

AutoProtect Combined GAP Insurance



1. INTRODUCTION

1.1. What is Combined GAP Hire and Reward Insurance?

GAP insurance covers *you* in the event *your vehicle* is declared a *total loss* by *your insurer* and this causes a financial loss which is not met by *your motor insurance policy* settlement. The cover varies according to how you financed your vehicle, as below:

1.1.1. For a *vehicle* that is not bought on finance it makes up any shortfall between the *total loss* settlement by *your motor insurer* and the price *you* paid for *your vehicle* (the *purchase invoice price*).

1.1.2. For a vehicle that is purchased using a finance agreement it makes up any shortfall between the total loss settlement by your motor insurer and the greater of the outstanding finance on your vehicle or the price you paid for your vehicle (purchase invoice price). Please note we will only pay the element of the outstanding balance that relates directly to the price of the vehicle. See the definition of 'finance settlement' in Section 11.

1.2. General Enquiries & Claims

The *administrators* are appointed by *us* to handle all claims under this insurance. Their telephone number is **01279 456500**. More details can be found in Section 7, How to Make a Claim.

1.3. Language

Certain words throughout this document have specific meanings and are shown in *italics*. These are listed and defined in section 11. All insurance documents and all communications with *you* about this policy will be in English. If *you* have any disability that makes communication difficult, please tell AutoProtect (MBI) Limited and they will be pleased to help. Contact details are shown in Section 9.

1.4. Insurance Documents

Please ensure *you* read *your policy schedule* together with this policy document and keep them in a safe place. This policy wording includes important details about the cover provided and any exclusions that may apply. It contains *your policy schedule*, details of the Vehicle and the Period of Insurance. Please check that the information contained in the policy schedule is correct and that it meets *your* requirements. If it does not, or if *you* have any questions, please contact the retailer who arranged this insurance for *you*, or AutoProtect.

2. ELIGIBILITY

You can apply for this policy if

2.1. *You* are the owner of the *vehicle* or in respect of contract hire and leasing contracts the authorised driver for the *vehicle*.

2.2. *You* are the insured person and named as the policyholder in the comprehensive *motor insurance policy* for the *vehicle*.

2.3. Any *finance agreement* or *contract hire agreement* secured on the *vehicle* is in *your* name.

2.4. *You* have notified *us* of any *vehicle* transfer and *your* replacement *vehicle* does not exceed the invoice price for the original *vehicle*. For information on this please contact the *administrators*.

2.5. *You* must be a permanent resident of the United Kingdom unless posted to a combat zone as a serving member of *HM Armed Forces*.

3. WHAT IS COVERED

If within the *period of insurance* and within the *territorial limits* an incident occurs which results in the *vehicle* being a *total loss* under *your motor insurance policy*, this insurance will pay:

3.1. For a *vehicle* that is not financed it makes up any shortfall between the *total loss* settlement by *your motor insurer* and the *purchase invoice price* *you* paid for it.

3.2. For a vehicle that is purchased using a *finance agreement* the difference between the *purchase invoice price* of the *vehicle*; (or if greater the *finance settlement*) and the *total loss* settlement paid under *your motor insurance policy*.

3.3. For a contract hire *vehicle* it makes up any shortfall between the *total loss* settlement by *your motor insurer* and the outstanding finance on *your contract hire settlement*.

All the above will include the *motor insurance policy* excess up to an amount of £250.

Only one claim can be made under the policy during the *period of insurance* and the maximum benefit covered under the policy is the amount stated in *your policy schedule*.

4. WHAT IS NOT COVERED

4.1. Any *excluded vehicles*.

4.2. Any *total loss* of whatsoever nature arising directly or indirectly, in whole or in part, due to any act or omission which is wilful, unlawful or negligent on *your* or the driver of the *vehicle's* part.

4.3. Any *total loss* if the *vehicle* is stolen by any person having access to the keys of the *vehicle* unless taken by force or violence.

