

Québec Endorsement Form
Q.E.F. No. 4-43 (A to F)
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.

<p>Name of insurer:</p> <p>Named insured:</p> <p>Endorsement to automobile insurance policy No.:</p> <p>Effective date: This endorsement will apply from at 12:01 A.M. standard time at the address of the named insured.</p> <p>Additional insurance premium payable:</p> <ul style="list-style-type: none">▪ Amount payable:▪ Due date: <p>Specified vehicle: This endorsement will apply only to the following vehicle(s):</p>

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 the following 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.

Except for Option 4-43C, the **named insured** may elect settlement in accordance with Article 2, “Reporting a loss and submitting a claim,” without the selected option being applied. In such instance, the **named insured** must submit a request to the **insurer**.

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

VALUE OF DAMAGE IN EVENT OF PARTIAL LOSS

Options 4-43A and 4-43B relate to calculation of the value of **damage** payable by the **insurer** in the event of repair or replacement of damaged parts.

These options change 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 4-43A – 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 4-43A will not apply.

Option 4-43B – Partial loss – Waiver of depreciation

In the event of partial loss, the value of **damage** will be calculated in accordance with Article 2.1, “*Reporting a loss and submitting a claim.*” However, if the **insurer** determines that depreciation is to be applied to the value of **damage**, this option will cover such depreciation up to a maximum amount of \$..... per **loss**.

However, if the damaged parts are not repaired or replaced, Option 4-43B will not apply.

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

Options 4-43C, 4-43D, 4-43E and 4-43F relate to calculation of the value of **damage** payable by the **insurer** in the event of total loss or total constructive loss. They change Article 2.2, “*Reporting a loss and submitting a claim.*”

Option 4-43C – Total loss – Value of vehicle agreed in advance

In the event of total loss or total constructive loss, the **named insured** and the **insurer** agree that the value of the specified vehicle, on the date of the **loss**, will be: \$..... (“agreed value”).

Option 4-43D – Total loss – Waiver of depreciation

In the event of total loss or total constructive loss, the value of **damage** will be equal to the least of the following amounts:

- the price paid for the specified vehicle by the **named insured** who is the actual owner;
- the current price of the specified vehicle on the original date of purchase; or
- the price for which the **insurer** may, on the date of the **loss**, purchase a new vehicle with specifications or equipment and accessories similar to those of the specified vehicle.

Option 4-43E – 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, 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, 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 higher of the following amounts:

- 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.

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

3. Non-replacement of specified vehicle

If the specified vehicle is not replaced, the value of **damage** will be equal to the least of the following amounts:

- the price paid for the specified vehicle by the named insured who is the actual owner; or
- the current price of the specified vehicle on the original date of purchase.

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

Option 4-43F – Total loss – Increased settlement

In the event of total loss or total constructive loss, the value of **damage** will be equal to:

A – the price paid for the specified vehicle by the **named insured** who is the actual owner, increased by% compounded annually and calculated proportionally to the number of days elapsed between (date) and the date of the **loss**;

or

B – the amount of \$..... increased by% compounded annually and calculated proportionally to the number of days elapsed between (date) and the date of the **loss**;

or

C – the “actual cash value” of the specified vehicle increased by% compounded annually and calculated proportionally to the number of days elapsed between (date) and the date of the **loss**;

or

D – the “actual cash value” of the specified vehicle increased by \$.....

In all instances, the value of **damage** may not be greater than the price for which the **insurer** may, on the date of the **loss**, purchase a new vehicle with specifications, equipment and accessories similar to those of the specified vehicle.

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 4-43D, 4-43E or 4-43F 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.