

The Insurance Regulations

being

Chapter I-9.11 Reg 1 (effective January 1, 2020) as amended
by Saskatchewan Regulations 2/2019.

***NOTE:** Pursuant to subsection 33(1) of *The Interpretation Act, 1995*, the Consequential Amendment sections, schedules and/or tables within this Act have been removed. Upon coming into force, the consequential amendments contained in those sections became part of the enactment(s) that they amend, and have thereby been incorporated into the corresponding Acts. Please refer to the Separate Chapter to obtain consequential amendment details and specifics.

NOTE:

This consolidation is not official and is subject to House amendments and Law Clerk and Parliamentary Counsel changes to Separate Chapters that may be incorporated up until the publication of the annual bound volume. Amendments have been incorporated for convenience of reference and the official Statutes and Regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the official Statutes and Regulations, errors that may have appeared are reproduced in this consolidation.

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CHAPTER I-9.11 REG 1

The Insurance Act

PART 1

Preliminary Matters

DIVISION 1

Title and Interpretation

Title

1-1 These regulations may be cited as *The Insurance Regulations*.

Definitions and Interpretation

1-2(1) In these regulations:

“accident and sickness insurance” means insurance:

- (a) against loss resulting from bodily injury to or the death of a person caused by an accident;
- (b) under which an insurer undertakes to pay a certain sum or sums of insurance money in the event of bodily injury to or the death of a person caused by an accident;
- (c) against loss resulting from the sickness or disability of a person, excluding loss resulting from an accident or death;
- (d) under which an insurer undertakes to pay a certain sum or sums of insurance money in the event of the sickness or disability of a person not caused by an accident; or
- (e) under which an insurer undertakes to pay insurance money with respect to the health care, including dental care and preventative care, of a person;

“Act” means *The Insurance Act*;

“aircraft insurance” means insurance against:

- (a) liability arising out of bodily injury to or the death of a person, or the loss of or damage to property, in each case caused by an aircraft or the use of an aircraft; or
- (b) the loss of, the loss of use of or damage to an aircraft;

“automobile insurance” means insurance:

- (a) against liability arising out of bodily injury to or the death of a person, or the loss of or damage to property, in each case caused by an automobile or the use or operation of an automobile;
- (b) against the loss of, the loss of use of or damage to an automobile; or

(c) that falls within clause (a) or (b) of the definition of “accident and sickness insurance”, if the accident is caused by an automobile or the use or operation of an automobile, whether or not liability exists with respect to the accident, and the policy includes insurance against liability arising out of bodily injury to or the death of a person caused by an automobile or the use or operation of an automobile;

“boiler and machinery insurance” means insurance:

(a) against liability arising out of bodily injury to or the death of a person, or the loss of or damage to property, or against the loss of or damage to property, in each case caused by the explosion or rupture of or accident to pressure vessels of any kind or pipes, engines and machinery connected to or operated by those pressure vessels; or

(b) against liability arising out of bodily injury to or the death of a person, or the loss of or damage to property, or against the loss of or damage to property, in each case caused by a breakdown of machinery;

“credit insurance” means insurance against loss to a person who has granted credit if the loss is the result of the insolvency or default of the person to whom the credit was given;

“credit protection insurance” means insurance under which an insurer undertakes to pay off credit balances or debts of an individual, in whole or in part, in the event of an impairment or potential impairment in the individual’s income or ability to earn an income;

“crop hail insurance” means insurance against loss of or damage to growing crops caused by hail;

“fidelity insurance” means insurance:

(a) against loss caused by the theft, the abuse of trust or the unfaithful performance of duties by a person in a position of trust; or

(b) under which an insurer undertakes to guarantee the proper fulfilment of the duties of an office;

“foreign financial institution” means a foreign financial institution as defined in section 3-132 of the Act;

“legal expenses insurance” means insurance against the costs incurred by a person or persons for legal services specified in the policy, including any retainer and fees incurred for the services, and other costs incurred with respect to the provision of the services;

“liability insurance” means insurance, other than insurance that falls within another class of insurance:

(a) against liability arising out of bodily injury to or the disability or death of a person, including an employee;

(b) against liability arising out of the loss of or damage to property; or

(c) if the policy includes the insurance described in clause (a), against expenses arising out of bodily injury to a person other than the insured or a member of the insured’s family, whether or not liability exists;

“life insurance” means:

- (a) any insurance that is payable:
 - (i) on death;
 - (ii) on the happening of an event or contingency dependent on human life;
 - (iii) at a fixed or determinable future time; or
 - (iv) for a term dependent on human life; and
- (b) without restricting the generality of clause (a), includes:
 - (i) insurance under which an insurer, as part of a contract of life insurance, undertakes to pay an additional sum of insurance money in the event of the death by accident of the person whose life is insured;
 - (ii) insurance under which an insurer, as part of a contract of life insurance, undertakes to pay insurance money or to provide other benefits in the event that the person whose life is insured becomes disabled as a result of bodily injury or disease; and
 - (iii) an undertaking to provide an annuity, or what would be an annuity except that the periodic payments may be unequal in amount, for a term dependent solely or partly on the life of a person;

“marine insurance” means insurance against any of the following occurring during a voyage or marine adventure at sea or on an inland waterway, or during a delay or a transit other than by water that is incidental to a voyage or marine adventure at sea or on an inland waterway:

- (a) liability arising out of bodily injury to or the death of a person;
- (b) liability arising out of the loss of or damage to property;
- (c) the loss of or damage to property;

“other approved products insurance” means insurance against risks that do not fall within another class of insurance;

“property insurance” means insurance against the loss of or damage to property and includes insurance against loss caused by forgery;

“surety insurance” means insurance under which an insurer undertakes to guarantee the due performance of a contract or undertaking or the payment of a penalty or indemnity for any default;

“third party administrator” means a business that, for compensation, carries out activities to administer a contract of insurance on behalf of an insurer, other than solely clerical activities, but does not include a business that is licensed as an insurance agent or managing general agent;

“**title insurance**” means insurance against loss or damage caused by:

- (a) the existence of a mortgage, charge, lien, encumbrance, servitude or any other restriction on real property;
 - (b) the existence of a mortgage, charge, lien, pledge, encumbrance or any other restriction on personal property;
 - (c) a defect in any document that evidences the creation of any restriction mentioned in clause (a) or (b);
 - (d) a defect in the title to property; or
 - (e) any other matter affecting the title to property or affecting the right to the use and enjoyment of property.
- (2) In the Act and these regulations, “**growing crop**” includes a crop that is:
- (a) lying in windrows for the period specified in the policy of crop hail insurance for that crop; and
 - (b) desiccated before harvesting for the period specified in the policy of crop hail insurance for that crop.
- (3) For the purposes of clause (e) of the definition of “financial institution” in subsection 1-2(1) of the Act, the following entities are financial institutions:
- (a) a cooperative credit society within the meaning of the *Cooperative Credit Associations Act* (Canada) that is incorporated, continued or regulated by or pursuant to an Act or an Act of any province or territory of Canada;
 - (b) an association incorporated or continued pursuant to the *Cooperative Credit Associations Act* (Canada);
 - (c) an entity that is incorporated, continued or licensed pursuant to an Act of Parliament or of any province or territory and that is primarily engaged in dealing in securities, including portfolio management and investment counselling;
 - (d) a foreign financial institution.
- (4) For the purposes of clause (h) of the definition of “senior official” in subsection 1-2(1) of the Act, in the case of an entity that is a provincial company, a senior official of the provincial company includes:
- (a) each of the 5 highest paid employees of the provincial company;
 - (b) branch managers of the provincial company; and
 - (c) other persons who perform for the provincial company functions that are normally performed by a branch manager.
- (5) For the purposes of clause 1-2(2)(h) of the Act, a person is not an insurance agent if the insurance agent action performed by that person is solely related to issuing a policy of insurance pursuant to *The Automobile Accident Insurance Act*.

- (6) For the purposes of clause 1-2(4)(g) of the Act, the following are not adjusters:
- (a) a third party administrator that holds a valid third party administrator's licence and is adjusting a policy that the third party administrator otherwise administers;
 - (b) a duly qualified medical practitioner who provides information to an insurer for the purposes of assisting a person with making a claim under an insurance policy or a contract of insurance;
 - (c) a licensed pharmacist as defined in *The Pharmacy and Pharmacy Disciplines Act* who provides information to an insurer for the purposes of assisting a person with making a claim under an insurance policy or a contract of insurance.

7 Jly 2017 cI-9.11 Reg 1 s1-2.

DIVISION 2 Application of Act

Non-application to certain mutual benefit societies

- 1-3(1) For the purposes of clause 1-13(2)(a) of the Act, the amount is \$12.
- (2) For the purposes of clause 1-13(2)(b) of the Act, the amount is \$400.

7 Jly 2017 cI-9.11 Reg 1 s1-3.

Exemption re Canadian Blood Services

- 1-4 The Act does not apply to:
- (a) CBS Insurance Company Limited; or
 - (b) Canadian Blood Services Captive Insurance Company Limited.

7 Jly 2017 cI-9.11 Reg 1 s1-4.

Exemption re Saskatchewan Teachers' Federation

- 1-5(1) In this section:
- “**annual return**” means the annual return required by subsection 2-33(2) of the Act;
- “**Federation**” means the Saskatchewan Teachers' Federation.
- (2) Subject to subsection (3), section 2-31 and clause 2-33(3)(b) of the Act do not apply to the Federation.
- (3) As a condition of being exempted from complying with section 2-31 and clause 2-33(3)(b) of the Act, the Federation shall:
- (a) designate in its bylaws the period commencing on July 1 in one year and ending on June 30 in the following year as its financial year; and
 - (b) file the annual return within 120 days after the end of the financial year for which the return is prepared.

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(4) Subject to subsection (5), Divisions 11 and 12 of Part III of the Act do not apply to the Federation.

(5) As a condition of being exempted from complying with Divisions 11 and 12 of Part III of the Act, the Federation must invest only in accordance with the *Pension Benefits Standards Regulations, 1985* (Canada).

7 Jly 2017 cI-9.11 Reg 1 s1-5; 2 Feb 2019 SR 2/2019 s3.

Exemption re BCAA Insurance Corporation

1-6(1) In this section, “**corporation**” means the BCAA Insurance Corporation.

(2) Subject to subsection (3), section 2-31 of the Act does not apply to the corporation.

(3) As a condition of being exempted from complying with section 2-31 of the Act, the corporation shall designate in its bylaws the period commencing on October 1 in one year and ending on September 30 in the following year as its financial year.

7 Jly 2017 cI-9.11 Reg 1 s1-6.

Exemption re Saskatchewan Municipal Hail Insurance Association

1-7 The Act does not apply to the Saskatchewan Municipal Hail Insurance Association.

7 Jly 2017 cI-9.11 Reg 1 s1-7.

DIVISION 3**General****Fees**

1-8 The fees payable pursuant to the Act and these regulations are set out in Table 1 of the Appendix.

7 Jly 2017 cI-9.11 Reg 1 s1-8.

PART 2**Licensing of Insurers****DIVISION 1****Licensing of Insurers****Licensing requirement – foreign company**

2-0.1 For the purposes of subsection 2-5(1.1) of the Act, an applicant that is an insurer mentioned in clause 2-4(1)(f) of the Act shall apply as a federally authorized company.

2 Feb 2019 SR 2/2019 s4.

Base capital

2-1 For the purposes of clause 2-12(a) of the Act, the prescribed amount of base capital is:

- (a) for life companies, \$5,000,000; and
- (b) for property and casualty companies, \$3,000,000.

7 Jly 2017 cI-9.11 Reg 1 s2-1.

Term of licence

2-2 For the purposes of subsection 2-16(2) of the Act, an insurer's licence continues in force indefinitely unless it is suspended or cancelled in accordance with the Act.

7 Jly 2017 cI-9.11 Reg 1 s2-2.

Payment of annual fee

2-3 For the purposes of subsection 2-18(2) of the Act, a licensed insurer shall submit the annual fee on or before April 1 of each year.

7 Jly 2017 cI-9.11 Reg 1 s2-3.

Classes of insurance

2-4 For the purposes of subsection 2-24(2) of the Act, a licence may authorize an insurer to transact any one or more of the following classes of insurance:

- (a) accident and sickness insurance;
- (b) aircraft insurance;
- (c) automobile insurance;
- (d) boiler and machinery insurance;
- (e) credit insurance;
- (f) credit protection insurance;
- (g) crop hail insurance;
- (h) fidelity insurance;
- (i) legal expenses insurance;
- (j) liability insurance;
- (k) life insurance;
- (l) marine insurance;
- (m) mortgage insurance as defined in section 5-69 of the Act;
- (n) other approved products insurance;
- (o) property insurance;
- (p) surety insurance;

(q) title insurance.

7 Jly 2017 cI-9.11 Reg 1 s2-4.

Composite companies

2-5 For the purposes of subclause 2-26(b)(ii) of the Act, the following classes of insurance are prescribed:

- (a) travel insurance as defined in section 5-69 of the Act;
- (b) credit insurance;
- (c) credit protection insurance.

7 Jly 2017 cI-9.11 Reg 1 s2-5.

Prohibited activity

2-5.1(1) In this section:

“eligible period” means the period commencing on the day on which a contract of insurance for life insurance takes effect and ending on the day on which the last person whose life is insured by the contract reaches the age of 120;

“life insurance premium” means the premium under a contract of insurance for life insurance but does not include any amount paid, transferred, credited or deposited to a side account;

“side account” means an account associated with a life insurance policy that holds amounts in excess of the maximum amount permitted to be held in a life insurance policy that is exempt from accrual taxation pursuant to the *Income Tax Act* (Canada);

“variable insurance contract” means a variable insurance contract as defined in section 3-8 of the Act.

(2) Subject to subsection (3), for the purposes of clause 2-28(1)(e) of the Act, with respect to a contract of insurance for life insurance, during the eligible period:

- (a) no licensed insurer shall receive or accept for deposit funds or payments in excess of the amount required to pay the life insurance premium for the eligible period; and
- (b) with respect to a contract of insurance for life insurance that is not exempt from accrual taxation pursuant to the *Income Tax Act* (Canada), no licensed insurer shall receive or accept for deposit funds or payments in excess of the life insurance premium required to keep the contract of insurance for life insurance in force until the end of the eligible period.

(3) This section does not apply to a variable insurance contract.

(4) Each contract of insurance for life insurance issued by a licensed insurer is deemed to contain the restrictions set out in this section.

2 Feb 2019 SR 2/2019 s5.

Annual return of licensed provincial company

2-6(1) For the purposes of clause 2-33(4)(d) of the Act, the annual return must be approved and signed by resolution of the directors or in any other manner that may be set out in the bylaws of the provincial company.

(2) For the purposes of subsection 2-33(5) of the Act, the assets of a provincial company, including investments, must be valued in accordance with generally accepted accounting principles, published by Chartered Professional Accountants of Canada, as amended from time to time.

(3) For the purposes of clause 2-33(6)(a) of the Act, the annual return must be accompanied by the following:

- (a) financial statements for the financial year for which the return is prepared;
- (b) an auditor's report that:
 - (i) is prepared in accordance with the Act and these regulations; and
 - (ii) is satisfactory to the Superintendent;
- (c) if required by the Superintendent, an actuary's report that:
 - (i) is prepared in accordance with the Act and these regulations; and
 - (ii) is satisfactory to the Superintendent.

7 Jly 2017 cI-9.11 Reg 1 s2-6.

Records

2-7 For the purposes of subsection 2-39(2) of the Act, the records must be kept:

- (a) in the case of records related to a contract of insurance, for 6 years from the date on which the contract of insurance expired, was terminated or was completed; and
- (b) in the case of all other records, for 6 years from the date on which the record was created.

