Bieber
Beverly DeJong

Tel: (306) 565-5238
Tel: (306) 373-8257
Tel: (306) 729-4330

Organizations and Associations

CCHA Canadian Crop Hail Association

CLHIA Canadian Life & Health Insurance Association

IBAS Insurance Brokers' Association of Saskatchewan

CAIFA Canadian Association of Insurance and Financial Advisors

SUPT. Superintendent of Insurance, Saskatchewan

Staff

Ernie Gaschler

Administrator
ernie.gaschler@ibas.sk.ca

Penny Barlow

**Licensing Officer/
Compliance Assistant**
penny.barlow@ibas.sk.ca

Annette Graff

Administrative Assistant
annette.graff@ibas.sk.ca

Diane Lindsay

Licensing Officer
diane.lindsay@ibas.sk.ca

Cindy Swales

Licensing Officer
cindy.swales@ibas.sk.ca

John Waugh

Director of Compliance
john.waugh@ibas.sk.ca

**Complaints
Licensing
Fax**

**(306) 352-7870
(306) 347-0862
(306) 569-3018**

Insurance Brokers' Association of Saskatchewan

Examinations and Study Material

Ingrid Stroeder

Exam Co-ordinator

**Exams
Fax**

**(306) 525-5900
(306) 569-3018**

BYLAW AMENDMENTS

The latest bylaw amendments are listed below. Please retain these updates for your reference.

Adjuster's Bylaws

Section 14. (2) Annual Licence Fees

- (a) The licence will be issued for a five (5) year period subject to annual payment.
- (b) Licensees or applicants shall not be eligible to be licensed or renew their licence unless they have paid the following annual fee:
 - (i) Adjusting Firm (Rev. 05/99) \$ 65
 - (ii) Adjuster (Rev. 05/99) \$ 70

Section 17. (1) A licensee shall:

- (n) notify Council in writing no later than thirty (30) days after the occurrence of any of the following:
 - (i) conviction pursuant to the Criminal Code against the licensee (except Driving While Under the Influence offences);
 - (ii) commencement of criminal proceedings against the licensee with respect to a contract of insurance and any settlement entered into by the licensee or judgement issued against the licensee as a result of those criminal proceedings;
 - (iii) commencement of civil and/or criminal proceedings against the licensee with respect to:
 - (a) theft;
 - (b) fraud;
 - (c) misrepresentation;
 - (d) undue influence; or
 - (e) breach of trust;and any settlement entered into by the licensee or judgment issued against the licensee as a result of those civil or criminal proceedings;
 - (iv) a change in the licensee's name;
 - (v) the licensee:
 - (a) becomes insolvent within the meaning of *The Bankruptcy and Insolvency Act* (Canada);
 - (b) makes an assignment or proposed assignment;
 - (c) is the subject of a receiving order; or
 - (d) makes a proposal;Pursuant to *The Bankruptcy and Insolvency Act* (Canada);
 - (vi) the licensee is subject to any proceedings pursuant to the *Winding-up Act* (Canada);
 - (vii) the licensee is subject to any proceedings pursuant to the *Companies' Creditors Arrangement Act* (Canada). (Rev. 12/98)

General Insurance Council Bylaws

- Section 11. (2) Continuing education
Non-resident licensees are not subject to the continuing education requirements of these bylaws. (*Struck 11/98*)

- Section 17.1 (1) Licensees shall be required to complete, as part of their licence renewal, a declaration stating:
- (a) Name(s) of course provider(s)
 - (b) Name(s) of course(s) attended
 - (c) Dates course(s) attended
 - (d) Number of credit hours earned for each course
- (Rev. 2/99)*
- (2) Licensees must retain certificates issued by course provider(s) for inspection by Council in the event of an audit of the licensee's records by Council. *(Rev. 2/99)*
- (3) A licensee making a false declaration in respect of the declaration referred to in subsection (1) of this section will be subject to disciplinary action for untrustworthiness to act as an agent pursuant to clause 439 (d) of The Saskatchewan Insurance Act. Penalties could include licence suspension or cancellation. *(Rev. 2/99)*

- Section 19. (1) Non-accredited course providers or licensees must apply for course approval.
- (2) Council will only consider courses where verification of attendance by the licensee can be determined and the following information is provided to Council by the applicant for course approval: *(Rev. 2/99)*
- (a) A detailed syllabus/course outline.
 - (b) Time frames and dates.
 - (c) Industry background and experience of course instructor.
 - (d) Number and classification of credit hours being requested.
- (3) Council may, at its sole discretion after receiving an application for course approval, grant or refuse credit hours with respect to a course provided by a non-approved course provider. *(Rev. 2/99)*

- Section 23. (2) **Annual Licence Fees**
- (a) The licence will be issued for a five (5) year period subject to annual payment.
 - (b) Licensees or applicants shall not be eligible to be licensed or renew their licence unless they have paid the following annual fee:

Agency

All Classes (other than Life) <i>(Rev. 05/99)</i>	\$ 65
Travel	\$ 65
Extended Third-Party Warranty/ Administrator <i>(Rev. 04/98)</i>	\$ 65
Extended Third-Party Warranty/ Dealer <i>(Rev. 04/98)</i>	\$ 65

Individual Agent/Salesperson

All Classes (other than Life)	\$ 70
Travel	\$ 35

- Section 26. (1) (e) notify Council in writing no later than thirty (30) days after the occurrence of any of the following:
- (i) conviction pursuant to the Criminal Code against the licensee (except Driving While Under the Influence offences);
 - (ii) commencement of criminal proceedings against the licensee with respect to a contract of insurance and any settlement entered into by the licensee or judgement issued against the licensee as a result of those criminal proceedings;

- (iii) commencement of civil and/or criminal proceedings against the licensee with respect to:
 - (a) theft;
 - (b) fraud;
 - (c) misrepresentation;
 - (d) undue influence; or
 - (e) breach of trust;
 and any settlement entered into by the licensee or judgment issued against the licensee as a result of those civil or criminal proceedings;
- (iv) a change in the licensee's name;
- (v) the licensee:
 - (a) becomes insolvent within the meaning of *The Bankruptcy and Insolvency Act* (Canada);
 - (b) makes an assignment or proposed assignment;
 - (c) is the subject of a receiving order; or
 - (d) makes a proposal;
 Pursuant to *The Bankruptcy and Insolvency Act* (Canada);
- (vi) the licensee is subject to any proceedings pursuant to the *Winding-up Act* (Canada);
- (vii) the licensee is subject to any proceedings pursuant to the *Companies' Creditors Arrangement Act* (Canada). (Rev. 12/98)

Hail Insurance Council Bylaws

- Section 12. (e) notify Council in writing no later than thirty (30) days after the occurrence of any of the following:
- (i) conviction pursuant to the Criminal Code against the licensee (except Driving While Under the Influence offences);
 - (ii) commencement of criminal proceedings against the licensee with respect to a contract of insurance and any settlement entered into by the licensee or judgement issued against the licensee as a result of those criminal proceedings;
 - (iii) commencement of civil and/or criminal proceedings against the licensee with respect to:
 - (a) theft;
 - (b) fraud;
 - (c) misrepresentation;
 - (d) undue influence; or
 - (e) breach of trust;
 and any settlement entered into by the licensee or judgment issued against the licensee as a result of those civil or criminal proceedings;
 - (iv) a change in the licensee's name;
 - (v) the licensee:
 - (a) becomes insolvent within the meaning of the *Bankruptcy and Insolvency Act* (Canada);
 - (b) makes an assignment or proposed assignment;
 - (c) is the subject of a receiving order; or
 - (d) makes a proposal;
 Pursuant to the *Bankruptcy and Insolvency Act* (Canada);
 - (vi) the licensee is subject to any proceedings pursuant to the *Winding-up Act* (Canada);
 - (vii) the licensee is subject to any proceedings pursuant to the *Companies' Creditors Arrangement Act* (Canada).

Life Insurance Council Bylaws

- Section 1. (1) An applicant applying for a Level I Licence to sell life insurance must pass, with a mark of not less than 75%, the following Level I examinations approved by Council: *(Rev. 11/98)*
- (a) Accident and Sickness Insurance;
 - (b) Life Insurance; and
 - (c) the current Life Insurance Council Bylaws.
- Section 1.1 (1) An applicant applying for a Level II licence to sell Life insurance and Accident & Sickness insurance must be eligible to hold or be the holder of a Level I licence and have successfully met one of the requirements set out in subsection 15 (6). *(Rev. 1/99)*
- Section 3. (1) Where an applicant is or will become a resident and is applying for a Life and Accident & Sickness insurance licence and provides evidence to Council that the applicant holds or has held within a reasonable period of time an equivalent Level I or Level II licence in another jurisdiction an equivalent level of licence may be granted. Providing the applicant is otherwise suitable, the applicant shall be required to write only the current Life Insurance Council Bylaws examination. *(Rev. 1/99)*
- (2) Where an applicant is or will become a resident and is applying for an Accident & Sickness licence and provides evidence to Council that the applicant holds or has held within a reasonable period of time an equivalent Accident & Sickness licence in another jurisdiction an Accident and Sickness insurance licence may be granted. Providing the applicant is otherwise suitable, the applicant shall be required to write only the current Life Insurance Council Bylaws examination. *(Rev. 1/99)*

