

*chapter C-74*

***INSURANCE BROKERS ACT***

*Repealed, 1989, c. 48, s. 250.*  
*1989, c. 48, s. 250.*

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***REPEAL SCHEDULE***

**1.** *In this act, the following expressions mean:*

(a) *“Association”, the Insurance Brokers’ Association of the Province of Québec;*

(b) *“Board”, the Board of Directors of the Association;*

(c) *“manager”, the manager of the Association;*

(d) *“member in good standing”, any member of the Association who is not under suspension and is not indebted to the Association for any fine or costs nor for any fees more than three months in arrears;*

(e) *“insurance broker”, an agent within the meaning of subsection i of section 1 of the Act respecting insurance (chapter A-32), who does not deal exclusively in insurance of the person and who, with respect to other categories of insurance, does not deal with only one insurer or only one group of insurers under joint management, whether or not he has an agency contract with such insurer or group of insurers;*

(f) *“by-laws”, the by-laws of the Association.*

*R. S. 1964, c. 268, s. 1; 1974, c. 70, s. 473.*

**2.** *The corporation known as the “Insurance Brokers’ Association of the Province of Québec” in English, and “l’Association des courtiers d’assurances de la province de Québec” in French shall continue to exist with all the rights and privileges with which it is vested and all the duties and obligations to which it is subject, saving the changes made by this act.*

*R. S. 1964, c. 268, s. 2.*

**3.** *The Association shall have perpetual succession and a common seal with the power to change or alter it at will; under its corporate name it may appear before the courts, acquire, hold or possess moveable or immovable property and alienate or hypothecate the same, save that the value of its immovable property must not exceed \$200 000.*

*R. S. 1964, c. 268, s. 3.*

**4.** *The Association may make, amend or repeal by-laws respecting*

(a) *its internal management;*

(b) *the upholding of the honour, dignity and discipline of the profession of insurance broker, of the Association and of its members and particularly the definition of acts deemed derogatory to the honour, dignity or discipline of the profession and the penalties which may be imposed;*

(c) *the determination of the conditions of admission, suspension, expulsion and readmission of members of the Association; and*

(d) *any other matter which this act empowers it to regulate.*

*R. S. 1964, c. 268, s. 4.*

**5.** *The by-laws shall be enacted, and amended or repealed as the case may be, by decision of the Board, but such by-laws, amendments or repeals shall not have effect until after*

(a) *ratification by a vote of the majority of the members of the Association present at their annual meeting or at a special meeting called for such purpose and at which there is a quorum;*

(b) *approval by the Government, and*

*(c) publication in the Gazette officielle du Québec of a notice of such ratification and approval.*

*R. S. 1964, c. 268, s. 5.*

**6.** *Notwithstanding any provision of the by-laws, it shall be an act derogatory to the honour, dignity and discipline of the profession of insurance broker, punishable in accordance with the procedure enacted in section 25, for a member, or a corporation of which he is an officer or director,*

*(a) to commit an offence against the Act respecting insurance (chapter A-32) or an act contemplated in section 360 of the said act;*

*(b) to fail, without legitimate excuse, to pay to an insurer on demand or at the time fixed the premiums which he has collected for him;*

*(c) to be found guilty, by final judgment, of an indictable offence in connection with the practice of the profession of insurance broker.*

*R. S. 1964, c. 268, s. 6; 1974, c. 70, s. 473; 1986, c. 95, s. 120.*

**7.** *The Association shall have the exclusive right to confer on those of its members who have fulfilled the conditions established for such purpose in its by-laws the title of “chartered insurance broker”, in abridged form “C. I. B.”, or “associate insurance broker”, in abridged form “A. I. B.”.*

*R. S. 1964, c. 268, s. 7.*

**8.** *The members of the Association on whom either of such titles has been conferred before the 11th of July 1963 shall retain the same after such date.*

*R. S. 1964, c. 268, s. 8.*

**9.** *The following shall be members of the Association:*

*(a) all natural persons who on the 11th of July 1963, were members of the Association;*

*(b) every natural person who is admitted a member of the Association in accordance with the by-laws; and*