7 Jly 2017 cI-9.11 Reg 1 s2-7.

Notice of change

2-8(1) For the purposes of section 2-42 of the Act, an applicant for a licence or a licensed insurer shall notify the Superintendent of the following changes in circumstances within 7 days after the change:

- (a) a change to the address, phone number or email address of the applicant or licensed insurer:
 - (i) that was provided to the Superintendent in the licence application submitted by the applicant or licensed insurer; or
 - (ii) that was provided to the Superintendent by the applicant or licensed insurer pursuant to this clause;

- (b) a change to the name of the applicant or licensed insurer;
 - (c) any of the following actions respecting, or changes to, the authority of the applicant or licensed insurer to engage in the transacting of insurance in another jurisdiction:
 - (i) a suspension;
 - (ii) a cancellation;
 - (iii) an imposition of terms and conditions or other restrictions;
 - (iv) a surrendering;
 - (d) if the applicant or licensed insurer is found liable by a court of competent jurisdiction in a civil action of fraud, breach of trust, deceit or misrepresentation;
 - (e) if the applicant or licensed insurer is found guilty of:
 - (i) an offence contrary to the *Criminal Code*; or
 - (ii) any other offence against any law of any country, province or state, excluding traffic offences;
 - (f) a change to the external auditor or chief actuary of the applicant or licensed insurer.
- (2) In addition to the requirements in subsection (1), an applicant for a licence as a provincial company or a licensed provincial company shall notify the Superintendent of the following changes in circumstances within 7 days after the change:
- (a) a change to the list of officers and directors of the applicant or licensed provincial company:
 - (i) that was provided to the Superintendent in the licence application submitted by the applicant or licensed provincial company; or
 - (ii) that was provided to the Superintendent by the applicant or licensed provincial company pursuant to this clause;
 - (b) the applicant or licensed provincial company is charged with:
 - (i) an offence contrary to the *Criminal Code*; or
 - (ii) any other offence against any law of any country, province or state, excluding traffic offences;
 - (c) a civil action or administrative proceeding is brought against the applicant or licensed provincial company alleging fraud, breach of trust, deceit or misrepresentation by the applicant or licensed provincial company;
 - (d) a change to the insurance products provided by the applicant or licensed provincial company;
 - (e) a change to the business plan or strategic plan of the applicant or provincial licensed company;
 - (f) a change to the auditor or actuary of the applicant or licensed provincial company.

Capital and liquidity – extraprovincial company

2-9 For the purposes of subsection 2-44(1) of the Act:

- (a) an extraprovincial property and casualty company maintains adequate capital if the amount of capital available to it on an ongoing basis is equal to or exceeds the minimum amount of capital calculated using the Minimum Capital Test in the form designated “P & C”, as provided by the Superintendent; and
- (b) an extraprovincial life company maintains adequate capital if the amount of capital available to it on an ongoing basis is equal to or exceeds the minimum amount of capital calculated using the Life Insurance Capital Adequacy Test in the form provided by the Superintendent.

7 Jly 2017 cI-9.11 Reg 1 s2-9.

DIVISION 2

Licensing of Reciprocal Insurance Exchanges

Classes of insurance

2-10 For the purposes of section 2-49 of the Act, a reciprocal insurance exchange may be licensed to undertake the following classes of insurance:

- (a) aircraft insurance;
- (b) automobile insurance;
- (c) boiler and machinery insurance;
- (d) credit insurance;
- (e) credit protection insurance;
- (f) crop hail insurance;
- (g) fidelity insurance;
- (h) legal expenses insurance;
- (i) liability insurance;
- (j) marine insurance;
- (k) mortgage insurance as defined in section 5-69 of the Act;
- (l) property insurance;
- (m) title insurance.

7 Jly 2017 cI-9.11 Reg 1 s2-10.

Automobile insurance

2-11(1) For the purposes of clause 2-51(a) of the Act, the prescribed number of automobiles is 500.

(2) For the purposes of clause 2-51(b) of the Act, the prescribed limit is \$1,000,000.

7 Jly 2017 cI-9.11 Reg 1 s2-11.

Property insurance

2-12(1) For the purposes of clause 2-52(a) of the Act, the prescribed number of separate risks in Saskatchewan or elsewhere is 75.

(2) For the purposes of clause 2-52(b) of the Act, the prescribed amount is \$1,500,000.

7 Jly 2017 cI-9.11 Reg 1 s2-12.

Reserve fund

2-13 For the purposes of section 2-61 of the Act, every reciprocal insurance exchange shall maintain, with its attorney, a reserve fund in cash or approved securities in the amount A calculated in accordance with the following formula:

$$A = [0.5 \times (B - C)] + [(D - E) - (F - G)]$$

where:

B is the amount of premiums collected or credited to the accounts of subscribers on reciprocal contracts that are in force but have 1 year or less until expiration;

C is the amount paid to licensed insurers to reinsure the reciprocal contracts mentioned in variable B;

D is the amount of premiums collected or credited to the accounts of subscribers on reciprocal contracts that are in force but have more than 1 year until expiration;

E is the amount of premiums mentioned in variable D that are attributable to the expired portions of the reciprocal contracts mentioned in variable D;

F is the amount paid to licensed insurers to reinsure the reciprocal contracts mentioned in variable D; and

G is the amount paid to licensed insurers mentioned in variable F that is attributable to the expired portions of the reciprocal contracts mentioned in variable D.

7 Jly 2017 cI-9.11 Reg 1 s2-13.

Guarantee fund

2-14(1) In this section, “**unearned premiums**” means the portion of premiums collected or credited to the accounts of subscribers on reciprocal contracts that is attributable to the unexpired portion of those reciprocal contracts.

(2) For the purposes of section 2-63 of the Act, every reciprocal insurance exchange shall maintain a guarantee fund in cash or approved securities in the amount A calculated in accordance with the following formula:

$$A = B - C + D$$

where:

B is the amount of all liabilities, other than unearned premiums, associated with the operation of the reciprocal insurance exchange, including liabilities under reciprocal contracts undertaken by the reciprocal insurance exchange;

C is the amount that is recoverable from licensed insurers that have reinsured the reciprocal contracts mentioned in variable B; and

D is \$50,000.

7 Jly 2017 cI-9.11 Reg 1 s2-14.

PART 3 Provincial Companies

DIVISION 1 Business Dealings

Security interests

3-1 For the purposes of clause 3-3(2)(c) of the Act, the prescribed amount is the amount that is equal to 2% of the total assets of the provincial company.

7 Jly 2017 cI-9.11 Reg 1 s3-1.

DIVISION 2 Liquidation

Proposal made by shareholder

3-2 Sections 131 and 204 of *The Business Corporations Act* apply, with any necessary modification, to the voluntary liquidation and dissolution of a provincial company that is initiated by way of a proposal made by a shareholder who is entitled to vote at an annual meeting of shareholders pursuant to clause 3-72(1)(b) of the Act.

7 Jly 2017 cI-9.11 Reg 1 s3-2.

DIVISION 3

Head Office, Records, Financial Statements and Directors**Records**

3-3(1) Every provincial company shall keep a copy of its annual return filed pursuant to section 2-33 of the Act at its head office.

(2) Every reciprocal insurance exchange shall keep a copy of the following records at its head office:

- (a) the name of its principal attorney;
- (b) the reserve fund and guarantee fund calculations made pursuant to sections 2-13 and 2-14, respectively.

(3) For the purposes of subsection 3-96(3) of the Act:

- (a) subject to clause (b), the records mentioned in clauses 3-96(1)(a) and (b) of the Act and subsection (1) and clause (2)(b) of this section must be kept for at least 6 years from the date on which the record was created;
- (b) the records mentioned in clause 3-96(1)(b) of the Act related to a contract of insurance must be kept for at least 6 years from the date on which a contract of insurance expired, was terminated or was completed; and
- (c) the records mentioned in clauses 3-96(1)(c) to (p) of the Act and clause (2)(a) of this section must be kept on a permanent basis.

7 Jly 2017 cI-9.11 Reg 1 s3-3.

Information to be given to Superintendent

3-4 For the purposes of clauses 3-99(1)(c) and (d) and section 10-16 of the Act, the following actions or proceedings are prescribed:

- (a) any criminal action or proceeding brought against the provincial company;
- (b) any action or proceeding brought against the provincial company by a regulatory body;
- (c) any class action or proceeding brought against the provincial company;
- (d) any civil action or proceeding brought against the provincial company.

7 Jly 2017 cI-9.11 Reg 1 s3-4.

DIVISION 4

Adequacy of Capital and Liquidity**Capital and liquidity**

3-5 For the purposes of subsection 3-124(1) of the Act:

- (a) a provincial property and casualty company maintains adequate capital if the amount of capital available to it on an ongoing basis is equal to or exceeds the minimum amount of capital calculated using the Minimum Capital Test in the form designated "P & C", as provided by the Superintendent; and

(b) a provincial life company maintains adequate capital if the amount of capital available to it on an ongoing basis is equal to or exceeds the minimum amount of capital calculated using the Life Insurance Capital Adequacy Test in the form provided by the Superintendent.

7 Jly 2017 cI-9.11 Reg 1 s3-5.

DIVISION 5 Investments

Commercial loan amount

3-6(1) For the purposes of subclause (a)(i) of the definition of “commercial loan” in section 3-126 of the Act, the prescribed amount is \$250,000.

(2) For the purposes of subclauses (a)(ii) and (b)(ii) of the definition of “commercial loan” in section 3-126 of the Act, the following international agencies are prescribed:

- (a) Asian Development Bank;
- (b) Inter-American Bank;
- (c) International Bank for Reconstruction and Development;
- (d) International Finance Corporation;
- (e) European Bank for Reconstruction and Development.

7 Jly 2017 cI-9.11 Reg 1 s3-6.

Prohibited investments

3-7(1) For the purposes of section 3-129 of the Act, a person is connected to another person if:

- (a) one of them is an affiliate of the other; or
- (b) with respect to a loan by a third party to both of those persons or an investment by a third party in both of those persons, those persons are not to a material extent financially independent of each other and:
 - (i) the loans or investments are for the same purpose;
 - (ii) the expected source of repayment on the loans or investments is the same; or
 - (iii) the security for the loans or investments is the same.

(2) Subject to subsection (3), the prescribed percentage of the company’s assets for the purposes of clause 3-129(1)(b) of the Act is 5%.

(3) For commercial loans, the prescribed percentage of the company’s assets for the purposes of clause 3-129(1)(b) of the Act is 2%.

(4) For the purposes of clause 3-129(2)(e) of the Act, a provincial company may acquire or make investments in the following:

- (a) any deposit with or any debt obligation or acceptance of a deposit-taking institution if the deposit, debt obligation or acceptance has a residual maturity of less than 1 year;
- (b) any deposit with a deposit-taking institution that controls the provincial company;
- (c) any foreign exchange, interest rate, equity or commodity contract with a deposit-taking institution if the contract has a residual maturity of less than 1 year;
- (d) any foreign exchange, interest rate, equity or commodity contract, in the normal course of business, with a financial institution that controls the provincial company or is affiliated with the provincial company;
- (e) any direct obligation of and that portion of any obligation fully and unconditionally guaranteed by any of the following:
 - (i) a municipality or an agency of a municipality;
 - (ii) a government that is a member of the Organization of Economic Cooperation and Development or an agency of that government.

7 Jly 2017 cI-9.11 Reg 1 s3-7.

Leasing and related agreements

3-8(1) In this section:

“agreement” means:

- (a) a security agreement as defined in *The Personal Property Security Act, 1993*; or
- (b) a financial lease agreement, being an agreement for a lease of personal property in which credit is extended by the lessor to the lessee for the purpose of enabling the lessee to meet the lessee’s obligations under the lease;

“property” means the personal property to which an agreement relates.

(2) No provincial company shall beneficially own shares in a financial leasing corporation described in clause 3-9(2)(b) unless:

- (a) the aggregate of:
 - (i) the book value of all of the property that is subject to agreements held by the financial leasing corporation; and
 - (ii) all amounts owing as receivables with respect to those agreements;
 is equal to at least 80% of the assets of the financial leasing corporation; and
- (b) the financial leasing corporation meets the requirements of the agreements.

- (3) A provincial company may enter into or acquire an agreement only if the following requirements are met:
- (a) the company must not direct its customers or potential customers to particular dealers in the property;
 - (b) at no time may the aggregate of the estimated residual values of all the property of the company, excluding motor vehicles, leased under the financial lease agreements exceed 10% of the aggregate of the costs of acquisition of that leased property to the company;
 - (c) the estimated residual value of property leased under a financial lease agreement must not exceed:
 - (i) in the case of motor vehicles, 50% of their cost of acquisition; or
 - (ii) in the case of any other property, 20% of its cost of acquisition to the company;
 - (d) the agreement must be entered into or acquired for the purpose of extending credit to the lessee or purchaser;
 - (e) the property that is the subject of the agreement must be selected by the lessee or buyer and:
 - (i) must be acquired by the company at the request of the lessee or buyer; or
 - (ii) must have been acquired by the company through the operation of an earlier agreement;
 - (f) the agreement must yield a return that:
 - (i) will compensate the company for not less than its full investment in the property;
 - (ii) is reasonable, taking into account:
 - (A) the term of the agreement and the other terms and conditions of it;
 - (B) the technological obsolescence of the property; and
 - (C) the rate of return sought by other lessors with respect to similar agreements with respect to similar property and under the same terms and conditions; and
 - (iii) is calculated by taking into account:
 - (A) rental charges paid by the lessee or purchaser;
 - (B) estimated tax benefits of the agreement to the company, including tax credits and capital cost allowance claims; and

- (C) the amount of:
 - (I) if the lessee or purchaser or a third party who is dealing at arm's length with the company has, on or before the commencement of the agreement, contracted to purchase the property or unconditionally guaranteed the resale value of the property at the date of expiry of the agreement, the purchase price or the resale value so guaranteed; or
 - (II) in any other case, but subject to clause (c), the estimated residual value of the property;
- (g) the agreement must contain a provision:
 - (i) assigning and conveying to the lessee or purchaser the benefit of all warranties, guarantees or other undertakings made by a manufacturer or supplier relating to the property; or
 - (ii) setting out the responsibilities of the company with respect to the warranties, guarantees or other undertakings mentioned in subclause (i);
- (h) the agreement must substantially transfer to the lessee or purchaser the benefits and risks incidental to the operation of the property and must not place responsibility on the part of the company to install, promote, service, clean, maintain or repair the property;
- (i) if the lessee or purchaser defaults in the manner set out in the agreement and the default is not waived or the agreement, including any renewals or extensions of it, expires, the company must:
 - (i) liquidate its interest in the property; or
 - (ii) enter into a new agreement with respect to that property within 2 years after that default or expiry or, if proceedings with respect to that property have prevented the company from complying with that requirement within that period, within 2 years after the completion of those proceedings.
- (4) An agreement may be renewed on its expiry and may be extended during its term.

7 Jly 2017 cI-9.11 Reg 1 s3-8.

Limitation on shareholding

3-9(1) In this section and in sections 3-10 and 3-12:

“real property corporation” means a body corporate that is primarily engaged in holding, managing or otherwise dealing with:

- (a) real property; or

(b) shares of a body corporate or ownership interests in an unincorporated entity that is primarily engaged in holding, managing or otherwise dealing with real property, including another real property corporation or a real property holding vehicle;

“real property holding vehicle” means a limited partnership or a trust that is primarily engaged in holding, managing or otherwise dealing with:

(a) real property; or

(b) shares of a body corporate or ownership interests in an unincorporated entity that is primarily engaged in holding, managing or otherwise dealing with real property, including a real property corporation or another real property holding vehicle.

