

QUEBEC AUTOMOBILE INSURANCE POLICY

**Q.P.F. NO. 7
EXCESS LIABILITY FORM**

February 1st, 2010

To all interested parties:

Enclosed please find the revised wording of the Quebec Automobile Policy, Excess liability form (Q.P.F. NO. 7).

This form has been approved under Section 422 of the *Act respecting insurance* (R.S.Q., Chapter A-32) and it may be used by all insurers as of February 1st, 2010.

The Executive Director
Solvency

A handwritten signature in black ink that reads "Danielle Boulet". The signature is written in a cursive style with a large initial 'D'.

Danielle Boulet

Q.P.F. NO. 7

QUEBEC AUTOMOBILE INSURANCE POLICY (EXCESS LIABILITY FORM)

Approved by the Autorité des marchés financiers

DECLARATIONS

ITEM 1

Full name and address of the Insured:

The insured automobile is and will be chiefly used and usually kept in the town and province of the insured's address stated above unless otherwise specified herein.

ITEM 2

Contract period

From to
12:01 A.M. standard time at the Insured's address stated above as to each of said dates.

ITEM 3

Subject to incompatible provisions, insurance is hereby provided upon the terms and conditions of the Quebec Automobile Insurance Policy attached, against the perils specified below and for the amount specified.

INSURING AGREEMENT	PERILS	AMOUNT	PREMIUM
SECTION A Civil Liability	Bodily injury to or death of others or damage to their property	\$ (Exclusive of interest, expenses and costs) for loss or damage resulting from bodily injury to or the death of one or more persons, and for loss or damage to property, regardless of the number of claims arising from any one accident, the said amount being immediately above the amount of a first contract described in Item 4 or a contract described in Special Provision 1 of this policy.	\$
Premium due date:			\$

ITEM 4

State all automobile insurances likely to apply as first contract, that is a contract for an amount under the amount of this contract.

Name of Insurer	Policy No.	Type of contract	Limit(s)	Contract period	
				From	To
			\$		
			\$		

This contract provides insurance only as respects automobiles of the type.

**ITEM 5
IMPORTANT STATEMENTS FOR UNDERWRITING THE RISK**

**ITEM 6
NOTICE**

Agent or broker:

At:

AGREEMENTS

This policy is subject to the *Quebec Civil Code*, the *Code of Civil Procedure* and the *Automobile Insurance Act* and its regulations, or the *Act respecting off-highway vehicles*, if applicable.

INSURING AGREEMENT

Now therefore, subject to the limits, terms, conditions, provisions, definitions and exclusions herein stated and subject always to the condition that the Insurer shall be liable under the section of the following Insuring Agreement for which a premium is specified in Item 3 of the Declarations and no other:

SECTION A – CIVIL LIABILITY

The Insurer agrees to indemnify the Insured, the Insured's succession or legal representatives, and in the same manner and to the same extent as if named herein as the Insured, every other person who personally drives the automobile, or personally operates any part thereof, against the pecuniary consequences of civil liability the Insured or any such other person may incur for loss or damage arising from the ownership, use or operation of the automobile and resulting from bodily injury to or death of others or damage to their property, provided coverage does not apply to any person having stolen or assisted in stealing the automobile. However, where the loss exceeds the amounts of insurance, the indemnity shall be applied first to the pecuniary consequences of civil liability incurred by the Name Insured.

Subject to incompatible provisions, insurance is hereby also subject in so far as applicable to the terms of the contracts described in Item 4 of the Declarations or of the contracts described in Special Provision 1 of this policy.

Furthermore, subject to Special Provision 4 of this policy, the Insurer's loss liability shall not exceed the limit stated in Item 3 of the Declarations immediately above the amount of a first contract or such amount as the Insurer having issued a first contract shall be liable to pay under statutory provisions regarding automobile insurance, whichever is the greater.