4.4. Any *total loss* which is not subject of an indemnity settlement under the accidental

damage, fire or theft sections of *your motor insurance policy*.

4.5. Any *total loss* as a result of an accident where the driver of the *vehicle* is under the influence of alcohol, drugs not prescribed by a registered medical practitioner, or drugs prescribed by a registered medical practitioner where a warning against driving has been given.

4.6. Additional costs within the *finance settlement* for anything other than the purchase of the *vehicle*. This includes but is not limited to; administration charges, option to purchase charges, early settlement charges and arrears, early settlement charges.

4.7. Where there is *negative equity* included within the *finance settlement*, any *negative equity* will be deducted from the claim settlement figure.

4.8. Where *you* have failed to notify *us* of the *vehicle* transfer or where the *vehicle* transfer has been rejected.

4.9. Any excess deducted under the *motor insurance policy* which is more than £250;

4.10. Any recoverable Value Added Tax (VAT) where *you* are VAT registered;

4.11. Any claim resulting in any way from:

4.11.1. war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, riot or civil commotion, terrorist activity of any kind;

4.11.2. Ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

4.12. Where the *premium* has not been fully paid, the settlement will be reduced by the outstanding instalments due.

4.13. Any Vehicle that is subject to a lease agreement.

4.14. No benefit will be paid if you do not have comprehensive motor insurance in place throughout the period of insurance.

5. CONDITIONS AND LIMITATIONS

You must comply with the following conditions to have the full protection of the policy. If *you* do not comply with them *we* may at *our* option cancel the policy or refuse to deal with *your* claim or reduce the amount of any claim payment.

5.1. Duty of Care

You must not continue to drive the *vehicle* after any damage or incident if this could cause further damage to the *vehicle*. *You* have a duty of care to mitigate any loss following such incident.

5.2. Disclosure of Important Information

When *you* applied for this insurance, and/or when *you* applied to make any change to the cover, *you* were asked a number of questions. *We* relied on all of the answers to these questions to decide the terms, including the

premium to be charged, upon which we offered you cover or amended cover.

It is therefore essential that all of the answers you gave were truthful, complete and accurate to the best of your knowledge. If any of your answers are later found to be incorrect, incomplete or misleading, this could lead to your insurance being declared invalid, and/or to your claim not being paid or not being paid in full.

For your continued protection you should tell us immediately of any changes to this information, in particular a change of address or any vehicle modification. We will then advise you of any changes in terms.

5.3. Policy Transfer

- The policy only applies to you and is not transferable to any other person or business.
- If during the first year of cover, the vehicle is involved in an incident causing it to be written off by your motor insurer and you get a replacement vehicle on a "New for Old" basis, you will be issued with a new policy of the same duration as your existing cover. You may then subsequently transfer, at any time, any remaining period of insurance on the policy due to a further change of vehicle, on payment of an administration fee and subject to the replacement vehicle purchase price not exceeding the current price band of the original vehicle and meeting all other conditions and eligibility criteria in this policy.
- If you wish to transfer the policy to a replacement vehicle you must contact the administrator within 7 days of the replacement vehicle purchase with the following information:
 - details of the supplying dealer of the replacement vehicle;
 - a copy of the dealer sales invoice;
 - a copy of your motor insurance policy;
 - a copy of your original GAP policy documentation;
 - a cover note detailing your request to transfer the policy, along with any information that needs to be taken into consideration such as personalised number plates.
- Please note that any transfer is only valid if the replacement vehicle is purchased from a motor dealer. The claim limit on any policy transfer will be the claim limit on the original vehicle. An administration fee of £35 applies, made payable to AutoProtect (MBI) Limited, and is subject to approval by us. If you have submitted any claims on your policy you will not be able to request a transfer.

5.4. Acceptance of Motor Insurer's Offer

This insurance covers you for the difference between the total loss settlement by your motor insurer and either the outstanding balance under your finance agreement or what you paid for it.

