

**QUÉBEC AUTOMOBILE INSURANCE  
POLICY FORM**

(Q.P.F.)

**No. 5**

Complementary Insurance  
for Damage Caused to Insured Vehicle Form  
(*Replacement Insurance*)

**CAUTION**

1. Coverage under this Q.P.F. No. 5 complements your primary automobile insurance contract. This means that you will not be indemnified under your Q.P.F. No. 5 if the insurer of your primary insurance contract has not indemnified you.
2. If you wish to remove coverage from your primary insurance contract, ask the insurer what the impact of doing so would be on your Q.P.F. No. 5 coverage.

The removal of coverage from your primary insurance contract will have consequences on the coverage of this Q.P.F. No. 5.

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## INTRODUCTION

The following provides general explanations concerning the insurance contract to make it easier to understand. These explanations must not be used to create any right or coverage.

In case of ambiguity or discrepancy between the introduction and the laws applicable to the insurance contract, the terms of the laws will prevail.

### 1. Documents included in insurance contract

The following documents form part of the insurance contract:

- This document, i.e., the “Québec Automobile Insurance Policy Form (Q.P.F.) No. 5 – *Complementary Insurance for Damage Caused to Insured Vehicle Form (Replacement Insurance)*,” a standard document approved by the *Autorité des marchés financiers*.

Note that the “*Declarations*” section of this insurance policy contains information specific to the **named insured**.

- **Endorsement** (Q.E.F.) No. 5-25 entitled “*Modified Declarations Endorsement*,” if mentioned in Item 4, “*Declarations*.”

### 2. Understanding the insurance contract

Coverage under the insurance contract is limited to complementing coverage under the **primary insurance contract**, unless otherwise indicated in this contract.

Below is useful information to help understand the insurance contract:

- Refer to the “*Table of Contents*” to see how the insurance contract is structured and to locate specific information.
- Words and expressions in bold throughout this document and in the **endorsement** are explained in the “*Definitions*” section.
- The insurance contract must be read as a whole. Consequently, clauses must be interpreted as they relate to each other and considering the entire insurance contract.

**DECLARATIONS**

**ITEM 1**

Name and address of the **named insured**:

The **described vehicle** is and will be mainly used, stored and parked in the town/city and province shown in Item 1. The **named insured** must declare if this is not the case.

**ITEM 2**

Contract period:

From \_\_\_\_\_\* to \_\_\_\_\_\* exclusively.

\*at 12:01 A.M. standard time at the address of the **named insured**.

**ITEM 3**

Particulars of the described vehicle:

YEAR	MAKE	MODEL	IDENTIFICATION NUMBER	DATE PURCHASED OR LEASED	VEHICLE CONDITION (new, demonstrator or used)	PURCHASE PRICE
						\$
Purchase <input type="checkbox"/> Long-term lease <input type="checkbox"/> Contract of leasing <input type="checkbox"/>						

**ITEM 4**

Applicable coverage:

The coverages apply to the **described vehicle** according to its condition and for which an **insurance premium** is shown in the table below:

CONDITION OF DESCRIBED VEHICLE	INSURANCE PREMIUM
NEW VEHICLE <span style="float: right;"><input type="checkbox"/></span>	\$.....
DEMONSTRATOR VEHICLE with no more than ..... km on the odometer <span style="float: right;"><input type="checkbox"/></span>	\$.....
USED VEHICLE <span style="float: right;"><input type="checkbox"/></span>	\$.....
Due date for payment of <b>insurance premium</b> : _____	

## ITEM 5

Important statements for analyzing the risk:

## ITEM 6

Information for the **named insured**:

Name of agent, insurance broker or distributor:

Address of agent, insurance broker or distributor:

## DESCRIPTION OF COVERAGES

The insurance contract covers the same perils as those covered by the **primary insurance contract**. It provides for the payment of an indemnity following the replacement of:

- the **described vehicle** in the event of **total loss**;
- damaged parts in the event of partial loss.

Coverage under the insurance contract is limited to complementing coverage under the **primary insurance contract**, unless otherwise indicated in this contract.

