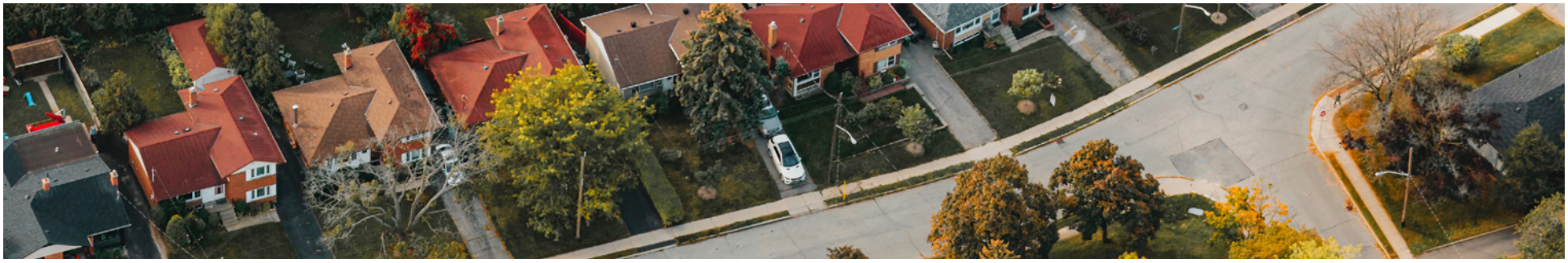
Autorité des marchés financiers

Evaluation Curriculum

Damage Insurance Qualification Program (DIQP)

February 2025





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Presentation of the curriculum

Introduction

The decision to develop an evaluation curriculum in damage insurance reflects the desire of the Autorité des marchés financiers (AMF) to revise the Damage Insurance Qualification Program (DIQP) to assess the competencies of future damage insurance representatives based on the up-to-date professional knowledge and skills that are necessary for a damage insurance broker or agent at career entry.

Development and refinement of the evaluation curriculum

First, an occupational analysis was conducted with the participation of industry experts in order to determine three aspects: the job functions of a new representative, the tasks associated with those functions and the operations involved in performing the various tasks. Then, these three aspects were used to inform the development of a profile of 11 competencies (three specific and eight general) that future brokers and agents must possess at career entry. Finally, the profile was used to build a training curriculum on the identified competencies. The material gathered from the three preliminary steps was then used to prepare a first draft of the evaluation curriculum, so as to be able to evaluate the competencies to be possessed in damage insurance.

The evaluation curriculum is the DIQP component that defines expectations for competency assessment. It consists of a set of evaluation tables that specify the skills that need to be evaluated as part of the certification process. The expert committees that drafted this document were comprised of industry professionals and educators, and AMF measurement and evaluation analysts. These subject matter experts were given the opportunity to analyze, assess and improve the evaluated competencies' relevance, structure and scope. Contents related to each competency were also determined. Based on discussions with the expert committee at the time of validation, the first draft of the evaluation curriculum was adjusted to assess competencies in the damage insurance sector using the following five criteria:

- → Skills needed at career entry
- → Skills needed for consumer protection
- → Evaluation based on competency acquisition
- → Evaluation using multiple-choice questions
- → Open-book evaluation

This development phase provided an opportunity to reorganize the structure and content of the evaluation curriculum to reflect the experts' recommendations. The reorganized version was then submitted to the subject matter experts to confirm and potentially enhance the results of the validation process.

Composition of the evaluation curriculum

The evaluation curriculum consists of four modules:

1) ethics and professional practice,
2) personal property and liability insurance,
3) personal-lines and commercial-lines automobile insurance, and
4) commercial-lines property and liability insurance.

The evaluated competencies for these four modules are described in the following pages.

The competencies presented in the evaluation curriculum stem from the training curriculum, but they are not reproduced integrally and textually. In fact, as opposed to the training curriculum, which includes competencies illustrating the full scope of tasks and operations that can be accomplished by a representative upon career entry, only the competencies that relate to the AMF's mandate as regulator have been selected for certification exams. The evaluation curriculum therefore includes all the aspects that must be mastered to practise ethically, in accordance with consumer rights. It also takes into consideration the fact that competencies are perfected over time, with practical experience.

Each evaluated competency corresponds to a module, and all the modules are equally weighted in the certification process. Which means that all the competencies must be mastered in order to obtain a right to practise. Consequently, the AMF will impose a modular certification process and will offer an exam preparation manual for each of the evaluation curriculum's modules.

