The City in Québec: Teacher’s Guide

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Substance of information
This document is provided for informational purposes only, and is not intended to constitute legal or financial advice, or to promote third-party products or services.

Please note that the laws and regulations respecting the Québec financial sector remain the only official references for all issues that might arise.

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This document is available on our website at: www.tesaffaires.com
Also available in French
Why is an additional guide needed for Québec teachers?

The British Columbia Securities Commission (BCSC) first developed The City. In 2008, it was adapted for distribution across the country in a partnership between the BCSC and the Financial Consumer Agency of Canada (FCAC). It is a modern pedagogical tool that has sparked enthusiasm among many students and teachers.

However, clarifications were necessary to adapt the program for Québec. First of all, although the program is not officially recognized by the Ministère de l’Éducation, du Loisir et du Sport du Québec (Québec Ministry of Education, Recreation and Sports), references to the Québec education program had to be integrated.

It was also important to highlight that Québec distinguishes itself in certain regards from the general context described in The City, particularly in terms of legislation, social programs and the existence of organizations specific to the province. For example, the following references were essential:

- The Autorité des marchés financiers (the “AMF”) and the regulation of financial markets in Québec
- Ministère du Revenu du Québec and the distinct Québec tax system
- Société d’assurance automobile du Québec and the no-fault insurance system
- Québec Pension Plan
- Québec Parental Insurance Plan
- Desjardins Group

This is why the AMF undertook to develop a guide for Québec teachers. It contains a brief description of Québec financial markets broken down into four themes: Regulation of Financial Markets, Deposit Institutions, Insurance Products in Québec and Investment. We then provided a factsheet named “Additional Information” for each module in The City that requires specific information for Québec.

The AMF also has a range of educational products for young people and teachers. For more information on this, please visit the youth website Tesaffaires.com (It’s your money). It has straightforward and accessible information on saving, investing, activities and contests. You can subscribe to a monthly newsletter on personal finance (in French only). As well, you can refer to the AMF website at www.lautorite.qc.ca or contact our Information Centre at 1-877-525-0337.

We hope you enjoy your visit through The City.
Regulation of Financial Markets in Québec

In Québec, the AMF is the body mandated by the government of Québec to regulate financial markets and provide assistance to consumers of financial products and services. The AMF governs the securities and insurance sectors, the distribution of financial products and services and deposit institutions. Note that federally chartered banks are regulated by the Office of the Superintendent of Financial Institutions Canada and the Financial Consumer Agency of Canada.

The many individuals and companies operating in the financial markets must comply with the various obligations set out by law. To carry out its mission successfully, the AMF has the power to perform inspections, conduct investigations and pursue offenders.

Self-regulatory Organizations

Québec also has self-regulatory organizations, some of which are specific to the province. These are the Chambre de l’assurance de dommages, Chambre de la sécurité financière and the Regulatory Division of the Montréal Exchange. The Investment Industry Regulatory Organization of Canada oversees all investment dealers and trading activity on debt and equity marketplaces in Canada. All of these organizations help to protect investors and are subject to AMF oversight.

RESOURCES

- AMF website: www.lautorite.qc.ca
- Chambre de la sécurité financière website: www.chambresf.com
- Chambre de l’assurance de dommages website: www.chad.ca
- Montréal Exchange website: www.m-x.ca
- Investment Industry Regulatory Organization of Canada website: www.iroc.ca
Do your students want to better understand financial markets?

The AMF operates two websites, one of which is intended for youth: Tesaffaires.com. The site has several on-line tools, including a budget worksheet and credit card calculator, in addition to important financial market information.

The AMF also publishes a series of educational brochures on insurance, investment, fraud prevention and retirement available to consumers of financial products and services.

The Information Centre answers questions on the financial sector, including investment, insurance and saving. Information Centre agents can check whether an individual or a company is authorized to offer financial products and services in Québec. They can also provide assistance to consumers who want to file complaints.

