

Comparison of *Draft Manitoba Amendment to Insurance Agents and Adjusters Regulation To Address Licencing of Incidental Sellers of Insurance*
With
The Saskatchewan Insurance Act Amendment Regulations, 2010
And
Alberta Insurance Agents And Adjusters Regulation (with amendments up to and including Regulation 199/2012)

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Generally, the Manitoba draft regulation closely parallels the Saskatchewan model, and draws upon the Alberta regime to a lesser degree. There are some notable differences, however, between Manitoba’s proposals and Saskatchewan’s regime:

- Manitoba identifies the class of insurance under which each defined type of insurance falls, whereas Saskatchewan identifies the types of organizations or business entities which may apply for a restricted licence. The Manitoba approach seems more beneficial in that it implies more rigour and scrutiny/vetting of restricted licence applications
- Manitoba places much focus/onus on a designated “operating agent”, who takes primary responsibility, under the licence; Saskatchewan places somewhat looser requirements upon a “designated individual”
- Manitoba details licence holders’ responsibilities extensively
- Manitoba does not address Right of Rescission/Free Look Period in its draft regulation

Some questions to consider:

- Do the types of insurance detailed in Manitoba’s draft regulation fit easily into the life, credit and accident and sickness classes of insurance?
- Does the Manitoba regulation impose any new disclosure requirements for CAFII members?
- Does the Manitoba regulation impose any new business process requirements on your company?
- Does anything stand out as being incongruent with the restricted licensing regimes in Saskatchewan and Alberta?

This comparison is organized as follows:

- Sections of the draft Manitoba Regulation are set out sequentially, in their entirety, in the left column
- Parallel Saskatchewan provisions are found in the right column
- Analytical commentary is set out in the left or the right column, as appropriate, *in green text*

Draft Manitoba Regulation	Parallel Saskatchewan Provisions And Commentary
<p>Liability insurance — restricted insurance agent licence 16.1(1) For the purposes of subsection 371(1.1) [requirement for liability insurance] of the Act, an applicant for a restricted insurance agent licence under section 380.1 of the Act must have, and an agent who holds such a licence must maintain, liability insurance of at least \$1,000,000 in respect of any one occurrence, with an overall policy aggregate of at least \$2,000,000.</p> <p>Not applicable to CAFII members under section 34 of this Regulation (Non-application of subsection 371 (1.1) of the Act to certain restricted licence holders.)</p>	<p><i>Alberta and Saskatchewan Regulations have parallel liability insurance requirements for restricted licence holders, but also exempt CAFII members with wording that typically reads like this:</i></p> <p><i>This Section does not apply to restricted licensees that are banks, credit unions, loan corporations or trust corporations within the meaning of The Trust and Loan Corporations Act, or to any member institution of the Canada Deposit Insurance Corporation.</i></p>
<p>16.1(2) The liability insurance required by subsection (1) (a) must, at a minimum,</p> <ul style="list-style-type: none"> (i) include extended reporting for a period of 12 months, (ii) include extended coverage for fraudulent acts and dishonest acts, (iii) provide coverage amounts that are exclusive of defence and investigative expenses, (iv) include coverage that covers all of the insurance products that the insured is or will be licensed to sell, (v) include coverage for <ul style="list-style-type: none"> (A) the insured's supervisory activities, if applicable, and (B) any unlicensed employee for whose acts the insured is responsible; and <p>(b) must not be restricted to particular insurers' products.</p> <p>Not applicable to CAFII members under section 34 of this Regulation (Non-application of subsection 371 (1.1) of the Act to certain restricted licence holders.)</p>	

<p>16.1(3) The underwriting insurer of a liability insurance policy issued, or a group liability insurance policy providing coverage, to satisfy the requirements of subsection 371(1.1) of the Act must not, without providing the superintendent and the Insurance Council of Manitoba with at least 15 days' prior notice by registered mail,</p> <p>(a) cancel, terminate or refuse to renew the policy or group policy; or</p> <p>(b) delete an insured from the group policy.</p> <p><i>Not applicable to CAFII members under section 34 of this Regulation (Non-application of subsection 371 (1.1) of the Act to certain restricted licence holders.)</i></p>	
<p>Limited exemption for lawyers — title insurance</p> <p>21 A lawyer is — in respect of the lawyer's services in obtaining for a client, or assisting a client in obtaining, title insurance in order to complete a purchase or sale of real estate — exempt from the requirement to hold a licence under subsection 369(1) [not to act without a licence] of the Act if the lawyer</p> <p>(a) is entitled to practice law in Manitoba and provides the services in the usual course of his or her profession; and</p> <p>(b) is not, whether directly or indirectly, paid or offered a commission or other compensation or anything of value by any person for providing the services.</p> <p><i>This limited exemption for lawyers, which is not relevant to CAFII members, is unique to Manitoba among the three Prairie provinces.</i></p>	
<p>PART 2</p> <p>RESTRICTED INSURANCE AGENT LICENCES</p> <p>Application of Part 2</p> <p>22 For the purpose of section 380.1 of the Act, this Part applies in respect of restricted insurance agent licences within the meaning of that section.</p>	

<p>Definitions</p> <p>23 The following definitions apply in this Part.</p> <p><i>Manitoba's draft regulation closely parallels Saskatchewan's with respect to the detailed/specific definitions of (a) the types of insurance for which a restricted agent licence may be obtained; and (b) related industry terms. Alberta, in contrast, has chosen to incorporate such definitions into the Insurance Act itself, and does so with a much broader, high level approach (less specificity and detail).</i></p> <p><i>There are minor variations between the Manitoba and Saskatchewan definitions due to style; wording preferences; and jurisdictional idiosyncrasies.</i></p> <p><i>The notable differences between the two sets of definitions are as follows:</i></p> <ul style="list-style-type: none"> <i>-“funeral expense insurance” is unique to Manitoba;</i> <i>-“highway transport vehicle gap insurance” (and related) is unique to Saskatchewan;</i> <i>-“personal life insurance” is defined in Saskatchewan but not in Manitoba. This is perhaps a critical omission which CAFII can point to Manitoba.</i> <i>-“portable electronics insurance” (and related) is unique to Manitoba;</i> <i>-“rented vehicle accidental injury or death insurance” (and related) is unique to Manitoba;</i> <i>-in the Saskatchewan Regulation, there is one definition of travel insurance with two meanings. These correspond to “personal travel insurance” and “travel interruption and property loss insurance” in Manitoba’s. The uncoupling and finer definitional breakdown in Manitoba’s approach seems superior; at the very least, it avoids the potential confusion of having one title/term mean two different things.</i> 	
<p>"cargo insurance" means insurance that is within the class of property insurance and provides coverage only against damage to or the loss of goods in transit.</p>	<p>(b) “cargo type insurance” means insurance covering goods in transit;</p>

