

chapter D-9.2, r. 18

REGULATION RESPECTING INFORMATION TO BE PROVIDED TO CONSUMERS

Decision 99.07.22, Title; Decision 2003.02.11, s. 1.

An Act respecting the distribution of financial products and services (chapter D-9.2, s. 209)

DIVISION 1 **NOTICE TO BE REMITTED TO CONSUMERS**

1. The notices set out in this chapter shall be printed in standard characters equivalent to Bookman Old Style at least 10 points in size.

Decision 99.07.22, s. 1.

2. The notice required under section 19 of the Act informing a client that he has the right to rescind an insurance contract made at the time of another contract must conform to the model set out in Schedule 1 - NOTICE OF RESCISSION OF AN INSURANCE CONTRACT.

Decision 99.07.22, s. 2; M.O. 2010-18, s. 1.

3. The notice required under section 22 of the Act informing a client of his right to choose an insurer or a representative of his choice when a representative, a financial institution, a firm or an enterprise financing the purchase of goods or services requires the debtor to purchase insurance to guarantee the reimbursement of his loan must conform to the model set out in Schedule 2 - NOTICE OF FREE CHOICE OF INSURER OR REPRESENTATIVE.

Decision 99.07.22, s. 3; M.O. 2010-18, s. 2.

4. The notice required under sections 92 and 93 of the Act seeking the specific consent of a client for the purpose of authorizing a firm to permit a representative to have access to information it holds for other purposes than the purposes for which it was collected must be in the form set out in Schedule 3 - NOTICE OF SPECIFIC CONSENT.

Decision 99.07.22, s. 4.

DIVISION 2 DISCLOSURE OF COMPENSATION

Decision 2003.02.11, Div. 2; M.O. 2020-08, s. 1.

§1. Scope

4.1. The provisions of this Division apply to a representative contemplated by section 1 of the Act respecting the distribution of financial products and services (chapter D-9.2) who charges compensation to the client with whom he is transacting business.

Decision 2003.02.11, s. 3; M.O. 2009-06, s. 1; M.O. 2020-08, s. 2.

§2. Disclosure and Manner of Disclosure

4.2. The disclosure by a representative who claims compensation must be given in writing before or at the time services are rendered, and must indicate:

- (1) the compensation claimed;
- (2) whether he receives any other type of remuneration, including a commission, a splitting of commission or any other benefit to which he is entitled with respect to the products he sells or the services he renders; and
- (3) the name of the person with whom the commission is split, where applicable.

Decision 2003.02.11, s. 3; M.O. 2020-08, s. 2.

4.3. A representative must disclose to the client any change in his method of remuneration in the first written communication following the date on which the said change took effect.

Decision 2003.02.11, s. 3.

4.3.1. A mortgage broker who satisfies the disclosure requirements set out in sections 9.3 and 9.4 of the Regulation respecting the pursuit of activities as a representative (chapter D-9.2, r. 10) is exempt from satisfying his obligations under this subdivision.

M.O. 2020-08, s. 2.

4.4. Notwithstanding Section 4.2, a damage insurance representative may disclose, after his services have been rendered, the fact that he receives, in addition to compensation, any other type of remuneration by way of a statement on the invoice, provided:

- (1) the compensation is claimed by an agent, a damage insurance broker, a firm or an independent partnership on whose behalf he is acting;

(2) the compensation claimed is only to recover administrative fees of up to \$50 for the group insurance of persons sector class and \$250 for the commercial-lines damage insurance sector class;

(3) the administrative fees were declared at the time the contract was entered into; and

(4) the administrative fees are listed separately on the invoice.

Decision 2003.02.11, s. 3; M.O. 2020-08, s. 4.

DIVISION 3 DISCLOSURE OF INFORMATION ON INSURERS WHOSE REPRESENTATIVE IS AUTHORIZED TO OFFER PRODUCTS OR WITH WHOM THE REPRESENTATIVE HAS A BUSINESS RELATIONSHIP

§1. Scope

4.5. The provisions of this Division only apply to damage insurance agents and damage insurance brokers, other than section 4.6, which only applies to representatives in insurance of persons, representatives in group insurance of persons and damage insurance brokers.

Decision 2003.02.11, s. 3; O.C. 587-2007, s. 2.

§2. Disclosure and Manner of Disclosure

4.6. The name of insurers whose products a representative is authorized to offer, as set out in section 31 of the Act respecting the distribution of financial products and services (chapter D-9.2), must be disclosed by the representative, verbally or in writing, upon request by the person with whom he is transacting business.

Decision 2003.02.11, s. 3.

4.7. (Repealed)

Decision 2003.02.11, s. 3; O.C. 587-2007, s. 3.

