

1989, chapter 48
AN ACT RESPECTING MARKET INTERMEDIARIES

Bill 134

Introduced by Mr Pierre Fortier, Minister for Finance and Privatization

Introduced 11 May 1989

Passage in principle 1 June 1989

Passage 21 June 1989

Assented to 22 June 1989

Coming into force: on the date or dates to be fixed by the Government, except section 263 which will come into force on 22 June 1989

- 12 July 1989: ss. 30, 39, 115 to 135, 184 to 203, 210 to 212, 215 to 221, 254 to 256 and 259 to 262
G.O., 1989, Part 2, p. 3059
- 1 October 1989: ss. 91 to 114
G.O., 1989, Part 2, p. 3059
- 1 November 1989: ss. 58 to 90, 136 to 160
G.O., 1989, Part 2, p. 3059
- 20 September 1989: s. 204
G.O., 1989, Part 2, p. 3821

Acts amended:

Automobile Insurance Act (R.S.Q., chapter A-25)

Crop Insurance Act (R.S.Q., chapter A-30)

Act respecting insurance (R.S.Q., chapter A-32)

Act respecting the Barreau du Québec (R.S.Q., chapter B-1)

Act respecting labour standards (R.S.Q., chapter N-1.1)

Dairy Products and Dairy Products Substitutes Act (R.S.Q., chapter P-30)

Act respecting the collection of certain debts (R.S.Q., chapter R-2.2)

Securities Act (R.S.Q., chapter V-1.1)

Act repealed:

Insurance Brokers Act (R.S.Q., chapter C-74)





CHAPTER 48

An Act respecting market intermediaries

[Assented to 22 June 1989]

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

CHAPTER I

INTERPRETATION AND APPLICATION

- 1.** In this Act, unless the context indicates otherwise,
- “claims adjuster”** means a person who, in damage insurance, investigates insured losses, appraises damages and negotiates the settlement of claims;
- “firm”** means a partnership or a legal person which carries on, through market intermediaries in insurance business or through financial planners, activities in such capacity;
- “insurance agent”** means a person who, in insurance of persons or in damage insurance, offers insurance products directly to the public on behalf of one insurer, or a person who is bound to one insurer by exclusive contract;
- “insurance broker”** means a person who, in insurance of persons or in damage insurance, offers the insurance products of two or more insurers, directly to the public or to other market intermediaries in insurance business, and who is not bound by exclusive contract to any of such insurers;
- “insurer”** means an insurer within the meaning of section 1 of the Act respecting insurance (R.S.Q., chapter A-32);
- “market intermediary”** means a market intermediary in insurance business, a financial planner and a securities dealer or

adviser within the meaning of the Securities Act (R.S.Q., chapter V-1.1) or the representative of such a dealer or adviser;

“**market intermediary in damage insurance**” means an insurance agent or broker in damage insurance or a claims adjuster;

“**market intermediary in insurance business**” means a market intermediary in damage insurance or in insurance of persons;

“**market intermediary in insurance of persons**” means an insurance agent or broker in insurance of persons;

“**special broker**” means a damage insurance broker authorized to offer and sell the products of an insurer not licensed in Québec who does not maintain an establishment in Québec.

Firm **2.** The provisions of this Act which apply to a market intermediary shall apply to a firm unless the context indicates otherwise.

Financial planner The provisions of this Act which concern the title of financial planner also apply to any other similar title determined by regulation.

Exceptions **3.** The following persons are excluded from the definition of market intermediary in insurance of persons where they engage in intermediation as part of their main activity:

(1) the directors and members of a mutual benefit association;

(2) persons who perform certain administrative duties on behalf of an insurer, where such duties are not related to the actual sale of insurance products;

(3) actuaries acting as agents or brokers in group insurance of persons;

(4) travel agents.

Exceptions **4.** The following persons are excluded from the definition of market intermediary in damage insurance where they engage in intermediation as part of their main activity:

(1) the directors and members of a mutual insurance association or of a mutual damage-insurance company who, before 11 September 1985, were acting on behalf of a mutual fire-insurance association;

(2) persons who perform certain administrative duties on behalf of an insurer, where such duties are not related to the actual sale of insurance products;

(3) travel agents;

(4) customs brokers.

Exceptions

5. The following persons are excluded from the definition of claims adjuster where they engage in claims adjustment as part of their main activity:

(1) advocates, engineers and architects;

(2) liquidators, sequestrators and trustees in bankruptcy;

(3) tutors, curators, testamentary executors, administrators and trustees;

(4) assessors contemplated by the Act respecting municipal taxation (R.S.Q., chapter F-2.1);

(5) holders of a permit issued under the Act respecting detective or security agencies (R.S.Q., chapter A-8);

(6) persons who by reason of their occupation are called upon to appraise the value of property;

(7) experts or average adjuster dealing exclusively in ocean marine losses;

(8) the directors and officers of a mutual insurance association or mutual damage-insurance company;

(9) the employees of an insurer.

Exceptions

6. This Act does not apply to

(1) the directors of a liability insurance fund created by a professional corporation, or to the employees of that professional corporation;

(2) persons who appraise the damage caused to a motor vehicle for the purpose of a claim to be filed with an insurer.

CHAPTER II

PROFESSIONAL REQUIREMENTS

DIVISION I

MARKET INTERMEDIARIES IN INSURANCE BUSINESS

Certificate
of
authorization

7. No person may act as a market intermediary in insurance business or hold himself out as an insurance agent or broker or as a claims adjuster unless he is the holder of a certificate authorizing him to act as such issued by the Conseil des assurances de personnes or the Conseil des assurances de dommages, according to the activity he intends to carry on.

Require-
ments

8. Every market intermediary in insurance business must meet the requirements established in the by-laws of the council which regulates the activity he intends to carry on to be entitled to the certificate authorizing him to act in that capacity.

Compliance
with the
Act

Every market intermediary in insurance business must, in addition, comply with the provisions of this Act and the regulations thereunder to carry on his activities.

Membership
requirement

9. Every market intermediary in insurance business who wishes to carry on his activities as an insurance agent or broker in insurance of persons must, in addition, be a member of the Association des intermédiaires de marché en assurance de personnes du Québec to obtain a certificate.

Membership
requirement

10. Every market intermediary in insurance business who wishes to carry on activities as a damage insurance broker must, in addition, be a member of the Association des courtiers d'assurances de la province de Québec to obtain a certificate.

Security or
guarantee

11. Every market intermediary in insurance business must furnish security or a guarantee or take out civil liability insurance in accordance with the regulations made under this Act.

Qualifica-
tions

12. All persons employed by a market intermediary in insurance business who deal directly with the public must possess the qualifications and pertinent training required by the by-laws of the council which regulates the activity of that market intermediary.

Special
broker

13. No damage insurance broker may be a special broker except with the authorization of the Conseil des assurances de dommages. This authorization cannot be granted in automobile insurance.

Declaration Before availing himself of his special broker certificate, the broker must obtain from the insured a signed and dated declaration identifying the property or other interests to be insured, specifying the place where they are situated and mentioning the amount of insurance applied for as well as the insurers who have refused to accept it.

Disclosure to insured Moreover, the broker must ascertain that the placing of a risk with an insurer not authorized to do business in Québec is justified by market scarcity. He must, in addition, disclose to the insured the fact that the insurer with whom the risk is placed is not licensed to do business in Québec and does not maintain an establishment in Québec.

Sale of savings bonds **14.** A market intermediary in insurance business may engage in the sale of savings bonds issued by the Government of Québec or of Canada.

Receipt of deposits A market intermediary in insurance business may also, notwithstanding sections 23 and 24 of the Deposit Insurance Act (R.S.Q., chapter A-26), receive deposits within the meaning of the said Act

(1) on behalf of one financial institution or on behalf of more than one financial institution forming part of the same group within the meaning of section 50, if he is an insurance agent;

(2) on behalf of two or more financial institutions, if he is an insurance broker.

Cheque Deposits received by a market intermediary in insurance business shall be made by cheques made to the order of the financial institution on whose behalf the intermediary is acting.

Hypothecary loans Subject to the Real Estate Brokerage Act (R.S.Q., chapter C-73), a market intermediary in insurance business may place hypothecary loans on the conditions set out in subparagraphs 1 and 2 of the first paragraph.

Claim adjustment **15.** A damage insurance broker may, to the extent provided in a contract with an insurer and in accordance with the conditions prescribed by the Conseil des assurances de dommages, engage in claim adjustment without being the holder of a claims adjuster's certificate.

Obligation to disclose The damage insurance broker must disclose to the person with whom he does business the fact that he is a representative of the

insurer and the method used to calculate the remuneration he receives for services rendered as a claims adjuster.

Incompatible activities

16. Subject to government regulations, no market intermediary in insurance business may carry on, at the same time, activities in that capacity and be employed by a financial institution that is not an insurer.

Prohibition

17. No market intermediary in insurance business may, for the making of a contract, oblige a person to make another contract.

Cancellation

Any person on whom a contract was imposed may cancel the contract by sending a notice by registered or certified mail within 10 days from the date on which the contract was made.

Reduction of cost

The first paragraph shall not prevent a market intermediary in insurance business from offering to a person with whom he does business a set of financial products permitting a reduction of the cost.

Representative of insurer

18. A market intermediary in insurance business is the representative of the insurer when collecting premiums from the insured or when receiving from the insurer sums of money intended for the insured or beneficiaries of the insured.

Representative of insurer

A damage insurance broker also acts in the capacity of representative of the insurer when he carries on the activity of a claims adjuster.

Prevention and investigation

19. A claims adjuster may, with the consent of the person concerned, engage in prevention and investigation activities.

Remuneration of claims adjuster

20. The remuneration of a claims adjuster who has been given a mandate by a loss victim shall be established, at the option of the loss victim, on an hourly basis or on commission. To be valid, the contract shall expressly state the mode of remuneration chosen by the loss victim and the hourly rate of the claims adjuster. In addition, the contract binds the loss victim only from the time a copy of the contract is transmitted to him by the claims adjuster.

