

chapter D-9.2, r. 16.1

REGULATION RESPECTING ALTERNATIVE DISTRIBUTION METHODS

Insurers Act
(chapter A-32.1, s. 485, par. (1))

Act respecting the distribution of financial products and services
(chapter D-9.2, s. 202.2, 223, pars. (5), (8), (12), (13.1) and (15), 440 and 443)

CHAPTER I PURPOSE AND SCOPE

1. This Regulation sets out the obligations applicable primarily to a legal person that, in accordance with the Insurers Act (chapter A-32.1) and the Act respecting the distribution of financial products and services (chapter D-9.2), offers financial products and services through an alternative distribution method, namely, distribution without the intermediary of a natural person or distribution through a distributor.

M.O. 2019-05, s. 1.

CHAPTER II OFFER OF FINANCIAL PRODUCTS AND SERVICES BY A FIRM WITHOUT THE INTERMEDIARY OF A NATURAL PERSON

DIVISION I GENERAL PROVISIONS

2. A firm that offers products and services without the intermediary of a natural person must do so through a digital space used to interact directly with clients and enter into contracts and which satisfies the requirements under this chapter.

M.O. 2019-05, s. 1.

3. The provisions of this chapter apply, with the necessary modifications, to an independent partnership.

M.O. 2019-05, s. 3.

DIVISION II INFORMATION TO BE PROVIDED TO THE AUTORITÉ DES MARCHÉS FINANCIERS

4. Any firm that offers products and services without the intermediary of a natural person must disclose the following information to the Authority without delay:

(1) the name given to the digital space, where this name differs from the name of the firm;

(2) the names of the products and the classes to which they are related or the nature of the financial services offered on the digital space;

(3) the hyperlink or any other means to access the digital space;

(4) ~~the insurers~~ the names of the insurers whose products are offered on the firm's digital space, if applicable;

(5) the names of the lenders whose loans secured by immovable hypothec are proposed on the firm's digital space.

The firm must notify the Authority of any change to such information within 30 days of such change.

M.O. 2019-05, s. 4.

5. The firm must disclose annually to the Authority through its maintenance of registration application the number of financial plans prepared, brokerage transactions engaged in relation to a loan secured by immovable hypothec, claims settled and insurance policies issued, as well as the amount of premiums written, only through its digital space.

Similarly, the firm must disclose the number of cases where clients cancelled their insurance contracts in accordance with section 64 of the Insurers Act (chapter A-32.1).

M.O. 2019-05, s. 5.

DIVISION III

FIRM'S RESPONSIBILITIES TOWARDS CLIENTS ~~DOCUMENTS AND INFORMATION TO BE PROVIDED TO THE CLIENT~~

§ 1. — *Provisions common to all firms*

6. The information presented through the digital space must be clear, readable, specific and not misleading so as to highlight the key elements required for informed decision-making regarding the financial product or service offered and not cause confusion or misunderstanding.

M.O. 2019-05, s. 6.

7. The firm must provide to the client through its digital space, with the necessary modifications and depending on the products and services offered, the information and documents that a representative is required to provide to the client pursuant to sections 43, 47 and 48 of the Act respecting the distribution of financial products and services (chapter D-9.2), sections 6, 8, 8.1, 9, 9.1, [9.3 to 9.6](#), [9.8](#), 16 and 22 of the Regulation respecting the pursuit of activities as a representative (chapter D-9.2, r. 10) and sections 4.6, 4.8, 4.9, 4.13, 4.16, 4.17, 4.18 and 4.19 of the Regulation respecting information to be provided to consumers (chapter D-9.2, r. 18).

M.O. 2019-05, s. 7.

8. The firm must make the means to interact with one of its representatives visible at all times. When the digital space does not use a visual interface, the firm must make the client aware of that fact when he initiates an action on the digital space and when he is about to enter into a contract.

The following information must be readily accessible through the firm's digital space:

- (1) the firm's name and contact information;
- (2) each sector in which the firm is registered with the Authority;
- (3) the firm's registration number issued by the Authority and the hyperlink enabling the client to access the registers available on the Authority's website;
- (4) the information on where the client can file a complaint and the summary of the complaint processing policy provided for in the last paragraph of section 103.1 of the Act respecting the distribution of financial products and services (chapter D-9.2).

