

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

*This pricing supplement, together with the prospectus supplement dated May 21, 2009 and the short form base shelf prospectus dated May 21, 2009, to which it relates, as amended or supplemented, and each document incorporated by reference in the short form base shelf prospectus, the prospectus supplement and this pricing supplement, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.*

**Information has been incorporated by reference in this pricing supplement from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary's Office of Intact Financial Corporation, 700 University Avenue, Suite 1500-A (Legal), Toronto, Ontario, M5G 0A1, (416) 341-1464, ext. 45149 or 1611 Crémazie Boulevard East, 10th Floor, Montréal, Québec, H2M 2R9, (514) 985-7111 ext. 8367 and are also available electronically at [www.sedar.com](http://www.sedar.com).

*The medium term notes to be issued hereunder have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and, except as described under "Plan of Distribution", may not be offered, sold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, a U.S. person (as defined in the U.S. Securities Act).*

**PRICING SUPPLEMENT NO. 3**  
**(to the short form base shelf prospectus dated May 21, 2009,**  
**as supplemented by the prospectus supplement dated May 21, 2009)**

March 17, 2010



**INTACT FINANCIAL CORPORATION**

**\$100,000,000**

**Series 2 6.40% Unsecured Medium Term Notes Due November 23, 2039 (Re-opening)**

The Series 2 6.40% unsecured medium term notes due November 23, 2039 (the "Notes") offered hereunder (the "Offered Notes") will be issued under a trust indenture made as of May 21, 2009 (the "Master Indenture"), as supplemented by a second supplemental indenture made as of November 23, 2009 (together with the Master Indenture, the "Indenture"), between Intact Financial Corporation ("IFC") and Computershare Trust Company of Canada, as trustee (the "Trustee"). \$150 million aggregate principal amount of the Notes was previously issued on November 23, 2009 as described in Pricing Supplement No. 2 of IFC dated November 18, 2009.

CIBC World Markets Inc. and TD Securities Inc. (together, the "Dealers"), as agents, conditionally offer the Offered Notes for sale, on a best efforts basis, subject to prior sale, if, as and when issued by IFC in accordance with the Dealer Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters on behalf of IFC by McMillan LLP and on behalf of the Dealers by Stikeman Elliott LLP.

**IFC may be considered to be a connected issuer of TD Securities Inc. within the meaning of Canadian securities legislation.** TD Securities Inc. is a wholly-owned subsidiary of a bank which is currently a party to a credit agreement with IFC. See "Plan of Distribution".

Subscriptions for the Offered Notes will be received by the Dealers subject to rejection or allotment by IFC in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the closing of the offering of the Offered Notes will take place on or about March 23, 2010 or such later date as IFC and the Dealers may agree. A Global Note representing the Notes has been issued in registered form only to CDS Clearing and Depository Services Inc. ("CDS") and deposited with CDS. A purchaser of the Offered Notes will receive only a customer confirmation from the registered dealer who is a CDS participant and from or through whom the Offered Notes are purchased.

Under the Master Indenture, IFC, at its option and without the consent of the holders of the Notes, may issue additional unsecured medium term notes or other debt securities from time to time, which will also be governed by and subject to the terms of the Master Indenture.

Unless otherwise specified, all references to currency amounts in this Pricing Supplement are to Canadian dollars.

## THE OFFERED NOTES

The following is a summary of certain of the material attributes and characteristics of the Offered Notes, which does not purport to be complete and is qualified in its entirety by reference to the Indenture. Reference is made to: (i) the short form base shelf prospectus of IFC dated May 21, 2009, as supplemented by the prospectus supplement of IFC dated May 21, 2009 (together, the "Prospectus"), for a summary of the other material attributes and characteristics applicable to the Offered Notes and (ii) the Indenture for the full text of such attributes and characteristics.