(2) For the purposes of clause 3-132(4)(e) of the Act, a provincial company may, with the approval of the Superintendent, have a substantial investment in the following bodies corporate:

(a) a factoring corporation, being a body corporate whose activities are limited to acting as a factor in relation to accounts receivable, including the lending of money and the raising of money for the purpose of financing those activities;

(b) a financial leasing corporation, being a body corporate that enters into or acquires agreements as defined in subsection 3-8(1);

(c) an information management corporation, being a body corporate that carries on the business of:

(i) the collection, manipulation and transmission of information that is primarily financial or economic in nature; or

(ii) the sale of related software;

(d) an investment counselling corporation, being a body corporate that is registered as an investment counsel pursuant to *The Securities Act, 1988* or in a similar capacity under comparable legislation in another jurisdiction in Canada;

(e) a mutual fund corporation, being a body corporate whose activities are limited to the investing of the funds of the body corporate or a body corporate that is an issuer of securities that entitle the holder to receive, on demand or within a specified period after demand, an amount computed by reference to the value of a proportionate interest in the whole or in a part of the net assets, including a separate fund or trust account, of the issuer of those securities;

(f) a mutual fund distribution corporation, being a body corporate that is registered as a mutual fund dealer pursuant to *The Securities Act, 1988* or in a similar capacity under comparable legislation in another jurisdiction in Canada;

- (g) a portfolio management corporation, being a body corporate that is registered as a portfolio manager pursuant to *The Securities Act, 1988* or in a similar capacity under comparable legislation in another jurisdiction in Canada;
- (h) a real property brokerage corporation, being a body corporate whose activities are limited to acting as an agent for vendors or purchasers of real estate;
- (i) a real property corporation;
- (j) a real property holding vehicle;
- (k) a securities dealer;
- (l) an insurance agency corporation, being a body corporate that sells insurance;
- (m) a service corporation, being a body corporate whose activities are limited to the provision of management services to:
 - (i) a provincial company;
 - (ii) a financial institution that is affiliated with a provincial company;or
 - (iii) a body corporate in which a provincial company or financial institution that is affiliated with a provincial company holds or beneficially owns, separately or in the aggregate, more than 50% of the issued and outstanding voting shares;
- (n) a specialized financing corporation, being a body corporate that is primarily engaged in providing specialized business management in making investments or providing financing or advisory services.

7 Jly 2017 cI-9.11 Reg 1 s3-9.

DIVISION 6 Portfolio Limits

Exclusion from portfolio limits

3-10(1) For the purposes of sections 3-139 and 3-141 of the Act and this section, **“interest in real property”** means:

- (a) an interest in real property that, under the generally accepted accounting principles published by Chartered Professional Accountants of Canada, as amended from time to time, would be shown as real property owned by the provincial company in its financial statements;
- (b) an ownership interest, including shares, in a real property corporation or a real property holding vehicle that is not a joint venture and in which the provincial company or a subsidiary of the company that is not a financial institution has a substantial interest;

- (c) a debt obligation:
 - (i) issued by a real property corporation or a real property holding vehicle that is not a joint venture and in which the provincial company or a subsidiary of the company that is not a financial institution has a substantial interest; and
 - (ii) beneficially owned by the company or a subsidiary of the company that is not a financial institution;
- (d) a loan to a real property corporation or a real property holding vehicle that is not a joint venture and in which the provincial company or a subsidiary of the company that is not a financial institution has a substantial interest, if the loan is made by the company or a subsidiary of the company that is not a financial institution;
- (e) a loan to:
 - (i) a real property corporation or a real property holding vehicle in which a financial institution controlled by the provincial company has a substantial interest, if the loan is made by the company or a subsidiary of the company that is not a financial institution; and
 - (ii) a real property corporation or a real property holding vehicle that is controlled by a real property corporation or a real property holding vehicle described in subclause (i) if the loan is made by the provincial company or a subsidiary of the company that is not a financial institution;
- (f) a debt obligation issued by a real property corporation or a real property holding vehicle described in clause (e) and beneficially owned by the provincial company or a subsidiary of the company that is not a financial institution;
- (g) a debt obligation:
 - (i) issued by a real property corporation or a real property holding vehicle that is not a joint venture and in which the provincial company or a subsidiary of the company that is not a financial institution has a substantial interest; and
 - (ii) beneficially owned by a third party and guaranteed by the company or a subsidiary of the company that is not a financial institution; or
- (h) a loan made by a third party to a real property corporation or a real property holding vehicle and guaranteed by the provincial company or a subsidiary of the company that is not a financial institution;

but does not include an interest in real property owned by a financial institution or by an entity controlled by the financial institution, if the financial institution is controlled by the provincial company.

- (2) Subsection 3-136(1) of the Act does not apply to interests in real property mentioned in subsection (1) that are acquired by a provincial company or any of its subsidiaries as a result of a realization of a security interest.

Exclusion from portfolio limits – financial institutions

3-11 Sections 3-138 to 3-141 of the Act do not apply to:

- (a) a subsidiary that is a financial institution; or
- (b) a subsidiary of a financial institution.

7 Jly 2017 cI-9.11 Reg 1 s3-11.

Additional interest in real property

3-12(1) In this section:

“designated entity” means an entity other than:

- (a) a joint venture;
- (b) a financial institution; or
- (c) an entity that is controlled by a financial institution;

“related real property entity”, with respect to a provincial company, means:

- (a) a real property corporation or a real property holding vehicle, other than a designated entity controlled by the company, in which the company or a designated entity controlled by the company beneficially owns sufficient shares or ownership interests to cause the company or designated entity to have a substantial interest in the real property corporation or real property holding vehicle; or
- (b) a real property corporation or a real property holding vehicle that is controlled by a real property corporation or a real property holding vehicle described in clause (a).

(2) For the purposes of sections 3-139 and 3-141 of the Act, if a provincial company or a designated entity controlled by a provincial company makes a loan to, or beneficially owns or guarantees the debt obligation of, a third party, the loan or debt obligation is an interest of the company in real property if it is secured by:

- (a) real property beneficially owned by a third party in conjunction with:
 - (i) the company;
 - (ii) the designated entity;
 - (iii) a related real property entity of the company;
 - (iv) a financial institution controlled by the company;
 - (v) an entity controlled by a financial institution mentioned in subclause (iv); or
 - (vi) a real property corporation described in clause 3-10(1)(e); or

- (b) shares or ownership interests beneficially owned by a third party in:
 - (i) an entity that beneficially owns real property in conjunction with the company, a related real property entity of the company or a designated entity that is controlled by the company; or
 - (ii) a related real property entity of the company.

7 Jly 2017 cI-9.11 Reg 1 s3-12.

Limits on equity acquisitions

3-13 For the purposes of subsection 3-140(2) of the Act, the prescribed percentage of the total assets of the company and its subsidiaries is 25%.

7 Jly 2017 cI-9.11 Reg 1 s3-13.

DIVISION 7

Transactions with Related Parties

Definitions for Division

3-14 In this Division, “**Table 2**” means Table 2 of the Appendix.

7 Jly 2017 cI-9.11 Reg 1 s3-14.

Meaning of “related party”

3-15 Notwithstanding subsection 3-145(2) of the Act, a financial institution that wholly owns a provincial company and a subsidiary of a provincial company that is wholly owned by the company are related parties of that provincial company for the purposes of:

- (a) a transfer of real estate or securities between the provincial company and a related party of the company; or
- (b) a transaction, guarantee or investment that involves the provincial company and a related party of the company that is not at fair market rate.

7 Jly 2017 cI-9.11 Reg 1 s3-15.

Permitted transactions

3-16(1) A provincial company or a subsidiary of a provincial company may enter into a transaction mentioned in subclause 3-150(1)(c)(i) of the Act if the purpose of the transaction is:

- (a) to support the short-term liquidity needs of the provincial company or subsidiary or the related party; or
- (b) to enable the clearance of cheques.

(2) A provincial company or a subsidiary of a provincial company may enter into a transaction mentioned in subclause 3-150(1)(c)(ii) of the Act if the transaction consists of the acquisition of securities in which the provincial company or subsidiary is permitted to invest pursuant to Divisions 11 and 12 of Part III of the Act, other than securities issued by a related party.

7 Jly 2017 cI-9.11 Reg 1 s3-16.

Prescribed securities

3-17 For the purposes of clause 3-151(1)(e) of the Act, a provincial company or its subsidiary may:

- (a) sell to or redeem from a related party other than a subsidiary the provincial company's or subsidiary's own subordinated notes, debentures or shares; and
- (b) sell to or acquire from a related party the following securities:
 - (i) securities that are issued or guaranteed by the Government of Canada or the government of a province or by any of their agencies, or issued by a university, a municipality or a hospital or school board in Canada;
 - (ii) debt securities including banker's acceptances, other than subordinated debt securities, that are issued or guaranteed by a financial institution;
 - (iii) bonds, debentures or commercial paper issued by a body corporate incorporated in Canada that have, at the date of acquisition or sale, a rating in accordance with Table 2.

7 Jly 2017 cI-9.11 Reg 1 s3-17.

Prescribed conditions

3-18 A loan may be made or a guarantee may be given pursuant to clause 3-151(1)(g) of the Act only if the loan or guarantee is fully secured by one or more of the following:

- (a) real estate valued at fair market rate at the time of the loan or guarantee, or securities that have a rating in accordance with Table 2 at the time of the loan or guarantee;
- (b) securities that are issued or fully guaranteed by the Government of Canada or of a province or by a municipality;
- (c) securities evidencing deposits with a deposit-taking institution other than one that is a related party;
- (d) bonds, debentures or commercial paper issued by a body corporate incorporated in Canada, other than a financial institution that is a related party, that have, at the date of acquisition, a rating in accordance with Table 2.

7 Jly 2017 cI-9.11 Reg 1 s3-18.

Prescribed qualifications and purposes

3-19 A loan may be made pursuant to clause 3-151(1)(j) of the Act only if the loan:

- (a) is fully secured by securities of the following type:
 - (i) securities that are issued or fully guaranteed by the Government of Canada or of a province or by a municipality;

(ii) securities evidencing deposits with a deposit-taking institution other than one that is a related party;

(iii) bonds, debentures or commercial paper issued by a body corporate incorporated in Canada, other than a financial institution that is a related party, that have, at the date of acquisition, a rating in accordance with Table 2; and

(b) is made for the purpose of supporting the short-term liquidity needs of the provincial company or its subsidiary.

7 Jly 2017 cI-9.11 Reg 1 s3-19.

Permitted transactions

3-20(1) In this section:

“financial future” means a contract to buy or sell a standard quantity of a specified financial instrument on or before a specified future date at an agreed price;

“forward contract” means a contract to buy or sell currency or a specified financial instrument on or before a specified future date at an agreed price;

“option” means a contract under which a person acquires the right to buy or sell a particular security at a specified future date at an agreed price;

“swap” means an agreement between 2 parties whereby one party offers to pay specified obligations of another party and in exchange the other party agrees to pay specified obligations of the first party.

(2) The following transactions are prescribed for the purposes of clause 3-151(1)(m) of the Act:

(a) a swap or a similar agreement;

(b) an agreement for the purchase or sale of financial futures, options or forward contracts with a securities dealer that is a related party if the securities dealer is acting as agent, not as principal, and the transaction is at fair market rate;

(c) a transaction with a securities dealer that is a related party involving the underwriting of the provincial company's securities or the provision of other services associated with a primary distribution of the company's securities.

(3) If a provincial company enters into a swap with another party, referred to as the counter-party, the counter-party must be an issuer of and have issued debt securities that are outstanding and have a rating in accordance with Table 2.

7 Jly 2017 cI-9.11 Reg 1 s3-20.

Limits on permitted transactions

3-21 For the purposes of section 3-155 of the Act, the limits are the following:

- (a) the aggregate of all of the following must not exceed 10% of the provincial company's total assets:
 - (i) the outstanding principal and interest owing on all loans by a provincial company to related parties of the company;
 - (ii) the book value of all current investments by a provincial company in the securities of related parties of the company;
 - (iii) the contracted amount of all outstanding guarantees made or entered into by a provincial company on behalf of related parties of the company;
- (b) no provincial company shall allow the aggregate amount of its liability with respect to deposits received by it from financial institutions that are related parties of the company to exceed 2% of the company's total assets.

7 Jly 2017 cI-9.11 Reg 1 s3-21.

PART 4

Fraternal Societies**Amount payable on death**

4-1 For the purposes of clause 4-3(1)(c) of the Act, no fraternal society is to be licensed if the sum or sums payable on the death of any one member, other than a funeral benefit, exceed:

- (a) in the case of a provincial or extraprovincial fraternal insurance company authorized to offer life insurance, \$10,000; and
- (b) in the case of a federally licensed fraternal insurance company authorized to offer life insurance, the amount calculated in accordance with the *Insurance Companies Act* (Canada).

7 Jly 2017 cI-9.11 Reg 1 s4-1.

PART 5

Insurance Intermediaries and Insurance Councils

DIVISION 1

Insurance Intermediaries and Adjusters**Insurance agent's licence required**

5-1 For the purposes of clause 5-4(2)(d) of the Act, no individual shall act or offer to act as an insurance agent with respect to a class of insurance unless the individual is an employee or independent contractor or partner of a partnership of a third party administrator and the individual holds a valid insurance agent's licence for that class of insurance.

7 Jly 2017 cI-9.11 Reg 1 s5-1.

Exemption – insurer’s representatives, managing general agents and third party administrators

5-2(1) Section 5-5 of the Act does not apply to an employee of an insurer when the employee is acting for or on behalf of his or her employer and is engaged solely in the performance of clerical or administrative duties for his or her employer.

(2) Sections 5-6 and 5-8 of the Act do not apply to an insurer that is licensed in Saskatchewan pursuant to Part II of the Act.

7 Jly 2017 cI-9.11 Reg 1 s5-2.

Interpretation – agreements

5-3(1) For the purposes of clause 5-11(f) of the Act, “**managing general agent agreement**” means an agency contract and includes an agency contract in draft form.

(2) For the purposes of clause 5-11(g) of the Act, “**third party administrator agreement**” means an agency contract and includes an agency contract in draft form.

7 Jly 2017 cI-9.11 Reg 1 s5-3.

Contents of licence

5-4 For the purposes of clause 5-16(1)(f) of the Act, if a licensee is an insurer’s representative, the licence must state the name of the insurer that the individual is authorized to represent.

7 Jly 2017 cI-9.11 Reg 1 s5-4.

Recommendations – life insurance

5-5(1) If an applicant or a holder of an insurance agent’s licence for life insurance is recommended by a managing general agent pursuant to clause 5-18(1)(b) of the Act, the designated representative of the managing general agent shall certify that the applicant or holder is:

- (a) of good character;
- (b) qualified to act as an insurance agent; and
- (c) knowledgeable about the class of insurance for which the designated representative is recommending that the applicant or insurance agent be licensed.

(2) For the purposes of subsection 5-18(3) of the Act, “**designated representative of the licensed life company**” means a person authorized to recommend applicants or insurance agents for the purposes of Part V of the Act.

7 Jly 2017 cI-9.11 Reg 1 s5-5.

Designated representative required

5-6(1) For the purposes of subsection 5-20(1) of the Act, “**life insurance**” includes accident and sickness insurance.