It is important that you understand that you should contact us prior to accepting an offer of settlement

from your motor insurer if you do accept an offer of settlement from your motor insurer before contacting us we may at our option negotiate with the motor insurance policy insurer on your behalf.

If your motor insurer offers you a replacement vehicle on "New for Old" basis and you choose to decline this offer then we will settle your claim using the market value. In the event that you do not utilise the offer of a brand new replacement vehicle or replacement vehicle from your motor insurer you must be aware that this may result in no benefit being paid to you in the event of a total loss. In the event you retain the vehicle after settlement of your total loss claim we reserve the right to reduce the settlement under your policy by the value of the vehicle retained by you.

6. CANCELLATION

You have the right to cancel the policy at any time.

- 6.1. If you wish to cancel the policy within the first 30 days, you must contact the retailer who sold you the policy. If the policy is cancelled within the first 30 days of receiving it (cooling off period) you will be entitled to a full refund of the premium as long as you have not made a claim and do not intend to make a claim.
- 6.2. If you wish to cancel your policy after 30 days and you do not wish to transfer the policy to a replacement vehicle, you will be entitled to a pro-rata refund on the remainder of your policy. This will be calculated monthly and is paid for each full month left to run, and an administration fee of £35 will be charged to reflect the administrative cost of cancelling the policy.

Should you wish to cancel your policy you will be required to submit the request and make the payment via the AutoProtect claims app or online.

 - Download the AutoProtect app by searching your app store with the words AutoProtect Claims; or text the word APAPP to 88802. You will then receive a download link via SMS. Messages are charged at your standard message rate.
 - Or visit www.apapp.co.uk.
- 6.3. If the policy has not been paid in full, you will be entitled to a pro-rata refund on the amount you have paid less the administration fee of £35.

7. HOW TO MAKE A CLAIM

If total loss occurs report your claim using the following procedure. Important: you should notify us of your claim before accepting any settlement from your motor insurer see 5.4 above

- 7.1. Contact the administrators via the app or online at www.apapp.co.uk and notify us of your claim within 90 days of the total loss.
- 7.2. For claims authorisation, you must provide:

- the cause of the total loss;
- your original invoice detailing original purchase price etc. if you did not use a finance agreement to fund the vehicle purchase;
- proof of payment of the appropriate premium or premium instalment in respect of the policy via a supplementary invoice supplied by the retailer;
- proof of payment of the claim for total loss under the motor insurance policy;
- a valid crime reference number in the case of malicious damage or theft;
- details of the finance settlement amount including the outstanding balance, remaining term, interest charges etc.

8. CLAIMS CONDITIONS

You must comply with the following conditions to have the full protection of your policy. If you do not comply with them, we may at our option cancel the policy, refuse to deal with your claim, or reduce the amount of the claims payment:

8.1. Subrogation

We may at our sole option take any steps in your name against any person including but not limited to your motor insurance policy insurer to recover any money we pay in settlement of your claim. You must give us all assistance necessary. We may also at our option take over negotiations with your motor insurance policy insurer with respect to your total loss claim.

8.2. Other insurance

If you were covered by any other insurance for the same benefit we will only pay our share of the claim.

8.3. Disposal

We accept no liability for the responsible disposal of the vehicle or its salvage in any event;

8.4. Use of Engineers

At notification of any claim we reserve the right to instruct an independent engineer to inspect the vehicle before authorising any claim. Any decision on liability will be withheld until this report is received. When this right is exercised we shall have no liability for any loss to you arising from any possible delay.

8.5. Fraudulent claims or misleading information

We take a robust approach to fraud prevention. If any claim under this insurance is fraudulent or intended to mislead, or if any misleading or fraudulent means are used by You or anyone acting on Your behalf to obtain benefit under this insurance, Your right to any benefit under this insurance will end, Your cover will be cancelled and We will be entitled to recover any benefit paid and costs incurred as a result of any such fraudulent or misleading claim. We may also inform the police.