Designation:	Series 2 6.40% Unsecured Medium Term Notes due November 23, 2039.
Issue Price:	\$993.44 (per \$1,000 principal amount of Offered Notes) plus accrued interest of \$21.0410959 per \$1,000 principal amount of Offered Notes.
Interest:	The Notes will bear interest at a fixed annual rate of 6.40%, payable in equal semi-annual instalments on May 23 and November 23 in each year.
Currency:	Canadian dollars.
Delivery Date:	March 23, 2010.
Stated Maturity Date:	November 23, 2039.
Specified Denominations:	\$1,000 and integral multiples thereof.
ISIN / CUSIP:	CA 45823ZAB81 / 45823ZAB8.
Redemption at the Option of IFC:	<p>IFC may, at its option, redeem the Notes on not less than 30 days' or more than 60 days' prior notice to the registered holder, in whole at any time or in part from time to time, at a redemption price equal to the greater of (i) the Canada Yield Price (as defined below) and (ii) par, together in each case, with accrued and unpaid interest to the date fixed for redemption. In cases of partial redemption, the Notes to be redeemed will be selected by the Trustee on a <i>pro rata</i> basis according to the principal amount of the Notes registered in the respective name of each holder of the Notes or in such other manner as the Trustee may consider equitable, provided that such selection is proportionate.</p> <p>"Canada Yield Price", shall mean a price which, if the Notes were to be issued at such price on the redemption date, would provide a yield thereon from the redemption date to November 23, 2039 equal to the Government of Canada Yield, plus 61 basis points, compounded semi-annually and calculated on the day that is three business days prior to the date of redemption.</p> <p>"Government of Canada Yield" on any date shall mean the average of the midmarket yields to maturity on such date provided by two independent investment dealers selected by the Trustee from a list of investment dealers provided by IFC assuming semi-annual compounding, which an issue of non-callable Government of Canada bonds would produce if issued at par on such date, in Canadian dollars in Canada, with a term to maturity equal to the remaining term to November 23, 2039.</p> <p>Unless IFC defaults in payment of the redemption price, the Notes will cease to accrue interest on their respective redemption date.</p> <p>Any Notes that are redeemed by IFC will be cancelled and will not be reissued.</p>
Ranking:	The Notes will be direct unsecured obligations of IFC and will rank equally (except to the extent prescribed by law) with all other unsecured and unsubordinated indebtedness of IFC.

Events of Default: The Indenture provides that an event of default will occur only if: (i) IFC defaults in the payment of the principal of the Notes when due; (ii) IFC defaults in the payment of interest on the Notes when due where such default continues for a period of 30 days after the relevant interest payment date; or (iii) IFC becomes insolvent or bankrupt, consents to the institution of bankruptcy or insolvency proceedings against it, resolves to wind-up or liquidate, is ordered wound-up or liquidated or a receiver of a substantial portion of IFC's property is appointed.

Governing Law: The Notes and the Indenture will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

Use of Proceeds: The net proceeds from the sale of the Offered Notes will be used for general corporate and investment purposes.

Credit Ratings: The Offered Notes have been given a rating of A(low) with a stable trend by DBRS Limited ("DBRS") and a rating of A3 with a stable outlook by Moody's Investors Service, Inc. ("Moody's"). The following information relating to credit ratings is based on information made available to the public by the rating agencies.

DBRS's credit ratings are on a long-term debt rating scale that ranges from AAA to D, which represents the range from highest to lowest quality of such securities rated. Long-term debt instruments which are rated in the A category by DBRS are considered to be of satisfactory credit quality, with substantial protection of interest and principal. Entities in the A category, however, are considered to be more susceptible to adverse economic conditions and have greater cyclical tendencies than higher-rated securities. The ratings from AA to CCC may be modified by the addition of a "high" or "low" designation to show relative standing within the major rating categories.

Moody's credit ratings are on a long-term debt rating scale that ranges from Aaa to C, which represents the range from highest to lowest quality of such securities rated. Long-term debt instruments which are rated in the A category by Moody's are considered to be of upper-medium grade and are subject to low credit risk. Moody's applies numerical modifiers to each generic rating classification from Aa to Caa. The modifier 3 indicates a ranking in the lower end of that generic rating category.

