

IMPORTANT: The wording of this Limited Depreciation Endorsement (APV297A) forms part of the ICBC Autoplan Optional Policy, replacing the corresponding wording in Division 9 (on pages 26–29).

LIMITED DEPRECIATION ENDORSEMENT (APV297A)

If a premium is shown for this endorsement in the owner's certificate or Storage Policy, the Corporation agrees to indemnify the insured for direct and accidental loss or damage caused to the described motor vehicle by one of the perils for which the insured has paid a premium under the insured's underlying insurance, occurring during the term of the owner's certificate or Storage Policy, in accordance with the following special terms, conditions, definitions and exclusions of this endorsement and such of the provisions of Division 5 of the Optional Policy as are not in conflict with the special terms, conditions, definitions, and exclusions of this endorsement, and only where there is underlying insurance, and the dollar amount of the loss or damage to the described motor vehicle exceeds the applicable deductible amount provided by the underlying insurance.

1. If an accident renders the described motor vehicle a total loss or constructive total loss during the period when this endorsement is in effect, the Corporation will, subject to condition 4 below, indemnify the insured for direct and accidental loss or damage caused to the described motor vehicle
 - (a) where the described motor vehicle is a new motor vehicle, at the Corporation's sole option, either
 - (i) by replacing the described motor vehicle at the Corporation's cost with a new vehicle of like make, model, model year and style, with equipment and options attached thereto similar, but not necessarily identical, to those listed on the bill of sale, or
 - (ii) by paying the insured the lesser of the following:
 - A. the verified original net purchase price actually paid by the insured for the described motor vehicle as evidenced by the bill of sale, or
 - B. the manufacturer's suggested retail price at the date of purchase of the described motor vehicle together with any dealer options attached to that vehicle as listed on the bill of sale, or
 - (b) where the described motor vehicle is a used motor vehicle
 - (i) by replacing the described motor vehicle at the Corporation's cost with a new vehicle of like make, model, model year and style, with equipment and options attached thereto similar, but not necessarily identical, to those that were on the described motor vehicle at the date of the accident, or
 - (ii) where a replacement vehicle is not available, by paying the insured 90 per cent of the manufacturer's suggested retail price of the described motor vehicle at the time it was manufactured, including any dealer options attached thereto,

but the cost of repair of any prior unrepaired damage to the described motor vehicle will be deducted from the settlement of the total loss or constructive total loss.
2. If, during the period when this endorsement is in effect, an accident causes direct loss or damage to the described motor vehicle that does not render the described motor vehicle a total loss or a constructive total loss, the Corporation will determine whether any part or parts of the described motor vehicle or its equipment shall be repaired or replaced. If the Corporation determines that a part or parts of the described motor vehicle or its equipment shall be replaced, the Corporation will indemnify the insured by paying for the cost of repair of the described motor vehicle, using parts of similar kind or quality to those used by the manufacturer of the described motor vehicle for such repair. Where, at the discretion of the Corporation, such parts are required, these may at the discretion of the Corporation be new or used. Where new or used parts replace worn or used parts, these may be used without requiring the insured to contribute any amount by way of depreciation or betterment to the cost of such worn or used parts replaced if such replacement parts would result in the insured being required to contribute towards a depreciation or improvement allowance if this endorsement was not applicable.
3. Notwithstanding condition 2, depreciation or betterment shall be applied to the cost of replacement of a tire or tires, or battery or batteries or the cost of replacing a convertible top or of repainting the entire described motor vehicle where indemnity for such cost of the tire, battery, convertible top or repainting is paid under condition 2.
4. The agreements contained under conditions 1 and 2 of this endorsement will not apply to fire, theft, vandalism or malicious mischief losses occurring to a described motor vehicle which was in model year 3 on the date this endorsement was issued.
5. This endorsement applies only to an owner's certificate or a Storage Policy
 - (a) for a motor vehicle which is in model year 1, 2 or 3, and
 - (b) for a motor vehicle which is not a rebuilt, replica, replicar, replikit, specialty or ubilt vehicle.
6. This endorsement is void
 - (a) if the insured is not a resident of British Columbia, or
 - (b) if issued for a motor vehicle which is not in model year 1, 2 or 3, or
 - (c) if issued for a motor vehicle which is a rebuilt, replica, replicar, replikit, specialty or ubilt vehicle.
7. No indemnity is afforded by this endorsement
 - (a) where the described motor vehicle
 - (i) is a commercial motor vehicle having a licensed gross vehicle weight in excess of 5500 kgs, or
 - (ii) is not insured by the underlying insurance under rate class 001, 002, 003, 004, 007, 011, 012, 014, 015, 051, 200, 202, 203, 206, 850, 853 or 856 at the time of loss,
 - (b) for a claim or demand
 - (i) for loss or damage arising out of repair of prior unrepaired loss or damage to the described motor vehicle at the same place or an adjacent place to any place on the described motor vehicle that has suffered repairable loss or damage for which a claim may be made under this endorsement,
 - (ii) for loss or damage arising out of a claim for accelerated depreciation caused by or resulting from the repair of any loss or damage to the described motor vehicle,
 - (iii) for any claim for loss of use of the described motor vehicle,
 - (iv) for loss relating to any third party or manufacturer warranties or other vehicle warranty insurance, or
 - (v) under condition 1(a) unless the insured produces the bill of sale, or
 - (c) where section 5.7 of the Optional Policy applies.
8. **Definitions**