The evaluation curriculum's competencies are integrated groups of skills, knowledge, strategies. Every competency is split into components and then into subcomponents, so that the nature, scope and the underlying evaluation objective of each competency is explicit. Competency components are weighted to quantify their relative importance in the exam. Many factors influence a component's weighting, including the component's importance for consumer protection and the complexity and scope of the concepts and contents underlying it.

The competency components and subcomponents refer to processes or results that are contextualized based on the competency to which they refer. To add further specifics to the sub-components, the latter are accompanied by a list of contents providing guidance on the products, knowledge, behaviors or attitudes required to master them. This guidance delimits the scope of evaluation and will be developed in the exam preparation manuals that will be published by the AMF for each module. Additional contents my be addressed by trainers wishing to increase their candidates' employability and ability to advance professionally.

Therefore, each evaluation curriculum module is divided into three main parts:

- → The competency components and subcomponents define the competency's nature and scope.
- → The content requirements define the subject matter to be evaluated that are addressed in the exam preparation manuals.
- → The weighting indicates each competency component's relative importance in the exam, which will translate into a corresponding number of questions.

Due to the information it provides, the evaluation curriculum is at once:

- → An internal tool that will provide the framework for the development of manuals and certification examinations;
- → A pedagogical planning tool that will guide trainers in their course development;
- → An exam preparation tool that will instruct on the nature and scope of the evaluated competencies.

MODULE 1

Ethics and professional practice

Duration of the exam: 75 minutes – **Number of questions:** 35 questions (including 5 pilot questions that do not count in the candidate's score)

Evaluation table for competency 03-124

Set up a professional practice in compliance with the rules governing the activities of damage insurance representatives

The candidate will be able to:			%[1]
1. Understand the legislative framework governing damage insurance	1.1	Distinguish between the different provisions of the *Civil Code of Québec* applicable to the activities of representatives	20%
	1.2	Distinguish between the other sources of law applicable to the activities of damage insurance representatives	
2. Integrate into practice the legal aspects of damage insurance	2.1	Interpret the specific provisions applicable to liability insurance	40%
	2.2	Identify the main provisions and clauses of a damage insurance contract	
	2.3	Contextualize the rules relating to the contract's formation, taking effect and cancellation	
3. Integrate into practice the rules governing the activities of damage insurance representatives	3.1	Distinguish between the roles of the different regulatory and consumer protection agencies in the activities of a representative	40%
	3.2	Integrate into practice the duties and obligations set out in the *Act respecting the distribution of financial products and services*	
	3.3	Integrate into practice the duties and obligations set out in t*he Code of ethics of damage insurance representati*ves	

1. The component's relative importance (weighting) in the overall exam.

Competence 03-124

Set up a professional practice in compliance with the rules governing the activities of damage insurance representatives

Competency components	Subcomponents	Content requirements	%[1]
1. Understand the legislative framework governing damage insurance	1.1 Distinguish between the different provisions of the *Civil Code of Québec* applicable to the activities of representatives	→ General provisions applicable to the activities of representatives → Insurance contract → Mandate → Contractual and extracontractual liability → Obligations and remedies between natural or legal persons → Movable and immovable property → Divided and undivided co-ownership → Compensation → Partnerships → Married, de facto (common-law) or civil union spouses and dependent children → Successions with or without a will and liquidator of the succession → Lessors and lessees → Prescription	20%

1. The component's relative importance (weighting) in the overall exam.

Subcomponents	Content requirements
1.2 Distinguish between the other sources of law applicable to the activities of damage insurance representatives	Sources of law specifically applicable to the activities of damage insurance representatives, including: → *Civil Code of Québec* → *Act respecting the regulation of the financial sector* and its regulations → *Insurers Act* and its regulations → *Act respecting occupational health and safety* and its regulations → *Automobile Insurance Act* and its regulations → *Personal Information Protection and Electronic Documents Act* → *Act respecting the protection of personal information in the private sector* → Professional liability laws → Relevant Canadian (federal) legislation • *Criminal Code* • *Telecommun*ications Act • Canada's anti-spam legislation

