

Table of contents

List of tables, figures and diagrams	xxiv
List of abbreviations	xxv
Chapter 1	
Introduction to property and liability insurance	1
1.1 Personal property insurance in Québec	3
1.1.1 Evolution of personal property insurance products in Québec	4
1.1.1.1 Fire insurance	4
1.1.1.2 Fire and extended coverage insurance	5
1.1.1.3 Householder insurance	6
1.1.1.4 Combined residential insurance	6
1.1.1.5 Comprehensive insurance	7
1.1.1.6 Québec Personal Property Forms	7
1.1.2 How damage insurance works	8
1.1.2.1 Risk allocation	8
1.1.2.2 Statistics and probabilities	9
1.1.2.3 Underwriting	9
1.1.2.4 Frequency and average cost of claims	10
1.1.2.5 Loss ratio	11
1.1.3 The representative's role	12
1.1.3.1 The agent	13
1.1.3.2 The broker	13
Recap	14
Self-evaluation exercise	16
Answer sheet for the self-evaluation exercise	22
Review activity	29
Chapter 2	
Analyzing and determining an insured's needs	31
2.1 Analyzing an insured's needs	33
2.2 Information about the insured and the risk to be insured	35
2.2.1 Information about the insured	35
2.2.2 Information about the risk to be insured	36
2.2.3 Legal obligations	38
2.2.3.1 The representative's obligations	38
2.2.3.2 The client's (insured's) obligations	39
2.3 Determination of an insured's needs	44
2.3.1 The application	44
2.3.1.1 The nature of the application	45
2.3.1.2 The application content	48

2.3.2	Determination of the type of insurance which meets the insured's needs	52
2.3.2.1	Proposing a suitable product	52
2.3.2.2	Contents of a personal property insurance policy	53
	Recap	54
	Self-evaluation exercise.....	55
	Answer sheet for the self-evaluation exercise	64
	Review activity	78
Chapter 3		
	Risk analysis and evaluation	79
3.1	Assessment of physical hazard	82
3.1.1	Information about the risk to be insured	82
3.1.2	Risk history	84
3.1.3	Types of dwellings	84
3.1.3.1	Single-family home	84
3.1.3.2	Multi-family homes	88
3.1.3.3	Mobile or unimodular homes	88
3.1.3.4	Residential immovables that are rented out.....	90
3.1.3.5	Condominium units	91
3.1.3.6	Secondary or seasonal residence.....	93
3.2	Assessment of moral hazard	93
3.2.1	Information about the insured	93
3.2.2	Risk history	94
3.2.3	Legal obligations	95
3.2.3.1	Moral hazard and eligibility for insurance.....	95
3.3	Risk eligibility	96
3.3.1	Underwriting standards	97
3.3.1.1	The standard market.....	97
3.3.1.2	The specialized (or non-standard) market	98
3.3.2	Checking with insurers	99
3.3.2.1	Analysis of available coverage in terms of the risk to be insured	99
3.3.3	Proposing a product to an insured based on his needs	106
	Recap	107
	Self-evaluation exercise.....	108
	Answer sheet for the self-evaluation exercise	120
	Review activity	139

