

# Table of Contents

List of Tables.....	xix
Abbreviations.....	xx
<b>Chapter 1</b>	
<b>Automobile Insurance Schemes in Québec and Canada .....</b>	<b>1</b>
1.1 Canadian automobile insurance schemes and how they work.....	3
1.2 Québec and how the public-private auto insurance scheme works .....	4
1.3 The <i>Automobile Insurance Act</i> (AIA) .....	5
1.3.1 AIA sections pertaining to bodily injury .....	7
1.3.2 AIA sections covering property damage and the private auto insurance scheme.....	14
1.4 The <i>Act respecting off-highway vehicles</i> (AROHV) .....	23
1.5 The mandates of the <i>Groupement des assureurs automobile</i> (GAA) .....	24
1.5.1 The access to insurance mechanism.....	25
1.5.2 Appraisal centres .....	25
1.5.3 Appraiser qualification.....	25
1.5.4 Direct Compensation Agreement (DCA).....	25
1.5.5 Automobile Claims Database (FCSA).....	26
1.5.6 Risk Sharing Plan (RSP).....	27
Recap.....	28
Self-Evaluation Exercise.....	32
Answer Sheet for the Self-Evaluation Exercise .....	35
<b>Chapter 2</b>	
<b>Analyzing an Insured's Needs .....</b>	<b>41</b>
2.1 Gathering information .....	44
2.1.1 The automobile insurance application .....	45
2.1.1.1 Information on the client in personal-lines insurance .....	46
2.1.1.2 Information on the risk to cover in personal-lines insurance .....	55
2.1.1.3 Other information on the automobile insurance application .....	57
2.1.2 The application in commercial-lines insurance .....	58
2.1.2.1 Information on the persons to insure in commercial-lines insurance.....	59
2.1.2.2 The risk to cover in commercial-lines insurance .....	60
2.1.3 Confidentiality of information.....	63
2.1.3.1 Documentation of information.....	63
2.1.3.2 The <i>Act respecting the protection of personal information</i> <i>in the private sector</i> .....	63
2.1.3.3 Gathering personal information .....	64
2.1.3.4 Holding and using personal information .....	64
2.1.3.5 Communication of personal information .....	65
2.2 The importance of the answers to questions on the insurance application.....	66

2.3	Obligations of the insurance agent or broker to the client .....	67
2.4	Assessing the risk .....	68
2.4.1	Risk .....	68
2.4.1.1	Physical hazard .....	69
2.4.1.2	Moral hazard .....	69
2.4.2	Insurable interest in the vehicle .....	70
2.5	Markets and products available to insurance agents and brokers .....	71
2.5.1	Target clientele .....	71
2.5.2	Specialized markets for aggravated risks .....	72
2.5.3	Access to insurance mechanism – the <i>Groupement des assureurs automobiles</i> (GAA) .....	73
	Recap .....	74
	Self-Evaluation Exercise .....	76
	Answer Sheet for the Self-Evaluation Exercise .....	80
<b>Chapter 3</b>		
<b>Analyzing the Coverages Available in Personal-Lines Insurance – Q.P.F. No. 1 .....</b>		
3.1	The difference between an insurance contract and an insurance policy .....	89
3.1.1	Insurance contract .....	89
3.1.1.1	Non-marine insurance .....	89
3.1.1.2	Contract of adhesion .....	89
3.1.2	Insurance policy .....	90
3.1.3	Insurance policy endorsements .....	91
3.1.4	Sections of the <i>Automobile Insurance Act</i> (AIA) regarding automobile insurance policies .....	92
3.2	Q.P.F. No. 1 – Owners’ Form .....	92
3.2.1	“Table of Contents” section .....	93
3.2.2	“Introduction” section .....	93
3.2.3	“Declarations” section .....	94
3.2.3.1	Item 1: Name and address of the named insured .....	94
3.2.3.2	Item 2: Contract period .....	95
3.2.3.3	Item 3: Particulars of the described vehicle .....	96
3.2.3.4	Item 4: Coverages, perils, amount of insurance, deductible and insurance premium .....	97
3.2.3.5	Item 5: Actual owner and registered owner .....	98
3.2.3.6	Item 6: Important statements for analyzing the risk .....	99
3.2.3.7	Item 7: Information for the named insured .....	99
3.2.4	Section A: Coverage for Civil Liability Arising from Property Damage and Bodily Injury Caused to Another Person ( <i>Mandatory Insurance</i> ) .....	100
3.2.4.1	Article 1: Insured persons .....	101
3.2.4.2	Article 2: Insured vehicles .....	102
3.2.4.3	Article 3: Principal coverage .....	106
3.2.4.4	Article 4: Additional coverages .....	108
3.2.4.5	Article 5: Exclusions .....	111