Competency components	Subcomponents	Content requirements	%
2. Integrate into practice the legal aspects of damage insurance	2.1 Interpret the specific provisions applicable to liability insurance	→ Contractual liability → Extracontractual liability → Types of injury (bodily, moral, material) → Types of damage covered by insurance contracts → Liability for the act or fault of another person → Liability for the act of a thing → Product liability and the notion of legal warranty → Burden of proof → Grounds of defence and grounds for exoneration of the wrongdoer (defendant) → Provisions pertaining to prescription → Apportionment of liability → No option to choose between the two recourses → Elements of liability → Property damage or bodily injury → Punitive damages → Moratory damages → Product liability and the notion of legal warranty • Contractual liability or the warranty of quality • Extracontractual liability based on safety defects affecting things	40%

	Subcomponents	Content requirements
	2.2 Identify the main provisions and clauses of a damage insurance contract	Rules of the general and specific provisions, in particular: → Provisions relating to damage insurance contracts → Constituting elements of insurance contracts → Characteristics of insurance contracts → Effects of insurance contracts → Rules of interpretation → Insurer's obligations → Insured's obligations → Injured third person's right of action → Parties involved in insurance contracts → Conditions required for the formation of an insurance contract

Subcomponents	Content requirements
2.3 Contextualize the rules relating to the contract's formation, taking effect and cancellation	→ Contract validity criteria → Compensatory nature → Formation of the contract • Insurable interest • Representations and warranties • Effective date • Reinsurance contracts → Content of the contract • Scope of coverage • Limitations and exclusions • Insurance amount • Claim and payment of the indemnity → Insured's obligations • Aggravation of risk • Payment of the premium • Notice of loss → Assignment of insurance and termination of contract → Subrogation (in relation to contract terminations) → Effective date: General rule → Specific provisions relating to public order → Insurance contract term → Contract renewal → Property insurance

Competency components	Subcomponents	Content requirements	%
		→ Liability insurance: General rules → Settlement of claims and appraisal of the damage • Proof of loss • Insurer's waiver • Payment of indemnity • Valuation of damage in property insurance • Determination of the indemnity in property insurance • Payment of indemnity • Subrogation: Principle	
3. Integrate into practice the rules governing the activities of damage insurance representatives	3.1 Distinguish between the roles of the different regulatory and consumer protection agencies in the activities of a representative	→ Canadian Insurance Services Regulatory Organizations (CISRO) → Canadian Council of Insurance Regulators (CCIR) → Autorité des marchés financiers (AMF) → Chambre de l'assurance (CDLA) → Insurance Bureau of Canada (IBC) → Groupement des assureurs automobile (GAA) → Fonds d'indemnisation des services financiers (FISF) (financial services compensation fund)	40%

Subcomponents	Content requirements
3.2 Integrate into practice the obligations and duties set out in the *Act respecting the distribution of financial products and service*s	**Concepts specific to the *Act respecting the distribution of financial products and services* (Distribution Act) and its regulations** → Objective of the Distribution Act → Insurance representative (agent, broker, expert) → Sector and sector classes – certification and registration → Keeping books → Protection of personal information and consumer protection → Representation and solicitation → Professional liability insurance → Distribution without a representative → Ways to carry on business and registration • Way to carry on business • Mandates • Registration and certificate renewal – conditions, commission sharing, obligations

Content requirements
→ Outside activities • Consumer protection objective - Conflicts of interest - Abuse of power - Access to privileged information - Vulnerable clients - Availability - Acting with diligence in conducting activities - Maintaining independence - Processing complaints - Preventing fraud with the Fonds d'indemnisation des services financiers (AMF) (financial services compensation fund) **Representation rules** → Practice conditions and restrictions → Representation and solicitation rules → Rules governing the holding of professional liability insurance

Subcomponents	Content requirements
3.3 Integrate into practice the duties and obligations set out in the *Code of ethics of damage insurance representatives*	→ *Code of ethics of damage insurance representatives* • General provisions • Obligations to the public • Obligations to clients • Obligations to insurers • Obligations to representatives • Obligations to the AMF • Breaches of the Code of ethics

MODULE 2

Personal Property and Liability Insurance

Duration of the exam: 75 minutes – **Number of questions:** 35 questions (including 5 pilot questions that do not count in the candidate's score)

Evaluation table for competency 03-421

Offer personal-lines property and liability insurance products suited to the client's needs and situation

