

Valuation GAP Insurance

THIS POLICY IS NOT A MOTOR VEHICLE INSURANCE FOR THE PURPOSES OF THE ROAD TRAFFIC ACT

Please read this policy carefully to check **You** cover and ensure **You** keep it in a safe place so **You** can read it again if **You** need to. If there is any difference between the information in this policy or **Your Policy Schedule** and what **You** understand to be the terms of this insurance, please contact the **Administrator** immediately.

This policy will only become effective when payment has been received and accepted by the **Administrator** and a **Policy Schedule** has been issued to **You**. **Your** Valuation GAP Policy has been arranged by Central Insurance Services Ltd. This is an agreement between the **Insured** named on the accompanying **Policy Schedule** and UK Underwriting Limited on behalf of Fortis Insurance Limited. Registered in England No. 354568. Registered Office: Fortis House, Tollgate, Eastleigh, Hampshire, SO53 3YA. Central Insurance Services Limited, UK Underwriting Limited and Fortis Insurance Limited are authorised and regulated by the Financial Services Authority. This can be checked on the FSA's register by visiting the FSA's website at www.fsa.gov.uk/register or by contacting them on 0845 606 1234.

Definitions

The words or expressions detailed below have the following meaning wherever they appear in this policy and will appear with a capital letter and in bold.

Administrator is Direct Group Limited of Direct House, 4 Sidings Court, Doncaster DN4 5NU, telephone number 0844 412 4093. Direct Group Limited is authorised and regulated by the Financial Services Authority and acts on behalf of the **Insurer**.

Claim Limit is the maximum amount that can be claimed under this policy as stated on the **Policy Schedule**.

Contract Hire Leasing Company means the company **You** have agreed a **Contract Hire / Lease Agreement** with.

Contract Hire / Lease Agreement means the agreement between **You** and the **Contract Hire Leasing Company** for the use of the **Vehicle**, however if the monthly rental exceeds £1,000 per month excluding VAT then this policy will not operate.

Early Settlement Figure means the balance payable to the **Financier** at the date of the **Total Loss** under the terms of the finance agreement but excluding any of the following:

Any amount carried over from a previous finance agreement, credit protection insurance, credit facility fee, title discharge fee, documentation fee, additional interest charges, arrears and any other financed amount not related specifically to the insured **Vehicle**.

Financier means any finance company or lender with whom **You** have a finance agreement.

Glass's Guide is a motor trade publication recognised and used extensively throughout the motor vehicle industry to value used vehicles.

Insured Value means the value of the insured **Vehicle** (excluding contents but including factory and dealer fitted accessories endorsed by the manufacturer) at the date of the **Total Loss** as assessed by **Your Motor Insurer**.

Insured/You/Your means the person who is the registered keeper of the **Vehicle** forming the subject matter of this policy and whose details are shown on the **Policy Schedule**.

Insurer/We/Us/Our means UK Underwriting Limited on behalf of Fortis Insurance Limited.

Market Value means the **Market Value** of the **Vehicle** will be determined by reference to **Glass's Guide** retail value for a **Vehicle** of the same make, model, trim level, recorded mileage and overall condition at the date of **Total Loss**.

Motor Insurance Policy means a policy providing Comprehensive Motor Insurance in respect of the **Vehicle** which is effected and kept in force or replaced by a similar Comprehensive **Motor Insurance Policy** for the duration of the **Period of Insurance**.

Motor Insurer means an authorised UK insurance company that issued a **Motor Insurance Policy** covering **Your Vehicle**.

Period of Insurance means the term of cover shall not exceed 36 months from the date of purchase of **Your** policy. Details regarding the duration of **Your** policy can be found on **Your Policy Schedule**.

Policy Schedule means confirmation of cover provided, the **Vehicle**, **Insured**, **Period of Insurance**, type of policy and the **Claim Limit**.

Premium means the amount payable as a single premium amount.

Proposal means any information provided by the **Insured** or on their behalf. In consideration of the **Insured** having completed an application and the required **Premium** being paid to the **Administrator**. The **Insurer** agrees to indemnify the **Insured** up to the **Claim Limit** detailed on the **Policy**

Schedule subject always to the definitions, conditions, exclusions and periods contained herein.