<p>"creditor's disability insurance" means insurance</p> <p>(a) that is within the class of accident and sickness insurance and is creditor's group insurance as defined in section 203 of the Act; and</p> <p>(b) under which the insurer undertakes to pay all or part of the amount of a debtor's debt to the creditor named in the policy in the event of bodily injury to, or the illness or disability of,</p> <p>(i) the debtor, when the debtor is an individual, or the spouse of such a debtor,</p> <p>(ii) an individual who is a guarantor of all or part of the debt,</p> <p>(iii) a director or officer of the debtor, when the debtor is a corporation, or</p> <p>(iv) an individual who is essential to the ability of the debtor to meet the debtor's financial obligations, when the debtor is an entity other than an individual or a corporation.</p>	<p>(c) "creditor's disability insurance" means a group insurance policy, or a creditor's group insurance policy, that will pay all or part of the amount of a debt of a debtor to the creditor insured under the policy, in the event of bodily injury to, or an illness or disability of:</p> <p>(i) if the debtor is an individual, the debtor or the spouse of the debtor;</p> <p>(ii) an individual who is a guarantor of all or part of the debt;</p> <p>(iii) if the debtor is a corporation, any director or officer of the corporation; or</p> <p>(iv) if the debtor is an entity other than an individual or a corporation, an individual who is essential to the ability of the debtor to meet the debtor's financial obligations;</p>
<p>"creditor's life insurance" means insurance</p> <p>(a) that is within the class of life insurance and is creditor's group insurance as defined in section 148 of the Act; and</p> <p>(b) under which the insurer undertakes to pay all or part of the amount of the amount of a debtor's debt to the creditor named in the policy or, if the debt is a line of credit for a small business or a farm, fishery or ranch, all or part of the amount of the credit limit of the line of credit owing to the creditor, in the event of the death of</p> <p>(i) the debtor, when the debtor is an individual, or the spouse of such a debtor,</p> <p>(ii) an individual who is a guarantor of all or part of the debt,</p> <p>(iii) a director or officer of the debtor, when the debtor is a corporation, or</p> <p>(iv) an individual who is essential to the ability of the debtor to meet the debtor's financial obligations, when the debtor is an entity other than an individual or a corporation.</p>	<p>(d) "creditor's life insurance" means a group insurance policy, or a creditor's group insurance policy, that will pay to a creditor insured under the policy all or part of the amount of a debt of a debtor or, if the debt is with respect to a small business or a farm, fishery or ranch, all or part of the amount of the credit limit of a line of credit, in the event of the death of:</p> <p>(i) if the debtor is an individual, the debtor or the spouse of the debtor;</p> <p>(ii) an individual who is a guarantor of all or part of the debt;</p> <p>(iii) if the debtor is a corporation, any director or officer of the corporation; or</p> <p>(iv) if the debtor is an entity other than an individual or a corporation, an individual who is essential to the ability of the debtor to meet the debtor's financial obligations;</p>
<p>"creditor's loss-of-employment insurance" means insurance</p>	<p>(e) "creditor's loss of employment insurance" means a policy of an insurer that will pay, without any individual assessment of risk, all or</p>

<p>(a) that is within the class of credit protection insurance; and</p> <p>(b) under which the coverage is limited to the insurer's undertaking to pay, without any individual assessment of risk, all or part of the amount of a debtor's debt to the creditor named in the policy in the event</p> <p>(i) that the debtor — being an individual — becomes involuntarily unemployed, or</p> <p>(ii) that an individual who is a guarantor of all or part of the debt becomes involuntarily unemployed.</p>	<p>part of the amount of a debt of a debtor to the creditor insured under the policy in the event that:</p> <p>(i) if the debtor is an individual, the debtor becomes involuntarily unemployed; or</p> <p>(ii) an individual who is a guarantor of all or part of the debt becomes involuntarily unemployed;</p>
<p>"creditor's vehicle inventory insurance" means insurance that is within the class of credit protection insurance and provides coverage only against direct and accidental loss of or damage to vehicles — some or all of which have been financed by a creditor — that are held in stock for display and sale purposes by a debtor of the creditor.</p>	<p>(f) "creditor's vehicle inventory insurance" means insurance against direct and accidental loss or damage to vehicles that are held in stock for display and sale purposes by a debtor of a creditor, if some or all of those vehicles have been financed by the creditor;</p>
<p>"deposit-taking institution" means</p> <p>(a) a bank;</p> <p>(b) a credit union that is incorporated or continued under <i>The Credit Unions and Caisses Populaires Act</i>; or</p> <p>(c) a loan corporation or trust corporation that is incorporated or continued under <i>The Corporations Act</i> and entitled to carry on business under Part XXIV of that Act.</p>	<p>(g) "deposit-taking institution" means:</p> <p>(i) a bank;</p> <p>(ii) a credit union;</p> <p>(iii) a trust corporation that holds a valid licence issued pursuant to <i>The Trust and Loan Corporations Act, 1997</i>;</p>
<p>"equipment insurance" means insurance that is within the class of boiler and machinery insurance and provides coverage only against damage to or the loss of</p> <p>(a) a motor vehicle;</p> <p>(b) farm equipment or a farm implement; or</p> <p>(c) recreational, marine or construction equipment.</p>	<p>(h) "equipment warranty insurance" means the subclass of boiler and machinery insurance that provides insurance against loss of or damage to a motor vehicle, or recreational, marine, farm implement or construction equipment, arising from its mechanical failure, but does not include automobile insurance or insurance incidental to automobile insurance;</p>
<p>"export credit insurance" means insurance</p>	<p>(i) "export credit insurance" means a policy of an insurer that provides</p>

<p>(a) that is within the class of surety insurance; and (b) under which the insurer undertakes, to an exporter of goods or services, to guarantee payment for goods or services exported by the exporter.</p>	<p>insurance to an exporter of goods or services against a loss incurred by the exporter due to a non-payment for exported goods or services;</p>
<p>"financial institution" means: (a) a bank; (b) a credit union that is incorporated or continued <i>The Credit Unions and Caisses Populaires Act</i>, or a credit union incorporated under the laws of a jurisdiction other than Manitoba that is registered as provided by section 129 of that Act; (c) a loan corporation or trust corporation incorporated or continued under <i>The Corporations Act</i> and entitled to carry on business under Part XXIV of that Act, or an extra-provincial loan corporation or extra-provincial trust corporation, as defined in section 315 of that Act, that is entitled to carry on business under Part XXIV of that Act; (d) an entity licensed to transact insurance under the Act, or an entity incorporated, continued or licensed under a similar Act of Parliament or of any province or territory of Canada; (e) a local cooperative credit society as defined section 2 of the <i>Cooperative Credit Associations Act</i> (Canada); (f) an association incorporated or continued under the <i>Cooperative Credit Associations Act</i> (Canada); (g) an entity that is incorporated, continued or licensed under an Act of Parliament or of any province or territory and is primarily engaged in dealing in securities, including portfolio management and investment counselling; or (h) an entity that (i) is engaged primarily in the business of providing financial services, including deposit, loan or trust services, transacting insurance or dealing in securities; and (ii) is incorporated or continued under the laws of a jurisdiction outside Canada or is otherwise governed by the laws of such a jurisdiction.</p>	<p>(j) "financial institution" means: (i) a bank or a credit union; (ii) an entity licensed pursuant to <i>The Trust and Loan Corporations Act, 1997</i> or an entity incorporated, continued or licensed pursuant to a similar Act of Parliament or of any province or territory of Canada; (iii) an entity licensed to transact insurance pursuant to the Act or an entity incorporated, continued or licensed pursuant to a similar Act of Parliament or of any province or territory of Canada; (iv) a cooperative credit society within the meaning of the <i>Cooperative Credit Associations Act</i> (Canada) that is incorporated, continued or regulated by or pursuant to an Act or an Act of any province or territory of Canada; (v) an association incorporated or continued pursuant to the <i>Cooperative Credit Associations Act</i> (Canada); (vi) an entity that is incorporated, continued or licensed pursuant to an Act of Parliament or of any province or territory that is primarily engaged in dealing in securities, including portfolio management and investment counselling; (vii) a foreign financial institution;</p> <p>(l) "foreign financial institution" means an entity that: (i) is engaged in the business of banking or in the trust, loan or insurance business, the business of a cooperative credit society or the business of dealing in securities or is otherwise engaged primarily in the business of providing financial services; and (ii) is not incorporated or continued pursuant to an Act of Parliament or of any province or territory of Canada;</p>