The candidate will be able to:			%[1]
1. Analyze a client's needs based on the risk to be insured	1.1	Analyze needs using the relevant collected information concerning the client and the risk to be insured	30%
	1.2	Analyze the physical and moral risk to be insured and its eligibility	
2. Recommend coverages suited to the client's needs based on the risk to be insured	2.1	Analyze available basic coverages suited to the client's needs based on the risk to be insured	40%
	2.2	Analyze available endorsements suited to the client's needs based on the risk to be insured	
	2.3	Propose different insurance products to the client, comparing the advantages and limitations of each one as regards the scope of coverage	
3. Support the client before, during and after the validity period of purchased policies	3.1	Process contract amendment, renewal and termination applications in regard to the client's situation and the risk he represents	30%
	3.2	Inform the client of the claims process in the event of a loss and the terms and conditions of contract cancellation	

1. The component's relative importance (weighting) in the overall exam.

Competency 03-124

Offer personal-lines property and liability insurance products suited to the client's needs and situation

Competency components	Subcomponents	Content requirements	%[1]
1. Analyze the client's needs based on the risk to be insured	1.1 Analyze needs using the relevant information gathered about the client and the risk to be insured	**Analyze a client's needs and situation** → Information about the insured → Consulting the property and liability insurance application → Information about the risk to be insured → Determining an insured's needs → Nature and contents of the application → Determining the type of insurance which meets the insured's needs → General contents of a home insurance policy	30%
	1.2 Analyze the physical and moral risk to be insured and its eligibility	**Physical risk** → Concept of physical risk in personal-lines property and liability insurance → Key physical risks in personal-lines property and liability insurance • Types of dwellings and their impact on the premium - Single-family homes - Multiplexes - Mobile homes - Homes that are rented out - Co-ownership units • Other property • Civil liability	

1. The component's relative importance (weighting) in the overall exam.

	Content requirements
	→ Claims history → Analysis questionnaire and information to be gathered about physical risks **Moral risk** → Concept of moral risk in personal-lines property and liability insurance → Key moral risks in personal-lines property and liability insurance → Consent and authorizations to be obtained • Claims history (information on property maintenance, prior losses – causes and number, denial of insurance, cancellation or termination of contracts) • Authorization to consult credit report and court records (plumitif) → Analysis questionnaire and information to be gathered about moral risks → Moral risk and eligibility for insurance → Information on the insured → Legal obligations → Insurable interest in the property **Risk eligibility** → Underwriting standards • Standard market • Specialized or non-standard market → Checking with insurers

Competency components	Subcomponents	Content requirements	%
2. Recommend coverages suited to the client's needs based on the risk to be insured	2.1 Analyze available basic coverages available suited to the client's needs based on the risk to be insured	→ Insurance application and insurance policy • Policy structure, wording and contents • General provisions → Coverages → Underwriting process → Personal-lines property damage insurance and liability insurance (forms) and their scope (conditions, limitations and exclusions) → Suitability of products – alignment of protections with risks → Main home insurance products • Homeowners personal property insurance (IBC 1501Q, IBC 1502Q and IBC 1503Q) • Tenants personal property insurance (IBC 1506Q and 1507Q) • Condominium unit owners personal property insurance (IBC 1510Qr and 1511Qr) • Building and contents insurance (IBC 1521Q and 1522Q) • Seasonal dwelling insurance (IBC 1523Q)	40%
	2.2 Analyze available endorsements suited to the client's needs based on the risk to be insured	→ Endorsements and their scope (conditions, limitations and exclusions) → Main endorsements • IBC 1548Q; IBC 1549Q; IBC 1550Q; IBC 1552Q; IBC 1553Q; IBC 1554Qr; IBC 1557Q; IBC 1558Q; IBC 1560Q; IBC 1561Qr; IBC 1562Qr; IBC 1563Q; IBC 1567Q; IBC 1570Q; IBC 1580Q; IBC 1581Q; IBC 1599Q	

Subcomponents		Content requirements
		→ Other endorsements • Legal insurance • Recreational vehicle insurance • Personal-lines liability insurance • Catch-all endorsement • Identity theft insurance • Handwritten endorsements → Other insurance products • Pleasure craft insurance • Supplementary legal liability insurance for individuals (umbrella)
2.3	Propose different insurance products to the client, comparing the advantages and limitations of each one as regards the scope of coverage	→ Advisory role in personal-lines property and liability insurance (comparing the proposals while explaining the entire offer and making the insured aware of the consequences of refusing coverage) → Terms that are negotiable (with the insurer) → Required approvals → Elements to be annotated in the client record → Use of the mechanism for accessing insurance in the event of refusal → Insurer acceptance of the risk: underwriting insurance → Proposing various offers to the insured