Chapter 4

The personal property and liability insurance contract.....	141
4.1 The structure, wording and contents of a policy	143
4.1.1 The provisions of the <i>Civil Code of Québec</i> respecting insurance.....	144
4.1.1.1 The rules respecting the formation of a contract of insurance	144
4.1.1.2 Insurable interest	144
4.1.1.3 Rules for calculating the indemnity	145
4.1.1.4 The distinction between movables and immovables.....	146
4.1.1.5 The hypothecary creditor	147
4.2 General Conditions	149
4.2.1 Statements	150
4.2.1.1 Representation of risk (art. 2408 C.C.Q.)	150
4.2.1.2 Material change in risk (art. 2466 and 2467 C.C.Q.)	151
4.2.1.3 Misrepresentations or concealment (art. 2410, 2411 and 2466 C.C.Q.).....	151
4.2.1.4 Warranties (art. 2412 C.C.Q.).....	152
4.2.2 General provisions	153
4.2.2.1 Insurable interest (art. 2481 and 2484 C.C.Q.) (applicable to property insurance only)	153
4.2.2.2 Changes (art. 2405 C.C.Q.).....	154
4.2.2.3 Assignment (art. 2475 and 2476 C.C.Q.).....	154
4.2.2.4 Books and records	154
4.2.2.5 Inspection.....	155
4.2.2.6 Currency	155
4.2.3 Losses	156
4.2.3.1 Notice of loss (art. 2470 C.C.Q.).....	156
4.2.3.2 Information to be provided (art. 2471 C.C.Q.).....	157
4.2.3.3 Deceitful representation (art. 2472 C.C.Q.)	157
4.2.3.4 Intentional fault (art. 2464 C.C.Q.).....	158
4.2.3.5 Notice to police (applicable to property insurance only)	159
4.2.3.6 Safeguarding and examination of property (art. 2495 C.C.Q.) (applicable to property insurance only)	159
4.2.3.7 Admission of liability and cooperation (art. 2504 C.C.Q.)	160
4.2.3.8 Right of action (art. 2502 C.C.Q.) (applicable to liability insurance only)	160
4.2.4 Compensation and settlement	161
4.2.4.1 Basis of settlement (art. 2490, 2491 and 2493 C.C.Q.) (applicable to property insurance only)	161
4.2.4.2 Pair and set (applicable to property insurance only).....	163
4.2.4.3 Parts (applicable to property insurance only).....	163
4.2.4.4 Fire insurance (art. 2485 and 2486 C.C.Q.) (applicable to property insurance only).....	163
4.2.4.5 Replacement (art. 2494 C.C.Q.) (applicable to property insurance only).....	164
4.2.4.6 Time of payment (art. 2469 and 2473 C.C.Q.).....	165
4.2.4.7 Property of others (applicable to property insurance only)	165
4.2.4.8 Waiver.....	165
4.2.4.9 Limitation of actions (art. 2925 C.C.Q.).....	166

4.2.4.10	Subrogation.....	166
4.2.5	Other insurance.....	167
4.2.5.1	Property insurance (art. 2496 C.C.Q.).....	167
4.2.5.2	Liability insurance	168
4.2.6	Cancellation (art. 2477 to 2479 C.C.Q.).....	169
4.2.6.1	Cancellation by the insured.....	169
4.2.6.2	Cancellation by the insurer	170
4.2.7	Notice	171
4.3	The main personal property insurance products.....	171
4.3.1	Homeowners personal property insurance (IBC 1501Q, IBC 1502Q and IBC 1503Q)	172
4.3.1.1	Property insurance.....	172
4.3.1.2	Liability insurance	173
4.3.1.3	Homeowners personal property insurance forms	173
4.3.2	Tenants personal property insurance (IBC 1506Q and 1507Q).....	174
4.3.2.1	Property insurance.....	174
4.3.2.2	Liability insurance	175
4.3.2.3	Tenants personal property insurance forms	175
4.3.3	Condominium unit owners personal property insurance (IBC 1510Qr and 1511Qr)	175
4.3.3.1	Property insurance.....	176
4.3.3.2	Liability insurance	176
4.3.3.3	Condominium unit owners personal property insurance forms.....	177
4.3.4	Building and contents insurance (IBC 1521Q and 1522Q)	177
4.3.4.1	Building and Contents – Specified Perils Form (IBC 1521Q)	177
4.3.4.2	Building and Contents – Building, Comprehensive Coverage – Contents – Specified Perils Coverage (IBC 1522Q).....	177
4.3.5	Seasonal dwelling insurance (IBC 1523Q)	177
4.4	Available endorsements.....	178
4.4.1	The main endorsements proposed by the IBC.....	179
4.4.2	Special policies or endorsements	179
	Recap	180
	Self-evaluation exercise.....	183
	Answer sheet for the self-evaluation exercise	190
	Review activity	203
	Chapter 5	
	The personal property and liability insurance contract – basic form.....	205
5.1	Coverage Summary page	208
5.1.1	The insurance policy number	210
5.1.2	Names and addresses	210
5.1.3	The start and end dates	210
5.1.4	Description of the risk.....	210

