

By EMAIL : [REDACTED]

Montréal, February 5th, 2024

RE: Request for access – Documents/information about activities to be declared
Our file: GDC05-06-01-3484

[REDACTED]

This is further to your request received at the Corporate Secretariat of the *Autorité des marchés financiers* (“AMF”) on January 16, 2024 which reads as follows:

- « 1) *The ATM forms for “activities to be declared” in effect from 1/Jan/2020 to 31/Dec 2023*
- 2) *All of the forms referred to in these forms or hyperlinked in them*
- 3) *Regarding “Regulation respecting the distribution of financial services and products ch D-9.2 r 10 (“regulation”) – reported court cases considering the definition of “Incompatible occupations” in division II*
- 4) *Version of the regulation in effect in 2020, 2021, 2022 ».*

On January 25th and 30rd, 2024, Me Leblanc wrote to you by email to obtain some details about your request. She asked you what did you mean by “ATM” and you told her “AMF”. She then asked you whether your request related to activities to be declared under the *Regulation respecting the pursuit of activities as a representative*, CQLR, c. D-9.2, r.10 only or also under the *Regulation 33-109 respecting registration information*, CQLR, c. V-1.1, r. 12. You answered both.

We invite you to consult the information about *Activities to be declared* on the AMF’s website. Here’s the link: [Activities to be declared \(Outside activities\) - Outside activities | AMF \(lautorite.qc.ca\)](#).

For the purposes of a good understanding, we will answer each of your questions using your numbering.

Points 1) and 2)

For activities to be declared under the *Regulation respecting the pursuit of activities as a representative*, CQLR, c. D-9.2, r.10

- 1- You will find hereinclosed a copy of the version of the form that was used from June 2018 to December 1, 2023

- 2- And here is the version of the form in effect since December 2, 2023:

Québec
Place de la Cité, tour Cominar
2640, boulevard Laurier, bureau 400
Québec (Québec) G1V 5C1
Téléphone : 418 525-0337
Numéro sans frais : 1 877 525-0337
Télécopieur : 418 525-9512
www.lautorite.qc.ca

Montréal
800, rue du Square Victoria, bureau 2200
Montréal (Québec) H3C 0B4
Téléphone : 514 395-0337
Numéro sans frais : 1 877 525-0337
Télécopieur : 514 873-3090

[Declaration of an Outside Activity \(lautorite.qc.ca\)](http://lautorite.qc.ca)

For activities to be declared under the *Regulation 33-109 respecting registration information*, CQLR, c. V-1.1, r. 12

The form to be complete is an integral part of the Regulation 33-109. It is form 33-109A4.

- 1- Here is the version of the Regulation 33-109 in effect from June 12, 2018 to June 5, 2022:
[REGULATION 33-109 RESPECTING REGISTRATION INFORMATION \(lautorite.qc.ca\)](http://lautorite.qc.ca)
 See items 10 and 11 on page 41 for explanations and the schedule G on pages 64-65 and schedule H on pages 66-67 to be completed.
- 2- Here is the version of the Regulation 33-109 in effect from June 6, 2022 to September 12, 2023:
[Regulation 33-109 respecting Registration Information \(lautorite.qc.ca\)](http://lautorite.qc.ca)
 See items 10 and 11 on pages 44 to 47 for explanations and the schedule G on pages 71-72 and schedule H on pages 73-74 to be completed.
- 3- Here is the version of the Regulation 33-109 in effect since September 13, 2023:
[REGULATION 33-109 RESPECTING REGISTRATION INFORMATION \(lautorite.qc.ca\)](http://lautorite.qc.ca)
 See items 10 and 11 on pages 44 to 47 for explanations and the schedule G on pages 71-72 and schedule H on pages 73-74 to complete.

Point 3)

Pursuant the section 1 of the *Act respecting Access to documents held by public bodies and the Protection of personal information*, CQLR, c. A-2.1, the AMF do not have any reported court cases considering the definition of "Incompatible occupations" mentioned in division II of the *Regulation respecting the pursuit of activities as a representative*, CQLR, c. D-9.2, r. 10 nor the definition of "Reportable activities" in the form of the *Regulation 33-109 respecting registration information*, CQLR, c. V-1.1, r. 12.

Point 4)

Regulation respecting the pursuit of activities as a representative, CQLR, c. D-9.2, r.10

You will find hereinclosed copy of the following documents:

- **In effect from October 22, 2013 to April 30,2020 (this document is an administrative version and has no official status):**
- **In effect from May 1, 2020 to May 31, 2023 (this document is an administrative version and has no official status):**

Regulation 33-109 respecting registration information, CQLR, c. V-1.1, r. 12

- 1- In effect from June 12, 2018 to June 5, 2022:
[REGULATION 33-109 RESPECTING REGISTRATION INFORMATION \(lautorite.qc.ca\)](http://lautorite.qc.ca)
- 2- In effect from June 6, 2022 to September 12, 2023:
[Regulation 33-109 respecting Registration Information \(lautorite.qc.ca\)](http://lautorite.qc.ca)

Under section 135 of the *Act respecting Access to documents held by public bodies and the Protection of personal information*, CQLR, c. A-2.1, you may apply to the *Commission d'accès à l'information du Québec* for a review this decision. Attached you will find a document explaining how to exercise this recourse.

Yours truly,

Original signé

M^e Benoit Longtin
Information Access Officer
Assistant Corporate Secretary
Autorité des marchés financiers

Encl.

SECTION 1 – IDENTIFICATION

INFORMATION ABOUT THE REPRESENTATIVE

Client No. (10 digits)			
Ms. <input type="checkbox"/>	Mr. <input type="checkbox"/>		
First name			
Last name			
Date of birth	____ / ____ / ____	year	month day

Important

Candidates seeking registration in a sector governed by An Act respecting the distribution of financial products and services, CQLR, c. D-9.2, (the “Distribution Act”), who have other employment must demonstrate availability and diligence and not pursue activities or occupations that are incompatible with the pursuit of activities as a representative. Therefore, your file must be examined. The processing of your application, will be done when you will provide the documents indicated in section 3. If necessary, attach additional sheets.

If you are a representative of a mutual fund or scholarship plan dealer governed by the Securities Act, you must update your registration file in the National Registration Database (NRD).

SECTION 2 – DECLARATION

Will you be carrying out activities (remunerated or not) in a field other than that which is related to your practice as a representative during the time that you hold a probationary certificate or a representative’s certificate? <i>You may answer “no” to this question if your other activity is related to a right to practise issued by the AMF.</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Have you already declared this other activity?	Yes <input type="checkbox"/>	No <input type="checkbox"/>

DETAIL ABOUT YOUR EMPLOYER

Ms. <input type="checkbox"/>	Mr. <input type="checkbox"/>		
First Name		Last Name	
Activities		Clientele	
Head Office			
Telephone		E-Mail	

Describe your position (functions, duties, responsibilities).

Do you intend to be dually employed for a long period?

Yes No

If not, when will you terminate your other employment? _____ / _____ / _____
year month day

Explain how your situation would not compromise the protection of the public, not result in a conflict of interest and not place you in an incompatible situation.

Do you have your own business?

Yes No If

If so:

What is the name of your business? _____

For how long have you been in business? _____ / _____ / _____
year month day

How many employees do you have? _____

Who is your business's target clientele? _____

How do you prospect this clientele? _____

Who will be your target clientele as a representative? _____

How will you prospect this clientele? _____

Will there be a link between your company's clientele and the clients you have as a representative?

Yes No

If so, please explain.

Do you have other employment to declare? Yes No

Please complete a separate form for each employment.

Are you a member of a professional order? Yes No

If so, which one? _____

What is your member number? _____

Do you carry out activities related to this profession? Yes No

If you already hold a right to practise, the regulations stipulate that you must notify the AMF in the week following any change. If you failed to do so, please explain why.

SECTION 3 – REQUIRED SUPPORTING DOCUMENTS

	SUPPORTING DOCUMENTS
Declaration – CV <i>1 document required</i>	<input type="checkbox"/> Curriculum vitae
Dual employment <i>2 documents required*</i> <i>Except independent representatives</i> <i>(1 document)</i>	<input type="checkbox"/> Employer Attestation (enclosed) <input type="checkbox"/> Attestation from officer responsible for the firm confirming that he/she is aware of your other employment <input type="checkbox"/> Other document supporting your statements

SECTION 4 – INFORMATION DECLARATION

I declare that the information provided in this form is accurate and complete.

Mr. <input type="checkbox"/>	First name		Last name	
Ms. <input type="checkbox"/>				
Signature			Date	____ / ____ / ____ year month day

The AMF only accepts forms sent by **mail**.
No form sent by e-mail or by fax will be accepted.

Send your form to the following address:

Autorité des marchés financiers
 Place de la Cité, tour Cominar
 2640, boulevard Laurier, bureau 400
 Québec (Québec) G1V 5C1

Important

Please note that AMF staff may validate the information provided in this form.

