

Customer Refund

If a certificate is canceled within thirty (30) days from signing the certificate of insurance, a full refund of premium will be paid and will not be subject to any administrative fee. Any cancellations initiated after the thirty day (30) period will be charged a one hundred dollar (\$100) administrative fee plus applicable taxes (where permitted by law) which will be deducted from their refund. All calculations are based on the "Rule of 78" unless otherwise specified by the franchised Dealer lender.

Chargeback period

This means the number of days from the effective date of a Certificate, during which the Dealer shall refund 100% of the Dealer's compensation to the Administrator.

Dealer Chargeback

The dealer shall refund 100% of the dealer's compensation to the Administrator if:

- (a) a certificate is terminated or canceled within the Chargeback Period; or
- (b) a debtor does not meet eligibility or underwriting requirements

If any certificate is canceled or terminated after the Chargeback Period, the dealer shall not be required to refund unearned compensation.

Notwithstanding the above, if a certificate is canceled or terminated at any time after the Chargeback Period, and the certificate is replaced with a new certificate due to a Lease renewal or a Loan re-finance for the same debtor and vehicle, the dealer shall refund unearned compensation in proportion to the premium refund due to the debtor as calculated by the LGM.

Quebec	National excluding Quebec
The first 180 days for contract terms of 7 years or less	The first 30 days
The first 226 days for contract terms over 7 years	
After this period, a pro-rata chargeback applies only if that vehicle is refinanced and a new policy is purchased	After 30 days, Pro-rated chargeback occurs only when the vehicle is refinanced and a new policy is sold

Initiating a cancellation

To initiate a cancellation, the customer must complete a cancellation request form, which is then to be submitted to the Administrator. The Administrator will refund the premiums due to the insured's lienholder, as detailed on the Certificate of Insurance. The customer should expect a refund cheque within 2-4 weeks.

Should a customer wish to cancel because of a loan payout, sufficient proof of payout from the lienholder is required in order for the unearned premium refund to be paid directly to the insured. Please note that a copy of the cheque, or the receipt for that cheque, is insufficient proof. The financial institutions require a letter originating from the debtor's finance source, providing details of the loan for cross-reference purposes, and stating the date the loan was paid out.

If a Dealer requests a customer's cancellation refund to be paid directly to their Dealership because the refund is being applied towards the purchase of another vehicle, a Dealer Application for Termination of Coverage form must be completed.

Please note: Copies of the Cancellation Forms are available under Sales Tools in the LGM HUB.

Need Help?

If you have any questions, please contact **Customer Success** at: success@lgm.ca | or consult our [FAQ](#)