5.1.5	Identification of the creditor	211
5.1.6	Type of insurance and coverage amounts	211
5.1.7	The signature	211
5.2	Definitions	212
5.2.1	Transportation accident.....	212
5.2.2	Business.....	212
5.2.3	Insured	213
5.2.4	Civil authorities	215
5.2.5	Fungi	215
5.2.6	Spouse	215
5.2.7	Detached private structures	215
5.2.8	Bodily injury.....	216
5.2.9	Property damage.....	216
5.2.10	Data.....	217
5.2.11	Student.....	217
5.2.12	Watercraft.....	217
5.2.13	Residence employee.....	217
5.2.14	Retention tank or holding pond	217
5.2.15	Additional living expense.....	217
5.2.16	Plumbing system	218
5.2.17	Premises	218
5.2.17.1	Premises in property insurance	218
5.2.17.2	Premises in liability	220
5.2.17.3	Premises in the Condominium Unit Owners forms (BAC 1510Qr and 1511Qr)	221
5.2.18	Computer software	221
5.2.19	Pollutants.....	221
5.2.20	Cash card or plastic money.....	221
5.2.21	Data problem.....	222
5.2.22	Domestic water container or appliance	222
5.2.23	Drawn machinery	222
5.2.24	Remuneration.....	222
5.2.25	Occurrence.....	222
5.2.26	Spore(s).....	223
5.2.27	Terrorism.....	223
5.2.28	Vacancy.....	223
5.2.29	Fair rental value.....	224
5.3	IBC Form 1501Q, Homeowners – Specified Perils – Section I: Property Damage Coverages	224
5.3.1	Coverage A – Dwelling Building	225
5.3.2	Coverage B – Detached Private Structures	227

5.3.3	Coverage C – Personal Property (Contents)	227
5.3.3.1	Property located on the premises	228
5.3.3.2	Property away from the premises	229
5.3.3.3	Limitation of amount payable for certain personal property	230
5.3.4	Coverage D – Additional Living Expense and Fair Rental Value	233
5.3.4.1	Additional living expense	234
5.3.4.2	Loss of fair rental value	235
5.3.5	Extensions of coverage	235
5.3.5.1	Debris removal	236
5.3.5.2	Soil decontamination	237
5.3.5.3	Tear out and repair	237
5.3.5.4	Fire department charges	238
5.3.5.5	Food in a freezer or refrigerator	238
5.3.5.6	Business property	239
5.3.5.7	Property when moving to another home	239
5.3.5.8	Property located away from the premises	239
5.3.5.9	Property removed from the premises as a precaution	240
5.3.5.10	Credit or debit cards and forgery	240
5.3.5.11	Outdoor growing plants	241
5.3.5.12	Change of temperature	241
5.3.5.13	Loss of computer data	242
5.4	Insured perils	243
5.4.1	Fire	243
5.4.2	Lightning	243
5.4.3	Fluctuations in artificially generated electric currents	244
5.4.4	Explosion	244
5.4.5	Smoke	244
5.4.6	Impact by objects which strike the exterior of the dwelling building or its detached private structures	245
5.4.7	Impact with a vehicle or aircraft	245
5.4.8	Riot	246
5.4.9	Vandalism	246
5.4.10	Loss or damage caused by a pollutant	247
5.4.11	Water damage	248
5.4.11.1	Specific exclusions related to water damage	249
5.4.12	Hail	252
5.4.13	Windstorms	252
5.4.14	Accidental breakage of glass	252
5.4.15	Transportation accident	253
5.4.16	Theft or attempted theft	254
5.5	Property excluded	257
5.6	Common exclusions	261
5.6.1	Impact by water-borne objects	262
5.6.2	Contamination	262