Credit ratings are intended to provide investors with an independent assessment of the credit quality of an issue or issuer of securities and do not speak to the suitability of particular securities for any particular investor. The credit ratings assigned to the Notes may not reflect the potential impact of all risks on the value of the Notes. A rating is therefore not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating agency. Prospective investors should consult the relevant rating organization with respect to the interpretation and implications of the ratings.

Market for the Notes: **There is no market through which the Notes may be sold and purchasers may not be able to resell the Notes purchased hereunder. This may affect the pricing of the Notes in the secondary market, the transparency and availability of trading prices, the liquidity of the Notes and the extent of issuer regulation. See "Risk Factors".**

	Price to the Public <sup>(1)</sup>	Dealers' Commission <sup>(2)</sup>	Net Proceeds to IFC <sup>(3)</sup>
Per \$1,000 principal amount of the Offered Notes .....	\$993.44 (99.344%)	\$5.00 (0.50%)	\$988.44 (98.844%)
Total .....	\$99,344,000 (99.344%)	\$500,000 (0.50%)	\$98,844,000 (98.844%)

(1) Plus accrued interest of \$21.0410959 per \$1,000 principal amount of Offered Notes.  
(2) IFC has agreed to pay the Dealers a fee equal to \$5.00 for each \$1,000 principal amount of the Offered Notes sold.  
(3) Before deduction of expenses of the offering payable by IFC estimated to be \$150,000 which, together with the Dealers' fee, will be paid from the general funds of IFC.

## TABLE OF CONTENTS

	Page
DOCUMENTS INCORPORATED BY REFERENCE .....	PS-4
ELIGIBILITY FOR INVESTMENT .....	PS-5
CONSOLIDATED CAPITALIZATION .....	PS-5
EARNINGS COVERAGE RATIOS .....	PS-5
CANADIAN FEDERAL INCOME TAX CONSIDERATIONS .....	PS-6
PLAN OF DISTRIBUTION .....	PS-7
RISK FACTORS .....	PS-8
LEGAL MATTERS .....	PS-9
TRUSTEE .....	PS-9
CONSENT OF AUDITORS .....	PS-10
CERTIFICATE OF THE DEALERS .....	PS-11

### DOCUMENTS INCORPORATED BY REFERENCE

This Pricing Supplement is deemed to be incorporated by reference, as of the date hereof, into the accompanying Prospectus solely for the purpose of the offering of the Offered Notes. The following documents, as filed by IFC with the various securities commissions or similar authorities in Canada, are incorporated by reference into the Prospectus and this Pricing Supplement:

- (a) the annual information form of IFC dated March 30, 2009;
- (b) the audited consolidated financial statements of IFC together with the auditors' report thereon and the notes thereto as at and for the year ended December 31, 2009;
- (c) management's discussion and analysis of financial condition and results of operations of IFC for the year ended December 31, 2009;
- (d) the management proxy circular of IFC dated March 30, 2009 in respect of IFC's annual and special meeting of shareholders held on May 13, 2009; and
- (e) the material change report of IFC dated February 25, 2009 relating to the completion of a secondary offering and a private placement transaction.

Any documents of the type referred to in the preceding paragraph, or required to be incorporated by reference herein pursuant to National Instrument 44-101 – *Short Form Prospectus Distributions*, including any annual information form, annual and interim financial statements and related management's discussion and analysis, material change report (excluding any confidential material change report), exhibit to interim and annual consolidated financial statements containing updated earnings coverage information, business acquisition report and information circular of IFC, filed by IFC with the securities commissions or similar authorities in Canada after the date of this Pricing Supplement and prior to the termination of the distribution shall be deemed to be incorporated by reference in the Prospectus.