Cancellation of contract

The loss victim may cancel the contract, without penalty, by a notice transmitted by registered or certified mail not later than three clear days after it is transmitted. In such a case, the remuneration of the claims adjuster shall be established on an hourly basis. He shall also be entitled to the payment of disbursements made by him.

- Standardized remuneration **21.** The remuneration of market intermediaries in insurance of persons may, from 1 January 1991, be standardized in the manner prescribed by government regulation.
- Remuneration **22.** No person acting as a market intermediary in insurance business without being authorized therefor may claim or receive any remuneration for services rendered.
- Required disclosure **23.** Every market intermediary in insurance business must disclose to the person with whom he does business the manner in which he is remunerated for the services he renders to him, in accordance with the by-laws and regulations applicable to him.
- Disclosure of names of insurers **24.** Every insurance broker must, at the request of the person with whom he does business, disclose the names of the insurers with whom he has an agreement for the purposes of the activities he carries on.
- Personal information **25.** Unless required by a person or body having power to compel the release thereof, personal information obtained in the course of his activities by a market intermediary in insurance business shall not be disclosed except, in each case, with the specific authorization of the person concerned. The authorization shall indicate to whom and for what purpose the information is to be disclosed, in accordance with government regulations.
- Trust account **26.** Every market intermediary in insurance business must, on the conditions prescribed in the by-laws and regulations applicable to him, deposit in a trust account the sums of money collected in the course of his activities.
- Account in firm's name The account shall be in the name of the firm within which the market intermediary in insurance business is acting, where that is the case.
- Franchising **27.** A market intermediary in insurance business may, on the conditions determined in the by-laws and regulations applicable to him, carry on his activities through franchising.
- Liability of firms **28.** Firms are, to the same extent as the market intermediaries in insurance business through whom they act, liable for any breach of discipline committed by such intermediaries.
- Liability of financial institutions Financial institutions are, in the same manner, liable for the insurance agents through whom they act.

DIVISION II

FINANCIAL PLANNERS

Use of
title

29. No person may use the title of financial planner unless he holds a diploma awarded by a Québec institute of financial planners accredited by the Minister. The institute may, by by-law, recognize any training considered equivalent.

Annual
contribution

Every person qualified to use the title of financial planner shall, in order to retain his title, pay to the institute such annual contribution as it may fix by by-law.

Accredited
institute

30. The Minister shall, before granting his accreditation to a Québec institute of financial planners, obtain the advice of the Inspector General.

Diploma and
equivalence

The accredited institute shall, by a by-law subject to the approval of the Government, determine the conditions governing the issuance of financial planner's diplomas, including those relating to equivalence, and the terms and conditions of payment of the contributions to be paid by the persons who use the title of financial planner.

Use of
title

31. A person or partnership may hold himself or itself out as a financial planner to the extent that at least one of the persons through whom he or it is acting is authorized to use the title of financial planner.

Members of
professional
corporation

32. No member of a professional corporation may use the title of financial planner or hold himself out as such unless he complies with sections 29 and 31 and is authorized thereto by the professional corporation which regulates the activities he carries on. Subject to sections 205 and 206, the other provisions of this Act relating to financial planners do not apply to the members of a professional corporation.

"professional
corporation"

For the purposes of this section, the expression "professional corporation" means the Corporation professionnelle des avocats du Québec, the Corporation professionnelle des notaires du Québec, the Corporation professionnelle des comptables agréés du Québec, the Corporation professionnelle des comptables en management accrédités du Québec, the Corporation professionnelle des comptables généraux licenciés du Québec or the Corporation professionnelle des administrateurs agréés du Québec.

- 33.** Every market intermediary who uses the title of financial planner must comply with the regulations and by-laws made in that respect under this Act.
- 34.** Every person or firm other than a market intermediary in insurance business, an investment dealer, a securities adviser or a representative of the dealer or adviser who or which is qualified to use the title of financial planner must be the holder of a certificate issued by the Inspector General to carry on activities in that capacity.
- 35.** The Inspector General may suspend or cancel the financial planner's certificate issued by him to any person or firm who or which
- (1) ceases to meet the prescribed requirements;
 - (2) carries on activities in a dishonest or negligent manner;
 - (3) is convicted of a criminal act in connection with financial planning activities;
 - (4) infringes this Act or the regulations made by the Government for the carrying out of this Act.
- 36.** Before cancelling or suspending a certificate, the Inspector General shall give the holder an opportunity to be heard and transmit his decision to him with the reasons therefor.
- 37.** Any decision of the Inspector General relating to the refusal, suspension or cancellation of a financial planner's certificate may be appealed from to the Court of Québec.
- Appeals under this section are introduced and heard in accordance with sections 366 and following of the Act respecting insurance, adapted as required.
- 38.** The provisions of section 11 and of sections 23 to 28, adapted as required, apply to financial planners holding a certificate issued by the Inspector General.

DIVISION III

SECURITIES DEALERS AND ADVISERS AND THEIR REPRESENTATIVES

- 39.** The regulatory power of the Government as to matters contemplated by sections 11, 23 to 25 and 40 to 48 shall be exercised, in respect of investment dealers, securities advisers or their representatives, in accordance with the Securities Act.

DIVISION IV

PROVISIONS COMMON TO MARKET INTERMEDIARIES

§ 1.—*Multiple certification and multidisciplinary firms*Multiple
certification

40. A market intermediary may, for the purpose of carrying on activities in more than one field, hold simultaneously the various certificates issued under this Act.

Activities
governed by
another Act

41. The holder of a certificate issued under this Act may also engage in market intermediation activities governed by another Act, on the conditions determined by that other Act and the regulations made by the Government for its carrying out.

Multidisci-
plinary firm

42. A firm acting through market intermediaries whose activities are regulated by more than one council or by one council and the Government shall constitute a multidisciplinary firm which must be the holder of a certificate issued by the Inspector General in accordance with government regulation.

Provisions
applicable

43. Sections 35, 36 and 37, adapted as required, apply to multidisciplinary firms holding a certificate issued by the Inspector General.

§ 2.—*Sharing of commissions*Shared
commission

44. A market intermediary may, in accordance with the terms and conditions determined by by-law of the councils or, as the case may be, by government regulation, share the commission paid to him with another market intermediary.

Commission
for referral

Payment to a market intermediary of a commission for having referred a person to another market intermediary shall constitute the sharing of a commission.

Partnership
or legal
person

The apportionment of the commission of a market intermediary carrying on his activity within a partnership or a legal person offering market intermediation services shall be made through the partnership or legal person.

Sharing
prohibited

The commission paid to a market intermediary for services rendered to a person may in no case be shared with that person.

Register

45. Every apportionment of the commission of a market intermediary shall be recorded in a register kept for that purpose, in

the manner prescribed by by-law of the councils or, as the case may be, by government regulation.

Register Where market intermediation services are offered by a partnership or a legal person, the register shall be kept by the partnership or legal person.

Disclosure of sharing policy **46.** Market intermediaries shall, to the extent determined by by-law of the councils or, as the case may be, by government regulation, inform the persons with whom they do business of the sharing policy regarding the commission to which they are entitled for services rendered.

§ 3.—*Disclosure of financial relationships*

Disclosure of financial relationships **47.** Where a market intermediary sells a security of a financial institution or offers a contract with a financial institution which holds, directly or indirectly, more than 10% of the shares or voting rights attached to the shares issued by the legal person within which he carries on his activities, the market intermediary shall disclose such interest in writing to the person with whom he does business.

Disclosure of financial relationships The market intermediary shall also disclose such interest in writing where he sells a security of a legal person related to the financial institution, within the meaning of section 50, or offers a contract with such a legal person.

Disclosure of financial relationships **48.** Where more than 10% of the shares or voting rights attached to the shares issued by a market intermediary are held, directly or indirectly, by a financial institution, the market intermediary shall, when using a firm name or corporate name, disclose the interest of the financial institution unless it is already established in the firm name or corporate name.

CHAPTER III

INDEPENDENCE OF INSURANCE BROKERS

Application **49.** This chapter applies to insurance brokers, in insurance of persons or in damage insurance, who do not deal exclusively in reinsurance business.

Interpretation **50.** For the purposes of this chapter,

“financial institution” (1) the words “financial institution” do not include an insurer dealing exclusively in reinsurance business;

- “firm”** (2) the word “firm” means a legal person offering brokerage services in insurance of persons or in damage insurance;
- Financial group** (3) the group composed of all or some of the following legal persons constitutes a financial group: a confederation governed by the Savings and Credit Unions Act (1988, chapter 64), the federations that are members thereof, legal persons affiliated with the confederation or federations, and every other legal person that is a member thereof.
- Financial group** Any other group of legal persons composed of a financial institution and a legal person affiliated with it also constitutes a financial group;
- Affiliation** (4) legal persons are affiliated if one is controlled by the other.
- Deemed affiliates** A legal person affiliated with another legal person is deemed to be affiliated with any legal person affiliated with the other legal person;
- Controlled legal person** (5) a legal person is controlled by another legal person where the other legal person holds, directly or indirectly, over 50% of the voting rights attached to its shares or can elect the majority of its directors;
- Related legal person** (6) a legal person is related to financial institutions or financial groups if over 20% of its shares or of the voting rights attached to its shares are held, directly or indirectly, by such financial institutions or financial groups.
- Maximum holding** **51.** Not more than 20% of the shares of a firm or voting rights attached thereto may be held, directly or indirectly, by financial institutions, financial groups or related legal persons.
- Maximum interest** A broker may associate with financial institutions, financial groups or related legal persons provided their interest does not exceed 20%.
- Exception** The first paragraph shall not, however, prevent a firm from allocating its shares or registering their transfer to give effect to a contract entered into before 21 December 1988.
- Firm name** **52.** No financial institution, financial group or related legal person shall use the firm name or corporate name of a broker.
- Requirements** **53.** No market intermediary may act as an insurance broker unless he meets the requirements set out in section 51. The same rule applies to the market intermediaries through whom he is acting.