3.2.4.6	Article 6: Indemnity payable by insurer.....	113
3.2.4.7	Article 7: Representation mandate .....	118
	Recap.....	119
	Self-Evaluation Exercise.....	124
	Answer Sheet for the Self-Evaluation Exercise .....	127
3.2.5	Section B: Coverage for Damage to Insured Vehicles ( <i>Optional Insurance</i> ).....	131
3.2.5.1	Article 1: Insured person.....	131
3.2.5.2	Article 2: Insured vehicles.....	131
3.2.5.3	Article 3: Principal coverage .....	132
3.2.5.4	Article 4: Additional coverages .....	136
3.2.5.5	Article 5: Coverage for temporary replacement vehicles.....	138
3.2.5.6	Article 6: Exclusions.....	139
3.2.5.7	Article 7: Deductible payable by named insured .....	143
3.2.5.8	Article 8: Indemnity payable by insurer.....	144
	Recap.....	151
	Self-Evaluation Exercise.....	154
	Answer Sheet for the Self-Evaluation Exercise .....	159
3.2.6	“General Conditions” section .....	165
3.2.6.1	Article 1: Laws applicable to insurance contract .....	165
3.2.6.2	Article 2: Places where coverage applies.....	165
3.2.6.3	Article 3: Continuation of coverage after a loss .....	166
3.2.6.4	Article 4: Rules pertaining to application of insurance contract when there are two or more described vehicles .....	166
3.2.6.5	Article 5: Disclosure to insurer .....	167
3.2.6.6	Article 6: Breach of warranty .....	171
3.2.6.7	Article 7: Prohibited use of insured vehicle.....	172
3.2.6.8	Article 8: Examination of insured vehicles .....	173
3.2.6.9	Article 9: Notice to insurer and named insured .....	173
	Recap.....	174
3.2.7	“Reporting a Loss and Submitting a Claim” section.....	176
3.2.7.1	Article 1: What to do in the event of a loss .....	176
3.2.7.2	Article 2: How to calculate value of damage .....	181
3.2.7.3	Article 3: Right of insurer after paying an indemnity ( <i>Right of subrogation</i> ) .....	184
3.2.7.4	Article 4: Arbitration in event of disagreement between named insured and insurer .....	185
3.2.7.5	Article 5: Preservation of rights of named insured and insurer.....	188
3.2.7.6	Article 6: Time to start legal action under insurance contract ( <i>Prescription period</i> ) .....	188
	Recap.....	189
3.2.8	“Effective Date, Renewal and Expiry of Insurance Contract” section .....	193
3.2.8.1	Article 1: Effective date and expiry of insurance contract.....	193
3.2.8.2	Article 2: Renewal of insurance contract .....	193
3.2.8.3	Article 3: Cancellation of insurance contract ( <i>Ending of insurance contract</i> ).....	194

3.2.9	“Cancellation Table” section .....	196
3.2.10	“Definitions” section.....	198
Recap.....		199
Self-Evaluation Exercise.....		201
Answer Sheet for the Self-Evaluation Exercise .....		207
<b>Chapter 4</b>		
<b>Analyzing the Coverages Available in Personal- Lines Insurance –</b>		
<b>Endorsements available with Q.P.F. No. 1 .....</b>		
4.1	Analyzing the endorsements available in personal-lines insurance .....	217
4.2	Endorsement Q.E.F. No. 2 – Vehicles of which named insured is not owner and when driven by named drivers (Section A).....	218
4.3	Endorsements relating to leased vehicles .....	220
4.3.1	Endorsement Q.E.F. No. 5a – Vehicles leased or under a contract of leasing – Changes when owner and one lessee are mentioned as insureds .....	220
4.3.2	Endorsement Q.E.F. No. 5b – Leased vehicles for a period of less than one year ( <i>By unnamed lessees</i> ) .....	221
4.3.3	Endorsement Q.E.F. No. 5c – Short-term leased vehicles ( <i>By unnamed lessees</i> ) .....	221
4.4	Endorsements relating to the deductible under Section A.....	221
4.4.1	Endorsement Q.E.F. No. 8 – Deductible for property damage (Section A) .....	222
4.4.2	Endorsement Q.E.F. No. 8a – Deductible for property damage and bodily injury (Section A).....	223
4.5	Endorsement Q.E.F. No. 13c – Limitation under Protection 3 for vehicle glass (Section B) .....	224
4.6	Endorsements relating to vehicle storage.....	225
4.6.1	Endorsement Q.E.F. No. 16 – Suspension of coverage during vehicle storage.....	225
4.6.2	Endorsement Q.E.F. No. 17 – Reinstatement of coverage after vehicle storage .....	228
4.7	Endorsement Q.E.F. No. 19 – Limitation of indemnity (Section B).....	229
4.8	Endorsements extending coverage for travel expenses.....	230
4.8.1	Endorsement Q.E.F. No. 20 – Travel expenses (Section B) .....	230
4.8.2	Endorsement Q.E.F. No. 20a – Travel costs ( <i>broad form</i> ) (Section B) .....	233
4.9	Endorsements for creditors.....	235
4.9.1	Endorsement Q.E.F. No. 23a – Notice to creditor (Section B).....	235
4.9.2	Endorsement Q.E.F. No. 23b – Creditor coverage (Section B) .....	236
4.10	Endorsement Q.E.F. No. 25 – Changes to the Declarations .....	238
4.11	Endorsements relating to civil liability resulting from damage to vehicles of which the named insured is not the owner.....	239
4.11.1	Endorsement Q.E.F. No. 27 – Civil liability resulting from damage caused to vehicles of which named insured is not owner ( <i>including vehicles provided by an employer</i> ) (Section A).....	239