	<p>(m) “highway transport vehicle” means a truck, power unit or semi-trailer as defined in <i>The Traffic Safety Act</i>;</p> <p>(n) “highway transport vehicle gap insurance” means insurance respecting a highway transport vehicle that:</p> <ul style="list-style-type: none"> (i) is paid to a creditor under the loan being used to finance the purchase of the highway transport vehicle on the primary insurer’s determination that the highway transport vehicle is a total loss or total write-off; and (ii) is calculated as the difference between: <ul style="list-style-type: none"> (A) the amount outstanding on a loan used to finance the purchase of a highway transport vehicle; and (B) the value of the highway transport vehicle as assessed by the primary insurer of the debtor; <p>(o) “highway transport vehicle payment insurance” means insurance respecting a highway transport vehicle that:</p> <ul style="list-style-type: none"> (i) is obtained from an insurer; (ii) is paid to a purchaser or lessor of a highway transport vehicle on a determination by the primary insurer of the highway transport vehicle that the highway transport vehicle is a total loss or total write-off; and (iii) is calculated as the value of the initial payment made by the purchaser or lessor of the highway transport vehicle to the highway transport vehicle dealer at the time of: <ul style="list-style-type: none"> (A) entering into the purchase agreement respecting the highway transport vehicle; or (B) entering into the lease of the highway transport vehicle;
<p>"funeral expense insurance" means insurance that is within the class of life insurance and under which the insurer undertakes to pay a maximum of \$15,000 for funeral services for the insured under a prearranged funeral plan as defined in <i>The Prearranged Funeral Services Act</i>.</p>	<p><i>-no Saskatchewan parallel</i></p>

<p>"line of credit" means a commitment on the part of a deposit-taking institution or sales finance company to lend one or more amounts to a debtor without a predetermined repayment schedule.</p>	<p>(p) "line of credit" means a commitment on the part of a financial institution to lend to a debtor, without a predetermined repayment schedule, one or more amounts, where the aggregate amount outstanding does not exceed a predetermined credit limit;</p>
<p>"mortgage broker" means a mortgage broker, as defined in <i>The Mortgage Brokers Act</i>, that is registered in accordance with that Act.</p>	<p>(q) "mortgage broker" means a mortgage broker, as defined in <i>The Mortgage Brokers Act</i>, that holds a valid licence issued pursuant to that Act;</p>
<p>"mortgage insurance" means the class of mortgage insurance prescribed in the <i>Classes of Insurance Regulation</i>, Manitoba Regulation 165/2008.</p> <p>[<i>Classes of Insurance Regulation, Man Reg 165/2008</i> Mortgage insurance The insurer undertakes to pay insurance money in respect of loss caused by default on the part of a borrower under a loan secured by (a) a mortgage or charge on real property; or (b) another security interest in real property.]</p>	<p>(r) "mortgage insurance" means an insurance policy that provides insurance to the mortgagee against loss caused by a default on the part of a debtor who is an individual under a loan from the mortgagee that is secured by a mortgage on real property or on an interest in real property;</p>
<p><i>-no parallel in Manitoba; may be a critical omission</i></p>	<p>(s) "personal life insurance" means a group insurance policy that provides insurance to an individual: (i) whereby the insurer undertakes to pay one or more sums of money in the event of bodily injury to, or the death of, that individual caused by an accident; or (ii) whereby the insurer undertakes to pay a certain sum for each day that the individual is hospitalized in the event of: (A) bodily injury to that individual caused by an accident; or (B) an illness or disability of that individual;</p>
<p>"personal travel insurance" means insurance (a) that is within the classes of life insurance and accident and sickness insurance and is group insurance as defined in sections 148 and 203 of the Act; and (b) that (i) provides coverage to an individual with respect to a trip by the individual away from the place where the individual ordinarily resides</p>	<p><i>-In the Saskatchewan Regulation, there is one definition of travel insurance with two meanings. These correspond to "personal travel insurance" and "travel interruption and property loss insurance" in Manitoba's. The uncoupling and finer definitional breakdown in Manitoba's approach seems superior; at the very least, it avoids the potential confusion of having one title/term mean two different things.</i></p>

<p>(A) against expenses incurred while on the trip that result from an illness or disability of the individual that occurs on the trip,</p> <p>(B) against expenses incurred while on the trip that result from the death of or bodily injury to the individual caused by an accident while on the trip,</p> <p>(C) against expenses incurred by the individual for dental care necessitated by an accident while on the trip, or</p> <p>(D) in the event of the individual's death while on the trip, against expenses incurred for the return of the individual's remains to the place where the individual ordinarily resided before death, or for travel expenses incurred by a relative of the individual who is required to travel to identify the individual's remains, or</p> <p>(ii) under which the insurer undertakes to pay one or more sums of money in the event of an illness or the disability of the individual that occurs on the trip, or in the event of the death of or bodily injury to the individual that is caused by an accident while on the trip.</p>	<p>15.1 (w) "travel insurance" means: ...</p> <p>(ii) a group insurance policy that provides insurance to an individual with respect to a trip by the individual away from the province or territory in which the individual ordinarily resides:</p> <p>(A) against expenses incurred while on the trip that result from an illness or disability of the individual that occurs on the trip;</p> <p>(B) against expenses incurred while on the trip that result from bodily injury to, or the death of, the individual caused by an accident while on the trip;</p> <p>(C) whereby the insurance company undertakes to pay one or more sums of money in the event of an illness or the disability of the individual that occurs on the trip, or of bodily injury to, or the death of, the individual that is caused by an accident while on the trip;</p> <p>(D) against expenses incurred by the individual for dental care necessitated by an accident while on the trip; or</p> <p>(E) in the event that the individual dies while on the trip, against expenses incurred for the return of that individual's remains to the place where the individual was ordinarily resident before death, or for travel expenses incurred by a relative of that individual who must travel to identify that individual's remains.</p>
<p>"portable electronics insurance" means insurance that is within the class of property insurance and provides coverage against damage to or the loss of a portable electronic device.</p>	<p><i>-no Saskatchewan parallel</i></p>
<p>"portable electronics vendor" means a person or entity that</p> <p>(a) sells or leases portable electronics devices; or</p> <p>(b) otherwise provides portable electronics devices in connection with a transaction between the person or entity and another person or entity.</p>	<p><i>-no Saskatchewan parallel</i></p>
<p>"rent", in relation to a vehicle, means rent the vehicle for a period of 90 days or less.</p>	<p><i>-no Saskatchewan parallel</i></p>

<p>"rented-vehicle accidental injury or death insurance" means insurance that is within the class of automobile insurance and provides coverage to a vehicle renter and other occupants of the rented vehicle for bodily injury or death and reimbursement for medical expenses resulting from a vehicular accident involving the rented vehicle that occurs during the rental period.</p> <p><i>[Classes of Insurance Regulation, Man Reg 165/2008</i> Automobile insurance The insurer undertakes to pay insurance money</p> <ul style="list-style-type: none"> (a) in respect of the insured's liability arising out of <ul style="list-style-type: none"> (i) bodily injury to or the death of another person, or (ii) the loss of or damage to property, caused by an automobile or resulting from its use; or (b) in respect of the loss of or damage to, or the loss of use of, an automobile. <p>This class includes insurance, otherwise coming within the class of accident insurance, in respect of an accident that is caused by an automobile or by an automobile's use or operation, whether liability exists or not, if the insurance contract also includes insurance described in clause (a).]</p> <p><i>This seems to be more accident-related insurance than automobile insurance, but is treated here as automobile insurance. However, at section 25 below, which lists the classes of insurance for which restricted licenses can be issued, accident and automobile classes are not on that list, so how would this insurance be sold? This is something that CAFII may want to bring to Manitoba's attention.</i></p>	<p><i>-no Saskatchewan parallel</i></p>
<p>"rented-vehicle liability insurance" means insurance that is within the class of automobile insurance and provides coverage to a vehicle renter and other authorized drivers of the rented vehicle for liability arising from its operation.</p>	<p><i>-no Saskatchewan parallel</i></p>