4.8 Damage insurance brokers must, before offering an insurance product, verbally disclose to the person with whom they are transacting business the names of the insurers with whom the brokers, the independent partnership or the firm on whose behalf they are acting have a business relationship as defined in the second paragraph of section 26 of the Act and section 4.10, and specify the nature of the relationship, in the manner prescribed in Schedule 4.

O.C. 587-2007, s. 4.

4.9 Damage insurance agents, must, before placing a risk with an insurer with whom the agents or the firm on whose behalf they are acting have a business relationship as

defined in the second paragraph of section 26 of the Act and section 4.10, disclose such business relationship verbally to the person with whom they are transacting business, in the manner prescribed in Schedule 4.

O.C. 587-2007, s. 4.

4.10 For the purposes of the second paragraph of section 26 of the Act, a business relationship is entered into where an insurer that is a financial institution, other than an insurer engaging exclusively in the business of reinsurance, a financial group or a legal person related to the financial institution or financial group, within the meaning of section 147 of the Act, grants a benefit by lending a sum of money or granting any other form of financing to a firm, an independent partnership or an independent representative or, as the case may be, the executive officers, directors, shareholders or partners thereof, or other legal persons or partnerships for which these executive officers, directors, shareholders or partners are also executive officers, directors, shareholders or partners.

Moreover, such a business relationship is entered into and an interest is granted by an insurer to a firm, an independent partnership or an independent representative where the aggregate of risks placed with the insurer or other insurers that are members of the same financial group represented 60% or more of the total volume of risks placed in personal-lines damage insurance by the firm, the independent partnership or the independent representative, calculated on the value basis of written premiums annualized as at December 31 of each year.

O.C. 587-2007, s. 4.

4.11 Damage insurance agents and damage insurance brokers are not required to disclose the business relationship contemplated in the second paragraph of section 4.10 if they are, with respect to the person with whom they are transacting business, acting in the commercial-lines damage insurance sector class; this exemption shall also apply to agents who have made the disclosure prescribed in section 32 of the Act.

O.C. 587-2007, s. 4.

4.12 Damage insurance agents and damage insurance brokers are deemed to have disclosed the interest held by the insurer in the ownership of the firm on behalf of which they are acting or, conversely, the interest held by the firm in the ownership of the insurer, or the benefit the insurer has granted to the firm in accordance with the first paragraph of section 4.10, when the use of the firm's name indicates this business relationship.

O.C. 587-2007, s. 4.

4.13 At the time of issuance of the insurance policy, damage insurance agents or damage insurance brokers who place a risk with an insurer must confirm in writing the disclosure they have made pursuant to sections 4.8 or 4.9, regarding their business relationship with that insurer, by using the phrases set out in Schedule 4.

At the time of the renewal of the insurance policy, damage insurance agents or damage insurance brokers must disclose, in writing and in the manner provided for in the

first paragraph, this business relationship as well as any new relationship established during the year prior to the renewal date. Where these agents or brokers have verbal communication with their client, they must also disclose such business relationships verbally in the manner provided for in Schedule 4.

O.C. 587-2007, s. 4.

DIVISION IV INDIVIDUAL VARIABLE INSURANCE CONTRACT

4.14. In this Division

“confirmation” means a document evidencing a subscription;

“Fund Facts” means a disclosure document which forms part of the information folder detailing the particulars of a segregated fund offered under an individual variable insurance contract;

“individual variable insurance contract” means an individual contract of life insurance, including an annuity, or an undertaking to provide an annuity, under which the liabilities vary in amount depending upon the market value of a segregated fund in which amounts are allocated by the contractholder, and includes a provision in an individual contract of life insurance under which policy dividends are allocated to such a fund;

“information folder” means a disclosure document in respect of an individual variable insurance contract, prepared by an insurer in compliance with the *Guideline on Individual Variable Insurance Contracts Relating to Segregated Funds*, which includes, in particular, Fund Facts;

“segregated fund” means a separate and distinct group of assets maintained by an insurer in respect of which the non-guaranteed benefits of a variable insurance contract are provided;

“subscription” means allocation to a segregated fund by an insurer of the amounts invested by a client, in accordance with the client’s instructions; these amounts and the corresponding benefits under the individual variable insurance contract are measured by means of a unit of the segregated fund.

M.O. 2010-18, s. 3

§1. — Scope

4.15. This Division applies to a representative in insurance of persons who offers to a client that the latter enter into an individual variable insurance contract and subscribe for specific amounts therein.

M.O. 2010-18, s. 3

§2. — Information to provide to clients who enter into an individual variable insurance contract

4.16. A representative must, before an application for an individual variable insurance contract is signed, deliver to the client a copy of the most current information folder related to that contract and, where applicable, any addenda. In addition, the representative must deliver to the client the Fund Facts related to the segregated funds selected under the contract where such Fund Facts are not included within the information folder.

Where an insurance contractholder requests that the contract be amended to become an individual variable insurance contract, the representative must also deliver to the contractholder the documents referred to in the first paragraph.

