

Quebec Endorsement Form

Q.E.F. No. 43 (Option A and E) Change to indemnity (Section B)

The **endorsement** heading and the applicable options must be entered in the “Declarations” section of the insurance contract. Details required for the **endorsement** may be entered in the “Declarations” section or in the **endorsement** itself, at the **insurer’s** option.

Name of insurer: As stated in the “Declarations”.

Named insured: As stated in the “Declarations”.

Endorsement to automobile insurance policy no: As stated in the “Declarations”.

Effective date: As stated in the “Declarations”.

Additional insurance premium and due date: As stated in the “Declarations”.

Specified vehicle: This **endorsement** will apply only to the **described vehicle** as stated in the “Declarations”.

ENDORSEMENT DESCRIPTION

This **endorsement** extends coverage under Section B of the insurance contract by changing, depending on the applicable options, Article 2, “Reporting a loss and submitting a claim.”

Changes made by these options relate to how the value of **damage** is calculated.

APPLICATION OF ENDORSEMENT

For the options to apply to the specified vehicle, they must be entered in the “Declarations” section of the insurance contract.

The **deductible** entered in the “Declarations” section for the specified vehicle will be assumed by the **named insured**.

Limitation on the coverage: The following conditions apply:

- you must be the original purchaser and the automobile must be new at the time of delivery; and
- the loss or damage must occur before expiry date of the policy that is in force within 5 years of the model year of the automobile.

VALUE OF DAMAGE IN EVENT OF PARTIAL LOSS

Option 43A relates to calculation of the value of **damage** payable by the **insurer** in the event of repair or replacement of damaged parts.

This option changes Article 2.1, “Reporting a loss and submitting a claim.” However, the rules set out in the first paragraph of Article 2.1.1 of that section continue to apply.

Option 43A – Partial loss – New parts

In the event of partial loss, when the damaged parts can be repaired, the value of **damage** will be calculated in accordance with Article 2.1, “Reporting a loss and submitting a claim.” However, there will be no deduction for depreciation.

If the **insurer** determines that damaged parts cannot be repaired and must be replaced, there will be no deduction for depreciation. In addition:

- the value of **damage** will be calculated on the basis of the cost of new original equipment manufacturer parts;

- if glass is damaged, the **named insured** may ask for it to be replaced by a new original equipment manufacturer part or by a new similar part.

If a new part is out of stock or no longer being manufactured, the liability of the **insurer** will be limited to the latest list price of the new original equipment manufacturer part.

If the damaged parts are not repaired or replaced by new parts, Option 43A will not apply.

VALUE OF DAMAGE IN EVENT OF TOTAL LOSS OR TOTAL CONSTRUCTIVE LOSS

Options 43E relate to calculation of the value of **damage** payable by the **insurer** in the event of total loss or total constructive loss. They amend Article 2.2, "Reporting a loss and submitting a claim."

Option 43E – Total loss – Replacement cost

In the event of total loss or total constructive loss, the **named insured** may choose one of the following three indemnity options:

1. Replacement by a new vehicle

If the specified vehicle is replaced by a new vehicle with the same specifications or equipment and accessories, the value of **damage** will be equal to the price of this vehicle.

If no such vehicle is available and the specified vehicle is replaced by a new vehicle with similar specifications or equipment and accessories, the value of **damage** will be equal to the price of this vehicle.

2. Replacement by a used vehicle, or by a new vehicle other than as in paragraph 1

If the specified vehicle is replaced by a used vehicle, or by a new vehicle other than as in paragraph 1, the value of **damage** will be equal to:

- the price paid for the specified vehicle by the **named insured** who is the actual owner; or
- the price of the used or new vehicle that replaces the specified vehicle;

whichever is higher.

However, the value of **damage** may not be greater than the price that the **insurer** would have paid had paragraph 1 applied.

3. Marked-up price paid

The **named insured** may request to receive an indemnity in cash. In this case, the value of **damage** will be equal to the price paid for the specified vehicle by the **named insured** who is the actual owner, increased by an annually compounded percentage, calculated in proportion to the number of days elapsed between the date of the vehicle purchase contract and the date of the total loss or total constructive loss.

Price paid: price charged for the specified vehicle as indicated in the purchase contract, long-term lease or contract of leasing, including its equipment and accessories only.

The percentage to be used to calculate the marked-up price paid must correspond to the consumer price index (CPI) for the automobile sector, as published by the Institut de la statistique du Québec. If the CPI for the year of the **loss** is unknown, the CPI from the previous year must be used.

SPECIFIC RULE FOR VEHICLE LEASED OR UNDER A CONTRACT OF LEASING

If the specified vehicle is leased or under a contract of leasing, and if Option 43E applies and the **owner** and lessee are designated in the insurance contract, only the lessee will be entitled to the difference between:

- the value of the specified vehicle, as calculated in accordance with the applicable option; and
- the "actual cash value" of the specified vehicle, as calculated in accordance with Article 2.2, "*Reporting a loss and submitting a claim.*"

All other conditions of the insurance contract remain the same.