Summary

Q.P.F. No. 5 - Complementary Insurance for Damage Caused to Insured Vehicle Form (*Replacement Insurance*)

Industrial Alliance Pacific General Insurance Corporation (the ***« insurer »*****)**

Address: Regional Office: 9150, Leduc Blvd., suite 601, Brossard (Quebec) J4Y 0E3

Telephone number:

- Claims: 1-877-356-6636
- Cancellations: 1-855-766-8239
- Customer Service: 1-877-671-9009

Check the insurer's status in the AMF register at lautorite.qc.ca.

Name of distributor (« dealer »):

Address:

Telephone:

Website:

1 Who should use this summary

This summary is for you if:

- you purchase a motor vehicle or lease one long-term; and
- the vehicle is already covered by a primary insurance policy (QPF No. 1 or QPF No. 4); and
- you wish to complement this primary insurance to be entitled to additional protections.

This summary presents key aspects of the insurance product. It will help you to determine if this product meets your needs and to make an informed decision at the time of purchase.

This summary is not your insurance contract. For full details, refer to the sample insurance contract attached to this summary: *Q.P.F. No. 5 – Complementary Insurance for Damage Caused to Insured Vehicle Form (Replacement Insurance).*

2 Purpose of this insurance

QPF No. 5 is intended to complement your primary insurance. Therefore, in the event of loss, you are entitled to be indemnified under your QPF No. 5 only if you were entitled to an indemnity under your primary insurance contract.

QPF No. 5 includes the following four protections:

Protection 1

If your vehicle is a total loss	
With your primary insurance	**With your QPF No. 5**
The indemnity paid for your vehicle corresponds to its actual cash value, as determined by your primary insurer.	This insurance allows you to replace your vehicle that is a total loss with a new one that has the same specifications, equipment and accessories.

Protection 2

If parts of your vehicle are damaged by a loss and must be replaced	
With your primary insurance	**With your QPF No. 5**
The indemnity is equivalent to the value of the damaged parts, as determined by your primary insurer.	This additional protection covers your vehicle if it was a new or demonstrator vehicle at the time of purchase. This insurance complements the indemnity paid by the primary insurer. It allows you to obtain new original equipment manufacturer parts.

Protection 3

If you must assume a deductible	
With your primary insurance	**With your QPF No. 5**
If you make a claim, you may have to assume a deductible.	Your QPF No. 5 covers the deductible, but a maximum may apply.

Protection 4

If you need to lease a replacement vehicle following a loss	
With your primary insurance	**With your QPF No. 5**
In general, your leasing expenses for a similar vehicle are covered.	This insurance covers any leasing expenses for a similar vehicle if your primary insurer does not assume these expenses or assumes only part of them.

3 Cost of this insurance

The cost of this insurance will be determined based on:

- the value of the vehicle, including the cost of equipment and accessories, on the date it is purchased or leased long-term;
- the term of the insurance; and
- the use of the vehicle; personal or commercial.

The cost will be indicated in the *Declarations* section of your QPF No. 5 insurance contract. It is fixed, i.e., it will not change during the term of the contract.

4 Important

Endorsement QEF No. 43 (A to F) offers similar coverage

Instead of taking out a QPF No. 5, you could modify your primary insurance by adding a QEF No. 43 (A to F) endorsement, better known as the "replacement cost endorsement." Speak with your insurance representative to find out which is the best option for you.

If you no longer are the owner of the vehicle, this insurance will terminate

This insurance cannot be transferred to another vehicle. If you change vehicles, the insurance will terminate automatically. You must notify us when you change vehicles; we will refund you part of the cost of the insurance.

Deceitful representations

You may not be indemnified if you conceal information or make false or misleading statements.

5 Exclusions

QPF No. 5 is sold primarily for personal use vehicles. Contact us if you want to change the use of your vehicle or cover another use, for example, commercial use.

In addition, QPF No. 5 covers the vehicle as described in your purchase contract or long-term lease. It does not cover the equipment, accessories and options that you added to the vehicle at a later date, such as:

- a remote starter, GPS, or sound system;
- a new automobile body part, e.g., a spoiler.

A complete list of excluded vehicles, equipment and situations can be found in the *Exclusions* section of the sample contract.