4.11.2	Endorsement Q.E.F. No. 27a – Civil liability resulting from damage caused to vehicles of which named insured is not owner ( <i>excluding vehicles provided by an employer</i> ) (Section A).....	242
	Recap.....	243
	Self-Evaluation Exercise.....	249
	Answer Sheet for the Self-Evaluation Exercise.....	255
4.12	Endorsement Q.E.F. No. 28 – Limitation of coverage for named drivers .....	262
4.13	Endorsements relating to insurance of persons .....	263
4.13.1	Endorsement Q.E.F. No. 34 – Accident benefits insurance .....	263
4.13.2	Q.E.F. No. 34 (A-B) – Accident benefits insurance (change to amount of insurance or insured persons) .....	273
4.13.3	Endorsement Q.E.F. No. 37 (A-B) – Changes to coverage for electronic equipment (Section B).....	274
4.14	Endorsements that change the deductible in Section B .....	275
4.14.1	Endorsement Q.E.F. No. 40 – Fire deductible (Section B).....	276
4.14.2	Endorsement Q.E.F. No. 41 – Change to deductibles (Section B).....	276
4.14.3	Endorsement Q.E.F. No. 43 (A-F) – Change to indemnity (Section B).....	276
	Recap.....	285
	Self-Evaluation Exercise.....	289
	Answer Sheet for the Self-Evaluation Exercise.....	292
<b>Chapter 5</b>		
<b>Analyzing the Coverages Available In Personal-Lines Insurance –</b>		
<b>Q.P.F. No. 2, No. 5 and Endorsement Q.E.F. No. 5-25.....</b>		
5.1	Q.P.F. No. 2 – Driver’s Form.....	299
5.1.1	“Declarations” section .....	302
5.1.1.1	Item 3: Information on insured vehicles, insured person and changes to the policy .....	302
	Recap.....	304
5.2	Q.P.F. No. 5 – Complementary Insurance for Damage Caused to Insured Vehicle Form ( <i>Replacement Insurance</i> ).....	305
5.2.1	“Table of contents” section.....	307
5.2.2	“Introduction” section.....	307
5.2.3	“Declarations” section .....	307
5.2.3.1	Item 3: Particulars of the described vehicle.....	307
5.2.3.2	Item 4: Options available with Q.P.F. No. 5.....	307
5.2.3.3	Item 5: Important statements for analyzing the risk.....	308
5.2.4	“Description of coverages” section.....	308
5.2.4.1	Article 1: Coverage in event of total loss of described vehicle .....	308
5.2.4.2	Article 2: Coverage in event of partial loss of described vehicle .....	313
5.2.4.3	Article 3: Other coverages in event of total or partial loss .....	314
5.2.4.4	Article 4: Applicability.....	316

5.2.5	“Exclusions” section .....	317
5.2.6	“General Conditions” section .....	318
5.2.7	“Reporting a Loss and Submitting a Claim” section.....	318
5.2.7.1	Article 1: What to do in the event of a loss .....	318
5.2.7.2	Article 2: Time to replace vehicle or pay indemnity .....	318
5.2.7.3	Articles 3 and 4: Right of insurer after bearing amount ( <i>Right of subrogation</i> ) and Arbitration in event of disagreement between insured and insurer .....	319
5.2.8	“Effective Date, Renewal and Expiry of Insurance Contract” section .....	319
5.2.8.1	Article 2: Termination of insurance contract prior to expiry date .....	319
5.2.8.2	Article 3: Renewal of insurance contract .....	319
5.2.8.3	Article 4: Cancellation of insurance contract ( <i>Ending of insurance contract</i> ).....	319
5.2.9	“Cancellation Table” section .....	321
5.2.10	“Definitions” section.....	323
5.3	Q.E.F. No. 5-25 – Modified Declarations Endorsement .....	323
	Recap.....	324
	Self-Evaluation Exercise.....	329
	Answer Sheet for the Self-Evaluation Exercise .....	332
	Index .....	337

