

***Agenda Item 4(b)***  
***August 14/18 EOC Meeting***

**CAFII Briefing Note**

RE: Teleconference meeting between Janette Seibel, Legal Counsel, Legal Branch, FCAA; and CAFII Co-Executive Directors Brendan Wycks and Keith Martin

TOPIC: Discussion about a 31 July, 2018 letter supporting an earlier CLHIA letter requesting changes to the pending Insurance Act in Saskatchewan as well as Insurance Regulations meant to support the Act

DATE: 9 August, 2018 (10.30 am to 11:00 am)

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Janette Seibel informed us that Roger Sobotkiewicz, Superintendent of Insurance, Financial and Consumer Affairs Authority, Government of Saskatchewan was just back from vacation, and not able to attend the call. Ms. Seibel was courteous and engaged, and said she was very appreciative of the letter we wrote, and of our raising some of these pressing issues with the FCAA.

Ms. Seibel said that with respect several of the issues we had raised in our letter, a brief industry Consultation Paper would be released shortly which would provide an opportunity for CAFII and other industry stakeholders to comment on the FCAA's proposed solutions on a number of issues which had been identified as problematic. The in-development industry Consultation Paper would be released soon, on an embargoed basis, with a short turn-around for responses, i.e. likely a mid-September deadline.

With respect to the first issue raised in the CAFII letter, "Free Look Should Not Apply to Group and Creditor's Group Life Insurance Contracts," Ms. Seibel said that this was an issue that the FCAA understood, and that she thought this might be satisfactorily addressed in the Consultation Paper. Because it is difficult at this stage to make changes to the Insurance Act itself, there had been recent discussion internally at the FCAA on whether the Regulations supporting the Act could be adjusted to make it clear that there was a free look period exemption for Group and Creditor's Group life insurance contracts. She expressed the hope that such an approach could address the concerns of industry.

Ms. Seibel then moved directly to point 4 in the CAFII letter, about the definitions of Insurer's Representative and Insurance Agent in the Insurance Act and which parties will have to be licenced as a result. She said that she felt that this might be the biggest concern of industry, and as such addressing it satisfactorily could go a long way towards alleviating some of industry's worries. Brendan Wycks expressed the view that this was indeed one of the key issues and addressing it would be very helpful.

Ms. Seibel said that the FCAA "wants to get this resolved," and had recently commissioned the Insurance Councils of Saskatchewan (ICS) to develop guidelines to address the industry's concerns, addressing which industry players will need to be licenced, which players will not need to be licenced, and what type of licence will need to be obtained by those who do require licencing.

In addition to working on guidelines re insurance licencing, the FCAA and the ICS are working on modernizing the ICS' By-Laws and determining if they could be another mechanism for addressing concerns with respect to the breadth of industry players who will need to be licenced.

The intention is to publish the new guidelines on insurance licencing early this Fall, so that industry can still be in a position to be in compliance with the new Insurance Act and the related Regulations by 1 January, 2019.

Ms. Seibel encouraged CAFII to reach out to the ICS on this issue of the definitions of Insurer's Representative and Insurance Agent, reiterate our concerns, and hear directly from Ron Fullan and April Stadnek about the measures they are working on to address the industry's concerns. We committed to speak directly with Ron and April about this in the near future.

Discussion then turned to point 2 in our CAFII letter, the inclusion of the word "group" in the S 5-69 definition of travel insurance in the Insurance Act, which Ms. Seibel said would be a more difficult issue to address, because it would take more time to resolve. She said, however, that in the interim, the FCAA did not feel that the inadvertent inclusion of the word "group" in the definition of travel insurance would affect "the status quo." The FCAA was looking to achieve a permanent solution to the industry's concerns on this matter, she said, but doing so would likely require an amendment to the Act and that was not likely to be achieved prior to the 1 January, 2019 in force date.

With respect to point 2 in our CAFII letter, the issue of reinstating an exception for life insurance with respect to premium refunds, Ms. Seibel acknowledged the legitimacy of the industry's concerns and indicated that this section of the Act had the potential to produce "unintended consequences." She said that measures to address this would be included in the upcoming industry Consultation Paper.

Finally, Ms. Seibel said that with respect to point 5 in CAFII's letter, the request for a Transition Regulation, it would be helpful for the FCAA to know what are the specific issues on which a Transition Regulation is required, to which Keith Martin stated that that might be dependent upon how the other identified concerns are addressed—as some might no longer be as serious an issue and not require as much guidance, if some of the key concerns are effectively addressed. Ms. Seibel agreed, and said that progress on several fronts should be made through the upcoming mini industry Consultation Paper. She asked that we provide the FCAA with more details on the specific issues which we believe a Transition Regulation should address, as part of our response to the upcoming Consultation Paper, both of which the FCAA would like to receive by mid-September 2018 (assuming the expected imminent release of the Consultation Paper).

In conclusion, Mr. Wycks thanked Ms. Seibel for her time, her transparency, and her consultative approach, and said that the call had been extremely helpful; to which Ms. Seibel replied that the letter which CAFII had sent was itself extremely useful, and that the FCAA finds industry input extremely valuable and helpful.