



June 25, 2018

Mr. Ron Fullan  
Executive Director  
Insurance Council of Saskatchewan  
Suite 310  
2631 – 28<sup>th</sup> Avenue  
Regina, Saskatchewan S4S 6X3

Dear Mr. Fullan,

On behalf of the Canadian Life and Health Insurance Association (CLHIA) and the Canadian Association of Financial Institutions in Insurance (CAFII), we are pleased to provide our joint proposal for a Restricted Insurance Agent Advisory Committee (RIA Advisory Committee) of the Saskatchewan Insurance Councils.

As you will recall at our meeting on October 27, 2017, we expressed our support for an RIA Advisory Committee that would ensure the Councils have the benefit of expert information and advice when dealing with issues involving restricted insurance agents. At the time, you had requested that the CLHIA and CAFII develop a joint proposal for consideration.

We have since met with members of CLHIA and CAFII to develop a proposal that sets out the principles upon which we recommend establishing an RIA Advisory Committee. We believe that the RIA Advisory Committee itself may be in the best position to determine how the committee will be managed, but offer some details for consideration in the attached suggested Terms of Reference.

The CLHIA and CAFII appreciate the opportunity to provide this joint proposal for your consideration. We would be pleased to discuss our proposal in more detail at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "Brendan Wycks", with a stylized, flowing script.

Assistant Vice President, Distribution  
Canadian Life and Health Insurance Association

A handwritten signature in black ink, appearing to read "Brendan Wycks", enclosed within a thin black rectangular border.

Brendan Wycks  
Co-Executive Director  
Canadian Association of Financial Institutions in Insurance

A handwritten signature in black ink, appearing to read "Keith Martin", with a stylized, flowing script.

Keith Martin  
Co-Executive Director  
Canadian Association of Financial Institutions in Insurance

## **CLHIA and CAFII's Joint Proposal for a Restricted Insurance Agent Advisory Committee of the Saskatchewan Insurance Councils**

### **Mandate**

The RIA Advisory Committee will provide subject matter expertise to the Saskatchewan Life Council, General Council, and/or Executive Director regarding Restricted Insurance Agents (RIAs). The Advisory Committee may also provide advice regarding the operational efficiency and effectiveness of regulations related to RIAs.

The RIA Advisory Committee will not advocate on behalf of the industry.

### **Scope**

The RIA Advisory Committee will provide the Councils and/or Executive Director with advice and information on RIA-relevant issues, including:

- Information on relevant products and distribution channels;
- The consumer needs for which RIA-distributed products are designed;
- Impact of Council decisions on RIAs; and
- The operational efficiency and effectiveness of the Saskatchewan RIA regulatory regime.

### **Terms of Reference**

Within the first year of its existence, the RIA Advisory Committee will develop its own Terms of Reference that will determine how it will function, including quorum at meetings, agenda development, and minutes, among other things. A suggested Terms of Reference is attached as a “thought-starter” for the RIA Advisory Committee.

### **Membership**

Given the broad interests already represented on the Life and General Councils, we believe the membership of the RIA Advisory Committee should be limited to experts in the products and distribution channels utilized under restricted licenses.

The RIA Advisory Committee members will include:

- at least two (2) restricted insurance agent representatives with distribution expertise in RIA products;
- at least two (2) insurer representatives with expertise in relevant products, distribution channels and practices; and
- the Executive Director of the Insurance Councils or designated staff.

A wide range of products are distributed under restricted insurance agent licenses through a variety of channels. In order to balance the need for relevant subject matter expertise with the need for continuity on the RIA Advisory Committee, the Committee may be augmented by additional subject matter experts, as needed and on an *ad hoc* basis.

For Committee members and ad hoc subject matter experts, CAFII and CLHIA shall be called upon to propose a list of representative candidates. It should be noted, however, that CLHIA and CAFII can only propose representatives from the life and health insurance industry; and there may be a need, at some point, to include representatives from the property and casualty insurance industry. It is recommended that associations representing the P&C industry (e.g., IBC, CADRI) could be called upon to propose those representatives.

We believe the interests of consumers are already well-represented through the Life and General Councils; and, therefore, a consumer representative is not required on the RIA Advisory Committee.

RIA Advisory Committee members shall not be required to be residents of Saskatchewan.

### **Chair**

In keeping with the Saskatchewan Life and General Councils' by-laws, the Chair of the RIA Advisory Committee will be appointed by the Life and General Councils.

### **Membership Rotation**

Consistent with the Saskatchewan Life and General Councils model, RIA Advisory Committee members shall serve a three-year term, once renewable. In establishing the initial composition of the committee, members' terms of office may be staggered in order to ensure appropriate continuity of expertise.

### **Frequency of Meetings**

The RIA Advisory Committee will meet as necessary, at the request of the Life Council, the General Council, or the Executive Director. However, the RIA Advisory Committee shall meet no less than twice per year.

Where two or more members of the RIA Advisory Committee feel that a meeting should be held to deal with an issue(s), they may request -- in writing to the Life Council, the General Council, or the Executive Director -- that a meeting of the Advisory Committee be held.

**Duration of Committee**

The duration of the RIA Advisory Committee's mandate is indefinite. However, after a three-year period, the Life and General Councils, in conjunction with the Executive Director, shall review the Advisory Committee's role and effectiveness.

## **Suggested Terms of Reference for the Restricted Insurance Agent Advisory Committee of the Saskatchewan Insurance Councils**

Below we have provided a suggested Terms of Reference for the RIA Advisory Committee's consideration.

Conduct of the RIA Advisory Committee's meetings and related procedures shall be as consistent as possible with those followed by the Life and General Councils.

### **Quorum**

Quorum for meetings will be attendance by a simple majority of RIA Advisory Committee members. The Executive Director or a designated staff member shall always be in attendance.

### **Distance Support**

The RIA Advisory Committee may meet in-person or by teleconference or other electronic means.

### **Agenda**

The Chair of the RIA Advisory Committee shall prepare a meeting agenda. The Chair may request agenda items from members.

### **Committee Records**

The Executive Director or a designated staff member shall maintain minutes of the RIA Advisory Committee's meetings.

### **Conflicts of Interest**

Members of the RIA Advisory Committee must be committed to the public interest regarding the insurance industry. If the RIA Advisory Committee is dealing with an issue that directly affects one of its members, that member shall remove him/herself from deliberations on the issue. The RIA Advisory Committee may wish to supplement its membership with another representative from the roster of *ad hoc* experts, if needed.

### **Removal from the RIA Advisory Committee**

RIA Advisory Committee members may be removed if their conduct or activities are detrimental to or incompatible with the functions and policies of the committee or of the Life or General Councils.

## **Remuneration**

Remuneration of RIA Advisory Committee members' committee-related expenses, including travel expenses if any, shall be in accordance with the expense reimbursement policy of the Insurance Councils of Saskatchewan.

## **Amending the Terms of Reference**

The RIA Advisory Committee's Terms of Reference may be revised by the Executive Director or a designated staff member, in consultation with and upon the recommendation of the RIA Advisory Committee.