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 July 5, 2011 and the short form base shelf prospectus dated July 5, 2011, 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 the 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.*

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 Regulation S under the U.S. Securities Act).

PRICING SUPPLEMENT NO. 3

(to the short form base shelf prospectus dated July 5, 2011, as supplemented by the prospectus supplement dated July 5, 2011)

September 5, 2012

INTACT FINANCIAL CORPORATION

$50,000,000
Series 5 5.16% Unsecured Medium Term Notes Due June 16, 2042 (Re-opening)

The Series 5 5.16% unsecured medium term notes due June 16, 2042 (the "Notes") offered hereunder (the "Offered Notes") will be issued under a trust indenture made as of May 21, 2009 (the "Base Indenture"), as supplemented by a fifth supplemental indenture made as of June 15, 2012 (together, the "Indenture"), between Intact Financial Corporation ("IFC") and Computershare Trust Company of Canada, as trustee (the "Trustee"). $200 million aggregate principal amount of the Notes was previously issued on June 15, 2012 as described in Pricing Supplement No. 2 of IFC dated June 12, 2012.

CIBC World Markets Inc. (the "Dealer"), as agent, conditionally offers 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 Dealer by Stikeman Elliott LLP.

CIBC World Markets Inc. is a wholly-owned subsidiary of a bank which is currently a party to a credit agreement with IFC. CIBC World Markets Inc. has also acted as a financial advisor to IFC in connection with the Acquisition (as defined herein) and is receiving a fee therefor. **Accordingly, IFC may be considered a "connected issuer" of CIBC World Markets Inc. within the meaning of applicable securities legislation.** See "Plan of Distribution".

Subscriptions for the Offered Notes will be received by the Dealer 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 September 10, 2012 or such later date as IFC and the Dealer 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 Base 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 Base 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 July 5, 2011, as supplemented by the prospectus supplement of IFC dated July 5, 2011 (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 5 5.16% Unsecured Medium Term Notes due June 16, 2042.
Issue Price:	$1,020.65 (per $1,000 principal amount of Offered Notes) plus accrued interest of $12.29917808 per $1,000 principal amount of Offered Notes.
Interest:	The Notes bear interest at a fixed annual rate of 5.16%, payable in equal semi-annual instalments on June 16 and December 16 in each year (except for the initial payment). The aggregate initial interest payment, payable on December 16, 2012, will be $6,485,342.46 (representing $25.94136985 per $1,000 principal amount of Notes).
Currency:	Canadian dollars.
Delivery Date:	September 10, 2012.
Stated Maturity Date:	June 16, 2042.
Specified Denominations:	$1,000 and integral multiples thereof.
ISIN / CUSIP:	CA 45823ZAD48 / 45823ZAD4.
Use of Proceeds:	The net proceeds from this offering of the Offered Notes will be used for general corporate and investment purposes.
Redemption at the Option of IFC:	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 *pro rata* 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. "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 June 16, 2042 equal to the Government of Canada Yield, plus 69.5 basis points, compounded semi-annually and calculated on the day that is three business days prior to the date of redemption. "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 June 16, 2042. Unless IFC defaults in payment of the redemption price, the Notes will cease to accrue interest on their respective redemption date. Any Notes that are redeemed by IFC will be cancelled and will not be reissued.

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.
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 Baa1 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 good credit quality, with substantial capacity for the payment of financial obligations. Entities in the A category, however, are considered to be more vulnerable to future events, but qualifying negative factors are considered manageable. The ratings from AA to C 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 obligations rating scale that ranges from Aaa to C, which represents the range from highest to lowest quality of such securities rated. Obligations which are rated in the Baa category by Moody's are considered to be of medium grade and may possess certain speculative characteristics and are subject to moderate credit risk. Moody's applies numerical modifiers to each generic rating classification from Aa to Caa. The modifier 1 indicates a ranking in the higher 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 Offered Notes:	**There is no market through which the Offered Notes may be sold and purchasers may not be able to resell the Offered 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(1)	**Dealer's Commission**(2)	**Net Proceeds to IFC**(3)
Per $1,000 principal amount of the Offered Notes	$1,020.65 (102.065%)	$5.00 (0.50%)	$1,015.65 (101.565%)
Total	$51,032,500 (102.065%)	$250,000 (0.50%)	$50,782,500 (101.565%)

(1) Plus accrued interest of $12.29917808 per $1,000 principal amount of the Offered Notes.