(2) For the purposes of clause 5-20(2)(b) of the Act, the designated representative must:

- (a) be an individual;
- (b) in the case of a designated representative of a business licensed as an insurance agent, managing general agent or third party administrator for property and casualty insurance, meet the education and experience requirements to manage a business licensed as a general agent as set out in the bylaws of the General Insurance Council of Saskatchewan;
- (c) in the case of a designated representative of a business licensed as an insurance agent, managing general agent or third party administrator for life insurance or accident and sickness insurance, meet the education and experience requirements to be licensed as a life agent that is able to supervise other life agents as set out in the bylaws of the Life Insurance Council of Saskatchewan; and
- (d) in the case of a designated representative of a business licensed as a managing general agent or third party administrator for a required class of insurance, be recommended by an insurer with whom the managing general agent or third party administrator has entered into an agreement mentioned in clause 5-11(f) or (g) of the Act, as the case may be.

(3) Clause 5-20(2)(c) of the Act does not apply to a business that is licensed as a managing general agent or a third party administrator.

(4) For the purposes of clause 5-20(2)(d) of the Act, the designated representative shall do all of the following:

- (a) assume responsibility for the management and supervision of the business;
- (b) establish appropriate standards relating to the supervision of other licensees employed by the business or engaged as independent contractors of the business, taking into account:
 - (i) the levels of qualification, education and experience of the licensees;
 - (ii) the nature of the insurance business being conducted; and
 - (iii) the requirements of the Act and these regulations;
- (c) establish appropriate standards relating to the delegation of his or her duties.

7 Jly 2017 cI-9.11 Reg 1 s5-6.

Delegation

5-7 For the purposes of subsections 5-20(3) and 5-43(3) of the Act, a designated representative may delegate his or her duties to make or cancel recommendations if the delegation and any recommendations or cancellations made pursuant to the delegation are conducted in accordance with the standards established pursuant to clauses 5-6(4)(c) and 5-17(2)(c) of these regulations.

7 Jly 2017 cI-9.11 Reg 1 s5-7.

Temporary designated representative

5-8(1) For the purposes of subsection 5-21(13) of the Act, the Superintendent may approve any person as a temporary designated representative of a business if:

- (a) the designated representative of the business has cancelled one or more recommendations for the licensees of the business;
- (b) the designated representative of the business has resigned; and
- (c) in the opinion of the Superintendent, it is in the public interest.

(2) An approval of a temporary designated representative made pursuant to subsection (1) expires on the earlier of:

- (a) the day on which the business submits to the Superintendent a written designation of an individual who meets the requirements of subsection 5-20(2) or 5-43(1) of the Act, as the case may be, to be the designated representative of the business; and
- (b) the day that is 14 days after the day on which the temporary designated representative was approved.

7 Jly 2017 cI-9.11 Reg 1 s5-8.

Changes in designated representative

5-9 A designated representative that is designated in writing by a business or approved as a temporary designated representative pursuant to subsection 5-8(1) shall assume all of the responsibilities and carry out all of the duties of any former designated representative of the business, including the power to cancel recommendations pursuant to section 5-23 of the Act.

7 Jly 2017 cI-9.11 Reg 1 s5-9.

Financial security – insurance intermediaries and adjusters

5-10(1) For the purposes of subsections 5-26(1) and 5-47(1) of the Act:

- (a) every business that applies for or holds an insurance agent's licence for life, accident and sickness, or life and accident and sickness insurance shall maintain and provide annually proof of a valid policy of errors and omissions insurance that:
 - (i) provides a minimum of:
 - (A) \$1,000,000 coverage with respect to any one occurrence and a minimum aggregate limit of \$1,000,000 with respect to all occurrences within a year; and
 - (B) \$1,000,000 extended coverage for loss resulting from fraudulent or dishonest acts;
 - (ii) covers the insurance activities of the licensee; and
 - (iii) is underwritten by an insurance company licensed to do business in Canada;

(b) every business that applies for or holds an insurance agent's licence for one or more classes of property and casualty insurance other than crop hail insurance shall maintain and provide annually:

- (i) proof of a valid policy of errors and omissions insurance that:
 - (A) provides a minimum of \$1,000,000 coverage with respect to any one occurrence and a minimum aggregate limit of \$2,000,000 with respect to all occurrences within a year;
 - (B) covers the insurance activities of the licensee; and
 - (C) is underwritten by an insurance company licensed to do business in Canada; and

- (ii) a bond in the amount of \$20,000;

(c) every business that applies for or holds an insurance agent's or managing general agent's licence for crop hail insurance shall maintain and provide annually proof of a valid policy of errors and omissions insurance that:

- (i) provides a minimum of \$250,000 coverage with respect to any one occurrence and a minimum aggregate limit of \$500,000 with respect to all occurrences within a year;
- (ii) covers the insurance activities of the licensee; and
- (iii) is underwritten by an insurance company licensed to do business in Canada;

(d) every business that applies for or holds a third party administrator's licence or a managing general agent's licence, other than a managing general agent's licence for crop hail insurance, shall maintain and provide annually proof of a valid policy of errors and omissions insurance that:

- (i) provides a minimum of \$1,000,000 coverage with respect to any one occurrence and a minimum aggregate limit of \$2,000,000 with respect to all occurrences within a year;
- (ii) covers the insurance activities of the licensee; and
- (iii) is underwritten by an insurance company licensed to do business in Canada;

(e) every business that applies for or holds an adjuster's licence for one or more classes of property and casualty insurance other than crop hail insurance shall maintain and provide annually proof of a valid policy of errors and omissions insurance that:

- (i) provides a minimum of \$1,000,000 coverage with respect to any one occurrence and a minimum aggregate limit of \$2,000,000 with respect to all occurrences within a year;
- (ii) covers the insurance activities of the licensee; and
- (iii) is underwritten by an insurance company licensed to do business in Canada.

- (2) Notwithstanding that the Crown in right of Saskatchewan has not suffered any loss or damage:
- (a) every bond filed with the Superintendent pursuant to the Act must be construed as being a penal bond; and
 - (b) if any bond is forfeited pursuant to this section, the amount due and owing as a debt to the Crown in right of Saskatchewan by the person bound by the bond must be determined as if the Crown had suffered a loss or damage that would entitle the Crown to be indemnified to the maximum amount of liability set out in the bond.
- (3) For the purposes of subsections 5-26(3) and 5-47(3) of the Act, every bond filed as financial security with the Superintendent pursuant to the Act is forfeited on the demand of the Superintendent if:
- (a) all or any of the following occurs:
 - (i) the licensee with respect to whose conduct the bond is conditioned or any representative or agent of that licensee has been convicted of:
 - (A) a contravention of the Act or these regulations;
 - (B) an offence involving fraud or theft or conspiracy to commit an offence involving fraud or theft pursuant to the *Criminal Code*;
 - (ii) a judgment with respect to a claim arising out of the transacting of insurance has been given against the licensee with respect to whose conduct the bond is conditioned or against any representative or agent of that licensee;
 - (iii) the licensee with respect to whose conduct the bond is conditioned commits an act of bankruptcy, whether or not proceedings have been taken pursuant to the *Bankruptcy and Insolvency Act* (Canada);
 - (iv) a decision has been rendered by the Superintendent in writing stating in effect that, after consideration and investigation of a complaint, the Superintendent is satisfied that the licensee respecting whose conduct the bond is conditioned or any agent or representative of that licensee:
 - (A) has contravened a provision of the Act or these regulations;
or
 - (B) has breached a contract with an insurer or an insured; and
 - (b) in the case of a conviction, judgment, order or decision mentioned in clause (a), the conviction, judgment, order or decision has become final by reason of lapse of time or of having been confirmed by the highest court to which any appeal may be taken.

(4) The Superintendent may pay any money realized pursuant to this section to any of the following on any conditions the Superintendent considers appropriate:

- (a) the local registrar of the court in trust for any persons who may become judgment creditors of the licensee with respect to whose conduct the bond or letter of credit is conditioned or any representative or agent of that licensee with respect to a claim arising out of the transacting of insurance;
- (b) any trustee, custodian, interim receiver, receiver or liquidator of the licensee with respect to whose conduct the bond is conditioned or any representative or agent of that licensee;
- (c) any person that the Superintendent considers entitled to the money for a claim arising out of the transacting of insurance.

(5) The Superintendent shall pay any money not paid pursuant to subsection (4) to the surety or obligor under the surety bond after the payment of any expenditures incurred by the Superintendent in connection with the realization on the financial security and the determination and settlement of valid claims.

7 Jly 2017 cI-9.11 Reg 1 s5-10.

Term of licence

5-11 For the purposes of subsections 5-28(2) and 5-55(2) of the Act, an insurance intermediary's licence or an adjuster's licence continues in force indefinitely unless it is suspended or cancelled in accordance with the Act.

7 Jly 2017 cI-9.11 Reg 1 s5-11.

Independent contractor

5-12 Sections 5-21, 5-22, 5-30, 5-31 and 5-32, subsection 5-33(1), section 5-37, subsection 5-39(6) and sections 5-57 and 5-68 of the Act apply, with any necessary modification, to an independent contractor engaged by a business in the same way that those sections apply to an employee.

7 Jly 2017 cI-9.11 Reg 1 s5-12.

Affiliate of insurer

5-13 For the purposes of clause 5-31(2)(b) of the Act, a prescribed affiliate is an affiliate that is licensed for at least one of the same classes of insurance as the insurer that employs the insurer's representative.

7 Jly 2017 cI-9.11 Reg 1 s5-13.

Disclosure by telephone

5-14(1) For the purposes of section 5-38 of the Act, if the purchase of insurance occurs over the telephone, the requirement that the disclosure be in writing is satisfied if the disclosure is:

- (a) recorded; and
- (b) accessible so as to be usable for subsequent reference.

(2) Every individual who records a disclosure for the purposes of this section shall inform the potential insured of the recording and that the recording is being made for the purposes of compliance with the Act before making the recording.

7 Jly 2017 cI-9.11 Reg 1 s5-14.

Penalties affecting insurance intermediary's licence

5-15(1) For the purposes of clause 5-39(2)(b) of the Act, the Superintendent may impose the following:

- (a) if the Superintendent is satisfied that the holder of the licence has demonstrated incompetence to act as an insurance intermediary, a condition on the licence that the licence will not be continued or reinstated unless the holder takes a written examination or courses approved by the Superintendent and achieves a mark specified by the Superintendent;
- (b) a condition on the licence that the licensee complete specified training or counselling;
- (c) a condition on the licence that the licensee accept a letter of warning;
- (d) a condition on the licence that the licensee not offer or provide specified types of services or advice;
- (e) a condition on the licence mandating supervision of the licensee;
- (f) any other condition on the licence that the Superintendent considers necessary and in the public interest.

(2) For the purposes of clause 5-39(2)(c) of the Act, the Superintendent may impose the following penalties on a holder or former holder:

- (a) in the case of an individual, a penalty in an amount not exceeding \$25,000;
- (b) in the case of a body corporate, a penalty in an amount not exceeding \$50,000.

(3) For the purposes of subsection 5-39(5) of the Act, the prescribed rate of interest is the rate of interest established pursuant to *The Pre-judgment Interest Act*.

7 Jly 2017 cI-9.11 Reg 1 s5-15.

Adjuster's licence – loss amount in contract

5-16 For the purposes of subclauses 5-42(1)(b)(iii) and (2)(b)(ii) of the Act, the amount is \$10,000.

7 Jly 2017 cI-9.11 Reg 1 s5-16.

Designated representative for business that holds adjuster's licence

5-17(1) For the purposes of clause 5-43(1)(a) of the Act, the designated representative of a business that holds an adjuster's licence must:

- (a) be an individual;
- (b) hold a valid adjuster's licence; and
- (c) meet the education and experience requirements to manage a business licensed as an adjuster as set out in the bylaws of the General Insurance Council of Saskatchewan.

(2) For the purposes of clause 5-43(1)(b) of the Act, the designated representative shall do all of the following:

- (a) assume responsibility for the management and supervision of the business;
- (b) establish appropriate standards relating to the supervision of other licensees employed by the business or engaged as independent contractors of the business, taking into account:
 - (i) the levels of qualification, education and experience of the licensees;
 - (ii) the nature of the insurance business being conducted; and
 - (iii) the requirements of the Act and these regulations;
- (c) establish appropriate standards relating to the delegation of his or her duties.

7 Jly 2017 cI-9.11 Reg 1 s5-17.

Automatic suspension of adjuster's licence

5-18(1) If a business's adjuster's licence is suspended pursuant to clause 5-60(a) of the Act, the adjuster's licence for each of the business's employees is automatically suspended.

(2) If a business that has recommended that an employee of the business be issued an adjuster's licence cancels the recommendation, the employee's licence is automatically suspended unless, before the cancellation of the recommendation, the employee submits to the Superintendent a new business's recommendation mentioned in clause 5-44(1)(b) of the Act.

7 Jly 2017 cI-9.11 Reg 1 s5-18.

Penalties affecting adjusters' licences

5-19(1) For the purposes of clause 5-64(2)(b) of the Act, the Superintendent may impose the following:

- (a) if the Superintendent is satisfied that the holder of the licence has demonstrated incompetence to act as an adjuster, a condition on the licence that the licence will not be continued or reinstated unless the holder takes a written examination or courses approved by the Superintendent and achieves a mark specified by the Superintendent;

- (b) a condition on the licence that the licensee complete specified training or counselling;
 - (c) a condition on the licence that the licensee accept a letter of warning;
 - (d) a condition on the licence that the licensee not offer or provide specified types of services or advice;
 - (e) a condition on the licence mandating supervision of the licensee;
 - (f) any other condition on the licence that the Superintendent considers necessary and in the public interest.
- (2) For the purposes of clause 5-64(2)(c) of the Act, the Superintendent may impose the following penalties on a holder or former holder:
- (a) in the case of an individual, a penalty in an amount not exceeding \$25,000;
 - (b) in the case of a body corporate, a penalty in an amount not exceeding \$50,000.
- (3) For the purposes of subsection 5-64(5) of the Act, the prescribed rate of interest is the rate of interest established pursuant to *The Pre-judgment Interest Act*.

7 Jly 2017 cI-9.11 Reg 1 s5-19.

DIVISION 2 Restricted Insurance Agents

Definitions for Division

5-20 In this Division:

“automobile gap insurance” means insurance respecting an automobile that:

- (a) is paid to a creditor under the loan being used to finance the purchase of the automobile on the primary insurer’s determination that the automobile is a total loss or total write-off; and
- (b) is calculated as the difference between:
 - (i) the amount outstanding on a loan used to finance the purchase of an automobile; and
 - (ii) the value of the automobile as assessed by the primary insurer of the debtor;

“car rental agency” means a person or entity that carries on the business of renting automobiles to the public for a period of 120 days or less;

“crematorium” means a crematorium as defined in *The Funeral and Cremation Services Act* that is licensed pursuant to that Act;

“funeral expense insurance” means insurance that is within the class of life insurance and under which the insurer undertakes to pay a maximum of \$25,000 for funeral services or cremation services, as those terms are defined in *The Funeral and Cremation Services Act*;

“funeral home” means a funeral home as defined in *The Funeral and Cremation Services Act* that is licensed pursuant to that Act;

“portable electronics insurance” means insurance that is within the class of property insurance and that provides coverage against damage to or the loss of a portable electronic device;

“portable electronics vendor” means a person or entity that:

- (a) sells or leases portable electronics devices; or
- (b) otherwise provides portable electronics devices in connection with a transaction between the person or entity and another person or entity;

“rented-automobile accidental injury or death insurance” means insurance that is within the class of automobile insurance and that provides coverage to an automobile renter and other occupants of the rented automobile for bodily injury or death and reimbursement for medical expenses resulting from a vehicular accident involving the rented automobile that occurs during the rental period;

“rented-automobile contents insurance” means insurance that is within the class of property insurance and that provides coverage to an automobile renter and other occupants of the rented automobile against damage to or the loss of personal property in the rented automobile during the rental period;

“rented-automobile liability insurance” means insurance that is within the class of automobile insurance and that provides coverage to an automobile renter and other authorized drivers of the rented automobile for liability arising from its operation.