Termination Charge means the balance payable to the **Contract Hire Leasing Company** at the date of the **Total Loss** excluding any of the following:

Any arrears or balloon payments which exceed that noted in **Glass's Guide** on the start date. The early settlement will, where applicable, exclude insurance premiums, road tax, excess mileage charges and any recoverable VAT.

Territorial Limits means England, Scotland, Northern Ireland, Wales, Isle of Man and the Channel Islands. The **Vehicle** is also covered in the European Union, Croatia, Iceland, Norway, Switzerland, Liechtenstein and Andorra for a maximum of 30 days in any 12 months of cover, providing the cover provided by **Your Motor Insurer** is an equivalent level of cover as **You** would have enjoyed in the UK.

Total Loss means where the **Insured** has claimed under their **Motor Insurance Policy** and the claim has been settled, with the **Vehicle** being surrendered to the **Motor Insurer** or otherwise, and a **Total Loss** payment made.

Valuation is the **Market Value** of the **Vehicle** by reference to **Glass's Guide** Retail value at the time of purchase of **Your** policy.

Vehicle means any **Vehicle** registered and principally used in the UK, having a maximum **Valuation** of £100,000 (including factory and dealer fitted accessories endorsed by the manufacturer) or £75,000 if the contract hire option is selected. **Vehicles** must be under 6 years old on the date of purchase of **Your** policy.

The value of a non-UK sourced **Vehicle** will be based on a UK equivalent **Vehicle** provided by a manufacturer or manufacturer's agent in the UK and specified for use in the UK. The value will be used to determine the difference between the original **Vehicle Valuation** and the **Market Value** at the time of the loss.

What is Covered

In the event of a **Total Loss** of the insured **Vehicle** occurring during the **Period of Insurance**, **We** will pay an amount equal to the difference between:

- (i) the **Market Value** of the **Vehicle** (the "**Valuation**") at time of purchase of **Your** policy; or the **Early Settlement Figure** or **Termination Charge** (only if the insured **Vehicle** is subject to a finance agreement or **Contract Hire / Lease Agreement** and the **Early Settlement Figure / Termination Charge** is greater than the **Valuation**); and
- (ii) the value of **Your Vehicle** at the date of **Total Loss** which will be the greater of:
 - (a) the **Insured Value**; or
 - (b) the **Market Value**.

The maximum **Vehicle** price shall not exceed £100,000 inclusive of VAT where applicable or if contract hire option is selected must not exceed £75,000 inclusive of VAT.

Note: If the **Valuation** declared by the **Insured** at the time of purchase exceeds the **Glass's Guide** retail value, the **Insurer** reserves the right to adjust the claimed amount to reflect the actual **Market Value** of the **Vehicle** at the time **You** purchased **Your** policy. Any adjustment applicable will be deducted from the payment made under **Your** policy.

Insurance Provided

If a **Total Loss** occurs within the **Period of Insurance**, the maximum amount that the **Insurer** will pay in respect of any one claim shall not exceed the **Claim Limit** stated on the **Policy Schedule** (including VAT), subject to the **Total Loss** occurring within the **Territorial Limits** during the **Period of Insurance** and providing the **Motor Insurer** has made a full and final settlement.

Payment of Premium

Your Premium is paid as a single **Premium** amount and **Your** policy will expire in accordance with the Termination section of **Your** policy below.

Exclusions

This insurance does not cover:

- a) In respect of any **Total Loss** which is not subject of an indemnity under the accidental damage, fire or theft section of the **Motor Insurance Policy** or which occurs while the **Vehicle** is being driven or used by a person not covered under the **Motor Insurance Policy**, used for hire or reward, driving tuition, taxis, racing, pace making, speed testing or reliability trials. **Vehicles** not listed in **Glass's Guide**, kit cars, invalid carriages, **Vehicles** used solely for delivery or courier purposes, commercial **Vehicles** of more than 3,500kg gross weight, all American, Australian and Canadian **Vehicles** (unless built for the UK market).

