

Life Insurance 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 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

Insurer's Representatives

More people will become licensees as of January 1, 2020.

Employees of an insurer will need a licence if they:

- provide insurance advice;
- provide advice and recommendation to clients;
- provide advice on conversions and cancellations;
- provide advice on in-force policies; and,
- work jointly with advisors and clients.

This will cover individuals including sales representatives and some call centre employees.

These groups were exempt in the old Act.

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.*

Audits

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

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

Designated Representatives

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

As the DRs new and expanded role is so important to the business, ICS must **immediately** be notified if the DR of the business leaves or dies. The business licence will be cancelled if there is no qualified DR appointed.

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