

Date 17 May 2024

Recipient Stakeholders writing Professional Liability Insurance in Québec

Subject Québec – Mandatory requirements for Professional Liability Insurance

<i>Purpose:</i>	To advise of the amendments to the Québec Professional Liability Insurance Requirements
<i>Affects:</i>	Stakeholders writing Professional Liability Insurance in Québec
<i>Line of Business:</i>	Professional liability
<i>Jurisdiction:</i>	Québec
<i>Effective:</i>	June 1, 2024

What you need to know

On June 1, 2023, l'Autorité des marchés financiers (the "AMF") published regulatory amendments relating to the professional liability insurance of representatives governed by the [Act respecting the distribution of financial products and services](#) (the "Distribution Act"). These amendments primarily include the following elements:

- Adding a clause requiring consistency with the regulatory requirements of the Distribution Act;
- Covering gross fault (a policy may not exclude coverage for gross fault);
- Applying the insurance period extension clause to situations where a registrant applies to the AMF to have its registration revoked (withdrawn) or when its registration is no longer valid;
- Removing the exception for the category of claims adjuster employed by an insurer (this category no longer exists).

Where a professional liability insurance policy expired **between June 1, 2023, and September 30, 2023**, the policy must be consistent with the new regulatory requirements **not later than 12 months after the date on which the contract is purchased or renewed**.

Where a professional liability insurance policy was purchased or renewed **after October 1, 2023**, it must be consistent with the new regulatory requirements **not later than June 1, 2024**.

All intermediaries acting for Lloyd's Underwriters must ensure that they are compliant with the requirements for professional liability insurance in Québec.

What this means to you

Compliance with the new regulatory requirements is **mandatory** for all stakeholders who are writing professional liability insurance in the province of Québec. Failure to meet the requirements may result in penalties.

Existing policies that do not currently include the above requirements must be provided with an endorsement before June 1, 2024.

All policies must include these elements as per the requirements of [l'Autorité des marchés financiers](#) (the "AMF").

For further information, please contact lloydscanada@lloyds.com.

Nicole Seymour

Chief Regulatory & Compliance Officer

LloydsCanada@lloyds.com