Exception **54.** Section 53 does not apply, as regards the percentage of shares, to a firm incorporated in Canada to the extent that its shares were listed on a Canadian stock exchange on 21 December 1988.

Exception Section 53 does not apply to a firm if its shares are held

(1) by another firm incorporated in Canada the shares of which were listed on a Canadian stock exchange on 21 December 1988, as long as the latter does not, as regards the percentage of voting rights, become a related legal person;

(2) by a legal person incorporated in Canada the shares of which were listed on a Canadian stock exchange on 21 December 1988 and which, on that date, controlled a firm referred to in the first paragraph, as long as that legal person does not, as regards the percentage of voting rights, become a related legal person.

Exception **55.** Section 53 does not apply to a firm contemplated therein if the percentage of its shares or of the voting rights attached to its shares was greater than 20% on 21 December 1988. However, this percentage cannot be increased except to give effect to a contract entered into before 21 December 1988.

New limit for shares held Where, on or after 22 December 1988, a firm referred to in the first paragraph allocates its shares or registers a transfer of shares which results in a reduction of the percentage of its shares or of the voting rights attached to its shares held directly or indirectly by financial institutions, financial groups or related legal persons, the new percentage becomes the limit for the shares or voting rights attached to the shares which may be held directly or indirectly by financial institutions, financial groups or related legal persons. However, this paragraph shall not prevent a firm from allocating or registering a transfer of its shares to give effect to a contract entered into before 21 December 1988.

Application The first and second paragraphs cease to apply to a firm referred to therein when the percentage of shares or of the voting rights attached to such shares reaches 20%.

Prohibited transactions **56.** No firm referred to in the first paragraph of section 55 may, as long as over 20% of its shares or of the voting rights attached to such shares are held directly or indirectly by financial institutions, financial groups or related legal persons, directly or indirectly hold shares of another firm acting as insurance broker in Québec or, from 11 May 1989 grant it a franchise or acquire its business.

New limit
for shares
held

Any firm referred to in the first paragraph which, on 21 December 1988, holds directly or indirectly shares of another firm acting as insurance broker in Québec may continue to hold such shares. However, from 22 December 1988, their percentage and, from 11 May 1989, the percentage of the voting rights attached to the shares cannot be increased and if, on or after either of such date, as the case may be, the percentages are reduced, the new percentage becomes the limit for the shares or voting rights attached to the shares that the firm may hold as long as over 20% of its shares or voting rights attached to its shares is held, directly or indirectly, by financial institutions, financial groups or related legal persons.

Exception

The first and second paragraphs do not apply to a firm incorporated in Canada if the shares of the firm were listed on a Canadian stock exchange on 21 December 1988.

Brokerage
activities
prohibited

57. In no case may a market intermediary who contravenes section 55 or 56 act as a broker in insurance of persons or in damage insurance. The same rule applies to the market intermediaries through whom he is acting.

CHAPTER IV

THE CONSEIL DES ASSURANCES DE PERSONNES AND THE CONSEIL DES ASSURANCES DE DOMMAGES

DIVISION I

INCORPORATION AND POWERS OF THE COUNCILS

Insurance
councils

58. Two insurance councils, namely the Conseil des assurances de personnes and the Conseil des assurances de dommages, vested with legal personality, are hereby established.

General and
special
powers

59. Each council has the general powers of a corporation within the meaning of the Civil Code and the special powers conferred thereon by this Act.

Function

60. The function of a council is to ensure the protection of the public through the supervision and control of the activities carried on by market intermediaries in insurance business and firms of such intermediaries.

Head
office

61. The head office of each council shall be in Québec at the place determined in the internal management by-laws of the council.

- Notice of location A notice of the location of the head office of each council or any change of its location shall be published in the *Gazette officielle du Québec*.
- Composition **62.** The Conseil des assurances de personnes shall consist of not more than 14 members, including a chairman and a consumer representative. The other members shall represent, in equal number, the Canadian Life and Health Insurance Association and the Association des intermédiaires en assurance de personnes du Québec and shall be chosen in such a manner as to ensure a fair representation of the various modes of distribution.
- Composition **63.** The Conseil des assurances de dommages shall consist of not more than 15 members, including a chairman.
- Composition Two members shall represent the Association des courtiers d'assurances de la province de Québec, two members shall represent the Regroupement des cabinets de courtage d'assurances du Québec, one member shall represent the group of large damage-insurance brokerage firms, one member shall represent an institute of insurance of Québec, two members shall represent the Association des experts en sinistres indépendants du Québec, one member shall represent the claims adjusters representing the insured, one member shall represent consumers, two members shall represent insurers offering their products through brokers and two other members shall represent insurers offering their products through agents.
- Appointment of chairman **64.** The Minister shall appoint the chairman of each council on the recommendation of the Inspector General.
- Appointment of members He shall appoint the other members on the recommendation of the Inspector General who shall obtain the advice of the associations and groups which are represented on the council. These members shall be persons in authority within the associations or groups they represent. In addition, the members representing the Canadian Life and Health Insurance Association and the members representing insurers shall be officers or directors of an insurer authorized to do business in Québec.
- Vice-chairman, secretary and officers **65.** The members of a council shall elect a vice-chairman from among themselves. They shall appoint a secretary, from among themselves or not, and may hire any other officer necessary for the proper functioning of the council.
- Powers and duties of officers **66.** The powers and duties of the chairman, vice-chairman and secretary shall be determined in the internal management by-laws of the council.

- Replacement of chairman **67.** If the chairman is unable to act, the vice-chairman shall replace him.
- Term of office **68.** The term of office of the members of a council is two years, except for half of the members who form the first council, whose term of office is one year.
- Continuation in office **69.** Upon the expiry of their term of office, the members of a council shall remain in office until they are reappointed or replaced.
- Vacancy **70.** A vacancy on a council shall be filled in the manner prescribed for the appointment of the member to be replaced and for the unexpired portion of his term of office.
- Remuneration
Attendance allowance and reimbursement of expenses **71.** The members of a council are not remunerated.
However, the members of a council are entitled, to the extent determined in the internal management by-laws, to an attendance allowance and to reimbursement, on presentation of vouchers, of expenses incurred in the performance of their duties.
- Management **72.** The business of a council shall be managed by the members.
- Quorum **73.** A majority of the members, including the chairman or vice-chairman and, in the case of the Conseil des assurances de personnes, at least one representative of each of the associations represented, is a quorum at sittings of a council.
- Majority **74.** The decisions of a council are made by a majority of the votes cast by the members present.
- Casting vote In the event of a tie, the chairman or the vice-chairman has a casting vote.
- Disclosure of interest **75.** A member of a council who has a direct or indirect interest in an undertaking which places his personal interest in conflict with that of the council shall, on pain of forfeiture of office, disclose his interest and abstain from participating in a decision concerning the undertaking in which he has the interest. Moreover, he shall withdraw from the meeting for the duration of the deliberations relating thereto.
- Personnel **76.** A council may hire the personnel required for its operation.
- Remuneration The remuneration standards and scales of the members of the personnel of a council as well as the social benefits and other conditions of employment shall be determined in the internal management by-laws of the council.

Internal
management

77. Each council shall, by by-law, adopt rules of internal management.

By-laws

78. Each council shall determine, by by-law applicable to the market intermediaries of whom it regulates the activity,

(1) the minimum qualification and training required to carry on the activity of market intermediary in insurance business as well as the minimum qualification and training required for those of his employees who deal directly with the public;

(2) the rules governing the use of the title of insurance agent, insurance broker or claims adjuster;

(3) the terms and conditions relating to the use of the title of financial planner by a market intermediary in insurance business;

(4) the occupations in which a market intermediary in insurance business may engage;

(5) the other conditions required for the issue of a certificate attesting the authorization to act as market intermediary in insurance business;

(6) the dues exigible to carry on the activity of market intermediary in insurance business;

(7) the period of validity of a certificate;

(8) the various classes of certificates which it may issue and the conditions and restrictions attaching to each;

(9) the terms and conditions of issue, renewal, suspension or cancellation of a certificate of market intermediary in insurance business;

(10) the mentions which a certificate of market intermediary in insurance business may contain;

(11) the conditions governing the carrying on of the activity of market intermediary in insurance business;

(12) the rules of conduct applicable to market intermediaries in insurance business other than damage insurance brokers;

(13) the contributions exigible from financial institutions using the services of market intermediaries in insurance business;

(14) the cases and conditions in which security, a guarantee or civil liability insurance is exigible;

(15) the information and other documents to be furnished by a market intermediary in insurance business;

(16) the advertising and representations which a market intermediary in insurance business may make and the items with which the advertising and representations may deal;

(17) the rules relating to the disclosure of the mode of remuneration of a market intermediary in insurance business and to the keeping of a register of commissions;

(18) the terms and conditions relating to the sharing of the commission of a market intermediary in insurance business;

(19) the nature, form and tenor of the books and registers to be kept by a market intermediary in insurance business;

(20) the rules relating to the establishment and maintenance of a trust account;

(21) the rules relating to the preservation or use and to the destruction of records, books and registers to be maintained by a market intermediary in insurance business;

(22) the rules relating to the administration of an insurance compensation fund, the terms and conditions of investment of the sums of money which constitute the fund, the conditions applicable to claims filed, the maximum amount of compensation which may be paid according to the nature of the liability coverage of a market intermediary in insurance business, and the amounts and terms of payment of annual or special contributions to be paid into that fund;

(23) the procedure and conditions applicable to the franchising of market intermediation in insurance business.

Special
rules for
financial
planners

A council may, in respect of market intermediaries in insurance business of whom it regulates the activity, determine by by-law, special rules applicable to those of them who also have the title of financial planner.

Special
rules for
firms

A council may, by by-law dealing with the same topics, determine the rules applicable to firms.

