



October 10, 2013

Mr. Ron Fullan
Executive Director
Insurance Councils of Saskatchewan
#310 – 2631 28th Avenue
Regina, Saskatchewan
S4S 6X3

**RE: CAFII Concept Proposal For A Saskatchewan Insurance Councils
Restricted Insurance Agents Advisory Committee**

Dear Ron:

On behalf of the Canadian Association of Financial Institutions in Insurance, I'm pleased to submit to you the accompanying "CAFII Concept Proposal For A Saskatchewan Insurance Councils Restricted Insurance Agents Advisory Committee."

The proposal has been prepared with assistance from legal counsel with expertise in regulatory and administrative law matters. In developing our proposal, we also made reference to the Councils' existing bylaws, regulations, and appointment structure.

Thank you for allowing us, on more than one occasion, to vet with you our thinking about such an advisory committee, and the optimal form it might take. We believe that we have incorporated your feedback to a very high degree in our Concept Proposal.

After you've had a chance to review and consider our proposal, Ron, we look forward to further discussion with you about next steps and the best way to move forward on a Restricted Insurance Agents Advisory Committee in Saskatchewan. If we can provide further assistance with draft language for by-law or regulation change which may be required to effect this proposal, we would be happy to be of assistance. We'd also be pleased to meet, in-person or by teleconference, to discuss our Concept Proposal in more detail. Please contact Brendan Wycks, our Executive Director, at brendan.wycks@cafii.com or 647-218-8243 at your earliest convenience.

Yours sincerely,

A handwritten signature in black ink that reads "Moira Gill". The signature is written in a cursive, flowing style.

Moira Gill
Chair, Licensing Efficiency Issues Committee

**CAFII – CONCEPT PROPOSAL FOR
A SASKATCHEWAN INSURANCE COUNCILS
RESTRICTED INSURANCE AGENTS ADVISORY COMMITTEE**

CONCEPT:

- New Committee established by and reporting to the Executive Director (ED)
- ED reports semi-annually or annually to the Superintendent and Councils on the activities/affairs of the Committee
- Committee fosters/enhances the role and voice of restricted insurance agents (RIAs) in the SK regime
- Makes policy recommendations to the ED, Superintendent and Councils and advises regarding operational efficiency and effectiveness in the regulation of RIAs
 - Provides expert advice to the ED, Superintendent and Councils in dealing with issues affecting RIAs
 - As an advisory body to the ED, minimizes unnecessary or burdensome additional formal structures
- Terms of reference to provide for flexibility for Committee to assume decision-making authority or to convert to a Council if deemed appropriate in the future
 - After an initial implementation period and assessment of the Committee's role and effectiveness, it may be decided that the Committee should evolve into a separate RIA Council, with independent decision-making authority

MANDATE

INCLUDES:

- Serving as the voice of RIAs in relation to the Councils
- Liaising with the Councils on issues/matters specific to RIAs
- Providing expert advice on issues related to potential operational or regulatory change that could directly/indirectly affect RIAs
- Making proactive recommendations to the ED, Superintendent and Councils
- Examples of issues to be covered/information provided include:
 - Channel-specific distribution practices and the characteristics/needs of the client base
 - Types of products offered by RIAs
 - Development of protocols for RIA-specific complaints and issue resolution

- Development of protocol for RIA representation in disciplinary matters involving RIAs
- Commenting on how Council actions and initiatives may impact RIAs
- Advising regarding the efficiency and effectiveness of the SK regime, including harmonization with other provinces

COMPOSITION:

- 6-8 members (with option to pull in additional resources as necessary to obtain deeper expertise on specific issues)
- Proportionate representation by number of employees of life, general and other RIAs - guiding principle is to cover the majority of RIA classes
- Associations to propose members - for example, CAFII to propose 4 and CLHIA to propose 2, as a starting point
- Committee members not required to be resident in SK
- Committee members not required to be the designated individual of a corporate RIA pursuant to Section 15.11(3) of the Saskatchewan Insurance Regulations

PROCEDURAL MATTERS:

- Committee members serve a three-year term. Terms could be staggered or extended at the ED's discretion to ensure appropriate continuity and expertise on the Committee
- Membership is specific to the Association appointing the member; consequently a departing member would not automatically be replaced by a representative from the same RIA, but could be if a new appointee from the same RIA is able to bring the type of expertise required by the Committee
- Committee meets as necessary at the request of the ED
- ED prepares a meeting agenda (or a request for agenda items) at least twice each year
- ED chairs the Committee
- Decisions/recommendations are determined by majority vote
- Procedural matters are otherwise as consistent as possible with those of the Councils
- The committee may meet electronically. Committee members' attendance at meetings may be by teleconference or by other electronic means.

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APPENDIX

SASKATCHEWAN LIFE + GENERAL INSURANCE COUNCILS AND COMMITTEES

CURRENT APPOINTMENT STRUCTURE

Saskatchewan Insurance Councils Regulations (the “Regulations”)

- General Council established by Section 3(1); comprised of 8 members:
 - 3 persons appointed by the Superintendent and serving at the pleasure of the Superintendent;
 - 4 persons who are residents of Saskatchewan and engaged in a general insurance business in Saskatchewan appointed by the board of directors of the Insurance Agents Association of Saskatchewan (“IAAS”) or, if the bylaws of the Council so determine, elected by the general membership of the IAAS;
 - The administrator of the Councils, who shall be a non-voting member of the Council.