# Table of Contents

List of Tables.....	xix
Abbreviations.....	xx
<b>Chapter 6</b>	
<b>Analyzing the Coverages Available in Commercial-Lines Insurance –</b>	
<b>Q.P.F. No. 1, No. 4 and Endorsements .....</b>	
	<b>1</b>
6.1 Q.P.F. No. 1 – Owners’ Form .....	3
6.1.1 “Declarations” section .....	4
6.1.1.1 Item 1: Name and address of the named insured .....	4
6.1.1.2 Item 3: Particulars of the described vehicle.....	4
6.1.2 Section A: Coverage for Civil Liability Arising from Property Damage and Bodily Injury Caused to Another Person ( <i>Mandatory Insurance</i> ) .....	4
6.1.2.1 Article 2: Insured vehicles.....	5
6.1.2.2 Article 3: Principal coverage .....	6
6.1.2.3 Article 5: Exclusions.....	8
6.1.3 Section B: Coverage for Damage to Insured Vehicles ( <i>Optional Insurance</i> ).....	8
6.2 Endorsements available with Q.P.F. No. 1 applicable to commercial-lines automobile insurance.....	8
6.2.1 Endorsement Q.E.F. No. 4a – Transportation of explosives .....	8
6.2.2 Endorsement Q.E.F. No. 4b – Transportation of radioactive material.....	10
6.2.3 Endorsement Q.E.F. No. 5d – Conversion of leased vehicles (Section B).....	11
6.2.4 Endorsements Q.E.F. No. 8 – Deductible for property damage (Section A) and Q.E.F. No. 8a – Deductible for property damage and bodily injury (Section A) .....	12
6.2.5 Endorsements related to extended coverage for travel expenses .....	13
6.2.5.1 Endorsement Q.E.F. No. 20b – Travel expenses and loss of income (Section B).....	13
6.2.5.2 Endorsement Q.E.F. No. 20c – Travel expenses and loss of income ( <i>broad form</i> ) (Section B).....	15
6.2.6 Endorsements related to automobile fleet insurance.....	15
6.2.6.1 Endorsement Q.E.F. No. 21a – Automobile fleet insurance ( <i>with monthly insurance premium adjustment</i> ).....	15
6.2.6.2 Endorsement Q.E.F. No. 21b – Automobile fleet insurance ( <i>with annual insurance premium adjustment</i> ).....	18
6.2.7 Endorsement Q.E.F. No. 27 – Civil liability resulting from damage caused to vehicles of which named insured is not owner ( <i>including vehicles provided by an employer</i> ) (Section A) and Q.E.F. No. 27a – Civil liability resulting from damage caused to vehicles of which named insured is not owner ( <i>excluding vehicles provided         by an employer</i> ) (Section A).....	21
6.2.8 Endorsement Q.E.F. No. 30 – Limitation of coverage for equipment and machinery attached to vehicle (Section A) .....	23
6.2.9 Endorsement Q.E.F. No. 31 – Equipment not owned by the named insured.....	24
Recap .....	27
Self-Evaluation Exercise.....	32

Answer Sheet for the Self-Evaluation Exercise .....	36
6.3 Q.P.F. No. 4 – Garage Form .....	41
6.3.1 “Declarations” section .....	42
6.3.1.1 Item 1: Name and address of the named insured, and address of the specified location .....	42
6.3.1.2 Item 3: Business activities .....	43
6.3.1.3 Item 4: Coverage, perils, amount of insurance, deductible and insurance premium .....	43
6.3.1.4 Item 5: Basis of rating .....	45
6.3.2 Section A: Coverage for Civil Liability Arising from Property Damage and Bodily Injury Caused to Another Person ( <i>Mandatory Insurance</i> ) .....	45
6.3.2.1 Article 1: Principal coverage .....	45
6.3.2.2 Article 2: Insured vehicles .....	46
6.3.2.3 Article 3: Insured persons .....	46
6.3.2.4 Article 4: Clarification concerning damage under principal coverage .....	48
6.3.2.5 Article 5: Additional coverages .....	49
6.3.2.6 Article 6: Exclusions .....	49
6.3.2.7 Article 7: Indemnity payable by insurer .....	56
6.3.2.8 Article 8: Representation mandate .....	58
Recap .....	59
6.3.3 Section B: Coverage for Damage to Vehicles of which the Named Insured Is the Owner ( <i>Optional Insurance</i> ) .....	63
6.3.3.1 Article 1: Principal coverage .....	63
6.3.3.2 Article 2: Insured vehicles .....	64
6.3.3.3 Article 3: Insured person .....	64
6.3.3.4 Article 4: Additional coverages .....	64
6.3.3.5 Article 5: Exclusions .....	64
6.3.3.6 Article 6: Deductible payable by named insured .....	67
6.3.3.7 Article 7: Indemnity payable by insurer .....	69
6.3.3.8 Article 8: Adjustment of advance insurance premium .....	73
Recap .....	74
6.3.4 Section C: Coverage for Civil Liability Arising from Damage to Customers’ Vehicles ( <i>Optional Insurance</i> ) .....	77
6.3.4.1 Article 1: Principal coverage .....	77
6.3.4.2 Article 2: Insured vehicles .....	78
6.3.4.3 Article 3: Insured persons .....	78
6.3.4.4 Article 4: Additional coverages .....	79
6.3.4.5 Article 5: Exclusions .....	79
6.3.4.6 Articles 6 and 7: Deductible payable by named insured and Indemnity payable by insurer .....	79
6.3.5 “Definitions” section .....	79
Recap .....	80
6.4 Endorsements available with Q.P.F. No. 4 – Garage Form .....	81
6.4.1 Endorsement Q.E.F. No. 4-70 – Exclusion of owned vehicles .....	81
6.4.2 Endorsement Q.E.F. No. 4-74 – Additional insured persons .....	81



