

Quebec Endorsement Form
Q.E.F. No. 23b

Creditor coverage
(Section B)

The **endorsement** heading must be entered in the "Declarations" section of the insurance contract.

<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">▪ Amounts payable:▪ Due date: <p>Name of creditor:</p> <p>Address of creditor:</p> <p>Specified vehicle: This endorsement will apply only to the following described vehicle: (reference number shown in the "Declarations" section of the insurance contract)</p>

Endorsement description

This **endorsement** provides that the indemnities under Section B of the insurance contract will be paid to the creditor if the specified vehicle is not repaired.

However, if the creditor is a preferred or hypothecary creditor, the indemnities will be paid to the creditor whether or not the specified vehicle is repaired.

The indemnities will be paid to the creditor to the extent of the creditor's interest and up to the amount that is due to the creditor.

Continuation of creditor coverage

The creditor will benefit from coverage under this **endorsement** even if:

- a condition or obligation set out in the following sections and articles of the insurance contract has not been met:
 - Article 8.2, Section B;
 - "General conditions" section;
 - "Reporting a loss and submitting a claim" section;
 - "Effective date, renewal and expiry of insurance contract" section.
- a misrepresentation or concealment was made in the application or the "Declarations" section of the insurance contract; or
- fraud or deceitful representation relating to a **loss** was committed or made by an insured person.

Creditor's commitments

The creditor agrees to:

1. pay, at the **insurer's** request, any **insurance premium** that is due and has not been paid; and
2. promptly report to the **insurer** any change that increases the risks specified in the insurance contract.

The creditor must also pay, at the **insurer's** request, any additional **insurance premium** arising from an increased risk.

The facts to be reported must result from events within the control of the creditor. They must also be likely to materially influence an insurer in:

- analyzing the risk;
- deciding whether to continue or terminate the insurance contract; or
- setting the **insurance premium**.

Insurer's obligation

The **insurer** must give the creditor notice at least 15 days before cancelling or changing any coverage under Section B of the insurance contract.

The **insurer** is required to do so only if cancelling or modifying the coverage is prejudicial to the creditor.

Right of insurer after paying an indemnity (*right of subrogation*)

When the **insurer** pays the creditor an indemnity to which the **named insured** would not have been entitled, the **insurer** will be subrogated to the rights of the creditor against the **named insured** for security given by the latter to the creditor. This means that the creditor's rights are transferred to the **insurer**. Subrogation operates up to the amount of the indemnity paid by the **insurer** to the creditor.

The **insurer** may also decide to pay the entire debt owed by the **named insured** to the creditor, plus accrued interest, in which case all security that the **named insured** provided to the creditor for the full amount of the debt plus interest will be transferred to the **insurer**.

In all instances, the conditions of subrogation must not bar a creditor from exercising its rights.

All other conditions of the insurance contract remain the same.