M.O. 2019-05, s. 8.

§ 2. — *Provisions specific to insurance firms*

9. The firm must, before a contract is entered into, provide the client with the following information through its digital space:

- (1) the name and contact information of the insurer offering the selected product;
- (2) the product coverage, exclusions and limitations in relation to the needs identified;
- (3) any other specific clauses that may affect the insurance coverage;
- (4) warnings about the consequences of misrepresentation or concealment;

- (5) the premiums, and other fees and expenses, including applicable taxes;
- (6) an indication that the premium is fixed or likely to vary over time;
- (7) the period of validity of the quote.

M.O. 2019-05, s. 9.

NOT IN FORCE – Will come into force on June 12, 2020

M.O. 2019-05, s. 10

10. The firm must make readily accessible on its digital space a specimen of the policy for each product offered and any available endorsement, if applicable.

M.O. 2019-05, s. 10.

11. The firm must, immediately before a contract is entered into, recap for the client the following information through its digital space:

- (1) the information collected from the client;
- (2) the options and conditions the client has chosen relating to the product he is about to purchase.

M.O. 2019-05, s. 11.

12. The firm must, as soon as a contract is entered into, provide the client with the following documents and information through its digital space:

- (1) confirmation that the contract has been entered into and the temporary insurance, if applicable;
- (2) the rules applicable to the temporary insurance, if applicable;
- (3) the right of rescission provided for in section 20 of the Act respecting the distribution of financial products and services (chapter D-9.2), if applicable, and the procedures for exercising it;
- (4) the way in which the policy will be provided to him.

Similarly, the firm must inform the client of the right of cancellation pursuant to section 64 of the Insurers Act (chapter A-32.1) and the procedures for exercising it and provide him with a notice of rescission in the form set out in Schedule 1, if applicable.

M.O. 2019-05, s. 12.

§ 3. — Provisions specific to mortgage brokerage firms

12.1. The provisions of sections 9.7, 9.9 to 9.11, the second paragraph of section 16.7, the first paragraph of section 16.8 and section 16.9 of the Regulation respecting the pursuit of activities as a representative (chapter D-9.2, r. 10) apply, with the necessary modifications, to a firm that, without the intermediary of a natural person, engages in a brokerage transaction in relation to a loan secured by immovable hypothec.

12.2. The firm must, at the time it proposes a loan secured by immovable hypothec, provide the client with the following information through its digital space:

(1) the name and contact information of the lender whose loan secured by immovable hypothec is proposed;

(2) the nature, characteristics, advantages and disadvantages of the proposed loan secured by immovable hypothec;

(3) the penalties applicable in the event of a failure to comply with the terms and conditions of the loan agreement;

(4) the fees and other costs associated with obtaining the proposed loan secured by immovable hypothec;

(5) the period of time the interest rate is available and the period of time the other characteristics and terms and conditions of the loan are available.

Similarly, the firm must provide the client with a summary of the information collected from him.

**DIVISION IV
DESIGN, OPERATION AND MONITORING OF THE DIGITAL SPACE**

13. The firm must ensure the proper operation and reliability of its digital space at all times.

To that end, it must ensure, in particular, that the information presented thereon is accurate.

It must also ensure that the information provided by the client is collected, used, delivered and kept in a manner that ensures its confidentiality and security.

M.O. 2019-05, s. 13.

14. The firm must take the necessary measures so that through its digital space it can:

(1) require an action from the client each time confirmation or consent is needed;

(2) detect and, where necessary, automatically suspend or terminate an action initiated on the digital space if:

(a) a discrepancy or an irregularity in the information provided by the client may lead to an inappropriate result;

(b) the client does not meet the product eligibility criteria;

(3) enable the client to correct a mistake at any time prior to entering into a contract.

Where the firm offers an insurance of persons contract that is likely to replace another contract and is unable to proceed with the replacement through its digital space in accordance with section 22 of the Regulation respecting the pursuit of activities as a representative (chapter D-9.2, r. 10), the firm must interrupt such offer.