(2) IFC has agreed to pay the Dealer 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 $100,000 which, together with the Dealer's fee, will be paid from the proceeds of this offering.

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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, 2012;

(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, 2011 and management's discussion and analysis related thereto;

(c) the management proxy circular of IFC dated March 30, 2012 in respect of IFC's annual meeting of shareholders held on May 2, 2012;

(d) the unaudited interim consolidated financial statements of IFC together with the notes thereto as at and for the six months ended June 30, 2012 and management's discussion and analysis related thereto;

(e) the material change report of IFC dated May 11, 2012 (the "Material Change Report") relating to the entering into of a share purchase agreement (the "Share Purchase Agreement") with The Westaim Corporation ("Westaim") for the purchase of all of the issued and outstanding shares of JEVCO Insurance Company ("JEVCO") and the completion of an offering of 3,780,000 subscription receipts (the "Subscription Receipts"); and

(f) the business acquisition report of IFC dated September 26, 2011 relating to the acquisition of all of the issued and outstanding shares of AXA Canada Inc.

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.

FORWARD-LOOKING STATEMENTS

Certain of the statements included or incorporated by reference in this Pricing Supplement and the Prospectus about IFC's current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. The words "may", "will", "would", "should", "could", "expects", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "predicts", "likely" or "potential" or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements.

Forward-looking statements are based on estimates and assumptions made by IFC in light of IFC's experience and perception of historical trends, current conditions and expected future developments, as well as other factors that IFC believes are appropriate in the circumstances. Many factors could cause IFC's actual results, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the following factors: IFC's ability to implement its strategy or operate its business as IFC currently expects; IFC's ability to accurately assess the risks associated with the insurance policies that IFC writes; unfavourable capital market developments or other factors which may affect its investments and its funding obligations under its pension plans; the cyclical nature of the property and casualty insurance industry; IFC's ability to accurately predict future claims frequency; government regulations designed to protect policyholders and creditors rather than investors; litigation and regulatory actions; periodic negative publicity regarding the insurance industry; intense competition; IFC's reliance on brokers and third parties to sell its products to their clients; IFC's ability to successfully pursue its acquisition strategy; IFC's ability to execute its business strategy; IFC's participation in the Facility Association (a mandatory pooling arrangement among all industry participants) and similar mandated risk-sharing pools; terrorist attacks and ensuing events; the occurrence of catastrophic events; IFC's ability to maintain its financial strength and debt ratings; IFC's access to debt financing and its ability to compete for large commercial business; IFC's ability to alleviate risk through reinsurance; IFC's ability to successfully manage credit risk (including credit risk related to the financial health of reinsurers); IFC's reliance on information technology and telecommunications systems; IFC's dependence on key employees; general economic, financial and political conditions; IFC's dependence on the results of operations of its subsidiaries; the volatility of the stock market and other factors affecting IFC's share price; and future sales of a substantial number of IFC's common shares.

The Material Change Report also contains additional forward-looking statements relating to the Acquisition (as defined herein) which have been incorporated by reference in this Pricing Supplement and the Prospectus and are qualified by the cautionary statements contained in the Material Change Report under the heading "Forward-Looking Statements".