Are your students having problems after purchasing a financial product or service?

AMF Complaint Examinations offers mediation and conciliation services if a consumer has a disagreement with his insurer, broker, deposit institution or financial services firm. Consumers can simply contact the AMF Information Centre to find out how they should proceed.

The Fonds d’indemnisation des services financiers (Financial Services Compensation Fund) compensates victims of fraud as a result of dealings with individuals and firms authorized to operate under An Act respecting the distribution of financial products and services. Consumers must file their claims in the same year they become aware of the fraud and there is a maximum amount of $200,000 per claim.

The Deposit Insurance Fund protects depositors should an institution registered with the AMF become insolvent (a Desjardins credit union for example). The maximum amount of the guarantee is $100,000 per person and per institution. The Canada Deposit Insurance Corporation (CDIC) insures deposits with member institutions that become insolvent (primarily banks), to a maximum of $100,000. Certain deposits are not protected.

RESOURCES

- AMF website: www.lautorite.qc.ca
- AMF youth site: www.tesaffaires.com
- Brochures. Do you need information? Do you want to file a complaint? and Your deposits are protected. That’s a guarantee! (both are available on the AMF website.)
- Canada Deposit Insurance Corporation website: www.cdic.ca
Deposit Institutions in Québec

Are your students looking for an institution to open a chequing or savings account, get a debit card, credit card or personal loan?

BANKS

Banks offer a wide range of banking and investment services. Seven major Canadian banks have branches in Québec: Bank of Montreal, Canadian Imperial Bank of Commerce, TD Bank, Royal Bank, Scotiabank and two Québec-based institutions: National Bank and Laurentian Bank. All of these banks have special accounts for young people.

Subsidiaries of foreign banks can also be added to this list of banks, including HSBC Bank Canada, ING Bank of Canada and ICICI Bank Canada, as well as branches of foreign banks.

DESIJARDINS GROUP

Desjardins Group also provides banking and investment services. It operates credit unions and subsidiaries in all regions of Québec and other Canadian provinces. The group has 5.8 million members across the country, most of whom are in Québec. Like the banks, Desjardins credit unions have special accounts for young people.

HOW ARE CREDIT UNIONS DIFFERENT FROM BANKS?

Desjardins members are co-owners of their credit unions. Each credit union is a financial services cooperative. Members can participate in the annual general meeting, be elected to a management position and receive member dividends.

A member dividend is an amount paid by a credit union to its members under certain conditions. The amount is determined based on surplus earnings of the credit union and is voted on at the annual general meeting. Member dividends are incentives that encourage members to save and make further investments.
Insurance Products in Québec
Do your students need travel insurance or insurance for their car, apartment or student loan?

DAMAGE INSURANCE FIRMS
Damage insurance primarily covers homes and automobiles. Home insurance protects against loss of the owner’s assets and real estate. Automobile insurance protects against damage to the insured vehicle following an accident or against loss due to theft. Civil liability protection is also offered to cover damage caused to other persons in certain circumstances.

In Québec, the Société de l’assurance automobile du Québec (SAAQ) covers bodily injuries suffered by Quebeckers without determining who is responsible for the accident. Insurance fees collected through driver’s licences and car registrations finance the public auto insurance system.

LIFE INSURANCE COMPANIES
Life insurance primarily protects against the financial consequences of death, long-term disability, illness or an accident. If any of these risks occur, the insurer pays an amount of money (compensation) to help support the insured or their close relatives. Life insurance companies also offer savings and investment products to protect the financial security of the insured.

In Québec, health insurance is provided by the government through a public plan. It is administered by the Régie de l’assurance maladie du Québec (RAMQ). Prescription drug insurance is delivered by the RAMQ, group insurance providers or employee benefit plan administrators (usually in the workplace).

INSURANCE REPRESENTATIVES
Any representative who offers insurance products must be registered with the AMF. Registered representatives have the necessary training, have passed the exams determined by regulation and have undergone a supervised probationary period. They are required to keep their knowledge up to date by following a continuous training program.