**Any statement contained in this Pricing Supplement, the Prospectus or in a document incorporated or deemed to be incorporated by reference herein or therein will be deemed to be modified or superseded, for purposes of this Pricing Supplement or the Prospectus, as the case may be, to the extent that a statement contained herein or therein, or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein or therein, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Pricing Supplement or the Prospectus, as the case may be.**

## ELIGIBILITY FOR INVESTMENT

In the opinion of McMillan LLP and Stikeman Elliott LLP, the Offered Notes, if issued on the date of this Pricing Supplement, would be, on such date, a qualified investment under the *Income Tax Act* (Canada) (the “Tax Act”) for a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered education savings plan, a registered disability savings plan, a tax-free savings account or a deferred profit sharing plan, other than a deferred profit sharing plan for which IFC, or a corporation with which IFC does not deal at arm’s length, is the employer. The Offered Notes will not be a “prohibited investment” for a tax-free savings account where the holder of the tax-free savings account is not a “specified shareholder” of IFC, within the meaning of the Tax Act, and IFC deals at arm’s length with the holder and any person or partnership in which the holder has a “significant interest”, within the meaning of the Tax Act.

## CONSOLIDATED CAPITALIZATION

The following table sets out the consolidated capitalization of IFC as at December 31, 2009, both before and after giving effect to the offering of the Offered Notes.

	<b>Outstanding as at December 31, 2009</b>	<b>Outstanding as at December 31, 2009 after giving effect to the offering of the Offered Notes</b>
	(in millions of Canadian dollars)	(in millions of Canadian dollars)
	(audited)	(unaudited)
Long-term debt .....	\$ 397.7 <sup>(1)</sup>	\$ 497.7 <sup>(2)</sup>
Shareholders equity		
Share capital .....	\$ 1,061.5	\$ 1,061.5
Contributed surplus .....	83.3	83.3
Retained earnings .....	1,902.2	1,902.2
Accumulated other comprehensive loss .....	<u>(64.4)</u>	<u>(64.4)</u>
Total shareholders equity .....	<u>2,982.6</u>	<u>2,982.6</u>
Total capitalization .....	<u>\$3,380.3</u>	<u>\$3,480.3</u>

Notes:

- (1) Principal amount outstanding is \$400 million.
- (2) Principal amount outstanding is \$500 million.

## EARNINGS COVERAGE RATIOS

The following table sets forth the earnings coverage ratios for IFC for the twelve-month period ended December 31, 2009 after giving effect to the issuance of the Offered Notes, the Series 2 6.40% Notes due 2039 issued by IFC on November 23, 2009 and the Series 1 5.41% Notes due 2019 issued by IFC on August 31, 2009.

	<b>December 31, 2009</b>
Earnings coverage on long-term debt .....	4.9 times

After giving effect to the issuance of the Offered Notes, the Series 2 6.40% Notes due 2039 issued by IFC on November 23, 2009 and the Series 1 5.41% Notes due 2019 issued by IFC on August 31, 2009: (i) IFC’s consolidated interest requirements on long-term debt would have been \$29.5 million for the twelve-month period ended December 31, 2009 and (ii) IFC’s consolidated earnings before interest and income taxes would have been \$145.3 million for the twelve-month period ended December 31, 2009, which is 4.9 times IFC’s interest requirements on long-term debt for such periods.

**The earnings coverage ratios set out above do not purport to be indicative of an earnings coverage ratio for any future periods.**

## CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of McMillan LLP, counsel to IFC, and Stikeman Elliott LLP, counsel to the Dealers, the following is, at the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to a holder of the Notes (a "Holder") who acquires Offered Notes pursuant to this offering and who, at all relevant times, for purposes of the Tax Act, is resident in Canada, holds the Notes as capital property and deals at arm's length and is not affiliated with IFC. Generally, the Notes will be considered capital property to a Holder provided that the Holder does not hold the Notes in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Certain Holders who are resident in Canada whose Notes might not otherwise qualify as capital property may be entitled to obtain such qualification in certain circumstances by making an irrevocable election permitted by subsection 39(4) of the Tax Act.

This summary is not applicable to a Holder that is a "financial institution" (as defined in the Tax Act for purposes of the mark-to-market rules) or a Holder an interest in which is a "tax shelter investment" or a Holder that has elected to report its "Canadian tax results" in a "functional currency" in accordance with the provisions of the Tax Act (all as defined in the Tax Act). Such Holders should consult their own tax advisors having regard to their particular circumstances.