EXCLUSIONS

The Insurer shall not be liable under this contract:

1. except where the *Automobile Insurance Act* does not apply, for bodily injury or death covered under the said Act, the *Act respecting industrial accidents and occupational diseases* or the *Crime Victims Compensation Act*;
2. for any liability imposed by any workmen's compensation law upon any person insured by this contract;
3. for loss or damage sustained by any person insured under this contract, except as provided under a Direct Compensation Agreement established in accordance with the *Automobile Insurance Act*;
4. for loss or damage resulting from bodily injury to or death of any employee of any person insured by this contract while engaged in the operation or repair of the automobile;
5. for any sum in excess of the amount stated in Item 3 of the Declarations and expenditures provided for in the Additional Agreements of this contract, irrespective of the number of persons or interests insured;
6. for any loss or damage resulting from bodily injury to or death of any person or damage to property arising out of a nuclear energy hazard and in excess of the compulsory amount of insurance prescribed by the *Automobile Insurance Act* or the *Act respecting off-highway vehicles*, depending on the type of vehicle involved.

See also Special Provisions.

ADDITIONAL AGREEMENTS

Where indemnity is provided by this contract the Insurer further agrees:

- (1) immediately upon receipt of notice of loss, to serve any person insured by this contract by such investigation thereof, or by such transactions with the claimant, or by such settlement of any resulting claims, as may be deemed expedient by the Insurer;
- (2) to take up the interest of any person entitled to the benefit of the insurance and assume his defense in any action which may be brought against him;
- (3) to bear, over and above the proceeds of the insurance, costs and expenses resulting from actions against the Insured and incidental to the amount of this contract, including those of the defense, and interest on the proceeds of the insurance;
- (4) to bear any fees the Insured is charged by a municipality under the *Act respecting municipal taxation* for the use of its fire protection service when the fire department is called to prevent or fight fire in the automobile;
- (5) to pay costs incurred by or on behalf of the Insured where these costs are not covered by the first contract for an amount immediately under the amount of this contract, on the following basis:
 - a) should any claim or claims become adjustable prior to legal proceedings for not more than the amount of the first contract for an amount immediately under the amount of this contract, then no costs shall be payable by the Insurer;
 - b) should, however, the amount for which said claim or claims may be so adjustable exceed the amount of the first contract, then the Insurer shall contribute to the costs incurred on behalf of the Insured in the ratio that the Insurer's proportion of the loss as finally adjusted bears to the whole amount of such loss;
 - c) in the event that the Insured or the Insurer under the first contract for an amount immediately under this contract elects not to appeal a judgment likely to be covered under this contract, the Insurer may elect to conduct such appeal and shall be liable for the taxable costs and interest incidental thereto; but in no event shall the total liability of the Insurer exceed the amount stated in Item 3 of the Declarations, plus the expense of such appeal;
- (6) if the injury is to a person, to reimburse any person insured by this contract for expenses incurred for such medical aid as may be immediately necessary at the time of such injury;
- (7) to be liable up to the minimum amount(s) of liability insurance prescribed by any legislation respecting automobile insurance and applying in that province or territory of Canada or in that State of the United States of America in which the accident occurred, if that amount(s) is higher than the amount(s) stated in Item 3 of the Declarations;
- (8) not to set up any defense to a claim that might not be set up if the policy were a motor vehicle liability policy issued in the province or territory of Canada or in the State of the United States of America in which the accident occurred.

AGREEMENTS OF INSURED

Where indemnity is provided by this contract, every person insured:

- (a) empowers the Insurer as their representative to appear and defend in any province or territory of Canada or in any State of the United States of America in which action is brought against the Insured arising out of the ownership, use or operation of the automobile;
- (b) renounces his right to unilaterally revoke such mandate;

- (c) shall reimburse the Insurer, upon demand, in the amount which the Insurer has paid by reason of the provisions of any statute relating to automobile insurance and which the Insurer would not otherwise be liable to pay under this contract.

SPECIAL PROVISIONS

1. CONTINUATION OF COVERAGE

The Insured shall continue to benefit from the insurance afforded by this contract in the event that:

- a) any contract described in Item 4 of the Declarations is replaced by a new contract; or
- b) a new contract applicable to automobiles of the type described in Item 4 of the Declarations is added.

