

Quebec Endorsement Form
Q.E.F. No. 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">▪ Amounts payable:▪ Due date: <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** 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.

Except for Option 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 43A and 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 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.

Option 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 of \$..... per **loss**.

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

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

Options 43C, 43D, 43E and 43F 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 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 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 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.

Option 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 43D, 43E or 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.