Exemptions from examinations

- Section 5. (1) The written Level I Life and Accident & Sickness examination requirements in Sections 1 (a) and (b) may not be required where the applicant is a member in good standing of the Canadian Association of Insurance and Financial Advisors or has successfully completed the Life Insurance Council of Saskatchewan Level II Examination, The Fraternal Insurance Counsellor Course, CAIFA Level II Examination or the Insurance and Financial Advisors Training Course. *(Rev. 09/97)(Rev. 11/98)(Rev. 1/99)*
- (2) Where an applicant is a non resident and will remain a non resident and is applying for a Life and Accident & Sickness or an Accident & Sickness licence and provides evidence to Council that the applicant holds or has held within a reasonable period of time an equivalent licence in another jurisdiction, an equivalent level of insurance licence may be granted. *(Rev. 1/99)*
- Section 15. (1) Subject to subsections (2) and (3) and subsections 16 (8) and (9), all licensees must complete within three years of first obtaining their licence one of the Level II education requirements set out in subsection (6). *(Rev. 1/99)*
- (2) Licensees who hold a subsisting licence that was issued between January 1, 1986 and February 1, 1999 and who have not completed one of the Level II education requirements set out in subsection (6), must complete one of the Level II education requirements set out in subsection (6) within a period set by Council but in no event shall the time period be less than one (1) year from February 1, 1999. *(Rev. 1/99)*
- (3) Licensees who hold a subsisting licence that was issued before January 1, 1986 and who have not completed one of the Level II education requirements set out in subsection (6) must by March 31, 1999:
- (a) request a Restricted Level I licence as described in subsection 5 (a);
 - (b) request a Conditional Level II licence as described in subsection 5 (b); or
 - (c) apply to the Council, pursuant to subsection 16 (9) for an exemption from the Level II requirements set out in subsection (6), but if the exemption is not granted, must then request within thirty (30) days of receiving written notice of the Council's decision not to grant an exemption, a Restricted Level I licence or a Conditional Level II licence. *(Rev. 1/99)*

- (4) Licensees who do not comply with subsection (3);
 - (a) shall have their subsisting licence cancelled; and
 - (b) shall be issued a Restricted Level I licence pursuant to subsection 5 (a). *(Rev. 1/99)*
- (5) The Council may issue to licensees mentioned in subsections (3) and (4):
 - (a) a Restricted Level I licence, the holder of which must:
 - (i) prior to submitting a Disclosure Statement to an insurer, ensure the Disclosure Statement has been reviewed and countersigned by a holder of a Level II licence;
 - (ii) within ten (10) days of taking an application for insurance, ensure that a Level I Supervision Certificate approved by the Life Insurance Council (Appendix 3) is completed and signed by a holder of a Level II licence and a copy of the Level I Supervision Certificate is retained by the Level I licensee in the applicant's file; and
 - (iii) not act as an agent in the sale of Segregated Funds unless the licence holder has passed an investment funds course approved by Council; or *(Rev. 1/99)*
 - (b) a Conditional Level II licence, the holder of which must successfully complete within three years of receiving the licence, one of the Level II education requirements set out in subsection (6), and if those requirements are not met within that time, the licence will be cancelled. *(Rev. 1/99)*

- Section 15.6
- (1) Non-accredited course providers or licensees must apply for course approval.
 - (2) Council will only consider courses where verification of attendance by the licensee can be determined and the following information is provided to Council by the applicant for course approval *(Rev. 3/99)* :
 - (a) A detailed syllabus/course outline.
 - (b) Time frames and dates.
 - (c) Industry background and experience of course instructor.
 - (d) Number and classification of credit hours being requested.
 - (3) Council may, at its sole discretion after receiving an application for course approval, grant or refuse credit hours with respect to a course provided by a non-approved course provider. *(Rev. 3/99)*

- Section 17.
- (2) **Annual Licence Fees**
 - (a) The licence will be issued for a five (5) year period subject to annual payment.
 - (b) Licensees or applicants shall not be eligible to be licensed or renew their licence unless they have paid the following annual fee:

Agency Licence

- (i) Repealed. *(Rev. 5/99)*
- (ii) Repealed. *(Rev. 5/99)*
- (iii) Life and Accident & Sickness *(Rev. 5/99)* \$65
- (iv) Accident & Sickness \$65

(b) **Individual Agent/Salesperson**

- (i) Repealed. *(Rev. 5/99)*
- (ii) Life and Accident & Sickness *(Rev. 5/99)* \$ 70
- (iii) Accident & Sickness *(Rev. 5/99)* \$ 70

- Section 20.
- (k) where the licensee is the holder of a Level I Life and Accident & Sickness Insurance licence issued after January 1, 1999, within ten (10) days of taking an application for insurance ensure that a Level I Supervision Certificate approved by the Life Insurance Council (appendix 3) is completed and signed by a holder of a Level II licence, and a copy of the Level I Supervision Certificate shall be retained by the licensee in the applicant's file. *(Rev. 10/98, 12/98)*

- Section 21.
- (q) where the licensee is a holder of a Level I Licence issued after January 1, 1999,

act as an agent in the sale of segregated funds unless the licensee has passed an investment funds course approved by Council. *(Rev. 12/98)*

- (r) after January 1, 2000, engage in the sale of segregated funds unless the licensee has passed an investment funds course approved by Council. *(Rev. 12/98)(Rev. 1/99)*