5.6.3	Defects	262
5.6.4	Moving of buildings.....	263
5.6.5	By-laws.....	264
5.6.6	Loss or damage caused by a pollutant	265
5.6.7	Gradual damage.....	267
5.6.8	Data.....	268
5.6.9	Intentional fault or criminal act	268
5.6.10	War.....	269
5.6.11	Flood	269
5.6.12	Rental of your dwelling	269
5.6.13	Reactive minerals.....	270
5.6.14	Water table	271
5.6.15	Work on property.....	271
5.6.16	Nuclear incident.....	271
5.6.17	Terrorism.....	272
5.6.18	Earthquake, erosion and other geological phenomena.....	272
5.6.19	Other ground movement	272
5.6.20	Use of premises	272
5.6.21	Vacancy.....	273
5.7	Basis of settlement.....	273
5.7.1	Increasing of amounts of insurance (inflation related)	274
5.7.2	The deductible.....	274
5.7.2.1	Application of the deductible where there is under-insurance	275
5.7.2.2	Application of the deductible where there are limits of insurance	275
5.7.3	Dwelling building and detached private structures	276
5.7.3.1	Option 1 – Repair or replacement cost without deduction for depreciation	276
5.7.3.2	Option 2 – Actual cash value	277
5.7.4	Personal property.....	278
5.7.4.1	Repair or replacement cost without deduction for depreciation (value as new).....	278
5.7.4.2	Property excluded from repair or replacement cost without deduction for depreciation.....	279
5.8	Liability insurance	279
5.8.1	Coverage E – Legal Liability	280
5.8.1.1	Personal Liability.....	281
5.8.1.2	Civil Liability for Premises You Do Not Own.....	285
5.8.1.3	Employers' Liability	286
5.8.1.4	Business and Business Property	286
5.8.1.5	Rental Activity	287
5.8.2	Additional agreements	288
5.8.3	Coverage F – Voluntary Medical or Funeral Payments	290

5.8.4	Coverage G – Voluntary Payment for Damage to Property	291
5.8.4.1	Basis of payment – Coverage G	292
5.8.5	Coverage H – Voluntary Compensation for Residence Employees.....	293
5.8.5.1	Article 1 – Death	293
5.8.5.2	Article 2 – Temporary Total Disability	294
5.8.5.3	Article 3 – Permanent Total Disability	294
5.8.5.4	Article 4 – Permanent Partial Disability.....	294
5.8.5.5	Article 5 – Medical Expenses.....	294
5.8.6	Common exclusions	295
5.8.6.1	Activities.....	295
5.8.6.2	Aircraft.....	295
5.8.6.3	Assault or harassment	295
5.8.6.4	Electronic communications	296
5.8.6.5	Libel or slander	296
5.8.6.6	Escape of fuel oil.....	296
5.8.6.7	Data	296
5.8.6.8	Wilful negligence or criminal act	297
5.8.6.9	Waste management.....	297
5.8.6.10	War	298
5.8.6.11	Premises not insured	298
5.8.6.12	Disease	299
5.8.6.13	Assumed liability	299
5.8.6.14	Nuclear incident	299
5.8.6.15	Professional services	299
5.8.6.16	Terrorism.....	299
5.8.6.17	Vehicles insured.....	300
5.8.6.18	Vehicles not insured.....	300
5.9	Other insurance	300
	Recap	302
	Self-evaluation exercise.....	304
	Answer sheet for the self-evaluation exercise	309
	Review activity	317
	Chapter 6	
	The main forms and endorsements in personal property insurance	319
6.1	Homeowners – Building, Comprehensive Coverage – Contents, Specified Perils Coverage (IBC 1502Q)	321
6.1.1	Coverage A – Dwelling Building, Coverage B Detached Private Structures and Coverage D – Additional Living Expense and Fair Rental Value	322
6.1.2	Coverage C – Personal Property (Contents)	322
6.1.3	Extensions of coverage	323
6.1.4	Insured perils of coverages A, B and D.....	323
6.1.5	Insured perils under Coverage C – Personal Property (Contents).....	324
6.1.6	Property excluded	324