All of the forward-looking statements included or incorporated by reference in this Pricing Supplement and the Prospectus are qualified by these cautionary statements and the cautionary statements contained in the Material Change Report, those made in the "Risk Factors" section of this Pricing Supplement, those made in the "Risk Management" sections of the documents listed under paragraphs (b) and (d) under "Documents Incorporated by Reference", the "Risks Relating to the Acquisition" section in Schedule "A" to the Material Change Report and IFC's other filings with the securities commissions or similar authorities in Canada that are incorporated by reference in this Pricing Supplement and the Prospectus. These factors are not intended to represent a complete list of factors that could affect IFC. These factors should, however, be considered carefully, and readers should not place undue reliance on forward-looking statements made in this Pricing Supplement and the Prospectus or in the documents incorporated by reference. IFC has no intention and undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

ELIGIBILITY FOR INVESTMENT

In the opinion of McMillan LLP, counsel to IFC, and Stikeman Elliott LLP, counsel to the Dealer, 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 ("RRSP"), a registered retirement income fund ("RRIF"), a registered education savings plan, a registered disability savings plan, a tax-free savings account ("TFSA") 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 RRSP, RRIF or TFSA where the annuitant of the RRSP or RRIF or the holder of the TFSA is not a "specified shareholder" of IFC, within the meaning of the Tax Act, and IFC deals at arm's length with the annuitant or the holder and any person or partnership in which the annuitant or the holder has a "significant interest", within the meaning of the Tax Act.

INTACT FINANCIAL CORPORATION

IFC is the largest provider of property and casualty ("P&C") insurance in Canada, insuring more than five million individuals and businesses through our insurance subsidiaries. We distribute insurance under the Intact Insurance brand through a network of brokers and our wholly-owned subsidiary, BrokerLink. We also distribute insurance direct to customers through our belairdirect and Grey Power brands. We manage our own investment portfolio of approximately $11.7 billion.

RECENT DEVELOPMENTS

The Acquisition

On May 2, 2012, IFC and a wholly-owned subsidiary of IFC entered into the Share Purchase Agreement with Westaim for the purchase of all of the issued and outstanding shares of JEVCO (the "Acquisition").

Concurrent with the execution of the Share Purchase Agreement, IFC entered into an agreement with a group of underwriters with respect to an offering of 3,780,000 Subscription Receipts (the "Subscription Receipt Offering") which was completed on May 11, 2012 resulting in gross proceeds of $237,195,000.

On June 15, 2012, IFC issued $200 million principal amount of the Notes (the "MTN Offering"). $100 million of the net proceeds from the MTN Offering were used, together with existing cash resources, to repay the remaining $150 million of indebtedness outstanding under the terms of IFC's three year term loan facility which had been used to fund a portion of the purchase price for the acquisition of AXA Canada Inc.

On September 5, 2012, IFC announced that it had completed the Acquisition. The aggregate cash consideration paid by IFC on the closing of the Acquisition was $530 million which was funded from the proceeds of the Subscription Receipt Offering, the remaining proceeds of the MTN Offering and existing cash resources. As a result of the closing of the Acquisition, the escrow release conditions for the Subscription Receipts were met and the Subscription Receipts were automatically exchanged in accordance with their terms on a one-for-one basis for Common Shares (as defined herein) through the facilities of CDS. In addition, a dividend equivalent payment of $0.40 per Subscription Receipt will also be payable to holders of Subscription Receipts as a result of IFC having declared a dividend of $0.40 per Common Share payable to shareholders of record on June 15, 2012.

Additional information with respect to the Acquisition and the terms of the Subscription Receipts is contained in IFC's Material Change Report which is incorporated by reference in this Pricing Supplement and the Prospectus and available on our SEDAR profile at www.sedar.com.

The Acquisition is not considered to be a "significant acquisition" of IFC for purposes of Part 8 of National Instrument 51-102 Continuous Disclosure Obligations.

Preliminary Estimate of Financial Impact from Summer Storms

On September 5, 2012, IFC announced that severe weather events and storms occurring in July and August of 2012 across the Provinces of Alberta, Ontario and Québec were expected to have an after-tax impact to IFC in the third quarter of 2012, net of reinsurance, of approximately $110 million to $130 million ($0.85 to $1.00 per Common Share).

USE OF PROCEEDS

The net proceeds to IFC from the sale of the Offered Notes will be used for general corporate and investment purposes.