- Life Council established by Section 4(1); comprised of 9 members:
 - 3 persons appointed by the Superintendent and serving at the pleasure of the Superintendent;
 - 3 persons who are residents of Saskatchewan and engaged in the life insurance business in Saskatchewan appointed by the board of directors of the Life Underwriters Association of Canada (“LUAC”) or, if the bylaws of the Council so determine, elected by the general membership of the LUAC;
 - 3 persons who are residents of Saskatchewan and engaged in a life insurance business in Saskatchewan appointed by the board of directors of the Canadian Life and Health Insurance Association (“CLHIA”) or, if the bylaws of the Council so determine, elected by the general membership of the CLHIA.

- The Councils shall administer and supervise procedures for the appointment and election of members, developed in consultation between the Superintendent and the respective associations noted above, to ensure that full Councils are in place at all times. (Section 7(2))

- Each Council may make bylaws governing its administration and internal affairs, including providing for the appointment of committees and the delegation or sub-delegation of functions, powers or duties to those committees and governing how it exercises or how its employees, committees, officials and agents exercise functions, powers and duties as delegated and prescribed. (Section 8)

- Councils may accept and exercise, and the Superintendent is authorized to delegate on any terms and conditions that he may consider necessary, enumerated powers, functions and responsibilities of the Superintendent. (Section 17(1) - General Council; Section 17(1.1) - Life Council)
- Each Council shall appoint an administrator to exercise the functions, powers and duties delegated to it or conferred upon it by the Regulation. (Section 17(4))

Councils Bylaws (Identical)

Bylaw 1 - Council Matters

- Seven (General) and Nine (Life) members with voting rights, which shall include a chairperson and a vice chairperson, and the administrator appointed by the voting members, who shall be an ex-officio non-voting member. (Section 1)
- To be appointed to Council as a member with voting rights a person must be, among other things, a resident of Saskatchewan. (Section 2)
- Term of office is 3 years, with the exception of persons appointed by the Superintendent, who serve at the pleasure of the Superintendent. (Section 3(1))
 - A voting member with a 3 year term may be reappointed and serve a second 3 year consecutive term. (Section 3(2))
 - To ensure continuity and depth of experience on Council, the term of office for a voting member may be extended for a 3 year term if approved by a two-thirds majority vote of Council. (Section 3(3))
- Meetings shall be as called by the chairperson or as arranged by a previous meeting of the Council with not less than 6 meetings in each calendar year. (Section 6(1))
- All questions shall be decided by a majority of votes of the voting members present, with each voting member being entitled to 1 vote. (Section 11)

Bylaw 7 – Committees and Sub-delegation of Functions, Powers and Duties

- A Council committee is any committee created by Council. (Section 1(1))
- Each Committee shall perform its duties subject to the direction of the Council, meet as frequently as required to fulfill its terms of reference and make timely reports to the Council on the business of the committee. (Section 1(7))
- The Council shall make all committee appointments. (Section 1(3))
- A policy shall be established to guide the Council in appointing licencees to committees. (Section 1(4))
- The Council shall identify the chairperson. (Section 1(5))
- Each committee appointment shall be for a term specified in the policy. (Section 1(6))

- Each member of the committee shall have voting privileges, unless otherwise specified. (Section 1(7))
- The following permanent committees have been established:
 - (a) finance committee;
 - (b) licencing committee; and
 - (c) complaints and investigation committee. (Section 2(1))
- Council will from time to time establish a discipline committee. (Section 2(2))
- Finance committee is established by the agreement of the General Council, the Life Council and the Hail Council. Each Council shall appoint at least 1 voting member to be its representative. The voting members shall appoint a staff member to be the fourth member of the committee. (Section 3(1))
 - The chairperson shall be a voting member selected by the finance committee. (Section 3(2))
 - The functions, power and responsibilities delegated to the representative on the finance committee are as set forth in Section 3(3). (Section 3(3))
- Licencing committee is established by Council, consisting of two or more persons, at least one of whom is a voting member of the Council and the other of whom is a staff member appointed by Council. (Section 4(1))
 - Chairperson shall be a voting member of council. (Section 4(2))
 - Powers, functions and responsibilities delegated to the licencing committee by Council are as set forth in Section 4(3). (Section 4(3))
- Complaints and investigation committee is established by Council, consisting of two or more persons, at least one of who is a voting member of the Council and the other of whom is a staff member appointed by Council. (Section 5(1))
 - Chairperson shall be a voting member of Council. (Section 5(2))
 - Powers, functions and responsibilities delegated to the complaints and investigation committee by Council are as set forth in Section 5(3). (Section 5(3))
- Discipline committee, when established by Council, shall consist of three or more persons, at least one of whom shall be a voting member of the Council. The other persons shall be selected from a roster of licencees approved by Council to serve on the discipline committee. (Section 6(1))
 - Powers, functions and responsibilities delegated to the discipline committee by Council are as set out in Bylaw 10. (Section 6(2))

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