



**Province of Saskatchewan**

**Order in Council** 16/2019

Approved and Ordered: 22 January 2019

  
XXXXXXXXXXXXXXXXXXXX Administrator

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, makes *The Insurance Amendment Regulations, 2019* in accordance with the attached Schedule.

  
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President of the Executive Council

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*(For administrative purposes only.)*

**Recommended by:** **Minister of Justice and Attorney General**

**Authority:** ***The Insurance Act, sections 1-17, 2-46, 7-27, 8-212 and 10-48***

JAG DM - 12-12-18

**SCHEDULE** to OC 16/2019

**Title**

1 These regulations may be cited as *The Insurance Amendment Regulations, 2019*.

**RRS c I-9.11 Reg 1 amended**

2 *The Insurance Regulations* are amended in the manner set forth in these regulations.

**Section 1-5 amended**

3 The following subsections are added after subsection 1-5(3):

“(4) Subject to subsection (5), Divisions 11 and 12 of Part III of the Act do not apply to the Federation.

“(5) As a condition of being exempted from complying with Divisions 11 and 12 of Part III of the Act, the Federation must invest only in accordance with the *Pension Benefits Standards Regulations, 1985 (Canada)*”.

**New section 2-0.1**

4 The following section is added before section 2-1:

**“Licensing requirement – foreign company**

2-0.1 For the purposes of subsection 2-5(1.1) of the Act, an applicant that is an insurer mentioned in clause 2-4(1)(f) of the Act shall apply as a federally authorized company”.

**New section 2-5.1**

5 The following section is added after section 2-5:

**“Prohibited activity**

2-5.1(1) In this section:

‘**eligible period**’ means the period commencing on the day on which a contract of insurance for life insurance takes effect and ending on the day on which the last person whose life is insured by the contract reaches the age of 120;

‘**life insurance premium**’ means the premium under a contract of insurance for life insurance but does not include any amount paid, transferred, credited or deposited to a side account;

‘**side account**’ means an account associated with a life insurance policy that holds amounts in excess of the maximum amount permitted to be held in a life insurance policy that is exempt from accrual taxation pursuant to the *Income Tax Act (Canada)*;

**'variable insurance contract'** means a variable insurance contract as defined in section 3-8 of the Act.

(2) Subject to subsection (3), for the purposes of clause 2-28(1)(e) of the Act, with respect to a contract of insurance for life insurance, during the eligible period:

(a) no licensed insurer shall receive or accept for deposit funds or payments in excess of the amount required to pay the life insurance premium for the eligible period; and

(b) with respect to a contract of insurance for life insurance that is not exempt from accrual taxation pursuant to the *Income Tax Act (Canada)*, no licensed insurer shall receive or accept for deposit funds or payments in excess of the life insurance premium required to keep the contract of insurance for life insurance in force until the end of the eligible period.

(3) This section does not apply to a variable insurance contract.

(4) Each contract of insurance for life insurance issued by a licensed insurer is deemed to contain the restrictions set out in this section”.

#### **New section 7-0.1**

**6 The following section is added before section 7-1:**

##### **“Premium refund – exemption**

**7-0.1** Subsections 7-5(2) and (3) of the Act do not apply to a contract of insurance for life insurance”.

#### **New section 7-2**

**7 Section 7-2 is repealed and the following substituted:**

##### **“Disclosure of name – advertising and general correspondence**

**7-2** For the purposes of section 7-11 of the Act, a licensed insurer or insurance intermediary is not required to provide an address or telephone number of its chief office in Saskatchewan or of its head office outside of Saskatchewan, as the case may be, on any advertising, correspondence, contracts of insurance, policies or applications if the licensed insurer or insurance intermediary provides both of the following on all of those materials:

(a) a toll-free telephone number that is accessible from within Saskatchewan; and

(b) a website that is accessible from within Saskatchewan”.

**Section 7-3 amended****8 Section 7-3 is amended:**

- (a) by renumbering it as subsection 7-3(1); and
- (b) by adding the following subsection after subsection (1):

“(2) Subsection 7-17(3) of the Act does not apply to a contract of insurance for the following:

- (a) life insurance;
- (b) accident and sickness insurance”.

**Section 7-5 amended****9 Section 7-5 is amended by adding “life or for” before “accident”:**

- (a) in clause (a); and
- (b) in clause (b).

**New section 7-7****10 The following section is added after section 7-6:****“Direct selling through electronic media**

7-7 Insurers and insurance intermediaries that sell insurance through electronic media shall disclose in writing to the prospective insured or the insured the following:

‘Individual circumstances may vary. You may wish to contact the licensed insurer’s representative or a licensed insurance agent if you need advice about your insurance needs.’”.

