

# New Car Protection

*Helping you  
enjoy your new car*



- New and late-model cars



**Manitoba  
Public Insurance**

# New Car Protection

***Buying a new car can be an exciting experience. They turn heads and have that great “new car smell!”***

*But new cars also depreciate quickly. Some new vehicles lose 15% to 35% of their value in the first year and up to half their value within two years.*

*That might not mean much if you intend to keep your car for years. After all, you only feel the effects of depreciation when you sell or trade.*

*But what happens if your new car is written off—wrecked beyond repair in an accident or stolen and not recovered? Your basic Autopac ensures that you get your vehicle’s market value—its value after depreciation is taken into account.*

## What is New Car Protection?

*New Car Protection* is optional Autopac coverage beyond your basic protection. It covers depreciation on your new or newer car if it’s written off. We pay the purchase price for your car itself, which we calculate from your bill of sale. It includes accessories, pre-delivery inspection and sales tax, plus an allowance for inflation.

Under *New Car Protection*, these items are not part of the purchase price for your car and therefore aren’t covered:

- any GST you paid (but you’ll get a GST credit when you buy a replacement vehicle)
- any amount you still owe on your trade-in
- any amount you paid for warranties, insurance or service contracts

Also, if your car has old damage, it may reduce your settlement by the amount of the old damage.

## Why should I consider *New Car Protection*?

Here are some things to think about:

- By covering the depreciation on your vehicle, *New Car Protection* puts you in a similar buying position to when you first bought your car.
- *New Car Protection* covers the depreciation if your vehicle is written off. But, because of their higher value, relatively few newer vehicles are written off. Having said that, no one can guarantee your new vehicle won't be a write-off.
- Do you want a brand new car to replace yours if it's written off? If so, choose *New Car Protection*. On the other hand, you may be happy with a newer vehicle like the one you lost. Remember, your basic Autopac automatically covers your vehicle's market value, without you having to buy any extra coverage.
- Does your vehicle depreciate at a high rate? If you own the type of vehicle that loses value faster, then *New Car Protection* is a good choice. You can find out more about how different vehicles typically depreciate by checking resale values in "for-sale" ads and vehicle price guides.
- Do you drive a lot? If you put more than average kilometers on your new vehicle, it will depreciate faster. If you drive mostly in heavy traffic, you run a higher risk of becoming involved in an accident that could see your vehicle being written off.

## With *New Car Protection*, how much is my car insured for?

Your car is insured for its purchase price, which we calculate from your bill of sale, plus an allowance for inflation. You're not insured for any rebates, cashbacks, or dealer incentives.

With *New Car Protection*, your car's insured value includes all accessories and options that made up its total purchase price. But these items must be listed on your bill of sale.

Any accessories or options not listed on the bill of sale, or added after purchase, are not included in your car's insured value. **So, please make sure the seller includes all options and accessories on your bill of sale at the time of purchase, including taxes, fees and trade-in value.**

If your car's value is over \$50,000, you'll also need to buy Excess Value coverage for its value over \$50,000. Ask your Autopac agent for details.

## How much does *New Car Protection* cost?

### Brand new cars

Depending on your driving and claims experience, *New Car Protection* for a brand new, \$20,000 vehicle could cost as little as \$98 per year. For a brand new \$40,000 vehicle, *New Car Protection* could cost as little as \$140 per year.

### Used cars

Depending on your driving and claims experience, *New Car Protection* for a used, \$20,000 vehicle could cost as little as \$72 per year. For a used \$40,000 vehicle, *New Car Protection* could cost as little as \$114 per year.

## Which vehicles qualify?

Most privately-owned, new and late model cars, light trucks and motor homes qualify. Brand new or used vehicles qualify, but used vehicles must be no older than one model year. For example, if the newest models currently available are 2006s, new and used 2006 and 2005 models would qualify.

For vehicles worth more than \$50,000, you'll also need *Excess Value Coverage* to insure the value of your vehicle that exceeds \$50,000. Talk to your Autopac agent.

Vehicles used commercially, such as taxis, are not eligible.

## How long will this coverage protect me?

It depends on the age of your vehicle. For brand new vehicles, *New Car Protection* protects you for two years. For late-model used vehicles, it protects you for up to two years depending on when you bought the car and how old it is. Check with your Autopac agent for details.



## **Can I keep buying *New Car Protection* year after year for my car, as I do with the rest of my Autopac coverage?**

No. *New Car Protection* is intended to protect you during the first couple of years of ownership, when depreciation is typically at its highest.

The result is you can buy *New Car Protection* for up to two years, depending on whether your car is brand new or used.

## **How does the inflation allowance work?**

It offsets most price increases for new vehicles because of inflation. We calculate the inflation allowance from when you first registered and insured your new car, to when it's written off.

Using a 3% inflation allowance as an example:

- If your \$30,000 car was a write-off after one year, the inflation allowance would be \$900, for a total of \$30,900.

## **Is there a time limit for buying *New Car Protection*?**

Yes. For brand new vehicles, you have 60 days to buy *New Car Protection*, from when you first insure your new vehicle. For used vehicles, you have 60 days from when you buy the car.

## How do I buy it?

You'll need to take your vehicle's purchase invoice to your Autopac agent to confirm the purchase price and date. Please make sure the seller includes all your car's options and extras on your purchase invoice. You can pay for *New Car Protection* by cash, cheque, Interac, or credit card or you can finance it along with the rest of your coverage.

To keep *New Car Protection* in place, you'll need to renew it along with your other Autopac coverage.

**The terms, conditions and exclusions for *New Car Protection* are the same as the rest of your Autopac coverage. You can find them in your **Guide to Autopac** booklet or online at [www.mpi.mb.ca](http://www.mpi.mb.ca).**

## How *New Car Protection* works for you

- ✓ Eliminates depreciation on your new or newer car if it's written off
- ✓ Saves you time—apply and get your coverage instantly
- ✓ Renew it with the rest of your Autopac coverage
- ✓ Offers you easy payments. Use your credit card or debit card. Financing too.

This brochure provides general information only.  
Manitoba law—including *The Manitoba Public Insurance Act* and its accompanying regulations—governs all our policies.

Manitoba Public Insurance provides basic Autopac coverage, a strong foundation of protection.

You can also choose optional Autopac products to build on your basic protection.

Ask your Autopac agent  
for details.

Or, in Winnipeg,  
call us at  
**985-7000**

**Outside Winnipeg,  
call toll-free  
1-800-665-2410**

[www.mpi.mb.ca](http://www.mpi.mb.ca)

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