Similarly, the firm must suspend the action initiated through the digital space when no representative can interact immediately with a client who asks to interact with a representative and when there is a risk that the client, despite the information that the firm sent to him, is unable to make an informed decision regarding the financial product or service offered.

M.O. 2019-05, s. 14.

15. The firm must suspend or interrupt its offer through its digital space when such actions are necessary, particularly when the digital space is subject to technical failure.

M.O. 2019-05, s. 15.

NOT IN FORCE – Will come into force on June 13, 2020

M.O. 2019-05, s. 16

16. The firm must adopt and ensure the implementation of a procedure for the design, use and maintenance of its digital space.

The procedure must, in particular, describe the operation of the digital space and the measures used to monitor the space. It must also enable the identification, management and mitigation of the internal and external risks related to the digital space.

M.O. 2019-05, s. 16.

17. The firm must enter in the client record all information collected from the client as well as all information provided to the client through the digital space and, if applicable, by a representative.

M.O. 2019-05, s. 17.

DIVISION V PROHIBITIONS

18. No firm may, through its digital space:

(1) present advertising unrelated to the product or service offered once the client initiates an action on the digital space;

(2) automatically choose the product or service offered for the client;

(3) exclude or limit its liability to the client for the proper operation or reliability of its digital space or the accuracy of the information presented thereon.

M.O. 2019-05, s. 18.

CHAPTER III OFFER OF INSURANCE PRODUCTS THROUGH A DISTRIBUTOR

DIVISION I GENERAL PROVISIONS

19. This chapter applies to an insurer that offers insurance products through a distributor in accordance with Title VIII of the Act respecting the distribution of financial products and services (chapter D-9.2).

M.O. 2019-05, s. 19.

DIVISION II INFORMATION TO BE PROVIDED TO THE AUTHORITY

20. Before offering an insurance product through a distributor, the insurer must, in addition to the information required under section 66 of the Insurers Act (chapter A-32.1), disclose the following information to the Authority:

(1) the name and contact information of the third party to which the insurer has entrusted the performance of the obligations of an insurer with respect to the distribution of a product through a distributor, if applicable;

(2) the hyperlink or any other means to access the distributor's offer through the Internet, if applicable.

(3) the contact information of the insurer's assistance service referred to in section 27.

The insurer must notify the Authority of any change to the above information within 30 days of such change.

An insurer that removes a distributor from its list of distributors must indicate to the Authority the reasons for such removal.

M.O. 2019-05, s. 20.

21. The insurer must disclose annually to the Authority the following information for each product offered through a distributor:

(1) the number of insurance policies and certificates issued and the amount of premiums written;

(2) the number of claims and the amount of indemnities paid;

(3) the number of rescissions and cancellations;

(4) the remuneration paid to all distributors and third parties referred to in subparagraph 1 of the first paragraph of section 20.

M.O. 2019-05, s. 21.

DIVISION III DOCUMENTS AND INFORMATION TO BE PROVIDED TO THE CLIENT

22. Before offering a product through a distributor, the insurer prepares the product summary in accordance with sections 28 and 29. The insurer mandates the distributor to deliver the summary to the client at the time it offers the product to him, together with a fact sheet in the form set out in Schedule 2.

M.O. 2019-05, s. 22.

23. Where the means of communication used to offer the product does not enable the distributor to deliver the summary and the fact sheet at the time the product is offered, the

insurer must include in the mandate it entrusts to the distributor the obligation to inform the client of such inability. The insurer must also ensure that the distributor is required to obtain at that time the client's consent to receive those documents no later than when the policy or insurance certificate is delivered and to mention the information contained in those documents to the client.

M.O. 2019-05, s. 23.

24. The insurer must be able to provide, at the client's or the Authority's request, all information and documents presented to the client at the time the insurance product was offered to him, particularly the summary and the fact sheet.

M.O. 2019-05, s. 24.

25. Where personal information of a medical or lifestyle-related nature is collected from the client, the notice of specific consent provided for in section 93 of the Act respecting the distribution of financial products and services (chapter D-9.2), applicable under section 437 of that Act, must be delivered to the client if the distributor wishes to allow its clerks to use the information it holds on the client for purposes other than those for which it was collected and be in the form set out in Schedule 3.