6.1.7	Common exclusions.....	324
6.1.7.1	Glass breakage (exclusion 10)	324
6.1.7.2	Moving of buildings (exclusion 16).....	325
6.1.7.3	Loss or damage caused by animals (exclusion 13).....	325
6.1.7.4	Water damage (exclusion 27).....	326
6.1.7.5	Freezing (exclusion 9).....	326
6.1.7.6	Faulty material or workmanship (exclusion 7).....	327
6.1.7.7	Marring, scratching or breakage (exclusion 15).....	327
6.1.7.8	Settling (exclusion 20).....	328
6.1.7.9	Vandalism (exclusion 25).....	329
6.1.7.10	Theft or attempted theft (exclusion 22)	329
6.1.8	Basis of settlement.....	329
6.2	Homeowners – Comprehensive Form (IBC 1503Q)	330
6.2.1	Property located away from the premises	331
6.2.2	Limitation of amount payable for certain personal property	331
6.2.3	Insured perils.....	332
6.2.4	Property excluded	332
6.3	Tenants – Specified Perils Form (IBC 1506Q).....	332
6.3.1	Coverage C – Personal Property (Contents)	333
6.3.2	Extensions of coverage	334
6.3.3	Common exclusions.....	336
6.3.4	Basis of settlement.....	336
6.4	Tenants – Comprehensive Form (IBC 1507Q)	336
6.4.1	Personal property usual to a dwelling and owned by a student	337
6.4.2	Property away from the premises.....	337
6.4.3	Limitation of amount payable for certain personal property	337
6.4.4	Extensions of coverage	337
6.4.5	Insured perils.....	338
6.4.6	Property excluded	338
6.4.7	Common exclusions.....	339
6.4.8	Basis of settlement.....	339
6.5	Condominium Unit Owners – Specified Perils Form (IBC 1510Qr)	339
6.5.1	Definitions.....	340
6.5.2	Coverages.....	342
6.5.2.1	Coverage A – Dwelling and Improvements and Betterments	342
6.5.3	Extensions of coverage	343
6.5.4	Common exclusions.....	346
6.5.5	Basis of settlement.....	346
6.5.6	Coverage E – Legal Liability	347
6.6	Condominium Unit Owners – Comprehensive Form (IBC 1511Qr)	348
6.6.1	Personal property usual to a dwelling and owned by a student (clause 1 (d))	349

6.6.2	Property away from the premises (clause 2).....	349
6.6.3	Limitation of amount payable for certain personal property	349
6.6.4	Extensions of coverage	349
6.6.5	Insured perils.....	350
6.6.6	Property excluded	350
6.6.7	Common exclusions	351
6.6.8	Basis of settlement.....	351
6.7	Building and contents insurance (IBC forms 1521Q and 1522Q).....	351
6.7.1	Building and Contents – Specified Perils Form (IBC 1521Q).....	351
6.7.1.1	Definitions	352
6.7.1.2	Property damage coverages.....	353
6.7.1.3	Insured perils	355
6.7.1.4	Property excluded and the common exclusions	355
6.7.1.5	Basis of settlement.....	356
6.7.2	Building and Contents – Building, Comprehensive Coverage – Contents, Specified Perils Coverage (IBC 1522Q)	356
6.7.2.1	Extensions of coverage.....	357
6.7.2.2	Insured perils	357
6.7.2.3	Property excluded.....	357
6.7.2.4	Common exclusions.....	357
6.8	Seasonal Dwelling – Specified Perils Form (IBC 1523Q).....	358
6.8.1	Definitions.....	358
6.8.2	Coverages	359
6.8.3	Extensions of coverage	359
6.8.4	Insured perils.....	359
6.8.5	Property excluded and common exclusions.....	359
6.8.6	Basis of settlement.....	360
6.9	Endorsements	360
6.9.1	Endorsement – Amended Amounts of Insurance (IBC 1548Q)	361
6.9.2	Endorsement – Miscellaneous Property – Specified Perils Coverage (IBC 1549Q)	361
6.9.3	Endorsement – Miscellaneous Property – Comprehensive Coverage (IBC 1550Q)	362
6.9.4	By-Laws Endorsement (IBC 1552Q).....	363
6.9.5	Endorsement – Single Amount of Insurance (IBC 1553Q)	364
6.9.6	Earthquake Endorsement (IBC 1554Qr)	367
6.9.6.1	Definitions	367
6.9.6.2	Amounts of insurance	367
6.9.6.3	Insured perils	368
6.9.6.4	Property excluded.....	368
6.9.6.5	Exclusions.....	368
6.9.6.6	Basis of settlement.....	369
6.9.7	Endorsement – Above Ground or Semi-Inground Swimming Pool and Spa (IBC 1557Q).....	370

