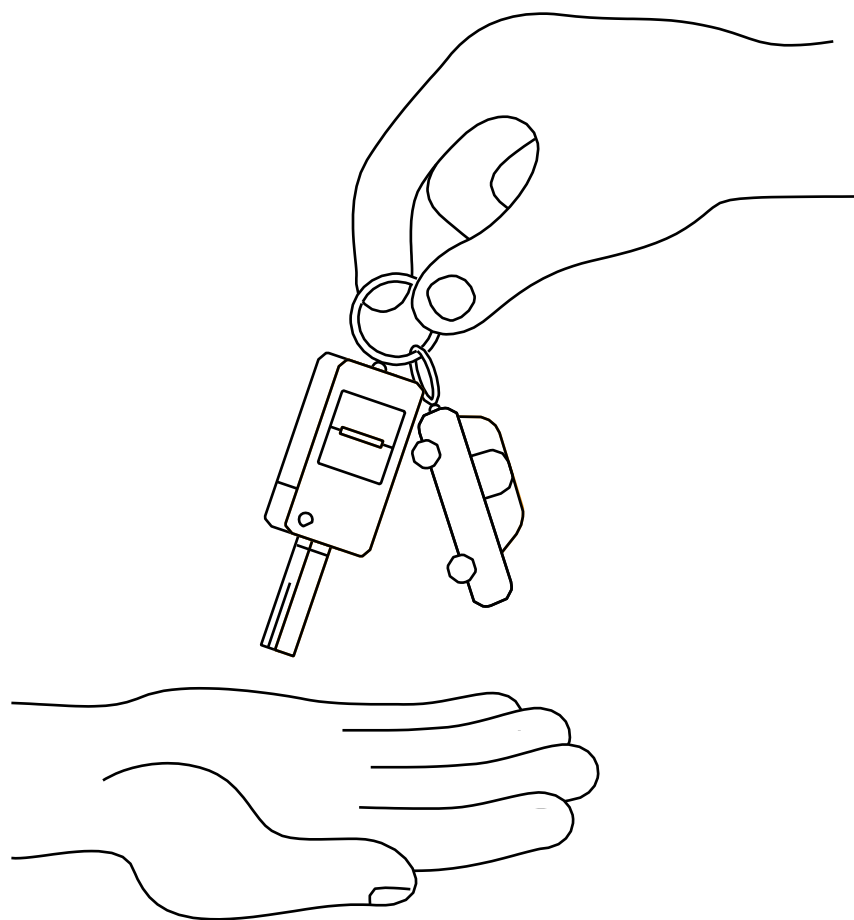


Insurance for drivers who do not own a vehicle

Québec Automobile Insurance Policy
Form (Q.P.F.)

No. 2



Standard document
approved by the *Autorité
des marchés financiers*

This insurance covers you when you rent or borrow a vehicle

It covers you when the vehicle you have rented or borrowed damages the property, injures or causes the death of another person. It also covers you when the rented or borrowed vehicle is damaged or stolen.

The following is an overview of your protections

You are the only person covered by this insurance. It is for you if you are not the **owner** of a vehicle. The insurance is divided into three types of protection:



Contact us if you have new information that could affect your risk profile

We have determined the amount of your premium based on the information you reported to us before entering into the contract. You must therefore promptly report any changes to us that may affect your risk profile.

Examples of information to be reported to us:



You purchase a vehicle or lease one under a long-term contract



You plan to rent or borrow a vehicle belonging to a different category than the one indicated in *Your Declarations*



You plan to use the vehicle for a different purpose than the one indicated in *Your declarations*



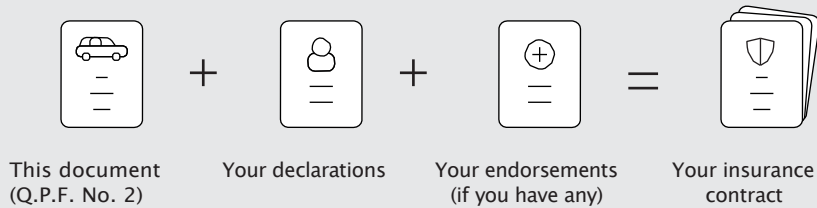
You move



You are convicted of an offence under the *Highway Safety Code* or of a criminal offence

← The obligation to report information is described in the section entitled *Mandatory information to be reported*. When in doubt, it is best to contact us.

