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**VEHICLE REPLACEMENT COST ENDORSEMENT – VRCE**

INSURER:	Attached to and forming part of Policy No.:
INSURED:	This endorsement shall be effective from: <input checked="" type="checkbox"/> AM 12:01 _ <input type="checkbox"/> PM _____ Local Time

In consideration of the premium charged and in the event that loss of or damage to the insured vehicle for which indemnity is provided under Section A.1 or Section C of this Policy exceeds the deductible amount specified in the Policy, the Insurer agrees to waive its rights under Mandatory Condition 4(5) by which its liability is limited to the actual cash value of the vehicle at the time of loss or damage with proper deduction for depreciation.

**PROVIDED THAT:**

- (a) the Insured is the original purchaser of the vehicle exclusive of the selling dealer;
- (b) the loss of or damage to the insured vehicle occurs within 24 months of the date on which the vehicle was first delivered to the Insured;

If more than one vehicle is insured under the Policy, this endorsement shall apply only to the vehicle(s) against which Vehicle Replacement Cost Endorsement designated in the schedule of vehicles forming part of the Policy. If Vehicle Replacement Cost Endorsement is designated with respect to more than one automobile in the schedule of vehicles forming part of this policy, then the coverage provided shall be construed as if provided by separate policies of insurance with respect to each vehicle to which endorsement Vehicle Replacement Cost Endorsement is applicable.

**Indemnity**

If an accident causes direct loss or damage to the insured vehicle and such loss or damage renders the insured vehicle a total loss during the term of this endorsement, the insurer will indemnify the insured for the value of the insured vehicle based on the most current model of a new vehicle of the same make and model, as recommended by the manufacturer of the insured vehicle, including equipment and options attached to the insured vehicle, as evidenced by the Bill of Sale. Total loss means the condition of the insured vehicle that exists when it might be feasible to repair the insured vehicle, but the cost of repairs exceeds 70% of the Actual Cash Value of the insured vehicle.

Where within the term of this endorsement, an accident causes direct loss or damage to the insured vehicle that does not render the insured vehicle a total loss, the insurer will indemnify the insured by paying for the cost of repairs of the insured vehicle, using Original Equipment Manufacturer parts for such repairs without applying depreciation or charging for betterment. If Original Equipment Manufacturer parts are not available, the insurer will indemnify the insured for the cost of repairs of the insured vehicle, using parts of like kind or quality to those used or recommended by the manufacturer of the insured vehicle.

This endorsement is attached to and forms part of the Policy and shall be effective from the local time and effective date of the policy or renewal thereof, or if added to the policy during the policy period, from the local time and effective date of the endorsement specifying the addition of this coverage.

Except as otherwise provided in this endorsement, all limits, terms, conditions, provisions, definitions and exclusions of the Policy shall have full force and effect.