6.4.3	Endorsement Q.E.F. No. 4-79 – Monthly inventory statement for calculation of final insurance premium.....	82
6.4.4	Endorsement Q.E.F. No. 4-79a – Calculation of advance insurance premium.....	82
6.4.5	Endorsement Q.E.F. No. 4-79b – Calculation of final insurance premium.....	83
6.4.6	Endorsement Q.E.F. No. 4-82 (A to D) (Sections B and C) – Limitation or exclusion of coverage in case of theft or attempted theft.....	83
6.4.7	Endorsement Q.E.F. No. 4-83 – Vehicles rented to other persons for periods of less than one year (unspecified lessees).....	85
	Recap .....	86
	Self-Evaluation Exercise.....	88
	Answer Sheet for the Self-Evaluation Exercise.....	98
	Review Activity.....	108
<b>Chapter 7</b>		
<b>Analyzing the Coverages Available in Commercial-Lines Insurance –</b>		
<b>Q.P.F. No. 6, No. 7, No. 8 and Endorsements .....</b>		
		109
7.1	Q.P.F. No. 6 – Non-Owned Form .....	111
7.1.1	“Declarations” section .....	112
7.1.1.1	Item 1: Full name (or business name) and address of the Insured.....	112
7.1.1.2	Item 3: Vehicles covered .....	113
7.1.1.3	Item 4: Information about employees, shareholders, officers, members, partners or mandataries .....	113
7.1.1.4	Item 5: Automobiles hired by the insured.....	113
7.1.1.5	Item 6: Automobiles operated under contract on behalf of the insured.....	114
7.1.1.6	Item 7: Insurance .....	114
7.1.2	Section A – Civil liability .....	114
7.1.2.1	Exclusions.....	115
7.1.2.2	Additional Agreements.....	116
7.1.2.3	Agreements of insured.....	117
7.1.3	“General Provisions, Definitions and Exclusions” section.....	118
7.1.3.1	Article 1: Territory .....	118
7.1.3.2	Article 2: Personnel of other garages excluded.....	118
7.1.3.3	Article 3: Definitions.....	118
7.1.3.4	Article 4: Two or more automobiles .....	119
7.1.3.5	Article 5: Additional insureds .....	119
7.1.3.6	Article 6: Premium adjustment.....	120
7.1.3.7	Article 7: Audit.....	120
7.1.3.8	Articles 8 and 9: Cross liability and Excluded uses .....	120
7.1.4	“Conditions” section .....	120
7.1.5	“Cancellation Table” section .....	122
7.2	Endorsements available with Q.P.F. No. 6 – Non-Owned Form .....	123
7.2.1	Q.E.F. No. 6-94 – Civil Liability resulting from damage to hired automobiles and/or automobiles operated under contract endorsement.....	123
	Recap .....	126

7.3	Q.P.F. No. 7 – Excess Liability Form.....	129
7.3.1	“Declarations” section .....	130
7.3.1.1	Item 3: Coverage .....	130
7.3.1.2	Item 4: Statement of primary automobile insurance policies.....	130
7.3.1.3	Agreements .....	130
7.3.2	Section A – Civil Liability .....	131
7.3.2.1	Exclusions.....	131
7.3.2.2	Additional Agreements.....	132
7.3.2.3	Agreements of Insured .....	135
7.3.3	“Special Provisions” section.....	135
7.3.3.1	Article 1: Continuation of coverage.....	135
7.3.3.2	Article 2: Other insurance .....	135
7.3.3.3	Article 3: Notice of loss .....	136
7.3.3.4	Article 4: Representation of risk.....	136
	Recap .....	138
7.4	Q.P.F. No. 8 – Lessor’s Contingent Form.....	140
7.4.1	“Declarations” section .....	140
7.4.1.1	Item 3: Vehicles covered .....	140
7.4.1.2	Item 4: Coverages .....	140
7.4.1.3	Item 5: Basis of rating.....	141
7.4.2	“Special Provisions” section.....	141
7.4.2.1	Item 1: Lessee’s undertaking.....	142
7.4.2.2	Item 2: Purchase of a Q.P.F. No. 1 policy by lessee .....	142
7.4.2.3	Item 3: Failure by lessee to fulfill undertaking .....	142
7.4.2.4	Item 4: Examination of insured’s books and records.....	142
7.4.3	Section “Schedule I – Lessee’s Insurance Undertaking” .....	142
7.5	Endorsements available with Q.P.F. No. 8 – Lessor’s Contingent Form.....	143
	Recap .....	144
	Self-Evaluation Exercise.....	146
	Answer Sheet for the Self-Evaluation Exercise.....	149
	Review Activity.....	154
<b>Chapter 8</b>		
	<b>A Proposal Tailored to the Insured’s Needs</b> .....	155
8.1	Proposing a product based on the risk to insure .....	157
8.1.1	Policy forms for the risk to insure.....	159
8.1.2	Endorsement forms for the risk to insure .....	165
8.2	Prepare the proposal for the insured .....	173
8.2.1	Representative’s obligations under the <i>Act respecting the distribution of financial products and services</i> .....	173
8.2.1.1	Section 26 of the <i>Act respecting the distribution of financial products and services</i> .....	173