To determine whether a representative is registered with the AMF and is authorized to offer the product proposed, simply consult the Register at www.lautorite.qc.ca or call the Information Centre at 1-877-525-0337. It is important to do so to ensure recourse is available in the event of a dispute.
If you are dealing with an individual who has not received the authorizations required by the AMF, you may not be covered by the Financial Services Compensation Fund in the event of fraud (refer to the definition of the Financial Services Compensation Fund on page 5).

Which representative should you choose?

For **automobile** or **home** insurance, you must deal with a Representative – Damage Insurance (agent or broker).

For **life insurance**, **disability insurance**, **health care insurance** or **critical illness insurance**, you must deal with a Representative – Insurance of Persons (financial security advisor or representative, accident and sickness insurance, as the case may be).

For **travel** insurance: This product can be obtained in many ways, such as:

- with group insurance through the employer
- from the travel agent who sold the trip
- from a deposit institution (Desjardins credit unions or banks)
- through coverage provided by certain credit cards
- from an insurance representative

For insurance covering a **student loan** in the event of the death or disability of the borrower, the student will usually purchase this type of insurance from the same financial institution that granted him the original student loan.

Refer to the *Insurance sold without the help of a certified representative* leaflet for more information on the obligations of a student, of the financial institution and the insurer.

**Finding a representative**

You can call an insurance company or an insurance representative directly. The choice is yours. Many insurance products are also offered on the Web. To protect your right to a recourse in the event of a dispute, speak with a representative registered in the appropriate category with the AMF before entering into an insurance contract.

**RESOURCES**

- Leaflet *Insurance sold without the help of a certified representative* and brochure *Québec Travel Insurance* (both are available on the AMF website at [www.lautorite.qc.ca](http://www.lautorite.qc.ca))
- *Groupement des assureurs automobiles* website: [www.gaa.qc.ca](http://www.gaa.qc.ca)
- Insurance Bureau of Canada website for Québec consumers: [www.infoassurance.ca](http://www.infoassurance.ca)
- *Chambre de l’assurance de dommages* website: [www.chad.ca](http://www.chad.ca)
- *Chambre de la sécurité financière* website: [www.chambresf.com](http://www.chambresf.com)
Investing in Québec

Would your students like to make their savings grow and start investing?

Before investing, it is important to:

1. Learn about the types of investments on the market and their features. To do this, you can consult the Short investment glossary and the Tesaffaires.com site, take courses or contact a financial institution. If you have questions on a specific financial product, you can call the AMF Information Centre.

2. Know yourself as an investor: To do this, you should review your financial situation, determine your investment objectives and your level of risk tolerance. Tesaffaires.com has made two activities available to teachers that help students understand the concept of risk tolerance and determine their investor profile. You can also download the Update your financial position brochure from the AMF website.

3. Choose suitable investments: To learn about this topic, you can refer to Tesaffaires.com and download the Choose the investments that suit you brochure from the AMF website.

4. Choose your financial professional:
   - Investment dealers (brokers) offer a wide range of investments. These include shares, bonds, mutual funds, treasury bills, call and put options, etc. Some provide advice, while others act as intermediaries in buying and selling securities without providing advice.
   - Mutual fund dealers only offer mutual funds.
   - Financial planners develop action plans for clients that are adapted to their needs and financial objectives.

INVESTING BY YOURSELF

In 2009, discount or on-line brokerage firms held over $33 billion in assets in Québec.* A discount broker is a firm through which you can buy or sell investments.

*Source: Institut de la statistique du Québec
Fees are lower if you trade securities on your own. You make your own decisions but do not benefit from advice on buying or selling securities. Before opening this type of account, you need to be sure you have the required knowledge and time to conduct research and keep up-to-date about information that can affect the value of your securities.

