

Car Gap Insurance Policy Document

Car Depreciation Gap Insurance direct from the UK's dedicated provider

POLICY DOCUMENT

This document explains exactly what cover is provided and contains the terms and conditions of this policy. This document, together with the application and schedule forms the policy and should be read as one document. The schedule contains information about you, the vehicle, the period of cover and the premium.

It is up to you to ensure that the cover you have selected is appropriate for your needs. If you have any questions regarding this policy or you would like to make any changes or additions to the cover, please contact the administrator, Direct Group Limited on telephone number 0844 50 90 301(all calls are recorded for training, compliance and claims purposes).

You must notify us as soon as possible of any changes which may affect the cover provided and which have occurred since the cover started. If you do not inform us of any changes, this policy may become invalid and may not provide the cover you require.

Please make sure that the cover meets your requirements and that the information detailed in the schedule is correct.

THIS GAP INSURANCE IS SUITABLE FOR:

- new and used vehicles
- vehicles less than 7 years old at the inception date
- vehicles that have covered less than 80,000 miles at the inception date
- vehicles with an insured value of less than £30,000
- vehicles purchased privately or through a trade entity
- vehicles purchased any time in the last 7 years
- vehicles used for private or business purposes
- vehicles purchased using cash or a personal bank loan
- vehicles purchased by means of finance including but not limited to motor loan and Personal Contract Purchase, contract hire or any style of leasing agreement

ADDITIONAL BENEFITS AVAILABLE

Subject to the payment of the required additional premium, cover can be extended to include the following additional benefits:

- the additional amount required to settle contract hire or any style of leasing agreement
- the additional amount required to settle a finance agreement
- vehicles used for driving instruction purposes
- vehicles used for taxi purposes
- dealer fitted accessories
- return to invoice upgrade
- motor insurance excess buster
- £500 inconvenience cover

GUIDE TO YOUR POLICY

Section 1.	Definitions
Section 2.	Cover Provided
Section 3.	Additional Benefits
Section 4.	What Is Not Covered
Section 5.	Insurer's Rights
Section 6.	How To Make A Claim
Section 7.	The Law Applicable To This Policy
Section 8.	Your Cancellation Rights
Section 9.	Cancellation
Section 10.	Automatic Termination
Section 11.	Important Notes