Your insurance contract consists of several documents



- This document (Q.P.F. No. 2) contains your protections, exclusions that may apply, and other relevant information.
- *Your declarations* contain information specific to your situation.
- Your endorsements extend or limit your insurance coverage. They are known as Québec Endorsement Forms, or Q.E.F.s. If you have any endorsements, they are indicated in *Your declarations*.

Remember to read the definitions of the words in boldface

The words shown in boldface in this document (Q.P.F. No. 2) and the endorsements are explained in the *Definitions* section. The endorsements may also contain definitions specific to them.

These initial pages provide general explanations concerning your insurance contract. They must not be interpreted to create any right or protection that is not set out in the following pages.

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1 Your protections

1.1 Protection 1

Damage caused BY the vehicle



1.1.1 We will protect you if you are liable for damage caused BY the vehicle

The rented or borrowed vehicle may cause damage to the property of another person (property damage). It may also cause physical or mental injury to another person, including death (bodily injury).

If you are civilly liable for the damage or injury because you were driving, were using or had custody of the vehicle when the loss happened, we will cover any financial consequences you may incur.

← [art. 2463 of the Civil Code](#)

1.1.2 The owner's insurance will apply first

The insurance of the **owner** of the rented or borrowed vehicle will apply first.

If the **owner's** insurance is insufficient, we will intervene if the financial consequences you may incur exceed the amount that must be covered by the **owner's** insurer:

- under the **owner's** insurance contract, or
- by law

← [ss. 111, 112 and 119 of the Automobile Insurance Act](#)

1.1.3 We will not pay more than the amount of insurance

The amount of insurance indicated in *Your declarations* is the maximum indemnity that we might pay per loss. This limit applies even if:

- the vehicle causes damage or injury to more than one person
- the vehicle causes bodily injury and property damage
- more than one vehicle rented or borrowed by you is involved in the same loss

← [For example, if you rent or borrow a car and a trailer](#)

1.1.4 We may increase the amount of your insurance if the loss occurs elsewhere in Canada or in the United States

The laws applicable to automobile insurance elsewhere in Canada or in the United States may impose a minimum amount of insurance. If the amount of your insurance is less than the minimum amount imposed by the law in force in the place where the loss occurred, we will increase it to that minimum amount. The amount will be adjusted even if the law applies solely to vehicle **owners**.

1.2

Protection 2

Damage caused TO the vehicle



1.2.1

We will protect you if you are liable for damage caused TO the vehicle

The **owner** of the rented or borrowed vehicle may claim damages from you for:

- property damage to, including theft of, the vehicle, its equipment or accessories
- the losses resulting from the vehicle having been rendered unusable by the property damage

If you are civilly liable for the damage because you were driving, were using or had custody of the vehicle at the time of the loss, we will pay the amount of damages you are liable for.

← art. 2463 of the *Civil Code*

1.2.2

We may also protect you in certain cases where you are not liable for the damage

If you are not liable for, but would nonetheless like to cover, the damage, you can ask us to pay for it and we will cover you in the same way as if you were liable. This is known as *voluntary compensation*.

However, voluntary compensation is not possible where a law requires the **owner** to personally file the claim with his or her insurer. This is the case, for example, when the *Direct Compensation Agreement* applies.

← ss. 116 and 173 of the *Automobile Insurance Act*

1.2.3

We will not pay more than the amount of insurance

The amount of insurance indicated in *Your declarations* is the maximum indemnity that we might pay per loss.

If you have rented or borrowed more than one vehicle and the vehicles are damaged during the same loss, the amount of insurance applies per vehicle.

1.2.4

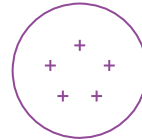
You must pay the deductible

The deductible indicated in *Your declarations* is the amount you must assume in the event of a claim.

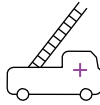
If you have rented or borrowed more than one vehicle and the vehicles are damaged during the same loss, the deductible will apply per vehicle.

1.3

Protection 3 Defence of your interests and other covered costs



Defence
costs



Fire
department
service
charges



Towing
costs



General
average
costs



Customs
duties

We pay the following costs in addition to the amounts of insurance provided for under Protections 1 and 2. However, we do not pay these costs if the loss is subject to an exclusion that applies to Protections 1 or 2.