Competency components	Subcomponents	Content requirements	%
3. Support the client before, during and after the validity period of purchased policies	3.1 Process contract amendment, renewal and termination applications in regard to the client's situation and the risk he represents	→ Elements of the client record to be updated (client's situation and activities) → Policy amendment applications from a client • Update that could require a new assessment – analysis of the new risk • Acceptance (amendment of the contract) or refusal (termination by the insurer) • Termination procedure • Cancellation by the insured → Policy renewal • Validation of risk • Acceptance or refusal of renewal → Regulatory limits – transaction processing time	30%
	3.2 Inform the client of the claims process in the event of a loss and the terms and conditions of contract cancellation	→ Assistance procedures in the event of a loss • Transfer to the claims department → Claim processing → Applying good practices → Submitting a notice of loss • Information to be provided to the insurer • Follow-up with the insured and settling the file → Termination of the contract → Processing terminations • Cancellation procedure	

MODULE 3

Personal-lines and commercial-lines automobile insurance

Duration of the exam: 75 minutes – **Number of questions:** 35 questions (including 5 pilot questions that do not count in the candidate's score)

Evaluation table for competency 03-422

Offer personal-lines and commercial-lines automobile insurance products suited to the client's needs and situation

The candidate will be able to:			%[1]
1. Assess the client's needs and the risk he represents	1.1	Analyze needs using the relevant information gathered about the client and the risk to be insured	30%
	1.2	Analyze the physical and moral risk to be insured and its eligibility	
2. Recommend a product suited to the client's needs based on the risk to be insured	2.1	Analyze the available basic coverages suited to the client's needs based on the risk to be insured	40%
	2.2	Analyze available endorsements suited to the client's needs based on the risk to be insured	
	2.3	Propose different insurance products to the client, comparing the advantages and limitations of each one as regards the scope of coverage	
3. Support the client before, during and after the validity period of purchased policies	3.1	Process contract amendment, renewal and termination applications in regard to the client's situation and the risk he represents	30%
	3.2	Inform the insured of the claims process in the event of a loss and the terms and conditions of contract cancellation	

1. The component's relative importance (weighting) in the overall exam.

Compétence 03-422

Offer personal-lines and commercial-lines automobile insurance products suited to the client's needs and situation

Competency components	Subcomponents	Content requirements	%[1]
1. Analyze the client's needs and the risk he represents	1.1 Analyze needs using the relevant information gathered about the client and the risk to be insured	→ Analysis of the client's needs and situation → Required information for risk analysis • Claims history and court records (plumitif) • Analysis of driving records (Société de l'assurance automobile du Québec [SAAQ]) • Insurance application history • Analysis of the business's record (Commission des transports du Québec (CTQ)) • Analysis of the Registraire des entreprises du Québec (REQ) → Consulting the application for personal-lines and commercial-lines automobile insurance → Information about the risk to be covered in personal-lines insurance → Information about the persons to be insured in commercial-lines insurance → The risk to be covered in commercial-lines insurance	30%
	1.2 Analyze the physical and moral risk to be insured and its eligibility	**Physical risk** → Concept of physical risk in personal-lines and commercial-lines automobile insurance	

1. The component's relative importance (weighting) in the overall exam.

Content requirements

→ Key physical risks
- Vehicle
- Use of vehicle
- Drivers
- Vehicle category according to the SAAQ

→ Consulting the automobile claims database

→ Analysis questionnaire and information to be gathered about physical risks

→ Claims history

→ Number of years of previous insurance

→ Driver experience letter (client from outside Québec)

Moral risk

→ Concept of moral risk in personal-lines and commercial-lines automobile insurance

→ Key moral risks in personal-lines and commercial-lines automobile insurance

→ Consent and authorizations to obtain
- Checking the credit report and court ledger (plumitif)
- Checking the driving record held by the SAAQ
- Checking the business's record with the CTQ

→ PEVL: Propriétaire exploitant de véhicules lourds (owners and operators of heavy vehicles) (a report that may be checked to analyze risk)

→ Analysis questionnaire and information to be gathered about moral risks

→ Insurable interest in the vehicle

→ Automobile insurance markets and products available to agents and brokers
- Access to insurance mechanism – the Groupement des assureurs automobiles (GAA)