6.9.8	Endorsement – Fuel Oil Overflow or Escape (IBC 1558Q)	371
6.9.9	Endorsement – External Tear Out Expense (IBC 1560Q)	373
6.9.10	Endorsement – Water Damage – Ground Water and Sewers (IBC 1561Qr).....	373
6.9.11	Endorsement – Water Damage – Above Ground Water (IBC 1562Qr)	375
6.9.12	Endorsement – Water Damage – Ground Water, Sewers and Overflow of Body of Water (IBC 1563Q)	376
6.9.13	Endorsement – Inground Swimming Pool and Spa (IBC 1567Q)	377
6.9.14	Endorsement – Exclusion for Water Damage Originating from a Water Heater (IBC 1570Q)	377
6.9.15	Endorsement – Roofing Exclusion (IBC 1580Q).....	378
6.9.16	Endorsement – Amendments to Your Condominium Unit Owner Insurance Policy (IBC 1599Q).....	378
6.9.17	Other endorsements.....	378
6.9.17.1	Legal insurance.....	378
6.9.17.2	Recreational vehicle insurance	378
6.9.17.3	Personal liability insurance	379
6.9.17.4	Catch-all endorsement.....	379
6.9.17.5	Identity theft endorsement	379
6.10	Other insurance products.....	380
6.10.1	Pleasure craft insurance.....	380
6.10.1.1	Eligibility and underwriting	380
6.10.1.2	Territorial scope of coverage	380
6.10.1.3	Insured perils	381
6.10.1.4	Basis of settlement.....	381
6.10.2	Supplementary legal liability insurance for individuals	382
Recap		383
Self-evaluation exercise.....		386
Answer sheet for the self-evaluation exercise		395
Review activity		412
Index		413

Table of contents

List of tables.....	xvi
---------------------	-----

Chapter 7

Proposing a product adapted to the insured's needs.....	1
7.1 Acceptance of the risk by the insurer: Underwriting insurance.....	3
7.1.1 Assessment of physical (objective) hazard.....	4
7.1.2 Assessment of moral (subjective) hazard.....	5
7.2 Acceptance of the risk by the insurer: Rate making.....	6
7.2.1 Fire department.....	7
7.2.1.1 Full-time public fire department.....	7
7.2.1.2 Composite fire department.....	8
7.2.1.3 Volunteer public fire department.....	8
7.2.1.4 Private fire department.....	8
7.2.2 Water supply system.....	8
7.2.3 How far the risk is from the fire station.....	9
7.2.3.1 Protected risk sector.....	9
7.2.3.2 Semi-protected risk sector.....	9
7.2.3.3 Unprotected risk sector.....	9
7.2.4 The insurer's experience with respect to the cost and frequency of losses, and the loss ratio.....	10
7.2.5 Coverage amounts.....	10
7.2.5.1 Assessing the replacement cost of the dwelling building.....	10
7.2.5.2 Establishing the insurance amount for movable property.....	14
7.2.5.3 Civil liability insurance amount.....	15
7.2.6 Occupancy of premises.....	15
7.2.7 Discounts in personal property insurance.....	16
7.2.7.1 The applicant (the insured and the occupants of the house).....	16
7.2.7.2 The applicant's claim file.....	16
7.2.7.3 Private fire and theft protection systems.....	17
7.2.7.4 The insured's loyalty.....	17
7.2.7.5 Non-smoker insureds.....	17
7.2.7.6 Recent constructions.....	17
7.2.7.7 Dwelling heated by electricity.....	17
7.2.7.8 The deductible.....	17
7.2.8 Additional premiums in personal property insurance.....	18
7.2.8.1 Heating.....	18
7.2.8.2 The insured's loss history.....	18
7.2.8.3 A dwelling in a commercial building.....	18
7.2.8.4 Risk located in a densely developed sector.....	19
7.3 Proposing different offers to the insured.....	19
7.3.1 Proposing available products to the insured.....	20
7.3.2 Refusal to insure.....	20
7.3.3 Documenting and annotating the file.....	21

7.4	The insured's contractual obligations.....	24
7.4.1	Initial representation of risk	24
7.4.1.1	Obligation with respect to representations.....	25
7.4.2	Misrepresentations.....	29
7.5	Compliance with legal obligations and the issuance of a contract.....	30
7.5.1	The parties to the contract	30
7.5.2	The elements of the contract.....	31
7.5.2.1	The indemnity	31
7.5.2.2	The risk	31
7.5.2.3	The premium.....	32
7.5.2.4	The insurable interest	32
7.5.3	Characteristics of the insurance contract	32
7.6	Validation of information contained in the policy and the application.....	33
7.6.1	Temporary coverage	35
7.6.2	Coverage Summary page	35
7.7	The insured's legal obligations.....	35
7.7.1	Reporting a material change in risk.....	36
7.7.2	Notice of loss.....	37
7.7.2.1	Nature and scope of the obligation	37
7.7.2.2	Sanction for failing to report a loss.....	39
7.7.2.3	Proof of loss	40
	Recap	42
	Self-evaluation exercise.....	44
	Answer sheet for the self-evaluation exercise	56
	Review activity	72
	Chapter 8	
	Processing change, renewal, cancellation and termination requests.....	73
8.1	Processing change requests.....	76
8.2	Processing renewal requests.....	79
8.3	Processing cancellation requests	82
8.3.1	Cancellation by the insurer.....	83
8.3.2	Cancellation by the insured	86
8.4	Processing terminations.....	88
	Recap	90
	Self-evaluation exercise.....	92
	Answer sheet for the self-evaluation exercise	96
	Review activity	104