### 1. Coverage in event of total loss of described vehicle

#### 1.1 NEW OR DEMONSTRATOR VEHICLE

In the event of **total loss**, the **insurer** agrees to pay an indemnity only when the **named insured** replaces the **described vehicle**.

##### Calculation of indemnity

The **insurer** agrees to pay an indemnity equal to the difference between:

- the “actual cash value” determined by the **primary insurer**; and
- the value of a **replacement vehicle**.

If no **replacement vehicle** is available, the indemnity will be determined based on the value of an **equivalent vehicle**, in which case that value must be used in the calculation above.

The **named insured** may also replace the **described vehicle** with:

- a vehicle of lower value, in which case the value of that vehicle must be used in the calculation above. The **insurer** will not pay the difference between the value of a **replacement vehicle** or an **equivalent vehicle**, as applicable, and that of the lower value vehicle;
- a vehicle of higher value. The **named insured** must bear any amount over and above the value of a **replacement vehicle** or an **equivalent vehicle**, as applicable.

Any amount not paid by the **insurer** will be borne by the **named insured**.

#### 1.2 USED VEHICLE

In the event of **total loss**, the **insurer** agrees to pay an indemnity only when the **named insured** replaces the **described vehicle**.

##### Calculation of indemnity

The **insurer** agrees to pay an indemnity equal to the difference between:

- the “actual cash value” determined by the **primary insurer**; and
- the **marked-up value** of the **described vehicle**.

The **named insured** may also replace the **described vehicle** with:

- a vehicle of lower value. The **insurer** will not pay the difference between the **marked-up value** of the **described vehicle** and that of the lower value vehicle;
- a vehicle of higher value. The **named insured** bears any amount over and above the **marked-up value** of the **described vehicle**.

Any amount not paid by the **insurer** will be borne by the **named insured**.

## 2. Coverage in event of partial loss of described vehicle

In the event of partial loss, this coverage will apply only if the **described vehicle** is a new or demonstrator vehicle.

When damaged parts cannot be repaired and are replaced with new original equipment manufacturer parts, the **insurer** agrees to bear the difference between:

- the value determined by the **primary insurer** for the damaged parts; and
- the cost of replacing those parts with new original equipment manufacturer parts.

If any new original equipment manufacturer parts are out of stock or no longer manufactured, the liability of the **insurer** will be limited to the latest list price of those parts.

Any amount not paid by the **insurer** will be borne by the **named insured**.

## 3. Additional coverages

In the event of **total loss** or partial loss of the **described vehicle**, the following coverages will apply even if the **insurer** had no amount to bear or pay, provided the **primary insurer** has paid an indemnity.

### 3.1 BEARING OF DEDUCTIBLE

In the event of **total loss**, the **insurer** bears the **deductible** assumed by the **named insured** under the **primary insurance contract** up to a maximum of \$\_\_\_\_\_.

In the event of partial loss, the **insurer** bears the **deductible** assumed by the **named insured** under the **primary insurance contract** up to a maximum of \$\_\_\_\_\_.

The **named insured** will assume any amount of **deductible** exceeding the above maximum.

### 3.2 REIMBURSEMENT OF VEHICLE LEASING EXPENSES

The **insurer** bears any leasing expenses for a vehicle similar to the **described vehicle** when the **named insured** is deprived of his or her vehicle as a result of a loss covered by the **primary insurance contract**.



These expenses will be reimbursed if the **primary insurer**:

- does not bear the expenses; or
- only bears part of the expenses, in which case only expenses not borne by the **primary insurer** will be reimbursed.

Expenses incurred from the first day of leasing will be reimbursed up to a maximum amount of \$\_\_\_\_\_ per day (including taxes) and \$\_\_\_\_\_ in total (including taxes).

## 4. Applicability

### 4.1 APPLICABILITY OF COVERAGE

In order for coverage under the insurance contract to apply, the following conditions must be met:

1. On the date of the loss, the **named insured** holds a **primary insurance contract** that covers the **described vehicle**.
2. The **primary insurer** has paid an indemnity to the **named insured** who is entitled to benefit from coverage under the insurance contract.
3. The **named insured** has replaced the **described vehicle** and submitted to the **insurer** a copy of the purchase contract, long-term lease or contract of leasing for the new vehicle so that the **insurer** is able to determine the indemnity to be paid.
4. For coverage in the event of partial loss, the **named insured** has replaced the damaged parts and submitted supporting documents to the **insurer** so that it is able to determine the indemnity to be paid.