<p>"rented-vehicle contents insurance" means insurance that is within the class of property insurance and provides coverage to a vehicle renter and other occupants of the rented vehicle against damage to or the loss of personal property in the rented vehicle during the rental period.</p>	<p><i>-no Saskatchewan parallel</i></p>
	<p>(t) "restricted licence" means a restricted licence that is issued pursuant to this Part;</p>
<p>"restricted licence holder" means a person who holds a restricted insurance agent licence issued under subsection 380.1(2) of the Act.</p> <p><i>For greater clarity and certainty, CAFII may want to encourage Manitoba to use the words "person or entity" in each and every instance where it is defining or explaining the terms "restricted licence holder" or "restricted insurance agent."</i></p>	<p>(u) "restricted licensee" means a person or partnership that holds a valid restricted licence;</p>
<p>"sales finance company" means a corporation, other than a financial institution, that provides consumer loans, or provides or arranges for credit.</p>	<p>(k) "financing corporation" means a financing corporation, as defined in The Trust and Loan Corporations Act, 1997, that holds a valid licence issued pursuant to The Trust and Loan Corporations Act, 1997 but does not include a person carrying on the business of advancing money if the money being advanced:</p> <ul style="list-style-type: none"> (i) is in an amount of \$1,500 or less; (ii) is for a term of 62 days or less; and (iii) is in exchange for a post-dated cheque, a pre-authorized debit or a future payment of a similar nature, but not for any guarantee, suretyship, overdraft protection or security on property and not through a margin loan, pawnbroking, a line of credit or a credit card;
<p>"small business" means</p> <ul style="list-style-type: none"> (a) a business that is a small business corporation as defined in subsection 248(1) of the <i>Income Tax Act</i> (Canada); or (b) an unincorporated business that would, if incorporated, be a small business corporation as defined in subsection 248(1) of the <i>Income Tax Act</i> (Canada). 	<p>(v) "small business" means a business that:</p> <ul style="list-style-type: none"> (i) in the case of a corporation, is a small business corporation within the meaning of subsection 248(1) of the <i>Income Tax Act</i> (Canada); or (ii) in the case of a business that is not a corporation, would, if incorporated, be a small business corporation within the meaning of

<p>"travel interruption and property-loss insurance" means insurance that</p> <p>(a) is within the class of property insurance; and</p> <p>(b) without any individual assessment of risk, provides coverage — to an individual with respect to a trip by the individual away from the place where the individual ordinarily resides — against</p> <p>(i) loss that results from the cancellation or interruption of the trip,</p> <p>(ii) the loss of or damage to personal property that occurs while on the trip, or</p> <p>(iii) loss that is caused by the delayed arrival of personal baggage while on the trip.</p>	<p>subsection 248(1) of the <i>Income Tax Act</i> (Canada);</p> <p>(w) "travel insurance" means:</p> <p>(i) a policy of an insurer that provides insurance to an individual with respect to a trip by the individual away from the place where the individual ordinarily resides, without any individual assessment of risk, against:</p> <p>(A) loss that results from the cancellation or interruption of the trip;</p> <p>(B) loss of, or damage to, personal property that occurs while on the trip; or</p> <p>(C) loss that is caused by the delayed arrival of personal baggage while on the trip; or ...</p> <p><i>-In the Saskatchewan Regulation, there is one definition of travel insurance with two meanings. These correspond to "personal travel insurance" and "travel interruption and property loss insurance" in Manitoba's. The uncoupling and finer definitional breakdown in Manitoba's approach seems superior; at the very least, it avoids the potential confusion of having one title/term mean two different things.</i></p>
<p>"vehicle" has the same meaning as in subsection 1(1) of <i>The Highway Traffic Act</i>.</p>	<p><i>-no parallel in Saskatchewan</i></p>
<p>Persons and entities eligible for restricted licence</p> <p>24 For the purpose of section 380.1 of the Act, the following persons and entities may apply for and hold a restricted insurance agent licence</p> <p>(a) a deposit-taking institution;</p> <p>(b) a sales finance company;</p> <p>(c) a person or entity that provides transportation service for people or goods;</p> <p>(d) a person or entity that carries on the business of a travel agency;</p> <p>(e) a person or entity that carries on the business of an automobile dealership, watercraft dealership, recreational vehicle dealership, farm implement dealership or construction</p>	<p><i>-The Manitoba and Saskatchewan lists of persons and entities eligible for a restricted licence are nearly identical, except for three additional types of parties eligible in Manitoba given that there are three additional types of insurance covered under its draft regulation</i></p> <p>Application for restricted licence</p> <p>15.11(1) The following may apply to the superintendent for a restricted licence:</p> <p>(a) a deposit-taking institution;</p> <p>(b) a financing corporation;</p> <p>(c) a mortgage broker;</p> <p>(d) an operator of any of the following:</p>

<p>equipment dealership;</p> <p>(f) a mortgage broker, as defined in <i>The Mortgage Brokers Act</i>, that carries on business in Manitoba in accordance with that Act;</p> <p>(g) a person or entity that carries on the business of a customs brokerage;</p> <p>(h) a person or entity that carries on the business of freight forwarding;</p> <p>(i) a person or entity that carries on the business of renting vehicles to the public;</p> <p>(j) a funeral director who holds a licence under <i>The Prearranged Funeral Services Act</i>;</p> <p>(k) a portable electronics vendor.</p>	<p>(i) a travel agency;</p> <p>(ii) an automobile dealership, a marine dealership, a recreational vehicle dealership, a farm implement dealership or a construction equipment dealership;</p> <p>(iii) a customs brokerage;</p> <p>(iv) a freight-forwarding business;</p> <p>(e) a transportation company;</p> <p>(f) an agent of a business or operator mentioned in clauses (a) to (e) who is engaged by that business or operator through an agency contract that, in the opinion of the superintendent, provides adequate authority for the agent to meet the obligations of a restricted licensee on behalf of the business or operator.</p>
<p>Classes or types of insurance for which a restricted licence may be issued</p> <p>25 The following are the classes or types of insurance in respect of which a restricted license may be issued:</p> <p>(a) cargo insurance;</p> <p>(b) creditor's disability insurance;</p> <p>(c) creditor's life insurance;</p> <p>(d) creditor's loss-of-employment insurance;</p> <p>(e) creditor's vehicle inventory insurance;</p> <p>(f) equipment insurance;</p> <p>(g) export credit insurance;</p> <p>(h) funeral expense insurance;</p> <p>(i) mortgage insurance;</p> <p>(j) portable electronics insurance;</p> <p>(k) personal travel insurance;</p> <p>(l) rented vehicle contents insurance;</p> <p>(m) rented vehicle liability insurance;</p> <p>(n) travel interruption and property-loss insurance.</p> <p><i>-To accommodate product innovation in ISI without having to re-write the Regulation frequently, CAFII should implore Manitoba to add a catch-all clause to parallel (m) in Saskatchewan's regulation.</i></p>	<p>15.2(3) The following are the classes or types of insurance with respect to which the superintendent may authorize a restricted licensee to act or offer to act as an insurance agent:</p> <p>(a) cargo type insurance;</p> <p>(b) creditor's disability insurance;</p> <p>(c) creditor's life insurance;</p> <p>(d) creditor's loss of employment insurance;</p> <p>(e) creditor's vehicle inventory insurance;</p> <p>(f) equipment warranty insurance;</p> <p>(g) export credit insurance;</p> <p>(h) highway transport vehicle gap insurance;</p> <p>(i) highway transport vehicle payment insurance;</p> <p>(j) mortgage insurance;</p> <p>(k) personal life insurance;</p> <p>(l) travel insurance;</p> <p>(m) any other class or type of insurance that, in the opinion of the superintendent, is similar to or contains significant features of any of the classes or types of insurance mentioned in clauses (a) to (l).</p>