WHERE TO FIND A BROKER OR FINANCIAL PLANNER?
You can find a broker (including a discount broker) or a financial planner by contacting your financial institution (bank or Desjardins credit union). You can also find a broker on the Investment Industry Regulatory Organization of Canada website and you can find a financial planner on the Institut québécois de planification financière website.

You should always check whether your broker is authorized to sell the products he proposes by consulting the Register or by calling the AMF Information Centre.

RESOURCES
- Brochure Short investment glossary and brochure Update your financial position and brochure Choose the investments that suit you (all of the above are available on the AMF website)
- AMF website: www.lautorite.qc.ca and youth site at: www.tesaffaires.com
- Investment Industry Regulatory Organization of Canada website: www.iiroc.ca
- Institut québécois de planification financière website: www.iqpf.org
Regulations in effect in Québec sometimes differ from those in the rest of Canada. This is why you must consider the following particularities for this section:

**General areas of training**
Provincially prescribed learning outcomes are not applicable. The City is not recognized by the Ministère de l’Éducation, du Loisir et du Sport du Québec. However, The City can lead to concrete learning outcomes in the following broad areas:
- Environmental Awareness and Consumer Rights and Responsibilities
- Career Planning and Entrepreneurship

**Québec Education Program**
Teachers of the following subjects will find using The City helpful in meeting some of the aspects of the broad areas of learning:
- Contemporary World
- History and Citizenship Education
- Mathematics
- Autonomy and Social Participation
- Preparation for the Labour Market
- Entrepreneurship Program
- Economy

**Glossary**
Throughout the program, the expressions “financial life skills”, “practical exercises” and “curriculum areas” should be replaced by “basic financial management skills,” “learning situations” and “learning areas.”

**Website**
You will find full details of the learning areas for Québec on The City’s website at [www.themoneybelt.gc.ca](http://www.themoneybelt.gc.ca).

Source: Autorité des marchés financiers
Regulations in Québec sometimes differ from those in the rest of Canada. For this reason, you must consider the following adaptations to the Glossary:

**Autorité des marchés financiers**

The **Autorité des marchés financiers** is the regulatory and oversight body for Québec’s financial sector. Its mission is to protect the public by enforcing the laws and regulations applicable to insurance, securities, deposit institutions (excluding banks) and the distribution of financial products and services.

**Civil liability insurance**

In Québec, civil liability protection covers physical damage caused to others by the insured, as well as injuries that are not covered by the Société de l’assurance automobile du Québec (SAAQ), provided that the accident took place in Canada or the U.S. The SAAQ covers bodily injuries suffered by Quebecers without determining who is responsible for the accident. Insurance fees collected through driver’s licences and car registrations finance the public auto insurance system.

**Comprehensive coverage**

In Québec, auto insurance policies are standardized. We usually do not refer to “comprehensive coverage.” Instead, consumers must purchase civil liability protection and may choose one or more types of coverage for damage to the insured vehicle. Consumers can choose between the four following types of coverage: “all perils,” “collision or upset,” “comprehensive (excluding collision or upset)” and “specified perils.” They may also combine two of these types of coverage.

**Deposit insurance**

In Québec, the AMF protects deposits with registered institutions to a maximum of $100,000 should they become insolvent. Nearly 550 financial institutions in Québec are registered with the AMF. These include the financial services cooperatives (Desjardins credit unions), trust companies and savings companies. To check whether a financial institution is registered:

- Consult the AMF website at [www.autorite.qc.ca](http://www.autorite.qc.ca);
- Locate the sign at the entrance of the financial institution indicating that it is registered with the AMF.

The Canada Deposit Insurance Corporation insures deposits made with federally chartered financial institutions (primarily banks), including those with branches in Québec. In this case, consult the Canada Deposit Insurance Corporation’s website at [www.cdic.ca](http://www.cdic.ca).
Financial services firm
In Québec, a company that offers the following financial products and services: insurance, claims adjustment and financial planning. The firm and representatives who offer these products must be registered with the AMF.