8.2.1.2	Sections 31 and 32 of the <i>Act respecting the distribution of financial products and services</i> .....	174
8.2.1.3	Section 38 of the <i>Act respecting the distribution of financial products and services</i> .....	175
8.2.2	Premium setting .....	175
8.2.2.1	Underwriting process .....	175
8.2.2.2	Factors for premium setting .....	176
8.2.2.3	Policy rate making .....	184
8.2.3	Offering a choice of products .....	187
8.3	Explaining to the insured the consequences of refusing coverage .....	188
8.4	Documenting the client's file .....	189
	Recap .....	191
	Self-Evaluation Exercise .....	195
	Answer Sheet for the Self-Evaluation Exercise .....	199
	Review Activity .....	204
<b>Chapter 9</b>		
	<b>Issuing an Insurance Contract and Subsequent Changes</b> .....	205
9.1	Compliance with the legal obligations associated with issuing an automobile insurance contract.....	207
9.1.1	Contract of adhesion .....	208
9.1.2	Insurer's undertaking when it accepts the application from the agent or broker .....	208
9.1.3	Legislation governing the issuance of a contract.....	208
9.1.3.1	The <i>Civil Code of Québec</i> .....	208
9.1.3.2	The <i>Automobile Insurance Act</i> .....	210
9.2	Processing change requests for automobile insurance policies.....	211
9.2.1	Endorsements that change the scope of coverage or increase the insured's obligations.....	211
9.2.2	Premium adjustments .....	212
9.2.3	Updating client files .....	213
9.2.4	Document transmission to the insured and insurer by the agent or broker .....	214
9.3	Generating renewal notices .....	215
9.3.1	The <i>Automobile Insurance Act</i> .....	215
9.3.2	The <i>Act respecting the distribution of financial products and services</i> .....	216
9.3.3	Role of agents and brokers when renewing an automobile insurance policy.....	216
9.4	Processing a request to terminate or cancel an automobile insurance contract .....	217
9.4.1	Termination of an automobile insurance contract.....	217
9.4.2	Cancellation of an automobile insurance contract.....	218
9.4.2.1	Section 91 of the <i>Automobile Insurance Act</i> .....	219
9.4.2.2	Role of agents and brokers in the cancellation of an insurance contract .....	220
	Recap .....	221

Self-Evaluation Exercise .....	224
Answer Sheet for the Self-Evaluation Exercise .....	228
Review Activity .....	234
<b>Chapter 10</b>	
<b>Guiding the Insured in the Event of a Loss .....</b>	<b>235</b>
10.1 Receipt of a notice of loss from an insured and its transfer to the insurer .....	238
10.1.1 Information to include in a notice of loss .....	238
10.1.2 Broker availability and integrity .....	239
10.1.3 Information to be conveyed to the insured and to the insurer.....	239
10.1.3.1 Bodily injury .....	239
10.1.3.2 Property damage .....	240
10.2 Settling the claim.....	240
10.2.1 Direct Compensation Agreement.....	240
10.2.1.1 Chapter I (section 1): Definitions .....	243
10.2.1.2 Chapter II: Application .....	246
10.2.1.3 Chapter III: Indemnity Rules .....	250
10.2.1.4 Chapter IV: Subrogation .....	257
10.2.1.5 Chapter V: Arbitration .....	261
10.2.1.6 Appendix: Driver's Fault Chart.....	262
10.2.1.7 Driver's Fault Chart.....	266
10.2.2 Documents required to settle a claim.....	266
10.2.2.1 Joint or police report .....	266
10.2.2.2 Supporting documents.....	267
10.2.2.3 Claim and ownership transfer documents .....	267
10.2.3 Follow-ups with the insured and the insurer .....	267
10.2.3.1 The insured's expectations and obligations.....	268
10.2.3.2 Agent's or broker's code of conduct .....	268
Recap .....	269
Self-Evaluation Exercise .....	272
Answer Sheet for the Self-Evaluation Exercise .....	277
Review Activity .....	285
<b>Appendix A: Study Schedule .....</b>	<b>286</b>
<b>Appendix B: Study Plan .....</b>	<b>287</b>
<b>Bibliography .....</b>	<b>289</b>
<b>Glossary .....</b>	<b>291</b>
<b>Index .....</b>	<b>309</b>

