

**IBAS/SGI AUTO FUND STRATEGIC ACCORD**

**DEFINITIONS:**

For the purposes of this document:

- “SGI” refers to Saskatchewan Government Insurance;
- “IBAS” refers to the Insurance Brokers’ Association of Saskatchewan;
- “Issuer(s)” refers to all motor licence issuers in Saskatchewan, including brokers with issuing appointments, issuer-only offices, and includes those who are not IBAS members; and,
- “Broker” refers to Property and Casualty agents licensed to sell automobile insurance in Saskatchewan.

**PREAMBLE:**

The parties recognize that IBAS has been acknowledged by the majority of Issuers as fairly representing the interests of all Issuers, including issuer-only and non-IBAS members. The parties also acknowledge that from time to time, a reaffirmation of IBAS as representing issuers may be necessary.

This document, referred to as the “Accord”, is a set of principles for SGI and IBAS regarding the obligations and commitments to each other as partners in the delivery of motor licence issuing products and services.

The goal of this Accord is to foster a strategic, mutually beneficial partnership that enhances the delivery of superior, cost effective, customer-focused products. This Accord is in addition to, but does not supersede the Issuer Agreement and any terms agreed to during remuneration negotiations. In the event of a conflict between the Issuer Agreement and the Accord, the Issuer Agreement shall take precedence.

SGI and IBAS share a customer focus and the values of honesty, trust, respect, empathy, the spirit of innovation and renewal and, to the extent possible, openness. SGI and IBAS will strive to conduct business with each other based on these values.

SGI recognizes that the current motor licence issuing environment, including broker issuers, issuer-only offices, and SGI branches, will continue to be service providers of Auto Fund products and services in Saskatchewan. SGI also recognizes that issuers will continue to be the sole providers of Auto Fund products and those transactions delivered online via MySGI.

IBAS recognizes that SGI’s Auto Fund administers the driver licence and vehicle registration and insurance system on behalf of the Government of Saskatchewan.

SGI's vision is to make every customer, employee, owner and business partner proud to do business and work with it. SGI recognizes that a renewed Accord with its broker/issuer force is vital to achieving this vision.

**THE PARTIES AGREE AS FOLLOWS:**

1. SGI recognizes that issuers are a main customer contact and provide valuable information on customer needs and feedback. SGI will consistently endeavour to communicate and seek input from IBAS on significant policy or service change issues related to driver licensing and vehicle registration and share information about public opinion and survey results which could affect the work of issuers. IBAS recognizes and respects that SGI is subject to Government direction on policy and confidentiality.
2. SGI will honour and recognize the hard work and dedication of IBAS and Issuers in Saskatchewan. IBAS and Issuers will honour and respect SGI's program and policy decisions with respect to driver licensing, vehicle registration and traffic safety. All parties recognize the value in positive support and promotion of each other's role in providing service to Saskatchewan people.
3. SGI agrees to provide IBAS with an email copy of all Issuer bulletins, at the same time as distribution to all issuers. IBAS similarly agrees to provide SGI with copies of communication to Issuers on issuing related matters, at the same time as distribution to all Issuers.
4. Wherever possible, SGI and IBAS will communicate with each other regarding issues that may be of sensitive nature and/or a concern prior to making a public announcement.
5. SGI, IBAS, and Issuers will partner in the promotion of Traffic Safety programs through issuing offices, including, but not limited to, the display of promotional posters and literature, and shared participation in public safety media campaigns and safety clinics.
6. SGI, IBAS, and Issuers recognize that an Issuer may go beyond the scope of standard licence issuing duties by providing assistance to the customer in respect to the customer's rights in the claims process including proofs of loss and insurance coverage.
7. IBAS and SGI believe that universal training and consistent qualifications for issuers improve the advice and service provided to customers.
8. SGI and IBAS agree that consistency in delivering Auto Fund programs and services, regardless of how the customer accesses the services, is of utmost

importance. SGI will provide the necessary supports, procedures and training to support motor licence issuers in carrying out issuing activities consistently.

9. SGI, IBAS and Issuers agree that maintaining privacy of customers' personal information is of utmost importance. SGI, IBAS and Issuers will ensure that policies, procedures, training and monitoring practices continue to support protection of this information. SGI and Issuers agree that breaches of privacy procedures and controls, whether intentional or unintentional, will result in disciplinary action for both the individual and the Issuer responsible for the breach. Intentional breaches will result in severe consequences, up to and including permanent suspension of access to SAM, and/or termination of the Issuer's Agreement.
10. IBAS and Issuers recognize that motor licensing issuing customers can purchase Auto Fund products and services from any Issuer in Saskatchewan. Further, the parties recognize that an issuing appointment is solely an ongoing revenue stream, not a standalone asset. An issuer cannot sell, transfer, lease or otherwise dispose of its licence issuing appointment independent of the sale or transfer of the related brokerage, or without the written consent of SGI, even if the issuing appointment was acquired by tender. SGI agrees that it will not unreasonably withhold approval of the transfer of a licence issuing appointment in conjunction with a brokerage sale.
11. SGI maintains the right to appoint new issuers. SGI's preference is to appoint issuers who are licensed to sell automobile insurance in Saskatchewan. SGI will endeavour to limit new "issuer only" appointments to situations where there is a demonstrated need for an issuer in an area that is not already served by a motor licence issuer or is underserved, in accordance with existing appointment criteria.