1.3.1

Defence in a legal action and defence costs

Whether you are liable or not, we will cover your defence if a lawsuit is brought against you in relation to an automobile loss that happened while you were driving, were using or had custody of the vehicle.

We will also cover the costs resulting from the legal action, including the legal costs. We will likewise pay the interest on the amount of insurance.

← [art. 2503 of the Civil Code](#)

1.3.2

Costs claimed by a municipality for the response of its fire department

If a municipality's fire department responded to an automobile loss in order to prevent or fight a fire in the vehicle, the municipality can claim certain costs set out in the *Act respecting municipal taxation* and its regulations from the **owner** of the vehicle. If these costs are claimed from you, we will cover them.

1.3.3

Towing costs, general average costs and customs duties

We will cover the following costs if they are claimed from you:

- towing, recovery and storage costs
- general average costs
- Canadian and U.S. customs duties

2 Exclusions

2.1 Exclusions that apply to Protections 1 and 2

Excluded uses	<p>We will not cover losses that occur while the vehicle is being used:</p> <ul style="list-style-type: none">• as a taxicab, sightseeing vehicle, bus, coach or other chauffeur-driven vehicle• to carry explosives• to carry radioactive material for research, education, development, industrial or other related purposes
Prohibited situations and uses	<p>We will not cover losses that occur when the vehicle is being driven by another person, unless the person is driving it in connection with a garage business</p> <p>We will not cover losses that occur when the vehicle is rented or loaned to another person</p> <p>We will not cover losses that occur when you drive or operate the vehicle in the following situations:</p> <ul style="list-style-type: none">• You are under 16 years of age or the legal age to drive, and you are not authorized to drive by law or are not qualified to drive or operate the vehicle• You are engaged in illicit trade or transportation• You are participating in a race or speed test
Theft of vehicle	<p>We will not cover losses that occur when the vehicle has been stolen by you or with your assistance</p>
Intentional fault	<p>We will not cover losses resulting from your intentional fault</p>

← However, these uses may be covered through an endorsement or a statement in *Your declarations*.

← These situations and uses cannot be insured by way of an endorsement or by specifying them in *Your declarations*.

← art. 2464 of the *Civil Code*

Exclusions that apply to Protection 1



<p>Bodily injury when compensation is provided for under legislation</p>	<p>We will not cover bodily injury when compensation is provided for under the:</p> <ul style="list-style-type: none"> • <i>Automobile Insurance Act</i>, except where this statute does not apply • <i>Act respecting industrial accidents and occupational diseases</i> • <i>Crime Victims Compensation Act</i>
<p>Bodily injury caused to your employee</p>	<p>We will not cover bodily injury caused to your employee where he or she is engaged in the operation or repair of the rented or borrowed vehicle.</p>
<p>Damage caused to a person engaged in a garage business</p>	<p>We will not cover bodily injury or property damage that is caused to a person engaged in a garage business while the rented or borrowed vehicle is in that person's custody.</p>
<p>Liability imposed under an act</p>	<p>We will not cover any liability imposed on you under workers' compensation legislation.</p>
<p>Nuclear hazard</p>	<p>We will not cover bodily injury or property damage caused by a nuclear hazard.</p> <p>A nuclear hazard is a risk arising from the hazardous nature of substances referred to in the <i>Nuclear Safety and Control Act</i> and its regulations that have radioactive, toxic or explosive properties.</p>

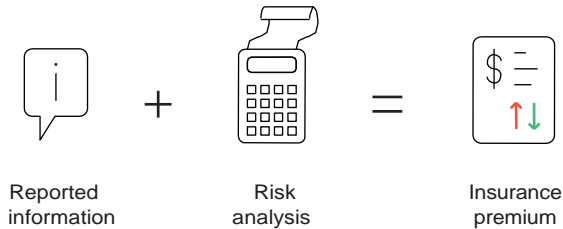
Exclusions that apply to Protection 2



Wear and tear of vehicle	We will not cover normal wear and tear, gradual deterioration, rust or corrosion.
Mechanical failure, freezing and breakdown	We will not cover mechanical failure, explosion within the combustion chamber, breakdown or freezing of the vehicle, except if such damage results from a loss for which you are covered.
Conflicts and political tensions	<p>We will not cover, to any extent, any damage caused by the following, whether or not war is declared:</p> <ul style="list-style-type: none"> • bombardment • civil war • insurrection • invasion • military power • operation of armed forces while engaged in hostilities • rebellion • revolution • usurped power

3 Mandatory information to be reported

Why do you have to report certain information to us? So that we can analyze your risk profile and determine your premium payable.