- b) In respect of any **Total Loss** arising during (unless it be proved by the **Insured** that the loss or damage was not occasioned thereby) or in consequence of war, terrorism, riot or civil commotion in Great Britain, Northern Ireland, Isle of Man or the Channel Islands.
- c) In respect of any **Total Loss** when the driver of the **Vehicle** is intoxicated by alcohol or under the influence of drugs not prescribed by a registered medical practitioner or drugs prescribed by a registered medical practitioner where a warning against driving has been given.
- d) Any excess payable under the **Motor Insurance Policy**.
- e) Any motor third party liability of whatsoever nature.
- f) In respect of any claim whatsoever in the event that the driver of the **Vehicle** at the time of the incident giving rise to a claim hereunder was driving illegally.
- g) Any **Vehicle**, which is not covered by a **Motor Insurance Policy** for the full duration of the **Period of Insurance**.
- h) Any **Vehicle**, which is left unattended unless all security devices and immobiliser are activated and are in full working order.
- i) If the **Vehicle** is stolen by any person who has access to the keys of the **Vehicle**.
- j) Any amount advanced in excess of the **Valuation** of the **Vehicle** at the time of the purchase and finance agreement or **Contract Hire / Leasing Agreement**.
- k) Any **Contract Hire / Leasing Agreement** with a monthly rental in excess of £1,000 per month excluding VAT.
- l) Any dealer-fitted accessories not endorsed by the manufacturer
- m) If the **Insured** has taken the option under their **Motor Insurance Policy** to have the **Vehicle** replaced New for Old following the agreed **Total Loss** of the **Vehicle** covered hereunder (the balance of the cover hereunder will on request be transferred to the replacement **Vehicle**).
- n) If any misrepresentation or concealment is made by or on behalf of the **Insured** in obtaining this insurance or in support of any claim there under.
- o) The **Total Loss** occurs outside the United Kingdom, Isle of Man, Channel Islands, European Union or any other country for which an International Motor Insurance Card (Green Card) is issued. If either the application details or the **Premium** are not received by the **Insurer**.
- p) Any **Premium**, or part of any **Premium** that has not been paid to **Us**, which is outstanding at the time of the **Total Loss**.
- q) Where the loss occurred before the **Period of Insurance**.
- r) The VAT element of any claim where the **Insured** is VAT registered.
- s) Any **Vehicle** 6 years old or over.
- t) The salvage value of the insured **Vehicle** where **You** are not required to transfer ownership of the insured **Vehicle** to the **Motor Insurer**.

General Exclusions

The **Insurer** will not be liable for any claim for:

1. Loss or damage caused by or arising from:
 - i. the intentional act or wilful neglect of the **Insured**,
 - ii. experiments involving the imposition of any abnormal conditions on the **Vehicle**.
2. Loss of use of the insured **Vehicle** or any direct or indirect costs arising from this loss of any nature whatsoever.
3. Penalties for delay or detention or in connection with guarantees of performance or efficiency, which is directly or indirectly caused by or is a result of:
 - i. earthquake,
 - ii. war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power confiscation, or nationalisation,
 - iii. riot or civil commotion outside England, Scotland, Wales, the Isle of Man and the Channel Islands.
4. Loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising there from or any direct or indirect costs arising from this loss.
5. Any legal liability of whatsoever nature directly or indirectly caused by or contributed to, by or arising from ionising radiations or contamination by radioactivity from the combustion of nuclear fuel.
6. For damage caused by pressure waves of an aircraft or other aerial device travelling at sonic or supersonic speed.
7. For liability, which attaches by virtue of an agreement but which would not have attached if the agreement did not exist.
8. Where an insured **Vehicle** has been used:
 - i. for racing, pace making, speed testing, reliability trials or any off-road use,
 - ii. for the carriage of or passengers for hire or reward,
 - iii. as a short-term self drive car,
 - iv. for driving tuition.

Specific Conditions

Eligibility Requirements

The insurance hereunder is subject to the **Insured** being insured under a **Motor Insurance Policy**, or International Motor Insurance Card (Green Card), effective at the date of **Total Loss**.

You can apply for cover under this policy if at the start date of the policy:

- **You** are the keeper of the **Vehicle** identified in the **Policy Schedule**; and

- **You** are the **Insured** person and named as the insured in the **Motor Insurance Policy** for the **Vehicle** or International Motor Insurance Card (Green Card), which has to be in effect at inception of this policy and at the time of a **Total Loss**; and
- **Your Vehicle** is under 6 years old at the start of the policy and has never appeared on the total loss register; and
- **Your Vehicle** value does not exceed £100,000 at the start of the policy or £75,000 if the contract hire option is selected.