This summary is based on the facts set out in the Prospectus and this Pricing Supplement, the current provisions of the Tax Act and the regulations thereunder in force at the date of this Pricing Supplement, all specific proposals to amend the Tax Act and the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and counsel's understanding of the administrative policies and assessment practices of the Canada Revenue Agency (the "CRA") published by the CRA prior to the date hereof. There can be no assurance that the proposed amendments will be implemented in their current form or at all. This summary does not otherwise take into account or anticipate any changes of law or practice, whether by judicial, governmental or legislative decision or action or changes in the administrative policies or assessment practices of the CRA, nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction. The provisions of provincial income tax legislation vary from province to province in Canada and in some cases differ from federal income tax legislation.

**This summary is of a general nature only and is not intended to be, nor should it be construed as, legal or tax advice to any particular Holder, and no representations with respect to the income tax consequences to any particular Holder are made. Accordingly, prospective purchasers should consult their own tax advisors for advice with respect to the tax consequences to them of acquiring, holding and disposing of the Notes, including the application and effect of the income and other tax laws of any country, province, territory, state or local tax authority.**

A Holder that is a corporation, partnership, unit trust or trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year any interest on a Note that accrues or is deemed to accrue to the Holder to the end of that taxation year or becomes receivable or is received by the Holder before the end of that taxation year, except to the extent that such interest was otherwise included in the Holder's income for a preceding taxation year.

Any other Holder, including an individual and a trust of which neither a corporation nor a partnership is a beneficiary, will be required to include in income for a taxation year any amount on account of, in lieu of payment of or in satisfaction of, interest on a Note received or receivable by such Holder in that year (depending upon the method regularly followed by the Holder in computing income), except to the extent that the interest was included in the Holder's income for a preceding taxation year.

Any premium paid by IFC to a Holder of the Notes because of the exercise by IFC of the right to redeem a Note before the maturity thereof will generally be deemed to be interest received at that time by the Holder to the extent that such premium can reasonably be considered to relate to, and does not exceed at the time of the redemption the value of, the interest that would have been paid or payable by IFC on the Notes for a taxation year ending after the redemption.

A Holder will generally be entitled to deduct in computing its income for a taxation year an amount equal to the amount stipulated to be interest on a Note in respect of a period before the issuance of the Note to the extent that such amount was included in computing the Holder's income for such taxation year. The adjusted cost base to a Holder of a Note will be reduced by any amount that is so deductible.

On a disposition or deemed disposition of a Note, whether on maturity, redemption, purchase for cancellation or otherwise, a Holder will generally be required to include in computing its income for the taxation year in which the disposition occurred an amount equal to the interest accrued or deemed to accrue on the Note from the date of the last interest payment to the date of disposition to the extent that such amount has not otherwise been included in the Holder's income for

the taxation year or a previous taxation year. In general, a disposition or deemed disposition of a Note will give rise to a capital gain (or capital loss) to the extent that the proceeds of disposition, net of any accrued interest and any other amount included in computing income as interest and any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Note to the Holder immediately before the disposition.

One-half of the amount of any capital gain (a “taxable capital gain”) realized by a Holder in a taxation year generally must be included in the Holder’s income for that year, and one-half of the amount of any capital loss (an “allowable capital loss”) realized by a Holder in a taxation year must generally be deducted from taxable capital gains realized by the Holder in that year. Allowable capital losses in excess of taxable capital gains may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years to the extent and under the circumstances described in the Tax Act. Capital gains realized by an individual or a trust (other than certain specified trusts) may give rise to a liability for alternative minimum tax under the Tax Act.

A Holder that is a “Canadian controlled private corporation” (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6% on certain investment income, including amounts of interest and taxable capital gains.

### **PLAN OF DISTRIBUTION**

Under an agreement (the “Dealer Agreement”) dated March 17, 2010 between the Dealers and IFC, the Dealers have agreed to offer for sale the Offered Notes in Canada on a best efforts basis, subject to prior sale, if, as and when issued by IFC in accordance with the terms of the Dealer Agreement and subject to compliance with all necessary legal requirements. It is expected that the closing of the offering of the Offered Notes will take place on or about March 23, 2010 or such later date as IFC and the Dealers may agree.