3.1 Information to be reported BEFORE entering into the contract

3.1.1 You must report any facts to us that could influence an insurer's analysis of your risk profile

← art. 2408 of the *Civil Code*

You must report all facts to us that are known to you and that could materially influence an insurer's:

- analysis of your risk profile
- decision to cover or not cover the risk
- premium calculation

You are not required to report facts already known to us or which we are presumed to know because of their notoriety. However, you must answer any questions we may ask you about those facts.

3.1.2 The same obligation applies to any person who submits the insurance application on your behalf

← art. 2408 of the *Civil Code*

If another person submitted the insurance application on your behalf (called the "client"), that person is bound by the same obligation. If necessary, we may ask you for additional information.

3.2 Information to be reported DURING the contract period

3.2.1 You must report any new circumstances to us that adversely affect your risk profile for an insurer

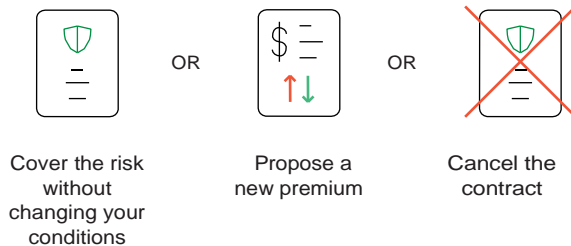
← art. 2466
of the *Civil Code*

You must promptly report any new circumstances or changes to us that adversely affect your risk profile. They must be circumstances that result from events within your control and that, due to their nature, could materially influence a reasonable insurer's:

- analysis of your risk profile
- decision to cover or not cover the risk
- premium calculation

3.2.2 What we may do if your risk profile is adversely affected

← arts. 2467 and 2477
of the *Civil Code*



- **Cover the risk without changing your conditions**

If we continue to accept the premium paid by you or we pay an indemnity after a loss, you can assume we have accepted the new circumstances.

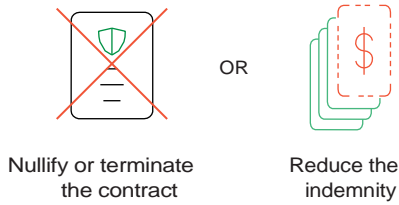
- **Propose a new premium**

We may propose a new premium to you in writing. You will have to pay the new premium within 30 days of the proposal; otherwise, your insurance contract will terminate.

- **Terminate the contract (called “cancelling”)**

We may cancel the contract while satisfying the conditions set out in the *Insurance contract period* section.

3.3 Consequences of misrepresentation or unreported information



3.3.1 We may nullify or terminate the contract

- **Did you fail to fulfill your obligation BEFORE entering into the contract?**

We will nullify your contract if the misrepresentation or the information that was not reported, whether intentionally or unintentionally, could significantly influence a reasonable insurer’s decision to cover or not cover the risk.

← art. 2410 of the *Civil Code*

Nullifying the contract means that we will act as if it had never existed.

- **Did you fail to fulfill your obligation DURING the contract period?** We will terminate your contract (called “cancellation”) if the information that was not reported, whether intentionally or unintentionally, could significantly influence a reasonable insurer’s decision to cover or not cover the risk. For us to cancel the contract, we must satisfy the conditions set out in the *Insurance contract period* section.

← art. 2466 of the *Civil Code*

Cancelling the contract means that it has existed but ends on a specific date.

3.3.2 We may reduce the indemnity

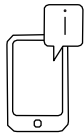
If we are unable to establish that the misrepresentation or the information that was not reported, whether intentionally or unintentionally, could significantly influence a reasonable insurer’s decision to cover or not cover the risk, we will reduce the amount of the indemnity, in which case we will calculate the indemnity payable as follows:

← art. 2411 of the *Civil Code*

$$\frac{\text{Total premium payable}}{\text{Total premium that you should have paid}} \times \text{Damages payable} = \text{Indemnity payable}$$

The same consequences apply if the person who submitted the insurance application on your behalf (called the “client”) did not fulfill the reporting obligations.