CONSOLIDATED CAPITALIZATION

The following table sets forth our consolidated capitalization as at June 30, 2012 both on an actual basis and as adjusted to give effect to this offering of the Offered Notes and the completion of the Acquisition.

	June 30, 2012	
	Actual	As adjusted
	(in millions of Canadian dollars)	
Indebtedness		
Series 1 Notes(1)	$ 250	$ 250
Series 2 Notes(1)	250	250
Series 3 Notes(1)	100	100
Series 4 Notes(1)	300	300
Series 5 Notes(1)	200	250
Total indebtedness	$1,100	$ 1,150
Shareholders' equity		
Series 1 Preferred Shares	$ 244	$ 244
Series 3 Preferred Shares	245	245
Common Shares	1,889(2)	2,117(2)(3)
Contributed Surplus	118	118
Retained Earnings	1,770	1,769(4)
Accumulated other comprehensive income	148	148
Total shareholders' equity	$4,414	$ 4,641
Total capitalization	$5,514	$ 5,791

Notes:

(1) As at June 30, 2012, IFC had outstanding in aggregate $1,100 million principal amount of unsecured medium term notes of which the Series 1 $250 million principal amount of notes bear interest at a fixed annual rate of 5.41% and mature on September 3, 2019, the Series 2 $250 million principal amount of notes bear interest at a fixed annual rate of 6.40% and mature on November 23, 2039, the Series 3 $100 million principal amount of notes bear interest at a fixed annual rate of 6.20% and mature on July 8, 2061, the Series 4 $300 million principal amount of notes bear interest at a fixed annual rate of 4.70% and mature on August 18, 2021 and the Series 5 Notes bear interest at a fixed annual rate of 5.16% and mature on June 16, 2042.

(2) IFC's authorized share capital consists of an unlimited number of Common Shares and an unlimited number of Class A Shares (issuable in series). As at June 30, 2012, 129,553,665 Common Shares, 10,000,000 non-cumulative rate reset Class A Shares, series 1 (the "Series 1 Preferred Shares") and 10,000,000 non-cumulative rate reset Class A Shares, series 3 (the "Series 3 Preferred Shares") were issued and outstanding.

(3) Includes 3,780,000 Common Shares issued upon the exchange of the Subscription Receipts in accordance with their terms. See "Recent Developments".

(4) The "As adjusted" retained earnings amount includes estimated Acquisition costs, net of tax.

EARNINGS COVERAGE RATIOS

The following table sets forth the earnings coverage ratios for IFC for the twelve-month periods ended December 31, 2011 and June 30, 2012 after giving effect to the issuance of the Offered Notes.

	Twelve months ended	
	December 31, 2011	**June 30, 2012**
Earnings coverage on long-term debt	6.9 times	7.5 times

After giving effect to the issuance of the Offered Notes, IFC's consolidated borrowing costs requirements for the twelve-month periods ended December 31, 2011 and June 30, 2012 would have been $92 million and $90 million, respectively. IFC's consolidated earnings before borrowing costs and income taxes for the twelve-month periods ended December 31, 2011 and June 30, 2012 would have been $635 million and $677 million, respectively, representing 6.9 times and 7.5 times, respectively, IFC's aggregate dividend and borrowing cost requirements for these periods.

The earnings coverage ratios described above for the twelve months ended December 31, 2011 and June 30, 2012 were calculated based on financial information prepared in accordance with International Financial Reporting Standards ("IFRS").

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

DESCRIPTION OF SHARE CAPITAL

Our authorized share capital currently consists of an unlimited number of common shares ("Common Shares") and an unlimited number of Class A shares ("Class A Shares") issuable in series.

As at September 5, 2012, 133,333,665 Common Shares, 10,000,000 Series 1 Preferred Shares and 10,000,000 Series 3 Preferred Shares were issued and outstanding.

