



Community Services
PO Box 2703, Whitehorse, Yukon Y1A 2C6

July 31, 2019

Bulletin: Credit Protection Insurance in Yukon: insurers and intermediaries

On June 24, 2019, insurers seeking the credit protection class of licensure were notified that this was a class of insurance that the Government of Yukon (YG) is unable to licence. This bulletin outlines an interim solution for insurers and seeks to provide clarification regarding the intermediaries who distribute group credit products.

We understand credit protection insurance to cover debt or make or postpone debt payments on a person's behalf in the event of death, disability, job loss or critical illness. These are group insurance products.

While YG cannot licence for a class called "credit protection insurance", if an insurer is licensed for "life insurance", a related creditors group life insurance can be sold under this licence. Job loss insurance could be included under this same authority, given that part c of the definition of life insurance in the Yukon Insurance Act includes payment of insurance money "at a set or determinable future time."

Further, if an insurer is licensed for "accident and sickness insurance" a similar creditors group accident and sickness insurance product can be sold to address disability and critical illness components offered by credit protection insurance. This can only be on top of the baseline death coverage.

In summary, if an insurer has a licence to sell the life insurance class of insurance, they can opt to offer death and job loss related group insurance. If an insurer is licensed for accident and sickness insurance class of insurance, they can additionally opt to offer disability and critical illness related group insurance. **An insurer who is licensed for life as well as accident and sickness should be able to sell an equivalent product to credit protection insurance.**

We have also received inquiries about intermediaries who are seeking to distribute or enroll individuals into group insurance products. As a reminder of provisions in the *Insurance Act*, individuals can distribute the products under one of two possible authorities:

- 1) The individual becomes licensed as a life, accident and sickness insurance agent, or
- 2) The individual acts as a “collector of insurance premiums” and is therefore exempt from licensure under s.233(14) of the *Insurance Act*. Further restrictions to qualify for exemption include that the individual cannot solicit insurance and the individual cannot receive more than 5% of the insurance premiums collected.

Further questions can be sent to Professional Licencing and Regulatory Affairs at (867) 667-5111 or at insurance.plra@gov.yk.ca.

A handwritten signature in black ink, appearing to read 'N. Meagher', with a stylized, flowing script.

Nancy Meagher
Superintendent of Insurance, Yukon