

Date 14 January 2020

Recipient Stakeholders writing business in Québec

Subject **Québec : Regulation respecting damage insurance brokerage and Regulation respecting Alternative Distribution Methods**

<i>Purpose:</i>	REMINDER to Québec stakeholders of new legal obligations
<i>Affects:</i>	Stakeholders writing business in Québec
<i>Line of Business:</i>	All
<i>Jurisdiction :</i>	Québec
<i>Effective:</i>	Regulation respecting damage insurance brokerage: December 13, 2019 Regulation respecting Alternative Distribution Methods: June 13, 2019

What you need to know

Further to Bulletins [AD-18-002](#) and [AD-18-022](#), two important changes affecting coverholders operating in Québec took place recently:

- 1) A new regulation effective December 13, 2019 linked to the Act respecting the distribution of financial products and services forces all agents or brokers operating in Québec to complete the «Qualification Form» of the AMF before March 1st, 2020. Agents and brokers must register as either a Damage insurance agency or a Damage insurance brokerage firm.

The Regulation also stipulates that a broker who offers an automobile or home insurance product directly to the public must, before inquiring into the client's situation, disclose to the client the name of any insurer with which the aggregate of risks placed represents 60% or more of the total volume of risks placed by his or her firm, as well as the percentage of this volume.

The regulation and form can be found on the [AMF website](#).

- 2) Also, under the same Act, the Regulation respecting alternative distribution methods covers the provisions on these two subjects:

- 2.1 Sales of Lloyd's products on the Internet or without the intermediary of a natural person: This requires coverholders to provide information annually to the AMF.
- 2.2 Sales of insurance by distributors or distribution without a representative: This requires coverholders to provide information annually to the AMF.

The regulation can be found on the [LégisQuébec](#) website.

What this means to you

All intermediaries acting for Lloyd's Underwriters are expected to ensure that their organizations are compliant with local regulations.

For further information, please contact info@lloyds.ca.

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