### 4.2 SPECIFIC RULE FOR VEHICLES LEASED OR UNDER A CONTRACT OF LEASING

When the owner and a lessee are named in Item 1, "*Declarations*" of the insurance contract, only the lessee is entitled to benefit from coverage under the insurance contract.

### 4.3 CHANGE OF VEHICLE

Coverage under the insurance contract may not be transferred to another vehicle. If the **named insured** changes vehicles, the insurance contract will terminate.

In such an instance, the **named insured** will be entitled to a refund, as specified in Article 2, "*Effective date, renewal and expiry of insurance contract.*"

## EXCLUSIONS

Unless indicated otherwise in the “*Declarations*” section, the following are excluded from coverage under the insurance contract:

- vehicles used for commercial purposes;
- utility vehicles whose gross vehicle weight is equal to or greater than 4,500 kg (10,000 lbs);
- vehicles used for public service purposes, including:
  - ambulances;
  - buses;
  - driving school vehicles;
  - funeral directors’ vehicles;
  - government or municipal service vehicles, including police or fire department vehicles;
  - Taxicabs.
- equipment and accessories, as well as any other option added to the **described vehicle** by the **named insured** if they do not appear in the purchase contract, long-term lease or contract of leasing.

The following are also excluded under the insurance contract:

- any claim arising from a loss not covered by the **primary insurance contract**;
- any claim that the **primary insurer** refuses to indemnify for any reason whatsoever;
- any reduction in indemnity applied by the **primary insurer** for any reason whatsoever.

## GENERAL CONDITIONS

### 1. Laws applicable to insurance contract

The insurance contract is governed by the following laws:

- *Civil Code of Québec;*
- *Code of Civil Procedure of Québec.*

Some of the general conditions of the insurance contract are a simplified version of the requirements of the above laws. In case of any ambiguity or discrepancy, the terms of the laws will prevail.

### 2. Inspection of described vehicle

At any reasonable time, the **insurer** is entitled to inspect the **described vehicle** and its equipment and accessories.

### 3. Notices to insurer and named insured

Notices to the **insurer** may be sent by any recognized means of communication to the **insurer** or its authorized representative.

Notices to the **named insured** may be delivered personally to the **named insured** or by mail to the **named insured's** last known address.

## REPORTING A LOSS AND SUBMITTING A CLAIM

### 1. What to do in the event of loss

#### 1.1 REPORT LOSS

Notice must be given to the **insurer** as soon as the **named insured** becomes aware of a loss that may be covered under the insurance contract.

Any interested person may also give such notice to the **insurer**.

Failure to fulfil the obligation to report the loss will result in the **named insured** losing his or her right to indemnity if such failure causes prejudice to the **insurer**.

#### 1.2 REPORT ANY ADDITIONAL INFORMATION

When so requested by the **insurer**, the **named insured** will be required to inform the **insurer** as soon as possible of all the circumstances surrounding the loss, including:

- the probable cause of the loss;
- the nature and extent of the **damage**;
- the location of the **described vehicle** or any other property;
- the rights of any person other than the **named insured**;
- any other insurance contracts that may apply.

The **named insured** must also provide the **insurer** with supporting documents. In addition, the **insurer** may require proof of the indemnity paid by the **primary insurer**. The **named insured** must declare under oath that all of the information provided is true.

If, for any serious reason, the **named insured** is unable to fulfil these obligations as soon as possible, the **named insured** will be entitled to a reasonable time in which to do so.

If the **named insured** fails to fulfil these obligations, any interested person may do so on the **named insured's** behalf.

#### 1.3 CONSEQUENCES OF DECEITFUL REPRESENTATIONS

If a person makes a deceitful representation relating to a loss, the person will lose his or her right to an indemnity. The person will lose that right solely with respect to the **damage** caused by the occurrence of the peril to which the deceitful representation relates.