6 How to avoid unpleasant surprises

1. If your primary insurance does not apply to a loss, then neither does your complementary insurance. Consequently, your primary insurance must be in force when your vehicle incurs damage.
2. If you do not replace the vehicle or the damaged parts, QPF No. 5 will not apply. In other words, to benefit from this insurance, you must replace the total loss vehicle or the damaged parts.
3. If you remove a protection from your primary insurance, your QPF No. 5 may not apply following a loss. For example, if your vehicle becomes a total loss after you removed the required protection from your primary insurance, your QPF No. 5 will not apply. Your QPF No. 5 insurer will then terminate your insurance and refund any insurance overpayment.

7 How to report a loss and submit a claim

You must contact INDUSTRIAL ALLIANCE PACIFIC GENERAL INSURANCE CORPORATION AT 1-877-356-6636 as soon as you become aware of a loss.

To pay an indemnity, we have 60 days as of:

- the date on which the loss is reported to us; or
- the date we received the information or supporting documents we requested.

For full details, see the *Reporting a loss and submitting a claim* section of the sample QPF No. 5 insurance contract.

If you are not satisfied with the way your claim under QPF No. 5 has been settled, contact us at 1-877-671-9009 or the AMF, or consult a lawyer.

8 Your right to terminate the insurance

You have the right to terminate your QPF No. 5 insurance at any time. To do so, you may use the *Notice of rescission of an insurance contract* that will be provided to you by the distributor.

You have (10) days following the purchase of your insurance to cancel it at no cost (**minimum of 10 days as prescribed by law**). After that time, if you cancel your insurance, fees may apply. These fees are set in accordance with the Cancellation table, which will be included in your QPF No. 5 insurance contract.

The details are explained in point 4. *Cancellation of insurance contract (ending of insurance contract)* in the *Effective date, renewal and expiry of insurance contract* section of the sample QPF No. 5.

9 If you have questions or are dissatisfied

If you have questions or are dissatisfied, call us at 1-877-671-9009.

You are also entitled to file an official complaint with our complaint examination service. To find out how, call 1-877-671-9009.

A summary of our complaint examination policy is available at: https://ia.ca/corporate/complaint/complaint-handling-policy.

You can also contact the AMF.

NOTICE OF RESCISSION OF AN INSURANCE CONTRACT

Section 440 of An Act respecting the distribution of financial products and services (chapter D-9.2)

To: INDUSTRIAL ALLIANCE PACIFIC GENERAL INSURANCE CORPORATION
9150 boul. Leduc, suite 601, Brossard (Québec) J4Y 0E3
Telephone: 1-855-766-8239 Fax: 1-450-671-2525
Email: cancellation@ia.ca

Date: ______________________________________
(date of sending of notice)

Pursuant to section 441 of the Act respecting the distribution of financial products and services, I hereby rescind insurance contract

no.: ______________________________________
(number of contract, if indicated)

Entered into on: ______________________________________
(date of signature of contract)

In: ______________________________________
(place of signature of contract)

______________________________ ______________________________
(name of client) (signature of client)

The distributor must first complete this section.

This document must be sent by registered mail.

Sections 439, 440, 441, 442 and 443 of the Act must be reproduced on the back of this notice.

Decision 99.06.45, Sch. 1; M.O. 2010-18, s. 4.

439. A distributor may not subordinate the making of a contract to the making of an insurance contract with the insurer specified by the distributor.

The distributor may not exercise undue pressure on the client or use fraudulent tactics to induce the client to purchase a financial product or service.

440. A distributor that, at the time a contract is made, causes the client to make an insurance contract must give the client a notice, drafted in the manner prescribed by regulation of the Authority, stating that the client may rescind the insurance contract within 10 days of signing it.

441. A client may rescind an insurance contract made at the same time as another contract, within 10 days of signing it, by sending notice by registered or certified mail.

Where such an insurance contract is rescinded, the first contract retains all its effects.

442. No contract may contain provisions allowing its amendment in the event of rescission or cancellation by the client of an insurance contract made at the same time.

However, a contract may provide that rescission or cancellation of the insurance contract will entail, for the remainder of the term, the loss of the favourable conditions extended because more than one contract was made at the same time.