M.O. 2019-05, s. 25.

26. Where the distributor offers the client financing that requires him to subscribe for insurance to secure the repayment of the financing, the notice of free choice provided for in section 443 of the Act respecting the distribution of financial products and services (chapter D-9.2) must be delivered to the client and be in the form set out in Schedule 4.

M.O. 2019-05, s. 26.

27. The insurer must have an assistance service to answer questions from the distributor regarding each product offered.

M.O. 2019-05, s. 27.

DIVISION IV SUMMARY

28. The summary may pertain only to the product and must satisfy all the following conditions:

- (1) it must be concise;
- (2) it must explain the product;

(3) it must be written in language that is clear, readable, specific and not misleading so as to highlight the essential elements for informed decision-making and not cause confusion or misunderstanding;

(4) it must present accurate information;

(5) it must not contain any advertising or promotional offer;

(6) it must not be the insurance policy or certificate.

Where necessary, the insurer may refer the client to the relevant sections [of the specimen](#) of the insurance policy to obtain additional information not found in the summary.

M.O. 2019-05, s. 28.

29. The summary must present the following information:

(1) the insurer's name and contact information;

(2) the client number of the insurer registered in the Authority's register of insurers and the Authority's website address;

(3) the name and type of product offered;

(4) the eligibility criteria;

(5) the name and contact information of the distributor that offers the product;

(6) the product coverage, exclusions and limitations;

(7) any other specific clauses that may affect the insurance coverage;

(8) warnings about the consequences of misrepresentations and concealment;

(9) the client's right of cancellation, its duration and the procedures for exercising it;

(10) the rules applicable to the temporary insurance, if applicable;

(11) the information that the client must be made aware of in accordance with section 434 of the Act respecting the distribution of financial products and services (chapter D-9.2);

(12) the premiums and other fees and expenses, including the applicable taxes, or, if an exact amount cannot be indicated, the criteria used to determine it;

(13) an indication that the premium is fixed or likely to vary over time;

(14) the insurer's website address providing access to the information on where the client can file a complaint with the insurer and a summary of the complaint processing policy provided for in the last paragraph of section 52 of the Insurers Act (chapter A-32.1);

(15) the manner in which the specimen of the policy or ~~the insurance certificate~~[insurance certificate](#) can be accessed on the insurer's website.

Where the policy provides for a formula to calculate the portion of the refundable premium in the event of cancellation, the insurer must indicate as such in the summary and include an example of its application.

M.O. 2019-05, s. 29.

30. The insurer must, as soon as the client has subscribed for or enrolled in the insurance contract, provide the client with the following documents:

(1) a summary of the information collected from the client;

(2) the policy, the insurance certificate or the temporary insurance.

M.O. 2019-05, s. 30.

31. The notice of rescission provided for in section 440 of the Act respecting the distribution of financial products and services (chapter D-9.2), which must be delivered to the client by the distributor, must be in the form set out in Schedule 5;

M.O. 2019-05, s. 31.

NOT IN FORCE (except for the product summary) – Will come into force on June 13, 2019

M.O. 2019-05, s. 32

32. The insurer must make the product summary and a specimen of the policy or the insurance certificate accessible on its website for each product offered by a distributor, as well as any available endorsement, if applicable.

M.O. 2019-05, s. 32.

DIVISION V SUPERVISION OF DISTRIBUTORS

**NOT IN FORCE – Will come into force on June 13, 2019
M.O. 2019-05, s. 33 and 34**

33. The insurer must monitor and supervise the offering of insurance products by its distributors.

To that end, it must adopt and implement procedures that enable the supervision and training of its distributors and the natural persons to whom they entrust the task of dealing with clients in order to ensure compliance with the requirements under the Act respecting the distribution of financial products and services (chapter D-9.2) and this Regulation.

M.O. 2019-05, s. 33.

34. The training provided by the insurer must cover the following:

(1) the insurance product, particularly the coverage offered, the eligibility criteria and the applicable exclusions and limitations;

(2) the distributor's legal obligations;

(3) the insurer's complaint processing policy;

(4) the practices promoting the fair treatment of clients;

(5) the filing of a claim.

M.O. 2019-05, s. 34.