Competency components	Subcomponents	Content requirements	%
2. Recommend a product suited to the client's needs based on the risk to be insured	2.1 Analyze available basic coverages suited to the client's needs based on the risk to be insured	→ Application and insurance policy → Coverages → Conditions, limitations and exclusions → Underwriting process → Automobile insurance products (forms) and their scope • Q.P.F. No. 1 • Q.P.F. No. 2 • Q.P.F. No. 4 • Q.P.F. No. 5 • Q.P.F. No. 6 → Product eligibility based on risk	40%
	2.2 Analyze available endorsements suited to the client's needs based on the risk to be insured	→ Endorsements available and their scope • Q.P.F. No. 5; Q.E.F. No. 8; Q.E.F. No. 9; Q.E.F. No. 13c; Q.E.F. No. 16; Q.E.F. No. 17; Q.E.F. No. 19; Q.E.F. No. 20; Q.E.F. No. 23a; Q.E.F. No. 27; Q.E.F. No. 31; Q.E.F. No. 32; Q.E.F. No. 33; Q.E.F. No. 34 (A-B); Q.E.F. No. 43 (A to F); Q.E.F. No. 45; Q.E.F. No. 48; Q.E.F. No. 2; Q.E.F. No. 6-94; Q.E.F. No. 28; Q.E.F. No. 37 (A-B); Q.E.F. No. 40; Q.E.F. No. 41 → Conditions, limitations and exclusions → Coverages → Endorsement eligibility based on risk	

Subcomponents	Content requirements
2.3 Propose different insurance products to the client, comparing the advantages and limitations of each one as regards the scope of coverage	→ Advisory role in automobile insurance (comparing products with explanation of the offer, explaining to the insured the consequences of refusing coverage) → Administrative formalities for entering into the sale • Documents to be provided (contract of purchase, proof of marking or tracking system, proof of insurance, banking information, copy of REQ declaration, SAAQ record, registrations, picture(s) of the vehicles/equipment) • Client record • Signature required for a formal undertaking → Options available in the event of refusal → Product proposal based on the risk to insure • Policy forms for the risk to be insured • Endorsement forms for the risks to be insured → Preparing the application for the insured based on the risk to be insured • Representative's obligations • Premium setting • Underwriting process • Factors for premium setting • Policy pricing • Comparing product offerings • Policy forms → Documenting the client's file

Competency components	Subcomponents	Content requirements	%
3. Support the client before, during and after the validity period of purchased policies	3.1 Process contract amendment, renewal and termination applications in regard to the client's situation and the risk he represents	→ Processing client policy change requests • Update that could involve performing a new analysis – analysis of new risk • Acceptance (modification of contract) or refusal (termination by the insurer) • Endorsements that change the scope of coverage or increase the insured's obligations • Premium adjustments • The role of the agent or broker at the time of modification of an insurance contract – delivery of documents to the insured and the insurer → Processing cancellation requests • Termination procedure • Role of agents and brokers in the cancellation of an insurance contract → Processing renewals • Validation of risk • Acceptance or refusal of renewal • Role of agents and brokers when renewing an automobile insurance policy • Regulatory limits – transaction processing time	30%

Subcomponents	Content requirements
3.2 Inform the insured of the claims process in the event of a loss and the terms and conditions of contract cancellation	→ Assistance procedures in the event of a loss • Transfer to the claims department • Information to be provided to the insurer • Rights and obligations of the insured in the event of a loss • Follow-ups with the insured and the insurer • Broker availability and integrity → Contract termination requested by the insurer → Processing terminations • Cancellation procedure

MODULE 4

Commercial-lines Property and Liability Insurance

Duration of the exam: 120 minutes – **Number of questions:** 45 questions (including 5 pilot questions that do not count in the candidate's score)

Evaluation table for competency 03-423

Offer commercial-lines property and liability insurance products suited to the client's needs and situation

The candidate will be able to:			%[1]
1. Analyze the client's needs based on the risk to be insured	1.1	Analyze needs using the relevant information gathered about the client and the risk to be insured	30%
	1.2	Analyze the physical and moral risk to be insured and its eligibility	
2. Recommend coverages suited to the client's needs based on the risk to be insured	2.1	Analyze available basic coverages suited to the client's needs based on the risk to be insured	40%
	2.2	Analyze available endorsements suited to the client's needs based on the risk to be insured	
	2.3	Propose different insurance products to the client, comparing the advantages and limitations of each one as regards the scope of coverage	
3. Support the client before, during and after the validity period of purchased policies	3.1	Process contract amendment, renewal and termination applications in regard to the client's situation	30%
	3.2	Inform the client of the claims process in the event of a loss	

1. The component's relative importance (weighting) in the overall exam.

Competency 03-423

Offer commercial-lines property and liability insurance products suited to the client's needs and situation