However, if the occurrence of the peril caused **damage** both to property for occupational use and to personal property, the person will lose his or her right to an indemnity solely with respect to the **damage** caused to the class of property to which the deceitful representation relates.

## 2. Time of payment

The **insurer** must pay the indemnity:

- within 60 days after the date on which the loss is reported to the **insurer**; or
- within 60 days after receipt by the **insurer** of the information or supporting documents that it requested.

## 3. Right of insurer after bearing amount (*right of subrogation*)

### 3.1 GENERAL RULE

After having borne an amount, the **insurer** will be subrogated to the rights of the **named insured** against the person responsible for the **damage** caused to the **described vehicle**. This means that the rights of the **named insured** are transferred to the **insurer**.

Subrogation operates up to the amount borne by the **insurer**.

If the **insurer** cannot exercise its right of subrogation due to any act of the **named insured**, the **insurer** may be fully or partly released from its obligations towards the **named insured**.

### 3.2 EXCEPTIONS

In the following two instances, the **insurer** cannot ask the person responsible for the **damage** to reimburse the amount that it has borne:

- a) When that person is a member of the **named insured**'s household.
- b) When that person had care, custody or control of the **described vehicle**, with the consent of the **named insured**. This latter exception will not apply if the person:
  - was engaged in a **garage business** at the time of loss; or
  - failed to comply with the insurance contract or the **primary insurance contract**.

## EFFECTIVE DATE, RENEWAL AND EXPIRY OF INSURANCE CONTRACT

### 1. Effective date and expiry of insurance contract

The insurance contract takes effect and expires at the time and dates indicated in Item 2, “*Declarations*” or, where applicable, in the **endorsement**.

### 2. Termination of insurance contract prior to expiry date

The insurance contract will terminate prior to its expiry date if:

- the **described vehicle** is a **total loss** and the **insurer** has fulfilled its obligations; or
- the use of the **described vehicle** is changed to a use indicated under “*Exclusions*” and the change was not authorized by the **insurer**.

In addition, coverage under the insurance contract may not be transferred to another vehicle. If the **named insured** changes vehicles, the insurance contract will terminate.

In all instances, the **insurer** must refund to the **named insured** any overpayment of **insurance premiums**, as calculated according to the “*Cancellation table*.” The “*Cancellation table*” is part of the insurance contract.

### 3. Renewal of insurance contract

Upon its expiry date, the insurance contract will terminate and may not be renewed.

### 4. Cancellation of insurance contract (*ending of insurance contract*)

#### 4.1 CANCELLATION BY NAMED INSURED

##### 4.1.1 CONDITIONS TO BE MET

The **named insured** may cancel the insurance contract at any time by giving written notice to the **insurer**.

**Named insureds** may mandate one or more of them to send a notice on behalf of them all.

Cancellation takes effect upon receipt by the **insurer** of the notice from each **named insured** or his or her mandatary.

##### 4.1.2 REFUND OF INSURANCE PREMIUM

If the insurance contract is cancelled by the **named insured**, the **insurer** must refund any overpayment of **insurance premiums**, as calculated according to the “*Cancellation table*.” The “*Cancellation table*” is part of the insurance contract.

However, if the **insurance premium** was paid to the **insurer** by the insurance broker or the distributor, the **named insured** may be refunded solely for what has actually been paid or refunded to the insurance broker or the distributor.

## 4.2 CANCELLATION BY INSURER

### 4.2.1 CONDITIONS TO BE MET

The **insurer** may cancel the insurance contract if the **insurance premium** has not been paid.

The **insurer** must send a written notice to each **named insured** or his or her mandatary.

Cancellation takes effect 15 days after receipt of the notice by each **named insured** or his or her mandatary, at their last known addresses.

### 4.2.2 REFUND OF INSURANCE PREMIUM

If the **insurer** cancels the insurance contract, it will be entitled only to the portion of the **insurance premium** corresponding to the number of days for which the **named insured** was actually covered under the insurance contract.

If the **named insured** paid the **insurance premium** in advance, the **insurer** must refund the overpayment. However, if the **insurance premium** was paid to the **insurer** by the insurance broker or the distributor, the **named insured** may be refunded solely for what has actually been paid or refunded to the insurance broker or the distributor.

