

SUBJECT: Legislative Changes - Bill 141 passed June 13th, 2018

IMPORTANT NOTICE

We wish to inform you of the impact of the recent legislative changes (Bill 141 passed on June 13, 2018) that have brought many changes to the Civil Code of Québec, particularly with respect to the treatment of damages. In fact, since December 13, 2018, new articles have been added to the Civil Code of Québec. You can learn more about the position of Me Stephania Chianetta, lawyer, with respect to Bill 141 which contains in particular article 1074.2 of the C.c.Q which is very problematic:[CopropriétéPlus](#).

The Article 1074.2 poses a major problem for co-ownerships since:

- 1) The Syndicate must prove the “fault”, which involves negligence. The mere fact that a co-owner is legally responsible for a property or that a common portion for restricted use is for the benefit of a unit is no longer sufficient to engage the responsibility of a co-owner;
- 2) Therefore, for damages below the deductible, insurers of the faulty co-owners or victims have all started to refuse to compensate their insureds, rejecting the responsibility on the Syndicate to rebuilding, and thus, even when there is a “fault”.

Consequences are:

The syndicates will assume tens of thousands of dollars annually in claims for which they will not be able to demonstrate the " fault ", which will create special contributions to refinance each year the self-insurance fund (new concept introduced in Bill 141), as it will be constantly solicited to pay for claims which were previously paid by insurers.

Technically, insurers have reduced the coverage they are providing rather than increasing premiums. This makes the syndicates self-insure for some of the risk, which is the portion below the syndicate's franchise. This creates unpredictable cash outflows as they relate to claims that, by nature, are unpredictable.

What should have been done instead:

Insurers who say they are losing a lot of money when it comes to co-ownership should have increased premiums to force the market to be more open to prevention. Thus, the syndicates would have remained covered by insurance in case of bad luck or incidents and the market would have adjusted enough to limit the drastic premium increases.

What has been done so that the industry takes a stand against this aberration:

- 1) Creation of a Website that inventory all available information related to this legislative change and its implications, and that allows you to sign a petition in contestation with these changes: ensemblecontre1074.com;
- 2) Work in collaboration with other management firms to bring together a maximum of firms that support this approach and that are represented on the “ensemblecontre1074.com” Website.

To support this process and to sign the petition to add your voice to the protest of these changes that will negatively impact this mode of residence that is the co-ownership, we invite you to go to ensemblecontre1074.com and to transmit the information to as many people as possible so that our voices are heard by the Government of Quebec.