The Dealer Agreement does not contain a minimum offering restriction on the sale of the Offered Notes to the public.

The obligations of the Dealers under the Dealer Agreement may be terminated at their discretion upon the occurrence of certain stated events in accordance with the terms of the Dealer Agreement.

The Dealer Agreement provides that the Dealers will be paid a fee of \$5.00 per \$1,000 principal amount of the Offered Notes sold on account of services rendered in connection with the offering of the Offered Notes.

TD Securities Inc. is a wholly-owned subsidiary of a bank which is currently a party to a credit agreement with IFC. Under the terms of the credit agreement, IFC is permitted to borrow up to \$150 million on a revolving basis. The credit agreement expires on December 31, 2010. As at the date of this Pricing Supplement, no borrowings are outstanding under the terms of the credit agreement. IFC may be considered to be a connected issuer of TD Securities Inc. within the meaning of Canadian securities legislation. The decision to distribute the Offered Notes and the determination of the terms of the distribution were made through negotiations between IFC and the Dealers. The Dealers have participated in the structuring and pricing of this offering. In addition, the Dealers have participated in due diligence meetings relating to this Pricing Supplement with IFC and its representatives, have reviewed this Pricing Supplement and have had the opportunity to propose such changes to this Pricing Supplement as they considered appropriate. Other than the fee to be paid to the Dealers in connection with the offering of the Offered Notes as described above, the proceeds of the offering of the Offered Notes will not be applied for the benefit of the Dealers.

IFC reserves the right to accept or reject any subscription in whole or in part. While the Dealers have agreed to use their reasonable best efforts to sell the Offered Notes, they are not obligated to purchase any Offered Notes which are not sold.

In connection with this distribution, the Dealers may over-allot or effect transactions which stabilize or maintain the market price of the Offered Notes at levels other than those which otherwise might prevail in the open market.

The Dealers may not, throughout the period of distribution, bid for or purchase the Offered Notes. The foregoing restriction is subject to certain exceptions, on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of the Offered Notes. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules of the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market-making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. IFC has been advised that, in connection with

this offering and subject to the foregoing, the Dealers may over-allot or effect transactions which stabilize or maintain the market price of the Offered Notes at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Notes have not and will not be registered under the United States *Securities Act of 1933*, as amended (the “U.S. Securities Act”), or any state securities laws, and may not be offered or sold within the United States or to U.S. persons (as defined in the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption therefrom is available. Each of the Dealers will agree not to buy or offer to buy, to sell or offer to sell, or solicit any offer to buy any Notes in the United States, or to or for the account or benefit of U.S. persons, except to “qualified institutional buyers” in accordance with Rule 144A under the U.S. Securities Act. This Pricing Supplement does not constitute an offer to sell or a solicitation of an offer to buy any of the Notes in the United States. In addition, until 40 days after the commencement of the offering of an issue of Notes, an offer or sale of that issue within the United States by any Dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the U.S. Securities Act.

## **RISK FACTORS**

An investment in the Offered Notes is subject to various risks. In addition to the risks described in the documents incorporated by reference in this Pricing Supplement and the Prospectus, prospective purchasers should consider the risks described below before purchasing Offered Notes.

### **Structural Subordination of the Notes**

IFC is a holding company and substantially all of its business activities are carried on by its subsidiaries. Because IFC is a holding company, the Notes will be effectively subordinated to all existing and future liabilities, including trade payables and other indebtedness, of IFC’s subsidiaries. In addition, as a holding company, IFC’s ability to meet its financial obligations is dependent primarily upon the receipt of interest and principal, management fees, cash dividends and other payments from its subsidiaries, together with proceeds raised by IFC through the issuance of equity and debt securities. IFC’s subsidiaries are distinct legal entities and have no legal obligation, contingent or otherwise, to pay any amount due under the Notes or to make any amounts available therefor. In addition, the payment of dividends and the making of loans, advances and other payments to IFC by its subsidiaries may be limited by applicable corporate and insurance law restrictions or contractual restrictions, will depend on the earnings of the subsidiaries and will be subject to various business and other considerations.