Attached are the Issuer Appointment Criteria in use as of the date that this Accord is executed. These Criteria are used as guidelines for the appointment of issuers. The parties acknowledge that the guidelines may in fact change and SGI commits to consult with IBAS regarding any substantive changes in the guidelines. The parties further acknowledge that the Issuer Appointment Criteria do not form part of the Strategic Accord.

IBAS and SGI agree on the importance of the availability of automobile insurance advice by licensed insurance brokers in conjunction with vehicle registration and insurance issuing services. SGI and IBAS will work together to increase issuing situations where licensed insurance advice is available when issuing vehicle products.

SGI and IBAS recognize the value and importance of ensuring a level playing field in the insurance industry in Saskatchewan with regard to access to motor

licence issuing appointments. SGI and IBAS further recognize and support the broker/agency model for the distribution of motor licence issuing products and services, as operationally detailed in the Issuer Agreement, in particular, but not limited to, sections 3 (1)-(4) "Licensed Agent".

12. SGI and IBAS agree that consumers should not be subject to undue pressure, tied selling or coercion at any time during the automobile licensing and insurance process. SGI agrees that policies and approval criteria regarding promotion and advertising by issuers will be guided by principles of consumer protection and will take into consideration the federal and provincial regulatory environment of the financial services sector in Canada. SGI and IBAS agree that any promotion or advertising of issuing services must include identification of the entity responsible for the promotion or advertising as named in the Issuer Agreement.
13. The parties agree to consult and collaborate to leverage emerging technology with the view to improve customer service or issuer office efficiency.
14. SGI understands that Issuer office workloads and demands fluctuate daily, weekly and seasonally. SGI will, if at all possible, take these factors into consideration when scheduling operational changes or launching new programs. Subject to confidentiality requirements and the need to maintain integrity and fairness of government programs to all Saskatchewan residents, SGI will use reasonable efforts to ensure Issuers are informed of new programs or changes on a timely basis. This will permit Issuers to properly respond to customer inquiries.
15. The parties agree that the IBAS Steering Committee and SGI will meet at least three times per year to discuss issues of mutual interest.
16. SGI welcomes the input and involvement of IBAS representatives on various policy and advisory committees, including but not limited to the Issuer Operations Committee. In providing their input such representatives will consult with, report to, and generally be accountable to IBAS while maintaining the level of confidentiality required by SGI in meeting its accountability requirements with respect to public policy matters. IBAS representatives on these committees will endeavour to represent the interests of all issuers in Saskatchewan. IBAS and SGI will maintain a working level committee, the Issuer Operations Committee, to meet with SGI to exchange ideas on new and existing Auto Fund training, products, services, procedures, policies and rules. This committee will report to the IBAS Steering Committee. The representatives, the term of the committee appointment and the regional representation will be agreed to by both SGI and IBAS. SGI agrees to reimburse for approved travel and accommodation costs for this working level committee.
17. The parties agree both issuers and SGI should be accountable for their actions. Further to that, disciplinary action should be fair, transparent and predictable. At

the end of each year, SGI agrees to provide a de-identified statement of all issuer discipline that has taken place in that year to IBAS for their review and comment.

18. SGI recognizes that IBAS represents Issuers with respect to negotiating remuneration, and that the Issuer Remuneration Agreement is separate from either this Accord or the Issuer Agreement. SGI reserves the right to assign remuneration for a new product and/or service, or for a significant change to an existing product and/or service, to ensure continuity of service for customers. However, SGI and IBAS will negotiate any remuneration adjustment that may be required.
19. The parties recognize that the Issuer Agreement specifies the contract is to be reviewed every 5 years from date of signing but that this review can be undertaken earlier by mutual consent.
20. It is agreed by the parties that, although this Strategic Accord will expire on the date specified herein, the intent is to renew or renegotiate this Accord prior to expiry.
21. This Accord is/will be effective from the 1st day of November 2016, and expire on the 1st day of November 2021.

Dated at the City of Regina, in the Province of Saskatchewan, this 1<sup>st</sup> day of November, 2016.

Saskatchewan Government Insurance

Per: 

Insurance Brokers' Association of Saskatchewan

Per: 