Car Gap Insurance Policy Document

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1. DEFINITIONS

<i>Administrator</i>	Direct Group Limited, Direct House, White Rose Way, Doncaster, South Yorkshire DN4 5NU telephone number 0844 50 90 301, who administer this insurance on the insurers behalf. Direct Group Limited is authorised and regulated by the Financial Services Authority.
<i>Category A, B, C, D, F & X</i>	As per the UK Insurance Write-Off Categories – Category A – A vehicle must be crushed, including all spare parts, Category B – A vehicle from which spare parts may be salvaged, however the bodyshell should be crushed and the car should never return to the road, Category C – An extensively damaged vehicle which an insurer has decided not to repair, however it could be repaired and returned to the road, Category D – A damaged vehicle which an Insurer has decided not to repair, however it could be repaired and returned to the road, Category F – A vehicle damaged by fire, which the Insurer has decided not to repair and Category X – Theft – A vehicle which has not been recovered and ownership rests with the Insurer who made the loss payment.
<i>Comprehensive Motor Insurance Policy</i>	A valid and in force comprehensive motor insurance policy covering the vehicle against theft, fire or accident as at the date of loss and which was entered into between you and a registered motor insurer or a valid and in force comprehensive motor insurance policy, issued by a U.K. registered motor insurer, in which you are a named driver
<i>Contract Hire Leasing Company</i>	The company you have agreed a contract hire / lease agreement with
<i>Contract Hire / Lease Agreement</i>	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
<i>Date of Loss</i>	The date of the theft, fire or accident which gives rise to your claim for the total loss of the vehicle
<i>Finance Agreement</i>	An enforceable hire purchase finance agreement entered into by you with an authorised finance company for the purchase of the vehicle
<i>Geographical Limits</i>	The area in which this policy is effective i.e. Great Britain, 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 card ('Green Card') in respect of the vehicle is effective at the date of loss
<i>Grey Import</i>	A vehicle that does not comply with European Union vehicle type specification and which is imported from outside the UK. Note: parallel imports have been produced for a European Member State and will conform to European Wide Type Approval and therefore qualify for cover
<i>Inception Date</i>	The date from which this policy is valid and noted on the schedule
<i>Insured Value</i>	Glass's Guide value for a vehicle of the same make, model specification level, age, book mileage and overall condition on the inception date. This will increase to the UK Motor Dealer Invoice Price if Return to Invoice Upgrade is purchased or the UK Motor Dealer Invoice Price plus any increase in value caused by inflation and other market forces if New Car Replacement Upgrade is purchased.
<i>Market Value</i>	The market value based on Glass's Guide value for purchasing or replacing the vehicle with one of the same make, model, trim level, book mileage and overall condition. We reserve the right to have an independent valuation undertaken should the specification not be available in Glass's Guide or it is suspected that the condition of the vehicle is such that this would affect the Glass's Guide valuation
<i>UK Motor Dealer Invoice Price</i>	The cost of the vehicle inclusive of VAT where applicable, less any discount, including factory fitted accessories but excluding warranty charges, insurance premiums, road fund licence, and dealer fitted extras as shown on the invoice for the vehicle provided by an entity registered for VAT for the purpose of providing motor vehicles or the retail value at time of purchase of the vehicle as determined by Glass's Guide whichever is the lesser.
<i>Negative Equity</i>	Any amount that the finance agreement exceeds the UK Motor Dealer Invoice Price or is carried over from a previous finance agreement
<i>Period of Cover</i>	means the period as shown on your schedule from the start date to the end date, or the date on which the insured Vehicle is sold or transferred to a new owner (whether or not you inform us), whichever occurs sooner. The maximum period of cover shall not be greater than 48 months.
<i>Policy</i>	This document together with the application and schedule
<i>Schedule</i>	Declaration and additional information submitted by you or on your behalf which shows the level of cover you have chosen
<i>Termination Charge</i>	The net balance payable to the contract hire leasing company as at the date of the total loss excluding arrears or any balloon payments which exceeds that noted in Glass's Guide values on the inception date. The early settlement will, where applicable, exclude insurance premiums, road tax, excess mileage charges and recoverable VAT
<i>Total Loss</i>	Where it is unsafe to repair the vehicle, the cost of repair is greater than the pre-accident market value, or the vehicle has been stolen and not recovered, and a total loss payment has been made by the motor insurer.
<i>Vehicle</i>	The vehicle as identified on the proposal, having a maximum insured value of £30,000 and which is less than 7 years old and has covered less than 80,000 miles at the inception date, is for use on the public highway, is to be principally used in the U.K., has a valid Vehicle Excise Licence (vehicle tax disc) and if your vehicle is more than three years old a valid mot,
<i>Vehicle Value</i>	Glass's Guide value for a vehicle of the same make, model specification level, age, book mileage and overall condition on the inception date
<i>We / Us / Our</i>	Red Sands Insurance Company (Europe) Limited whose registered office is at Level 3 Ocean Village Business Centre, 23 Ocean Village Promenade, Gibraltar, under company registration number 87598
<i>You / Your</i>	The person or entity noted on the schedule

From this point on, all defined terms appear in italics throughout this document

Car Gap Insurance Policy Document

Car Depreciation Gap Insurance direct from the UK's dedicated provider

2. COVER PROVIDED

If within the *period of cover* the *vehicle* is classed as a *total loss* we will pay the difference between the settlement you receive from the comprehensive motor insurance insurer and the *vehicle value*.

3. ADDITIONAL BENEFITS

These benefits apply if the additional benefit is noted on the *schedule*, the additional premium has been paid by *you* and a payment is due to *you* under section 2 of this *policy*.

3.1 Return to Invoice Upgrade

We will pay to *you* the Gap Insurance benefit due under section 2 of the *policy* plus the difference between the *vehicle value* and the *UK Motor Dealer Invoice Price*. The *vehicle* must have been provided to *you* by an entity registered for VAT for the purpose of providing motor vehicles within 90 days of purchase of this *policy*. If this condition is not met *your claim* will be calculated using the *vehicle value* only.

3.2 New Car Replacement Upgrade

We will pay to *you* the Gap Insurance benefit due under section 2 of the *policy* plus the difference between the *vehicle value* and the price of a replacement new vehicle matching the make, model and specification of the *vehicle* at the *inception date*. To qualify for this upgrade the *vehicle* must be less than 3 months old, covered less than 500 miles at the *inception date* and *you* or *your partner* must be the first registered keeper. The *vehicle* must have been provided to *you* by an entity registered for VAT for the purpose of providing motor vehicles within 90 days of purchase of this *policy*. If these conditions are not met *your claim* will be calculated using the *vehicle value* only.