4 What to do in the event of a loss



Promptly contact us



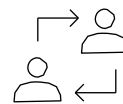
Protect the vehicle



Do not take any initiative without our consent



Refrain from commenting on your liability



Cooperate with us

Why do we impose obligations on you in the event of a loss?

- So we can advise you properly
- So we can better defend you and accurately assess the damage
- So as to limit the extent of the damage in certain cases.
- So you're not considered liable when you are not liable

4.1 You must promptly contact us to report certain information

4.1.1 Report the loss

You must report any loss that may be covered under the insurance contract as soon as you become aware of it.

The loss may also be reported to us by any other person who has an interest in it.

← arts. 2470 and 2471 of the *Civil Code*

← For example, the person who incurred damage or the **owner** of the vehicle.

4.1.2 Consequences of not reporting the loss

If the loss is not reported to us and the failure to report the loss causes us prejudice, you will lose your right to indemnity. If we are required by law to pay an indemnity to the person who suffered damage, we may ask you to reimburse us for the indemnity.

← arts. 2470 and 2502 of the *Civil Code*

4.1.3 Report information about the circumstances of the loss

We may ask you for information about the circumstances of the loss. If we do, you must provide the information as soon as possible.

The types of information we might ask for include:

- the probable cause of the loss
- the nature and extent of the damage
- the location of the rented or borrowed vehicle or any other property
- the other insurance contracts that may apply

← art. 2471 of the *Civil Code*

You must also:

- provide us with supporting documents allowing us to confirm all the requested information
- affirm under oath that all of the information provided is true
- provide us with a copy of all the documents you receive regarding the claim

If, for a serious reason, you are unable to fulfil these obligations as soon as possible, you are entitled to a reasonable amount of time within which to do so.

If you do not fulfil these obligations, any other person with an interest in the loss may do so in your place.

← For example, the person who suffered damage or the **owner** of the vehicle.

4.1.4 **Consequences of a deceitful representation**

Any person who makes a deceitful representation relating to a loss will lose his or her right to indemnity. If, despite your making a deceitful representation, we are required by law to pay an indemnity to another person, we can ask you to reimburse us for the indemnity.

← arts. 2472 and 2502 of the *Civil Code*

4.2 **You must take steps to protect the vehicle**

You must take the following steps:

- Protect the vehicle from any risk of further loss or damage. The costs that you pay to protect the vehicle are borne by us. However, if, for whatever reason, you fail to fulfil this obligation, any damage that results from your failure will not be covered
- Do not abandon the vehicle or any other damaged property
- Facilitate the towing or recovery of the vehicle

4.3 **You must refrain from commenting on your liability or from settling the claim**

← art. 2504 of the *Civil Code*

Following a loss, you must refrain from commenting on your liability or from settling or attempting to settle the claim. Should you enter into an agreement (called a “transaction”) in respect of the loss, without our consent, we will not be bound by it.

4.4 **You must cooperate with us**

You must cooperate with us in the processing of the claim.

You must also facilitate the examination carried out by us.

If you do not cooperate with us, we may suspend the processing of the claim until we get what we need.

5 Our obligations and rights in the event of a loss

5.1 We will take charge of your file and defend your interests

When a loss is reported, we will take charge of your file and defend your interests, whether legal action is taken against you or not.

We may, among other things, conduct an investigation, enter into a transaction or reach a settlement with any person involved in your claim.

5.2 We are mandated to represent you

If you are sued in Canada or the United States for an automobile loss covered by the insurance contract, we have a mandate to represent you. Under this representation mandate, we may defend your interests and appear on your behalf. You cannot withdraw the mandate from us without our consent.

In addition, we may not use any legal defence prohibited to insurers in the place where the loss occurred.

5.3 We are entitled to be reimbursed in certain situations (called “subrogation”)

← art. 2474 of the *Civil Code*

If we have paid an indemnity, we may ask the person liable for the damage to reimburse that amount. However, we cannot ask for it if the liable person is you or a member of what in law is called the “household of the insured”.

If because of something you have done, we are unable to require such a reimbursement, we will be fully or partly released from our obligations to you.

6 Your insurance contract period

6.1 When your insurance contract begins and ends

The insurance contract begins and ends at the times and dates indicated in *Your Declarations* or the endorsements, as the case may be.

A loss does not cause the insurance contract to terminate.

6.2 Renewal of your insurance contract

This contract will not be renewed automatically.