Government
approval

The by-laws made by a council under this section shall be submitted to the Government for approval.

Measures

79. The Conseil des assurances de personnes shall, in addition, determine, by by-law which shall be submitted to the Government for approval, the conditions applicable to agents or brokers who are members of the Association provinciale des assureurs-vie du Québec or holders of an insurance agent's certificate issued by the Inspector General on 1 November 1989 or who were members of that association or holders of that certificate in the three years preceding that date. The intent of these measures is to preserve the rights of market intermediaries in insurance of persons to carry on their activity.

Measures

80. The Conseil des assurances de dommages shall, in addition, determine, by by-law which shall be submitted to the Government for approval, the measures applicable to brokers who are members of the Association des courtiers d'assurances de la province de Québec or holders of an insurance agent's or claims adjuster's certificate issued by the Inspector General on 1 November 1989 or who were members of that association or holders of that certificate in the three years preceding that date. The intent of these measures is to preserve the rights of market intermediaries in damage insurance to carry on their activity.

Claims
adjuster

Any person who, on 1 November 1989 has the title of claims adjuster and limits his activities to appraising the value of property may retain his title and continue to carry on that activity. He shall, in that case, be subject to the by-laws made in this respect by the Conseil des assurances de dommages.

DIVISION II

FINANCING, BOOKS, REGISTERS AND AUDIT OF THE COUNCILS

Financing

81. Each council shall finance its operations out of the amounts received from market intermediaries subject to its supervision and control, and out of the contributions which must be paid to the council by financial institutions utilizing the services of market intermediaries.

Costs

82. The costs incurred for the carrying out of this Act, which are determined every year by the Government, shall be assumed by the councils.

Register
of market
interme-
diaries

83. Each council shall keep a register of market intermediaries in insurance business who are holders of a certificate issued by the council. The register shall contain the surname and given names of every certified market intermediary and the titles which he may use,

the address at which he carries on his activities, the period of validity of the certificate which he holds and the restrictions it includes, if any.

Partnerships
or legal
persons

In the case of a partnership or legal person, the register shall contain the corporate name and firm name of the certificate holder, the address of its head office, the period of validity of the certificate held, the restrictions it includes, if any, and the surnames and given names of the persons authorized to act in the said capacity and through whom the certificate holder carries on its activities.

Other
information

The register shall also contain any other information which the council considers appropriate.

Consultation
of the
register

84. Each council shall preserve and keep open for public examination, during regular office hours, the register of market intermediaries in insurance business who are holders of certificates issued by the council.

Audit

85. Each council shall cause its books and accounts to be audited every year by an auditor.

Auditor
designated
by Inspector
General

On failure by a council to cause its books and accounts to be audited by an auditor, the Inspector General may cause the audit to be made and shall designate an auditor for that purpose; the remuneration of the auditor shall be payable by the council.

Access to
records

86. The auditor shall have access to all the books, registers, accounts and other accounting records of the council which it is his responsibility to audit, and to the vouchers. Every person having custody of the documents shall facilitate the examination thereof by the auditor.

Additional
information

He may require the officers, representatives or employees of the council to provide the information and documents required for the performance of his duties as auditor.

Meeting

87. The auditor may require that a meeting of the members of the council which it is his responsibility to audit be held on any question relating to his duties as auditor.

Fiscal
year

88. The fiscal year of a council ends on 31 December each year.

Annual
report

89. Each council shall transmit to the Inspector General, within two months after the end of each fiscal year, its audited annual report showing its financial position and activities for the preceding year.

Annual
report

The report shall contain any other information which the Inspector General may require.

Documents
required by
Inspector
General

90. Each council shall, in addition, transmit to the Inspector General, at his request, on the dates and in the form he determines, the statements, statistical data, reports and other information which he considers appropriate for the purposes of this Act.

CHAPTER V

INSURANCE ASSOCIATIONS

DIVISION I

THE ASSOCIATION DES INTERMÉDIARIES EN ASSURANCE DE PERSONNES DU QUÉBEC

Establish-
ment

91. The Association des intermédiaires en assurance de personnes du Québec is hereby established.

Continuation

92. The Association des intermédiaires en assurance de personnes du Québec continues the existence of the corporation known under the name of the Provincial Association of Québec Life Underwriters, incorporated on 11 October 1962 by letters patent under Part III of the Quebec Companies Act (R.S.Q., 1941, chapter 276).

Property,
rights and
obligations

The Association des intermédiaires en assurance de personnes du Québec is vested with all the property and has the rights and obligations of the corporation of which it continues the existence.

First
board of
directors

93. The affairs of the Association shall be administered provisionally by a board of directors composed of directors designated by the Inspector General.

Composition

Three-quarters of the directors shall be chosen from among the members of the Association provinciale des assureurs-vie du Québec and one-quarter from among the members of the Ordre des assureurs-vie de Québec, incorporated on 1 April 1987 by letters patent issued under Part III of the Companies Act (R.S.Q., chapter C-38).

Term of
office

The directors shall remain in office until the date of the first annual meeting of the members of the Association, which they must call and hold within six months of 1 October 1989.

| | |
|---|---|
| Procedure | The Inspector General shall ensure that the procedure for calling the meeting and electing the new directors has been followed. |
| Observer | He may designate a person to attend the meeting as an observer. That person shall make a report of his observations respecting the conduct of the meeting, and submit any recommendation which he considers advisable to the Inspector General. |
| Members | 94. Market intermediaries in insurance of persons who are members of the Association provinciale des assureurs-vie du Québec or holders of a certificate issued by the Inspector General on 1 October 1989 are members of the Association des intermédiaires en assurance de personnes du Québec. |
| Payment of fees | Persons authorized to act as market intermediaries in insurance business in the three years preceding the said date become members, upon payment of the fees exigible by by-law of the Association. |
| Exclusive jurisdiction to confer titles | 95. The Association has exclusive jurisdiction to confer on market intermediaries in insurance of persons who are members thereof the title of "chartered life underwriter" (C.L.U.) or the title of "registered life underwriter" (R.L.U.) in accordance with the terms and conditions determined by the Association. |
| Title retained | Market intermediaries in insurance of persons on whom the title of "chartered life underwriter" has been conferred before 1 October 1989 shall retain that title. |
| Use of title | Market intermediaries in insurance of persons enrolled on 11 May 1989 in a training course permitting access to the said title may use the title if they qualify therefor. |
| Authoriza- tion | Subject to the second and third paragraphs, only members authorized by the Association des intermédiaires en assurance de personnes du Québec may use the title of chartered life underwriter or registered life underwriter. |
| Function of the Association | 96. The main function of the Association is to ensure the protection of the public by upholding the discipline of its members. It may, for prevention purposes, make an inspection into the affairs of its members. |
| Continuing training courses | Moreover, the Association may dispense continuing training courses to its members. |

- 97.** Persons or partnerships meeting the membership requirements determined in the by-laws of the Association are members of the Association.
- 98.** The head office of the Association shall be in Québec at the place determined in the internal management by-laws of the Association.
- A notice of the location of the head office of the Association or any change of its location shall be published in the *Gazette officielle du Québec*.
- 99.** The Association shall hold a general meeting of its members at least once a year on the date and at the place fixed by the internal management by-laws.
- 100.** The Association may hold special meetings of its members as often as the affairs of the Association so require.
- A special meeting shall be called by the director general, in accordance with the terms and conditions set out in the internal management by-laws, upon a resolution of the board of directors or a petition by not fewer than 50 members of the Association.
- If the special meeting is not called within 10 days after the resolution or the petition for that purpose, a member of the board of directors or one of the signatories of the petition may call the meeting.
- 101.** Fifty members is a quorum at a general meeting.
- 102.** Decisions are made by a majority of the votes cast by the members present.
- 103.** The Association shall, by by-law, adopt rules for its internal management.
- 104.** The Association shall, by by-law, which shall be submitted to the Government for approval, determine
- (1) the conditions of admission, refusal, renewal, removal, expulsion and readmission of members of the Association;
 - (2) the membership fees payable;
 - (3) the criteria governing the granting or withdrawal of the title of chartered life underwriter or the title of registered life underwriter;

(4) any other matter coming under its jurisdiction.

Increase in membership fees The Association may also determine, by a resolution of its board of directors, any increase in the membership fees established under the first paragraph which is required to enable the Association to assume its responsibilities in disciplinary and inspection matters. The resolution shall be subject to the approval of the Inspector General.

Board of directors **105.** The affairs of the Association shall be managed by a board of directors consisting of not fewer than 11 directors.

Election **106.** The directors shall be elected at the annual general meeting of the Association from among its members.

Elected officers **107.** The directors shall elect from among themselves a chairman of the board, a president of the Association, one or more vice-presidents and a treasurer.

Director general **108.** The directors shall appoint a director general, who may also act as secretary.

Personnel **109.** The directors may hire the personnel required for the operation of the Association.

Quorum **110.** A majority of the directors constitute a quorum at sittings of the board.

Majority of votes **111.** The decisions of the board shall be made by a majority of the votes cast by the directors present.

Casting vote In the event of a tie, the chairman shall have a casting vote.

Unlawful use of titles **112.** The Association may institute any expedient proceedings to prevent the unlawful use of the titles which it confers on an exclusive basis.

Annual report **113.** The Association des intermédiaires en assurance de personnes du Québec shall transmit to the Inspector General, within two months after the end of each fiscal year, its audited annual report showing its financial position and activities for the preceding year.

Annual report The report shall contain any other information which the Inspector General may require.

Documents required by Inspector General **114.** The Association shall, in addition, transmit to the Inspector General, at his request, on the dates and in the form he

determines, the statements, statistical data, reports and other information which he considers appropriate for the purposes of this Act.