3.3 Finance Shortfall Upgrade

We will pay to *you* the shortfall if the amount owing to settle the *finance agreement* is greater than the *insured value* on the date of *total loss*. Maximum payment is £5000. The *vehicle* must have been provided to *you* by an entity registered for VAT for the purpose of providing motor vehicles within 90 days of purchase of this *policy*. If this condition is not met *your claim* will be calculated using the *vehicle value* only.

3.4 Contract Hire Upgrade

We will pay to *you* the difference if the *termination charge* of the *contract hire / lease agreement*, less any rebates or refunds, exceeds the *vehicle value*. The *vehicle* must have been provided to *you* by an entity registered for VAT for the purpose of providing motor vehicles within 90 days of purchase of this *policy*. If this condition is not met *your claim* will be calculated using the *vehicle value* only. Maximum payment is £5000.

3.5 Dealer Fitted Accessories

We will pay to *you* a maximum of £1000 toward dealer fitted accessories as shown on *your vehicle* invoice. The *vehicle* must have been provided to *you* by an entity registered for VAT for the purpose of providing motor vehicles within 90 days of purchase of this *policy*. If this condition is not met *your claim* will be calculated using the *vehicle value* only.

3.6 Taxi Upgrade

Cover will be extended to include cover if the *vehicle* is used as a taxi and Exclusion 4.5 will not be applied

3.7 Driving School Upgrade

Cover will be extended to include cover if the *vehicle* is used by a registered driving school and/or self employed driving instructor and Exclusion 4.6 will not be applied

3.8 Inconvenience Compensation

We will pay £500 directly to *you* if, within the *period of cover*, the *vehicle* is classed as a *total loss*.

3.9 Motor Insurance Excess Buster

We will pay the additional amount, up to a maximum of £1,000, equal to the excess deducted in terms of the *comprehensive motor insurance policy* and Exclusion 4.7 will not be applied.

Car Gap Insurance Policy Document

Car Depreciation Gap Insurance direct from the UK's dedicated provider

4. WHAT IS NOT COVERED

We shall not be liable for

- 4.1 any claim if the premium has not received by *us*
- 4.2 vehicles not shown in Glass's Guide, vehicles over 3500kg gross weight, all commercial vehicles, emergency service vehicles, vans or car derived vans, designed to carry more than eight people including the driver motor cycles, invalid carriers, kit cars, *grey import(s)*, Aston Martin, Bentley, Bristol, Cosworth, De Tomaso, Dorchester, Ferrari, Ginetta, Lamborghini, Lancia, Maserati, Rolls-Royce and any American make of vehicle unless manufactured as right hand drive for the UK market.
- 4.3 vehicles fitted with non-manufacturer specified modifications including but not limited to engine modifications, up-rated brakes, roll cages, steering column extension. Modifications such as alloy wheels, in-car entertainment, sat-nav, hands-free kit, roof rails, tow bar do not prevent the *vehicle* from being insured under this *policy*
- 4.4 vehicles classified as *Category A, B, C, D, F or X* total loss prior to the *inception date*.
- 4.5 vehicles used for taxi purposes unless Additional Benefit 3.6 has been selected by *you* and the relevant premium paid
- 4.6 vehicles used for driving school purposes and or fitted with modifications specifically for the purpose of driving schools unless Additional Benefit 3.7 has been selected by *you* and the relevant premium paid
- 4.7 the excess deducted in terms of the *comprehensive motor insurance policy* unless Additional Benefit 3.9 has been selected by *you* and the relevant premium paid
- 4.8 vehicles used for self drive hire, delivery, courier, haulage, competition, racing, pace making, reliability trials, off road, speed testing or used by an entity formed for the purposes of selling or servicing motor vehicles
- 4.9 vehicles without a valid Vehicle Excise Licence (vehicle tax disc) and, if your vehicle is more than three years old a valid MOT.
- 4.10 any claim where *you* have the option to replace the *vehicle* under the *comprehensive motor insurance policy*
- 4.11 any additional costs including but not limited to road fund licence, warranty charges, insurance premiums, dealer fitted extras (please note dealer fitted accessories are covered if Additional Benefit 3.5 has been selected by *you* and the relevant premium paid)
- 4.12 business mileage.
- 4.13 any *total loss* that occurs outside the *geographical limits*
- 4.14 any *total loss* that occurs before the *inception date*
- 4.15 any *total loss* if the risk was not covered or a full and final settlement was not paid under the *comprehensive motor insurance policy*
- 4.16 any loss that occurred as a result of war, invasion, act of foreign enemy hostilities (whether war is declared or not) civil war, rebellion, revolution, insurrection or military or usurped power, riot, civil commotion
- 4.17 arising directly or indirectly from pollution or contamination
- 4.18 directly or indirectly caused or occasioned by or happening through or in consequence of terrorism or any action taken in controlling preventing or suppressing any acts of terrorism or in any way relating thereto. For the purpose of this exclusion "terrorism" means the use of biological, chemical and/or nuclear force or contamination and/or threat thereof by any person or group of persons whether acting alone or on behalf of or in connection with any organization(s) or government(s) committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public or any section of the public in fear.
- 4.19 any loss that occurred as a result of radioactive contamination from ionizing radiation or contamination from any nuclear fuel or from any nuclear waste arising from burning nuclear fuel, or the radioactive, toxic, explosive or other dangerous effect of any explosive nuclear equipment or part of that equipment
- 4.20 any claim that is the subject of fraud or dishonesty in which event *we* may declare this *policy* void in its entirety and no cover will apply. *We* shall be entitled to recover from *you* the amount of any claim already paid in terms of this *policy* and *we* shall not make any return of premium
- 4.21 any loss where the risk is covered by any other insurance or warranty