Income tax forms
Québec residents must file an income tax return with Revenu Québec, as well as with the federal government. Below are some additional definitions:

- **Relevé 1 (Employment and other income):** a slip forwarded by an employer to its employees if it pays them wages, bonuses, tips, fees, scholarships, commissions or other benefits. The employee uses the slip to declare income to Revenu Québec.

- **Relevé 3 (Investment income):** a slip sent by a financial institution to its customers so they can declare their investment income to Revenu Québec.

- **Relevé 4:** a slip sent to a tenant by a landlord with information about property taxes.

- **Relevé 8:** a slip sent by educational institutions to students to report the post-secondary education amounts, tuition and exam fees.

- **TP-1 (Income tax return documents):** These documents contain instructions for filing the annual income tax return with Revenu Québec.

**Québec Sales Tax (QST)**
Québec tax on products and services.

**Québec Savings Bonds**
Bond issued by the Québec government that can be cashed at any time.

**Régie des rentes du Québec (RRQ)**
Québec government agency that pays, among other benefits, a retirement pension to persons who have contributed to the plan. It oversees complementary retirement plans.

**Revenu Québec**
Provincial government agency responsible for collecting taxes and administering Québec’s tax laws.

**Société de l’assurance automobile du Québec (SAAQ)**
Québec government agency that compensates motor vehicle accident victims for bodily injuries.

Source: Autorité des marchés financiers
Regulations in effect in Québec sometimes differ from those in the rest of Canada. This is why you must consider the following adaptations when teaching this section:

**Tax forms**
Québec residents must file an income tax report with Revenu Québec, as well as with the federal government. This is why you may consider including the following documents to the existing list of character-documents:
- RL-1 (Employment and other income)
- RL-3 (Investment income)
- RL-4 (Property taxes)
- RL-8 (Amount for post-secondary studies)
- TP-1 (Income tax return documents)

**Québec Sales Tax (QST)**
Some Québec residents receive a credit cheque for the Québec Sales Tax (QST) due to their financial or family situation. This may also apply to certain characters in The City. For more information on eligibility for the credit, consult the Revenu Québec website.

**Cycle Sentinel Protection Certificate**
Québec has specific rules regarding the distribution of insurance products. If you are offered this type or product, contact the AMF to confirm its validity.

**Glossary**
Rather than “auto insurance, basic coverage, collision and extended coverage” AND “auto insurance, basic coverage only,” the terms used in Québec are “auto insurance, civil liability, collision and upset, and comprehensive (excluding collision or upset).”

Additionally, instead of “home insurance on building and contents,” in Québec, we usually use the expressions “tenant’s insurance, homeowner’s insurance or condominium unit owner’s insurance”.

Source: Autorité des marchés financiers
Regulations in effect in Québec sometimes differ from those in the rest of Canada. This is why you must consider the following particularities when teaching this section:

**Questionnaire: “What do you know about finances?”**

Question 14 reads as follows: “You must purchase minimum auto insurance, but you can also buy more if you want more protection.”

This question could be modified as follows: “Civil liability insurance is mandatory, but you may purchase additional protection to cover damage to your vehicle following a collision or vandalism, for example.”

For more information on auto insurance in Québec, refer to the additional information in Module 8.

Source: Autorité des marchés financiers
Regulations in effect in Québec sometimes differ from those in the rest of Canada. This is why you must consider the following adaptations when teaching this section:

**Loans and Bursaries Program**
Some Québec students receive assistance from *Aide financière aux études* (Loans and Bursaries Program) of Québec. The Loans and Bursaries Program is intended for students who are pursuing or deemed to be pursuing secondary school vocational studies, college studies or university studies on a full-time basis in an educational institution recognized by the *Ministère de l’Éducation, du Loisir et du Sport*.