Chapter 9

Rules and practices in damage insurance	105
9.1 Industry standards	107
9.1.1 The IBC's Agreement respecting the Quebec Home Insurance Forms	108
9.1.2 Access to Home Insurance mechanism	108
9.1.3 Agreement of Guiding Principles (Property Insurance)	109
9.1.3.1 Rule 1 – Insurance on Specifically Described or Scheduled Property	110
9.1.3.2 Rule 2 – Two or More Policies Insuring Specifically Described or Scheduled Property	112
9.1.3.3 Rule 3 – Trip Transit Policy and Other Insurance on Same Property	112
9.1.3.4 Rule 5 – Invitors and Guests Insurance and Employers and Employees Insurance	114
9.1.3.5 Rule 7 – Carriers', Bailees' and Bailors' Insurance	115
9.1.3.6 Rule 10 – Building Insurance and Contents Insurance When Building Owner Occupied or Building is a Condominium	115
9.1.3.7 General Provisions	117
9.1.4 Agreement – Claims Settlement of Condominiums (Divided Co-ownership) in Québec	117
9.1.5 The various agreements concerning losses	118
9.2 Applying good practices	119
9.3 Submitting a notice of loss	120
9.3.1 The insured's obligations	121
9.3.2 The damage insurance representative's obligations	121
9.3.3 The claims adjuster's obligations	122
9.3.4 Follow-up with the insured and settling the file	122
Recap	123
Self-evaluation exercise	124
Answer sheet for the self-evaluation exercise	130
Review activity	139
Appendix A: Study schedule	143
Appendix B: Study plan	147
Bibliography	149
Glossary	151
Index	175

Table of contents

Conditions particulières (Bureau d'assurance du Canada) (available in French only)	1
General Conditions (Insurance Bureau of Canada)	5
Insurance Binder – Home Insurance (Chambre de l'assurance de dommages)	15
Habitational Insurance Application (Centre for Study of Insurance Operations)	19
Agreement – Claims Settlement of Condominiums (Divided Co-Ownership) (Insurance Bureau of Canada)	25
Agreement of guiding principles (property insurance) (adopted 1984) (Insurance Bureau of Canada)	29
Agreement Relating to Claims for Damage to Owned Contents and Agreement Relating to Claims for Damage to Non-Owned Contents (Insurance Bureau of Canada) . . .	39
Divided Co-Ownership Claims Settlement Process (Insurance Bureau of Canada)	43
 Quebec Personal Property Forms (version 2018 et 2019) (Insurance Bureau of Canada)	 51
IBC 1501Q Homeowners – Specified Perils Form	53
IBC 1502Q Homeowners – Building, Comprehensive Coverage – Contents, Specified Perils Coverage	97
IBC 1503Q Homeowners – Comprehensive Form	143
IBC 1506Q Tenants – Specified Perils Form	185
IBC 1507Q Tenants – Comprehensive Form	225
IBC 1510Qr Condominium Unit Owners – Specified Perils Form	265
IBC 1511Qr Condominium Unit Owners – Comprehensive Form	309
IBC 1521Q Building and Contents – Specified Perils Form	353
IBC 1522Q Building and Contents – Building, Comprehensive Coverage – Contents, Specified Perils Coverage	379
IBC 1523Q Seasonal Dwelling – Specified Perils Form	407
IBC 1548Q Endorsement – Amended Amounts of Insurance	431
IBC 1549Q Endorsement – Miscellaneous Property – Specified Perils Coverage	435
IBC 1550Q Endorsement – Miscellaneous Property – Comprehensive Coverage	445
IBC 1552Q By-Laws Endorsement	455
IBC 1553Q Endorsement – Single Amount of Insurance	459
IBC 1554Qr Earthquake Endorsement	463
IBC 1557Q Endorsement – Above Ground or Semi-inground Swimming Pool and Spa	467
IBC 1558Q Endorsement – Fuel Oil Overflow or Escape	477
IBC 1560Q Endorsement – External Tear Out Expense	481
IBC 1561Qr Endorsement – Water Damage – Ground Water and Sewers	485
IBC 1562Qr Endorsement – Water Damage – Above Ground Water	489