Car Gap Insurance Policy Document

Car Depreciation Gap Insurance direct from the UK's dedicated provider

- 4.22 any *negative equity*
- 4.23 any financed amount not related specifically to the *vehicle*, such as but not limited to credit protection insurance, credit facility fee, title discharge fee, documentation fee, additional interest charges and arrears
- 4.24 a *finance agreement* that allows for delayed payments, irregularly scheduled payments, payments less frequently than every 3 calendar months
- 4.25 a *finance agreement* where the duration is greater than 60 months
- 4.26 a *finance agreement* greater than £24,999
- 4.27 a *finance agreement* where the apr is greater than 29.9%
- 4.28 if *you* do not notify *us* within 30 days of the *date of loss* then *we* may at *our* option refuse to deal with *your* claim and grant no payment under this *policy*
- 4.29 any VAT if *you* are VAT registered.

5. INSURER'S RIGHTS

- 5.1 *We* may at *our* discretion take any steps in *your* name against any person including but not limited to the comprehensive motor insurance 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 the comprehensive motor insurance insurer with respect to *your total loss* claim.
- 5.2 If *you* accept an offer of settlement in respect of a *total loss* from the comprehensive motor insurance insurer without *our* express agreement *we* may at *our* option refuse to deal with *your* claim, grant no payment under this *policy*, or calculate *your* claim using the *market value* at the *date of loss*.
- 5.3 If this *policy* is purchased more than 21 days after the *vehicle* is purchased *we* have the right to adjust the claim by the pre-existing depreciation between the time of purchase of the *vehicle* and the *inception date*.
- 5.4 If *you* decline the offer of a replacement vehicle under the *comprehensive motor insurance policy* then *we* will settle the claim based on the value of the replacement vehicle and not the settlement amount offered under the *comprehensive motor insurance policy*.
- 5.5 If the *vehicle* is classified as *Category C, D, F or X* total loss after the *inception date*, any claim will be adjusted to reflect a reduction of the *insured value* as determined by *us*.
- 5.6 If the uppermost vehicle value selected by *you* at time of purchase of the *policy* and noted on the *schedule* is lower than the *insured value* *we* will settle the claim based on the uppermost vehicle value and not the *insured value*.
- 5.7 At our sole option *we* may settle a valid New Car Replacement claim by one of the following methods
 - 5.7.1 Payment to *you* of the difference between the settlement *you* receive from the comprehensive motor insurance insurer and the price of a replacement new vehicle matching the make, model and specification of the *vehicle* at the *inception date*.
 - 5.7.2 Payment to *you* of the difference between the settlement *you* receive from the comprehensive motor insurance insurer and the *UK Motor Dealer Invoice Price* at the *inception date* plus any increase in value caused by inflation and other market forces.
 - 5.7.3 Supply a replacement vehicle of equivalent make, model and specification at the *inception date*. In this instance *you* will be required to make payment to *us* equivalent to the settlement due from the comprehensive motor insurance insurer.
- 5.8 *We* accept no liability for the responsible disposal of *your vehicle* or its salvage in any event.

Car Gap Insurance Policy Document

Car Depreciation Gap Insurance direct from the UK's dedicated provider

6. HOW TO MAKE A CLAIM

If the *vehicle* is subject to a *total loss* please contact the *administrator* within 30 days of the *date of loss*

T 0844 50 90 301(all calls are recorded for training, compliance and claims purposes).