Common Shares

Holders of Common Shares are entitled to receive dividends as and when declared by our Board of Directors and, unless otherwise provided by legislation, are entitled to one vote per Common Share on all matters to be voted on at all meetings of shareholders. Upon our voluntary or involuntary liquidation, dissolution or winding-up, the holders of Common Shares are entitled to share rateably in the remaining assets available for distribution, after payment of liabilities. The Common Shares are listed on the Toronto Stock Exchange (the "TSX").

Class A Shares

The Class A Shares are issuable from time to time in one or more series. Our Board of Directors is authorized to fix before issue the number of, the consideration per share of, the designation of, and the provisions attaching to, the Class A Shares of each series, which may include voting rights. The Class A Shares of each series rank equally with the Class A Shares of every other series and rank in priority to the Common Shares with respect to dividends and return of capital in the event of our liquidation, dissolution or winding-up. The Series 1 Preferred Shares and the Series 3 Preferred Shares are listed on the TSX.

The terms of the Common Shares and the Class A Shares (as a class) and the terms of the Series 1 Preferred Shares and the Series 3 Preferred Shares are available on our SEDAR profile at www.sedar.com.

Shareholder Rights Plan

On February 9, 2011, IFC announced the adoption of a shareholder rights plan (the "Shareholder Rights Plan") by our Board of Directors, which was accepted by the TSX. The Shareholder Rights Plan was approved by the shareholders of IFC at a meeting held on May 4, 2011. A summary of the Shareholder Rights Plan can be found in our annual information form dated March 30, 2012 (at pages 23 to 26) which, together with a copy of the Shareholder Rights Plan Agreement, is available on our SEDAR profile at www.sedar.com.

PRICE RANGE AND TRADING VOLUME OF THE COMMON SHARES AND THE PREFERRED SHARES

The outstanding Common Shares are traded on the TSX under the trading symbol "IFC". The following table sets forth the reported high and low trading prices and trading volumes of the Common Shares as reported by the TSX from September 2011.

Period	High ($)	Low ($)	Volume
2012			
September (1 – 4)	60.75	60.12	125,420
August	64.35	59.43	5,080,402
July	64.69	61.72	3,104,285
June	63.74	60.00	5,153,745
May	65.00	62.60	7,121,270
April	63.84	59.58	5,492,515
March	61.34	57.37	4,881,792
February	61.69	58.55	3,712,690
January	59.79	55.65	4,461,800
2011			
December	59.65	56.28	5,422,638
November	59.82	54.27	6,482,659
October	58.85	53.37	6,193,671
September	57.75	52.76	5,667,576

On September 4, 2012, the closing price of the Common Shares was $60.55.

The outstanding Series 1 Preferred Shares are traded on the TSX under the trading symbol "IFC.PR.A". The following table sets forth the reported high and low trading prices and trading volumes of the Series 1 Preferred Shares as reported by the TSX from September 2011.

Period	High ($)	Low ($)	Volume
2012			
September (1 – 4)	25.79	25.62	3,100
August	25.99	25.55	119,414
July	25.83	25.30	157,809
June	25.60	25.10	213,280
May	25.85	25.11	225,260
April	25.86	25.37	295,351
March	25.88	25.07	217,918
February	25.89	25.05	162,607
January	25.86	25.01	400,204
2011			
December	25.35	24.56	309,985
November	25.20	24.66	229,851
October	25.43	24.75	564,570
September	25.14	24.86	334,891

On September 4, 2012, the closing price of the Series 1 Preferred Shares was $25.79.

The outstanding Series 3 Preferred Shares are traded on the TSX under the trading symbol "IFC.PR.C". The following table sets forth the reported high and low trading prices and trading volumes of the Series 3 Preferred Shares as reported by the TSX from September 2011.

Period	High ($)	Low ($)	Volume
2012			
September (1 − 4)	26.03	26.00	600
August	26.20	25.74	95,859
July	26.09	25.52	82,512
June	25.90	25.41	121,751
May	26.14	25.55	190,780
April	26.20	25.45	255,708
March	26.23	25.31	217,932
February	26.17	25.20	244,263
January	25.99	25.17	387,360
2011			
December	25.39	25.00	209,530
November	25.61	25.00	297,397
October	25.59	24.91	397,605
September	25.16	24.90	657,462

On September 4, 2012, the closing price of the Series 3 Preferred Shares was $26.00.

