

The Credit Union Insurance Business Regulations

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[Chapter C-45.2 Reg 2](#) (effective February 1, 2000).

NOTE:

This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.

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CHAPTER C-45.2 REG 2
The Credit Union Act, 1998

Title

1 These regulations may be cited as *The Credit Union Insurance Business Regulations*.

Interpretation

2 In these regulations:

(a) **“authorized type of insurance”** means:

- (i) credit or charge card-related insurance;
- (ii) creditors’ disability insurance;
- (iii) creditors’ life insurance;
- (iv) creditors’ loss of employment insurance;
- (v) creditors’ vehicle inventory insurance;
- (vi) export credit insurance;
- (vii) group life insurance;
- (viii) mortgage insurance; or
- (ix) travel insurance.

(b) **“credit or charge card-related insurance”**, with respect to a credit union, means a policy of an insurance company that provides insurance to the holder of a credit or charge card issued by the credit union as a feature of the card, without request and without an individual assessment of risk:

- (i) against loss of, or damage to, goods purchased with the card;
- (ii) under which the insurance company undertakes to extend a warranty provided by the manufacturer of goods purchased with the card; or
- (iii) against any loss arising from a contractual liability assumed by the holder when renting a vehicle, when the rental is paid for with the card;

(c) **“creditors’ disability insurance”**, with respect to a credit union, means a group insurance policy that will pay all or part of the amount of a debt of a debtor to the credit union, or to a loan company that is an affiliate of the credit union, in the event of bodily injury to, or an illness or disability of:

- (i) where the debtor is a natural person, the debtor or the spouse of the debtor;
- (ii) a natural person who is a guarantor of all or part of the debt;
- (iii) where the debtor is a body corporate, any director or officer of the body corporate; or

(iv) where the debtor is an entity, any natural person who is essential to the ability of the debtor to meet the debtor's financial obligations to the credit union or to the loan company;

(d) **“creditors’ life insurance”**, with respect to a credit union, means a group insurance policy that will pay to the credit union, or to a loan company that is an affiliate of the credit union, all or part of the amount of a debt of a debtor or all or part of the amount of the credit limit of a line of credit, in the event of the death of:

(i) where the debtor is a natural person, the debtor or the spouse of the debtor;

(ii) a natural person who is a guarantor of all or part of the debt;

(iii) where the debtor is a body corporate, a director or officer of the body corporate; or

(iv) where the debtor is an entity, any natural person who is essential to the ability of the debtor to meet the debtor's financial obligations to the credit union or to the loan company;

(e) **“creditors’ loss of employment insurance”**, with respect to a credit union, means a policy of an insurance company that will pay, without any individual assessment of risk, all or part of the amount of a debt of a debtor to the credit union, or to a loan company that is an affiliate of the credit union, in the event that:

(i) the debtor, if the debtor is a natural person, becomes involuntarily unemployed; or

(ii) a natural person who is a guarantor of all or part of the debt becomes involuntarily unemployed;

(f) **“creditors’ vehicle inventory insurance”**, with respect to a credit union, means a policy of an insurance company that provides insurance against direct and accidental loss or damage to vehicles that are held in stock for display and sale purposes by a debtor of the credit union, some or all of which have been financed by the credit union;

(g) **“export credit insurance”** means a policy of an insurance company that provides 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;

(h) **“group insurance policy”**, with respect to a credit union, means a contract of insurance between an insurance company and the credit union, or between an insurance company and a loan company that is an affiliate of the credit union, that provides insurance severally in respect of a group of identifiable persons who individually hold certificates of insurance;

(i) **“group life insurance”**, with respect to a credit union, means a group insurance policy with respect to the lives of the members or customers of the credit union where the amount payable under the contract of insurance does not exceed the product of:

(i) the amount of money deposited with the credit union to the credit of those members or customers; and

(ii) that multiple of the amount described in subclause (i) such that the amounts payable to those members or customers under the contracts of insurance do not exceed \$25,000;

(j) **“insurance company”** means an entity that is approved, registered or otherwise authorized to insure risks under an Act of Saskatchewan, of Canada or of the legislature of any other province;

(k) **“line of credit”** means a commitment on the part of a credit union 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, which limit does not exceed the reasonable credit needs of the debtor;