In this endorsement, the following words or phrases have the following meanings:

"accident" means an unforeseen occurrence or series of connected unforeseen occurrences causing direct loss or damage to the described motor vehicle;

"bill of sale" means the original or a facsimile of the original document by which ownership of the described motor vehicle was transferred to the insured by the manufacturer of the described motor vehicle or the manufacturer's agent or dealer and, in the case of equipment added to the vehicle subsequent to the vehicle being purchased or leased by the insured, means the original or a facsimile of the original document issued to the insured at the date of purchase of such additional equipment;

"constructive total loss" means that condition of the described motor vehicle that exists when it might be feasible to repair the described motor vehicle but the cost of repairs to the described motor vehicle exceeds the net actual cash value of the described motor vehicle as the condition of that vehicle was immediately prior to the occurrence of the loss or damage for which indemnity is afforded by this endorsement;

"described motor vehicle" means the vehicle shown on the owner's certificate or on the Vehicle in Storage Policy, including any such permanently attached equipment that is in or on the vehicle at the date of the accident and that is covered under section 5.11 of the Optional Policy, or extra equipment coverage;

"endorsement" means the extended indemnity afforded by this contract of extension insurance but does not include any indemnity afforded by any underlying insurance;

"insured" means

 - (a) the owner of the described motor vehicle and, in the case of a leased vehicle, the lessee of the described motor vehicle to the extent of the lessee's insurable interest therein if the lease agreement contains an option for the lessee to purchase the described motor vehicle, regardless of when the option was exercised by the lessee, and
 - (b) the holder of each lien registered against the described motor vehicle at the time the described motor vehicle was rendered a total loss or constructive total loss under circumstances for which indemnity is afforded by this endorsement;

"limited depreciation" means only such restricted indemnity as is afforded by the words of this endorsement;

"model year 1" means the model year number which applies to a described motor vehicle where the calendar year in which this endorsement is issued is equal to or prior to the model year assigned to the described motor vehicle by its manufacturer;

"model year 2" means the model year number which applies to a described motor vehicle where the calendar year in which this endorsement is issued is the first calendar year subsequent to the model year assigned to the described motor vehicle by its manufacturer;

"model year 3" means the model year number which applies to a described motor vehicle where the calendar year in which this endorsement is issued is the second calendar year subsequent to the model year assigned to the described motor vehicle by its manufacturer;

"net actual cash value" is the amount determined by subtracting the value or estimated value received from the sale of the salvage of the wrecked described motor vehicle from the actual cash value of the described motor vehicle;

