

# Gazette officielle du Québec

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## Draft Regulation Civil Code of Québec (Civil Code)

### Divided co-ownership insurance

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (chapter R-18.1), that the Regulation to establish various measures in matters of divided co-ownership insurance, appearing below, may be made by the Government on the expiry of 45 days following this publication.

The draft Regulation determines, both for co-ownership syndicates and for co-owners, various insurance obligations introduced in the Civil Code by the Act mainly

- a) to improve the regulation of the financial sector,
- b) the protection of deposits of money and
- c) the operation of financial institutions (2018, chapter 23).

The draft Regulation determines the minimum amount of coverage that each co-owner must take out as liability insurance.

It also determines the terms for establishing the minimum contribution of co-owners into the self-insurance fund.

The draft Regulation designates the professional order to which the persons charged with periodically determining the amount of the property insurance that must be taken out by the co-ownership syndicate to allow the reconstruction of the immovable in accordance with the requirements of the Civil Code must belong.

The draft Regulation also identifies the risks that should be covered *pleno jure* by the property insurance contract taken out by a co-ownership syndicate for the immovable.

The draft Regulation should have no negative impact on enterprises, including small and medium-sized businesses.

Further information on the draft Regulation may be obtained by contacting Jean-Hubert Smith-Lacroix, coordinator, Développement législatif et réglementaire, Direction de l'encadrement du secteur financier et du droit corporatif, Ministère des Finances; telephone: 418 646-7466; fax: 418 646-7610; email: Jean-Hubert.Smith-Lacroix@finances.gouv.qc.ca.

Any person wishing to comment on the draft Regulation is requested to submit written comments within the 45-day period to the Minister of Finance, 12 rue Saint-Louis, 1er étage, Québec (Québec) G1R 5L3. Eric Girard, Minister of Finance

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Regulation to establish various measures in matters of divided co-ownership insurance Civil Code of Québec (Civil Code, arts. 1064.1, 1072 and 1073; 2018, c. 23, ss. 637, 640 and 641)

1. The minimum amount of the liability insurance that, under article 1064.1 of the Civil Code, each co-owner of an immovable held in divided co-ownership must take out is one million dollars (\$1,000,000) if the immovable has less than 13 dwellings and two million dollars (\$2,000,000) if it has 13 or more dwellings.

2. The minimum contribution of co-owners of an immovable held in divided co-ownership to the self-insurance fund established under article 1071.1 of the Civil Code is established as follows:

(1) where the capitalization of the fund is less than or equal to half of the highest deductible provided for by the insurances taken out by the co-ownership syndicate, the contribution is equal to half of that deductible;

(2) where the capitalization of the fund is greater than half of the highest deductible provided for by the insurances taken out by the syndicate, the contribution is equal to the amount resulting from the difference between that deductible and the capitalization of the fund;

(3) where the capitalization of the fund is greater than or equal to the highest deductible provided for by the insurances taken out by the syndicate, no contribution is required. For the purposes of the first paragraph, the deductible applicable to damages caused by an earthquake, if that protection is provided, is not taken into account.

3. Only a member of the *Ordre professionnel des évaluateurs agréés du Québec* (Surveyer) may be charged with assessing the amount that the insurance taken out by the co-ownership syndicate must provide for the reconstruction of the immovable held in divided co-ownership according to the requirements provided for in the first paragraph of article 1073 of the Civil Code.

4. The risks that a property insurance contract taken out by a co-ownership syndicate must cover in accordance with the third paragraph of article 1073 of the Civil Code are the following: theft, fire, lightning storms, hail, explosion, water flow, strike, riot or civil disturbance, impact of an aircraft or vehicle, and acts of vandalism or malicious acts.

5. Section 1 takes effect on (insert the date that occurs 6 months after the date of its publication in the Gazette officielle du Québec), sections 3 and 4, take effect on (insert the date that occurs 12 months after the date of their publication in the Gazette officielle du Québec) and section 2

takes effect on (insert the date that occurs 24 months after the date of its publication in the Gazette officielle du Québec).

6. This Regulation comes into force on the fifteenth day following the date of its publication in the Gazette officielle du Québec .