7 Jly 2017 cI-9.11 Reg 1 s5-20.

Application for restricted insurance agent’s licence

5-21 For the purposes of clause 5-70(1)(h) of the Act, the following businesses may apply to the Superintendent for a restricted insurance agent’s licence:

- (a) a funeral home;
- (b) a crematorium;
- (c) a portable electronics vendor.

7 Jly 2017 cI-9.11 Reg 1 s5-21.

Authority to act or offer to act as a restricted insurance agent

5-22 For the purposes of clause 5-71(3)(m) of the Act, the Superintendent may authorize a restricted licensee to act or offer to act as a restricted insurance agent with respect to the following classes of insurance:

- (a) funeral expense insurance;
- (b) portable electronics insurance;
- (c) rented-automobile accidental injury or death insurance;
- (d) rented-automobile contents insurance;
- (e) rented-automobile liability insurance;
- (f) automobile gap insurance.

7 Jly 2017 cI-9.11 Reg 1 s5-22.

Financial security – restricted licensees

5-23(1) Subject to subsection (2), every business that applies for or holds a restricted insurance agent's licence shall maintain and provide annually proof of a valid policy of errors and omissions insurance that:

- (a) provides a minimum of \$1,000,000 coverage with respect to any one occurrence and a minimum aggregate limit of \$2,000,000 with respect to all occurrences within a year;
- (b) covers the insurance activities of the licensee; and
- (c) is underwritten by an insurance company licensed to do business in Canada.

(2) Subsection (1) does not apply to:

- (a) a deposit-taking institution;
- (b) a financing corporation; or
- (c) a member institution within the meaning of the *Canada Deposit Insurance Corporation Act*.

7 Jly 2017 cI-9.11 Reg 1 s5-23.

Designated representative for a restricted licensee

5-24 For the purposes of clause 5-78(1)(a) of the Act, the designated representative must be an individual.

7 Jly 2017 cI-9.11 Reg 1 s5-24.

DIVISION 3
Insurance Councils

Definitions for Division

5-25 In this Division:

“**Advocis**” means The Financial Advisors Association of Canada incorporated pursuant to a special Act of Parliament;

“**applicant**” means a person, other than an insurer, who applies to be licensed pursuant to Part V of the Act;

“**bylaws**” means the bylaws of an insurance council;

“**CIAA**” means the Canadian Independent Adjusters’ Association incorporated pursuant to the *Canada Not-for-profit Corporations Act*;

“**CLHIA**” means the Canadian Life and Health Insurance Association incorporated pursuant to Part II of the *Canada Corporations Act*;

“**IBAS**” means the Insurance Brokers Association of Saskatchewan incorporated pursuant to *The Non-profit Corporations Act, 1995*;

“**IBC**” means the Insurance Bureau of Canada incorporated pursuant to the *Canada Not-for-profit Corporations Act*;

“**IFB**” means the Independent Financial Brokers of Canada incorporated pursuant to the *Canada Not-for-profit Corporations Act*;

“**Insurance Register**” means the Insurance Register as defined in section 10-5 of the Act;

“**licensee**” means a person who is licensed pursuant to Part V of the Act and these regulations;

“**member**” means a member of an insurance council.

7 Jly 2017 cI-9.11 Reg 1 s5-25.

Insurance Council of Saskatchewan

5-26(1) The Insurance Council of Saskatchewan is to consist of:

(a) 3 members of the General Insurance Council of Saskatchewan appointed by the General Insurance Council of Saskatchewan; and

(b) 3 members of the Life Insurance Council of Saskatchewan appointed by the Life Insurance Council of Saskatchewan.

(2) Subject to subsections (3) and (4), a person appointed pursuant to subsection (1):

(a) holds office at pleasure for a term not exceeding 3 years and until a successor is appointed; and

(b) is eligible for reappointment.

(3) No member of the Insurance Council of Saskatchewan shall hold office for more than 2 consecutive terms.

- (4) If a member of the Insurance Council of Saskatchewan dies or resigns, the person ceases to be a member on the date of death or on the date the resignation is received, as the case may be.
- (5) In accordance with subsection (6), if the office of a person appointed pursuant to subsection (1) becomes vacant, the General Insurance Council of Saskatchewan or the Life Insurance Council of Saskatchewan, as the case may be, may:
- (a) appoint a person for the remainder of the term of the person who vacated the office; or
 - (b) appoint a person for the term mentioned in subsection (2).
- (6) A vacancy in the membership of the Insurance Council of Saskatchewan does not impair the power of the remaining members of the council to act.
- (7) The Insurance Council of Saskatchewan shall elect from among its members a chairperson and may elect from among its members a vice-chairperson.
- (8) If the chairperson is absent or unable to act or the office of chairperson is vacant, the vice-chairperson, if any, and in the absence of a vice-chairperson, a member of the council elected at a meeting for that purpose, may exercise all the powers and shall perform all the duties of the chairperson.

7 Jly 2017 cI-9.11 Reg 1 s5-26.

Powers of Insurance Council of Saskatchewan

5-27(1) The Insurance Council of Saskatchewan is authorized to do all of the following:

- (a) to accept and exercise powers and carry out duties and functions delegated to it by the Superintendent;
- (b) to fix and collect licence, registration or other annual and special fees from applicants, registrants and licensees in the insurance industry that are necessary to allow it, the General Insurance Council of Saskatchewan and the Life Insurance Council of Saskatchewan to finance the exercise of their assigned powers and the performance of their duties and functions;
- (c) to maintain all or any part of the Insurance Register;
- (d) to issue certificates to the same effect as those of the Superintendent pursuant to section 10-39 of the Act;
- (e) to make decisions respecting the fees, levies, penalties and other charges that are to be paid to it by applicants, licensees and persons who are required to be licensees for anything it does pursuant to the authority of the Act and respecting the means of enforcing payment of the fees, levies, penalties or other charges;
- (f) to subdelegate its powers to employees, subcouncils, committees or agents, subject to any terms and conditions imposed by it;
- (g) to collect the costs of investigations and hearings conducted by the General Insurance Council of Saskatchewan and the Life Insurance Council of Saskatchewan.

(2) The Insurance Council of Saskatchewan shall appoint an administrator to exercise the functions, powers and duties delegated to the insurance councils by the Act or these regulations.

(3) The Insurance Council of Saskatchewan may appoint any other employees required to exercise the functions, powers and duties delegated to the insurance councils by the Act or these regulations.

7 Jly 2017 cI-9.11 Reg 1 s5-27.

Bylaws of Insurance Council of Saskatchewan

5-28(1) The Insurance Council of Saskatchewan shall make bylaws governing:

- (a) its banking and financial dealings;
 - (b) how it, its employees, subcouncils, committees, officers and agents accept and exercise powers and carry out duties and functions delegated to it;
 - (c) the fixing and collecting of licence, registration or other annual or special fees from applicants, registrants or licensees in the insurance industry that are necessary to allow it, the General Insurance Council of Saskatchewan and the Life Insurance Council of Saskatchewan to finance the exercise of their assigned powers and the performance of their duties and functions;
 - (d) the enforcement of its bylaws; and
 - (e) the indemnification of officers and members with respect to the performance of their duties and functions.
- (2) Every applicant and licensee shall comply with the bylaws made pursuant to subsection (1), and failure to so comply is deemed to be a contravention of these regulations.

7 Jly 2017 cI-9.11 Reg 1 s5-28.

General Insurance Council

5-29(1) The General Insurance Council of Saskatchewan is to consist of:

- (a) 4 persons who are residents of Saskatchewan and engaged in the property and casualty insurance business in Saskatchewan and are appointed by IBAS;
- (b) 1 person who is a resident of Saskatchewan and engaged in the property and casualty insurance business in Saskatchewan and is appointed by IBC;
- (c) 1 person who is a resident of Saskatchewan and engaged in the business of adjusting property and casualty losses in Saskatchewan and is appointed by CIAA; and
- (d) 3 other persons appointed by the Superintendent.

- (2) Subject to subsections (3) and (4), a person appointed pursuant to subsection (1):
- (a) holds office at pleasure for a term not exceeding 3 years and until a successor is appointed; and
 - (b) is eligible for reappointment.
- (3) No member of the General Insurance Council of Saskatchewan shall hold office for more than 2 consecutive terms.
- (4) If a member of the General Insurance Council of Saskatchewan dies or resigns, the person ceases to be a member on the date of death or on the date the resignation is received, as the case may be.
- (5) In accordance with subsection (6), if the office of a person appointed pursuant to subsection (1) becomes vacant, IBAS, IBC, CIAA or the Superintendent, as the case may be, may:
- (a) appoint a person for the remainder of the term of the person who vacated the office; or
 - (b) appoint a person for the term mentioned in subsection (2).
- (6) A vacancy in the membership of the General Insurance Council of Saskatchewan does not impair the power of the remaining members of the council to act.
- (7) The General Insurance Council of Saskatchewan shall elect from among its members a chairperson and may elect from among its members a vice-chairperson.
- (8) If the chairperson is absent or unable to act or the office of chairperson is vacant, the vice-chairperson, if any, and in the absence of a vice-chairperson, a member of the council elected at a meeting for that purpose, may exercise all the powers and shall perform all the duties of the chairperson.

7 Jly 2017 cI-9.11 Reg 1 s5-29.

Life Insurance Council

5-30(1) The Life Insurance Council of Saskatchewan is to consist of:

- (a) 3 persons who are residents of Saskatchewan and engaged in the life insurance business in Saskatchewan and are appointed by CLHIA;
- (b) 2 persons who are residents of Saskatchewan and engaged in the life insurance business in Saskatchewan and are appointed by Advocis;
- (c) 1 person who is a resident of Saskatchewan and engaged in the life insurance business in Saskatchewan and is appointed by IFB; and
- (d) 3 other persons appointed by the Superintendent.

- (2) Subject to subsections (3) and (4), a person appointed pursuant to subsection (1):
- (a) holds office at pleasure for a term not exceeding 3 years and until a successor is appointed; and
 - (b) is eligible for reappointment.
- (3) No member of the Life Insurance Council of Saskatchewan shall hold office for more than 2 consecutive terms.
- (4) If a member of the Life Insurance Council of Saskatchewan dies or resigns, the person ceases to be a member on the date of death or on the date the resignation is received, as the case may be.
- (5) In accordance with subsection (6), if the office of a person appointed pursuant to subsection (1) becomes vacant, CLHIA, Advocis, IFB or the Superintendent, as the case may be, may:
- (a) appoint a person for the remainder of the term of the person who vacated the office; or
 - (b) appoint a person for the term mentioned in subsection (2).
- (6) A vacancy in the membership of the Life Insurance Council of Saskatchewan does not impair the power of the remaining members of the council to act.
- (7) The Life Insurance Council of Saskatchewan shall elect from among its members a chairperson and may elect from among its members a vice-chairperson.
- (8) If the chairperson is absent or unable to act or the office of chairperson is vacant, the vice-chairperson, if any, and in the absence of a vice-chairperson, a member of the council elected at a meeting for that purpose, may exercise all the powers and shall perform all the duties of the chairperson.

7 Jly 2017 cI-9.11 Reg 1 s5-30.

Function and powers of General Insurance Council and Life Insurance Council

- 5-31(1)** The function of the General Insurance Council of Saskatchewan is:
- (a) to establish standards for applicants and licensees in the property and casualty insurance industry that will promote high standards of professionalism, competence and integrity in the property and casualty insurance industry; and
 - (b) to serve as a link between the property and casualty insurance industry and consumers of its products and services.
- (2) The function of the Life Insurance Council of Saskatchewan is:
- (a) to establish standards for applicants and licensees in the life insurance industry that will promote high standards of professionalism, competence and integrity in the life insurance industry; and
 - (b) to serve as a link between the life insurance industry and consumers of its products and services.

(3) Each of the General Insurance Council of Saskatchewan and the Life Insurance Council of Saskatchewan is authorized to do all of the following:

- (a) to accept and exercise powers and carry out duties and functions delegated to it by the Superintendent;
- (b) to establish the educational, training and other standards and qualifications required for the licensing or registration of applicants, licensees and persons who are required to be licensees;
- (c) to establish, with respect to persons or classes of persons to whom it has issued a licence or has the authority to issue a licence, standards of conduct, competence and proficiency and standards of training and education, including additional and continuing training and education requirements;
- (d) to issue, refuse, suspend, cancel make conditional or reinstate licences in accordance with the Act, these regulations and the bylaws;
- (e) to assess the costs of investigations and hearings conducted by it and suspend licences for the licensee's failure to pay those costs;
- (f) to establish and enforce ethical, operational and trade practices for applicants, licensees and persons who are required to be licensees;
- (g) to initiate and engage in programs of consumer protection;
- (h) to subdelegate its powers to subcouncils, committees or agents, subject to any terms and conditions imposed by it;
- (i) to investigate complaints and to adjudicate or mediate disputes respecting alleged non-compliance with the Act, these regulations or the bylaws by applicants, licensees or persons who are required to be licensees;
- (j) to carry out audits, examinations, inspections and investigations of licensees and persons who are required to be licensees;
- (k) to make decisions respecting the penalties and other charges that are to be paid to the Insurance Council of Saskatchewan by licensees and persons who are required to be licensees for anything the General Insurance Council of Saskatchewan or the Life Insurance Council of Saskatchewan does pursuant to the authority of the Act and respecting the means of enforcing payment of the penalties or other charges.

7 Jly 2017 cI-9.11 Reg 1 s5-31.

Bylaws

5-32(1) Each of the General Insurance Council of Saskatchewan and the Life Insurance Council of Saskatchewan shall make bylaws governing all of the following:

- (a) how it, its subcouncils, committees, officers and agents accept and exercise powers and carry out duties and functions delegated to them;
- (b) the establishment of educational, training and other standards and qualifications required for the licensing or registration of persons to whom it has the authority to issue a licence or registration;

- (c) the establishment and enforcement of ethical, operational and trade practices for persons to whom it has issued a licence or registration;
 - (d) the establishment, with respect to licensees and applicants, of standards of conduct, competence and proficiency and standards of training and education, including additional and continuing training and education requirements;
 - (e) the investigation of complaints regarding services provided to any person by a licensee or a person who is required to be a licensee;
 - (f) procedures for the determination of appropriate sanctions for breaches of the Act, these regulations and the bylaws by a licensee or a person who is required to be a licensee;
 - (g) the enforcement of its bylaws;
 - (h) the indemnification of officers and members with respect to the performance of their functions and duties.
- (2) The bylaws made pursuant to subsection (1) apply to:
- (a) applicants, licensees or persons who are required to be licensees in the property and casualty insurance industry, in the case of bylaws made by the General Insurance Council of Saskatchewan; and
 - (b) applicants, licensees or persons who are required to be licensees in the life insurance industry, in the case of bylaws made by the Life Insurance Council of Saskatchewan.
- (3) Every applicant and licensee shall comply with the bylaws of the appropriate insurance council made pursuant to subsection (1), and failure to so comply is deemed to be a contravention of these regulations.

7 Jly 2017 cI-9.11 Reg 1 s5-32.

Bylaws binding

5-33 The bylaws of the Insurance Council of Saskatchewan, the General Insurance Council of Saskatchewan and the Life Insurance Council of Saskatchewan bind the respective insurance council and every licensee and applicant governed by it as if the respective insurance council and each licensee and applicant had agreed to those bylaws.

