

NEW AUTOMOBILE INSURANCE POLICIES

TOWARDS A BETTER UNDERSTANDING

To help you prepare for the arrival of the new plain-language automobile insurance forms, the Groupement des assureurs automobiles publishes a second article outlining the changes made to the endorsements for Q.P.F. No. 1, Owners' Form.

The plain-language automobile insurance policies and endorsements are slated to come into effect on March 1, 2014.

Endorsement layout

The endorsements will now have a uniform layout so as to make them easier to understand for consumers. Some items are common to all the endorsements, while others are specific to them.

Addition of a text box

To draw the consumer's attention to certain key information, a "text box" has been added where the following information should always be included:

- Name of **insurer**
- **Named insured**
- **Endorsement** to automobile insurance policy N°
- Effective date of endorsement

In some of the endorsements, additional specific information has been added in the text box. For example, in Endorsement 20 – Travel expenses, the text box contains entries such as "Additional insurance premium payable" and "Specified vehicle", that information being relevant to the endorsement.

First paragraph

All the endorsements now include the following statement: "The endorsement heading must be entered in the 'Declarations' section of the insurance contract."

In endorsements where it applies, the first paragraph also states that details required for the endorsement may be entered in the "Declarations" section or in the endorsement itself, at the insurer's option. This statement has been added to reflect the different practices in the industry.

The statement is included in endorsements where an empty field is to be completed in addition to the text box.

Additional tools available at www.gaa.qc.ca:

- Familiarization guide
- Correspondence tables

Endorsement wording

The wording of endorsements basically reproduces the text found in Q.P.F. No. 1, including its definitions. The words defined in Q.P.F. No. 1 and used in the endorsements are written in bold, as they are in the policy, and consumers should refer back to the definitions in the policy.

In the policy, the expression "loss of use" has been replaced by "travel expenses." As a result, Endorsement 20 has a new heading: Quebec Endorsement Form Q.E.F. No. 20 - Travel expenses (Section B).

In addition, some of the endorsements have their own definitions; they now appear in the endorsement itself. This is the case of "bodily injury" found in Endorsement 34 – Accident benefits insurance, where the definition differs from the one used in Q.P.F. No. 1. Therefore, Endorsement 34 has its own definition of bodily injury.

Addition of "Endorsement description" section

A section titled "Endorsement description" has been added to each of the endorsements, providing a brief statement as to how the insurance contract is amended by the endorsement. The section therefore describes whether the endorsement extends, deletes, limits or changes coverage, as applicable.

For example, the description in Endorsement 20 – Travel expenses states that coverage is being extended under Section B of the insurance contract.

Additional changes

Some of the other changes that have been made to the endorsements deserve mention, for example:

Endorsement 34 – Accident benefits insurance

Since this endorsement is eight pages long, a table of contents has been included so that readers can locate information more easily. It is structured like Q.P.F. No. 1 since it follows the same logic.

Endorsement 43A-F – Change to indemnity – "Option 43A – Partial loss – New parts"

Option A under Q.E.F. No. 43 has been clarified. If the parts are not replaced by new parts, then coverage is limited to the actual cash value.

This change to Endorsement 43A has been made to reflect industry practice and to align with Q.P.F. No. 5, "Partial loss," since both these protections follow the same principle of indemnity payment.