2. OTHER INSURANCE

Liability to pay under this contract shall not attach unless and until the Insurer of the first contract for an amount immediately under the amount of the present contract shall have admitted liability for the full amount of insurance or unless and until he has been adjudged to do so by final judgment rendered against the Insured.

3. NOTICE OF LOSS

Notwithstanding obligations of the Insured arising from any Statutory Condition contained in the first contract for an amount under the amount of this contract, the Insured is only required to give the Insurer notice of any accident if the claim or claims possibly arising therefrom appear likely to be covered by this contract, in which case notice thereof must be given as soon as the Insured becomes aware of it.

4. REPRESENTATION OF RISK

If any contract mentioned in Item 4 of the Declarations terminates, the Insured shall give notice thereof to the Insurer, in which event the Insurer shall have the right to charge, upon written notice to the Insured within thirty days, an additional premium which shall be payable by the Insured.

Furthermore, in case of loss occurring after a first contract for an amount immediately under the amount of this contract has terminated, such contract covering the compulsory minimum amounts and including the stipulations provided for in section 88 of the *Automobile Insurance Act*, this contract shall be deemed to cover the said amounts and include such stipulations. In such a case, this contract is subject to the same terms and conditions as the terminated contract but, notwithstanding any provisions to the contrary, for only up to the compulsory amount prescribed by the *Automobile Insurance Act* or the *Act respecting off-highway vehicles*, depending on the type of vehicle involved, the amount stated in Item 3 of the Declarations being amended accordingly.

5. MATERIAL CHANGE IN RISK

The Insured shall promptly notify the Insurer of any change that increases the risks stipulated in the policy and that results from events within his control if it is likely to materially influence an insurer in setting the rate of the premium, appraising the risk or deciding to continue to insure it.

On being notified of any material change in the risk, the Insurer may, under Special Provision 6, cancel the contract or propose, in writing, a new rate of premium. Unless the new premium is accepted and paid by the Insured within thirty days of the proposal, the policy ceases to be in force.

If the Insurer continues to accept the premiums or if he pays an indemnity after a loss, he is deemed to have acquiesced in the change notified to him.

6. CANCELLATION

This contract may be cancelled at any time:

- (a) by each of the Named Insureds giving mere written notice to the Insurer. Cancellation takes effect upon receipt of the notice by the Insurer and the Insured shall therefore be entitled to a refund of the excess of the premium actually paid over the premium earned for the time the contract has been in force, on the basis of the Cancellation Table herein;
- (b) within sixty days after its coming into force, by the Insurer giving written notice to each Named Insured. Cancellation takes effect fifteen days following receipt of such notice by the Named Insured at his last known address.

At the expiry of such period of sixty days, the contract shall not be cancelled by the Insurer except in the case of an aggravation of risk which is likely to materially influence a reasonable insurer in the decision to continue to insure, or when the premium has not been paid. The Insurer so wishing to cancel the contract shall notify each Named Insured in writing; cancellation takes effect thirty days following receipt of such notice by the Named Insured at his last known address or, if the Described Automobile, with the exception of a school bus, is an automobile contemplated in Title VIII.1 of the *Highway Safety Code*, fifteen days after receipt of the notice.

The Insurer shall refund the excess of the premium actually paid over the earned premium computed on a day to day basis.

Where one or more of the Named Insureds have been mandated to receive or send the notices provided for under paragraph (a) or (b) above, notices sent or received by them shall be deemed to have been sent or received by all Named Insureds.

In this Special Provision, the words **premium actually paid** mean the premium actually paid by the Insured to the Insurer or its agent, but do not include any premium or part thereof paid to the Insurer by an agent unless actually paid to the agent by the Insured.

7. NOTICE

Any notice to the Insurer may be sent by any recognized means of communication to the Insurer or its authorized representative. Notice may be given to the Named Insured by letter personally delivered to him or by mail addressed to him at his last known address.

CANCELLATION TABLE