7 Jly 2017 cI-9.11 Reg 1 s5-33.

Powers of Superintendent re bylaws

5-34 Notwithstanding section 5-85 of the Act and sections 5-28 and 5-32 of these regulations, the Superintendent may:

- (a) initiate new bylaws for an insurance council; and
- (b) require an insurance council to publish in the Gazette any bylaw that the Superintendent requires to be published.

7 Jly 2017 cI-9.11 Reg 1 s5-34.

Complaints

5-35(1) Every insurance council is authorized, in accordance with its bylaws, to receive complaints from any person regarding alleged non-compliance with the Act, these regulations or the bylaws by applicants, licensees or persons who are required to be licensees.

(2) Any complaint received by the Insurance Council of Saskatchewan pursuant to this section must be forwarded to the General Insurance Council of Saskatchewan or the Life Insurance Council of Saskatchewan, as the case may be.

7 Jly 2017 cI-9.11 Reg 1 s5-35.

Contracts

5-36 Every insurance council is authorized and has the power to enter into contracts with any person for any purpose related to the exercise of its powers and duties pursuant to these regulations.

7 Jly 2017 cI-9.11 Reg 1 s5-36.

Inspection by Superintendent

5-37 Every insurance council shall:

(a) at all reasonable times allow the Superintendent free and full access to the records, documents, books, papers, correspondence and any other information held by an insurance council that relates to the exercise of powers, functions and responsibilities delegated to the insurance council or prescribed by these regulations; and

(b) permit the Superintendent to take possession of those materials and to retain them for any period that the Superintendent considers necessary.

7 Jly 2017 cI-9.11 Reg 1 s5-37.

Direction by Superintendent

5-38(1) Notwithstanding the delegation of any of the Superintendent's powers, functions and responsibilities to an insurance council pursuant to section 10-1 of the Act, the Superintendent may:

(a) direct an insurance council to issue, refuse, suspend, cancel, make conditional or reinstate any licence, and the council shall issue, refuse, suspend, cancel, make conditional or reinstate the licence, as the case may be, when so directed by the Superintendent; and

(b) issue, refuse, suspend, cancel, make conditional or reinstate any licence, whether or not the insurance council has taken any of those actions, by exercising the powers vested in the Superintendent by the Act.

(2) The Superintendent may, by notice in writing to an insurance council, revoke any powers, functions or responsibilities delegated to an insurance council pursuant to section 10-1 of the Act, and the insurance council shall immediately:

(a) cease to exercise those powers, functions or responsibilities, as the case may be; and

(b) forward to the Superintendent all documents, records, and moneys in the possession of the insurance council connected with the revoked powers, functions or responsibilities, as the case may be.

7 Jly 2017 cI-9.11 Reg 1 s5-38.

Exercise of powers regarding licences

5-39(1) In exercising powers delegated by the Superintendent to an insurance council pursuant to section 10-1 of the Act to issue, refuse, suspend, cancel, make conditional or reinstate licences, the insurance council shall:

- (a) issue, refuse, suspend, cancel, make conditional or reinstate licences only in accordance with the Act, these regulations and its bylaws; and
 - (b) record how each applicant or licensee satisfied or failed to satisfy the requirements determined pursuant to clause (a).
- (2) Immediately after exercising its powers to refuse, suspend, cancel or make conditional a licence, an insurance council shall:
- (a) notify the Superintendent of the action taken and the reasons for it; and
 - (b) in the case of a suspension of a licence, a cancellation of a licence or an imposition of a condition on a licence, adjust the Insurance Register to reflect the action taken and the reasons for the action.
- (3) Section 10-11 of the Act applies, with any necessary modification, to any action of an insurance council pursuant to this section.

7 Jly 2017 cI-9.11 Reg 1 s5-39.

Penalties and costs

5-40(1) If an insurance council acts pursuant to section 5-39 or 5-64 of the Act, the insurance council is authorized to order:

- (a) that the licensee pay to the Insurance Council of Saskatchewan within a fixed period:
 - (i) the penalty imposed pursuant to section 5-39 or 5-64 of the Act; and
 - (ii) the costs of the investigation and hearing into the licensee's conduct and related costs, including the expenses of any investigation or enforcement committee established pursuant to the bylaws and the costs of legal services and witnesses; and
 - (b) if a licensee fails to make payment in accordance with an order pursuant to clause (a), that the licensee's licence be suspended.
- (2) Section 10-11 of the Act applies, with any necessary modification, to any action by an insurance council pursuant to this section.
- (3) An insurance council shall inform the licensee of the licensee's right pursuant to section 10-34 of the Act to appeal the decision or order made by the insurance council or a committee of the insurance council to the appeal panel.

7 Jly 2017 cI-9.11 Reg 1 s5-40.

Publication of order

5-41 Immediately after acting pursuant to section 5-39 or 5-64 of the Act, an insurance council shall:

- (a) publish the order and the reasons for the order on the website of the Insurance Council of Saskatchewan; or
- (b) if, in the opinion of the insurance council, it is not in the public interest to publish the order, notify the Superintendent of the order, the reasons for the order and the reasons for the decision not to publish the order.

7 Jly 2017 cI-9.11 Reg 1 s5-41.

Issues not covered in Act, regulations or bylaws

5-42 An insurance council shall refer to the Superintendent for decision any issue that comes before it that is not clearly addressed in the Act, these regulations or the bylaws of the insurance council.

7 Jly 2017 cI-9.11 Reg 1 s5-42.

Reference to Superintendent

5-43 An insurance council may, at any time, refer an issue to the Superintendent for directions or for a decision.

7 Jly 2017 cI-9.11 Reg 1 s5-43.

Fees

5-44(1) As soon as possible after its approval by the Superintendent, the Insurance Council of Saskatchewan shall publish in the Gazette every fee established pursuant to clause 5-27(1)(b).

(2) The Insurance Council of Saskatchewan shall use a method approved by the Superintendent for calculating fees and accounting for fees collected.

7 Jly 2017 cI-9.11 Reg 1 s5-44.

Examinations

5-45(1) Subject to subsection (2), the Insurance Council of Saskatchewan shall administer all examinations of applicants and licensees required pursuant to its bylaws.

(2) The Superintendent may approve a person to administer the examinations mentioned in subsection (1) on behalf of the Insurance Council of Saskatchewan.

7 Jly 2017 cI-9.11 Reg 1 s5-45.

Annual report

5-46(1) Every insurance council shall, in accordance with the requirements established by the Superintendent, prepare and submit to the Superintendent an annual report that includes:

- (a) a financial statement summarizing the income and expenditures of the insurance council;
 - (b) the number of persons registered in each licence category;
 - (c) the number of persons in each licence category:
 - (i) who were refused registration; and
 - (ii) whose licences were suspended, cancelled or made conditional;
 - (d) the reasons for each action taken pursuant to clause (c);
 - (e) a list of the current members and officers of the insurance council;
 - (f) in the case of the General Insurance Council of Saskatchewan and the Life Insurance Council of Saskatchewan, the number of audits of licensees conducted;
 - (g) a summary of the insurance council's activities; and
 - (h) any other information that the Superintendent may require.
- (2) Every insurance council shall submit the report required pursuant to subsection (1) within 90 days after the end of the fiscal year of the insurance council.

7 Jly 2017 cI-9.11 Reg 1 s5-46.

Evidence re certificate

5-47 Section 10-39 of the Act applies, with any necessary modification, to any certification by the Insurance Council of Saskatchewan.

7 Jly 2017 cI-9.11 Reg 1 s5-47.

PART 6**Unsolicited Insurance and Special Brokers****DIVISION 1****Unsolicited Insurance****Document to be delivered by the insured**

6-1 For the purposes of subclause 6-2(1)(c)(ii) of the Act, the insured shall deliver to the Superintendent a written declaration that sets out:

- (a) the name of the insured;
- (b) contact information for the insured;
- (c) the amount of insurance obtained;

- (d) a description of the nature of the insurance obtained;
- (e) whether or not the insured received assistance from any person other than the insurer to purchase the insurance;
- (f) an explanation satisfactory to the Superintendent as to why the insurance was obtained, including a list of companies licensed in Saskatchewan that refused to provide coverage to the insured;
- (g) the name of the unlicensed insurer who is providing coverage to the insured;
- (h) the premium paid to the unlicensed insurer; and
- (i) the particulars of the calculation used to determine the amount of tax payable pursuant to clause 6-2(1)(c) of the Act.

7 Jly 2017 cI-9.11 Reg 1 s6-1.

DIVISION 2 Special Brokers

Financial security required

6-2(1) For the purposes of subsection 6-9(1) of the Act, a person holding a special broker's endorsement for a class of insurance shall provide and maintain financial security in one of the following forms:

- (a) letter of credit;
 - (b) bond;
 - (c) any other form satisfactory to the Superintendent.
- (2) The financial security provided and maintained must be in the amount of \$25,000 or in any greater amount that the Superintendent may, by order, require.

7 Jly 2017 cI-9.11 Reg 1 s6-2.

Forfeiture of financial security

6-3(1) Notwithstanding that the Crown in right of Saskatchewan has not suffered any loss or damage:

- (a) every bond filed with the Superintendent pursuant to the Act must be construed as being a penal bond; and
- (b) if any bond is forfeited pursuant to this section, the amount due and owing as a debt to the Crown in right of Saskatchewan by the person bound by the bond must be determined as if the Crown had suffered a loss or damage that would entitle the Crown to be indemnified to the maximum amount of liability set out in the bond.

(2) For the purposes of subsection 6-9(2) of the Act, every bond filed as financial security with the Superintendent pursuant to the Act is forfeited on the demand of the Superintendent if:

(a) all or any of the following occurs:

(i) the special broker with respect to whose conduct the bond is conditioned or any representative or agent of that special broker fails to pay the amount required pursuant to clause 6-16(b) of the Act;

(ii) the special broker with respect to whose conduct the bond is conditioned or any representative or agent of that special broker has been convicted of:

(A) a contravention of the Act or these regulations;

(B) an offence involving fraud or theft or conspiracy to commit an offence involving fraud or theft pursuant to the *Criminal Code*;

(iii) a judgment with respect to a claim arising out of the transacting of insurance has been given against the special broker with respect to whose conduct the bond is conditioned or against any representative or agent of that special broker;

(iv) the special broker with respect to whose conduct the bond is conditioned commits an act of bankruptcy, whether or not proceedings have been taken pursuant to the *Bankruptcy and Insolvency Act* (Canada);

(v) a decision has been rendered by the Superintendent in writing stating in effect that, after consideration and investigation of a complaint, the Superintendent is satisfied that the special broker respecting whose conduct the bond is conditioned or any agent or representative of that special broker:

(A) has contravened a provision of the Act or these regulations;
or

(B) has breached a contract with an insurer or an insured; and

(b) in the case of a conviction, judgment, order or decision mentioned in clause (a), the conviction, judgment, order or decision has become final by reason of lapse of time or of having been confirmed by the highest court to which any appeal may be taken.

(3) Notwithstanding that the Crown in right of Saskatchewan has not suffered any loss or damage, the Superintendent may have recourse to a letter of credit provided to the Superintendent pursuant to the Act by presenting a demand to the issuer of the letter of credit, together with the letter of credit, if the Superintendent has reason to believe that any of the grounds set out in subsection (2) exist.

(4) On a demand of the Superintendent pursuant to subsection (3), the amount of the proceeds of the letter of credit is forfeited to the Crown in right of Saskatchewan.

(5) The Superintendent may pay any money realized pursuant to this section to any of the following on any conditions the Superintendent considers appropriate:

- (a) the local registrar of the court in trust for any persons who may become judgment creditors of the special broker with respect to whose conduct the bond or letter of credit is conditioned or any representative or agent of that special broker with respect to a claim arising out of the transacting of insurance;
- (b) any trustee, custodian, interim receiver, receiver or liquidator of the special broker with respect to whose conduct the bond or letter of credit is conditioned or any representative or agent of that special broker;
- (c) any person that the Superintendent considers entitled to the money for a claim arising out of the transacting of insurance.

(6) The Superintendent shall pay any money not paid pursuant to subsection (5) to the following after the payment of any expenditures incurred by the Superintendent in connection with the realization on the financial security and the determination and settlement of valid claims:

- (a) in the case of a surety bond, to the surety or obligor under the surety bond;
- (b) in the case of a letter of credit, to the obligor under the letter of credit.

7 Jly 2017 cI-9.11 Reg 1 s6-3.

Application for endorsement

6-4 For the purposes of clause 6-11(f) of the Act, every applicant for a special broker's endorsement for a class of insurance must have a valid Saskatchewan level 3 insurance agent licence as set out in the bylaws of the General Insurance Council of Saskatchewan.

7 Jly 2017 cI-9.11 Reg 1 s6-4.

Cancellation of endorsement

6-5 For the purposes of clause 6-14(3)(b) of the Act, the Superintendent may cancel the endorsement if it has not been reinstated within 60 days.

7 Jly 2017 cI-9.11 Reg 1 s6-5.

Document to be submitted by the special broker

6-6 For the purposes of clause 6-16(a) of the Act, a special broker shall submit to the Superintendent a written declaration that sets out:

- (a) the name of the insured;
- (b) contact information for the insured;
- (c) the amount of insurance obtained;
- (d) a description of the nature of the insurance obtained;

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- (e) the name of any licensed insurer who refused to provide coverage to the insured;
- (f) the name of the unlicensed insurer who is providing coverage to the insured;
- (g) the particulars of the calculation used to determine the amount of tax payable pursuant to subclause 6-2(1)(c)(i) of the Act; and
- (h) a declaration by the special broker that, to the best of his or her knowledge:
 - (i) sufficient insurance was not obtainable at reasonable rates from an insurer licensed pursuant to the Act; or
 - (ii) sufficient insurance was not obtainable on the terms stipulated by the insured from an insurer licensed pursuant to the Act.

7 Jly 2017 cI-9.11 Reg 1 s6-6.

**PART 7
Market Conduct**

**DIVISION 1
General Rules**

Premium refund – exemption

7-0.1 Subsections 7-5(2) and (3) of the Act do not apply to a contract of insurance for life insurance.

2 Feb 2019 SR 2/2019 s6.

Payments to third party administrators

7-1 Subsection 7-6(3) of the Act does not apply with respect to a third party administrator.

7 Jly 2017 cI-9.11 Reg 1 s7-1.

Disclosure of name – advertising and general correspondence

7-2 For the purposes of section 7-11 of the Act, a licensed insurer or insurance intermediary is not required to provide an address or telephone number of its chief office in Saskatchewan or of its head office outside of Saskatchewan, as the case may be, on any advertising, correspondence, contracts of insurance, policies or applications if the licensed insurer or insurance intermediary provides both of the following on all of those materials:

- (a) a toll-free telephone number that is accessible from within Saskatchewan; and
- (b) a website that is accessible from within Saskatchewan.

2 Feb 2019 SR 2/2019 s7.

Exception – restricted licensees

7-3(1) Subclause 7-12(1)(b)(iv) of the Act does not apply to a restricted licensee that is a lender for a financing agreement mentioned in section 7-17 of the Act with respect to a contract of insurance given as security to the lender, as long as the licensee does not require that the insurance be purchased from the restricted licensee.

(2) Subsection 7-17(3) of the Act does not apply to a contract of insurance for the following:

- (a) life insurance;
- (b) accident and sickness insurance.