DIVISION II

THE ASSOCIATION DES COURTIERS D'ASSURANCES DE LA PROVINCE DE QUÉBEC

- 115.** The corporation known under the name of Association des courtiers d'assurances de la province de Québec, incorporated by letters patent on 2 March 1932 under Part III of the Quebec Companies Act (R.S.Q., 1925, chapter 223), governed by chapter 90 of the statutes of 1946 and continued by chapter 52 of the statutes of 1963, is vested with the rights, duties and obligations with which it was vested, subject to the provisions of this Act.
- 116.** The Association has exclusive jurisdiction to confer on its members the title of "chartered insurance broker" (C.I.B.) and the title of "associate insurance broker" (A.I.B.).
- 117.** The main function of the Association is to ensure the protection of the public by upholding the discipline of its members. It may, for prevention purposes, make an inspection into the affairs of its members.
- The Association may, in addition, dispense continuing training courses to its members.
- 118.** Persons or partnerships meeting the membership requirements determined in the by-laws of the Association are members of the Association.
- 119.** The head office of the Association shall be in Québec at the place determined in the internal management by-laws of the Association.
- A notice of the location of the head office of the Association or any change of its location shall be published in the *Gazette officielle du Québec*.
- 120.** The Association shall hold a general meeting of its members at least once a year on the date and at the place fixed by the by-laws of the Association.
- 121.** The Association may hold special meetings of its members as often as the affairs of the Association so require.

- Special meeting A special meeting shall be called by the director general, in accordance with the terms and conditions set out in the internal management by-laws, upon a resolution of the board of directors or a petition by not fewer than 50 members of the Association.
- Failure If the special meeting is not called within 10 days after the resolution or the petition for that purpose, a member of the board of directors or one of the signatories of the petition may call the meeting.
- Quorum **122.** Fifty members is a quorum at a general meeting.
- Decisions **123.** Decisions are made by a majority of the votes cast by the members present.
- Internal management **124.** The Association shall, by by-law, adopt rules for its internal management.
- By-laws **125.** The Association shall, by by-law which shall be submitted to the Government for approval, determine
- (1) the conditions of admission, refusal, renewal, removal, expulsion and readmission of members of the Association;
 - (2) the rules relating to the discipline applicable to damage-insurance brokers;
 - (3) the membership fees payable;
 - (4) the criteria governing the granting or withdrawal of the title of chartered insurance broker and the title of associate insurance broker;
 - (5) any other matter coming under its jurisdiction.
- Increase in membership fees The Association may also determine, by a resolution of its board of directors, any increase in the membership fees established under the first paragraph which is required to enable the Association to assume its responsibilities in disciplinary and inspection matters. The resolution shall be subject to the approval of the Inspector General.
- Board of directors **126.** The affairs of the Association shall be managed by a board of directors consisting of not less than 15 and not more than 35 directors.
- Election of directors **127.** The directors shall be elected at the annual general meeting of the Association from among its members.
- Requirement A majority of the directors must be chartered insurance brokers.

128. The directors shall elect from among themselves a chairman of the board, a president of the Association, one or more vice-presidents and a treasurer.

129. The directors shall appoint a director general, who may also act as secretary.

130. The directors may hire the personnel required for the operation of the Association.

131. A majority of the directors constitute a quorum at sittings of the board.

132. The decisions of the board shall be made by a majority of the votes cast by the directors present.

In the event of a tie, the chairman shall have a casting vote.

133. The Association may institute any expedient proceedings to prevent the unlawful use of the titles it confers on an exclusive basis.

134. The Association des courtiers d'assurances de la province de Québec shall transmit to the Inspector General, within two months after the end of each fiscal year, its audited annual report showing its financial position and activities for the preceding year.

The report shall contain any other information which the Inspector General may require.

135. The Association shall, in addition, transmit to the Inspector General, at his request, on the dates and in the form he determines, the statements, statistical data, reports and other information which he considers appropriate for the purposes of this Act.

CHAPTER VI

RULES OF DISCIPLINE IN INSURANCE MARKET INTERMEDIATION

DIVISION I

SUPERVISION COMMITTEES

136. Supervision committees shall be established within the Conseil des assurances de dommages, the Association des

intermédiaires en assurance de personnes du Québec and the Association des courtiers d'assurances de la province de Québec.

- Jurisdiction** **137.** The supervision committee of the Conseil des assurances de dommages shall exercise its functions with respect to damage insurance agents and claims adjusters. The supervision committee of the Association des intermédiaires en assurance de personnes du Québec and the supervision committee of the Association des courtiers d'assurances de la province de Québec shall exercise their functions with respect to their respective members.
- Functions** **138.** The function of a supervision committee is to examine the conduct of market intermediaries in insurance business, investigate any disciplinary matter relating to market intermediaries in insurance business and, if need be, file complaints with the disciplinary committee.
- Composition** **139.** Each supervision committee shall be composed of not less than three members, including the chairman. The members shall be designated by the association or the council, as the case may be.
- Quorum** **140.** A majority of the members of a supervision committee is a quorum.
- Casting vote** In the event of a tie, the chairman has a casting vote.
- Disclosure of interest** **141.** A member of a supervision committee who has a direct or indirect interest in an undertaking which places his personal interest in conflict with that of the committee shall, on pain of forfeiture of office, disclose his interest and abstain from participating in any decision concerning the undertaking in which he has an interest. Moreover, he shall withdraw from the meeting for the duration of the deliberations relating thereto.
- Personnel** **142.** A supervision committee may hire the personnel required for the carrying out of its functions.
- Investigation** **143.** The supervision committee shall investigate the affairs of a market intermediary in insurance business when a complaint is filed, at the request of the council which regulates the business carried on by that market intermediary, or on its own initiative.
- Responsible person** The investigation shall be made under the responsibility of a member of the supervision committee who engages in the same field of activity as the market intermediary whose affairs are being investigated.

Powers of
investigator

144. Any person making an investigation under this division may

(1) enter, at any reasonable time, the establishment of any market intermediary in insurance business whose affairs are being investigated, or the establishment of the firm within which he carries on his activities, or of the financial institution which utilizes the services of the intermediary;

(2) examine and make copies of the books, registers, accounts, records and other documents relating to the activities of the market intermediary concerned;

(3) require any information or document relating to the carrying out of this Act and the regulations made thereunder.

Access to
documents

Every person having custody, possession or control of the books, registers, accounts, records and other documents shall, at the request of the person making the investigation, permit access to the documents and facilitate the examination thereof by the person making the investigation.

Attestation
of capacity

145. The person making an investigation under this division shall identify himself on request and produce an attestation of his capacity, signed by a member authorized for that purpose by the supervision committee for which he is acting.

Hindering
prohibited

146. No person may hinder the work of a person making an investigation, in particular by misleading him.

Notice of
decision

147. The person making an investigation shall submit a report to the supervision committee which shall, in writing and within 15 days, inform the complainant or the council which requested that an investigation be made of its decision to prosecute or not prosecute the complaint filed or to file or not file a complaint.

DIVISION II

DISCIPLINARY COMMITTEES

Disciplinary
committee

148. Disciplinary committees shall be established within the Conseil des assurances de dommages, the Association des intermédiaires en assurance de personnes du Québec and the Association des courtiers d'assurances de la province de Québec.

Jurisdiction

149. The disciplinary committee of the Conseil des assurances de dommages shall dispose of disciplinary complaints concerning

damage insurance agents and claims adjusters. The disciplinary committee of the Association des intermédiaires en assurance de personnes du Québec and the disciplinary committee of the Association des courtiers d'assurances de la province de Québec shall dispose of complaints concerning their respective members.

Breach of
discipline
by legal
person

150. Where a breach of discipline is attributable to a legal person, a complaint may be filed against those of its directors, officers or employees who participated in or consented to the breach of discipline.

Composition

151. Each disciplinary committee shall be composed of not less than three members, including the chairman.

Chairman

The chairman shall be designated from among advocates having at least 10 years of practice, after consultation with the Barreau du Québec. He shall be appointed by the Minister who shall obtain the advice of the association concerned or, as the case may be, of the council.

Members

The other members shall be designated by the association from among its members or, as the case may be, by the council from among the market intermediaries whose activities it regulates. However, where the complaint involves a damage insurance agent or a claims adjuster, the members, other than the chairman, hearing the complaint shall be persons who are engaged in the same field of activity and who represent the same interests as the person in whose respect the complaint was filed.

Disclosure
of interest

152. A member of a disciplinary committee who has a direct or indirect interest in an undertaking which places his personal interest in conflict with that of the committee shall, on pain of forfeiture of office, disclose his interest and abstain from participating in any decision concerning the undertaking in which he has an interest. Moreover, he shall withdraw from the meeting for the duration of the deliberations relating thereto.

Replacement
of chairman

153. If the chairman is unable to act, the Minister shall designate a replacement who possesses the same qualifications.

Term of
office

154. The members of a disciplinary committee shall be appointed for three years.

Continuance
in office

155. Upon the expiry of their term of office, the members of a disciplinary committee shall remain in office until they are reappointed or replaced.

- 156.** A vacancy on a disciplinary committee shall be filled in the manner prescribed for the appointment of the member to be replaced and for the unexpired portion of his term of office.
- 157.** The association or council, as the case may be, shall appoint the secretary of its disciplinary committee.
- The secretary shall, in particular, see to the preparation and preservation of the records of the committee.
- 158.** The disciplinary committee shall transmit each year to the Conseil des assurances de personnes or, as the case may be, to the Conseil des assurances de dommages a report of its activities for the current year, on the date and in the form it determines.
- 159.** The provisions of the Professional Code relating to the institution and trial of complaints and to the related decisions and penalties apply, adapted as required, to complaints received by a disciplinary committee.
- 160.** The decisions of a disciplinary committee may be appealed from before the Court of Québec, in accordance with section 366 and the following sections of the Act respecting insurance, adapted as required.