(l) **“loan company”** means a loan or trust company registered pursuant to *The Trust and Loan Corporations Act, 1997*, or incorporated pursuant to the *Trust and Loan Companies Act (Canada)* or a loan or trust corporation incorporated by or pursuant to an Act of the legislature of a province;

(m) **“mortgage insurance”**, with respect of a credit union, means an insurance policy that provides insurance to the credit union, or to a loan company that is an affiliate of the credit union, against loss caused by a default on the part of a debtor who is a natural person under a loan from the credit union or from the loan company that is secured by a mortgage on real property or on an interest in real property;

(n) **“personal accident insurance”** means a group insurance policy that provides insurance to a natural person:

(i) whereby the insurance company undertakes to pay one or more sums of money in the event of bodily injury to, or the death of, the person that is caused by an accident; or

(ii) whereby the insurance company undertakes to pay a certain sum for each day that the person is hospitalized in the event of bodily injury to the person that is caused by an accident or in the event of an illness or disability of the person;

(o) **“travel insurance”** means:

(i) a policy of an insurance company that provides insurance to a natural person in respect of a trip by the person away from the place where the person ordinarily resides, without any individual assessment of risk, against:

(A) loss that results from the cancellation or interruption of the trip;

(B) loss of, or damage to, personal property that occurs while on the trip; or

(C) loss that is caused by the delayed arrival of personal baggage while on the trip; or

(ii) a group insurance policy that provides insurance to a natural person in respect of a trip by the person away from the province in which the person ordinarily resides:

(A) against expenses incurred while on the trip that result from an illness or the disability of the person that occurs on the trip;

(B) against expenses incurred while on the trip that result from bodily injury to, or the death of, the person caused by an accident while on the trip;

(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 person that occurs on the trip, or of bodily injury to, or the death of, the person that is caused by an accident while on the trip;

(D) against expenses incurred by the person for dental care necessitated by an accident while on the trip; or

(E) in the event that the person dies while on the trip, against expenses incurred for the return of that person's remains to the place where the person was ordinarily resident before death, or for travel expenses incurred by a relative of that person who must travel to identify that person's remains.

7 Jan 2000 cC-45.2 Reg 2 s2.

Permitted activities

3(1) A credit union may carry on any aspect of the business of insurance, other than the underwriting of insurance, outside Canada and in respect of risks outside Canada.

(2) A credit union may administer an authorized type of insurance and personal accident insurance.

(3) A credit union may administer a group insurance policy for its employees or the employees of any entities in which it has a substantial investment.

(4) A credit union may provide advice regarding an authorized type of insurance or a service in respect of an authorized type of insurance.

(5) A credit union may provide advice in respect of an insurance policy that is not of an authorized type of insurance, or services in respect thereof, if:

(a) the advice is general in nature;

(b) the advice is not in respect of:

(i) a specific risk, proposal in respect of life insurance, insurance policy or service; or

(ii) a particular insurance company, agent or broker; and

(c) the credit union does not thereby refer any person to a particular insurance company, agent or broker.

7 Jan 2000 cC-45.2 Reg 2 s3.

Promotion

4(1) No credit union shall, in Canada, promote an insurance company, agent or broker unless:

- (a) the company, agent or broker deals only in authorized types of insurance; or
- (b) the promotion takes place outside a branch of the credit union and is directed to:
 - (i) all of the holders of credit or charge cards issued by the credit union who receive regularly mailed statements of account;
 - (ii) all of the credit union's members or customers who are natural persons and who receive regularly mailed statements of account; or
 - (iii) the general public.

(2) No credit union shall, in Canada, promote an insurance policy of an insurance company, agent or broker, or a service in respect thereof, unless:

- (a) the policy is of an authorized type of insurance or the service is in respect of such a policy;
- (b) the policy is to be provided by a corporation without share capital, other than a mutual insurance company or a fraternal benefit society, that carries on business without pecuniary gain to its members and the policy provides insurance to a natural person in respect of the risks covered by travel insurance;
- (c) the policy is a personal accident insurance policy and the promotion takes place outside a branch of the credit union;
- (d) the service is in respect of a policy mentioned in clause (b) or of a policy mentioned in clause (c) that is promoted as described in that clause; or
- (e) the promotion takes place outside a branch of the credit union and is directed to:
 - (i) all of the holders of credit or charge cards issued by the credit union who receive regularly mailed statements of account;
 - (ii) all of the credit union's members or customers who are natural persons and who receive regularly mailed statements of account; or
 - (iii) the general public.

