

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 is publishing a fourth article outlining the changes made to Q.P.F. N° 5.

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

Introduction

This section contains the same information as provided in the plain-language version of Q.P.F. N° 1, except for "Obligation to inform insurer," which has not been included. Since this policy is sold primarily by automobile dealerships under the distribution without a representative system, they are not allowed to conduct a risk analysis, which is an activity reserved for certified representatives.

Declarations

This section has been structured somewhat differently as compared to the current version. Items 5 and 6 have been reversed to match the structure in Q.P.F. N° 1.

Description of coverage

Clarification has been added to the effect that this coverage complements coverage under Section B of Q.P.F. N° 1.

Coverage is now described according to the type of loss (total or partial).

Coverage in event of total loss

Coverage is outlined according to the method of indemnification: replacement of the insured vehicle (named dealer) or payment of an indemnity to replace the insured vehicle (choice of dealer), for either a new or a used vehicle.

This section does not describe coverage for the payment of deductibles or leasing expenses, which is outlined in a separate section of the policy.

Coverage in event of partial loss

The current rule whereby damaged parts are replaced by new parts when they cannot be repaired has been continued.

Other coverages

This section describes the coverage that applies at all times: in the event of total loss and in the event of partial loss, whether the vehicle is new or used or a demonstrator vehicle.

The following can be found in this section:

- Bearing of deductible
- Reimbursement of vehicle leasing expenses

Applicability

This section is divided into three subsections:

1. Applicability of coverage

Information is provided as to how coverage under Q.P.F. N° 5 applies. The first three conditions reproduce those of the current policy (General Provisions and Exclusions, Conditions 2 (i), (ii) and (iii)). A fourth condition has been added to clarify that the damaged parts need to be replaced in order to benefit from coverage in the event of partial loss.

2. Specific rules for vehicles leased or under a contract of leasing

Here, Condition 5 – *Manner of Payment* of the current policy is reproduced; it can also be found in Q.E.F. N° 43-E.

3. Change of vehicle

As stated in Condition 2 of the current policy, it stipulates here that Q.P.F. N° 5 may not be transferred to another vehicle.

Other sections

Exclusions

The sections "Exclusions" and "Excluded Uses" of the current policy have been grouped together in the section titled "Exclusions".

General conditions

This section incorporates the introduction to the Conditions section (applicable laws), as well as Condition 1, "Inspection of Insured Vehicle," and Condition 12, "Notice" of the current policy.

Reporting a loss and submitting a claim

New section outlining the stages of the claim settlement process.

Effective date, renewal and expiry of insurance contract

Although Q.P.F. N° 5 cannot be renewed, renewal is discussed in order to retain the same structure as Q.P.F. N° 1 and so that insureds who wonder about the renewal of this contract can easily find an answer.

Definitions

The definition of "Purchase price" has been clarified by adding "actual price" and "including its equipment and accessories only," so as to exclude a previous loan balance.

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

- Familiarization guide
- Correspondence tables