DIVIDENDS

During the year ended December 31, 2011, IFC paid four quarterly dividends aggregating $1.48 per Common Share. The payment of dividends is subject to the discretion of our Board of Directors and depends on, among other things, the financial condition of IFC, general business conditions, restrictions regarding the payment of dividends to IFC by its subsidiaries and other factors that our Board of Directors may in the future consider to be relevant.

The following table sets forth the dividends paid per share on the Common Shares in each of the four most recently completed fiscal years:

Payment date	Dividend amount ($)
March 31, 2008	0.31
June 30, 2008	0.31
September 30, 2008	0.31
December 31, 2008	0.31
March 31, 2009	0.32
June 30, 2009	0.32
September 30, 2009	0.32
December 31, 2009	0.32
March 31, 2010	0.34
June 30, 2010	0.34
September 30, 2010	0.34
December 31, 2010	0.34
March 31, 2011	0.37
June 30, 2011	0.37
September 30, 2011	0.37
December 30, 2011	0.37

On March 30, 2012 and June 30, 2012, IFC paid a quarterly dividend of $0.40 per Common Share. In addition, a dividend equivalent payment of $0.40 per Subscription Receipt will also be payable to holders of Subscription Receipts as a result of IFC having declared a dividend of $0.40 per Common Share payable to shareholders of record on June 15, 2012 (see "Recent Developments – The Acquisition"). Our Board of Directors has declared a quarterly dividend of $0.40 per Common Share payable on September 28, 2012 to shareholders of record on September 14, 2012.

As a holding company with no direct operations, IFC relies on cash dividends and other permitted payments from its subsidiaries and its own cash balances to pay dividends to its shareholders. The amount of dividends payable to IFC by its subsidiaries may be limited by applicable corporate and insurance law restrictions.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of McMillan LLP, counsel to IFC, and Stikeman Elliott LLP, counsel to the Dealer, 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 or is deemed to be 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 or concern 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.

The Offered Notes will be issued at an amount that exceeds the stated principal amount of the Notes (the "premium"). A Holder will not be entitled to amortize or otherwise deduct the premium on a Note. Instead, the premium will be included in calculating the adjusted cost base to a Holder of the Note and, as a result, a Holder may realize a capital loss on the disposition of the Note as discussed below.

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.

Generally, one-half of the amount of any capital gain (a "taxable capital gain") realized by a Holder in a taxation year 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 may 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 6⅔% on certain investment income, including amounts of interest and taxable capital gains.

PLAN OF DISTRIBUTION

Under an agreement (the "Dealer Agreement") dated September 5, 2012 between the Dealer and IFC, the Dealer has 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 September 10, 2012 or such later date as IFC and the Dealer 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 Dealer under the Dealer Agreement may be terminated at its discretion upon the occurrence of certain stated events in accordance with the terms of the Dealer Agreement.

The Dealer Agreement provides that the Dealer 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.

CIBC World Markets Inc. is a wholly-owned subsidiary of a bank which is currently a party to a credit agreement with IFC. CIBC World Markets Inc. has also acted as a financial advisor to IFC in connection with the Acquisition and is receiving a fee therefor. Accordingly, IFC may be considered a "connected issuer" of CIBC World Markets Inc. within the meaning of applicable securities legislation. The Dealer will not receive any direct benefit from the offering of the Offered Notes other than the fee to be paid to the Dealer in connection with the offering of the Offered Notes as described above. The decision to distribute the Offered Notes and the determination of the terms of the offering were made through negotiation between IFC and the Dealer. No bank had any involvement in such decision or determination. The Dealer has participated in the structuring and pricing of this offering. In addition, the Dealer has participated in due diligence meetings relating to this Pricing Supplement with IFC and its representatives, has reviewed this Pricing Supplement and has had the opportunity to propose such changes to this Pricing Supplement as it considered appropriate.