# TABLE OF CONTENTS

## Quebec Automobile Insurance Policy Form – Q.P.F. No. 1

<b>Owners' Form</b> .....		1
Q.E.F. No. 2	Vehicles of which named insured is not owner and when driven by named drivers (Section A) .....	35
Q.E.F. No. 3	“Civil liability” coverage for vehicle owned by any Canadian government .....	37
Q.E.F. No. 4a	Transportation of explosives.....	39
Q.E.F. No. 4b	Transportation of radioactive material .....	40
Q.E.F. No. 5a	Vehicles leased or under a contact of leasing <i>Changes when owner and one lessee are mentioned as insureds</i> .....	41
Q.E.F. No. 5b	Leased vehicles for a period of less than one year ( <i>By unnamed lessees</i> ).....	42
Q.E.F. No. 5c	Short-term leased vehicles ( <i>By unnamed lessees</i> ) .....	43
Q.E.F. No. 5d	Conversion of leased vehicles (Section B).....	44
Q.E.F. No. 8	Deductible for property damage (Section A) .....	45
Q.E.F. No. 8a	Deductible for property damage and bodily injury (Section A).....	46
Q.E.F. No. 9	Marine risk exclusion for amphibious vehicles .....	47
Q.E.F. No. 13c	Limitation under Protection 3 for vehicle glass (Section B) ...	48
Q.E.F. No. 16	Suspension of coverage during vehicle storage.....	49
Q.E.F. No. 17	Reinstatement of coverage after vehicle storage .....	51
Q.E.F. No. 19	Limitation of indemnity (Section B).....	52
Q.E.F. No. 20	Travel expenses (Section B) .....	53
Q.E.F. No. 20a	Travel costs ( <i>broad form</i> ) (Section B).....	55
Q.E.F. No. 20b	Travel expenses and Loss of Income (Section B).....	57
Q.E.F. No. 20c	Travel expenses and Loss of Income ( <i>broad form</i> ) (Section B).....	59
Q.E.F. No. 21a	Automobile fleet insurance ( <i>with monthly insurance premium adjustment</i> ).....	62
Q.E.F. No. 21b	Automobile fleet insurance ( <i>with annual insurance premium adjustment</i> ).....	65
Q.E.F. No. 23a	Notice to creditor (Section B) .....	68
Q.E.F. No. 23b	Creditor coverage (Section B) .....	69
Q.E.F. No. 24	Suspension of coverage for fire fighting equipment (Section B).....	71
Q.E.F. No. 25	Changes to the <i>Declarations</i> .....	72
Q.E.F. No. 27	Civil liability resulting from damage caused to vehicles of which named insured is not owner (including vehicles provided by an employer) (Section A) .....	73

Q.E.F. No. 27a	Civil liability resulting from damage caused to vehicles of which named insured is not owner (excluding vehicles provided by an employer) (Section A) .....	76
Q.E.F. No. 28	Limitation of coverage for named drivers .....	79
Q.E.F. No. 28b	Change in amount of insurance on aerodrome premises (Section A).....	80
Q.E.F. No. 29	Extension of coverage for named drivers.....	81
Q.E.F. No. 30	Limitation of coverage for equipment and machinery attached to vehicle (Section A).....	83
Q.E.F. No. 31	Equipment not owned by the named insured .....	84
Q.E.F. No. 32	Recreational-purpose vehicles .....	85
Q.E.F. No. 33	Insurance for roadside assistance costs .....	87
Q.E.F. No. 34	Accident benefits insurance .....	88
Q.E.F. No. 34 (A-B)	Accident benefits insurance ( <i>change to amount of insurance or insured persons</i> ).....	96
Q.E.F. No. 37 (A-B)	Changes to coverage for electronic equipment (Section B) ....	98
Q.E.F. No. 40	Fire deductible (Section B) .....	100
Q.E.F. No. 41	Change to deductibles (Section B).....	101
Q.E.F. No. 43 (A to F)	Change to indemnity (Section B).....	102
Q.E.F. No. 44	Addition of countries or places for application of coverage ....	106
Q.E.F. No. 45	Warranty applicable to theft of entire vehicle (Section B).....	107
<b>Quebec Automobile Insurance Policy Form – Q.P.F. No. 2</b>		
<b>Driver's form</b> .....		109
<b>Quebec Automobile Insurance Policy Form – Q.P.F. No. 4</b>		
<b>Garage form</b> .....		113
Q.E.F. No. 4-2	Vehicles of which the named insured is not the owner and when driven by named drivers (Section A).....	157
Q.E.F. No. 4-5a	Vehicles leased under a contract of leasing <i>Changes when lessor shown as insured</i> .....	158
Q.E.F. No. 4-5d	Conversion of leased vehicles (Section B).....	159
Q.E.F. No. 4-8	Deductible for property damage (Section A) .....	160
Q.E.F. No. 4-8a	Deductible for property damage and bodily injury (Section A).....	161
Q.E.F. No. 4-9	Marine risk exclusion for amphibious vehicles .....	162
Q.E.F. No. 4-16	Suspension of coverage during vehicle storage (Sections A and B).....	163
Q.E.F. No. 4-17	Reinstatement of coverage after vehicle storage (Sections A and B).....	165
Q.E.F. No. 4-19	Limitation of indemnity (Section B).....	166
Q.E.F. No. 4-20	Travel expenses (Section B) .....	167
Q.E.F. No. 4-20a	Travel expenses ( <i>broad form</i> ) (Section B).....	169