SECTION A – IDENTIFICATION					
Name of candidate				Client No. (10 digits)	
NAME OF PERSON COMPLETING THE ATTESTATION					
Ms. <input type="checkbox"/>	Mr. <input type="checkbox"/>	Title			
First Name				Last Name	
No.		Street			Apt.
City			Province		Postal Code
BUSINESS					
Name of business					
No.		Street			Suite/ Unit
City			Province		Postal Code

SECTION B – DECLARATION

1. On what date did this employee begin working for your business? ____ / ____ / ____
year month day
2. How many hours per week does this employee work for your business? _____ hours
3. What position does this employee hold and what are his/her duties?

4. Please specify the type of information this employee may access. You must demonstrate that this employee does not have access to privileged information and that he/she may not use privileged information in his/her activities as a representative.

5. Explain how this person's responsibilities, tasks and duties are not in conflict with his activities as an insurance, mortgage brokerage or securities representative.

6. Do you agree with your employee pursuing activities as an insurance, mortgage brokerage or securities representative while working for your business?

SECTION C – INFORMATION DECLARATION

I declare that the information provided in this form is accurate and complete.

Mr. <input type="checkbox"/>		First name		Last name	
Ms. <input type="checkbox"/>					
Signature				Date	____ / ____ / ____ year month day

Important

Please note that AMF staff may validate the information provided in this form.

PART 1 – TO BE COMPLETED BY THE CANDIDATE OR REPRESENTATIVE			
SECTION A – IDENTIFICATION REGARDING THE CANDIDATE OR REPRESENTATIVE			
Name of candidate / representative		Client No.(10 digits)	
SECTION B – DÉCLARATION OF THE OTHER EMPLOYMENT			
Other employment declared			
SECTION C - DÉCLARATION REGARDING THE INFORMATION PROVIDED			
<p>I declare that the information provided in this form is accurate and complete. I have attached all supporting documents required to process my application.</p> <p>I authorize the AMF to contact the firm identified in part 2 where I will carry out activities to validate any information provided in this form and its appendices.</p>			
Mr. <input type="checkbox"/> Ms. <input type="checkbox"/>	First name		Last name
Signature			Date ____ / ____ / ____ year month day

PART 2 – TO BE COMPLETED BY THE RESPONSIBLE OFFICER OR CHIEF COMPLIANCE OFFICER							
SECTION D – IDENTIFICATION REGARDING THE RESPONSIBLE OFFICER OR CHIEF COMPLIANCE OFFICER							
Ms. <input type="checkbox"/>	Mr. <input type="checkbox"/>	Title					
First name				Last name			
Civic No.		Street				Apt. / Unit	
City			Province		Postal code		
FIRM							
Name of firm				Client No. (10 digits)			
Civic No.		Street				Suite / Unit	
City			Province		Postal code		

Were you informed that this person would be holding a second occupation in another field while in your employ and have you authorized this?

Yes No

As the firm's responsible officer/chief compliance officer, I acknowledge that it is my responsibility to ensure that this person will hold this second occupation in accordance with laws and regulations, in particular by ensuring that the second occupation declared in this form does not create a conflict of interest with the person's activities in the financial services sector.

Yes No

SECTION E – DÉCLARATION REGARDING THE INFORMATION PROVIDED

I declare that the information provided in this form is accurate and complete.

Mr. <input type="checkbox"/>	First name		Last name	
Ms. <input type="checkbox"/>				
Signature				Date
				____ / ____ / ____ year month day

chapter D-9.2, r. 10

Regulation respecting the pursuit of activities as a representative

An Act respecting the distribution of financial products and services
(chapter, ss. 196, 202 and ss. 211 and 213)

DIVISION I SCOPE OF APPLICATION

1. The provisions of this Regulation govern the pursuit of the activities of the representatives referred to in section 1 of the Act respecting the distribution of financial products and services (chapter D-9.2).

O.C. 830-99, s. 1; M.O. 2009-06, s. 1.

DIVISION II INCOMPATIBLE OCCUPATIONS

2. The following activities and occupations are incompatible with the pursuit of activities as a representative:

- (1) performing the duties of a judge;
- (2) performing the duties of a police officer;
- (2.1) performing the duties of a minister of religion;
- (2.2) performing the duties of a funeral director or any other similar duties in the funeral services industry;
- (3) pursuing activities as a bankruptcy trustee;
- (4) the exercise of a health-care profession governed by the Professional Code (chapter. C-26);
- (5) the exercise of the profession of lawyer or notary;
- (6) the exercise of the professional activity of public accountancy;

(7) the exercise of the activities of a real estate broker, except in connection with brokerage activities relating to loans secured by immovable hypothec;

(8) the management of a union, other than a union formed of representatives, or the management of a professional association, or employment by any such organisation.

Notwithstanding the first paragraph, the exercise of activities or professions referred to in subparagraphs (5) and (6) are not incompatible with the activities of a claims adjuster or financial planner.

O.C. 830-99, s. 2; L.Q. 2012, c. 11, s. 32; M.O. 2013-12, s. 1.

3. The following occupations are incompatible with the pursuit of activities as a damage insurance agent or damage insurance broker or a claims adjuster:

(1) vendor, lessor or repairer of road vehicles, off-road vehicles or boats;

(2) vendor, lessor or repairer of movable property;

(3) contractor, as that term is defined in section 7 of the Building Act (chapter B-1.1);

(4) supplier of services or goods which could be required at the time of an insurance loss.

O.C. 830-99, s. 3; M.O. 2013-12, s. 2.

DIVISION III CONDITIONS AND RESTRICTIONS GOVERNING THE PURSUIT OF ACTIVITIES

4. During the period of validity of his certificate, a representative must comply with the following conditions governing the pursuit of activities:

(1) he must demonstrate availability and diligence;

(2) he must forthwith deposit in a separate account held by him as an independent representative or by the firm or independent partnership on whose behalf he acts, as the case may be, all amounts collected or received on behalf of another person in the pursuit of his activities.

O.C. 830-99, s. 4; M.O. 2013-12, s. 3.

5. No representative may, in pursuing activities, take part directly or indirectly in a contest or a promotion providing benefits, as an incentive to promote or sell a product that does not meet the specific needs of his clients.

Notwithstanding the first paragraph, a representative may be reimbursed by a legal person or a third party for the direct costs incurred by attending a conference or a convention, provided that the main purpose of the conference or convention is to provide training on activities governed by the Act respecting the distribution of financial products and services.

O.C. 830-99, s. 5; M.O. 2013-12, s. 4.

6. A representative in insurance of persons must, before completing an insurance proposal or offering an insurance of persons product containing an investment component, including an individual variable insurance contract, analyze the needs of the purchaser, or those of the insured, with the purchaser.

Therefore, depending on the product, the representative in insurance of persons must analyze with the purchaser, in particular, the policies or contracts in effect held by such purchaser or the insured, as the case may be, the features thereof, the name of the issuing insurers, the purchaser's investment objectives, risk tolerance and financial knowledge, and all other necessary elements such as the income, financial situation, number of dependants, and personal and family obligations of the purchaser.

The representative in insurance of persons must record the information gathered for such analysis in a dated document. A copy of the document must be given to the purchaser no later than on the date the policy is delivered.

O.C. 830-99, s. 6; M.O. 2013-12, s. 5.

7. (Repealed).

O.C. 830-99, s. 7; M.O. 2013-12, s. 6.

8. No financial planner may render financial planning services in such capacity unless he has first entered into a written agreement with the client which, as a minimum, specifies the following:

- (1) the nature and scope of the mandate;
- (2) an estimate of the number of hours required to complete the mandate;
- (3) all the sectors or classes of sectors in which he is authorized to act and a description of the financial products and services that are likely to be offered by the financial planner;

- (4) the client's signature, attesting to the acceptance of the mandate.

No agreement entered into under the first paragraph may oblige the client to purchase a financial product or service.

This mandate must be dated and signed by the financial planner and given to the client

O.C. 830-99, s. 8; M.O. 2013-12, s. 7.

8.1. No representative in group insurance may render services or offer products in such capacity directly to the policyholder unless he enters into a written agreement with the client which, as a minimum, specifies the following:

- (1) the identification of the policyholder and the person designated as the policyholder's contact person;

- (2) the nature and scope of the mandate specifying, as a minimum, the following:

- (a) the needs analysis;

- (b) in the case of calls for tenders pertaining to one or more insurance products, a comparison of guarantees, including costs and any differences noted;

- (c) where an insurance contract is renewed, the description of the existing plan and an analysis of group experience.

No agreement entered into may oblige the policyholder to purchase a financial product or service.

This mandate must be dated and signed by the representative. The representative must always give a copy of the mandate to the policyholder or the person designated as his contact person.

M.O. 2013-12, s. 8.

9. The financial planner must prepare a written financial planning report and forward it to his client

O.C. 830-99, s. 9.

9.1. A representative in group insurance must, when rendering services or offering products in such capacity, give a written report of his recommendations to the person designated as the policyholder's contact person.