### **Ratings**

The value of the Notes will be affected by the general creditworthiness of IFC. There is no assurance that any rating assigned to the Notes issued hereunder will remain in effect for any given period of time or that any rating will not be lowered or withdrawn entirely by the relevant rating agency. A lowering or withdrawal of such rating may have an adverse effect on the market value of the Notes.

### **Absence of Public Market for the Notes**

The Offered Notes will be newly issued securities for which there is no existing trading market. IFC does not intend to list the Notes on any Canadian, U.S. or other securities exchange. This may affect the pricing of the Notes in the secondary market, the transparency and availability of trading prices, the liquidity of the Notes and the extent of issuer regulation. There can be no assurance that a secondary market will develop for the Notes or that any secondary market that does develop will continue. Accordingly, purchasers may not be able to sell the Notes. In addition, if a trading market develops for the Notes, the Notes could trade at prices that may be higher or lower than their initial offering prices, depending on many factors, including prevailing interest rates, IFC’s results of operations and financial position, the ratings assigned to the Notes and IFC’s other debt securities and the markets for similar debt securities.

### **Interest Rate Risks**

Prevailing interest rates will affect the market price or value of the Notes. Generally, the market price or value of the Notes will decline as prevailing interest rates for comparable debt instruments rise and increase as prevailing interest rates for comparable debt instruments decline. Fluctuations in interest rates may also impact borrowing costs of IFC which may adversely affect its creditworthiness.



**Redemption of Notes**

IFC may choose to redeem the Notes from time to time, especially when prevailing interest rates are lower than those payable by IFC under the terms of the Notes. If prevailing rates are lower at the time of redemption, a purchaser would not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the rate on the Notes being redeemed. IFC's redemption right may also adversely impact a purchaser's ability to sell the Notes as the optional redemption date or period approaches.

**No Limitations on Debt**

The Indenture will not contain any provision limiting IFC's ability to incur indebtedness generally.

**No Event Risk Protection**

The Indenture will not contain any provision that would afford holders of Notes protection should IFC be involved in a highly leveraged or similar transaction.

**LEGAL MATTERS**

In connection with the issue and sale of the Offered Notes, certain legal matters will be passed upon, on behalf of IFC, by McMillan LLP and, on behalf of the Dealers, by Stikeman Elliott LLP. As of the date hereof, the partners and associates of McMillan LLP and Stikeman Elliott LLP, respectively, as a group, beneficially own, directly or indirectly, less than 1% of the issued and outstanding securities of IFC or any associates or affiliates of IFC.

**TRUSTEE**

The Trustee for the Offered Notes is Computershare Trust Company of Canada at its principal office in Toronto, Ontario.

## CONSENT OF AUDITORS

We have read the short form base shelf prospectus of Intact Financial Corporation (“IFC”) dated May 21, 2009, as supplemented by the prospectus supplement of IFC dated May 21, 2009 and pricing supplement No. 3 dated March 17, 2010 (collectively, the “Prospectus”) relating to the issue and sale of \$100,000,000 principal amount of Series 2 6.40% unsecured medium term notes due November 23, 2039. We have complied with Canadian generally accepted standards for an auditor’s involvement with offering documents.

We consent to the incorporation by reference in the Prospectus, of our report to the shareholders of IFC on the consolidated balance sheets of IFC as at December 31, 2009 and 2008 and the consolidated statements of income, comprehensive income (loss), changes in shareholders’ equity and cash flows for the years then ended. Our report is dated February 12, 2010.

Toronto, Ontario  
March 17, 2010

(Signed) Ernst & Young LLP  
Chartered Accountants  
Licensed Public Accountants

**CERTIFICATE OF THE DEALERS**

Dated: March 17, 2010

To the best of our knowledge, information and belief, the short form base shelf prospectus dated May 21, 2009, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and the supplement as required by the securities legislation of all provinces and territories of Canada.

CIBC WORLD MARKETS INC.

TD SECURITIES INC.

By: (Signed) DONALD A. FOX

By: (Signed) JONATHAN BROER