

## Which motor vehicle replacement cost insurance is right for you?

In the event of a theft or total loss of your vehicle, replacement insurance allows you to replace it with an equivalent model. What you should know is that there are two types of replacement cost coverage. To help you decide which one is right for you, we have listed the main differences between the two in the table below. Keep in mind that, despite their differences, the cost is about the same.

It should also be noted that the first type of coverage is an endorsement (Endorsement 43) that you ask your insurer to add to your basic auto insurance policy (Q.P.F. No. 1), while the other is a separate insurance policy (Q.P.F. No. 5) which either your insurer or car dealer can provide.

	<b>Endorsement 43</b>	<b>Q.P.F. No. 5</b>
When should you get insurance?	New vehicle: within 90 days of purchase Used vehicle: no coverage possible	New vehicle: within 120 days of purchase Used vehicle: anytime
Are you eligible?	Depends on your driving record, previous claims and vehicle's value	Everyone is eligible
How much is the premium?	The cost is usually a percentage of your basic policy premium. The premium increases every year, with a significant increase after the second year	It is based on vehicle's value and fixed throughout contract period
How long is the contract period?	12 months, renewable each year up to 5 years. You can cancel it at any time	1 to 7 years (your choice). You can cancel it at any time
What coverage is provided?	Partial loss Parts: Insurer pays for original parts if repair cost of damaged parts exceeds cost of new parts	Partial loss Parts: Insurer pays for original parts even if damaged parts can be repaired (new vehicle)
	Deductible: applies if you are at fault	Deductible: reimbursed up to \$500
	Replacement vehicle: based on liability or endorsement*	Replacement vehicle: insurer bears leasing expenses up to \$50/day for 30 days
	Total loss Replacement with same vehicle in new condition	Total loss New vehicle: insurer bears difference between value of replacement vehicle and value on day of accident (paid by basic auto insurance) Used vehicle: insurer bears vehicle's depreciation value between policy's effective date and date of loss
	Deductible: applies based on liability*	Deductible: reimbursed up to \$1,000
	Replacement vehicle: based on liability or endorsement*	Replacement vehicle: insurer bears leasing expenses up to \$50/day for 30 days
	* In the case of a not-at-fault accident, you are entitled to a replacement vehicle. In the case of an at-fault accident, you must have a leased vehicle endorsement	

In conclusion, it should be noted that the purchase of a Q.P.F. No. 5 policy from a car dealer carries certain restrictions. For example, in the case of a total loss, you must replace your vehicle at that dealer. In addition, you need to notify this insurer as well as the insurer of your basic policy and wait until the latter has established the depreciated value of your vehicle before you can replace it.

If you purchase a Q.P.F. No. 5 policy with us, we will handle your file in its entirety, regardless of the number of insurers! What's more, you can replace your vehicle at the dealer of your choice.

For more information about this coverage or your auto insurance, contact your Vézina portfolio manager, who can give you expert advice on the coverage best suited to your situation, so you can protect what matters to you.