M.O. 2013-12, s. 10.

DIVISION IV REPRESENTATION AND CLIENT SOLICITATION

10. Upon first meeting a client, a representative must give the client a document, such as a business card, which indicates the following:

- (1) the representative's name;
- (2) the representative's main business address, business telephone number and electronic mail address, if any;
- (3) the name of the firm or independent partnership on whose behalf the representative is acting or the description "independent representative", as the case may be;
- (4) the titles under An Act respecting the distribution of financial products and services which the representative is authorized to use in respect of the firm or independent partnership on whose behalf he is acting or the titles under such Act which he is authorized to use as an independent representative, as the case may be.

O.C. 830-99, s. 10; M.O. 2013-12, s. 11.

11. The document referred to in section 10 or any other written representation may contain other information, provided such information is not likely to cause confusion, is related to the pursuit of activities as a representative and is not incompatible with those activities, including the following:

- (1) (paragraph repealed);
- (2) (paragraph repealed);
- (3) the representative's education and qualifications as well as the titles he holds based on such education and qualifications;
- (4) the representative's years of experience in each sector in which he pursues activities;
- (5) the description of the products and services offered by the representative.

O.C. 830-99, s. 11; M.O. 2013-12, s. 12.

12. Where the representative deals with the client from a distance, he must communicate to the client the items referred to in paragraphs 1, 3 and 4 of section 10.

Upon request by the client, the representative must give the client the document referred to in section 10 when he first sends other documents.

O.C. 830-99, s. 12; M.O. 2013-12, s. 13.

13. Where a representative uses statistics in his written representations, he must indicate the source thereof.

O.C. 830-99, s. 13.

14. A representative must refrain from engaging in any client solicitation or representation that may cause confusion or that

(1) states the representative's income or financial performance;

(2) appears to promise results that the representative is unable to obtain;

(3) uses a visual image or phrase that is likely to cause confusion, such as a trade mark, slogan or symbol.

O.C. 830-99, s. 14; M.O. 2013-12, s. 14.

15. Except in representations directed exclusively at other damage insurance brokers, a damage insurance broker may not, in any manner whatsoever, make representations on behalf of an outside insurer or to the effect that the damage insurance broker can obtain the insurance damage product of an outside insurer.

O.C. 830-99, s. 15.

DIVISION V PRODUCT INFORMATION

16. Where a representative in insurance of persons sells to a client an individual insurance of persons product or an individual annuity the representative must give to the client, no later than on the date the policy is delivered, a legible document indicating the following:

(1) whether the insurance costs payable under the contract are guaranteed and, where applicable, for how long, and whether such amounts may fluctuate;

(2) whether the return on the amounts invested through the insurance product is guaranteed or not;

- (3) whether the face amount of the insurance is guaranteed or may fluctuate;
- (4) any specific exclusions contained in the contract;
- (5) if a surrender fee or a penalty is payable if the contract is surrendered;
- (6) (paragraph repealed).

O.C. 830-99, s. 16; M.O. 2013-12, s. 15.

DIVISION VI PROFESSIONAL LIABILITY INSURANCE

17. The insurance contract covering the professional liability of a representative acting on behalf of, but not employed by, a firm must provide for the following:

- (1) a minimum coverage amount of \$500,000 per claim and \$1,000,000 per year;
- (2) that any deductible amount stipulated in the contract may not exceed \$10,000;
- (3) express stipulations to the effect that
 - (a) coverage is provided for liability arising from the fault, errors, negligence, or omissions committed by the representative in pursuing activities as a representative, or arising from the fault, errors, negligence, or omissions committed by the representative's mandataries, employees or trainees in the performance of their duties, regardless of whether or not such persons are still so engaged on the date of the claim;
 - (b) the coverage provided in respect of the activities of the representative during the period for which the contract is in effect extends beyond the period of insurance provided for therein for a further term of 5 years from the date the representative ceases to pursue activities, irrespective of whether or not he is still alive;
 - (c) the insurer must advise the Bureau of its intention not to renew the contract or to terminate the contract 30 days prior to the date of non-renewal or termination;
 - (d) the insurer must notify the Bureau upon receiving from the representative notice of non-renewal or termination of an insurance contract;

(e) the insurer must notify the Bureau upon receiving any claim under the contract, regardless of whether the insurer decides to honour the claim.

O.C. 830-99, s. 17; O.C. 1013-2003, a. 1.

DIVISION VII POLICY REPLACEMENTS

18. The provisions of this Division apply to all representatives in insurance of persons who replace individual life insurance contracts, including serious or critical-illness insurance contracts.

The provisions also apply to representatives in insurance of persons who secure the admission of a person to a group insurance contract, and where that admission is likely to result in the termination, cancellation or reduction of benefits of an individual insurance policy.

Notwithstanding the first paragraph, the provisions of this Division do not apply to a representative in insurance of persons who intends to replace an annuity of an insurer, including an endowment contract

O.C. 830-99, s. 18.

19. An amendment made to an existing contract shall not be regarded as a replacement contemplated in this Division.

O.C. 830-99, s. 19.

20. A representative must endeavour to ensure that all insurance contracts are maintained in effect, unless the replacement of the contract is justified as being in the interest of the purchaser or the insured; the representative in insurance of persons who replaces the contract must demonstrate that the replacement is so justified.

O.C. 830-99, s. 20.

21. No representative in insurance of persons may encourage an insured or a purchaser who is not the insured, to cancel, cause to lapse or abandon one insurance contract in favour of another insurance contract, unless he complies with the replacement procedure set out in section 22.

O.C. 830-99, s. 21.

22. Where the purchase of an insurance contract is likely to result in termination, cancellation or reduction in benefits of another insurance contract, the representative must

(1) (paragraph repealed);

(2) complete, prior to or at the same time as the insurance proposal, the form set out in Schedule I if it is in the interests of the policyholder or the insured to replace one contract with another;

(3) explain the content of the form to the policyholder by comparing the features of the current contracts with those of the proposed contract and by describing the advantages and disadvantages of the replacement;

(3.1) give to the policyholder a copy of the form completed and signed by the representative within 5 working days of the signing of the proposal;

(4) send the form completed and signed by the representative to the head offices of the insurers who issued the contracts likely to be cancelled, by any means providing proof of the date of sending, within five working days of the signing of the insurance proposal;

(5) send a copy of the completed form, within the time limit prescribed in subparagraph (4), to the insurer with whom the representative in insurance of persons intends to place the new contract.

O.C. 830-99, s. 22; M.O. 2013-12, s. 17.

23. (Repealed).

O.C. 830-99, s. 23; M.O. 2013-12, s. 18.

24. No representative may prevent an insurer who issued a contract that is likely to be replaced from contacting the insured or the policyholder with a view to dissuading such insured or policyholder from replacing the contract or with a view to offering an equivalent contract.

O.C. 830-99, s. 24.

25. The replacement procedure provided for in section 22 also applies, adapted as required, to the replacement of the following:

(1) a signed insurance proposal for which:

(a) the mode premium has been paid in full, in cash or by cheque;

(b) the signatory of the proposal has given either a bank authorization or written authorization for deduction from salary or a written authorization to transfer funds from one policy issued by an insurer to another policy issued by the same insurer;

(2) a signed insurance proposal providing for temporary coverage of not more than one year, for which the temporary insurance premium has been paid.

O.C. 830-99, s. 25.

26. The replacement procedure provided for in section 22 does not apply to the replacement of an insurance proposal for which the premium has been fully paid but where the medical examination was not conducted within the period stipulated on the conditional receipt

O.C. 830-99, s. 26.

27. Where an insurer is prepared to issue a contract in accordance with the terms and conditions of the insurance proposal, but subject to payment of an additional premium, the representative must follow the replacement procedure before he obtains a similar contract without any additional or extra premium from another insurer.

O.C. 830-99, s. 27.

DIVISION VIII

DAMAGE INSURANCE BROKER OR AGENT ACTING AS CLAIMS ADJUSTER

28. A damage insurance broker or agent is authorized to act, exceptionally, as a claims adjuster pursuant to section 46 of An Act respecting the distribution of financial products and services under the following conditions and circumstances:

(1) his pursuit of activities as a claims adjuster must be incidental to the pursuit of activities as a damage insurance broker or agent

(2) he must comply with the rules governing the activities of a claims adjuster, with the necessary modifications;

(3) he must disclose, in writing, to each client with whom he transacts business the type of remuneration he receives for services rendered as a claims adjuster.

O.C. 830-99, s. 28; M.O. 2013-12, s. 19.

29. This Regulation comes into force on October 1, 1999.

O.C. 830-99, s. 29.

SCHEDULE 1
(s. 22, par. 2)

Notice No.: _____
The Notice number is the same as the proposal number.

Notice of Replacement of Insurance of Persons Contract

IMPORTANT MESSAGE FOR CONSUMERS

Read the following before you terminate your insurance contract.

1. Read the needs analysis prepared by your representative.

Among other things, it outlines your current and future needs, your objectives and your ability to pay the insurance premium.