*(c) every natural person who,*

*i. since the 11th of July 1963, without interruption exceeding thirty days, until the time of his application hereinafter mentioned, is the holder of an agent’s licence or certificate issued by the Superintendent of Insurance, or of an agent’s certificate issued by the Inspector General of Financial Institutions, and valid for categories of insurance other than insurance of the person, and carries on business in Québec as an insurance broker; and*

*ii. forwards to the manager a written notice that he wishes to become a member of the Association, with the amount fixed by the by-laws as an annual contribution, and sends a copy of such notice to the Inspector General of Financial Institutions.*

*R. S. 1964, c. 268, s. 9; 1982, c. 52, s. 192, s. 195.*

**10.** *Any insurance broker having his principal place of business outside Québec and no permanent place of business therein may by resolution of the Board be admitted as a special member of the Association.*

*The Board shall determine, by by-law or resolution, the conditions of admission of special members and their privileges and obligations, including the contributions they must pay.*

*R. S. 1964, c. 268, s. 10.*

**11.** *Any decision of the Board refusing to admit or re-admit a person as a member, except as a special member, of the Association may be appealed within fifteen days to the Inspector General of Financial Institutions in accordance with section 25.*

*R. S. 1964, c. 268, s. 11; 1982, c. 52, s. 195.*

**12.** (1) *The members of the Association shall hold an annual meeting at least once a year on the date and at the place fixed by the by-laws.*

(2) *They shall also hold a special meeting whenever the business of the Association so requires, at the call of the manager sent in accordance with the by-laws, at the request of the president or a vice-president, upon resolution of the Board or the written requisition of at least ten members of the Board or fifty members in good standing, addressed to the manager and stating the object of such meeting.*

(3) *On failure by the manager to call the special meeting within ten days of receipt of such resolution or requisition, such meeting may be called by a member of the Board if it is required by resolution of the Board and by the petitioners in all other cases.*

*R. S. 1964, c. 268, s. 12.*

**13.** (1) *Fifty members in good standing present in person shall constitute a quorum at any annual or special meeting.*

(2) *No vote by proxy shall be valid.*

(3) *Only members in good standing shall vote at any meeting of the Association.*

*R. S. 1964, c. 268, s. 13.*

**14.** (1) *Every member shall pay to the Association the contribution fixed by the by-laws; such contribution shall form part of the general funds of the Association.*

(2) *Any member who fails to pay such contribution within three months from the date on which it falls due shall be automatically suspended.*

(3) *Any member so suspended may terminate such suspension by paying to the Association, with interest at 6% per annum, the contribution for the non-payment of which he was suspended and any other contribution which he would have had to pay if such suspension had not taken place, or by complying with the conditions imposed by the Association and paying thereto any lesser amount established by by-law.*

*R. S. 1964, c. 268, s. 14.*

**15.** *The affairs of the Association shall be managed by a Board of Directors of at least fifteen and not more than thirty-five members at least two-thirds of whom must bear the title of “chartered insurance broker”.*

*R. S. 1964, c. 268, s. 15.*

**16.** *The members of the Board shall be elected each year at the annual meeting of the Association and shall remain in office for one year from their election and until their successors are elected.*

*R. S. 1964, c. 268, s. 16.*

**17.** *The Association, by by-law, may provide for the election of the members of the Board for three years, one-third of the Board to be replaced each year at the annual meeting, and order that all or some of the members of the Board must reside and carry on business in certain specified regions of Québec.*

*R. S. 1964, c. 268, s. 17.*

**18.** *Only a member in good standing may be elected a member of the Board.*

*R. S. 1964, c. 268, s. 18.*

**19.** *The office of member of the Board shall become vacant if the holder*

*(a) dies;*

*(b) ceases to be a member in good standing;*

*(c) incurs a disciplinary penalty of expulsion, suspension or fine imposed by the Inspector General of Financial Institutions or the Association;*

*(d) is placed under tutorship or curatorship or provided with an adviser;*

*(e) goes bankrupt or is a director of a corporation which does business as an insurance broker and becomes insolvent or bankrupt;*

