

Notice relating to sound commercial practices in automobile insurance

In June 2013, the *Autorité des marchés financiers* (the “AMF”) published its *Sound Commercial Practices Guideline*, which sets out the obligations of financial institutions with respect to sound commercial practices, including the obligation to properly inform persons being offered a product or service and to act fairly in dealings with them.

In this regard, the guideline states more specifically that insurers are expected to examine claims diligently and settle using a procedure that is simple and accessible to claimants. Therefore, the AMF expects, among other things, that claimants will be informed, on a timely basis, of their rights and obligations when filing a claim.

With this in mind, following certain representations made to the AMF, automobile insurers carrying on business in Québec are reminded that they are required to provide their insureds with the necessary information allowing them to make informed decisions, including when they file a claim.

In this regard, the AMF expects that insureds be able to choose which repair shop they will use. When an insured does not express any preference of repair shop, the insurer may direct the insured to repair shops selected by the insurer. However, insureds must at all times enjoy all of the protection offered under their automobile insurance contract, regardless of the repair shop chosen.

The AMF emphasizes that the fair treatment of consumers must be a core component of the governance and corporate culture of financial institutions; this is the cornerstone of the *Sound Commercial Practices Guideline*. In this regard, the AMF will continue its supervisory activities in order to ensure the proper implementation of the guideline.

Additional information

Additional information is available from:

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