

Insurance offered by lenders or merchants

The AMF answers your questions.



When can lenders or merchants offer insurance?

They can offer insurance when you buy a product or apply for financing. For example:

- when you buy a trip, you can be offered travel insurance
- when you buy a vehicle, you can be offered replacement insurance
- when you get a mortgage, car loan or credit card, you can be offered life and disability insurance to cover the amount borrowed

Do I have to buy the insurance I'm offered?

NO. You're not required to buy the insurance offered by lenders or merchants.

Based, in particular, on your credit report, a financing company might require you to insure your loan so that the amount borrowed gets repaid if you die or become disabled. However, even in this case, it's your choice which insurance product you buy or insurer you deal with.

Does the lender or merchant receive a commission?

YES, a percentage of the amount you pay for the insurance will go to the lender or merchant as remuneration. They must tell you the amount of their remuneration when it exceeds 30% of the price paid.

How can I make an informed decision?

READ the explanatory document that must be given to you when you're offered insurance. The information it contains will help you decide if the insurance is right for you.

Also, **CHECK** whether you're over the eligible age or whether your state of health or employment status could prevent you from benefitting from full coverage. Answer the questions truthfully and, if needed, ask for clarification.

Can I cancel if I change my mind?

YES. You can cancel your insurance within **10 days** of purchase at no cost.

However, if you cancel it after the 10-day period, you may have to pay a cancellation fee.

NOTE

- Sometimes an insurer may grant you more than 10 days to cancel the insurance without charge.
- Special conditions may apply to travel insurance or insurance that lasts fewer than 10 days.
- Before you buy, ask how you'll be refunded if you change your mind.

What does the AMF do for you?

The Autorité des marchés financiers is the regulatory and oversight body for Québec's financial sector.

- We can provide you with unbiased, objective information about financial products and services and your rights and responsibilities.
- We can help you file a complaint with your financial services firm.

Have questions? Need help?

Call our Information Centre.

Québec City: 418-525-0337

Montréal: 514-395-0337

Toll-free: 1-877-525-0337

lautorite.qc.ca



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