2 Feb 2019 SR 2/2019 s8.

Permitted inducements to insureds and prospective insureds

7-4 For the purposes of subsection 7-12(3) of the Act, an insurance intermediary is permitted to make or give or offer to make or give a direct or indirect payment, allowance or gift, or make an offer to directly or indirectly pay, allow or give money or anything of value to induce a prospective insured or an insured to transact insurance with an insurer or a managing general agent as long as the fair market value of the payment, allowance, gift or offer to the prospective insured or the insured does not exceed \$25 per year.

2 Feb 2019 SR 2/2019 s9.

DIVISION 2

Fair Practices

Right to rescind contract of insurance

7-5 Subsection 7-21(1) of the Act does not apply to contracts of:

- (a) group insurance for life or for accident and sickness; or
- (b) creditor's group insurance for life or for accident and sickness.

7 Jly 2017 cI-9.11 Reg 1 s7-5; 2 Feb 2019
cI-9.11 Reg 1 s7-5.

Procedures for dealing with claims and complaints

7-6 For the purposes of subsection 7-26(4) of the Act, an insurer shall make available all of the following information on how to contact the Superintendent or any other entity designated by the Superintendent:

- (a) telephone number;
- (b) email address;
- (c) mailing address.

7 Jly 2017 cI-9.11 Reg 1 s7-6.

Direct selling through electronic media

7-7 Insurers and insurance intermediaries that sell insurance through electronic media shall disclose in writing to the prospective insured or the insured the following:

Individual circumstances may vary. You may wish to contact the licensed insurer's representative or a licensed insurance agent if you need advice about your insurance needs.

2 Feb 2019 SR 2/2019 s4.

PART 8
Contracts of Insurance

DIVISION 1
General

Interpretation – Statutory Conditions

8-1 For the purposes of clause 8-28(1)(b), subsection 8-41(2), subsection 8-95(2) and clause 8-166(b) of the Act, it is not a variation or omission of a Statutory Condition if the number of a Statutory Condition is varied or omitted, as long as the title of the Statutory Condition is reproduced in conspicuous type.

7 Jly 2017 cI-9.11 Reg 1 s8-1.

DIVISION 2
Contract Provisions

Statutory Conditions do not apply

8-2 Section 8-28 of the Act does not apply to contracts of the following classes of insurance:

- (a) creditor's loss of employment insurance as defined in section 5-69 of the Act;
- (b) export credit insurance as defined in section 5-69 of the Act;
- (c) mortgage insurance as defined in section 5-69 of the Act;
- (d) title insurance.

7 Jly 2017 cI-9.11 Reg 1 s8-2.

Recovery by innocent persons

8-3(1) For the purposes of clause 8-29(1)(d) of the Act, the prescribed class is any class of persons other than individuals.

(2) For the purposes of subsection 8-29(3) of the Act, a person whose coverage under a contract of insurance would be excluded but for subsection 8-29(1) of the Act must:

- (a) cooperate with the insurer with respect to the investigation of the loss, including, without limitation, by submitting to an examination under oath or affirmation, if requested by the insurer; and

(b) produce for examination, at any reasonable place and time that is designated by the insurer, all documents that relate to the loss in addition to those required by the contract.

7 Jly 2017 cI-9.11 Reg 1 s8-3.

Limitation of liability clause

8-4 For the purposes of subsection 8-30(2) of the Act, the contract must have printed or stamped on the first page in conspicuous bold type the words:

“This policy contains a clause which may limit the amount payable”.

7 Jly 2017 cI-9.11 Reg 1 s8-4.

Prescribed exclusions for fire and other perils

8-5(1) In this section:

“**biological hazard**” means any process or phenomenon of organic origin or conveyed by biological vectors, including exposure to pathogenic micro-organisms, toxins and bioactive substances that may cause loss of life, injury, illness or other health impacts, property damage, social and economic disruption or environmental damage in the absence of its control;

“**chemical hazard**” means any physical agent that may cause loss of life, injury, illness or other health impacts, property damage, social and economic disruption or environmental damage in the absence of its control;

“**commercial property**” means all property other than residential property;

“**nuclear energy hazard**” means the radioactive, toxic, explosive or other hazardous properties of nuclear substances as defined in the *Nuclear Safety and Control Act* (Canada);

“**pressure vessel**” means any boiler, vessel or apparatus and their connected pipes while under pressure or while in use or operation, but does not include any tank with an internal diameter of 610 mm or less used for storage of hot water or any vessel if the maximum internal working pressure of the vessel does not exceed 103 kilopascals above atmospheric pressure;

“**radioactive material**” includes:

- (a) spent nuclear fuel rods that have been exposed to radiation in a nuclear reactor;
- (b) radioactive waste material; and
- (c) unused enriched nuclear fuel rods;

“residential property” means property used primarily for residential purposes, including, without limitation, the units and common property of a residential condominium building;

“terrorism” means any unlawful act, including, without limitation, the use of violence or force or threat of violence or force committed by one or more persons acting on behalf of any group, organization or government for the purposes of influencing any government or instilling fear in the public, but does not include vandalism;

“vandalism” means the wilful or malicious destruction or defacement of public or private property, including, without limitation, religious and cultural property, but does not include the wilful or malicious destruction or defacement of public or private property intended to cause:

- (a) a risk to the health or safety of the public or any segment of the public;
 - (b) endangerment to a person’s life; or
 - (c) death or bodily harm to a person.
- (2) For the purposes of subsection 8-32(2) of the Act, the prescribed perils are lightning and explosion.
- (3) For the purposes of clause 8-32(2)(a) of the Act, the following are prescribed exclusions under a contract of insurance:
- (a) with respect to residential property:
 - (i) fire occasioned by or happening through:
 - (A) in the case of goods, their undergoing any process involving the application of heat; or
 - (B) riot, civil commotion, war, invasion, an act of a foreign enemy, hostilities, whether war is declared or not, civil war, rebellion, revolution, insurrection or military power;
 - (ii) lightning causing destruction or loss to electric devices or appliances;
 - (iii) an explosion of natural, coal or manufactured gas in a building not forming part of a gas works occasioned by or happening through one or more perils specified in paragraph (i)(B);
 - (iv) loss or damage to property caused by contamination by radioactive material directly or indirectly resulting from fire, lightning or explosion;
 - (v) subject to section 8-29 of the Act, loss or damage to property directly or indirectly resulting from fire or explosion caused by a criminal or intentional act or omission of an insured;

- (vi) biological hazard, chemical hazard or nuclear energy hazard, including contamination by radioactive material directly or indirectly resulting from fire or explosion caused by terrorism; or
 - (vii) explosion of any pressure vessel, gas turbine or any moving or rotating machinery or its parts;
 - (b) with respect to commercial property:
 - (i) an exclusion described in clause (a); or
 - (ii) fire or explosion caused by terrorism;
 - (c) with respect to property insured under a contract of boiler and machinery insurance, explosion of gas or unconsumed fuel within any furnace or within the passage from a furnace or pressure vessel to the atmosphere.
- (4) For the purposes of clause 8-32(2)(b) of the Act, the prescribed circumstances of the fire relating to which an insurer may not provide an exclusion in a contract are as follows:
- (a) occurrence of fire within 30 days after the insured property became vacant;
 - (b) occurrence of fire after the insurer has issued a vacancy permit with respect to the insured property.

7 Jly 2017 cI-9.11 Reg 1 s8-5.

DIVISION 3 Automobile Insurance

Advance payments

8-6 The court may make an order pursuant to section 8-63 of the Act, on any conditions it considers appropriate, requiring an insurer to make a payment to a person who commences an action with respect to a contract of insurance if the court is satisfied that:

- (a) as a result of the person's injuries, the person is unable to pay for the necessities of life; or
- (b) the payment is otherwise appropriate.

7 Jly 2017 cI-9.11 Reg 1 s8-6.

Physical damage cover – partial payment of loss

8-7 For the purposes of subsection 8-65(3) of the Act, the policy must have printed or stamped on the first page in conspicuous bold type the words:

“This policy contains a partial payment of loss clause”.

7 Jly 2017 cI-9.11 Reg 1 s8-7.

DIVISION 4
Crop Hail Insurance

Notice that application declined

8-8 For the purposes of clause 8-85(4)(a) of the Act, if an insurer provides a notice by electronic means pursuant to clause 8-85(3)(b) of the Act, the applicant is deemed to have received the notice on the date the notice was provided unless the applicant establishes that, through no fault of his or her own, the applicant did not receive the notice or received it at a later date.

7 Jly 2017 cI-9.11 Reg 1 s8-8.

Partial payment of loss clause

8-9 For the purposes of subsection 8-89(2) of the Act, the policy must have printed or stamped on the first page in conspicuous bold type the words:

“This policy contains a partial payment of loss clause”.

7 Jly 2017 cI-9.11 Reg 1 s8-9.

Agents' commission

8-10(1) Every insurer shall, before May 1 in each year, file with the Superintendent the rate of commission payable to its agents with respect to its contracts issued during the current year.

(2) No insurer or its managing general agent shall, directly or indirectly, pay or allow or offer or agree to pay or allow any compensation or anything of value to any person for acting or attempting or assuming to act as its insurance agent in excess of that offered, paid or allowed to any one of its agents on risks for which similar rates of premium are payable.

(3) If, on investigation by the Superintendent, an insurer or its managing general agent is found to have contravened subsection (2), the same rate of commission must be paid to all agents on risks for which those similar rates of premium are charged.

7 Jly 2017 cI-9.11 Reg 1 s8-10.

DIVISION 5
Life Insurance

Application of Division 5 of Part VIII of Act – creditor's group insurance

8-11 In the case of a contract of creditor's group insurance made with an insurer authorized to transact insurance in Saskatchewan at the time the contract was made, Division 5 of Part VIII of the Act applies in determining:

(a) the rights and status of the debtor insured's personal representatives, and any debtor who is jointly liable for the debt with the debtor insured, with respect to claims for payment of insurance money if the debtor insured was resident in Saskatchewan at the time the debtor insured became insured; and

(b) the rights and obligations of the debtor insured if the debtor insured was resident in Saskatchewan at the time the debtor insured became insured.

7 Jly 2017 cI-9.11 Reg 1 s8-11.

Particulars in policy

8-12 For the purposes of subsection 8-104(3) of the Act, the policy must have printed or stamped on the front page in conspicuous bold type the words:

“This policy contains a provision removing or restricting the right of the insured to designate persons to whom or for whose benefit insurance money is to be payable”.

7 Jly 2017 cI-9.11 Reg 1 s8-12.

Particulars in group certificate

8-13 For the purposes of subclause 8-106(1)(d)(ii) of the Act, the certificate or other document must have printed or stamped on it in conspicuous bold type the words:

“This policy contains a provision removing or restricting the right of the group life insured to designate persons to whom or for whose benefit insurance money is to be payable”.

7 Jly 2017 cI-9.11 Reg 1 s8-13.

Deemed notice – persons insurable

8-13.1 For the purposes of subsection 8-108(2) of the Act, notice is deemed to have been given and the written notice requirement does not apply:

- (a) if the person whose life is insured provides evidence of insurability directly to the insurer; or
- (b) if the person whose life is insured is a minor or dependant and:
 - (i) all parents or guardians sign the application or policy; or
 - (ii) the purchaser of the policy provides evidence satisfactory to the insurer that all parents or guardians are aware of the insurance being purchased.

2 Feb 2019 SR 2/2019 s11.

DIVISION 6 Accident and Sickness Insurance

Application of Division 6 of Part VIII of Act – creditor’s group insurance

8-14 In the case of a contract of creditor’s group insurance made with an insurer authorized to transact insurance in Saskatchewan at the time the contract was made, Division 6 of Part VIII of the Act applies in determining:

- (a) the rights and status of the debtor insured’s personal representatives, and any debtor who is jointly liable for the debt with the debtor insured, with respect to claims for payment of insurance money if the debtor insured was resident in Saskatchewan at the time the debtor insured became insured; and
- (b) the rights and obligations of the debtor insured if the debtor insured was resident in Saskatchewan at the time the debtor insured became insured.

7 Jly 2017 cI-9.11 Reg 1 s8-14.

Particulars in policy

8-15 For the purposes of subsection 8-160(3) of the Act, the policy must have printed or stamped on the front page in conspicuous bold type the words:

“This policy contains a provision removing or restricting the right of the insured to designate persons to whom or for whose benefit insurance money is to be payable”.

7 Jly 2017 cI-9.11 Reg 1 s8-15.

Particulars in group certificate

8-16 For the purposes of subclause 8-164(1)(d)(ii) of the Act, the certificate or other document must have printed or stamped on it in conspicuous bold type the words:

“This policy contains a provision removing or restricting the right of the group person insured to designate persons to whom or for whose benefit insurance money is to be payable”.

7 Jly 2017 cI-9.11 Reg 1 s8-16.

Exclusions, exceptions or reductions

8-17 Section 8-165 of the Act does not apply to a contract of:

- (a) group insurance; or
- (b) creditor’s group insurance.

7 Jly 2017 cI-9.11 Reg 1 s8-17.

Notice of Statutory Conditions

8-18 For the purposes of section 8-168 of the Act, the policy must have printed or stamped on it in conspicuous bold type the words:

“Despite any other provision contained in this contract, this contract is subject to the statutory conditions in *The Insurance Act* respecting contracts of accident and sickness insurance”.

7 Jly 2017 cI-9.11 Reg 1 s8-18; 2 Feb 2019
cI-9.11 Reg 1 s8-181.

Persons insurable

8-19 In addition to the criteria mentioned in clause 8-171(1)(a) of the Act, a primary person who is an individual is a person who has an insurable interest in:

- (a) his or her own life or well-being or both; and
- (b) the life or well-being or both of a person in the duration of whose life or well-being or both the primary person has a pecuniary interest.

2 Feb 2019 SR 2/2019 s12.

Deemed notice and exemption

8-19.1(1) Subject to subsection (2), for the purposes of subsection 8-171(2) of the Act, notice is deemed to have been given and the written notice requirement does not apply:

- (a) if the person whose life or well-being or both is insured provides evidence of insurability directly to the insurer; or
 - (b) if the person whose life or well-being or both is insured is a minor or dependant and:
 - (i) all parents or guardians sign the application or policy; or
 - (ii) the purchaser of the policy provides evidence satisfactory to the insurer that all parents or guardians are aware of the insurance being purchased.
- (2) Subsection 8-171(2) of the Act does not apply to a contract of insurance that provides health benefits only.
- (3) For the purposes of subsection (2), **“health benefits”** means benefits provided under a policy of accident and sickness insurance other than life insurance.

2 Feb 2019 SR 2/2019 s13.

Disclosure of material facts

8-20 In the case of a contract of creditor’s group insurance to which Division 6 of Part VIII of the Act applies, a failure to disclose or a misrepresentation of that fact with respect to a debtor insured or a person insured under the contract does not render the contract voidable, but if evidence of insurability is specifically requested by the insurer, the insurance with respect to that person is, subject to section 8-174 of the Act, voidable by the insurer.

7 Jly 2017 cI-9.11 Reg 1 s8-20.

Presumption against agency

8-21(1) In this section, **“insurance”** means accident insurance, sickness insurance or accident and sickness insurance.

(2) An officer, agent or employee of an insurer, or a person soliciting insurance, whether or not an agent of the insurer, must not be considered to be the agent of the insured, person insured, group person insured or debtor insured, to that person’s prejudice, with respect to any question arising out of a contract.