**New section 8-13.1****11 The following section is added after section 8-13:****“Deemed notice – persons insurable**

8-13.1 For the purposes of subsection 8-108(2) of the Act, notice is deemed to have been given and the written notice requirement does not apply:

- (a) if the person whose life is insured provides evidence of insurability directly to the insurer; or
- (b) if the person whose life is insured is a minor or dependant and:
  - (i) all parents or guardians sign the application or policy; or
  - (ii) the purchaser of the policy provides evidence satisfactory to the insurer that all parents or guardians are aware of the insurance being purchased”.

**Section 8-18 amended**

**12 Section 8-18 is amended by adding “and sickness” after “contracts of accident”.**

**New section 8-19.1**

**13 The following section is added after section 8-19:**

**“Deemed notice and exemption**

**8-19.1(1)** Subject to subsection (2), for the purposes of subsection 8-171(2) of the Act, notice is deemed to have been given and the written notice requirement does not apply:

(a) if the person whose life or well-being or both is insured provides evidence of insurability directly to the insurer; or

(b) if the person whose life or well-being or both is insured is a minor or dependant and:

(i) all parents or guardians sign the application or policy; or

(ii) the purchaser of the policy provides evidence satisfactory to the insurer that all parents or guardians are aware of the insurance being purchased.

(2) Subsection 8-171(2) of the Act does not apply to a contract of insurance that provides health benefits only.

(3) For the purposes of subsection (2), ‘**health benefits**’ means benefits provided under a policy of accident and sickness insurance other than life insurance”.

**New sections 11-2.1 to 11-2.6**

**14 The following sections are added after section 11-2:**

**“Transitional – application of section 8-28 of the Act**

**11-2.1(1)** In this section and in sections 11-2.2 to 11-2.4, ‘**former Act**’ means *The Saskatchewan Insurance Act* as that Act existed on the day before the coming into force of section 1-1 of the Act.

(2) Section 8-28 of the Act does not apply to contracts of fire insurance entered into before the day on which that section comes into force.

(3) Section 128 of the former Act continues to apply to contracts mentioned in subsection (2).

**“Transitional – application of section 8-32 of the Act**

**11-2.2(1)** Section 8-32 of the Act and section 8-5 of these regulations do not apply to contracts of insurance to which Part IV of the former Act applies that were entered into before the day on which section 8-32 of the Act comes into force.

(2) Section 131 of the former Act continues to apply to contracts mentioned in subsection (1).

**“Transitional – application of sections 8-41 and 8-42 of the Act**

11-2.3(1) Sections 8-41 and 8-42 of the Act do not apply to contracts of automobile insurance entered into before the day on which those sections of the Act come into force.

(2) Sections 192 and 193 of the former Act continue to apply to contracts mentioned in subsection (1).

**“Transitional – application of sections 8-165 to 8-167 of the Act**

11-2.4(1) Sections 8-165, 8-166 and 8-167 of the Act do not apply to contracts of accident and sickness insurance entered into before the day on which those sections of the Act come into force.

(2) Sections 233, 234 and 235 of the former Act continue to apply to contracts mentioned in subsection (1).

**“Transitional – application of certain provisions of the Act**

11-2.5 The following provisions of the Act apply only to contracts of insurance entered into on or after the day on which the provision comes into force:

- (a) subsection 8-104(3);
- (b) clauses 8-105(f), (g) and (h);
- (c) clauses 8-106(1)(d), (e), (f) and (g);
- (d) subsection 8-160(3);
- (e) clauses 8-161(f) and (g);
- (f) clauses 8-164(1)(d), (e), (f) and (g);
- (g) section 8-204.

**“Transitional – application of sections 8-120, 8-162 and 8-163 of the Act**

11-2.6(1) In this section, ‘**replacement**’ means the replacement of a contract of group insurance by another contract of group insurance as described in subsection 8-120(4) or 8-163(1) of the Act.

(2) Subject to subsection (3), sections 8-120, 8-162 and 8-163 of the Act apply with respect to contracts of group insurance entered into before, on or after the day on which section 1-1 of the Act comes into force.

(3) Sections 8-120, 8-162 and 8-163 of the Act apply only if the following occurs on or after the day on which section 1-1 of the Act comes into force:

- (a) the termination or replacement of a contract of group insurance;
- (b) the termination or replacement of a benefit provision in a contract of group insurance”.

**Section 11-6 amended**

**15** Section 11-6 is amended by striking out “section 1” and substituting “section 1-1”.

**Coming into force**

**16** These regulations come into force on the day on which section 1-1 of *The Insurance Act* comes into force.