DIVISION VI PROHIBITIONS

35. For insurance products referred to in paragraph 5 of section 424 and paragraph 1 of section 426 of the Act respecting the distribution of financial products and services (chapter D-9.2), no insurer may:

(1) enable the distributor to keep its remuneration within a time period not commensurate with the term of the product, which time period may not, however, be less than 180 days;

(2) pay to the distributor a bonus or a share in the profits based on contract experience;

(3) set different commission rates applicable to a distributor for products with similar insurance coverage.

M.O. 2019-05, s. 35.

CHAPTER IV TRANSITIONAL AND FINAL PROVISIONS

36. This Regulation replaces the Regulation respecting distribution without a representative (chapter D-9.2, r. 8).

M.O. 2019-05, s. 36.

37. For the period from 13 June 2019 to 12 June 2020, any delivery to the client of a distribution guide forwarded to the Authority before 13 June 2019 in accordance with section 414 of the Act respecting the distribution of financial products and services (chapter D-9.2), including, if applicable, delivery to the client of the fact sheet in accordance with the Notice regarding the offering of insurance products by automobile and recreational and leisure vehicle dealers, is equivalent to the delivery of a summary and a fact sheet in accordance with section 22 of this Regulation.

Similarly, access to such a distribution guide on the insurer's website during that period is equivalent to access to the summary in accordance with section 32 of this Regulation.

M.O. 2019-05, s. 37.

38. The provisions of this Regulation come into force on 13 June 2019, except for the provisions of sections 10 and 16, section 32, excluding the product summary, and sections 33 and 34, which will come into force on 13 June 2020.

M.O. 2019-05, s. 38.

SCHEDULE 1

(s. 12)

NOTICE OF CANCELLATION OF AN INSURANCE CONTRACT

NOTICE GIVEN BY A FIRM

Section 64 of the Insurers Act (chapter A-32.1)

THE INSURERS ACT GIVES YOU IMPORTANT RIGHTS.

The Act allows you to cancel an insurance contract that you entered into without the intermediary of a representative within 10 days after receiving the policy, **without penalty**, unless the contract has expired at that time.

To cancel a contract, you must give the insurer notice, within that time, by registered mail or any other means that allows you to obtain an acknowledgement of receipt.

Caution: You may lose advantageous conditions as a result of this insurance contract. Contact your insurer or consult your contract.

After that period expires, you may cancel the insurance at any time; however, penalties may apply.

For further information, contact the Autorité des marchés financiers at 1-877-525-0337 or visit www.lautorite.qc.ca.

NOTICE OF CANCELLATION OF AN INSURANCE CONTRACT

To: _____
(name of insurer)

(address of insurer)

Date: _____ (date of sending of notice)

Pursuant to section 64 of the Insurers Act, I hereby cancel insurance contract no.:
_____ (number of contract, if indicated)

Entered into on: _____ (date of signature of contract)

In: _____ (place of signature of contract)

(name of client)

(signature of client)

M.O. 2019-05, Sch. 1.

SCHEDULE 2

(s. 22)

FACT SHEET

The purpose of this fact sheet is to inform you of your rights. It does not relieve the insurer or the distributor of their obligations to you.

LET'S TALK INSURANCE!

Name of distributor: _____

Name of insurer: _____

Name of insurance product: _____



IT'S YOUR CHOICE

You are never required to purchase insurance:

- that is offered by your distributor;
- from a person who is assigned to you; or
- to obtain a better interest rate or any other benefit.

Even if you are required to be insured, **you do not have to** purchase the insurance that is being offered. **You can choose** your insurance product and your insurer.



HOW TO CHOOSE

To choose the insurance product that's right for you, we recommend that you read the summary that describes the insurance product and that must be provided to you.



DISTRIBUTOR REMUNERATION

A portion of the amount you pay for the insurance will be paid to the distributor as remuneration.

The distributor **must** tell you when the remuneration exceeds 30% of that amount.



RIGHT TO CANCEL

The Act allows you to rescind an insurance contract, **at no cost**, within 10 days after the purchase of your insurance. However, the insurer may grant you a longer period of time. After that time, fees may apply if you cancel the insurance. **Ask** your distributor about the period of time granted to cancel it **at no cost**.