## 4.3 CANCELLATION FOLLOWING REMOVAL OF COVERAGE UNDER PRIMARY INSURANCE CONTRACT

If the **named insured** removes coverage under his or her **primary insurance contract** and therefore does not receive any indemnity for the **described vehicle** in the event of a **total loss**, the complementary coverage of this contract does not apply. In this case, the **insurer** must retroactively terminate the insurance contract and refund the **named insured** any overpayment of **insurance premiums**.

### 4.3.1 CONDITIONS TO BE MET

In order for the **insurer** to terminate the insurance contract, the **named insured** must provide supporting documents to establish:

- the date when the coverage was removed from the **primary insurance contract**; and
- the complete and permanent loss of the **described vehicle**.

#### 4.3.2 REFUND OF INSURANCE PREMIUM

To calculate the refund of the **insurance premium**, the **insurer** refers to the “*Cancellation table*” and uses the date when the coverage was removed. The “*Cancellation table*” is part of the insurance contract.

However, if the **insurer** has paid an indemnity for a loss that occurred after the date of the removal, the **insurer** will use the date of the day following the loss.

If the **insurance premium** was paid to the **insurer** by the insurance broker or the distributor, the **named insured** may be refunded solely for what has actually been paid or refunded to the insurance broker or the distributor.

<b>CANCELLATION TABLE</b>
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## DEFINITIONS

The definitions below apply to the words and expressions shown in bold in the insurance contract.

**DAMAGE:** Any property damage caused to the **described vehicle**.

**DEDUCTIBLE:** The amount left to be paid by the **named insured** under the **primary insurance contract**.

**DESCRIBED VEHICLE:** A vehicle designated in Item 3, "*Declarations*."

**ENDORSEMENT:** A document modifying the insurance contract and officially called "Québec Endorsement Form" or "Q.E.F."

**EQUIVALENT VEHICLE:** A new vehicle with similar specifications, equipment and accessories as those of the **described vehicle**:

- of the current year, if available; or
- of the year subsequent to the **loss**.

**GARAGE BUSINESS:** Includes any business activity involving the custody, selling, equipping, repairing, maintaining, storing, parking, moving or servicing of **motor vehicles**, trailers or semi-trailers.

**INSURANCE PREMIUM:** The amount payable to the **insurer** in consideration of the coverage provided under the insurance contract.

**INSURER:** The insurer of this insurance contract.

**MARKED-UP VALUE:**

- If the **described vehicle** was purchased or leased from a dealer of **motor vehicles**, trailers or semi-trailers in the 60 days preceding the effective date of the insurance contract, the marked-up value will be the **purchase price** of the **described vehicle** increased by .....% compounded annually, calculated in proportion to the number of days elapsed between the effective date of the contract and the date of the **total loss**.
- In all other instances, the marked-up value will be the value of the **described vehicle** on the date of **total loss** increased by .....% compounded annually, calculated in proportion to the number of days elapsed between the effective date of the insurance contract and the date of the **total loss**.

**MOTOR VEHICLE:** A vehicle propelled by any power other than muscular force and adapted for transportation on public highways but not on rails.

**NAMED INSURED:** A person specified in Item 1, "*Declarations*."

**PRIMARY INSURANCE CONTRACT:** "Québec Automobile Insurance Policy Form (Q.P.F.) No. 1 – *Owners' Form*" or "Québec Automobile Insurance Policy Form (Q.P.F.) No. 4 – *Garage Form*"

and their **endorsements**, issued to the **named insured**. The contract must include Section A and at least one of the protections under Section B.

**PRIMARY INSURER:** The insurer of the **primary insurance contract**.

**PURCHASE PRICE:** The actual price for the **described vehicle**, as indicated in the purchase contract, long-term lease or contract of leasing, including its equipment and accessories only.

**REPLACEMENT VEHICLE:** A new vehicle with similar specifications and equipment and accessories as those of the **described vehicle**:

- of the current year, if available; or
- of the year subsequent to the **loss**.

**TOTAL LOSS:** Complete and permanent loss of the **described vehicle**, including theft, or loss deemed by the **primary insurer** to be a constructive total loss.