9. CUSTOMER SERVICE & COMPLAINTS

We realise that things can go wrong and there may be occasions when You feel that We have

not provided the service You expected. When this happens We want to hear about it so that We can try to put things right. It is important You know that We are committed to providing You with an exceptional level of service and customer care.

If Your complaint is about the way a Policy was sold to You

If at any time You have any query or complaint regarding the way the Policy was sold, You should contact the Dealer who sold the Policy to You.

If Your complaint is about a Claim or the Administration of the Policy

If You should have a query or complaint regarding a Claim or the administration of the Policy, You should address Your complaint to: The Managing Director, AutoProtect (MBI) Limited Warwick House, Roydon Road, Harlow, Essex CM19 5DY. Tel. No. 01279 456 500.

We will contact You within five days of receiving Your complaint to inform You of what action We are taking. We will try to resolve the problem and give You an answer within four weeks. If it will take Us longer than four weeks, We will tell You when You can expect an answer. If We have not given You an answer in eight weeks or You have received Your final response from Us and You are still not satisfied, You can contact the Financial Ombudsman Service: Financial Ombudsman Service, Exchange Tower, London, E14 9SR. By telephone on 0800 023 4567 or by Email complaint.info@financial-ombudsman.org.uk.

This complaints procedure does not affect any legal right You have to take action against Us. You can check the above details on the Financial Conduct Authority Register by visiting the FCA website: www.fca.org.uk/register or by contacting the FCA on 0800 111 6768.

10. COMPENSATION SCHEME

Acasta European Insurance Company Ltd, who underwrite this insurance are covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if they cannot meet their obligations. This depends upon the type of insurance and the circumstances of the claim. Most insurance contracts are covered for 90% of the claim. Further information is available from the Financial Conduct Authority of the FSCS. The FSCS can be visited on the web at www.fscs.org.uk or by contacting the FSCS on 0207 741 4100.

11. LEGAL AND REGULATORY INFORMATION

11.1. Premiums and claims – your rights

When handling premium payments from you that are due to us, and when handling any premium refund due to you, AutoProtect (MBI) Limited and your retailer (if you paid the premium to your retailer) act as our authorised agents. This means that when you pay a premium to AutoProtect (MBI) Limited or your retailer it is deemed to have been received by

us, and that any premium refund paid by AutoProtect (MBI) Limited or your retailer is not deemed to have been paid until you have received the payment.

Also when AutoProtect (MBI) Limited handles a claim you make on this policy they act as our authorised agents. This means that any valid claim you make with AutoProtect (MBI) Limited which is to be settled by a payment, is not deemed to have been settled until you have received the payment.

11.2. The law & legal proceedings applicable to this insurance

Under the laws of the United Kingdom (England, Scotland, Wales and Northern Ireland) both you and we may choose the law which applies to this contract, to the extent permitted by those laws. Unless you and we agree otherwise, the law which applies to this contract is the law which applies to the part of the United Kingdom in which you live or, if you live in the Channel Islands or Isle of Man, the law of whichever of those two places you live.

Any legal proceedings between you and us in connection with this contract will, therefore, only take place in the courts of the part of the United Kingdom, the Channel Islands or the Isle of Man in which you live.

11.3. DATA PROTECTION

We are the Data Controller for the data You provide to Us. We need to use Your data in order to arrange Your insurance and associated products.

You are obliged to provide information without which We will be unable to provide a service to You. Any personal information provided by You may be held by the Insurer in relation to Your insurance cover. It may be used by Our relevant staff in making a decision concerning Your insurance and for the purpose of servicing Your cover and administering claims.

Information may be passed to loss adjusters, solicitors, reinsurers or other service providers for these purposes. We may obtain information about You from credit reference agencies, fraud prevention agencies and others to check Your credit status and identity. The agencies will record Our enquiries, which may be seen by other companies who make their own credit enquiries. If You provide false or inaccurate information and We suspect fraud, We will record this.