<p>Applying for a restricted licence 26(1) An application for a restricted insurance agent licence must (a) be filed with the superintendent; (b) be made in the form required by the superintendent; (c) specify the class or type of insurance that the applicant wishes to transact as an incidental seller; and (d) contain the information and be accompanied by the material required by the superintendent, including the information and material described in subsection (2).</p>	<p><i>-no parallel in Saskatchewan</i></p>
<p>26(2) An application for a restricted insurance agent licence must be accompanied by (a) the written recommendation of an insurer that (i) has an agreement with the applicant under which the applicant is to be authorized to sell the insurer's insurance products as an incidental seller, and (ii) is licensed under the Act to transact the class of insurance (A) for which the licence is to be issued, or (B) that includes the type of insurance for which the licence is to be issued; (b) the written designation of an operating agent under the licence who is designated to be responsible for receiving notices and other documents on the applicant's behalf and for supervising employees of the applicant who negotiate, solicit or transact insurance on the applicant's behalf; (c) a statement of the number of persons who will be authorized to negotiate, solicit or transact insurance on behalf of the applicant when and if the licence is issued; and (d) evidence acceptable to the superintendent that the applicant has (i) liability insurance that satisfies the requirements of subsection 371(1.1) of the Act, and (ii) reasonable and demonstrable policies and procedures to ensure that anyone who solicits, negotiates or transacts insurance on behalf of the applicant is knowledgeable, competent taking into account the class or type of insurance.</p>	<p>15.11 (2) Every application for a restricted licence for a class of insurance must include a written recommendation recommending the issuance of the restricted licence from an insurer that: (a) is licensed to undertake that class of insurance; and (b) has entered into an agency contract with the applicant. (3) In its application for a restricted licence, an applicant must designate an individual to be responsible for receiving notices and other documents pursuant to the Act.</p> <p>15.11 (4) Subsection 423(1) of the Act does not apply to an application for a restricted licence.</p> <p><i>[The Saskatchewan Insurance Act, RSS 1978, c S-26</i> Approval of agent's application by insurers or general agents to be represented 423(1) Every application for a licence as an agent shall be approved in writing by an insurer or general agent to be represented by him, certifying to the good business reputation of the applicant and his qualifications for and knowledge of the business of insurance, and recommending the granting of a licence to him.]</p> <p><i>-In this area, Manitoba's draft Regulation is much more detailed and prescriptive than Saskatchewan's. This gives rise to at least two potential issues/problems for CAFII members with respect to Manitoba's proposed regime:</i></p>

	<p><i>--why is it that Manitoba is requiring restricted licence applicants to file a written recommendation from an insurer, along with related documentation; whereas Saskatchewan exempts a restricted licence applicant from the requirement to have its application approved in writing by an insurer or general agent?; and</i></p> <p><i>--with respect to sub-clause (c), how precise/accurate does the "statement of the number of persons who will be authorized to negotiate, solicit or transact insurance on behalf of the applicant when and if the licence is issued" have to be? Within plus or minus 50? 100? 200? And what if business growth/conditions cause the restricted licence holder to exceed the number of persons authorized by its licence before its next renewal?</i></p>
<p>26(3) For greater certainty, subsection 371(1.1) [liability insurance required] of the Act applies to restricted insurance agent licences under this section, except as provided in subsection (4).</p>	<p><i>-CAFII members are exempt from this liability insurance requirement in Alberta, Saskatchewan, and Manitoba</i></p>
<p>26(4) Subclause (2)(d)(i) does not apply to a person who applies for restricted insurance agent licence or to renew such a licence if the person is a member institution of the Canada Deposit Insurance Corporation or is a credit union incorporated under <i>The Credit Unions and Caisses Populaires Act</i>.</p>	<p><i>-CAFII members are exempt from this liability insurance requirement in Alberta, Saskatchewan, and Manitoba</i></p>
<p>26(5) To obtain the renewal of a restricted agent licence, the holder of the licence must apply in accordance with clauses (1)(a), (b) and (d), and those clauses together with clause (2)(d) apply, with necessary changes, to the application.</p>	<p><i>-no parallel in Saskatchewan</i></p>
<p>26(6) The superintendent may issue a restricted insurance agent licence if the superintendent is satisfied that</p> <p>(a) the applicant</p> <p>(i) is an incidental seller as defined in subsection 380.1(1) of the Act,</p> <p>(ii) qualifies under section 24, and</p> <p>(iii) has complied with this section; and</p> <p>(b) the application is in respect of a class or type of insurance listed in section 25 and satisfies the requirements of this section.</p>	<p>Issuance and terms and conditions of restricted licence</p> <p>15.2(1) On receipt of an application pursuant to section 15.11, the superintendent may issue the restricted licence that is the subject of the application if the superintendent is satisfied that:</p> <p>(a) the application complies with this Part;</p> <p>(b) the applicant has paid the fee required by section 15.7; and</p> <p>(c) the applicant meets the requirements and satisfies the criteria for the licence set out in the Act and has otherwise complied with it.</p>

<p>26(7) The superintendent may specify</p> <p>(a) which class or type of insurance listed in section 25 the restricted licence holder may transact as an incidental seller; and</p> <p>(b) the category of business activity in relation to which the restricted licence holder may transact insurance as an incidental seller.</p>	<p>15.2 (2) The superintendent may specify:</p> <p>(a) subject to subsection (3), the classes or types of insurance with respect to which a restricted licensee may act or offer to act as an insurance agent; and</p> <p>(b) categories of business activities with respect to which a restricted licensee may or may not act or offer to act as an insurance agent.</p>																		
<p><i>-no parallel in Manitoba</i></p> <p><i>-this is an interesting omission in Manitoba, in that both Alberta and Saskatchewan stipulate a Right of Rescission/Free Look Period.</i></p>	<p>15.4 (6) A person who buys life insurance through a restricted licensee may rescind the insurance contract on or before the expiry of seven business days, or any longer period specified in the policy or certificate, after the date on which the person received the policy or certificate.</p> <p>15.4 (7) A person who rescinds an insurance contract in accordance with subsection (6) is entitled to receive a refund from the insurer of the whole premium that has been paid.</p>																		
<p><i>-Manitoba and Alberta deal with the annual fee schedule through means other than the Insurance and Adjusters Regulation</i></p>	<p>Annual fee payable</p> <p>15.7(1) Every restricted licensee shall pay to the superintendent, on or before the anniversary date of the issuance of the restricted licence, an annual fee respecting the restricted licensee's restricted licence in accordance with the following Table 1:</p> <p style="text-align: center;">TABLE 1</p> <table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Number of employees of restricted licensee</th> <th style="text-align: left;">Fee</th> </tr> </thead> <tbody> <tr> <td>1 to 4</td> <td>\$ 150.</td> </tr> <tr> <td>5 to 10</td> <td>225.</td> </tr> <tr> <td>11 to 15</td> <td>375.</td> </tr> <tr> <td>16 to 20</td> <td>500.</td> </tr> <tr> <td>21 to 99</td> <td>700.</td> </tr> <tr> <td>100 to 249</td> <td>1500.</td> </tr> <tr> <td>250 to 499</td> <td>3000.</td> </tr> <tr> <td>500 or more</td> <td>5500.</td> </tr> </tbody> </table> <p>(2) If a restricted licensee fails to pay the annual fee as required by this section, the restricted licensee's restricted licence is suspended until the fee is paid.</p>	Number of employees of restricted licensee	Fee	1 to 4	\$ 150.	5 to 10	225.	11 to 15	375.	16 to 20	500.	21 to 99	700.	100 to 249	1500.	250 to 499	3000.	500 or more	5500.
Number of employees of restricted licensee	Fee																		
1 to 4	\$ 150.																		
5 to 10	225.																		
11 to 15	375.																		
16 to 20	500.																		
21 to 99	700.																		
100 to 249	1500.																		
250 to 499	3000.																		
500 or more	5500.																		