6.3 Terminating your insurance contract before the specified date (called “cancelling”)

6.3.1 Your right to cancel the insurance contract

You may cancel the insurance contract at any time by sending us written notice. The contract will end as soon as we receive your notice.

We will refund any overpayment of premiums. To calculate the overpayment, refer to the *Cancellation table* included.

If the premium was paid by your insurance broker, we will refund the overpayment to the broker.

← art. 2479 of the *Civil Code*

6.3.2 Our right to cancel the insurance contract

We must send you a written notice at your last known address. The contract will end 15 days after receipt of the notice.

We will keep the portion of the premium corresponding to the number of days for which you were actually covered under the insurance contract. We will refund the remaining portion representing the overpayment.

If the premium was paid by your insurance broker, we will refund the overpayment to the broker.

← art. 2477 of the *Civil Code*

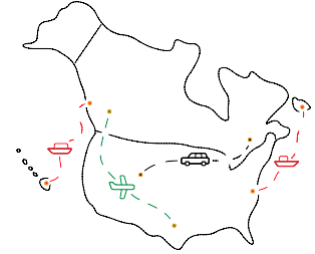
← art. 2479 of the *Civil Code*

7 Other conditions

7.1 Countries and places where the contract applies

This insurance contract will apply only if the loss occurs in Canada or the United States. It will also apply if the loss occurs while the vehicle is on a vessel or in an aircraft travelling between the seaports and airports of those countries.

We may agree to cover you in other countries or places through an endorsement.



7.2 How to send notices

You may send us notices by any means of communication that is acceptable to us, including through your insurance broker.

We may deliver notices to you by hand or by mail at your last known address.

7.3 No waiver of our respective rights

Several actions may be taken in connection with an investigation of a loss, the settlement of a loss, or a proof of loss. The actions taken on your part or on our part will not operate as a waiver of our respective rights under the insurance contract.

7.4 Maximum time for taking legal action against us

If you wish to bring an action or lawsuit against us in relation to the insurance contract, you will have three years from the date on which the right of action arose to do so.

← art. 2925 of the *Civil Code*

7.5 Laws governing the insurance contract

The insurance contract is governed by the laws of Québec, including:

- *Civil Code*
- *Code of Civil Procedure*
- *Automobile Insurance Act*
- *Act respecting off-highway vehicles*

Some of the articles of this insurance contract are a simplified version of the requirements and definitions set out in the above laws. In case of any ambiguity or discrepancy, the terms of these laws will prevail.

8 Definitions

The definitions below apply to the words shown in boldface in the insurance contract.

Garage business

Includes any business activity involving the custody, selling, equipping, repairing, maintaining, storing, parking, moving or servicing of vehicles.

A drive-home service is also considered to be part of a garage business.

Owner

A person who purchases a vehicle or leases one under a long-term contract.

Specifically, a person who acquires or possesses a vehicle under one of the following:

- a document confirming the person's status as owner of the vehicle (called a "title of ownership")
- a lease agreement for a period of not less than one year
- a document entitling the person to become the owner of the vehicle subject to certain conditions or at a certain time
- a document entitling the person to use the vehicle as if he or she were the owner, for a certain amount of time only

Your declarations

1 You are the only insured person

Your name

Your address

2 Your contract period

From _____ * to _____ * exclusively.

*at 12:01 A.M. standard time at your address.

3 Authorized vehicle categories and uses

Authorized vehicle categories

Authorized uses

4

Your amounts of insurance, deductibles and premium payable

Protections	Amounts of insurance	Deductible	Premium payable
Protection 1 Damage caused BY the vehicle	\$ _____ maximum per loss	None	
Protection 2 Damage caused TO the vehicle	Vehicle category: No. 1 \$ _____ maximum per vehicle No. 2 \$ _____ maximum per vehicle No. 3 \$ _____ maximum per vehicle	Vehicle category: No. 1 \$ _____ per vehicle No. 2 \$ _____ per vehicle No. 3 \$ _____ per vehicle	
Protection 3 Defence of your interests and other covered costs	Costs covered in addition to the amounts of insurance indicated for Protection 1 and Protection 2.		\$ _____
Endorsements			+ \$ _____ + \$ _____
Total premium payable			= \$ _____
Due date for payment of the premium			

5

Important statements for our analysis of your risk profile

6

Other information

Other information

Name of your insurance agent or broker

Address of insurance agent or broker