Q.E.F. No. 4-20b	Travel expenses and loss income (Section B) .....	171
Q.E.F. No. 4-20c	Travel expenses and loss of income ( <i>broad form</i> ) (Section B).....	173
Q.E.F. No. 4-23a	Notice to creditor (Section B) .....	176
Q.E.F. No. 4-23b	Creditor coverage (Section B) .....	177
Q.E.F. No. 4-25	Changes to <i>Declarations</i> .....	179
Q.E.F. No. 4-27	Civil liability resulting from damage caused to vehicles of which the named insured is not the owner ( <i>including vehicles provided by an employer</i> ) (Section A)....	180
Q.E.F. No. 4-27a	Civil liability resulting from damage caused to vehicles of which the named insured is not the owner ( <i>excluding vehicles provided by an employer</i> ) (Section A)...	183
Q.E.F. No. 4-28	Limitation of coverage for named drivers .....	186
Q.E.F. No. 4-28b	Change in amount of insurance on aerodrome premises (Section A).....	188
Q.E.F. No. 4-30	Limitation of coverage for equipment and machinery attached to vehicle (Section A).....	189
Q.E.F. No. 4-31	Equipment not owned by the named insured (Sections A and B).....	190
Q.E.F. No. 4-32	Recreational-purpose vehicles .....	191
Q.E.F. No. 4-34	Accident benefits insurance .....	192
Q.E.F. No. 4-34 (A-B)	Accident benefits insurance ( <i>change of amounts of insurance or insured persons</i> ).....	200
Q.E.F. No. 4-37 (A-B)	Changes to coverage for electronic equipment (Section B) ...	202
Q.E.F. No. 4-41	Change to deductibles (Section B).....	204
Q.E.F. No. 4-43 (A to F)	Change to indemnity (Section B).....	205
Q.E.F. No. 4-44	Addition of countries or places for application of coverage ....	209
Q.E.F. No. 4-45A	Warranty relating to the risk of theft of entire vehicle (Section B).....	210
Q.E.F. No. 4-45B	Warranty relating to the risk of theft of entire vehicle (Section C).....	211
Q.E.F. No. 4-70	Exclusion of owned vehicles .....	212
Q.E.F. No. 4-74	Additional insured persons .....	213
Q.E.F. No. 4-76	Exclusion of financed vehicles with insurance (Section B).....	214
Q.E.F. No. 4-79	Monthly inventory statement for calculation of final insurance premium .....	215
Q.E.F. No. 4-79a	Calculation of advance insurance premium .....	217
Q.E.F. No. 4-79b	Calculation of final insurance premium .....	219
Q.E.F. No. 4-82 (A to D)	Limitation or exclusion of coverage in case of theft or attempted theft (Sections B and C) .....	221
Q.E.F. No. 4-83	Vehicles rented to other persons for periods of less than one year (unspecified lessees).....	223

<b>Quebec Automobile Insurance Policy Form – Q.P.F. No. 5</b>	
<b>Complementary Insurance for Damage Caused to Insured Vehicle Form</b>	
<b>(Replacement Insurance).....225</b>	
Q.E.F. No. 5-25	Changes to the <i>Declarations</i> .....244
<b>Quebec Automobile Insurance Policy Form – Q.P.F. No. 6</b>	
<b>Non-owned form and endorsements.....245</b>	
Q.E.F. No. 6-4a	Transportation of explosives endorsement.....259
Q.E.F. No. 6-4b	Transportation of radioactive material endorsement .....260
Q.E.F. No. 6-25	Modified Declarations endorsement.....261
Q.E.F. No. 6-28b	Change in coverage on aerodrome premises .....262
Q.E.F. No. 6-44	Territory extension endorsement .....263
Q.E.F. No. 6-83	Rented automobile endorsement (Unspecified lessees).....264
Q.E.F. No. 6-90	Limitation to operation of automobiles by the Insured's employees, shareholders, officers, members, partners or mandataries endorsement .....265
Q.E.F. No. 6-91	Limitation to operation of automobiles by named persons endorsement.....266
Q.E.F. No. 6-92	Limitation to hired automobiles and automobiles operated under contract endorsement .....267
Q.E.F. No. 6-93	Limitation to automobiles owned by named persons endorsement .....268
Q.E.F. No. 6-94	Civil Liability resulting from damage to hired automobiles and/or automobiles operated under contract endorsement....269
Q.E.F. No. 6-95	Limitation to business conducted at specified locations endorsement .....271
Q.E.F. No. 6-96	Contractual liability endorsement .....272
Q.E.F. No. 6-97	Operation by individual named insured endorsement .....273
Q.E.F. No. 6-98	Excluding automobiles personally driven by named person(s) endorsement .....274
Q.E.F. No. 6-99	Excluding long term leased vehicle endorsement .....275
Q.E.F. No. 6-100	Final adjustment of premium computation statement.....276
<b>Quebec Automobile Insurance Policy Form – Q.P.F. No. 7</b>	
<b>Excess liability form .....277</b>	
<b>Quebec Automobile Insurance Policy Form – Q.P.F. No. 8</b>	
<b>Lessor's contingent form and endorsements .....285</b>	
Q.E.F. No. 8-25	Modified Declaration endorsement.....291
Q.E.F. No. 8-79b	Final adjustment of premium computation statement.....292
<b>Other Texts and Forms .....293</b>	
Agreement relating to claims for damage to owned contents and Agreement relating to claims for damage to non-owned contents.....295	



---

Automobile accident report form .....	299
Automobile insurance application (Q.P.F. No. 1 Owners' Form).....	303
Automobile proof of loss – IBC Claim Form No. 2.GST .....	309
Direct compensation agreement .....	313
Disposition of salvage report – IBC Claims Form No. 2B.....	337
Joint report of automobile accident .....	341
Road vehicle accident report (SAAQ) and legend.....	345