<p>Employees of other entities 27(1) Without limiting the application of subsection 380.1(3) of the Act, a restricted insurance agent licence authorizes the holder, through the employees of another entity that qualifies under subsection (2) (referred to in this regulation as a "qualified entity"), to act or offer to act as an agent in respect of the class or type of insurance specified in the licence.</p> <p><i>-There appears to be significant difference between the approaches taken by Manitoba and Saskatchewan here. Subject to certain conditions, Manitoba is empowering restricted licence holders to have the employees of another company/entity (MGA; TPA) act as its agent, without the need for that entity to obtain its own restricted licence. Meanwhile, Saskatchewan only goes so far as saying that a restricted licence holder's own employees may act on its behalf.</i></p>	<p>15.2 (4) Subject to any terms and conditions imposed on a restricted licence, a restricted licensee's restricted licence authorizes the restricted licensee and the restricted licensee's employees to act or offer to act as an insurance agent with respect to the class or type of insurance that: (a) is specified in the restricted licence; and (b) is offered by the restricted licensee in the course of the conduct by the restricted licensee of the business activity specified in the restricted licence. (5) No restricted licensee shall fail to comply with the provisions of this Part.</p>
<p>27(2) A restricted licence holder may only act or offer to act as an agent through the employees of another entity if (a) the entity provides its employees' services to the restricted licence holder under a contract that the superintendent believes provides adequate consumer protection and adequate control by the restricted licence holder so that the restricted licence holder is able to meet its obligations under the licence and to comply with this regulation; and (b) the restricted licence holder provides the superintendent with the information about the entity and the contract that the superintendent requires.</p>	<p><i>-no parallel in Saskatchewan</i></p> <p><i>-As noted above, this is a liberal, business-friendly provision on Manitoba's part, in that an MGA/TPA would not have to obtain its own/separate restricted licence. Yet, consumer protection is addressed through close monitoring/supervision by the Superintendent</i></p>
<p>Qualifications of operating agent 28 A person may not be the operating agent under a restricted insurance agent licence unless (a) the person (i) is a director, officer or employee of the restricted licence holder, (ii) is a member of the partnership if the restricted licence holder is a partnership, or</p>	<p><i>-no parallel in Saskatchewan</i></p>

<p>(iii) in the case of an individual who carries on business under a name other than his or her own, is the individual who carries on the business; and</p> <p>(b) the person has the qualifications, and satisfies the educational, training and other standards, prescribed under section 396.1 of the Act.</p> <p><i>-Section 396.1 of the Manitoba Insurance Act says “A licence may be issued to an insurance agent, or to a broker, adjuster or assistant adjuster, subject to such limitations and conditions as the superintendent may prescribe.”</i></p>	
<p>Replacement or incapacity of operating agent</p> <p>29(1) If a restricted licence holder's operating agent ceases to be eligible under subclause 28(a)(i) or (ii) or the designation of a person as the operating agent under a restricted insurance agent licence is otherwise to be terminated, the restricted licence holder must, without delay, inform the superintendent and provide the superintendent with a designation of a replacement operating agent.</p>	<p><i>-no parallel in Saskatchewan</i></p>
<p>29(2) If a restricted licence holder's operating agent is unable to discharge the responsibilities expected of the operating agent, the restricted licence holder must, without delay, inform the superintendent and provide the superintendent with a designation of a replacement operating agent.</p>	<p><i>-no parallel in Saskatchewan</i></p>
<p>Restricted licence holder's responsibilities</p> <p>30(1) A restricted licence holder must</p> <p>(a) have reasonable and demonstrable policies and procedures to ensure that anyone who solicits, negotiates or transacts insurance on behalf of the restricted licence holder is knowledgeable, competent and suitable taking into account the class or type of insurance;</p> <p>(b) ensure that anyone who solicits, negotiates or transacts insurance on behalf of the restricted licence holder complies with the policies and procedures mentioned in clause (a);</p>	<p>Procedures to ensure employees are knowledgeable</p> <p>15.3(1) Every restricted licensee shall:</p> <p>(a) establish reasonable procedures to ensure that its employees who are soliciting, negotiating or effecting insurance for the restricted licensee are knowledgeable about the insurance being solicited, negotiated or effected; and</p> <p>(b) ensure that the procedures established pursuant to clause (a) are being used.</p> <p>15.4 (4) If a restricted licensee or an employee of a restricted licensee receives any compensation, inducement or benefit from an</p>