M.O. 2010-18, s. 3

4.17. A representative must deliver to the client a paper or electronic copy of the documents referred to in section 4.16 or provide the client with the necessary real-time directions or instructions to enable him to consult the documents on a website. In all cases, the choice of medium or technology rests with the client.

Consultation by the client of the documents on a website, based on the directions or instructions provided by the representative, is, for the purposes of this Division, considered to be a delivery of documents.

M.O. 2010-18, s. 3

4.18. A representative must, when delivering documents to the client, present the contents thereof and provide appropriate explanations so that the client has a proper understanding of the documents. In particular, he must bring to the client's attention the Fund Facts relating to the selected segregated funds, regardless of whether the Fund Facts are included within the information folder or delivered to the client separately.

In addition, a representative must obtain from the client an acknowledgement of receipt of the proper delivery of each of these documents.

M.O. 2010-18, s. 3

4.19. A representative must, no later than when the individual variable insurance contract is entered into, inform the client that he may obtain from his insurer at any time a copy of the most current Fund Facts for all segregated funds still available for new allocations under the contract.

He must provide the client with the necessary directions or instructions so that the client may obtain these documents from his insurer.

M.O. 2010-18, s. 3

§3. — Circumstances giving rise to the cancellation of an individual variable insurance contract or a subscription relating to such a contract

4.20. A client may cancel an individual variable insurance contract or a subscription made at the time the contract was entered into within two days starting from the earlier of the date the client received the confirmation or five days after the insurer mails the confirmation. The client may cancel any subsequent subscription relating to this contract under these same conditions.

Where a client seeks to exercise his cancellation right set out in the first paragraph, he must notify his insurer thereof in writing. The cancellation notice may be delivered by hand or sent by any means whereby proof of receipt may be established, such as registered or certified mail as well as fax or e-mail.

A client who cancels his contract or a subscription made under that contract is entitled, for either transaction, to the lesser of the amount invested or the amount corresponding to the value of the fund units attributed to him, such value to be determined no later than on the valuation day following the day the insurer received the cancellation notice. The insurer is also required to restore to the client any amounts corresponding to the charges or fees collected at the time the contract was made or at the time of subscription, and may not collect any fees related to the exercise of the cancellation right.

M.O. 2010-18, s. 3

5. *(Omitted).*

Decision 99.07.22, s. 5.

SCHEDULE 1

(section 2)

NOTICE OF RESCISSION OF AN INSURANCE CONTRACT

NOTICE GIVEN BY A REPRESENTATIVE

Section 19 of the Act respecting the distribution of financial products and services

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

- The Act allows you to rescind an insurance contract you have just signed when signing another contract, **without penalty, within 10 days of its signature**. To do so, you must give the insurer notice by registered mail within that delay. You may use the attached model for this purpose.
- 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 representative or consult your contract.
- After the expiry of the 10-day delay, you may rescind the insurance at any time; however, penalties may apply.

For further information, contact the Autorité des marchés financiers at (418) 525-0337 or 1-877-525-0337

NOTICE OF RESCISSION OF AN INSURANCE CONTRACT

To:

(name of insurer)

(address of insurer)

Date :

(date of sending of notice)

Pursuant to section 20 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)

The representative must first complete this section.

This document must be sent by registered mail.

Sections 18, 19, 20, 21, and 22 of the Act must be reproduced on the back of this notice.

Decision 99.07.22, Sch. 1; M.O. 2010-18, s. 4.

SCHEDULE 2

(section 3)

NOTICE OF FREE CHOICE OF INSURER OR REPRESENTATIVE

Section 22 of the Act respecting the distribution of financial products and services

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

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

1. By purchasing the insurance offered to you;

If you choose this option, you benefit from the application of section 19 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: (418) 525-0337 or 1-877-525-0337.

DESCRIPTION OF THE REQUIRED COVERAGE

(section completed by the representative, financial institution, firm or enterprise financing the purchase of goods or services)

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:

in an amount of:

\$

(coverage)

(life, disability, other)

NOTICE OF RESCISSION OF AN INSURANCE CONTRACT

Section 19 of the Act respecting the distribution of financial products and services

To:

(name of insurer)

(address of insurer)

Date :

(date of sending of notice)

Pursuant to section 20 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)

The representative must first complete this section.

This document must be transmitted by registered mail.

Sections 18, 19, 20, 21, and 22 of the Act must be reproduced on the back of this notice.

Decision 99.07.22, Sch. 2; M.O. 2010-18, s. 4.