If the cost of the insurance is added to the financing amount and you cancel the insurance, your monthly financing payments might not change. Instead, the refund could be used **to shorten the financing period. Ask your distributor for details.**

The *Autorité des marchés financiers* can provide you with unbiased, objective information.

Visit www.lautorite.qc.ca or call the AMF at 1-877-525-0337.

Reserved for use by the insurer

This fact sheet cannot be modified

M.O. 2019-05, Sch. 2.

SCHEDULE 3

(s. 25)

NOTICE OF SPECIFIC CONSENT

You are free to grant or refuse this consent.

Sections 93 and 437 of the Act respecting the distribution of financial products and services (chapter D-9.2)

WHAT YOU MUST KNOW

- At this date, we hold certain information relating to you.
- We require your consent to allow some of our clerks to have access to this information.
- These clerks will also have access to any update of the information done during the period of validity of the consent.
- These clerks will use the information available in order to solicit you for the purchase of new financial products and services.

YOU ARE FREE TO SET THE PERIOD OF VALIDITY OF YOUR CONSENT

- If you grant consent for an undetermined period of time, you may at any time terminate it by revoking it. At the end of this form, you will find a model revocation notice that you may use for this purpose or as a basis for preparing your own notice.
- If you wish to grant consent for a limited period of time, you may do so by determining this period yourself. This form provides, in the “specific consent” section, a place where you may write down the period of validity desired.

THE ACT RESPECTING THE DISTRIBUTION OF FINANCIAL PRODUCTS AND SERVICES GIVES YOU IMPORTANT RIGHTS

Without this specific consent, the distributor may not use this information for a purpose other than the purpose for which it was collected. **The distributor cannot compel you to give your consent or refuse to do business with you if you refuse to give it; section 94 of the Act protects you.** For further information, contact the Autorité des marchés financiers at 1-877-525-0337 or visit www.lautorite.qc.ca.

The information we hold pertaining to you, as at today’s date, was collected as part of:

(purposes of the file)

Here are the required categories of information that we would like one of our clerks to use and the products and services he may offer you. For a fuller description of each category, you may refer to the back of this sheet.

Please authorize each category of information requested.

Required information category to be accessed ¹	For which products and services ²	Client authorization ³		Initials ⁴
<i>To be completed by the distributor</i>	<i>To be completed by the distributor</i>	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
		<input type="checkbox"/> Yes	<input type="checkbox"/> No	

Instructions for the distributor (*duplication not required*):

1. The distributor must describe each category on the reverse side of this sheet.

2. The distributor must specify the nature of the products and services it wishes to offer the client. Each information category must be associated with a specific purpose. Where a category serves several purposes the distributor must repeat it for each purpose.

3. The client may give his or her authorization by telephone, provided both parties can identify each other. In such case, this form shall serve as a script for the clerk, who will also read the detailed description of each category to the client. The distributor must fill out this form and send it to the client within 10 days of obtaining the verbal consent.

4. If in electronic form, the initials may be replaced by a confirmation window. However, the notice of consent must be made available to the client by any means allowing the reading or printing thereof.

In accordance with the Act respecting the protection of personal information in the private sector (chapter P-39.1), **you may request to be given access to the information we hold pertaining to you.**

SPECIFIC CONSENT

Having read the above, I, the undersigned, _____ (*name of client*) _____ , consent to use of the information held by the distributor for the purposes indicated above.

This consent will be valid until revoked or for the following period:

DD/MM/YY (to be filled out by the client)

I may revoke this consent at any time by sending a notice. I may use the attached model notice for this purpose or as a basis for preparing my own notice.

(signature of client) (date of signature of the consent)

(client identification, address, folio or contract no., etc.)

I HEREBY REVOKE THE SPECIFIC CONSENT GIVEN TO THE DISTRIBUTOR BY THE FOLLOWING NOTICE

To: _____
(name of distributor)

(address of distributor)

On: _____

I, the undersigned, _____ (*name of client*) _____, hereby notify you that I am revoking the specific consent authorizing the use of my personal information for new purposes.

Consent given to you on:

(date of consent)

(name of client) (signature of client)

(client identification, address, folio or contract no., etc.)