Best Endeavours

The **Insured** shall, prior to the acceptance of any claim hereunder, demonstrate to the satisfaction of the **Insurer** that they have used their best endeavours to obtain the maximum settlement under their **Motor Insurance Policy**. If the **Insured** accepts an offer of settlement from their **Motor Insurer** of less than the **Market Value** of the **Vehicle** at the time of the **Total Loss**, then the **Insurer** reserves the right to calculate the loss at the current **Market Value** of the **Vehicle** according to **Glass's Guide** or a similar publication at the time of the loss.

Assignments

The **Insured** shall not be entitled to assign any of their rights hereunder unless agreed by the **Insurer**.

General Conditions

1. Cover is restricted to the **Territorial Limits**.
2. Identification – the terms and conditions and **Policy Schedule** will be read as one contract. A word or expression to which a specific meaning has been attached will keep the same meaning wherever it appears unless specifically stated otherwise. A particular word or phrase, which is not defined, will have its ordinary meaning.
3. Non-Disclosure, Misrepresentation or Misdescription – this policy is voidable if **You** or anyone acting for **You** fails to disclose, misrepresents or misdescribes any material fact. If the **Insurer** voids this policy they will void it in its entirety and no cover will apply.
4. Fraud – the **Insurer** will void this policy in its entirety from the date of loss or alleged loss and no cover provided will apply if:
 - (a) a claim made by **You** or anyone acting on **Your** behalf to obtain any benefit is fraudulent or intentionally exaggerated; or
 - (b) a false declaration or statement is made in support of a claim under this policy.
5. Subrogation – the **Insurer** may at their own expense take such proceedings as they think fit in the name of the **Insured** to enforce any rights and remedies against or obtain relief or indemnity from other parties to which the **Insurer** shall be or may become entitled or subrogated under this policy and the **Insured** shall at the request and expense of the **Insurer** do such acts and things as may be reasonably required by the **Insurer** for that purpose.
6. This policy shall be governed by and construed in accordance with the Law of England and Wales unless the **Insured's** habitual residence (in the case of an individual) or central administration and/or place of establishment is located in Scotland in which case the law of Scotland shall apply.
7. Contribution – if at the time of any loss or damage arising under this policy there is another insurance policy covering such loss or damage, the **Insurer** will not be liable for more than their rateable proportion.
8. Limit of Liability – in the event of a claim payment the **Insurer** will deem that full liability has been met under the terms of this policy and the insurance cover will cease upon settlement. In no circumstances shall the liability of the **Insurer** exceed the **Claim Limit** shown in the **Policy Schedule**.
9. Premium - the **Premium** is not refundable once the 14-day cooling off period has expired.
10. Claims – the **Insurer** shall not be liable for any claim arising directly or indirectly caused by or contributed by or in consequence of a loss listed under the heading "Exclusions" and "General Exclusions".
11. No agent is authorised to alter or amend this policy to waive any conditions or restrictions contained therein, to extend the time for paying a **Premium**, or to bind the **Insurer** by making any promises or representations or by giving or receiving information. This policy cannot be varied, altered or its contents waived in any respect unless by written agreement endorsed thereon or by rider attached thereto, and signed by an authorised official of the **Insurer**.
12. Observance of policy terms - it is a condition precedent to **Our** liability that **You** and anyone claiming indemnity has complied with the terms and conditions of this policy.

How to Make A Claim

In the event of a possible claim under this policy please follow the "Claims Procedure" set out below.

Claims Procedure

You can only receive payment under this policy if **You** provide the **Administrator** with all the information they ask for.

Please read the relevant sections of this policy for details of when **You** are entitled to claim under this policy. Details of how to claim can be obtained from the Claims Office of the **Administrator** at Direct Group Limited, Direct

House, 4 Sidings Court, Doncaster DN4 5NU. Telephone number: 0844 412 4093 (all calls will be recorded for training, compliance and claims purposes). The **Administrator** will give **You** information on how to make **Your** claim and tell **You** of any other details that are required. Before **You** accept the insurance settlement offered under **Your Motor Insurance Policy** **You** must contact the **Administrator** and agree the insurance settlement that has been offered under **Your Motor Insurance Policy**. The **Administrator** may at its option offer to seek an increased insurance settlement.