Verify that your representative has taken the necessary steps to retain or modify your existing contract

2. Read this replacement notice prepared by your representative. After reading the notice and your representative's explanations, determine whether or not you still wish to replace your existing insurance contract with the proposed contract

If you decide to replace your contract, instruct your representative to proceed with the replacement. Your representative will give you a copy of the notice, signed by him, and will forward a copy to any insurer concerned within 5 days of the signing of the proposal. This notice is not a contract and does not terminate your insurance.

You must sign the notice and initial each page of the document no later than on the date the new policy is delivered. Before signing, make sure that the information contained in the document is the same as that on the copy your representative has already given you.

3. Read the insurance proposal prepared by your representative. The signed copy sent to the insurer is confirmation of your application to purchase insurance. On receipt, the insurer will determine whether or not to insure you.

4. Read the insurance contract you receive from the insurer that has accepted your insurance proposal. If you are satisfied, you can terminate your former contract, since your new contract will be in effect.

Termination of contract

You may terminate the purchase of your new insurance contract at any time before it is issued. In addition, most insurers allow clients 10 days in which to terminate the contract at no charge. Ask your representative if you are eligible to do so.

To contact the AMF Information Centre:

www.lautorite.qc.ca

Telephone:

Québec City: 418-525-0337

Montréal: 514-395-0337

Toll-free: 1-877-525-0337

Important documents to read

To replace an insurance contract, your representative must complete several documents and explain them to you:

- Needs analysis
- Notice of replacement of insurance contract
- Insurance proposal

You will subsequently receive your insurance contract, as applicable.

Date:

Client's initials: _____

IMPORTANT MESSAGE FOR INSURANCE OF PERSONS REPRESENTATIVES

You must encourage the client to maintain an insurance contract in effect, unless it is in the interests of the policyholder or the insured to replace the contract.

This replacement notice helps your client make an informed decision by allowing him to compare the advantages and disadvantages of replacing the contract.

Nevertheless, you are responsible for providing your client, fully and objectively, with the explanations he needs to make an informed decision.

You must complete this notice if you are proposing that a client replace his insurance contract.¹

Here is some useful information regarding this notice:

- You must explain each point to your client.
- Your client must sign the notice no later than on the date the policy is delivered.
- The notice number and insurance proposal number must be the same. It must appear at the top of each page of this notice.
- If the proposed insurance contract is replacing more than one contract, a replacement notice must be completed for each replaced contract. The number on each replacement notice must correspond to the number on the insurance proposal, followed by a figure (e.g., proposal number 1, proposal number 2).
- You must give a copy of this replacement notice to the policyholder.
- You must send a copy of this notice to the insurer whose contract is being replaced, within 5 working days of the signing of the insurance proposal.
- You must keep a copy of this notice signed by your client.

1. Division VII of the Regulation respecting the pursuit of activities as a representative (R.R.Q., c. D-9.2, r. 10) - An Act respecting the distribution of financial products and services.

Important documents to explain to the client

To replace an insurance contract, you must complete several documents and explain them to the client:

- Needs analysis
- Notice of replacement of insurance contract
- Insurance proposal

The client must subsequently receive his insurance contract, as applicable.

To contact the AMF Information Centre:

www.lautorite.qc.ca

Telephone:
Québec City: 418-525-0337
Montréal: 514-395-0337
Toll-free: 1-877-525-0337

Notice No.: _____

Notice of replacement of insurance of persons contract

If you need extra space, add pages, clearly indicating the Part number and the notice number. Both you and your client must initial each page.

PART 1 – General information

Policyholder Person purchasing the contract	_____ Date of birth: _____ Last name and first name Day Month Year _____ Date of birth: _____ Last name and first name Day Month Year _____ Date of birth: _____ Last name and first name Day Month Year
Insured (if different from Policyholder)	_____ Date of birth: _____ Last name and first name Day Month Year
Other insureds Other persons covered by the replaced contract who will also be covered under the proposed contract	_____ Last name and first name _____ Last name and first name _____ Last name and first name
Cancelled insureds Other persons covered by the replaced contract who will not be covered under the proposed contract and who will therefore no longer be insured.	_____ Last name and first name Type of coverage: _____ Amount: _____ _____ Last name and first name Type of coverage: _____ Amount: _____
Additional insureds Other persons who are not insured under the replaced contract but who will be covered under the proposed contract	_____ Last name and first name Type of coverage: _____ Amount: _____ _____ Last name and first name Type of coverage: _____ Amount: _____

Client's initials: _____

PART 1 – General information (cont.)		
Indicate all insurance contracts replaced by the proposed contract	Policy No.	Date in effect
	_____	Day Month Year
	_____	Day Month Year
_____	Day Month Year	Day Month Year
Insurance contract	Existing	Proposed
Name of insurer		
Nature of insurance Life, critical illness, disability, etc. (specify type: term, permanent, universal life, etc.) If joint insurance, payable on	1st death <input type="checkbox"/> 2nd death <input type="checkbox"/>	1st death <input type="checkbox"/> 2nd death <input type="checkbox"/>
Date in effect		Not applicable
Benefit amount Amount paid on occurrence of covered risk • List amount(s).		
Amount of annual premium		
Indemnity period /Waiting period		
<p>Comments</p> <p>Use this section for any additional information, such as whether or not the benefits and premiums indicated above are fixed or guaranteed, the premiums payable in 10 years, at a specific age, etc.</p>		

IMPORTANT MESSAGE FOR CONSUMERS

Incontestable clause	
<p>When death occurs within two years of the date on which the contract comes into effect, the insurer may refuse to pay the death benefit if information regarding the insured's health or lifestyle was incomplete, inaccurate or omitted. An insurer may refuse to pay the death benefit if it can prove that the insured intended to commit fraud.</p> <p>The two-year incontestable clause may not generally be transferred from one contract to another. Therefore, the validity of a new contract may sometimes be contested, whereas the former contract may have been incontestable.</p> <p>By replacing an insurance contract, you may lose this advantage, since the two-year incontestable period begins on the day on which the proposed contract comes into effect.</p> <p>In disability insurance, this clause does not apply if the disability occurs within two years of the date the proposed contract comes into effect.</p> <p>Expiry date of incontestable clause</p> <p>Proposed contract: <input style="width: 50px;" type="text"/> year(s) after the contract comes into effect</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">Day Month Year</p> <p>Replaced contract: _____</p> <p style="text-align: center;">Day Month Year</p> <p>Read and signed by policyholder: _____ Date: _____</p> <p style="text-align: right;">Day Month Year</p>	<p><input type="checkbox"/> Not applicable</p> <p>Representative's initials: _____</p>

Suicide clause	
<p>When death is by suicide and occurs within two years of the date on which the contract comes into effect, the insurer will not usually pay the death benefit.</p> <p>Generally, the validity of a clause providing for payment of the death benefit despite suicide may not be transferred from one contract to another.</p> <p>By replacing an insurance contract, you may lose this advantage, since the two-year suicide period begins on the day on which the proposed contract comes into effect.</p> <p>Expiry date of suicide clause</p> <p>Proposed contract: <input style="width: 50px;" type="text"/> year(s) after the contract comes into effect</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">Day Month Year</p> <p>Replaced contract: _____</p> <p style="text-align: center;">Day Month Year</p> <p>Read and signed by policyholder: _____ Date: _____</p> <p style="text-align: right;">Day Month Year</p>	<p><input type="checkbox"/> Not applicable</p> <p>Representative's initials: _____</p>

Notice No.: _____

PART 2 – Reasons for replacement

2.1 Explain why the existing insurance contract does not meet your client's needs.

2.2 Explain how the proposed contract better meets your client's needs.

2.3 Explain the disadvantages for your client of replacing his contract (additional exclusions, higher premium, extra premium, etc.).

2.4 Explain why you are not modifying your client's existing contract

PART 2 – Reasons for replacement (cont.)

2.5 Explain the financial impact of the replacement (e.g., redemption fees, cash surrender value [guaranteed or non-guaranteed], cancellation fees, premiums, tax considerations, policyholder dividends, registration as an RRSP, forthcoming dividend payment).

2.6 Explain the differences between complementary or optional guarantees under the existing contract and the proposed contract (waiver of premiums, guarantee of insurability, other endorsements, additional or fewer guarantees, variations in equivalent or similar guarantees, etc.).

Comments

PART 3 – Signature of policyholder

Having read and understood the notice,

I, _____, the undersigned,
 Policyholder's first and last name

wish to replace my existing insurance contract no. _____

and subscribe to the following new insurance contract _____
 (Name of policy)

_____ Date: _____
 Signature of policyholder(s) Day Month Year

PART 4 – Signature of representative

I have explained to my client, fully and objectively, the type of insurance, as well as the advantages and disadvantages of replacing his existing insurance contract

A copy of this notice will be sent to the insurer of the replaced insurance contract

Representative

_____	_____	_____	_____
Representative's last name and first name	Certificate No.	Telephone	Signature

Representative

_____	_____	_____	_____
Representative's last name and first name	Certificate No.	Telephone	Signature

Supervisor

_____	_____	_____	_____
Supervisor's last name and first name	Certificate No.	Telephone	Signature

Trainee

_____	_____	_____	_____
Trainee's last name and first name	Certificate No.	Telephone	Signature

Client's initials: _____

SCCHEDULE II (Repealed)

O.C. 830-99, Sch. 2; M.O. 2013-12, s. 21.