M.O. 2019-05, Sch. 3.

SCHEDULE 4

(s. 26)

NOTICE OF FREE CHOICE OF INSURER AND REPRESENTATIVE

Section 443 of the Act respecting the distribution of financial products and services (chapter D-9.2)

THE ACT RESPECTING THE DISTRIBUTION OF FINANCIAL PRODUCTS AND SERVICES GIVES YOU IMPORTANT RIGHTS

- You are required to purchase insurance coverage described below in order to secure the repayment of a loan.
- However, you are free to purchase this insurance from the insurer and representative of your choice. **You can thus obtain the required insurance in 3 different ways:**

(1) By purchasing the insurance offered to you;

If you choose this option, you benefit from the application of section 441 of the Act which allows you to rescind an insurance contract that you signed at the time of signing another contract, without penalty, within 10 days of its signature. However, you must then purchase another equivalent insurance to the satisfaction of the creditor who may not refuse without reasonable cause.

(2) By purchasing other insurance that is equivalent to the insurance required, to the satisfaction of the creditor who may not refuse without reasonable cause.

(3) By demonstrating that you already have insurance that is equivalent to the insurance required, to the satisfaction of the creditor who may not refuse without reasonable cause.

You may change insurer or representative at any time, provided that you maintain during the term of the loan agreement an insurance equivalent to the insurance required to the satisfaction of the creditor who may not refuse without reasonable cause. You cannot be required to choose or keep an insurance contract with a particular insurer, nor can you be refused credit or have your loan called in for this reason.

To rescind your insurance, you may use the section hereunder entitled "Notice of rescission of an insurance contract." For further information, contact the Autorité des marchés financiers at 1-877-525-0337 or visit www.lautorite.qc.ca.

DESCRIPTION OF THE REQUIRED COVERAGE

(section completed by the distributor)

To secure the repayment of your loan, we have required that you purchase:

damage insurance: _____

in an amount of: \$ _____ (coverage) _____ (particulars)

insurance of persons of the following type: _____

(life, disability, other)

in an amount of: \$ _____ (coverage) _____ (particulars)

NOTICE OF RESCISSION OF AN INSURANCE CONTRACT

To: _____ (name of insurer)

_____ (address of insurer)

Date: _____ (date of sending of notice)

Pursuant to section 441 of the Act respecting the distribution of financial products and services, I hereby rescind insurance contract no.: _____ (number of contract, if indicated)

Entered into on: _____ (date of signature of contract)

In: _____ (place of signature of contract)

_____ (name of client)

_____ (signature of client)

M.O. 2019-05, Sch. 4.

SCHEDULE 5

(s. 31)

NOTICE OF RESCISSION OF AN INSURANCE CONTRACT

NOTICE GIVEN BY A DISTRIBUTOR

Section 440 of the Act respecting the distribution of financial products and services (chapter D-9.2)

THE ACT RESPECTING THE DISTRIBUTION OF FINANCIAL PRODUCTS AND SERVICES GIVES YOU IMPORTANT RIGHTS.

The Act allows you to rescind an insurance contract, **without penalty**, within 10 days of the date on which it is signed. However, the insurer may grant you a longer period.

To rescind the contract, you must give the insurer notice, within that time, by registered mail or any other means that allows you to obtain an acknowledgement of receipt.

Despite the rescission of the insurance contract, the first contract entered into will remain in force. Caution, it is possible that you may lose advantageous conditions as a result of this insurance contract; contact your distributor or consult your contract.

After the expiry of the applicable time, you may rescind the insurance contract at any time; however, penalties may apply.

For further information, contact the Autorité des marchés financiers at 1-877-525-0337 or visit www.lautorite.qc.ca.

NOTICE OF RESCISSION OF AN INSURANCE CONTRACT

To: _____
(name of insurer)

(address of insurer)

Date: _____ (date of sending of notice)

Pursuant to section 441 of the Act respecting the distribution of financial products and services, I hereby rescind insurance contract no.: _____ (number of contract, if indicated)

Entered into on: _____ (date of signature of contract)

In: _____ (place of signature of contract)

(name of client)

(signature of client)

M.O. 2019-05, Sch. 5.