443. A distributor that offers financing for the purchase of goods or services and that requires the debtor to subscribe for insurance to guarantee the reimbursement of the loan must give the debtor a notice, drawn up in the manner prescribed by regulation of the Authority, stating that the debtor may subscribe for insurance with the insurer and representative of the debtor's choice provided that the insurance is considered satisfactory by the creditor, who may not refuse it without reasonable grounds. The distributor may not subordinate the making of the contract of credit to the making of an insurance contract with the insurer specified by the distributor.

No contract of credit may stipulate that it is made subject to the condition that the insurance contract subscribed with such an insurer remain in force until the expiry of the term, or subject to the condition that the expiry of such an insurance contract will entail forfeiture of term or the reduction of the debtor's rights.

The rights of the debtor under the contract of credit shall not be forfeited when the debtor rescinds, cancels or withdraws from the insurance contract, provided that the debtor has subscribed for insurance with another insurer that is considered satisfactory by the creditor, who may not refuse it without reasonable grounds.

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.

TABLE OF CONTENTS

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 the 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, demons-trator or used)	PURCHASE PRICE
						$
Purchase ❑ Long-term lease ❑		Contract of leasing ❑				

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	❑	$............................
DEMONSTRATOR VEHICLE with not more than 20,000 km on the odometer	❑	$ ....
USED VEHICLE	❑	$ ....
Due date for payment of **insurance premium**: ____________________		

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 vehicle 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 a **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 a 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 $50 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 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 the 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 the 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 mantarary.

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 of the **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 **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.

CANCELLATION TABLE

84 month term

Days in force	Retain %
0 to 10 days	0%
11 to 30 days	11%
31 to 60 days	12%
61 to 90 days	13%
91 to 120 days	14%
121 to 150 days	15%
151 to 180 days	16%
181 to 210 days	17%
211 to 240 days	18%
241 to 270 days	20%
271 to 300 days	21%
301 to 330 days	22%
331 to 360 days	23%
361 to 390 days	24%
391 to 420 days	25%
421 to 450 days	26%
451 to 480 days	27%
481 to 510 days	28%
511 to 540 days	29%
541 to 570 days	30%
571 to 600 days	31%
601 to 630 days	32%
631 to 660 days	33%
661 to 690 days	34%
691 to 720 days	35%
721 to 750 days	36%
751 to 780 days	37%
781 to 810 days	39%

Days in force	Retain %
811 to 840 days	40%
841 to 870 days	41%
871 to 900 days	42%
901 to 930 days	43%
931 to 960 days	44%
961 to 990 days	45%
991 to 1020 days	46%
1021 to 1050 days	47%
1051 to 1080 days	48%
1081 to 1110 days	49%
1111 to 1140 days	50%
1141 to 1170 days	51%
1171 to 1200 days	52%
1201 to 1230 days	53%
1231 to 1260 days	54%
1261 to 1290 days	55%
1291 to 1320 days	56%
1321 to 1350 days	58%
1351 to 1380 days	59%
1381 to 1410 days	60%
1411 to 1440 days	61%
1441 to 1470 days	62%
1471 to 1500 days	63%
1501 to 1530 days	64%
1531 to 1560 days	65%
1561 to 1590 days	66%
1591 to 1620 days	67%
1621 to 1650 days	68%
1651 to 1680 days	69%

Days in force	Retain %
1681 to 1710 days	70%
1711 to 1740 days	71%
1741 to 1770 days	72%
1771 to 1800 days	73%
1801 to 1830 days	74%
1831 to 1860 days	75%
1861 to 1890 days	77%
1891 to 1920 days	78%
1921 to 1950 days	79%
1951 to 1980 days	80%
1981 to 2010 days	81%
2011 to 2040 days	82%
2041 to 2070 days	83%
2071 to 2100 days	84%
2101 to 2130 days	85%
2131 to 2160 days	86%
2161 to 2190 days	87%
2191 to 2220 days	88%
2221 to 2250 days	89%
2251 to 2280 days	90%
2281 to 2310 days	91%
2311 to 2340 days	92%
2341 to 2370 days	93%
2371 to 2400 days	94%
2401 to 2430 days	96%
2431 to 2460 days	97%
2461 to 2490 days	98%
2491 to 2520 days	99%
2521 to 9999 days	100%

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 **desbribed 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 5% 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 15% 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*" and or "Québec Automobile Insurance Policy Form (Q.P.F.) No. 4 – *Garage Form*" and their **endorsements**, issued to the **name 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 **desbribed 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.