TRANSITIONAL PROVISIONS

M.O. 2013-12, 2013 G.O. 2, 2023

22. The forms sold by the Authority for purposes of paragraph 2 of section 22 as it read on the date of the coming into force of this Regulation may be used until 22 October 2014 to replace an insurance of persons contract, in accordance with Division VII of the Regulation respecting the pursuit of activities as a representative (chapter D-9.2, r. 10).

D. 830-99, 1999 G.O. 2, 2066
Bulletin du B.S.F.: 1999-11-11, n° 5

Amendments

D. 1013-2003, 2003 G.O. 2, 3005
Bulletin du B.S.F.:

M.O. 2009-06, 2009 G.O. 2, 3686A
Decision 209-PDG-0124, 2009-09-04
Bulletin de l'Autorité : 2009-09-25, Vol. 6, n° 38

L.Q. 2012, c. 11, s. 32

M.O. 2013-12, 2013 G.O. 2, 2023
Decision 2013-PDG-0101, 2013-06-19
Bulletin de l'Autorité : 2009-07-25, Vol. 10, n° 29

chapter D-9.2, r. 10

REGULATION RESPECTING THE PURSUIT OF ACTIVITIES AS A REPRESENTATIVE

An Act respecting the distribution of financial products and services
(chapter, ss. 196, 202 and ss. 211 and 213)

DIVISION I SCOPE OF APPLICATION

1. The provisions of this Regulation govern the pursuit of the activities of the representatives referred to in section 1 of the Act respecting the distribution of financial products and services (chapter D-9.2).

O.C. 830-99, s. 1; M.O. 2009-06, s. 1.

DIVISION II INCOMPATIBLE OCCUPATIONS

2. The following activities and occupations are incompatible with the pursuit of activities as a representative:

- (1) performing the duties of a judge;
- (2) performing the duties of a police officer;
- (2.1) performing the duties of a minister of religion;
- (2.2) performing the duties of a funeral director or any other similar duties in the funeral services industry;
- (3) pursuing activities as a bankruptcy trustee;
- (4) the exercise of a health-care profession governed by the Professional Code (chapter. C-26);
- (5) the exercise of the profession of lawyer or notary;
- (6) the exercise of the professional activity of public accountancy;
- (7) the exercise of the activities of a real estate broker;

(8) the management of a union, other than a union formed of representatives, or the management of a professional association, or employment by any such organisation.

Notwithstanding the first paragraph, the pursuit of activities or professions referred to in any of the subparagraphs hereinbelow is not incompatible with the activities mentioned in such subparagraph:

(1) the activity or profession referred to in subparagraph 5 or 6 of that paragraph: the activities of a claims adjuster and financial planner;

(2) the activities referred to in subparagraph 7 of the that paragraph: the activities of a mortgage broker, provided the representative pursues activities only in the sector of mortgage brokerage.

O.C. 830-99, s. 2; L.Q. 2012, c. 11, s. 32; M.O. 2013-12, s. 1; M.O. 2020-04, s. 1.

3. The following occupations are incompatible with the pursuit of activities as a damage insurance agent or damage insurance broker or a claims adjuster:

(1) vendor, lessor or repairer of road vehicles, off-road vehicles or boats;

(2) vendor, lessor or repairer of movable property;

(3) contractor, as that term is defined in section 7 of the Building Act (chapter B-1.1);

(4) supplier of services or goods which could be required at the time of an insurance loss.

O.C. 830-99, s. 3; M.O. 2013-12, s. 2.

DIVISION III CONDITIONS AND RESTRICTIONS GOVERNING THE PURSUIT OF ACTIVITIES

§ 1. — General rules

4. During the period of validity of his certificate, a representative must comply with the following conditions governing the pursuit of activities:

(1) he must demonstrate availability and diligence;

(2) he must forthwith deposit in a separate account held by him as an independent representative or by the firm or independent partnership on whose behalf he acts, as the case may be, all amounts collected or received on behalf of another person in the pursuit of his activities.

O.C. 830-99, s. 4; M.O. 2013-12, s. 3.

5. No representative may, in pursuing activities, take part directly or indirectly in a contest or a promotion providing benefits, as an incentive to promote or sell a product that does not meet the specific needs of his clients.

Notwithstanding the first paragraph, a representative may be reimbursed by a legal person or a third party for the direct costs incurred by attending a conference or a convention, provided that the main purpose of the conference or convention is to provide training on activities governed by the Act respecting the distribution of financial products and services.

O.C. 830-99, s. 5; M.O. 2013-12, s. 4.

§ 2. — Rules specific to representatives in insurance of persons, group insurance representatives and financial planners

6. A representative in insurance of persons must, before completing an insurance proposal or offering an insurance of persons product containing an investment component, including an individual variable insurance contract, analyze the needs of the purchaser, or those of the insured, with the purchaser.

Therefore, depending on the product, the representative in insurance of persons must analyze with the purchaser, in particular, the policies or contracts in effect held by such purchaser or the insured, as the case may be, the features thereof, the name of the issuing insurers, the purchaser's investment objectives, risk tolerance and financial knowledge, and all other necessary elements such as the income, financial situation, number of dependants, and personal and family obligations of the purchaser.

The representative in insurance of persons must record the information gathered for such analysis in a dated document. A copy of the document must be given to the purchaser no later than on the date the policy is delivered.

O.C. 830-99, s. 6; M.O. 2013-12, s. 5.

7. (Repealed).

O.C. 830-99, s. 7; M.O. 2013-12, s. 6.

8. No financial planner may render financial planning services in such capacity unless he has first entered into a written agreement with the client which, as a minimum, specifies the following:

- (1) the nature and scope of the mandate;
- (2) an estimate of the number of hours required to complete the mandate;
- (3) all the sectors or classes of sectors in which he is authorized to act and a description of the financial products and services that are likely to be offered by the financial planner;

- (4) the client's signature, attesting to the acceptance of the mandate.

No agreement entered into under the first paragraph may oblige the client to purchase a financial product or service.

This mandate must be dated and signed by the financial planner and given to the client.

O.C. 830-99, s. 8; M.O. 2013-12, s. 7.

8.1. No representative in group insurance may render services or offer products in such capacity directly to the policyholder unless he enters into a written agreement with the client which, as a minimum, specifies the following:

- (1) the identification of the policyholder and the person designated as the policyholder's contact person;

- (2) the nature and scope of the mandate specifying, as a minimum, the following:

- (a) the needs analysis;

- (b) in the case of calls for tenders pertaining to one or more insurance products, a comparison of guarantees, including costs and any differences noted;

- (c) where an insurance contract is renewed, the description of the existing plan and an analysis of group experience.

No agreement entered into may oblige the policyholder to purchase a financial product or service.

This mandate must be dated and signed by the representative. The representative must always give a copy of the mandate to the policyholder or the person designated as his contact person.

M.O. 2013-12, s. 8.

9. The financial planner must prepare a written financial planning report and forward it to his client.

O.C. 830-99, s. 9.

9.1. A representative in group insurance must, when rendering services or offering products in such capacity, give a written report of his recommendations to the person designated as the policyholder's contact person.

M.O. 2013-12, s. 10.

§ 3. — Rules specific to mortgage brokers

9.2. A mortgage broker who receives or collects an amount referred to in paragraph 2 of section 4 must give the party from whom he receives or collects the amount a receipt containing the information indicated in section 28.2 of the Regulation respecting firms, independent representatives and independent partnerships (chapter D-9.2, r. 2).

M.O. 2020-04, s. 4

9.3. A mortgage broker must, before services are rendered, make a written disclosure of his method of remuneration to the client, indicating:

- (1) the compensation claimed for the services he renders to the client, if applicable, and the conditions on which the compensation may be claimed;
- (2) the fact that he receives remuneration or any other benefit from the mortgage lender or any person for the services he renders to him, if applicable.

A mortgage broker must forthwith make a written disclosure to the client of any change in his method of remuneration.

M.O. 2020-04, s. 4

9.4. When a mortgage broker proposes a loan secured by immovable hypothec to a client, he must make a written disclosure of the following information to the client:

- (1) the nature of the remuneration or any other benefit that he will receive if the loan is made, if applicable;
- (2) the nature of any other remuneration or any other benefit that he may receive with respect to the proposed loan; and
- (3) the fact that he intends to share his commission, if applicable, and the name of the person sharing the commission.

M.O. 2020-04, s. 4

9.5. When a mortgage broker refers a client, he must disclose in writing to the client that he may receive a share of a commission, if applicable.