"net purchase price" means the following, excluding the price of any third party or manufacturer warranties or other vehicle warranty insurance, but including

 - (a) the total vehicle price including all manufacturer and dealer installed options (prior to the deduction of any trade-in allowance or factory, manufacturer's and/or dealer's discounts), plus applicable taxes, levies and documentation fees as shown on the bill of sale, or
 - (b) in the case of a described motor vehicle that is a leased vehicle

- (i) the amount stated on the lease agreement as the price on which the lease is based, plus any amount stated on the same lease agreement as being the value of any optional equipment installed on the described motor vehicle by the dealer plus any amount stated on the bill of sale for other equipment added to the vehicle after the vehicle was leased by the insured, or
- (ii) where the amounts described in (a) above are not stated on the lease agreement, the wholesale price of the described motor vehicle (as evidenced by the factory invoice originating from the manufacturer of the described motor vehicle), plus the cost price of any dealer installed options (as evidenced by the dealer's invoice), plus an additional 50 per cent of the difference between the wholesale price stated on the factory invoice together with the cost price of any dealer installed options, and the Manufacturer's Suggested Retail Price of the described motor vehicle including any dealer installed options, but where the insured does not provide the Corporation with a copy of the factory invoice or the dealer invoice, the above additional percentage shall not be applied;

"new motor vehicle" means a described motor vehicle which has not been previously registered except by the named insured for the general purpose of operation on a highway where ownership of the vehicle is evidenced by a bill of sale;

"rebuilt" means a motor vehicle deemed either a constructive total loss or a total loss, and which has then been repaired to make it safe for use on a highway, in accordance with Division 25 of the Regulation under the Motor Vehicle Act.

"replica" means a vehicle designed and constructed to resemble a previously known make using an original body but with a modern engine and drivetrain and, usually, a homebuilt chassis;

"replicar" means a motor vehicle manufactured to resemble a previously known make, constructed entirely of new components;

"replikit" means a motor vehicle designed to resemble a previously known make, reconstructed of new or refurbished components;

"specialty vehicle" means a vehicle constructed using new components that may or may not be manufactured by the assembler resulting in a unique appearing vehicle;

"total loss" means that condition of the described motor vehicle that exists when the described motor vehicle is stolen and not recovered within 30 days from the

date the loss is reported to the Corporation or is so severely or extensively damaged that it is not feasible to repair the described motor vehicle;

"ubilt" means a vehicle used as a private passenger motor vehicle or a commercial motor vehicle with a gross vehicle weight of not more than 5000 kgs, and normally built by an individual (often home built for their own use) where it does not resemble the original vehicle from which the components were taken;

"underlying insurance" means insurance afforded to the owner of the described motor vehicle by an owner's certificate or Storage Policy, together with any applicable extra equipment coverage that in each case is issued to the insured and where the owner's certificate, Storage Policy and extra equipment coverage at the time of the loss or damage provides Own Damage coverage for which the insured has paid a premium under Division 5 of the Optional Policy, of the type for which the insured is entitled to make a claim in respect of loss or damage to the described motor vehicle and while this Limited Depreciation Endorsement is in force;

"used motor vehicle" means a described motor vehicle which has been previously registered to a person other than the named insured for the general purpose of operation on a highway.

9. In this endorsement, "Optional Policy" means the ICBC Autoplan Optional Policy. This endorsement includes the following terms and conditions of the Optional Policy: Divisions 2 and 3, Division 8 (Prescribed Conditions) and any other terms and conditions indicated as applicable.
10. Except as otherwise provided in this endorsement, all terms, including definitions, of the Insurance (Vehicle) Act and Regulation apply to this endorsement even if in the context of the Act or Regulation they apply only to universal compulsory vehicle insurance.
11. **Under section 75 of the Insurance (Vehicle) Act, your claim is invalid if at any time you fail to provide complete and accurate information, violate a term or condition of your policy or commit fraud. This is a summary. For full information, see section 75 of the Insurance (Vehicle) Act.**