We and other organisations may use these records to:

- Help make decisions on insurance proposals and insurance claims, for You and members of Your household
- Trace debtors, recover debt, prevent fraud, and manage Your insurance policies
- Check Your identity to prevent money laundering, unless You furnish Us with satisfactory proof of identity.

We process all data in the UK but where We need to disclose data to parties outside the European Economic Area (EEA) We will take reasonable steps to ensure the privacy of Your data. In order to protect Our legal position, We will retain Your data for a minimum of 7 years. We have a Data Protection regime in place to oversee the effective and secure processing of Your data. Under GDPR legislation, You can ask Us for a copy of the data We hold, have it corrected, sent to a third party or deleted (subject to Our need to hold data for legal reasons). We will not make Your personal details available to any companies to use for

their own marketing purposes. If You wish to complain about how We have handled Your data, You can contact Us and We will investigate the matter. If You are not satisfied with Our response or believe We are processing Your data incorrectly You can complain to the Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF Tel: 0303 123 1113.

12. DEFINITIONS

Certain words throughout this document are defined words and are shown in italics. These are listed and defined below.

"Administrators" means AutoProtect (MBI) Limited, Warwick House, Roydon Road, Harlow, Essex CM19 5DY. Telephone: 01279 456500.

"CAP" is an independent vehicle value guide published monthly by CAP Automotive Limited, used by the insurance industry in assessing vehicular values.

"Cover Start Date" means the start date of cover shown on the *policy schedule*.

"Contract Hire Agreement or Lease Agreement" means the agreement between you and the lease company for the contract hire or lease hire of your vehicle.

"Excluded vehicles" means any which:

- Have been modified in any way from the manufacturer's specification;
- Are owned temporarily or otherwise (resulting from trade-in or acquisition for the purposes of resale) by a business formed for the purposes of selling or servicing motor vehicles;
- Are used for racing, pace making, speed testing, reliability trials, rallying, or vehicles used for any other competitive event;
- Are over 3500kg gross weight;
- Are of the following makes: Aston Martin, Bentley, Bristol, Bugatti, Cosworth, De Tomaso, Dorchester, Ferrari, Ginetta, Hummer, Honda NSX models, Lamborghini, Lancia Thema, Lotus, Maserati, Maybach, Mitsubishi 3000GT, Marcos, Noble, Rolls Royce, TVR and Vans above 3500kgs GVM. Kit cars.
- Are emergency vehicles, driving school vehicles, buses, scooters, motorcycles, invalid carriers or vehicles which have been modified other than in accordance with the manufacturers specifications and any make of vehicle not built for principle sale in the UK.;
- *Are grey imports;*
- Are left hand drive, and any American make of vehicle unless manufactured as right hand drive for the UK market;
- Are not mentioned in *Glass's Guide*

"Finance agreement" means the agreement between you and the *finance company* for the purchase of the *vehicle with either a contract hire or lease agreement*.

"Finance company" means any *finance company* or any other lender with whom you

have agreed a *finance agreement*.

“*Finance settlement*” is the amount you require to settle the element of your *finance agreement* that relates to the *purchase invoice of the vehicle only*.

N.B. If you borrowed more than the *purchase invoice price* on the *finance agreement*, you will still have an outstanding balance after we have settled your claim. For example you may have borrowed to pay for insurance premiums, road fund licence, new vehicle registration fee, fuel, paintwork and/or upholstery protection kits, and we would not pay any outstanding balance relating to such items.

“*Glass’s Guide*” is an independent vehicle value guide published monthly by Glass’s information services limited, used by the insurance industry in assessing vehicular values.

“*Grey import*” means any a vehicle that was not built to EU vehicle type approved standards and/or was not sold as new in the EU by the manufacturer’s official concessionaire or agent.

“*HM Armed Forces*” means regular members of the Royal Navy, Royal Marines, Royal Air Force and Regular Army which will include *Ghurkhas and Reserve Forces*

“*Instalment Plan*” means a process by which payment for your policy is made in instalments over a fixed period of time.