CHAPTER VII

COMPENSATION FUNDS

- 161.** Three compensation funds are hereby established, namely the Fonds d'indemnisation en assurance de personnes within the Conseil des assurances de personnes, the Fonds d'indemnisation en assurance de dommages within the Conseil des assurances de dommages and the Fonds d'indemnisation des planificateurs financiers for financial planners who are holders of a certificate issued by the Inspector General.
- 162.** Each fund is vested with legal personality.
- 163.** The head office of each fund shall be in Québec at the place determined in the internal management by-laws of the fund.
- 164.** Each fund shall be administered by a board of directors composed of seven directors.

- Composition** **165.** The board of directors of the fund established within a council shall be composed of six directors designated by the council, three of whom shall be chosen from among holders of certificates issued by the council; the other three directors shall be persons who, by reason of their occupation, are capable of making a significant contribution to solving problems inherent in activities carried on by market intermediaries in insurance business. The seventh director shall be designated by the Minister.
- Directors** **166.** The directors of the Fonds d'indemnisation des planificateurs financiers shall be appointed by the Minister from among the persons authorized to use the title of financial planner; at least three directors shall be holders of a certificate issued by the Inspector General.
- Term of office** **167.** The term of office of the directors of a fund is two years.
- Continuance in office** Upon the expiry of their term of office, the directors of a fund shall remain in office until they are reappointed or replaced.
- Chairman and vice-chairman** **168.** The directors of a fund shall designate a chairman and a vice-chairman from among themselves.
- Remuneration** **169.** The directors of a fund are not remunerated.
- Attendance allowance and reimbursement of expenses** However, the directors of a fund are entitled, to the extent determined in the internal management by-laws, to an attendance allowance and to reimbursement, on presentation of vouchers, of expenses incurred in the performance of their duties.
- Secretary and personnel** **170.** The directors may appoint a secretary and hire the personnel required for the operation of the fund.
- Appointment and remuneration** **171.** The secretary and the other members of the personnel shall be appointed and remunerated in accordance with the standards, scales and staffing plan established in the by-laws of the fund.
- Sittings** **172.** The board of directors may hold its sittings anywhere in Québec.
- Quorum** **173.** A majority of the directors is a quorum at a meeting of the board of directors of a fund.
- Casting vote** In the event of a tie, the chairman has a casting vote.
- Internal management** **174.** Each fund shall, by by-law, adopt rules of internal management. The rules come into force on the date of their approval

by the council within which it is established or, as the case may be, by the Government.

Functions

175. The object of a compensation fund is to administer the sums of money deposited therein for securing the liability that may be incurred by a market intermediary owing to fraud, dishonest practices, or misappropriation of funds or other property that must be held in a trust account in accordance with the regulations made under this Act.

Duties

176. Each fund shall, according to the conditions, in the manner and in accordance with the rules established in the by-laws of the council or, as the case may be, by government regulation,

- (1) administer the sums of money deposited therein;
- (2) rule on the admissibility for payment of claims against a market intermediary;
- (3) make a decision regarding any payment or outlay to be made out of the fund;
- (4) invest the sums constituting the fund.

Composition of fund

177. Each fund shall be constituted of

- (1) contributions fixed for that purpose in the by-laws of the council or, as the case may be, by government regulation;
- (2) sums recovered by way of subrogation from market intermediaries;
- (3) interest yielded on the sums of money constituting the fund;
- (4) any increase in the fund's assets.

Subrogation

178. Each fund is subrogated in the rights of a compensated person up to the compensation paid.

Operating expenses

179. Any amount required for the operation of a fund shall be paid out of the sums of money constituting the fund.

Investment of assets

180. The assets of a fund shall be invested in accordance with the rules governing the investment of moneys belonging to other persons provided in the Civil Code.

Audit

181. Each fund shall cause its books and accounts to be audited each year by an auditor.

182. The fiscal year of a fund ends on 31 December each year.

Fiscal
year

183. Within two months after the end of a fiscal year, each fund shall submit to the council within which it is established or to the Inspector General, as the case may be, its audited annual report showing its financial position and activities for the preceding fiscal year.

Audited
annual
report

The report shall also contain any other information which the council or the Inspector General, as the case may be, may require.

Additional
information

CHAPTER VIII

INSPECTOR GENERAL OF FINANCIAL INSTITUTIONS

184. The Inspector General shall keep a register of all financial planners and multidisciplinary firms holding a certificate issued by the Inspector General.

Register

The register shall contain the surname and given names of each financial planner, the address of the place at which he carries on his activity, the period of validity of the certificate which he holds and the restrictions it includes, if any.

Contents

The register shall, in the case of a firm of financial planners or a multidisciplinary firm, contain the firm name and the corporate name of the certificate holder, the address of its head office, the period of validity of the certificate held and the restrictions it includes, if any, and the surnames and given names of the persons authorized to act as financial planners and through whom the firm exercises its activities.

Contents

The register shall, in addition, contain any other information which the Inspector General considers appropriate.

Additional
information

185. The Inspector General shall maintain and keep open for public examination during regular office hours, the register of financial planners and multidisciplinary firms holding a certificate issued by the Inspector General.

Consultation
of the
register

186. The Inspector General shall make an inspection of the affairs of the councils and associations to which this Act applies, or cause such an inspection to be made, whenever he considers it appropriate for the carrying out of this Act.

Inspection

187. Any person making an inspection may, for the purposes of his inspection,

Powers of
inspector

(1) enter, at any reasonable time, the head office of a council or association;

(2) examine and make copies of the books, registers, accounts, records and other documents relating to the activities of the council or association;

(3) require any information or document relating to the carrying out of this Act and the regulations and by-laws made thereunder.

Access to documents

Every person having custody, possession or control of the books, registers, accounts, records and other documents shall, at the request of the person making the inspection, permit access to the documents and facilitate the examination thereof by the person making the inspection.

Seizure of documents

188. The Inspector General or the representative designated by him in writing may, in the exercise of his powers of inspection and if he has reasonable grounds to believe that an offence under this Act or any other Act under the administration of the Inspector General has been committed, seize any document relating to the offence, provided he gives a copy thereof to the person from whom the document is seized; the Inspector General shall have custody of the seized document.

Period of retention

The Inspector General shall not retain the seized document for more than 90 days unless an information is filed before the expiry of that period; a judge of the Court of Québec may, however, order that the period of retention be reduced, or that it be extended for an additional period of 90 days.

Certificate of capacity

189. Any person making an inspection shall, on request, identify himself and produce a certificate of his capacity, signed by the Inspector General.

Hindering prohibited

190. No person may hinder the work of a person making an inspection, in particular, by misleading him.

Inspection

191. The Inspector General may, whenever he considers it necessary or useful for the carrying out of this Act, make an inspection into the internal affairs and activities of a financial planner or multidisciplinary firm holding a certificate issued by the Inspector General, or cause such an inspection to be made.

Provisions applicable

The provisions of sections 187 to 190, adapted as required, apply to the inspection.

Inquiry **192.** The Inspector General may, where he considers that public interest so requires, order that an inquiry be held on any matter within his jurisdiction.

Powers and immunity The Inspector General and every person authorized by him in writing shall have the powers and immunity granted to commissioners appointed under the Act respecting public inquiry commissions (R.S.Q., chapter C-37), except the power to order imprisonment.

**Unauthor-
rized
course of
action** **193.** Where, in his opinion, an association or council is engaged in a course of action contrary to this Act or a regulation or by-law made under or pursuant to this Act, the Inspector General may order the association or council to alter its course of action and remedy the situation.

**Order of
Inspector
General** **194.** The order issued by the Inspector General shall set forth the reasons on which it is based and be transmitted to each person for which the order is intended. It shall become effective on its date of service or on any later date indicated therein.

**Prior
notice** Before issuing an order, the Inspector General shall serve on the offender a prior notice of not less than 15 days stating the reasons which appear to justify the order, the date on which it is to take effect and the possibility for the offender to be heard.

**Provisional
order
without
notice** **195.** The Inspector General may, however, without prior notice, issue a provisional order, valid for a period of not more than 15 days, if he is of the opinion that a delayed hearing might cause prejudice.

Hearing The order must include the reasons on which it is based and shall take effect on its date of service on the person for whom it is intended. The person may, within six days of receiving the order, apply in writing to the Inspector General for a hearing.

**Revocation
of order** **196.** The Inspector General may revoke any order issued under this chapter.

Injunction **197.** The Inspector General may, by motion, apply to a judge of the Superior Court for an injunction in respect of any matter relating to this Act or any government regulation made thereunder for its carrying out.

Motion A motion for injunction is a proceeding in itself.

Procedure The procedure provided for in the Code of Civil Procedure applies except that the Inspector General shall not be required to give security.

Exercise of council's powers by Inspector General **198.** Where a council fails or neglects to exercise responsibilities conferred on it or where, as a result of its action, the protection of the public is not ensured or the requirements of this Act or of the regulations and by-laws made under or pursuant to this Act in relation to market intermediation in insurance business are not met, the Inspector General may exercise all or part of the powers conferred on a council and, to the extent and for the period he determines, prohibit that council from exercising those powers.

Appeal Before rendering his decision, the Inspector General shall notify the council concerned and give it an opportunity to be heard. The council may appeal from the decision of the Inspector General to the Superior Court, within 30 days.

Suspension **199.** The Inspector General may, for the same reasons and in the same manner, suspend all or part of the responsibilities of the Association des courtiers d'assurances de la province de Québec, of the Association des intermédiaires en assurance de personnes du Québec or of the Québec institute of financial planners accredited by the Minister, prohibit it from exercising them, entrust the exercise thereof to the Conseil des assurances de personnes or to the Conseil des assurances de dommages, as the case may be, or assume the exercise thereof.

Appeal An association may appeal from the decision of the Inspector General to the Superior Court, within 30 days.

Report of activities **200.** Each year, the Inspector General shall submit to the Minister a report on the activities of the councils and associations.

Additional information The report shall include any other information which the Inspector General considers appropriate or which the Minister may require.