*(f) forwards to the manager his resignation in writing.*

*R. S. 1964, c. 268, s. 19; 1982, c. 52, s. 195; 1989, c. 54, s. 166.*

**20.** *The Board may fill any vacancy occurring among its members.*

*R. S. 1964, c. 268, s. 20.*

**21.** *Seven members of the Board present in person, or any greater number fixed by the by-laws, shall constitute a quorum.*

*R. S. 1964, c. 268, s. 21.*

**22.** *The Board shall meet as often as the business of the Association requires and at any meeting any member of the Board who is present shall be entitled to one vote, except the chairman of the meeting who shall vote only in the case of a tie.*

*R. S. 1964, c. 268, s. 22.*

**23.** (1) *At its first meeting after each annual meeting, the Board shall elect from among its members a chairman of the Board, a president of the Association, as many vice-presidents as it deems proper, and a treasurer; such officers shall remain in office until their successors are elected.*

(2) *The Board shall appoint a manager who shall act also as secretary, fix his remuneration and his term of office. It may dismiss him only on the affirmative vote of at least two-thirds of its members in office.*

(3) *The Board may also appoint any other officers or employees of the Association, fix their remuneration and dismiss them.*

*R. S. 1964, c. 268, s. 23.*

**24.** (1) *The Board shall establish, by by-law, a committee on discipline and a committee on professional ethics.*

(2) *The Board may also establish, by by-law, an executive committee and determine the powers thereof, as well as any other committee or commission that it deems expedient.*

(3) *Each committee shall have as chairman a member of the Board appointed by the Board; except in the case of the executive committee, all the members of which must be members of the Board, any member in good standing may become a member of a committee.*

*(4) The office of a member of a committee shall become vacant in the same circumstances as that of a member of the Board.*

*R. S. 1964, c. 268, s. 24.*

**25.** *(1) The committee on discipline shall hear in first instance any complaint made against a member of the Association for violation of the by-laws or this act.*

*(2) For the purpose of deciding a complaint, the committee on discipline shall hear the parties or afford them a reasonable opportunity to be heard, the procedure for such purpose to be established by by-law. For the summoning and interrogation of witnesses and the production of documents, it shall have the same powers as the Superior Court; any refusal by a person summoned to appear or by a witness to be sworn or to answer questions legally put or to produce the documents that he is legally bound to produce shall be punishable upon summary petition addressed to the Superior Court, as if such refusal had taken place before the said court. Otherwise the rules of the Code of Civil Procedure shall apply mutatis mutandis, except that neither the accused nor the spouse of the accused can be compelled to testify.*

*(3) A witness before the committee on discipline must answer all questions, notwithstanding articles 308 and 309 of the Code of Civil Procedure. His testimony shall be privileged and cannot be set up against him in any court of justice. Where an order requires the hearing to be held in camera, every person cognizant of such testimony is bound to secrecy, saving the right of the officers and members of the Board or the Inspector General of Financial Institutions to be informed thereof in the performance of their duties. The committee on discipline may, of its own initiative or upon request, order that a hearing be held in camera or prohibit the publication or release of any information or document it indicates, in the interest of morality or public order, in particular to preserve professional secrecy or to protect a person's privacy or reputation. Every person who, by performing or omitting to perform an act, infringes an order to hold a hearing in camera, or an order banning publication or release, is guilty of contempt of court.*

*(4) Unless the complainant and the accused expressly renounce the right of appeal from the decision of the committee on discipline, all the evidence shall be taken down by stenography.*

*(5) If the committee on discipline finds that the complaint is well founded in whole or in part, it may by its decision condemn the accused to a reprimand, a fine, suspension for a stated period or even expulsion, with in all cases the costs incurred for the complaint and the inquiry, established according to a tariff established by by-law, or to any part of such costs; the disbursements occasioned by any investigation that led to the complaint or by the preparation of the inquiry may form part of such costs.*

*(6) The decision of the committee on discipline shall become executory fifteen days after the posting by registered or certified mail of a copy certified by the manager, directed to the last address of the accused entered on the register of the Association.*

*(7) Within the same delay the accused or the complainant, as the case may be, may appeal to the Board from the decision of the committee on discipline by sending by registered or certified mail to the manager a written notice to that effect.*