This financial assistance could be considered as a potential source of income for the characters on page 5.5 of the Module. For more information, consult the *Aide financière aux études* website at [http://www.afe.gouv.qc.ca/en/pretBsourses/index.asp](http://www.afe.gouv.qc.ca/en/pretBsourses/index.asp).


**Freedom 18 Budget**
In Québec, young people usually finish high school at the age of 17. The expression used throughout the document could therefore be “Freedom 17 Budget.”

**Tax forms**
In Québec, in addition to the forms mentioned in Module 5, the following forms are also used:
- **RL-1** (Employment and other income)
- **RL-3** (Investment income)
- **RL-4** (Property taxes)
- **RL-8** (Amount for post-secondary studies)

This is why it is preferable to refer to “tax forms” rather than only referring to T4 forms. When one of the characters in the module receives a T4 form, he or she should also receive a *Relevé 1* form.

**Childcare centres**
Subsidized childcare services are available in Québec at $7 per day per child. Parents who are not eligible for this rate are entitled to higher tax deductions. Liam’s Kiddy Kare bill could be much lower.
Child assistance
In Québec, the child assistance program provides financial assistance to families with dependent children under 18 years of age.

The program is administered by the Régie des rentes du Québec (RRQ). This is an additional source of income Liam might receive based on his situation. For more information on this program, consult the RRQ website.

Payroll deductions
Québec workers do not contribute to the Canada Pension Plan (CPP). Instead, their pay stubs show deductions for the Québec Pension Plan (QPP) and Québec Parental Insurance Plan (QPIP). They also have separate deductions for federal and provincial income tax.

Québec Pension Plan
Québec workers contribute to the Québec Pension Plan, which pays a pension on retirement. Employees and employers pay a percentage of the gross income earned by the employee to the Régie des rentes du Québec (RRQ).

In 2010, workers aged 18 or over with an annual income exceeding $3,500 paid 4.95% of their income to the Québec Pension Plan, to a maximum of $2,163.15 per year. The employer remits this payment and matches it, for a combined contribution to the Québec Pension Plan of 9.9% of a worker’s income. (Self-employed workers pay both the employee’s and employer’s share.)

Québec Parental Insurance Plan (QPIP)
Québec workers also contribute to the Québec Parental Insurance Plan. This system pays benefits to all eligible workers—salaried and self-employed—who take maternity leave, paternity leave, parental leave or adoption leave. Below are the contribution rates for 2010:
- 0.506% for employees;
- 0.708% for employers;
- 0.899% for self-employed workers.

Québec Sales Tax (QST)
In Québec, the QST would be added to some items on the character’s bills. This tax applies to the total amount of the bill, including the GST. Some products are not taxable, such as basic food products. Some Québec residents receive a credit cheque for the Québec Sales Tax due to their financial or family situation. On page 5.5, Luna, Rio and Sienna may receive a QST credit.
ADDITIONAL INFORMATION
Module 5: Income, Expenses and Budget (cont.)

Additional resources

- Income tax: Revenu Québec website [www.revenu.gouv.qc.ca](http://www.revenu.gouv.qc.ca)

Source: Autorité des marchés financiers
### ADDITIONAL INFORMATION

Module 5: Income, Expenses and Budget (cont.)

**APPENDIX**

Relevé 1 Specimen

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APPENDIX
Relevé 3 Specimen

APPENDIX
Relevé 8 Specimen

Regulations in effect in Québec sometimes differ from those in the rest of Canada. This is why you must consider the following adaptations when teaching this section:

Comparing financial institutions
The following activity is presented on page 6.14: Compare the services of Canadian banks with those of foreign banks. In Québec, services offered by financial institutions other than banks, such as financial services cooperatives (Desjardins credit unions), should also be examined.

Deposit insurance system
In Québec, the AMF protects deposits with registered institutions to a maximum of $100,000 should they become insolvent. Nearly 550 financial institutions are registered with the AMF. These include the financial services cooperatives (Desjardins credit unions), trust companies and savings companies.