CHAPTER IX

REGULATIONS

Regulations **201.** The Government may, by regulation, determine

(1) the fees payable for any formality or measure provided for in this Act or the regulations made thereunder;

(2) the amount to be paid annually to the Inspector General by each council for the purposes of this Act;

(3) in which cases and on what conditions a market intermediary dealing in insurance business may be employed by a financial institution other than an insurer;

(4) the terms and conditions governing the use of the title of financial planner by the holder of a certificate issued by the Inspector General;

(5) the titles similar to that of financial planner;

(6) the rules relating to the standardization of the remuneration of market intermediaries in insurance of persons;

(7) the conditions of issue of certificates by the Inspector General;

(8) the fees payable for the issue of a certificate by the Inspector General;

(9) the period of validity of certificates issued by the Inspector General;

(10) the various classes of certificates that may be issued by the Inspector General and the conditions and restrictions attaching to each class;

(11) the terms and conditions of issue, renewal, suspension or cancellation of certificates issued by the Inspector General;

(12) the particulars contained in certificates issued by the Inspector General;

(13) the rules of discipline applicable to a financial planner who is the holder of a certificate issued by the Inspector General;

(14) the cases and circumstances in which a security, a guarantee or a civil liability insurance may be required from the holder of a certificate issued by the Inspector General;

(15) the information and other documents which the holder of a certificate issued by the Inspector General is required to furnish;

(16) the advertising and representations which the holder of a certificate issued by the Inspector General may make, and the items with which it may deal;

(17) the rules relating to the protection of personal information obtained by a market intermediary in insurance business or by the holder of a certificate issued by the Inspector General in the course of his activities, and the rules relating to the circulation of information in his possession;

(18) the terms and conditions on which a person having done business with a market intermediary in insurance business or the holder of a certificate issued by the Inspector General is entitled to have access to and reproduce the documents and information concerning him which are in the possession of the market intermediary or certificate holder;

(19) the rules relating to the disclosure of the method of remuneration and the keeping of a register of commissions received by the holder of a certificate issued by the Inspector General;

(20) the terms and conditions applicable to the apportionment or sharing of the commission of the holder of a certificate issued by the Inspector General;

(21) the nature, form and tenor of the books and registers to be kept by the holder of a certificate issued by the Inspector General;

(22) the rules relating to the opening and maintenance of a trust account by the holder of a certificate issued by the Inspector General;

(23) the rules applicable to multidisciplinary firms and firms of financial planners;

(24) the rules relating to the preservation or to the use and destruction of records, books and registers which the holder of a certificate issued by the Inspector General is required to keep;

(25) the rules relating to the administration of the compensation fund of financial planners who are holders of a certificate issued by the Inspector General, the terms and conditions of investment of the sums of money which constitute the fund, the conditions applicable to claims filed, the maximum amount of compensation which may be paid according to the nature of the liability coverage of financial planners, and the amounts and terms and conditions of payment of the annual or special contributions which must be paid into the fund;

(26) the terms and conditions applicable to the franchising of activities carried on by the holder of a certificate issued by the Inspector General.

- Regulatory powers **202.** Sixty days after having notified a defaulting council, association or institution to which this Act applies to adopt by-laws under section 30, 78, 104 or 125, as the case may be, the Government may exercise the regulatory powers provided for in the said sections.
- By-laws Any by-law made by the Government is deemed to be a by-law of the council, association or institution, as the case may be, and the council, association or institution may amend it. The amended by-law shall be submitted to the Government for approval.
- Amendments to by-laws **203.** The Government may amend any by-law submitted to it for approval.
- Transitional measures **204.** The Government may, by regulation made within 12 months from the coming into force of this section, prescribe transitional measures for the application of this Act.

CHAPTER X

PENAL PROVISIONS

- Offence **205.** Any person who, without authorization, acts as a market intermediary in insurance business or who uses any related or similar title suggesting that he has special competence in that respect, is guilty of an offence.
- Offence Any person who, without authorization, uses the title of financial planner or suggests that he is qualified to do so, is guilty of an offence.
- Offence **206.** Any person or partnership who or which holds himself or itself out as a financial planner when none of the persons through whom he or it is acting is authorized to use the title of financial planner is guilty of an offence.
- Offence **207.** Any market intermediary in insurance business, other than a special broker, who offers or sells a product of an insurer who is not authorized to engage in insurance business in Québec, is guilty of an offence.
- Offence **208.** Any market intermediary in insurance business who, directly or indirectly, grants a rebate on the premium stipulated in an insurance policy to a person insured or applying for insurance, or who renders the making of a contract conditional upon the making of another contract, is guilty of an offence.

Exception The payment of benefits stipulated in a policy or the reduction granted to an insured person for the purchase of two or more financial products is not a rebate of premium referred to in the first paragraph.

Offence **209.** Any person who hinders the work of a person who is making an inquiry or an inspection under this Act is guilty of an offence.

Offence **210.** Any financial institution, any financial group or any related legal person within the meaning of section 50 which uses the corporate name or firm name of an insurance broker dealing in insurance of persons or in damage insurance is guilty of an offence.

Penalty **211.** Any person convicted of an offence under any of sections 205 to 210 is liable to a fine of not less than \$500 and not more than \$10 000 in the case of a natural person, or to a fine of not less than \$1 000 and not more than \$25 000 in the case of a legal person.

Determina-
tion of
fines In determining the fines, the court shall take into account, in particular, the injury involved and benefits derived from the offence.

Offence
committed
by legal
person **212.** Where an offence under any of sections 205 to 210 is committed by a legal person, every director, executive officer, officer or representative of the legal person who knowingly authorized, encouraged, ordered or advised the commission of the offence is guilty of an offence and is liable to the fine prescribed in section 211.

Institution
of proceed-
ings **213.** Any proceedings relating to the unlawful carrying on of market intermediation in insurance business or use of the title of financial planner or unauthorized use of a related title may be instituted by the Attorney General or by a council.

Levy of
fines **214.** Where proceedings are instituted by the Attorney General, the fine levied shall be paid into the consolidated revenue fund. In all other cases, the fine shall be levied by the council which instituted the proceedings.

Interlocutory
injunction **215.** If a person repeats any of the offences under sections 205 to 210, the Attorney General or, with his authorization, the council which instituted penal proceedings, may apply to the Superior Court for an interlocutory writ of injunction enjoining that person or his directors, executive officers, officers or representatives to cease the commission of the offence charged until final judgment is pronounced in penal proceedings.

Final
judgment After pronouncing the judgment, the Superior Court shall itself render final judgment on the application for an injunction.

Security
not required

The Attorney General or the council applying for an injunction under this section shall be dispensed from the obligation to give security. In all other respects, the provisions of the Code of Civil Procedure respecting writs of injunction apply.

CHAPTER XI

MISCELLANEOUS PROVISIONS

Authentic
documents

216. The certificates issued by the Inspector General and other documents produced by the Inspector General under this Act are authentic.

Signature
of Inspector
General

217. The signature of the Inspector General on copies of documents, registers or records is proof of the existence of the documents and that they are lawfully in the possession of the Inspector General.

Signature
of Inspector
General

Any copy signed by the Inspector General is equivalent to the original itself in any court of justice and any document or copy purporting to bear his signature is deemed to do so until proof of the contrary.

Provisions
applicable

218. Sections 216 and 217, adapted as required, apply to the councils and associations to which this Act applies.

Certified
copy

219. In any proceedings, the production of the original of a book, document, order or register in the possession of the Inspector General, a council or an association is not necessary, but a copy or an extract certified by one of them is sufficient proof of the content of the original.

Sworn
declaration

220. The filing of a sworn declaration of a member of the personnel of the Inspector General, a council or an association is proof, before a court of justice, of the signature and capacity of the signatory.

Intervention
of Inspector
General

221. The Inspector General may, on his own initiative and without notice, intervene in any civil proceeding relating to provisions of this Act or the regulations thereunder to take part in the proof and hearing as if he were a party thereto. The same rule applies to a council or an association as regards the rules coming under their administration.

CHAPTER XII

AMENDING PROVISIONS

c. A-25,
s. 93, am.

222. Section 93 of the Automobile Insurance Act (R.S.Q., chapter A-25) is amended

(1) by replacing the words “insurance broker or to the insurance agent” in the third and fourth lines of the first paragraph by the words “market intermediary in insurance business”;

(2) by replacing the words “broker or an agent” in the fifth line of the said paragraph by the words “market intermediary in insurance business”.

c. A-25,
s. 171, am.

223. Section 171 of the said Act, amended by sections 5 and 6 of chapter 47 of the statutes of 1989, is again amended by adding, at the end, the following paragraph:

Responsi-
bility

“The Groupement is, in addition, responsible for ensuring that the persons acting as appraisers are qualified. For that purpose, it shall establish and administer training programs and determine the minimum requirements applicable to the activity of appraiser.”

c. A-30,
s. 82, am.

224. Section 82 of the Crop Insurance Act (R.S.Q., chapter A-30) is amended by replacing the words “Insurance Brokers Act (chapter C-74)” by the words “Act respecting market intermediaries (1989, chapter 48)”.

c. A-32,
s. 1, am.

225. Section 1 of the Act respecting insurance (R.S.Q., chapter A-32) is amended

(1) by replacing paragraph *i* by the following paragraph:

“market
intermediary
in insurance
business”

“(i) “market intermediary in insurance business”: a market intermediary in insurance business within the meaning of the Act respecting market intermediaries (1989, chapter 48);”;

(2) by replacing paragraph *j* by the following paragraph:

“claims
adjuster”

“(j) “claims adjuster”: a claims adjuster within the meaning of the Act respecting market intermediaries (1989, chapter 48);”;

(3) by repealing paragraphs *k* and *q*.

c. A-32,
s. 10, am.