IFC reserves the right to accept or reject any subscription in whole or in part. While the Dealer has agreed to use its reasonable best efforts to sell the Offered Notes, the Dealer is not obligated to purchase any Offered Notes which are not sold.

The Dealer 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 Dealer 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. The Dealer 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 the 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 involves certain risks. In addition to the other information contained in this Pricing Supplement and the Prospectus and the risks described under the "Risk Management" sections of the documents listed under paragraphs (b) and (d) under "Documents Incorporated by Reference" and the "Risks Relating to the Acquisition" section in Schedule "A" to the Material Change Report, prospective purchasers of the Offered Notes should carefully consider the risk factors set forth below.

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 Offered 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 Offered Notes or that any secondary market that does develop will continue. Accordingly, purchasers may not be able to sell the Offered 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 the Notes protection should IFC be involved in a highly leveraged or similar transaction.

Pension Fund Obligations

The liabilities of IFC's employee future benefit plans at December 31, 2011 were $1,371 million under IFRS. Some of IFC's defined pension plans are not fully funded. For these plans, the aggregate amount of liabilities is $1,126.8 million at December 31, 2011 ($447.7 million as at December 31, 2010), and the fair value of plan assets is $828.2 million as at December 31, 2011 ($370.0 million as at December 31, 2010), which results in a net deficit of $298.6 million at December 31, 2011 ($77.7 million as at December 31, 2010).

Our best estimate of IFC's aggregate annual mandatory pension funding contribution is between 7% and 10% of aggregate plan assets (plan assets were $1,093 million as at December 31, 2011). This mandatory funding estimate includes an annual contribution requirement in the range of 4% and 6% of total plan assets to fund past service deficits which would be payable over five years. A significant increase in the level of contributions could have a material adverse impact on our business, financial condition, results of operations and cash flows.

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 Dealer, 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 pricing supplement No. 3 dated September 5, 2012 to the short form base shelf prospectus dated July 5, 2011 as supplemented by the prospectus supplement dated July 5, 2011 of Intact Financial Corporation ("IFC") (collectively, the "Prospectus") relating to the offer and issue of $50,000,000 principal amount of Series 5 5.16% unsecured medium term notes due June 16, 2042 (Re-opening). 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, 2011 and 2010, and January 1, 2010, and the consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for each of the years in the two year period ended December 31, 2011. Our report is dated February 7, 2012.

Montréal, Canada
September 5, 2012

(Signed) Ernst & Young LLP[1]

[1] CPA auditor, CA, public accountancy permit no. A114960

CONSENT OF AUDITORS

We have read the Pricing Supplement No. 3 of Intact Financial Corporation ("IFC") dated September 5, 2012 to the Short Form Base Shelf Prospectus of IFC dated July 5, 2011 as supplemented by the Prospectus Supplement of IFC dated July 5, 2011, relating to the offer and issue of $50,000,000 of principal amount of Series 5 5.16% Unsecured Medium Term Notes due June 16, 2042 of IFC (collectively the "Prospectus"). 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 above-mentioned Prospectus of our report to the Directors of AXA Canada Inc. on the consolidated balance sheets of AXA Canada Inc. as at December 31, 2010 and 2009 and the consolidated statements of earnings, changes in shareholder's equity, comprehensive income and accumulated other comprehensive income and cash flows for each of the years in the two year period ended December 31, 2010. Our report is dated March 15, 2011 (except as to note 26, which is as of May 31, 2011).

Montréal, Québec, Canada
September 5, 2012

(Signed) PricewaterhouseCoopers LLP[1]

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[1] CPA auditor, CA, public accountancy permit No. A127593

CERTIFICATE OF THE DEALER

Dated: September 5, 2012

To the best of our knowledge, information and belief, the short form base shelf prospectus dated July 5, 2011, 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 this supplement as required by the securities legislation of all provinces and territories of Canada.

CIBC WORLD MARKETS INC.

By: (Signed) DONALD A. FOX