(3) Notwithstanding subsections (1) and (2), a credit union may exclude from a promotion mentioned in clause (1)(b) or (2)(e) persons:

- (a) in respect of whom the promotion would contravene an Act of Saskatchewan, of Canada or of the legislature of a province;
- (b) who have notified the credit union in writing that they do not wish to receive promotional material from the credit union; or
- (c) who are holders of a credit or charge card that was issued by the credit union and in respect of which the account is not in good standing.

Prohibited activities

5(1) No credit union shall:

- (a) provide, directly or indirectly, an insurance company, agent or broker with any information respecting:
 - (i) a member or customer of the credit union in Canada;
 - (ii) an employee of a member or customer of the credit union in Canada;
 - (iii) where a member or customer of the credit union is an entity with members in Canada, any such member; or
 - (iv) where a member or customer of the credit union is a partnership with partners in Canada, any such partner;
 - (b) permit any of its subsidiaries to provide, directly or indirectly, an insurance company, agent or broker with any information that it receives from the credit union respecting:
 - (i) a member or customer of the credit union in Canada;
 - (ii) an employee of a member or customer of the credit union in Canada;
 - (iii) where a member or customer of the credit union is an entity with members in Canada, any such member; or
 - (iv) where a member or customer of the credit union is a partnership with partners in Canada, any such partner;
 - (c) permit a subsidiary of the credit union that is a trust or loan corporation registered pursuant to *The Trust and Loan Corporations Act, 1997* or incorporated or registered pursuant to an Act of the legislature of a province to provide, directly or indirectly, an insurance company, agent or broker with any information respecting:
 - (i) a member or customer of the subsidiary in Canada;
 - (ii) an employee of a member or customer of the subsidiary in Canada;
 - (iii) where a member or customer of the subsidiary is an entity with members in Canada, any such member; or
 - (iv) where a member or customer of the subsidiary is a partnership with partners in Canada, any such partner.
- (2) Subsection (1) does not apply with respect to a credit union or a subsidiary of a credit union that is a company registered pursuant to *The Trust and Loan Corporations Act, 1997* or a loan or trust corporation incorporated by or pursuant to an Act of the legislature of a province where:
- (a) the credit union or the subsidiary has established procedures to ensure that the information mentioned in that subsection will not be used by an insurance company, agent or broker to promote in Canada the insurance company, agent or broker or to promote in Canada an insurance policy or a service in respect thereof; and

(b) the insurance company, agent or broker, as the case may be, has given an undertaking to the credit union or to the subsidiary, in a form acceptable to the registrar, that information will not be used to promote in Canada the insurance company, agent or broker or to promote in Canada an insurance policy or a service in respect thereof.

(3) No credit union shall provide a telecommunications device that is primarily for the use of members or customers in Canada and that links a member or customer with an insurance company, agent or broker.

(4) No credit union shall carry on business in Canada in premises that are adjacent to an office of an insurance company, agent or broker unless the credit union clearly indicates to its members and customers that the credit union and its premises are separate and distinct from the office of the insurance company, agent or broker.

(5) No credit union shall act in Canada as agent for any person in the placing of insurance or lease or provide space in any branch in Canada of the credit union to any person engaged in the placing of insurance.

7 Jan 2000 cC-45.2 Reg 2 s5.

Transitional

6 A credit union that on the coming into force of *The Credit Union Act, 1998* administered a policy other than one authorized pursuant to section 3 of these regulations may continue to administer that policy in respect of any person in respect of whom coverage was provided under the policy on that date.

7 Jan 2000 cC-45.2 Reg 2 s6.

Coming into force

7(1) Subject to subsection (2), these regulations come into force on the day on which section 1 of *The Credit Union Act, 1998* comes into force.

(2) If these regulations are filed with the Registrar of Regulations after the day on which section 1 of *The Credit Union Act, 1998* comes into force, these regulations come into force on the day on which they are filed with the Registrar of Regulations.

7 Jan 2000 cC-45.2 Reg 2 s7.