You must return the following to the **Administrator**:

- evidence of the motor insurance settlement offer; and
- a copy of a statement by **Your Motor Insurer** disclosing in full the basis of the calculation used in arriving at the insurance settlement offer.

You must send to the **Administrator** any evidence or other information **We** require within 30 days of the date of the **Total Loss** to the above address. If **You** do not do this the full entitlement to **Your** benefit under the policy may be affected. **We** may provide an extension of that period if **You** make a request in writing giving a reasonable explanation for the delay.

To process **Your** claim **We** may request permission to contact **Your Motor Insurer** to allow them to provide information and discuss details of **Your** claim with them.

UK Underwriting Ltd are an **Insurers** agent and in the matters of a claim act on behalf of the **Insurer**.

Claims Conditions

In the event of any loss or damage, which may give rise to a claim the **Insured** or their legal personal representative must at their own expense:

- i. Supply all information and assistance, which the **Insurer** may reasonably require in establishing the amount of any payment under this insurance.
- ii. Notify the Police of any loss or damage by theft within 24 hours or as soon as reasonably possible.
- iii. Give notice of the facts on which the claim is based to be provided to the **Administrator** within 30 days of the date of the **Total Loss**.

Termination

The insurance provided hereunder will automatically terminate on the occurrence of one of the following

- a) The natural expiry date of the policy; or
- b) Payment of a claim under the policy; or
- c) The date on which **You** do not pay the **Premium** when it is due, or **You** cancel any payment previously made; or
- d) The date on which the **Insured** shall sell or otherwise dispose of the **Vehicle**.

Cancellation

We hope **You** are happy with the cover this policy provides. However, if after reading **Your** policy, this insurance does not meet with **Your** requirements, please return it to Central Insurance Services Ltd, within 14 days of issue and **We** will refund **Your Premium**. Thereafter, **You** may cancel **Your** policy at anytime however no refund of **Premium** will be available. The **Insurer** shall not be bound to accept renewal of any insurance and may at any time cancel any insurance document by sending 14 days notice to the **Insured** at their last known address.

Customer Service / Complaints

It is **Our** intention to give **You** the best possible service but if **You** do have questions or concerns about this insurance or the handling of a claim **You** should in the first instance contact:

Direct Group Limited
Direct House
4 Sidings Court
Doncaster
DN4 5NU
Telephone: 0844 412 4093 (all calls will be recorded for training, compliance and claims purposes).

If **You** have questions or concerns about the sale of this insurance, please contact:

The Compliance Director
Central Insurance Services Ltd
Crown House
Prospect Road
Arnhall Business Park
Westhill
Aberdeen
AB32 6FE

Please ensure **Your** policy number is quoted in all correspondence to assist a quick and efficient response. In the event **You** remain dissatisfied and wish to make a complaint, **You** can do so by contacting the following:

The Head of Claims
UK Underwriting Ltd

Cast House
Old Mill Business Park
Gibraltar Island Road
Leeds
West Yorkshire
LS10 1RJ

If it is impossible to reach an agreement, **You** have the right to make an appeal to the Financial Ombudsman Service. This also applies if **You** are insured in a business capacity but have a group annual turnover of less than £1 million, or are a charity with an annual income of less than £1 million, or are a trustee of a trust with a net asset value of less than £1 million. **You** may contact the Financial Ombudsman Service at:

The Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London E14 9SR
Telephone: 0845 080 1800

The complaints procedure is in addition to **Your** statutory rights as a consumer. For further information about **Your** statutory rights contact **Your** local authority Trading Standards Service or Citizens Advice Bureau.

Please quote **Your** policy number in all correspondence.

Compensation Scheme

Fortis Insurance Limited is covered by the Financial Services Compensation Scheme (FSCS). **You** may be entitled to compensation from the scheme, if they cannot meet their obligations. This depends on the type of business and the circumstances of the claim. **You** can get more information about compensation scheme arrangements from the FSCS or visit www.fscs.org.uk

Data Protection Act 1998

Please note that any information provided to **Us** will be processed by **Us** and **Our** agents in compliance with the provisions of the Data Protection Act 1998, for the purpose of providing insurance and handling claims, if any, which may necessitate providing such information to third parties.