

Date	28 June 2022
Recipient	All Lloyd's stakeholders conducting business in Québec (via Binding Authority, the Open Market or Reinsurance)
Subject	Québec – Bill 96: An Act respecting French and the Enhanced use of the French Language

Purpose:	Inform stakeholders of the impact of Bill 96: An Act respecting French and the Enhanced use of the French Language, now enacted
Affects:	All Lloyd's stakeholders conducting business in Québec (via Binding Authority, the Open Market or Reinsurance)
Line of Business:	All
Jurisdiction :	Province of Québec
Effective:	June 1, 2022

What you need to know

Further to Bulletin AD-21-020, issued December 2, 2021, Bill 96, *An Act respecting French, the official and common language of Québec* received royal assent on June 1, 2022, and became law.

This Act ("the Act") makes several amendments to the Charter of the French Language ("the Charter").

The Charter rules set out when French must be used by a business in its relations with Québec entities and individuals and when "a language other than French" may be used. The Charter re-enforces the obligation to conduct business in French in the first instance, before English can be utilised. In the context of (re)insurance, this includes the obligation to deliver quotes, confirmation of cover, policies, and endorsements in the French language.

Relevant Timelines

While some provisions of the Act come into effect as of June 1, 2022, others will come into effect over a period of 3 years. The new rules for adhesion contracts (see details below) come into force one year after assent.

What's changed

Upon assent on June 1, 2022, businesses offering services in Québec must inform and serve their clientele, (consumer and commercial customers), in French. This is now an obligation of the business, and if contravened, is an offence punishable by fines.

The most notable change for the (re)insurance industry, effective June 1, 2023, are standard-form contracts (now called contracts of adhesion), must be presented in French first, before the recipient can elect to be bound by a version drawn up in a language other than French (the “French First Rule”).

The Charter does provide for an exception to the French First Rule when each of the following three conditions is met:

1. The recipient of the (re)insurance contract expressly requests the documentation be in another language; and
2. There is no French-language equivalent in Québec and it meets one of the following conditions:
 - a) it originates outside Québec; or
 - b) its use is not widespread in Québec; and
3. the contract is used in relations outside Québec.

At this time, there is no further guidance elaborating on a number of the conditions above or defining “relations outside of Québec”. Lloyd’s will provide more clarification regarding the exception as it becomes available.

If the parties choose to enter into an adhesion contract exclusively in English, the related documents, such as quotes, binders, endorsements and receipts, may be exclusively in English as well. Otherwise, there must be a French version of these related documents.

Non-compliance with the exception will lead to fines and/or order for compliance. An example of non-compliance is providing a policy in English, even if it qualifies for the exception, to the insured without having first asked and received confirmation that it can be in English only.

In the cases of non-compliance with the Charter, insurance documentation may be declared null and void at the request of the insured or the insured may claim damages.

What this means to you

Should documentation qualify for the exception from the French First Rule noted above, it must be properly documented that the insured has requested the English version of the documentation.

Coverholders or Open Market Correspondents who conduct insurance business with Québec entities and individuals should, in collaboration with their Lloyd’s brokers and/or Managing

Agent(s), review their internal processes (including French language documentation libraries), and controls to ensure compliance.

With respect to translation of policy wordings to French, we would like to remind you to liaise with your Lloyd's Broker/Managing Agent as required. The LMA is currently working on translating LMA standard endorsements and Lloyd's is reviewing various LSW wordings to ensure French language versions will be available.

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