“*Market value*” means the Retail Transacted Value in Glass’s Guide for the cost of replacing the vehicle with one of the same age, make, model trim level, recorded mileage and overall condition. We reserve the right to have an independent valuation undertaken should the specification not be available within Glass’s Guide or it is suspected that the condition of the vehicle is such that this would affect the Glass’s Guide value. There will be no value allowance for non-standard fittings, other than a reduction should any non-standard fittings be considered to have a detrimental effect on retail prospects and/or value.

“*Motor Dealer*” means a vehicle dealership or vehicle local distribution business that sells new or used vehicles at the retail level, based on a dealership contract with a manufacturer or its sales subsidiary. It employs automobile salespeople to sell their automotive vehicles. It may also provide maintenance services for vehicles, and employ automotive technicians to stock and sell spare automobile parts and process warranty claims.

“*Motor insurance policy*” means a comprehensive motor insurance policy issued by an authorised UK motor insurer which insures against accidental loss of or damage to the *vehicle* throughout the *period of insurance*. Note: motor trade insurance policies of any type are excluded.

“*Negative equity*” means an amount carried over from a previous *finance agreement* which is not directly linked to the purchase of the *vehicle* insured by the policy.

“*Period of insurance*” means the period from the *date of commencement*, as shown in the *policy schedule*, until the earliest of the following dates:

- The policy reaches natural expiry after the duration shown in your policy schedule;

- The *vehicle* is no longer in your possession and you do not notify us of a transfer;
- You submit a valid claim against the policy;
- Any monthly instalment on finance for the policy premium is not paid in full;
- You choose to cancel the policy.

“*Policy Schedule*” means the document which forms part of the insurance contract between you and us. It contains your name, address and details of the level of cover provided.

“*Premium*” means the amount shown in the Policy Schedule

“*Purchase invoice price*” is the price paid by you for the *vehicle* (including all factory fitted accessories) and after any discount given but excluding any, new vehicle registration fee, fuel, paintwork and/or upholstery protection kits, insurance premiums (including the premium for this policy), any finance arrears and any such associated costs and any *negative equity*. We will include the cost of a vehicle warranty and make a contribution of up to £100 towards road fund licence costs.

“*Retailer*” means the party, person or company who has arranged this insurance on your behalf

“*Territorial Limits*” means the area in which the policy is effective and are the UK, Northern Ireland, the Isle of Man, the Channel Islands, member countries of the European Community and any other country for which an International Motor Insurance Green Card in respect of the *vehicle* is effective at the *date of loss*. The *vehicle* can only be used outside of the UK for a maximum of 90 days per year.

“*Total loss*” means when the *vehicle* is either stolen and not recovered, or is deemed beyond economic or constructive repair under your *motor insurance policy*, following material damage or fire.

“*Vehicle*” means the vehicle specified in your *proposal/policy schedule* It can be any vehicle registered and principally used in the UK, having a maximum purchase price (including manufacturer approved accessories fitted by the dealer up to £1,500) of £75,000 which is the subject of a *finance agreement* or cash purchase and which is less than 7 years old on the date of purchase of the *vehicle* and of the commencement of any associated *finance agreement*. The *vehicle* cannot be an *excluded vehicle*.

“*War*” means:

- (a) War, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- (b) any act of terrorism, or
- (c) any act of war or terrorism involving the use of or release of a threat to use any nuclear weapon or device or chemical or biological agent

“*We/Us/Our*” means Acasta European Insurance Company Ltd 5/5 Crutchett’s Ramp, Gibraltar, GX11 1AA and are regulated by the Financial Conduct Authority (firm reference no 456936). We are the insurer for your Combined

GAP policy. We are the insurer your Combined GAP Hire and Reward policy.

“*You/Your/Yourself*” means the purchaser and registered keeper of the *vehicle* or in respect of contract hire and leasing contracts, the authorised driver for the *vehicle*.