Competency components	Subcomponents	Content requirements	%[1]
1. Analyze the client's needs based on the risk to be insured	1.1 Analyze needs using the relevant information gathered about the client and the risk to be insured	→ Analyzing the client's needs and situation → Concept of prequalification and its importance → Information required for prequalification • Business history (years in operation) • Insurance application history • Service or product offered • Estimate of potential operating losses in the event of a loss - Methods and financial information required to determine potential operating losses - Calculations → Insurance needs analysis for renewals • Elements of the needs analysis to be considered upon renewal → Circumstances requiring a new analysis → Commercial insurance application • Rules and practices in direct damage insurance • Rules and practices in indirect damage insurance • Rules and practices in commercial extended coverage insurance • Rules and practices in commercial-lines liability insurance	30%

1. The component's relative importance (weighting) in the overall exam.

Subcomponents		Content requirements
		→ Market segmentation → Insured's experience in their industry → Factors affecting the premium • industry • heating system • claims history • competition or the impact of supply and demand (market cycle – hard market/soft market)
1.2	Analyze the physical and moral risk to be insured and its eligibility	**Physical risk** → Concept of physical risk in commercial-lines property and liability insurance → Key physical risks by type of insurance risk in property insurance → Disclosure of claims history → Analysis questionnaire and information to be gathered about physical risks → Risks related to various buildings and subject to inspection by insurers • occupancy • age of the building • major renovations versus aesthetic renovations • location risks • Risks related to the building envelope • Risks related to the systems of the various buildings

Content requirements

- Electrical system
- Building mechanics
  - ► Plumbing
  - ► Heating
  - ► Ventilation
  - ► Air conditioning and chilled water
  - ► Fire and theft protection
  - ► Natural gas and liquefied petroleum gas (propane)
  - ► Compressed air, medical gases and vacuum
- Other systems
  - ► Elevators, hoists and conveyors
  - ► Security
  - ► Structured cabling systems

• Equipment risks

• Risks related to merchandise

→ Risks related to rental spaces and commercial buildings

• Risks related to the envelope of a building with rental and commercial spaces

• Risks related to the systems of a building with rental and commercial spaces

• Risks related to the equipment of a building with rental and commercial spaces

	Content requirements
	→ Risk eligibility → Risk splitting and participating policy **Moral risk** → Concept of moral risk in commercial-lines property and liability insurance → Key moral risks in commercial-lines property and liability insurance • Risk related to the person • Risk related to the person's attitude → Information to obtain for moral risk analysis • Business's financial statements - Liquidity coverage ratios (short-term solvency) - Financial ratios (long-term solvency) - Management ratios - Profitability ratios - Investment ratios → Consent and authorizations to be obtained • Disclosure of claims history • Authorization to consult credit report → Risk eligibility → Risk splitting and participating policy → Protection against certain risks • Public fire protection

Content requirements

- Service effectiveness
- Convenient location of services

→ Private prevention and protection systems

- Inspection reports
- Fire prevention and protection systems
- Theft and vandalism prevent and protection systems

→ Other factors relating to indirect damage insurance

- Business categories
- Supplier risks
- Client risks
- Energy risks

Commercial liability

Two types of risk: moral risk and physical risk

→ Market segmentation in commercial-lines liability insurance

- Small commercial risks
- Large commercial risks
- Industrial and product manufacturing risks
- Special risks
- Physical (objective) risk
- Location
- Insured’s activities
- Moral (subjective) risk
- Company-specific risk
- Company administration risk
- Applicant’s claims history

Competency components	Subcomponents	Content requirements	%
		→ Contractual liability → Setting of minimum insurance amount required → Extracontractual liability under a contract → Risk assessment and amount of insurance • Role of the firm's accountant • Role of the building appraiser • Role of the representative and the underwriter	
2. Recommend coverages suited to the client's needs based on the risk to be insured	2.1 Analyze available basic coverages suited to the client's needs based on the risk to be insured	→ Insurance policy and application – Form: • Coverages • Conditions, limitations and exclusions → Co-insurance → Underwriting process → Factors influencing pricing in commercial-lines property and liability insurance → Availability of products and alignment of protections with risks → Direct damage insurance products for businesses • IBC 4036; IBC 4037; IBC 4022	40%

Content requirements

→ Indirect damage insurance products for businesses
- IBC 4106A and IBC 4106B
- IBC 4107A and IBC 4107B
- IBC 4108A and IBC 4108B
- IBC 4109A and IBC 4109B
- IBC 4110A and IBC 4110B

