

Insurance sold by **LENDERS** and **MERCHANTS**



**AUTORITÉ
DES MARCHÉS
FINANCIERS**

A lender or merchant offers you **insurance...**

When you apply for automobile financing or a mortgage on a home, or when you purchase certain goods and services such as a trip, the lender or merchant may offer:

- life, health and loss of employment insurance on your loan;
- travel insurance (generally offered by travel agencies);
- replacement insurance (available in particular through automobile dealers).

Specific rules govern the sale of these types of insurance. The lender or merchant, who is then called the distributor, does not need to be a representative certified by the AMF.



Before selling an insurance product, the **DISTRIBUTOR is **REQUIRED** to give you a document called a **DISTRIBUTION GUIDE**. It will help you decide if the product is right for you.**

The distribution guide is a reference document prepared by the insurer. It states the nature and scope of the insurance being offered as well as any exclusions.

EXAMPLE

John is buying a new home. When the employee at the financial institution proposes insurance to cover the loan, he gives John a distribution guide and mentions, among other matters, that pre-existing medical conditions are not covered. Given that he suffered a stroke a few months ago, John must determine whether this insurance is suitable for him.

Before you buy the insurance...

» Are you aware of **ELIGIBILITY REQUIREMENTS, EXCLUSIONS** and **RESTRICTIONS** including any with respect to pre-existing medical conditions and injuries?

» **THE DISTRIBUTOR CANNOT FORCE YOU TO BUY THE INSURANCE OFFERED.** If the insurance is mandatory, it can also be purchased through another insurer or an AMF-certified representative. Do you already have the necessary coverage?

When offering an insurance product, the distributor must:

- give you a distribution guide;
- describe the coverage offered and state clearly the exclusions;
- indicate his or her remuneration for the sale of the insurance product (if it exceeds 30% of its cost);
- tell you if there are other insurance products on the market that feature similar coverage;
- ask if you are already covered by this type of insurance (such as through your employer) and invite you to check if you are uncertain;
- explain how to submit a claim and advise you of the deadline;
- tell you how long the insurer has to pay your claim and explain your recourse if the insurer refuses to pay.

You decide to buy the insurance...

THE INSURANCE APPLICATION

- Correctly answer all questions on the insurance application. If you fail to declare previous or current health problems, for example, a claim could be turned down.
- Never sign this type of document under pressure. Take the time to read the insurance application and understand the information it contains.
- If you have questions, don't hesitate to ask! It's your responsibility as a consumer.
- Information is also available from the insurer. The contact information is provided in the distribution guide.

TEN DAYS TO CANCEL YOUR INSURANCE CONTRACT

When you purchase this type of insurance, the distributor must give you a notice of cancellation stating that you have the option of cancelling your contract, at no cost, within 10 days of signing it. Any premiums that have already been paid will be reimbursed by the insurer.

WRITTEN CONFIRMATION WITHIN 30 DAYS

If you purchase life, health or loss of employment insurance on a loan, the distributor must provide confirmation that you are insured. You should receive such confirmation within 30 days of the purchase.

IF YOU WANT TO FILE A COMPLAINT

Start by contacting the insurer at the number indicated in the distribution guide. If you are dissatisfied with the outcome of your complaint, contact the AMF.

The AMF can help you

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

Its mission is to ensure the protection of the public by enforcing the laws and regulations governing the following areas of activity: insurance, securities (such as stocks and bonds), deposit institutions (with the exception of banks) and the distribution of financial products and services.

The AMF can provide additional information about the **obligations** of insurers and distributors.

For information on an **insurance product**, contact the insurer at the address or numbers provided in the distribution guide.

www.lautorite.qc.ca

To reach the AMF

Québec City

Place de la Cité, tour Cominar
2640, boulevard Laurier, bureau 400
Québec (Québec) G1V 5C1

Montréal

800, square Victoria, 22^e étage
C.P. 246, tour de la Bourse
Montréal (Québec) H4Z 1G3

To contact the Information Centre:

Telephone

Québec City: 418 525-0337

Montréal: 514 395-0337

Elsewhere: 1 877 525-0337

Fax: 418 647-9963

Website

www.lautorite.qc.ca