M.O. 2020-04, s. 4

9.6. A mortgage broker must forthwith make a written disclosure of the following information to the client:

(1) separately, the number of lenders that made loans secured by immovable hypothec for which:

(a) he engaged in a brokerage transaction in the previous 12 months;

and

(b) the firm or independent partnership on behalf of which he acts, if applicable, engaged in a brokerage transaction in the previous 12 months;

(2) the name of the lender that, if applicable, made more than 50% of the total number of loans secured by immovable hypothec or loan renewals for which the mortgage broker, or the firm or independent partnership on behalf of which the mortgage broker acts, engaged in a brokerage transaction in the previous 12 months.

M.O. 2020-04, s. 4

9.7. A mortgage broker must, before proposing a loan secured by immovable hypothec, collect and record in a dated document the information pertaining to the identification of the client's needs and the client's financial situation, including, in particular, the characteristics and terms and conditions of the proposed loan, the immovable that will be charged with the hypothec and the client's credit history, income, ability to repay the loan and level of financial knowledge.

M.O. 2020-04, s. 4

9.8. A mortgage broker must identify and ascertain the identity of the borrower, the mortgage lender and, if applicable, of the surety and other parties to the proposed transaction.

He must record the information relating to the identity of the borrower.

M.O. 2020-04, s. 4

9.9. A mortgage broker must verify and ascertain the legal capacity of the borrower or the borrower's representative to enter into the proposed transaction and the legal capacity of the mortgage lender and, if applicable, of the surety and other parties to the transaction.

M.O. 2020-04, s. 4

9.10. When a mortgage broker engages in a brokerage transaction relating to a loan secured by reverse immovable hypothec, he must inform the borrower of the importance of obtaining the opinion of a lawyer or a notary concerning the proposed loan.

M.O. 2020-04, s. 4

DIVISION IV REPRESENTATION AND CLIENT SOLICITATION

10. Upon first meeting a client, a representative must give the client a document, such as a business card, which indicates the following:

(1) the representative's name;

(2) the representative's main business address, business telephone number and electronic mail address, if any;

(3) the name of the firm or independent partnership on whose behalf the representative is acting or the description "independent representative", as the case may be;

(4) the titles under An Act respecting the distribution of financial products and services which the representative is authorized to use in respect of the firm or independent partnership on whose behalf he is acting or the titles under such Act which he is authorized to use as an independent representative, as the case may be.

O.C. 830-99, s. 10; M.O. 2013-12, s. 11.

11. The document referred to in section 10 or any other written representation may contain other information, provided such information is not likely to cause confusion, is related to the pursuit of activities as a representative and is not incompatible with those activities, including the following:

(1) (paragraph repealed);

(2) (paragraph repealed);

(3) the representative's education and qualifications as well as the titles he holds based on such education and qualifications;

(4) the representative's years of experience in each sector in which he pursues activities;

(5) the description of the products and services offered by the representative.

O.C. 830-99, s. 11; M.O. 2013-12, s. 12.

12. Where the representative deals with the client from a distance, he must communicate to the client the items referred to in paragraphs 1, 3 and 4 of section 10.

Upon request by the client, the representative must give the client the document referred to in section 10 when he first sends other documents.

O.C. 830-99, s. 12; M.O. 2013-12, s. 13.

13. Where a representative uses statistics in his written representations, he must indicate the source thereof.

O.C. 830-99, s. 13.

14. A representative must refrain from engaging in any client solicitation or representation that may cause confusion or that

(1) states the representative's income or financial performance;

(2) appears to promise results that the representative is unable to obtain;

(3) uses a visual image or phrase that is likely to cause confusion, such as a trade mark, slogan or symbol.

O.C. 830-99, s. 14; M.O. 2013-12, s. 14.

15. Except in representations directed exclusively at other damage insurance brokers, a damage insurance broker may not, in any manner whatsoever, make representations on behalf of an outside insurer or to the effect that the damage insurance broker can obtain the insurance damage product of an outside insurer.

O.C. 830-99, s. 15.

DIVISION V PRODUCT INFORMATION

16. Where a representative in insurance of persons sells to a client an individual insurance of persons product or an individual annuity the representative must give to the client, no later than on the date the policy is delivered, a legible document indicating the following:

(1) whether the insurance costs payable under the contract are guaranteed and, where applicable, for how long, and whether such amounts may fluctuate;

(2) whether the return on the amounts invested through the insurance product is guaranteed or not;

(3) whether the face amount of the insurance is guaranteed or may fluctuate;

(4) any specific exclusions contained in the contract;

(5) if a surrender fee or a penalty is payable if the contract is surrendered;

(6) (paragraph repealed).

O.C. 830-99, s. 16; M.O. 2013-12, s. 15.

DIVISION V.1 RULES OF CONDUCT OF MORTGAGE BROKERS

16.1. Mortgage brokers must take reasonable measures to ensure that the persons authorized to act on their behalf in the pursuit of their activities as a mortgage broker comply with the provisions of the Act respecting the distribution of financial products and services (chapter D-9.2) and its regulations, including those of this subdivision.

M.O. 2020-04, s. 5.

16.2. Mortgage brokers must act with respect and integrity.

They must also act with prudence, diligence, objectivity and discretion.

M.O. 2020-04, s. 5.

16.3. Mortgage brokers must act with competence. They must therefore develop and maintain their knowledge and abilities.

M.O. 2020-04, s. 5.

16.4. Mortgage brokers must take into account the limits of their skills and of the means at their disposal. When they do not have the necessary skills, they must not act on behalf of a client without obtaining the appropriate assistance.

M.O. 2020-04, s. 5.

16.5. Mortgage brokers must act with independence in respect of their clients and in their clients' best interests.

To that end, they must subordinate their personal interests and the interests of any other person or company to their clients' interests and must not let their judgment be subject to any pressure whatsoever.

M.O. 2020-04, s. 5.

16.6. Mortgage brokers must not place themselves in a conflict of interest

M.O. 2020-04, s. 5.

16.7. Mortgage brokers must be transparent in respect of their clients.

They must, in particular, explain the nature and scope of their services and, if applicable, the services provided by the firm or independent partnership on behalf of which they act, to enable clients to understand and evaluate their services.

M.O. 2020-04, s. 5.

16.8. Mortgage brokers must appropriately advise their clients and give them all such information as may be necessary or useful.

They must explain to their clients the nature of the fees associated with the proposed loans secured by immovable hypothec and the nature, characteristics, advantages and disadvantages of the loans secured by immovable hypothec that they propose to their clients, including the penalties applicable in the event of failure to comply with the terms of the loan agreement.

M.O. 2020-04, s. 5.

16.9. Mortgage brokers must ensure that the loan secured by immovable hypothec that they propose is suited to the client's situation and needs.

M.O. 2020-04, s. 5.

16.10. Mortgage brokers must respect and ensure the confidentiality of all information obtained about their clients.

They must use the information only for the purposes for which it was obtained and may not use it for personal purposes.

Mortgage brokers may not be relieved of these obligations without the client's consent or unless otherwise permitted by a provision of a law or an order of a court

M.O. 2020-04, s. 5.

16.11. Mortgage brokers must provide their clients with the explanations that they need to understand their remuneration.

M.O. 2020-04, s. 5.

16.12. The compensation claimed by the mortgage broker must be fair and reasonable given the services rendered.

M.O. 2020-04, s. 5.

16.13. Mortgage brokers must not make any false or misleading representations.

M.O. 2020-04, s. 5.

16.14. Mortgage brokers must not advise, encourage or in any way assist in the commission of an illegal or fraudulent act, such as the illegal pursuit of activities as a mortgage broker or mortgage fraud.

They must cease to act on behalf of a client when the client asks them to take an action that is in contravention of this rule.

M.O. 2020-04, s. 5.

16.15. Mortgage brokers must cooperate with the Authority in a transparent and diligent manner and must not mislead it

Mortgage brokers must not encourage a person to not cooperate with or to mislead the Authority.

M.O. 2020-04, s. 5.

16.16. Mortgage brokers who are informed that their conduct is the subject of a complaint filed with or an investigation conducted by the Authority must not communicate with the complainant or the person who requested the investigation.

M.O. 2020-04, s. 5.

DIVISION VI PROFESSIONAL LIABILITY INSURANCE

17. The insurance contract covering the professional liability of a representative acting on behalf of, but not employed by, a firm must provide for the following:

(1) a minimum coverage amount of \$500,000 per claim and \$1,000,000 per year;

(2) that any deductible amount stipulated in the contract may not exceed \$10,000;

(3) express stipulations to the effect that

(a) coverage is provided for liability arising from the fault, errors, negligence, or omissions committed by the representative in pursuing activities as a representative, or arising from the fault, errors, negligence, or omissions committed by the representative's mandataries, employees or trainees in the performance of their duties, regardless of whether or not such persons are still so engaged on the date of the claim;

(b) the coverage provided in respect of the activities of the representative during the period for which the contract is in effect extends beyond the period of insurance provided for therein for a further term of 5 years from the date the representative ceases to pursue activities, irrespective of whether or not he is still alive;

(c) the insurer must advise the Autorité des marchés financiers of its intention not to renew the contract or to terminate the contract 30 days prior to the date of non-renewal or termination;

(d) the insurer must notify the Authority upon receiving from the representative notice of non-renewal or termination of an insurance contract;

(e) the insurer must notify the Authority upon receiving any claim under the contract, regardless of whether the insurer decides to honour the claim.