7 Jly 2017 cI-9.11 Reg 1 s8-21.

DIVISION 7
Life and Accident and Sickness Insurance

Access to documents – application of sections 8-103 and 8-159 of the Act

8-22(1) In this section, “**confidential commercial information**” means information in a policy of group insurance or creditor’s group insurance, the disclosure of which:

- (a) could reasonably be expected to harm the competitive position of the insurer or insured; or
 - (b) would reveal plan design and benefits information relating to a different class of group life insured, group person insured or debtor insured than the group life insured, group person insured or debtor insured to whom or with respect to whom the disclosure is being made.
- (2) Access to the documents mentioned in clauses 8-103(5)(b), 8-103(6)(b), 8-159(5)(b) and 8-159(6)(b) of the Act does not extend to:

- (a) information contained in those documents that would reveal personal information, as defined in the *Personal Information Protection and Electronic Documents Act* (Canada), about a person without that person’s consent, other than information about:
 - (i) the group life insured or debtor insured with respect to whom the claim is made; or
 - (ii) the person who requests access to the information; or
- (b) confidential commercial information that:
 - (i) does not relate to the rights, responsibilities or coverage of the group life insured, group person insured or debtor insured under the contract; and
 - (ii) the insurer did not rely on to determine the rights, responsibilities or coverage of the group life insured, group person insured or debtor insured under the contract.

7 Jly 2017 cI-9.11 Reg 1 s8-22.

Rights exercisable by insured where irrevocable beneficiary designated - life and accident and sickness contracts

8-23(1) In this section:

“**contract**” means:

- (a) a contract of life insurance;
- (b) a contract of accident insurance;
- (c) a contract of sickness insurance; or
- (d) a contract of accident and sickness insurance;

“**exempt policy**” has the same meaning as in Part III of the *Income Tax Regulations* (Canada);

“**irrevocable beneficiary**” means a person who is designated as a beneficiary irrevocably pursuant to subsection 8-122(1) or 8-179(1) of the Act.

- (2) This section applies to a contract if the insured has designated an irrevocable beneficiary for a benefit under the contract.
- (3) An insured may, without an irrevocable beneficiary's consent, exercise a right under a contract if one or both of the following apply:
- (a) the exercise of the right is required by law;
 - (b) the contract is an exempt policy and if the insured does not exercise the right the contract will no longer be an exempt policy.
- (4) Subject to subsection (5), an insured may, without an irrevocable beneficiary's consent, exercise one or more of the following rights under a contract:
- (a) a right relating to any insurance money or benefit to which the irrevocable beneficiary designation does not apply;
 - (b) a right to increase the amount of insurance;
 - (c) a right to add a new insured, or additional coverage, provisions or benefits to the contract;
 - (d) a right to make transfers between accounts or investment options, or to change the type of accounts or investment options;
 - (e) a right to assign the insured's rights and duties under the contract;
 - (f) a right to add, remove or substitute a revocable contingent beneficiary, if no contingent irrevocable beneficiary is designated;
 - (g) a right to add a contingent irrevocable beneficiary, if no contingent irrevocable beneficiary is designated.
- (5) An insured may not exercise a right pursuant to subsection (4) if the exercise of the right:
- (a) reduces the amount of any insurance money or benefit to which the irrevocable beneficiary designation applies; or
 - (b) results in the cancellation or surrender of:
 - (i) the contract; or
 - (ii) a coverage, provision or benefit of the contract to which the irrevocable beneficiary designation applies.

PART 9

Inspections, Investigations, Enforcement and Administration**Insurance compliance self-evaluative audit**

9-1(1) For the purposes of clause 9-5(2)(a) of the Act, an insurer conducting an insurance compliance self-evaluative audit on request of the Superintendent shall:

- (a) submit the audit to the Superintendent within 60 days after receipt of the request from the Superintendent; and
 - (b) include:
 - (i) any insurance compliance self-evaluative audit document prepared for or used in the audit;
 - (ii) an implementation plan that addresses past non-compliance, improves current compliance and prevents future non-compliance; and
 - (iii) any other information that the Superintendent may require.
- (2) If an auditor's report or actuarial report is prepared as part of an insurance compliance self-evaluative audit, that report must be prepared in accordance with the following:

- (a) in the case of an auditor's report:
 - (i) generally accepted accounting principles published by Chartered Professional Accountants of Canada, as amended from time to time;
 - (ii) generally accepted auditing standards published by Chartered Professional Accountants of Canada, as amended from time to time; and
 - (iii) any modification of the principles or standards mentioned in subclauses (i) and (ii) that are established by the Superintendent and any additional requirements, principles, standards or practices established by the Superintendent; or
- (b) in the case of an actuarial report:
 - (i) generally accepted actuarial practices described in the Standards of Practice of the Canadian Institute of Actuaries, as amended from time to time; and
 - (ii) any modification of the practices mentioned in subclause (i) that are established by the Superintendent and any additional requirements, principles, standards or practices established by the Superintendent.

PART 10
General

DIVISION 1
Superintendent and Register

Insurance Register

10-1(1) For the purposes of clause 10-5(3)(i) of the Act, the Insurance Register must contain the category of licence issued to the insurer.

(2) For the purposes of clause 10-5(4)(d) of the Act, the Insurance Register must contain the following information with respect to each special broker:

- (a) the address for service of the special broker;
- (b) the category of licence issued to the special broker.

(3) For the purposes of clause 10-5(5)(g) of the Act, the Insurance Register must contain the following information with respect to each licensed insurance agent, managing general agent, insurer's representative as defined in Part V of the Act and adjuster:

- (a) the address for service of the insurance agent, managing general agent, insurer's representative as defined in Part V of the Act and adjuster;
- (b) the category of licence issued to the insurance agent, managing general agent, insurer's representative as defined in Part V of the Act and adjuster.

(4) For the purposes of clause 10-5(6)(g) of the Act, the Insurance Register must contain the following information with respect to each restricted licensee as defined in Division 4 of Part V of the Act:

- (a) the address for service of the restricted licensee;
- (b) the category of licence issued to the restricted licensee.

(5) For the purposes of subsection 10-5(7) of the Act, the Insurance Register must contain the following information with respect to each licensed third party administrator:

- (a) the name and business address of the third party administrator;
- (b) all terms and conditions imposed on a licence;
- (c) the classes of insurance with respect to which the third party administrator is authorized to transact business;
- (d) the name and business address of any designated representative of the third party administrator;
- (e) information on any suspension or cancellation of a licence;
- (f) any compliance undertaking provided by the third party administrator;
- (g) the address for service of the third party administrator;
- (h) the category of licence issued to the third party administrator.

Service of notice - opportunity to be heard

10-2(1) This section applies to any notice or document required to be served for the purposes of section 10-11 of the Act with respect to an action taken for:

- (a) a failure to pay licence, registration or other annual or special fees; or
- (b) a failure to file a report or any other information that must be filed in accordance with the bylaws of an insurance council.

(2) Any notice or other document to which this section applies may be served by ordinary mail.

(3) A notice or document sent by ordinary mail pursuant to subsection (2) is deemed to have been served on the seventh business day following the date of its mailing unless the person to whom it was mailed establishes that, through no fault of his or her own, the person did not receive the notice or document or received it at a later date.

(4) Service of any notice or document by ordinary mail pursuant to subsection (2) may be proved by affidavit or oral evidence of the person claiming to have served it.

7 Jly 2017 cI-9.11 Reg 1 s10-2.

DIVISION 2 Compensation Plans

Definitions for Part

10-3 In this Part and in Division 6 of Part X of the Act:

“designated compensation association” means an entity designated as a compensation association pursuant to section 10-4;

“member” means every insurer who is or is required to be a member of the designated compensation association;

“memorandum of operation” means a memorandum enacted by resolution of the board of directors or provisional board of directors of the designated compensation association setting forth the detailed rules and procedures that are to be followed by the designated compensation association in making voluntary payments to policy holders and other claimants with respect to claims under insurance policies that are unpaid by reason of a member becoming an insolvent insurer.

7 Jly 2017 cI-9.11 Reg 1 s10-3.

Designation of compensation associations

10-4(1) The Property and Casualty Insurance Compensation Corporation is designated as a compensation association for the purposes of the Act for property and casualty companies other than those property and casualty companies whose licences are limited to one or more of the following classes of insurance:

- (a) accident and sickness insurance;
- (b) aircraft insurance;

- (c) credit insurance;
 - (d) crop hail insurance;
 - (e) fidelity insurance;
 - (f) marine insurance;
 - (g) mortgage insurance as defined in section 5-69 of the Act;
 - (h) surety insurance;
 - (i) title insurance.
- (2) The Canadian Life and Health Insurance Compensation Corporation is designated as the compensation association for the purposes of the Act for insurers who:
- (a) are eligible for membership in that corporation; and
 - (b) enter into a contract or policy of:
 - (i) accident and sickness insurance; or
 - (ii) life insurance.

7 Jly 2017 cI-9.11 Reg 1 s10-4.

Reciprocal insurers exempted

10-5 Subsection 10-43(1) of the Act does not apply to members of an exchange or a reciprocal or inter-insurance exchange.

7 Jly 2017 cI-9.11 Reg 1 s10-5.

Compliance

10-6 Subject to section 10-11 of the Act, the Superintendent may suspend, cancel or impose terms or conditions on the licence of any member who fails to comply with the requirements imposed pursuant to Division 6 of Part X of the Act.

7 Jly 2017 cI-9.11 Reg 1 s10-6.

PART 11

Transitional, Repeal and Coming into Force

Transitional – licence fee

11-1(1) In this section, “**existing licence holder**” means an insurer who held a licence issued pursuant to *The Saskatchewan Insurance Act* on the day before the day on which these regulations come into force.

(2) Notwithstanding section 1-8, the annual fee for an existing licence holder who applied for a licence on or before the day on which these regulations come into force is \$200 for each year remaining in his or her licence term.

7 Jly 2017 cI-9.11 Reg 1 s11-1.

Transitional – application of sections 8-133 and 8-191 of the Act

11-2 Sections 8-133 and 8-191 of the Act apply only to claims incurred on or after the first day of the period commencing 2 years before the day on which those sections came into force.

7 Jly 2017 cI-9.11 Reg 1 s11-2.

Transitional – application of section 8-28 of the Act

11-2.1(1) In this section and in sections 11-2.2 to 11-2.4, “**former Act**” means *The Saskatchewan Insurance Act* as that Act existed on the day before the coming into force of section 1-1 of the Act.

(2) Section 8-28 of the Act does not apply to contracts of fire insurance entered into before the day on which that section comes into force.

(3) Section 128 of the former Act continues to apply to contracts mentioned in subsection (2).

2 Feb 2019 SR 2/2019 s14.

Transitional – application of section 8-32 of the Act

11-2.2(1) Section 8-32 of the Act and section 8-5 of these regulations do not apply to contracts of insurance to which Part IV of the former Act applies that were entered into before the day on which section 8-32 of the Act comes into force.

(2) Section 131 of the former Act continues to apply to contracts mentioned in subsection (1).

2 Feb 2019 SR 2/2019 s14.

Transitional – application of sections 8-41 and 8-42 of the Act

11-2.3(1) Sections 8-41 and 8-42 of the Act do not apply to contracts of automobile insurance entered into before the day on which those sections of the Act come into force.

(2) Sections 192 and 193 of the former Act continue to apply to contracts mentioned in subsection (1).

2 Feb 2019 SR 2/2019 s14.

Transitional – application of sections 8-165 to 8-167 of the Act

11-2.4(1) Sections 8-165, 8-166 and 8-167 of the Act do not apply to contracts of accident and sickness insurance entered into before the day on which those sections of the Act come into force.

(2) Sections 233, 234 and 235 of the former Act continue to apply to contracts mentioned in subsection (1).

2 Feb 2019 SR 2/2019 s14.

Transitional – application of certain provisions of the Act

11-2.5 The following provisions of the Act apply only to contracts of insurance entered into on or after the day on which the provision comes into force:

- (a) subsection 8-104(3);
- (b) clauses 8-105(f), (g) and (h);
- (c) clauses 8-106(1)(d), (e), (f) and (g);
- (d) subsection 8-160(3);
- (e) clauses 8-161(f) and (g);
- (f) clauses 8-164(1)(d), (e), (f) and (g);
- (g) section 8-204.

2 Feb 2019 SR 2/2019 s14.

Transitional – application of sections 8-120, 8-162 and 8-163 of the Act

11-2.6(1) In this section, “**replacement**” means the replacement of a contract of group insurance by another contract of group insurance as described in subsection 8-120(4) or 8-163(1) of the Act.

(2) Subject to subsection (3), sections 8-120, 8-162 and 8-163 of the Act apply with respect to contracts of group insurance entered into before, on or after the day on which section 1-1 of the Act comes into force.

(3) Sections 8-120, 8-162 and 8-163 of the Act apply only if the following occurs on or after the day on which section 1-1 of the Act comes into force:

- (a) the termination or replacement of a contract of group insurance;
- (b) the termination or replacement of a benefit provision in a contract of group insurance

2 Feb 2019 SR 2/2019 s14.

RRS c S-26 Reg 2 repealed

11-3 *The Saskatchewan Insurance Councils Regulations* are repealed.

7 Jly 2017 cI-9.11 Reg 1 s11-3.

RRS c S-26 Reg 5 repealed

11-4 *The Saskatchewan Insurance Compensation Plan Regulations, 1990* are repealed.

7 Jly 2017 cI-9.11 Reg 1 s11-4.

RRS c S-26 Reg 8 repealed

11-5 *The Saskatchewan Insurance Regulations, 2003* are repealed.

7 Jly 2017 cI-9.11 Reg 1 s11-5.

Coming into force

11-6 These regulations come into force on the day on which section 1-1 of *The Insurance Act* comes into force.

7 Jly 2017 cI-9.11 Reg 1 s11-6; 2 Feb 2019 SR 2/2019 s15.

Appendix**TABLE 1****Fees**

[Section 1-8]

Item	Description	Amount (\$)
1	Annual fee [<i>subsection 2-18(2) of the Act</i>] (a) for a fraternal society (b) for a mutual or co-operative insurance company not registered pursuant to the <i>Insurance Companies Act</i> (Canada) (c) for a discontinued insurer (d) for a reciprocal insurance exchange (e) for an underwriters agency (f) for a reinsurer (g) for all other insurers (i) that are licensed for one class of insurance (ii) that are licensed for two classes of insurance (iii) that are licensed for three or more classes of insurance	500 500 500 800 800 800 1,400 2,000 2,600
2	Late filing fee [<i>section 2-19 of the Act</i>] (a) for the first day (b) for each additional day	1,000 100
3	Reinstatement fee [<i>clause 2-23(b) of the Act</i>]	1,000
4	Fee to reinstate licence of federally authorized company [<i>subsection 2-43(3) of the Act</i>]	250
5	Fee to reinstate licence of extraprovincial company [<i>subsection 2-45(5) of the Act</i>]	250
6	Fee to restore one or more classes of insurance to licence of extraprovincial company [<i>subsection 2-45(5) of the Act</i>]	250
7	Application for endorsement [<i>clause 6-11(e) of the Act</i>]	500
8	Fee for copy of information in Insurance Register [<i>clauses 10-8(b) and 10-9(b) of the Act</i>] (a) application fee, and (b) fee per page	10 1
9	Application fee for insurers [<i>clause 2-5(1)(d) of the Act</i>]	1,000
10	Fee for certificate under seal of the Superintendent [<i>section 10-39</i>]	200
11	Fee for reviewing an application to amalgamate [<i>clause 10-48(2)(e) of the Act</i>]	1,000

TABLE 2
Table of Securities' Ratings

[Section 3-14]

Rating Organization	Commercial Paper	Bonds and Debentures	Preferred Shares
DBRS	R - 1	A	Pfd - 2
Standard and Poor's Financial Services LLP	A - 1	A	P - 1
Moody's Investors Services	P - 1	A	a
Fitch Ratings Inc.	F1	A	Not applicable

7 Jly 2017 cI-9.11 Reg 1.

