

Canadian Bulletin

Ref: RE-25-006

Date	18 September 2025
Recipient	Stakeholders writing business in Québec
Subject	Québec - L'Autorité des marchés financiers (AMF) Notice – Cancellation of Damage Insurance Contracts and Use of Short-Term Rate for Premium Refunds

<i>Purpose:</i>	To inform stakeholders of the AMF's notice regarding the cancellation of damage insurance contracts and the application of the short-term rate in calculating premium refunds
<i>Affects:</i>	Stakeholders writing business in Québec
<i>Line of Business:</i>	All
<i>Jurisdiction:</i>	Québec
<i>Effective:</i>	Immediately

What you need to know

L'Autorité des marchés financiers (the "AMF") has conducted supervision across all damage insurers, focusing on the use of short-term rates in cancellation tables to calculate refunds of insurance premium overpayments.

As a reminder, under Article 2479 of the [Civil Code of Québec](#), when a damage insurance contract is cancelled by the insured, the insurer is entitled only to the earned portion of the premium, calculated using the short-term rate.

What this means to you

The AMF expects insurers to comply with legal obligations and uphold sound commercial and prudent management practices by ensuring that the short-term rates used in cancellation tables are reasonable and aligned with the principle of fair treatment of clients.

Lloyd's must be able to demonstrate the reasonableness of these rates. Consequently, it is the responsibility of all intermediaries acting for Lloyd's Underwriters to abide by the regulatory requirements set forth by [l'Autorité des marchés financiers](#) (the "AMF").

For any questions, please contact lloydscanada@lloyds.com.

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