226. Section 10 of the said Act is amended by replacing the words “, insurance agent or claims adjuster” in the second line of

subparagraph 1 of the first paragraph by the words “or a market intermediary in insurance business”.

c. A-32,
s. 57, am. **227.** Section 57 of the said Act is amended by replacing the words “Insurance agents or claims adjusters” in the first line by the words “Market intermediaries in insurance business”.

c. A-32,
s. 93.79, am. **228.** Section 93.79 of the said Act is amended by replacing the words “an insurance agent, a claims adjuster” in the first line of subparagraph 2 of the second paragraph by the words “a market intermediary in insurance business”.

c. A-32,
s. 93.86, am. **229.** Section 93.86 of the said Act is amended by replacing the words “insurance agents, insurance brokers or claims adjusters” in the third line by the words “market intermediaries in insurance business”.

c. A-32,
s. 174.8, am. **230.** Section 174.8 of the said Act is amended by replacing the words “an insurance agent, a claims adjuster” in the first line of paragraph 1 by the words “a market intermediary in insurance business”.

c. A-32,
s. 204, am. **231.** Section 204 of the said Act is amended by replacing the words “special brokers contemplated by section 346” in the third and fourth lines by the words “a special broker contemplated by the Act respecting market intermediaries (1989, chapter 48)”.

c. A-32,
s. 303, am. **232.** Section 303 of the said Act is amended by replacing the words “, insurance agent or claims adjuster” in the first and second lines of the first paragraph by the words “or a market intermediary in insurance business”.

c. A-32,
s. 304, am. **233.** Section 304 of the said Act is amended by replacing the words “insurance agent” in the sixth line by the words “a market intermediary in insurance business”.

c. A-32,
s. 316, am. **234.** Section 316 of the said Act is amended by striking out the words “or a certificate” in the second line.

c. A-32,
s. 317, am. **235.** Section 317 of the said Act is amended by striking out the words “and every special insurance broker contemplated in section 346” in the second and third lines of the first paragraph.

c. A-32,
ss. 326-357
and ch. VI
and VII,
repealed **236.** The said Act is amended by striking out Chapters VI and VII of Title IV and sections 326 to 357 which are contained therein.

- c. A-32,
s. 360,
repealed
c. A-32,
s. 361, am.
- 237.** Section 360 of the said Act is repealed.
- 238.** Section 361 of the said Act is amended by striking out the words “or certificate” in the second line.
- c. A-32,
s. 362, am.
- 239.** Section 362 of the said Act is amended by striking out the words “or certificate” in the second and third lines.
- c. A-32,
s. 364, am.
- 240.** Section 364 of the said Act is amended by striking out the words “or certificate” in the first line.
- c. A-32,
s. 366, am.
- 241.** Section 366 of the said Act is amended
- (1) by striking out the words “or certificate” in the first and second lines of the first paragraph;
 - (2) by striking out the words “residence or” in the third line of the first paragraph;
 - (3) by replacing the word “person” in the fourth line of the first paragraph by the word “corporation”.
- c. A-32,
s. 369, am.
- 242.** Section 369 of the said Act is amended by striking out the words “or certificate” in the third line.
- c. A-32,
s. 390,
repealed
c. A-32,
s. 406, am.
- 243.** Section 390 of the said Act is repealed.
- 244.** Section 406 of the said Act is amended
- (1) by striking out the words “, insurance agent or claims adjuster” in the first line of paragraph *a* and “or certificate to that effect” in the second line of the said paragraph;
 - (2) by striking out the words “or certificate” in the first and second lines of paragraph *b*;
 - (3) by striking out the words “or certificate” in the first line of paragraph *d*;
 - (4) by striking out paragraphs *i* to *o*.
- c. A-32,
ss. 406.1-
406.4, added
- 245.** The said Act is amended by inserting, after section 406, the following sections:
- Offence
- “406.1** Every insurer, other than a professional corporation, who accepts an insurance application or proposal from a person other than the insured, the policy holder, the participant or a market intermediary in insurance business is guilty of an offence.

Offence **“406.2** Any insurer who, directly or indirectly, grants a rebate on the premium stipulated in an insurance policy to any person insured or applying for insurance, or agrees with that person on a method of payment of the premium other than the method set forth in the policy or who renders the making of a contract conditional upon the making of another contract is guilty of an offence.

Cancellation of contract **Moreover, a contract whereby a product is acquired conditionally upon the making of a contract may be cancelled within 10 days after the day it is made by notice sent by registered or certified mail.**

Exceptions **The payment of benefits stipulated in a policy, the reduction granted to an insured for the acquisition of two or more financial products from that insurer or from the financial group of which he is a member, or the compensation paid to an employee by an insurer for services rendered as such, even if the employee is insured by his employer, does not constitute a rebate of premium to which the first paragraph applies.**

Offence **“406.3** A creditor who requires an insurance from a debtor in connection with a contract and imposes an insurer or a market intermediary in insurance business or obtains from the debtor that the insurer or intermediary be selected by him is guilty of an offence.

Exception **An insurance effected by way of a master policy by a creditor on the life of its debtors or by a financial enterprise on the life of depositors who make deposits or investments with that enterprise is not an insurance to which the first paragraph applies.**

Option **Subject to the second paragraph, the debtor is free to make an insurance contract with the insurer or market intermediary in insurance business of his choice notwithstanding any agreement or stipulation to the contrary.**

Exception **This section does not apply to hypothecary loans exceeding 50% of the construction cost of a new dwelling within the meaning of the Family Housing Act (R.S.Q., chapter H-1).**

Effect of offence **“406.4** In no case may the commission of an offence under any of sections 406.1 to 406.3 result in invalidating an insurance contract.”

c. A-32,
s. 412, am. **246.** Section 412 of the said Act is amended by striking out the words “or a certificate” in the second line.

c. A-32,
s. 418, am. **247.** Section 418 of the said Act is amended by striking out the words “certificate or” in the second line.

c. A-32,
s. 420, am. **248.** Section 420 of the said Act is amended

(1) by striking out the words “or certificate” in the second line of paragraph *a*;

(2) by striking out the words “and certificates” in the first line of paragraphs *b* and *c*;

(3) by striking out the words “and certificates” in the second line of paragraph *c*;

(4) by striking out paragraph *f*;

(5) by striking out the words “or a certificate” in the second and third lines of paragraph *h*;

(6) by replacing the words “, licences or certificates” in the second and third lines of paragraph *k* by the words “or licences” and by striking out the words “and certificates” in the third line;

(7) by striking out paragraphs *n*, *o*, *v* and *ab*.

c. B-1,
s. 136, am.

249. Section 136 of the Act respecting the Barreau du Québec (R.S.Q., chapter B-1) is amended by replacing the words “Act respecting insurance” in the sixth line of paragraph *g* by the words “Act respecting market intermediaries (1989, chapter 48) applicable to insurance agents and brokers in damage insurance or insurance of persons or to claims adjusters”.

c. C-74,
repealed

250. The Insurance Brokers Act (R.S.Q., chapter C-74) is repealed.

c. N-1.1,
s. 77,
am.

251. Section 77 of the Act respecting labour standards (R.S.Q., chapter N-1.1) is amended by replacing paragraph 5 by the following paragraph:

“(5) a market intermediary in insurance business within the meaning of the Act respecting market intermediaries (1989, chapter 48);”.

c. P-30,
s. 62, am.

252. Section 62 of the Dairy Products and Dairy Products Substitutes Act (R.S.Q., chapter P-30) is amended by replacing the words “Insurance Brokers Act (chapter C-74)” in the first and second lines by the words “Act respecting market intermediaries (1989, chapter 48)”.

c. R-2.2,
s. 6, am.

253. Section 6 of the Act respecting the collection of certain debts (R.S.Q., chapter R-2.2) is amended by replacing the words “an insurance agent” in the first and second lines of paragraph 1 by the words “a market intermediary in insurance business”.

c. V-1.1,
s. 149, am.

254. Section 149 of the Securities Act (R.S.Q., chapter V-1.1) is amended by adding, at the end, the following paragraph:

Restriction

“Subject to such remunerated business as may be carried on under a government regulation made under this Act, the representative of a dealer acting as principal or as agent shall not concurrently carry on business as such and be employed by a financial institution, unless he is a representative specialized in group savings or scholarship plans.”

c. V-1.1,
s. 274, am.

255. Section 274 of the said Act is amended by adding, at the end, the following paragraph:

Precedence

“Any government regulation made under this Act has precedence over the general instructions of the Commission”.

c. V-1.1,
s. 351, am.

256. Section 351 of the said Act is amended by inserting the words “, with the authorization of the Government,” after the word “Commission” in the third line.

Interpretation

257. In any Act, statutory instrument, contract or other document, unless the context indicates otherwise,

(1) any reference to the Insurance Brokers Act (R.S.Q., chapter C-74) is a reference to this Act;

(2) the expressions “insurance agent”, “insurance broker” or “claims adjuster” mean an “insurance agent”, an “insurance broker” or a “claims adjuster” within the meaning of this Act.

CHAPTER XIII

FINAL PROVISIONS

Sums
received
by Inspector
General

258. Any sum received by the Inspector General for the certificates issued by him for the year in which this Act comes into force shall be remitted to each council in proportion to the period covered by the certificates and the number of certificates in each field of activity.

Sums
required

259. The sums required for the carrying out of this Act shall, for the fiscal year 1989-90 and to the extent determined by the Government, be taken out of the consolidated revenue fund.

- Report **260.** The Minister shall, on or before 12 July 1994, make a report to the Government on the implementation of this Act and subsequently, every five years, on the advisability of maintaining it in force and, as the case may be, of amending it.
- Tabling of report The report shall be tabled before the National Assembly within the following 15 days if it is in session or, if it is not, be filed with the President of the Assembly.
- Duty of Inspector General **261.** The Inspector General is responsible for the carrying out of this Act.
- Minister responsible **262.** The Government shall designate the minister responsible for the administration of this Act.
- Effect **263.** Sections 49, 50, the first and third paragraphs of section 51 and sections 53 to 57 have effect from 21 December 1988.
- Effect The second paragraph of section 51 and section 52 have effect from 12 May 1989.
- Coming into force **264.** This Act will come into force on the date or dates to be fixed by the Government, except section 263 which will come into force on 22 June 1989.