

Legislative  
Assembly  
of Ontario



Assemblée  
législative  
de l'Ontario

2ND SESSION, 41ST LEGISLATURE, ONTARIO  
66 ELIZABETH II, 2017

# Bill 162

**An Act to amend the Insurance Act to authorize life settlements**

**Mr. M. Colle**

**Private Member's Bill**

1st Reading      October 3, 2017

2nd Reading

3rd Reading

Royal Assent



**An Act to amend the Insurance Act to authorize life settlements**

Her Majesty, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

**1 Section 115 of the *Insurance Act* is amended by adding the following subsections:****Exception, life settlements**

(2) Subsection (1) does not apply if the following conditions are satisfied:

1. The life insurance policy is held by,
  - i. the original policyholder, or
  - ii. the original policyholder and a related person within the meaning of the *Income Tax Act* (Canada).
2. The policy has been held, as described in paragraph 1, for at least 36 months from the day on which the policy was issued.
3. The person who purchases the policy meets the prescribed requirements.
4. The agreement to sell the policy is presented in the prescribed manner and form.
5. The person who purchases the policy complies with such other requirements as may be prescribed.

**Cooling-off period, life settlements**

(3) The applicable person mentioned in paragraph 1 of subsection (2) may, without any reason, cancel an agreement to sell a life insurance policy as described in subsection (2) at any time during the period starting on the date of entering into the agreement and ending on the day that is 10 days later.

**Consumer protection, life settlements**

(4) The Commission shall, in accordance with the regulations, provide oversight in respect of transactions described in subsection (2) in order to ensure consumer protection.

**2 Subsection 121 (1) of the Act is amended by adding the following paragraphs:**

- 13.1 prescribing anything referred to as prescribed in paragraphs 3, 4 and 5 of subsection 115 (2);
- 13.2 governing the Commission's oversight under subsection 115 (4);

**Commencement**

**3 This Act comes into force on a day to be named by proclamation of the Lieutenant Governor.**

**Short title**

**4 The short title of this Act is the *Insurance Amendment Act (Life Settlements)*, 2017.**

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**EXPLANATORY NOTE**

The Bill amends section 115 of the *Insurance Act* to provide for an exception to the current rule which prohibits any person, other than an insurer or its duly authorized agent, from trafficking or trading in life insurance policies. The prohibition does not apply to the sale of a life insurance policy if the purchase is from the original policyholder, the policy has been held for at least 36 months and other prescribed requirements are met.

The Bill provides for a 10-day cooling-off period, during which time the agreement for the sale of a life insurance policy may be cancelled. The Financial Services Commission of Ontario is required to provide oversight to ensure consumer protection.