→ Main forms and endorsements used in commercial extended coverage insurance
- IBC 5000
- Builders risk
  - IBC 4042
- Contractors' equipment insurance
- Boiler and machinery insurance (equipment breakdown insurance)
- Motor truck cargo insurance
- Depositary's insurance (bailee's insurance)
- Other frequently purchased coverage
  - Glass breakage insurance
  - Computer protection and data processing media coverage
  - Office contents insurance
  - Accounts receivable insurance
  - Valuable papers and records insurance
- Comprehensive commercial insurance

Subcomponents	Content requirements
	→ Commercial General Liability Policy (IBC Form 2100) → Various forms for commercial-lines liability and professional liability • Commercial General Liability Policy – IBC 2200 • Professional liability insurance • Directors and officers liability insurance • Warehouseman's legal liability insurance • Motor truck cargo carrier's liability insurance • Excess liability insurance and umbrella liability insurance • Wrap-up liability insurance
2.2 Analyze available endorsements suited to the client's needs based on the risk to be insured	→ Endorsements – Forms • Coverages • Conditions, limitations, extensions and exclusions → Underwriting process → Availability of products and alignment of protections with risks → Main endorsements (direct damage insurance for businesses) • IBC 4005; IBC 4016; IBC 4039; IBC 4045; IBC 4050; IBC 4052; IBC 4053; IBC 4054; IBC 4055; IBC 4056; IBC 4076 • Foundation exclusion clause • Vacancy or unoccupancy permit → Business interruption endorsements • IBC 4116; IBC 4016; IBC 4117; IBC 4139; IBC 4155; IBC 4156; IBC 4157; IBC 4158; IBC 4055; IBC 4159; IBC 4179

	Content requirements
	→ Builders risk endorsements • IBC 4043 • IBC 4044 • Hoarding endorsement • Watchman endorsement → Common endorsements in boiler and machinery insurance • Water damage and ammonia contamination • Indirect loss endorsement • Professional fees → Common endorsements and other forms used in commercial-lines liability insurance • IBC 2301; IBC 2302; IBC 2303; IBC 2304; IBC 2305; IBC 2307; IBC 2308; IBC 2313; IBC 2328; IBC 2341; IBC 2342 • Employee benefit programs liability endorsement • Product recall insurance endorsement • Elevator collision endorsement • Non-Owned Form (Q.P.F. No. 6)

Subcomponents	Content requirements
2.3 Propose different insurance products to the client, comparing the advantages and limitations of each one as regards the scope of coverage	→ Techniques for comparing various proposals → Alignment with needs → Presentation techniques and plain-language explanations for clients in commercial-lines property and liability insurance → Negotiable terms (with the insurer) → Negotiation approach (risk management with the client) → Required approvals → Elements to be annotated in the client record → Formalities for closing the sale • Documents to be provided (certificate of location, sprinkler system and alarm certification, assessment, proof of insurance, banking information) • Client record • Signature required for a formal undertaking, if applicable → Using the mechanism for accessing insurance in the event of refusal → Similarities between IBC Form 4037 and IBC Form 4036 → Differences between IBC Form 4037 and IBC Form 4036 → Differences between IBC Form 4022 and IBC Form 4037 → Calculating the minimum insurance amount required based on the form used • Business income forms (IBC 4106, IBC 4107) • Rental income forms (IBC 4108, IBC 4109)

Competency components	Subcomponents	Content requirements	%
3. Support the client before, during and after the validity period of purchased policies	3.1 Process contract amendment, renewal and termination applications in regard to the client's situation	→ Automatic renewal versus renewal with representative's involvement • Underwriting process as part of a renewal • Product comparison techniques at renewal • Risk placement with another insurer • Risk sharing among several insurers → Updating record and market analysis based on the transaction → Regulatory limits – transaction processing time → Cancellation versus non-renewal procedure • Cancellation by the insurer • Cancellation by the insured → End of mandate → Processing change requests • Modifications made at renewal • Modification made during the policy term → Assignment of insurance (articles 2475 and 2476 of the *Civil Code of Québec*) → Processing terminations	30%
	3.2 Inform the client of the claims process in the event of a loss	→ Assistance procedures in the event of a loss • Transfer to the claims department • Information to be provided to the insurer • Follow-ups with the insured and the insurer → Elements of the client record to be updated (client's situation and activities)	

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