<p>(c) make and maintain a record of all persons authorized by the restricted licence holder to solicit, negotiate or transact insurance on the restricted licence holder's behalf showing</p> <ul style="list-style-type: none"> (i) the person's full name; (ii) the dates on which the person's authorization began and, if applicable, ended, (iii) the business location and address at or from which the person was authorized to solicit, negotiate or transact insurance on the restricted licence holder's behalf, (iv) whether the person is an employee of the restricted licence holder or of a qualified entity named in the record, and (v) the class or type of insurance that the person was authorized to solicit, negotiate or transact; <p>(d) ensure that the record maintained under clause (c) is current;</p> <p>(e) permit the superintendent or a person authorized by the superintendent to inspect the record required by clause (c) at any reasonable time; and</p> <p>(f) ensure that, before any of its employees or, if applicable, any employee of a qualified entity permits a consumer to complete an application for insurance in relation to the restricted licence holder's goods or services, the consumer is provided with a notice</p> <ul style="list-style-type: none"> (i) stating that the consumer is contracting with the insurer and not with the restricted licence holder or, if applicable, the qualified entity, (ii) stating that the consumer is not obligated to purchase the insurance in order to obtain the goods or services, (iii) setting out the terms, including limitation and restrictions, of the insurance, (iv) setting out the circumstances under which the insurance commences or terminates and the procedures to follow in making a claim, and (v) if applicable, stating that the restricted licence holder or the qualified entity receives direct or indirect compensation, or a direct or indirect inducement or benefit, from the insurer for soliciting, negotiating or transacting the insurance. 	<p>insurer, directly or indirectly, for selling insurance, the restricted licensee must disclose that fact to any person who is considering obtaining insurance from that restricted licensee.</p>
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<p><i>-Manitoba's itemization of a restricted licence holder's responsibilities is much more detailed than Saskatchewan's. However, Manitoba closely parallels Alberta's regulation in this area, including the prohibition against Tied Selling and the requirement for Compensation Disclosure.</i></p> <p><i>-How does the Compensation Disclosure provision work in the case of CAFII members, whose sellers are predominantly salaried employees and not agents selling on commission? Is some more encompassing/liberal or perhaps "exception" wording required in the Compensation Disclosure clause to make it more pertinent to and workable for CAFII members?</i></p>	
<p>30(2) A restricted licence holder must not</p> <p>(a) make its provision of goods or services conditional upon the consumer's purchase of insurance through it or from an insurer specified by it or conditional upon the consumer's purchase of other insurance;</p> <p>(b) permit a person to solicit, negotiate or transact insurance on its behalf unless the person</p> <p>(i) is, at the time, listed in the record of authorized persons required by clause (1)(c) and shown in the record as being authorized to solicit, negotiate or transact the class or type of insurance involved, as may be applicable,</p> <p>(ii) has been suitably trained to be able to knowledgeably solicit, negotiate or transact the class or type of insurance involved, as may be applicable; or</p> <p>(c) permit an employee of the restricted licence holder or a qualified entity to tell a consumer or potential consumer of the restricted licence holder's goods or services that (i) the consumer is required to purchase insurance in relation to the goods or services, or (ii) should the consumer wish to purchase insurance in relation to the goods or services, the consumer may only purchase insurance through the restricted licence holder or a qualified entity or from a specified insurer.</p>	<p><i>-no parallel in Saskatchewan</i></p> <p><i>--Manitoba closely parallels Alberta's regulation in this area, including the prohibition against Tied Selling and the requirement for Compensation Disclosure.</i></p> <p><i>-How does the Compensation Disclosure provision work in the case of CAFII members, whose sellers are predominantly salaried employees and not agents selling on commission? Is some more encompassing/liberal or perhaps "exception" wording required in the Compensation Disclosure clause to make it more pertinent to and workable for CAFII members?</i></p>

<p>30(3) When a consumer purchases insurance through a restricted licence holder or a qualified entity acting on its behalf, or from an insurer specified by either of them, the restricted licence holder</p> <p>(a) must inform the consumer about the name of the insurer and how it may be contacted; and</p> <p>(b) must ensure that the consumer is sent a policy or, in the case of a contract of group insurance, a certificate of insurance.</p>	<p><i>-Saskatchewan is much more detailed and prescriptive in the area of “Conditions to be followed when providing insurance” than the Manitoba draft proposes to be.</i></p> <p><i>-Interesting that Manitoba does not include Right of Rescission/Free Look Period provisions, nor does it include a requirement to disclose “if the duration of the insurance is for a period of less than the term of the amortization period of any related loan or if the amount of the insurance is less than the indebtedness” (both of which are explicit provisions in Alberta as well as Saskatchewan)</i></p>
<p>30(4) When a consumer purchases (a) rented-vehicle accidental injury or death insurance;</p> <p>(b) rented-vehicle contents insurance; or</p> <p>(c) rented-vehicle liability insurance;</p> <p>through a restricted licence holder or a qualified entity acting on its behalf, or from an insurer specified by either of them, the restricted licence holder must inform the consumer that the insurance may provide a duplication of coverage already provided by the vehicle renter's automobile insurance policy or by another source of coverage.</p> <p><i>-This provision is unique to Manitoba. Certain not to be a popular required disclosure among car rental agencies in the province</i></p>	<p>Conditions to be followed when providing insurance</p> <p>15.4(1) When a restricted licensee receives an application for insurance coverage, the restricted licensee shall:</p> <p>(a) provide to the person who applies for insurance coverage all of the following:</p> <p>(i) a summary of the terms, including limitations and restrictions, of the insurance offered;</p> <p>(ii) a summary of the circumstances under which the insurance commences or terminates and the procedures to follow in making a claim;</p>
<p>Qualified entity's responsibilities</p> <p>31 A qualified entity that acts on behalf of a restricted licence holder must</p> <p>(a) ensure that its employees who solicit, negotiate or transact insurance in relation to the restricted licence holder's goods or services comply with the policies and procedures mentioned in clause 30(1)(a);</p> <p>(b) make and maintain a record listing its employees who to solicit, negotiate or transact insurance in relation to the restricted licence holder's goods or services, including information about each employee that is equivalent to that required by clause 30(1)(c);</p> <p>(c) ensure that the record maintained under clause (c) is current;</p> <p>(d) provide a copy of the record required by clause (b) to the restricted licence holder and notify the restricted licence holder</p>	<p>(b) notify the applicant that, on approval of the application:</p> <p>(i) documentation describing the insurance coverage and the insurance policy will be sent to the applicant; or</p> <p>(ii) in the case of a contract of group insurance, a certificate will be sent to the applicant; and</p> <p>(c) ensure that a person applying for insurance coverage is informed that the person is contracting, or is considered to be contracting, with an insurer and not with the restricted licensee.</p> <p>(2) When a person applies to a restricted licensee for creditor's disability insurance, creditor's life insurance, creditor's loss of employment insurance or mortgage insurance, the restricted licensee shall:</p>

<p>without delay when an employee</p> <p>(i) listed in the record ceases to be employed to solicit, negotiate or transact insurance in relation to the restricted licence holder's goods or services, or</p> <p>(ii) is added to the list for one of those purposes;</p> <p>(e) must ensure that, before any of its employees permits a consumer to complete an application for insurance in relation to the restricted licence holder's goods or services, the consumer is provided with a notice</p> <p>(i) stating that the consumer is contracting with the insurer and not with the restricted licence holder or the qualified entity,</p> <p>(ii) stating that the consumer is not obligated to purchase the insurance in order to obtain the goods or services, (iii) setting out the terms, including limitation and restrictions, of the insurance,</p> <p>(iv) setting out the circumstances under which the insurance commences or terminates and the procedures to follow in making a claim, and</p> <p>(v) if applicable, stating that the restricted licence holder or the qualified entity receives direct or indirect compensation, or a direct or indirect inducement or benefit, from the insurer for soliciting, negotiating or transacting the insurance.</p>	<p>(a) provide to the applicant:</p> <p>(i) a statement that sets out the right to rescind the insurance contract and to obtain a full refund of the premium; and</p> <p>(ii) if the duration of the insurance is for a period less than the term of the amortization period of any related loan or if the amount of the insurance is less than the indebtedness, a statement to that effect; and</p> <p>(b) inform the applicant of all of the following:</p> <p>(i) that the insured may contact the insurer for further information or clarification;</p> <p>(ii) the name of the insurer that is providing the insurance;</p> <p>(iii) how the insurer mentioned in subclause (ii) may be contacted.</p> <p>15.4 (5) Within 20 business days after the insurance coverage comes into force, the restricted licensee shall ensure that the following is provided to the applicant for the insurance coverage:</p> <p>(a) written documentation that:</p> <p>(i) evidences the insurance coverage; and</p> <p>(ii) sets out the information required to be disclosed by clause (1)(c);</p> <p>(b) written documentation describing the insurance coverage and the insurance policy or, in the case of group insurance, a certificate.</p>
<p>31(2) A qualified entity acting on behalf of a restricted licence holder must not</p> <p>(a) permit any of its employees to solicit, negotiate or transact insurance in relation to the restricted licence holder's goods or services unless the employee</p> <p>(i) is, at the time, listed in the record of authorized persons required by clause 30(1)(c) and shown in the record as being authorized to solicit, negotiate or transact the class or type of insurance involved, as may be applicable,</p> <p>(ii) has been suitably trained to be able to knowledgeably solicit, negotiate or transact the class or type of insurance involved, as may be applicable; or</p> <p>(b) permit any of its employees to tell a consumer or potential</p>	