O.C. 830-99, s. 17; O.C. 1013-2003, a. 1.

DIVISION VII POLICY REPLACEMENTS

18. The provisions of this Division apply to all representatives in insurance of persons who replace individual life insurance contracts, including serious or critical-illness insurance contracts.

The provisions also apply to representatives in insurance of persons who secure the adhesion of a person to a group insurance contract, and where that adhesion is likely to result in the termination, cancellation or reduction of benefits of an individual insurance policy.

Notwithstanding the first paragraph, the provisions of this Division do not apply to a representative in insurance of persons who intends to replace an annuity of an insurer, including an endowment contract.

O.C. 830-99, s. 18.

19. An amendment made to an existing contract shall not be regarded as a replacement contemplated in this Division.

O.C. 830-99, s. 19.

20. A representative must endeavour to ensure that all insurance contracts are maintained in effect, unless the replacement of the contract is justified as being in the interest of the purchaser or the insured; the representative in insurance of persons who replaces the contract must demonstrate that the replacement is so justified.

O.C. 830-99, s. 20.

21. No representative in insurance of persons may encourage an insured or a purchaser who is not the insured, to cancel, cause to lapse or abandon one insurance contract in favour of another insurance contract, unless he complies with the replacement procedure set out in section 22.

O.C. 830-99, s. 21.

22. Where the purchase of an insurance contract is likely to result in termination, cancellation or reduction in benefits of another insurance contract, the representative must

(1) (paragraph repealed);

(2) complete, prior to or at the same time as the insurance proposal, the form set out in Schedule I if it is in the interests of the policyholder or the insured to replace one contract with another;

(3) explain the content of the form to the policyholder by comparing the features of the current contracts with those of the proposed contract and by describing the advantages and disadvantages of the replacement;

(3.1) give to the policyholder a copy of the form completed and signed by the representative within 5 working days of the signing of the proposal;

(4) send the form completed and signed by the representative to the head offices of the insurers who issued the contracts likely to be cancelled, by any means providing proof of the date of sending, within five working days of the signing of the insurance proposal;

(5) send a copy of the completed form, within the time limit prescribed in subparagraph (4), to the insurer with whom the representative in insurance of persons intends to place the new contract.

O.C. 830-99, s. 22; M.O. 2013-12, s. 17.

23. (Repealed).

O.C. 830-99, s. 23; M.O. 2013-12, s. 18.

24. No representative may prevent an insurer who issued a contract that is likely to be replaced from contacting the insured or the policyholder with a view to dissuading such insured or policyholder from replacing the contract or with a view to offering an equivalent contract.

O.C. 830-99, s. 24.

25. The replacement procedure provided for in section 22 also applies, adapted as required, to the replacement of the following:

(1) a signed insurance proposal for which:

(a) the mode premium has been paid in full, in cash or by cheque;

(b) the signatory of the proposal has given either a bank authorization or written authorization for deduction from salary or a written authorization to transfer funds from one policy issued by an insurer to another policy issued by the same insurer;

(2) a signed insurance proposal providing for temporary coverage of not more than one year, for which the temporary insurance premium has been paid.

O.C. 830-99, s. 25.

26. The replacement procedure provided for in section 22 does not apply to the replacement of an insurance proposal for which the premium has been fully paid but where the medical examination was not conducted within the period stipulated on the conditional receipt.

O.C. 830-99, s. 26.

27. Where an insurer is prepared to issue a contract in accordance with the terms and conditions of the insurance proposal, but subject to payment of an additional premium, the representative must follow the replacement procedure before he obtains a similar contract without any additional or extra premium from another insurer.

O.C. 830-99, s. 27.

DIVISION VIII

DAMAGE INSURANCE BROKER OR AGENT ACTING AS CLAIMS ADJUSTER

28. A damage insurance broker or agent is authorized to act, exceptionally, as a claims adjuster pursuant to section 46 of An Act respecting the distribution of financial products and services under the following conditions and circumstances:

(1) his pursuit of activities as a claims adjuster must be incidental to the pursuit of activities as a damage insurance broker or agent;

(2) he must comply with the rules governing the activities of a claims adjuster, with the necessary modifications;

(3) he must disclose, in writing, to each client with whom he transacts business the type of remuneration he receives for services rendered as a claims adjuster.

O.C. 830-99, s. 28; M.O. 2013-12, s. 19.

29. (Omitted).

O.C. 830-99, s. 29.

SCCHEDULE 1

(s. 22, par. 2)



Notice No.: _____

The Notice number is the same as the proposal number.

Notice of Replacement of Insurance of Persons Contract

IMPORTANT MESSAGE FOR CONSUMERS

Read the following before you terminate your insurance contract.

1. Read the needs analysis prepared by your representative.

Among other things, it outlines your current and future needs, your objectives and your ability to pay the insurance premium.

Verify that your representative has taken the necessary steps to retain or modify your existing contract

2. Read this replacement notice prepared by your representative. After reading the notice and your representative's explanations, determine whether or not you still wish to replace your existing insurance contract with the proposed contract

If you decide to replace your contract, instruct your representative to proceed with the replacement. Your representative will give you a copy of the notice, signed by him, and will forward a copy to any insurer concerned within 5 days of the signing of the proposal. This notice is not a contract and does not terminate your insurance.

You must sign the notice and initial each page of the document no later than on the date the new policy is delivered. Before signing, make sure that the information contained in the document is the same as that on the copy your representative has already given you.

3. Read the insurance proposal prepared by your representative. The signed copy sent to the insurer is confirmation of your application to purchase insurance. On receipt, the insurer will determine whether or not to insure you.

4. Read the insurance contract you receive from the insurer that has accepted your insurance proposal. If you are satisfied, you can terminate your former contract, since your new contract will be in effect

Termination of contract

You may terminate the purchase of your new insurance contract at any time before it is issued. In addition, most insurers allow clients 10 days in which to terminate the contract at no charge. Ask your representative if you are eligible to do so.

To contact the AMF Information Centre:

www.lautorite.gc.ca

Telephone:

Québec City: 418-525-0337

Montréal: 514-395-0337

Toll-free: 1-877-525-0337

Important documents to read

To replace an insurance contract, your representative must complete several documents and explain them to you:

- Needs analysis
- Notice of replacement of insurance contract
- Insurance proposal

You will subsequently receive your insurance contract, as applicable.

Date:

Client's initials: _____

Autorité des marchés financiers – Notice of replacement of insurance of persons contract

Page 1 of 8

IMPORTANT MESSAGE FOR INSURANCE OF PERSONS REPRESENTATIVES

You must encourage the client to maintain an insurance contract in effect, unless it is in the interests of the policyholder or the insured to replace the contract.

This replacement notice helps your client make an informed decision by allowing him to compare the advantages and disadvantages of replacing the contract.

Nonetheless, you are responsible for providing your client, fully and objectively, with the explanations he needs to make an informed decision.

You must complete this notice if you are proposing that a client replace his insurance contract.¹

Here is some useful information regarding this notice:

- You must explain each point to your client.
- Your client must sign the notice no later than on the date the policy is delivered.
- The notice number and insurance proposal number must be the same. It must appear at the top of each page of this notice.
- If the proposed insurance contract is replacing more than one contract, a replacement notice must be completed for each replaced contract. The number on each replacement notice must correspond to the number on the insurance proposal, followed by a figure (e.g., proposal number 1, proposal number 2).
- You must give a copy of this replacement notice to the policyholder.
- You must send a copy of this notice to the insurer whose contract is being replaced, within 5 working days of the signing of the insurance proposal.
- You must keep a copy of this notice signed by your client.

1. Division VII of the Regulation respecting the pursuit of activities as a representative (R.R.Q., c. D-9.2, r. 10) - An Act respecting the distribution of financial products and services.

Important documents to explain to the client

To replace an insurance contract, you must complete several documents and explain them to the client:

- Needs analysis
- Notice of replacement of insurance contract
- Insurance proposal

The client must subsequently receive his insurance contract, as applicable.