SCHEDULE 3

(section 4)

NOTICE OF SPECIFIC CONSENT

You are free to grant or refuse this consent

Section 92 of the Act respecting the distribution of financial products and services

WHAT YOU MUST KNOW:

- At this date, we hold certain information relating to you.
- We require your consent to allow some of our representatives to have access to this information.
- These representatives will also have access to any update of the information done during the period of validity of the consent.
- These representatives will use the information available **in order to solicit you for the purchase of new financial products and services.**
- By granting your consent, you also authorize us to keep your insurance records with your other records.

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 revocation notice model 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 firm may not use this information for a purpose other than the purpose for which it was collected. **The firm 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 Autorité des marchés financiers at: (418) 525-0337 or 1-877-525-0337..

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

(purpose(s) of the file)

Here are the required categories of information that we would like one of our representatives 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's Authorization ⁽³⁾	Initials ⁽⁴⁾
<i>To be filled by the firm</i>	<i>To be filled by the firm</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 firm (*duplication not required*):

1. The firm must describe each category on the reverse side of this sheet.
2. The firm 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 firm 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 officer, who will also read the detailed description of each category to the client. The firm must fill out this form and send it to the client within ten (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, **you may request access to the information that we hold pertaining to you.**

SPECIFIC CONSENT

Having read the above, I, the undersigned,

consent to the use of the information held by the firm

(name of client)

for the purposes indicated above.

This authorization 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 FIRM BY THE FOLLOWING NOTICE**

To:

_____ (name of firm)

_____ (address of firm)

On:

I, the undersigned,

hereby notify you that

_____ (name of client)

I am canceling the specific consent authorizing the communication 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.)

Decision 99.07.22, Sch. 3; Decision 2001.02.28, s. 1.

SCHEDULE 4

(sections 4.8 and 4.9)

DISCLOSURE OF INFORMATION ON INSURERS

The business relationships to be disclosed are as follows:

— the fact that the insurer with which the damage insurance agent or damage insurance broker may place a risk holds a direct or indirect interest in the ownership of the firm on behalf of which this agent or broker is acting;

— the fact that the firm on behalf of which the damage insurance agent or damage insurance broker is acting holds a direct or indirect interest in the ownership of the insurer with which this agent or broker may place a risk;

— the fact that the firm or the independent partnership on behalf of which the damage insurance agent or damage insurance broker is acting or this broker as an independent representative or, as the case may be, the executive officers, directors, shareholders or partners thereof or other legal persons or partnerships on behalf of which these executive officers, directors, shareholders or partners are also executive officers, directors, shareholders or partners, have been granted a loan or any other form of financing by the insurer with which they may place a risk; and

— the fact that the aggregate risks placed with the insurer or other insurers that are members of the same financial group represented 60% or more of the total volume of risks placed in personal-lines damage insurance by the firm or the independent partnership on behalf of which the damage insurance agent or damage insurance broker is acting or by this broker as an independent representative, calculated on the value basis of direct written premiums annualized as at December 31 of each year.

The damage insurance agent or damage insurance broker must make the disclosure prescribed in section 4.8 or 4.9 by using one of the following phrases, and

making the necessary changes:

1) for disclosure of ownership interests with an insurer or the granting of a loan or any other form of financing by an insurer:

— “Our firm has a financial relationship with the insurer ABC Inc.”;

— “The insurer ABC Inc. has granted a loan or financing to our firm.”;

— “Our firm is owned in part by the insurer ABC Inc.”;

— “Our firm owns part of the insurer ABC Inc.”.

2) for disclosure of the name of the insurer with which the aggregate risks placed by the firm represent 60% or more of the total volume of risks placed in personal-lines damage insurance:

— “Our firm does business primarily with the insurer ABC Inc.”;

— “ABC Inc. is our firm’s principal insurer.”;

— “I am an agent for the insurer ABC Inc. and I propose only products offered by that insurer.”.

O.C. 587-2007, s. 4.

Décision 99.07.22, 1999-07-23
Bulletin du B.S.F., 1999-11-11, n° 5

Amendments

Décision 2001.02.28, 2001-02-28
Bulletin du B.S.F., 2001-03-05, n° 12

Décision 2003.02.11, 2003-02-13
Bulletin du B.S.F., 2003-03-06, n° 32

O.C. 587-2007, 2007 G.O. 2, 2373
Decision 2006-PDG-0169, 2006-10-02
Bulletin de l’Autorité: 2007-08-17, Vol. 4 n° 33

M.O. 2009-06, 2009 G.O. 2,3686A
Decision 2009-PDG-0124, 2009-09-04
Bulletin de l’Autorité: 2009-09-25, Vol. 6 n° 38

M.O. 2010-18, 2010 G.O. 2, 3986
Decision 2010-PDG-0204, 2010-11-22
Bulletin de l’Autorité: 2010-12-17, Vol. 7, n° 50

M.O. 2020-08, 2020 G.O. 2, 852
Decision 2020-PDG-0016, 2020-02-21
Bulletin de l’Autorité: 2020-04-09, Vol. 17, n° 14