The Canada Deposit Insurance Corporation insures deposits made to federally chartered financial institutions (primarily banks), including those with branches in Québec.

In the document named “Banking Account Checklist” on page 6.26, the question regarding deposit insurance could be changed as follows: “Are deposits insured by Canada Deposit Insurance Corporation or the Autorité des marchés financiers?” A question could also be added to the assessment on pages 6.13 and 6.14: “In Québec, the AMF insures deposits with registered financial institutions to a maximum of what amount?” Answer: $100,000.

Disagreement with a financial institution
In Québec, you can contact the AMF if you have problems with your financial institution, such as a credit union. If you have a disagreement with a bank, you should instead contact the Financial Consumer Agency of Canada and the Ombudsman for Banking Services and Investments.

Source: Autorité des marchés financiers
Regulations in Québec sometimes differ from those in the rest of Canada. This is why you must consider the following adaptations when teaching this section:

**Student loans**
In Québec, there are two types of student loans: those provided by financial institutions and those provided by Aide financière aux études. For more information on loans from Aide financière aux études, consult the site at www.afe.gouv.qc.ca.

**Additional resources**
- **Advice and tools to deter fraud and abusive practices:** You can refer to the AMF site at www.lautorite.qc.ca, the Canadian Securities Administrators site at www.securities-administrators.ca or the Office de la protection du consommateur site at www.opc.gouv.qc.ca.
- **Contracts:** For more information on your responsibilities when you sign a contract, you can consult the Office de la protection du consommateur site at www.opc.gouv.qc.ca.
- **Debt or credit problems:** Quebeckers can refer to the offices of the Association coopérative d’économie familiale (ACEF) or other community organizations for budget planning.

Source: Autorité des marchés financiers
Regulations in effect in Québec sometimes differ from those in the rest of Canada. This is why you must consider the following adaptations when teaching this section:

AUTO INSURANCE IN QUÉBEC

In Québec, auto insurance coverage is divided into two groups: insurance for bodily injuries and insurance for physical damage.

1. Bodily injuries
   - The Société de l’assurance automobile du Québec (SAAQ) covers bodily injuries suffered by Quebeckers without having to determine who is responsible for the accident. Insurance contributions collected from driver’s licenses and car registrations finance the public automobile insurance system.

2. Physical damage
   - Private insurers provide insurance coverage for physical damage to vehicles. These insurers sell standardized auto insurance policies (the same policies for all insurers). The amounts involved vary.
     
     To determine responsibility in an accident between two vehicles in Québec, you must refer to the Direct Compensation Agreement (DCA). The DCA is used to simplify and accelerate the settlement of physical damage. Under this agreement, the insured claims the compensation to which he may be entitled following an accident directly from his insurer, even if he is not responsible for the accident.

The policy for Québec automobile owners is named QPF no. 1 and it is divided into two major sections:

1. Civil liability
   - Consumers must first purchase “civil liability coverage” (section A of the policy). The Automobile Insurance Act requires all car owners to purchase this coverage for a minimum amount of $50,000.
     
     However, most insurers offer coverage from $1 to $2 million. In this way, the owner of the vehicle can protect himself against significant damage he may cause with his vehicle. He can also protect himself against bodily injuries that are not covered by the SAAQ, such as those occurring outside of the province.

The expression “basic mandatory coverage” used in the Module should be changed to “mandatory civil liability insurance” for Québec.

**NOTE!**

Do not use the insurance policy examples provided in Module 8 of the documentation because these examples are not adapted to Québec law.
2. Damage to the insured vehicle

In addition to civil liability protection, the vehicle owner may choose one or more types of coverage for damage to the insured vehicle following an accident or against loss due to theft (section B of the policy). Consumers can choose between the four following types of coverage: “all perils,” “collision or upset,” “comprehensive (excluding collision or upset)” and “specified perils.” They may also combine two of these types of coverage.