<p>consumer of the restricted licence holder's goods or services that</p> <p>(i) the consumer is required to purchase insurance in relation to the goods or services, or</p> <p>(ii) should the consumer wish to purchase insurance in relation to the goods or services, the consumer may only purchase insurance through the qualified entity or from a specified insurer.</p>	
<p>31(3) When a consumer purchases insurance through a qualified entity acting on behalf of a restricted licence holder, or from an insurer specified by either of them, the qualified entity</p> <p>(a) must inform the consumer about the name of the insurer and how it may be contacted; and</p> <p>(b) must ensure that the consumer is sent a policy or, in the case of a contract of group insurance, a certificate of insurance.</p>	<p><i>-no parallel in Saskatchewan</i></p> <p><i>-but here Manitoba closely parallels Alberta</i></p>
<p>Personal information received from consumer</p> <p>32(1) A restricted licence holder must not</p> <p>(a) use personal information given by a consumer who applies for or obtains insurance coverage through the restricted licence holder, unless it is used for the purpose for which it is given and the consumer signs a consent that meets the requirements of subsection (2); or</p> <p>(b) release the information described in clause (a) to a person who is not an employee of the restricted licence holder, unless</p> <p>(i) the consumer signs a consent that meets the requirements of subsection (3), or</p> <p>(ii) subsection (4) applies in respect of the release of the information.</p> <p>32(2) Before a consumer signs a consent for the purpose of clause (1)(a), the restricted licence holder must inform the consumer that the consent is being given for the purpose of that clause. The consent must state the purpose for which the restricted licence holder may use the personal information covered by the consent.</p> <p>32(3) Before a consumer signs a consent for the purpose of subclause (1)(b)(i), the restricted licence holder must inform the</p>	<p>Restrictions on use of personal information received as part of an insurance transaction</p> <p>15.5(1) No restricted licensee shall:</p> <p>(a) use personal information given by an applicant for insurance coverage or an insured unless it is used for the purpose for which it is given and the applicant for insurance coverage or the insured signs a consent that meets the requirements of subsection (2); or</p> <p>(b) subject to subsection (4), release the information described in clause (a) to a person who is not an employee of the restricted licensee unless the applicant for insurance coverage or the insured signs a consent that meets the requirements of subsection (3).</p> <p>(2) The restricted licensee shall identify the consent to the applicant for insurance coverage or the insured as a consent for the purposes of clause (1)(a), and the consent must specifically identify the purpose for which the information may be used by the restricted licensee.</p> <p>(3) The restricted licensee shall identify the consent to the applicant for insurance coverage or the insured as a consent for the purposes of clause (1)(b), and the consent must specifically identify:</p> <p>(a) the information to be released;</p> <p>(b) to whom the information is to be released; and</p> <p>(c) the purpose for which the released information may be used.</p>

<p>consumer that the consent is being given for the purpose of that subclause. The consent must state</p> <p>(a) the personal information that may be released;</p> <p>(b) to whom the personal information may be released; and</p> <p>(c) the purpose for which the released personal information may be used.</p> <p>32(4) Clause (1)(b) does not apply if the personal information</p> <p>(a) is released to a person as required by law; or</p> <p>(b) is released to the insurer on whose behalf the restricted licence holder is transacting insurance.</p> <p>32(5) Subsections (1) to (4) apply, with necessary changes, to a qualified entity that acts on behalf of a restricted licence holder.</p>	<p>(4) Clause (1)(b) does not apply if the personal information:</p> <p>(a) is released to another person as required by law; or</p> <p>(b) is released to the insurer on whose behalf the restricted licensee is transacting insurance.</p> <p><i>-Manitoba, Saskatchewan, and Alberta all closely parallel each other in this area around the collection, use and disclosure of the consumer's personal information (privacy protection). However, Alberta is most stringent of all, by including a prohibition against using a consumer's personal information for the purposes of cross-selling.</i></p> <p><i>-As well, Alberta is unique among the three provinces in requiring that when a restricted licence holder "negotiates or enters into a transaction with a person for credit-related insurance at the same time as a credit arrangement is being negotiated or entered into with the person, the holder must provide the person with a separate application for the insurance coverage."</i></p> <p><i>-Manitoba goes Saskatchewan one better by including clause 32(5), which states that the same privacy protection provisions apply to the restricted licence holder's "qualified entities" (MGAs; TPAs)</i></p>
<p>Responsibilities of insurers</p> <p>33(1) An insurer for whom a restricted licence holder solicits, negotiates or transacts insurance must</p> <p>(a) establish reasonable policies and procedures to ensure that anyone who solicits, negotiates or transacts insurance on behalf of the restricted licence holder is knowledgeable and competent taking into account the class or type of insurance; and</p> <p>(b) ensure that the policies and procedures are complied with.</p> <p>33(2) To avoid doubt, subsection (1) applies whether the restricted licence holder solicits, negotiates or transacts insurance</p>	<p>15.3 (2) Every insurer on whose behalf the restricted licensee is offering insurance shall:</p> <p>(a) establish reasonable procedures to ensure that employees of the restricted licensee who are soliciting, negotiating or effecting insurance for the restricted licensee are knowledgeable about the insurance being solicited, negotiated or effected; and</p> <p>(b) ensure that the procedures established pursuant to clause (a) are being used.</p> <p>15.4 (3) The insurer on whose behalf the restricted licensee is soliciting, negotiating or effecting insurance shall ensure that:</p>

<p>through its own employees or through a qualified entity.</p>	<p>(a) procedures are established to effect the requirements of this section; and (b) the procedures established pursuant to clause (a) are being used.</p>
<p>Non-application of subsection 371(1.1) of the Act to certain restricted licence holders 34 Subsection 371(1.1) of the Act does not apply to a person who holds a restricted insurance agent licence if the person is a member institution of the Canada Deposit Insurance Corporation or is a credit union incorporated under <i>The Credit Unions and Caisses Populaires Act</i>.</p>	<p><i>-CAFII members are exempt from this liability insurance requirement in Alberta, Saskatchewan, and Manitoba</i></p>
<p>Exemption of certain persons from application of subsection 369(1) of the Act 35(1) A person who is the operating agent under a restricted insurance agent licence is exempt from the requirement to hold a licence under subsection 369(1) [Not to act without licence] of the Act while the person is acting within the scope of the person's duties as operating agent.</p>	<p>Certain provisions of Act not to apply 15.21(1) Sections 416 and 417 and subsections 422(3) and (4) of the Act do not apply to an individual who is acting in the course of his or her employment with a restricted licensee. (2) Section 418 of the Act does not apply to a restricted licensee. (3) Section 438 of the Act does not apply to insurance with respect to which a restricted licence may be issued.</p>
<p>35(2) A person who is recorded as a person authorized by a restricted licence holder to solicit, negotiate or transact insurance on the restricted licence holder's behalf is exempt from the requirement to hold a licence under subsection 369(1) of the Act while the person is acting within the scope of the person's authorization.</p>	<p><i>-Manitoba's 35(1) and 35(2) closely parallel Saskatchewan's 15.21 (1), (2), and (3), in providing that the employees and, more explicitly in the case of Manitoba, the operating agent of a restricted licence holder do not have to hold their own individual restricted licences.</i></p>