

**Notice regarding the coming into force on September 1, 2012 of amendments to automobile insurance form Q.P.F. no. 5 – Complementary Insurance for Loss of or Damage to Insured Automobile Form – Replacement Insurance prescribed by the *Autorité des marchés financiers* (section 422 of *An Act respecting insurance*)**

Under section 422 of *An Act respecting insurance*, R.S.Q., c. A-32, the *Autorité des marchés financiers* (the « Authority » or the « AMF ») may prescribe forms necessary for the application of the Act and it must approve the form and conditions of the insurance policies relating to the ownership or use of motor vehicles.

In this regard, the AMF has approved amendments to automobile insurance form Q.P.F. no. 5 – Complementary Insurance for Loss of or Damage to Insured Automobile Form – Replacement Insurance (« Q.P.F. no. 5 – Replacement Insurance »).

The main amendments made to the form are as follows :

- The definition of « primary policy » now states that endorsements form part of the policy;
- The definition of « replacement automobile » now covers the case in which an automobile of the year of the loss is not available;
- Information has been added in the section pertaining to « Total Loss » and « Partial Loss » regarding coverage for the reimbursement of the cost of leasing an automobile;
- In the section « Partial Loss », a change was made to indicate that the insured is entitled to the replacement of damaged parts with genuine manufacturer's new parts only in cases in which the damaged parts cannot be repaired;
- Condition no. 10 (« Termination of contract ») was amended to include cases in which use of the insured vehicle changed during the term of the policy.

The AMF believes that these amendments are necessary for a better understanding of form Q.P.F. no. 5 – Replacement Insurance and that they will facilitate in particular the settlement of claims.

As of September 1, 2012, this insurance form must be used by all insurers licensed to transact automobile insurance business.

With respect to contracts that were sent to insureds prior to September 1, 2012 and are in force as of such date, the insurers will be required to give these contracts the scope of the amended policy.

In the event the amended policy could not be sent to the insured after such date, insurers may not reduce any applicable commitments to the insured or increase any applicable obligations of the insured.

The amended form is available on the AMF website at [www.lautorite.qc.ca](http://www.lautorite.qc.ca), Professionals – Insurance and financial planning – Insurers – Automobile insurance – AMF approved forms.

### **Further information**

Further information is available from :

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