When a vehicle is financed, the finance company often requires the car to be covered under section B. The insured is responsible for paying the premium.

Below is an extract from auto insurance policy QPF no. 1 – Coverage Table

<table>
<thead>
<tr>
<th>INSURING AGREEMENTS</th>
<th>PERILS</th>
<th>AMOUNTS AND DEDUCTIBLES</th>
<th>PREMIUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>SECTION A</td>
<td>Bodily injury to or death of others or damage to their property</td>
<td>$ (Exclusive of interest, expenses and costs) for loss or damage resulting from bodily injury to or the death of one or more persons, and for loss or damage to property, regardless of the number of claims arising from any one accident</td>
<td>$</td>
</tr>
<tr>
<td>SECTION B</td>
<td>Loss of or damage to insured automobile</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SUB SECTIONS</td>
<td>ALL PERILS</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>COLLISION OR UPSET</td>
<td>$ DEDUCTIBLE PER OCCURRENCE EXCEPT FOR LOSS OR DAMAGE BY FIRE OR LIGHTNING</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>COMPREHENSIVE (excluding collision or upset)</td>
<td>$</td>
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<td>SPECIFIED PERILS</td>
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<td>ENDORSEMENTS</td>
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The deductible is the amount of money for which the insured is responsible. The word “expense” refers to legal expenses in a lawsuit. These are court costs or legal fees.
Agent/broker
In Québec, the damage insurance agent designates the representative who acts on behalf of an insurance company. He may only offer products from that company. A damage insurance broker may offer a choice of insurance products from more than one insurer. The expression to be used in both cases is “insurance representative.”

The concepts of agent and broker do not exist in life insurance. Financial security advisors or sickness and accident insurance representatives may therefore distribute products from various insurance companies unless they have an exclusive contract with an insurer.

Before conducting business with a representative, you should check with the AMF that the person is registered and authorized to sell insurance. Moreover, the expression “insurance agencies” is not used in Québec. We use brokers or insurers instead.

Home insurance
We usually use the expressions “homeowner’s insurance, tenant’s insurance or condominium unit owner’s insurance.” These formulas include civil liability and personal property insurance, in addition to immovable property insurance if applicable. Additionally, we usually use the expression “home insurance” rather than “property insurance.” There are several types of policies with more or less inclusive coverage. The more inclusive the coverage, the higher the premium. The risks usually covered in a basic home insurance policy include fire, vandalism, water damage and wind storms. Exclusions apply. For more information, refer to the Insurance Bureau of Canada website for Québec consumers at www.infoinsurance.ca.

Warranty: Cycle Sentinel Protection Certificate
Québec has specific rules regarding the distribution of insurance products. If you are offered this type of product, contact the AMF to confirm its validity.

Note that bicycle theft is usually covered under a home insurance policy to a maximum of $500 to $1,000, as long as theft is a covered risk in the contract (consult your contract for the exact amount). For more expensive bicycles, an amendment to the contract can be purchased.

Amount of home insurance for tenants
In Québec, students may not be able to find insurers who offer policies with insurance amounts of $10,000 or less. They would therefore have to purchase an insurance policy with a higher amount. However, if they file a claim, they cannot claim more than the actual amount lost.
ADDITIONAL INFORMATION
Module 9: Investing

Regulations in effect in Québec sometimes differ from those in the rest of Canada. This is why you must consider the following adaptations when teaching this section.

Before you invest
It is important for the student to check with the AMF that the person offering an investment is authorized to sell it. To do so, the representative must be registered with the AMF in the appropriate category. The firm for which the representative works must also be registered.

Disagreement with an investment dealer
Recourse is available if you have a problem with an investment dealer. In Québec, consumers can first contact the AMF, as well as the Ombudsman for Banking Services and Investments or the Canadian Commercial Arbitration Centre.

Investor profile
In this Module, we use the expression “know yourself.” This expression is better known in Québec as “know your investor profile.”