IBC 1563Q	Endorsement – Water Damage – Ground Water, Sewers and Overflow of Body of Water	493
IBC 1567Q	Endorsement – Inground Swimming Pool and Spa	497
IBC 1570Q	Endorsement – Exclusion for Water Damage Originating from a Water Heater	507
IBC 1580Q	Endorsement – Roofing Exclusion	511
IBC 1599Q	Endorsement Amendments to your Condominiu Unit Owner Insurance Policy	515
IBC 3000Q	Standard Mortgage Clause	521

Table of contents

List of tables	ix
Introduction	3
Chapter 1	
Revised version of the main personal property insurance products	7
1.1 Personal property and liability insurance Homeowners – Specified Perils Form IBC 1501Q (04-2021)	8
1.1.1 Coverage D – Additional Living Expense and Fair Rental Value	8
1.1.2 Common exclusions	9
1.1.2.1 Contamination	9
1.1.2.2 Communicable disease	10
1.1.3 Basis of settlement	10
1.1.3.1 Option 1 – Repair or Replacement Cost Without Deduction for Depreciation	10
1.1.3.2 Option 2 – Actual Cash Value	11
1.1.4 Civil liability	13
1.1.4.1 Communicable Disease exclusion	13
1.2 Personal property and liability insurance Condominium Unit Owners – Specified Perils Form IBC 1510Q (04-2021)	13
1.2.1 Extensions of coverage	13
1.3 New endorsement IBC 1581Q – Additional Living Expense – Additional Coverage	14
1.3.1 Scope of coverage	14
1.3.2 Exclusions	16
Conclusion	17
Recap	18
Self-evaluation exercise	19
Answer sheet for the self-evaluation exercise	22

Chapter 2	
Sharing Economy Activity	29
2.1	Personal property and liability insurance, Homeowners – Specified Perils Form (IBC 1501Q)
	30
2.1.1	Obligation to Inform Insurer
	30
2.1.2	Definitions
	30
2.1.2.1	Sharing economy activity
	31
2.1.2.2	Residence employee
	32
2.1.3	Section I – Property Damage Coverages
	32
2.1.3.1	Extensions of Coverage
	32
2.1.3.2	Property Excluded
	34
2.1.3.3	Common Exclusions
	34
2.1.4	Section II – Civil Liability Coverages
	35
2.1.4.1	Coverage E – Legal Liability
	35
2.1.4.2	Coverage F – Voluntary Medical and Funeral Payments
	37
2.1.4.3	Coverage G – Voluntary Settlement of Damage to Property
	37
2.1.4.4	Common Exclusions
	38
2.2	Personal Property and Liability Insurance – The Other Forms
	38
Recap	
	40
Self-evaluation exercise	
	41
Answer sheet for the self-evaluation exercise	
	44
Appendix	
Sharing Economy – Summary of Changes to QPPF	47

Québec personal property forms and endorsements (versions 2020 and 2023) (Insurance Bureau of Canada)	53
IBC 1501Q Homeowners – Specified Perils Form	55
IBC 1502Q Homeowners – Building, Comprehensive Coverage – Contents, Specified Perils Coverage	97
IBC 1503Q Homeowners – Comprehensive Form	141
IBC 1506Q Tenants – Specified Perils Form	183
IBC 1507Q Tenants – Comprehensive Form	223
IBC 1510Q Condominium Unit Owners – Specified Perils Form	263
IBC 1511Q Condominium Unit Owners – Comprehensive Form	307
IBC 1521Q Building and Contents – Specified Perils Form	349
IBC 1522Q Building and Contents – Building, Comprehensive Coverage – Contents, Specified Perils Coverage	373
IBC 1523Q Seasonal Dwelling – Specified Perils Form	399
IBC 1581Q Endorsement Additional Living Expense – Additional Coverage	421