

# Do you want insurance with that?



When you get a loan at a bank, buy or rent a car, take out a mortgage, or book a trip, you may be asked if you'd like to buy insurance on the product you are buying.

The Financial and Consumer Services Commission of New Brunswick helps explain your rights as a consumer when offered insurance from a dealership, merchant, or lender.

## Can any business offer insurance?

**NO.** Only certain types of businesses can offer insurance when you buy their product or service, and they need to have a [restricted insurance representative \(RIR\) licence](#) issued by the Commission.

Some of these businesses include:

- Vehicle dealerships (including automobile, RV and watercraft dealers)
- Banks, credit unions and trust and loan companies (deposit-taking institutions)
- Funeral providers
- Mortgage brokerages
- Vehicle rental businesses

Check whether the business holds a RIR licence: [insurance.licensing@fcnb.ca](mailto:insurance.licensing@fcnb.ca)

## Do I have to buy the insurance they offer?

**NO.** You do not have to buy the insurance offered from a dealership, merchant or lender. A lender may require you insure your loan to protect the lender if you are unable to pay your loan in full; however, it's your choice which insurer you deal with.

## Will the business receive a commission?

**Typically, YES.** Insurance companies usually pay commission for selling insurance on their behalf. Sometimes the commission can be a large portion of the premium you pay. If the commission is more than 30 per cent of the price of the insurance, the business or its employee must disclose the amount of commission they will receive.

## Can I change my mind after I buy the insurance?

**In some instances, YES.** When you buy certain types of insurance from a business holding a RIR license, you have 20 days from the day you receive the insurance documents to cancel the insurance and receive a full refund. After 20 days, you can still cancel the insurance; however, you may not get a full refund. Before you buy, ask how you'll be refunded if you change your mind.

## How can I make an informed decision?

**READ** the contract thoroughly and **ASK** questions to make sure you understand the insurance product and any contract terms, including limitations, exclusions, and restrictions.

Before you decide to buy the insurance, you may want to ask yourself:

- **Am I already covered?** Review your existing coverage or speak with your licensed insurance agent to see if you are already covered through an existing insurance policy.
- **Is this the best option?** Shop around; you may be able to find a similar insurance product at a lower price or that offers better coverage for your needs.