*(8) The appeal shall suspend the execution of the decision.*

*(9) The appeal shall be heard by the Board on the record constituted before the committee on discipline, and the Board shall not hear any additional proof.*

*(10) The Board may either confirm the decision of the committee on discipline or amend it by rendering the decision that such committee should have rendered, or quash the decision and send the record back to the committee on discipline in order that a new inquiry may be held.*

*(11) Any decision of the Board on an appeal from the committee on discipline may be appealed to the Inspector General of Financial Institutions, and subsections 6, 7, 8, 9 and 10 shall apply to such decision and appeal mutatis mutandis.*

*R. S. 1964, c. 268, s. 25; 1965 (1st sess.), c. 80, a. 1; 1975, c. 83, s. 84; 1982, c. 52, s. 195; 1986, c. 95, s. 121.*

**26.** *When a complaint is made against a member because he has failed to render account or to remit premiums collected for an insurer, the chairman of the committee on discipline or the committee on discipline itself may, if the complaint is considered well-founded, order that the accused member be suspended unless he furnishes forthwith, to the satisfaction of the chairman or committee, security or a guarantee for the payment of any amount due by reason of the facts alleged in the complaint.*

*Notice of such must be given forthwith to the accused.*

*The suspension shall remain in force until final judgment on the complaint but it may, in the meantime, be lifted, modified or reimposed by the committee on discipline according to circumstances.*

*R. S. 1964, c. 268, s. 26.*

**27.** *The committee on discipline shall be composed of not fewer than nine nor more than twenty members, and five members shall constitute a quorum.*

*R. S. 1964, c. 268, s. 27.*

**28.** *When the Board sits in appeal from a decision of the committee on discipline, neither the complainant nor any member of the committee on discipline or of the committee on professional ethics shall be permitted to sit thereon.*

*R. S. 1964, c. 268, s. 28.*

**29.** (1) *The duties of the committee on professional ethics shall be to investigate and report to the Board on any question pertaining to professional ethics, discipline or the good name of the Association and its members; it shall also be its duty to examine the conduct of the members of the Association and, if necessary, instruct one of its members to lodge a complaint before the committee on discipline.*

(2) *The committee on professional ethics shall be composed of at least five members, a majority of whom shall constitute a quorum.*

*R. S. 1964, c. 268, s. 29.*

**30.** *Any person other than a member in good standing of the Association shall be guilty of an offence who*

*(a) acts as an insurance broker; or*

*(b) assumes the title of insurance broker, chartered insurance broker (C. I. B.) or associate insurance broker (A. I. B.), or advertises himself as such.*

*R. S. 1964, c. 268, s. 30.*

**31.** *Any person acts as an insurance broker who, not dealing with only one insurer or only one group of insurers under joint management, transacts for another or others insurance business other than insurance of the person*

*(1) by negotiating or placing risks,*

*(2) by delivering policies,*

*(3) by collecting premiums or*

(4) *by receiving a commission or remuneration other than a salary.*

*An insurance agent who deals with only one insurer or only one group of insurers under joint management does not act as a broker by doing the things listed above with respect to a risk which he places through the Automobile Assigned Risk Plan following a refusal or cancellation by the insurer or group of insurers whom he represents.*

*Nothing in this section shall affect the right of an insurance company or insurer to transact business in its or his own name or to effect reinsurance.*

*R. S. 1964, c. 268, s. 31.*

**32.** *Paragraph a of section 30 shall not apply*

(1) *to a practising notary;*

(2) *to any person entitled to become a member of the Association under paragraph c of section 9 so long as he retains such right;*

(3) *to a corporation having its corporate seat or a permanent business office in Québec and the majority of whose shares carrying the right to vote in all circumstances are the property of one or more persons each of whom is either a member in good standing of the Association, or the estate, consort or a child of a member of the Association who has been dead for less than five years, which delay may in certain cases be extended by the Inspector General of Financial Institutions, and was a member in good standing at the time of his death, provided that the person or persons effectively managing the affairs of the corporation are members in good standing of the Association;*