To contact the AMF Information Centre:

www.lautorite.qc.ca

Telephone:

Québec City: 418-525-0337
Montréal: 514-395-0337
Toll-free: 1-877-525-0337

Notice No.: _____

Notice of replacement of insurance of persons contract	
If you need extra space, add pages, clearly indicating the Part number and the notice number. Both you and your client must initial each page.	
PART 1 - General information	
Policyholder Person purchasing the contract	_____ Date of birth: _____ Last name and first name Day Month Year
	_____ Date of birth: _____ Last name and first name Day Month Year
	_____ Date of birth: _____ Last name and first name Day Month Year
Insured (if different from Policyholder)	_____ Date of birth: _____ Last name and first name Day Month Year
Other insureds Other persons covered by the replaced contract who will also be covered under the proposed contract	_____ Last name and first name
	_____ Last name and first name
	_____ Last name and first name
Cancelled insureds Other persons covered by the replaced contract who will not be covered under the proposed contract and who will therefore no longer be insured.	_____ Last name and first name Type of coverage: _____ Amount: _____
	_____ Last name and first name Type of coverage: _____ Amount: _____
Additional insureds Other persons who are not insured under the replaced contract but who will be covered under the proposed contract	_____ Last name and first name Type of coverage: _____ Amount: _____
	_____ Last name and first name Type of coverage: _____ Amount: _____

PART 1 – General information (cont.)		
Indicate all insurance contracts replaced by the proposed contract	Policy No.	Date in effect
	_____	_____
	_____	Day Month Year
	_____	_____
	Day Month Year	
	Day Month Year	
Insurance contract	Existing	Proposed
Name of insurer		
Nature of insurance Life, critical illness, disability, etc. (specify type: term, permanent, universal life, etc.) If joint insurance, payable on	1st death <input type="checkbox"/> 2nd death <input type="checkbox"/>	1st death <input type="checkbox"/> 2nd death <input type="checkbox"/>
Date in effect		Not applicable
Benefit amount Amount paid on occurrence of covered risk • List amount(s).		
Amount of annual premium		
Indemnity period /Waiting period		
Comments Use this section for any additional information, such as whether or not the benefits and premiums indicated above are fixed or guaranteed, the premiums payable in 10 years, at a specific age, etc.		

IMPORTANT MESSAGE FOR CONSUMERS

Incontestable clause

When death occurs within two years of the date on which the contract comes into effect, the insurer may refuse to pay the death benefit if information regarding the insured's health or lifestyle was incomplete, inaccurate or omitted. An insurer may refuse to pay the death benefit if it can prove that the insured intended to commit fraud.

The two-year incontestable clause may not generally be transferred from one contract to another. Therefore, the validity of a new contract may sometimes be contested, whereas the former contract may have been incontestable.

By replacing an insurance contract, you may lose this advantage, since the two-year incontestable period begins on the day on which the proposed contract comes into effect.

In disability insurance, this clause does not apply if the disability occurs within two years of the date the proposed contract comes into effect.

Expiry date of incontestable clause

Proposed contract: year(s) after the contract comes into effect

 Day Month Year

Replaced contract: _____

 Day Month Year

Read and signed by policyholder: _____ Date: _____
 Day Month
 Year

Not applicable
 Representative's
 initials: _____

Suicide clause

When death is by suicide and occurs within two years of the date on which the contract comes into effect, the insurer will not usually pay the death benefit.

Generally, the validity of a clause providing for payment of the death benefit despite suicide may not be transferred from one contract to another.

By replacing an insurance contract, you may lose this advantage, since the two-year suicide period begins on the day on which the proposed contract comes into effect.

Expiry date of suicide clause

Proposed contract: year(s) after the contract comes into effect

 Day Month Year

Replaced contract: _____

 Day Month Year

Read and signed by policyholder: _____ Date: _____
 Day Month Year

Not applicable
 Representative's
 initials: _____

Notice No.: _____

PART 2 – Reasons for replacement

2.1 Explain why the existing insurance contract does not meet your client's needs.

2.2 Explain how the proposed contract better meets your client's needs.

2.3 Explain the disadvantages for your client of replacing his contract (additional exclusions, higher premium, extra premium, etc.).

2.4 Explain why you are not modifying your client's existing contract.

Client's initials: _____

PART 2 – Reasons for replacement (cont.)

2.5 Explain the financial impact of the replacement (e.g., redemption fees, cash surrender value [guaranteed or non-guaranteed], cancellation fees, premiums, tax considerations, policyholder dividends, registration as an RRSP, forthcoming dividend payment).

2.6 Explain the differences between complementary or optional guarantees under the existing contract and the proposed contract (waiver of premiums, guarantee of insurability, other endorsements, additional or fewer guarantees, variations in equivalent or similar guarantees, etc.).

Comments

Notice No.: _____

PART 3 – Signature of policyholder

Having read and understood the notice,

I, _____, the undersigned,

Policyholder's first and last name

wish to replace my existing insurance contract no.

and subscribe to the following new insurance contract _____

(Name of policy)

_____ Date: _____

Signature of policyholder(s)

Day Month Year

PART 4 – Signature of representative

I have explained to my client, fully and objectively, the type of insurance, as well as the advantages and disadvantages of replacing his existing insurance contract

A copy of this notice will be sent to the insurer of the replaced insurance contract

Representative

_____	_____	_____	_____
Representative's last name and first name	Certificate No.	Telephone	Signature

Representative

_____	_____	_____	_____
Representative's last name and first name	Certificate No.	Telephone	Signature

Supervisor

_____	_____	_____	_____
Supervisor's last name and first name	Certificate No.	Telephone	Signature

Trainee

_____	_____	_____	_____
Trainee's last name and first name	Certificate No.	Telephone	Signature

Clients initials: _____

SCCHEDULE II (Repealed)

O.C. 830-99, Sch. 2; M.O. 2013-12, s. 21.

TRANSITIONAL PROVISIONS

M.O. 2013-12, 2013 G.O. 2, 2023

22. The forms sold by the Authority for purposes of paragraph 2 of section 22 as it read on the date of the coming into force of this Regulation may be used until 22 October 2014 to replace an insurance of persons contract, in accordance with Division VII of the Regulation respecting the pursuit of activities as a representative (chapter D-9.2, r. 10).

D. 830-99, 1999 G.O. 2, 2066
Bulletin du B.S.F.: 1999-11-11, n° 5

Amendments

D. 1013-2003, 2003 G.O. 2, 3005
Bulletin du B.S.F.:

M.O. 2009-06, 2009 G.O. 2, 3686A
Decision 209-PDG-0124, 2009-09-04
Bulletin de l'Autorité : 2009-09-25, Vol. 6, n° 38

L.Q. 2012, c. 11, s. 32

M.O. 2013-12, 2013 G.O. 2, 2023
Decision 2013-PDG-0101, 2013-06-19
Bulletin de l'Autorité : 2009-07-25, Vol. 10, n° 29

M.O. 2020-04, 2020 G.O. 2, 841
Decision 2020-PDG-0013, 2020-02-21
Bulletin de l'Autorité : 2020-04-09, Vol. 17, n° 14

NOTICE OF RECOURSE

(Pursuant to a decision rendered in accordance with the *Act respecting access to documents held by public bodies and the protection of personal information*, CQLR, c. A-2.1) (the « Act »)

REVIEW

a) Power

Section 135 of the Act stipulates that every person whose request has been denied, in whole or in part, by the person in charge of access to documents or of the protection of personal information may apply to the *Commission d'accès à l'information* for a review of the decision. An appeal may also be brought for a failure to respond within the applicable time limit.

The application for review must be made in writing; it may state briefly the reasons for which the decision should be reviewed (section 137).

The *Commission d'accès à l'information* may be reached at the following addresses :

QUÉBEC CITY

Bureau 2.36
525, boul. René-Lévesque Est
Québec (Québec) G1R 5S9

Phone : (418) 528-7741
Fax : (418) 529-3102

MONTRÉAL

Bureau 900
2045, rue Stanley
Montréal (Québec) H3A 2V4

Phone : (514) 873-4196
Fax : (514) 844-6170

Toll-free number for both offices : 1-800-528-7741

b) Grounds

An application for review may be based on grounds pertaining to the decision, the time prescribed for processing the request, the mode of access to a document or information, the fees payable, or the application of section 9 (personal notes written on a document, sketches, outlines, drafts, preliminary notes or other documents of the same nature which are not deemed to be documents held by a public body).

c) Time limit

The application for review must be made to the *Commission d'accès à l'information* within thirty (30) days of the date of the decision or of the time granted by the Act to the person in charge for processing a request (section 135).

The Act specifically provides that the *Commission d'accès à l'information* may, for any serious reason, release the applicant from a failure to respect the thirty-day time limit (section 135).

APPEAL TO THE COURT OF QUÉBEC

a) Power

Section 147 of the Act stipulates that a person directly concerned may bring an appeal from a decision of the *Commission d'accès à l'information* before a judge of the Court of Québec on any question of law or jurisdiction. However, an appeal from an interlocutory decision may only be brought with leave of a judge of the Court of Québec. The judge shall grant leave if the interlocutory decision will not be remedied by the final decision.

b) Time limit

Under section 149 of the Act, the motion for leave to appeal must be filed in the office of the Court of Québec, within thirty (30) days of receipt of the decision of the *Commission d'accès à l'information* by the parties.

c) Procedure

Under section 151 of the Act, the notice of appeal must be served on the parties and on the Commission within ten (10) days after its filing at the office of the Court of Québec.