(4) *to a corporation which has its corporate seat or a permanent business office in Québec, has never been a corporation to which paragraph 3 applies, was legally carrying on business in Québec as an insurance broker on the 11th of July 1963 and has not subsequently ceased for a period of more than thirty days to hold an insurance agent's licence or certificate.*

*R. S. 1964, c. 268, s. 32; 1982, c. 52, s. 193, s. 195.*

**33.** *The acts mentioned in paragraphs 1, 2 and 3 of section 31 may be performed by any person employed by a member in good standing or by a person or corporation fulfilling the conditions mentioned in section 32, provided that such acts are performed for the account of the employer and not for the personal account of the employee.*

*R. S. 1964, c. 268, s. 33.*

**34.** *Every person or corporation that section 32 applies to may advertise as an insurance broker.*

*R. S. 1964, c. 268, s. 34.*

**35.** *In any proceeding for infringement of this act, the burden of proving that he is entitled to avail himself of section 32 shall be upon the defendant.*

*R. S. 1964, c. 268, s. 35.*

**36.** *Every person who contravenes any provision of section 30 is liable to a fine of \$50 to \$100 and, in the case of a second or subsequent conviction, to a fine of \$200 to \$500. The amount of the fines shall be doubled where the offender is a legal person.*

*R. S. 1964, c. 268, s. 36; 1990, c. 4, s. 359.*



**37.** *No person acting in violation of section 30 shall be entitled to claim or receive any remuneration in the form of a commission or otherwise, for insurance business transacted by him in violation of such section.*

*R. S. 1964, c. 268, s. 37.*

**38.** *The Association may institute penal proceedings in view of imposing a sanction for an offence under any provision of this Act.*

*R. S. 1964, c. 268, s. 38; 1965 (1st sess.), c. 17, s. 2; 1965 (1st sess.), c. 80, a. 1; 1988, c. 21, s. 66; 1990, c. 4, s. 360.*

**39.** *(Repealed).*

*R. S. 1964, c. 268, s. 39; 1969, c. 21, s. 35; 1990, c. 4, s. 361.*

**40.** *All fines payable under this act shall belong to the Association.*

*R. S. 1964, c. 268, s. 40.*

**41.** *The Association shall publish each year a list of its members in good standing and notify the Inspector General of Financial Institutions promptly of every change in such list; it must also give communication at its office of such list and any change to any person applying therefor.*

*R. S. 1964, c. 268, s. 41; 1982, c. 52, s. 195.*

**42.** *The Association shall be under the supervision of the Inspector General of Financial Institutions.*

*The latter may exercise the power of suspending a member of the Association in the same manner and on the same conditions as he may suspend an insurance agent's certificate. He shall give notice of such suspension to the manager at the same time as to the accused.*

*R. S. 1964, c. 268, s. 42; 1982, c. 52, s. 194, s. 195.*

**43.** (1) *There shall be a board of advisers composed of four members appointed annually by the Inspector General of Financial Institutions, two of them on the recommendation of the Board from among the members in good standing and two on the recommendation of the All Canada Insurance Federation.*

(2) *The board of advisers shall assist the Inspector General of Financial Institutions when he sits in appeal from decisions of the Board in the cases provided for in subsection 11 of section 25 and in all cases of admission of new members or readmission of members who have ceased to practise.*

*R. S. 1964, c. 268, s. 43; 1982, c. 52, s. 195.*

**44.** *The provisions of the Act respecting insurance (chapter A-32) and the other provisions of the said act are in no way amended by this act.*

*R. S. 1964, c. 268, s. 44; 1974, c. 70, s. 473.*

**45.** *Nothing in this act shall authorize the Association to regulate the rates of commissions payable to its members by insurers or the other conditions of agency contracts between its members and insurers.*

*R. S. 1964, c. 268, s. 45.*

**46.** *(This section ceased to have effect on 17 April 1987).*

*1982, c. 21, s. 1; U. K., 1982, c. 11, Sch. B, Part I, s. 33.*

*REPEAL SCHEDULE*

*In accordance with section 17 of the Act respecting the consolidation of the statutes (chapter R-3), chapter 268 of the Revised Statutes, 1964, in force on 31 December 1977, is repealed effective from the coming into force of chapter C-74 of the Revised Statutes.*