We will discuss your claim with *you* and *you* will be asked to provide copies of the V5, UK Motor dealer invoice where applicable, copies of *finance agreement* or *contract hire / lease agreement* details and settlements (if benefits selected), details of the *comprehensive motor insurance policy*, *your* driving licence, a valid crime reference number, facts on which the claim is based together with any information and assistance which *we* may require to establish the amount of the claim

7. THE LAW APPLICABLE TO THIS POLICY

You are free to choose the law applicable to this *policy*. *Your policy* will be governed by the law of England and Wales unless *you* and *we* have agreed otherwise

8. YOUR CANCELLATION RIGHTS

If after having examined this *policy* *you* decide not to proceed, *you* have 21 days to cancel from the *inception date* by writing to the *administrator*. On receipt of *your* notice *we* will refund any premium *you* have already paid, unless *you* have already made a claim on this *policy*. After this period if *you* wish to cancel *your policy* *you* will not be entitled to any refund of premium

9. CANCELLATION

We are not bound to accept *your* application and may at any time cancel *your policy* by sending 14 days notice to *you* at *your* last known address. Provided the premium has been paid in full *you* are entitled to a proportionate rebate of the premium in respect of the unexpired *period of cover*

10. AUTOMATIC TERMINATION

This *policy* will automatically terminate when a claim is settled, or on the date *you* sell or otherwise dispose of the *vehicle* regardless of whether or not *you* inform *us*. Please note, should *you* sell the *vehicle* within the first 90 days of ownership and on receipt of *your* written instruction this *policy* may be transferred to a replacement vehicle of the same value or less

Please note

- This *policy* is not transferrable.
- Only one claim can be made under this *policy*.

11. IMPORTANT NOTES

11.1 Data Protection Act 1998

We may store *your* information on a computer and use it for administration, risk assessment, research and statistical purposes, marketing purposes and for crime prevention. *We* will only disclose *your* personal details to third parties if it is necessary for the performance of *your* contract with *us*.

11.2 Sensitive Data

In order to assess the terms of this insurance or administer claims which arise, *we* may need to collect data which the Data Protection Act defines as sensitive. By accepting this insurance *you* signify *your* consent to such information being processed by *us* or the *administrator*.

We will keep *your* information secure at all times. In certain circumstances, for example for systems administration purposes, *we* may have to transfer *your* information to another country, which may be a country outside the European Economic Area (EEA).

Should *you* wish to receive a copy of the information *we* hold on *you* please contact:

The Compliance Officer, Red Sands Insurance Company (Europe) Limited, Level 3, Ocean Village Business Centre, 23 Ocean Village Promenade, Gibraltar.

Car Gap Insurance Policy Document

Car Depreciation Gap Insurance direct from the UK's dedicated provider

11.3 Legal Rights

This policy is in addition to your legal rights and is not be substituted for the suppliers liability if the vehicle is found to be unfit for the purpose for which it was intended, or is not as described or is not of satisfactory quality.

11.4 Providing Information

The information *you* have provided to *us* forms the basis of *your* insurance contract. It is important that *you* advise *us* of all material information and immediately notify *us* of any change in the information. Please note, if *you* are in any doubt whether or not any information is material it should be disclosed. Under English law, it is an offence to make any false statements or withhold any material information in order to obtain insurance cover. *We* reserve the right to decline any insurance risk or to change the premium and the terms quoted.

11.5 Complaints Procedure

Please quote *your* policy number in all correspondence as it will help *us* to deal with *your* enquiry or complaint promptly. *We* aim to provide a high level of service and to pay claims fairly and promptly.

We have appointed Direct Group Limited to deal with all administrative matters relating to this *policy*. It is *our* intention to give *you* the best possible service but if *you* do have questions or concerns about your *policy* or the handling of a claim please contact:

Direct Group Limited,
Direct House,
White Rose Way,
Doncaster,
DN4 5NU
Tel: 0844 50 90 301

If *you* have an enquiry or complaint regarding the sale of the *policy*, please address it to:

Future 45 Ltd T/a Car Depreciation Insurance
64-74 Kingston Road
Wimbledon, London SW19 1LA
Tel: 0844 50 90 301
E-mail: email@car-depreciation.co.uk

If *you* remain dissatisfied, *you* should then contact:

The Operations Manager
Red Sands Insurance Company (Europe) Limited
Level 3, Ocean Village Business Centre
23 Ocean Village Promenade, Gibraltar
Tel. +350 216 50000
e-mail: underwriter@redsands.gi

If *we* cannot give you a final decision within 4 weeks from the day *we* receive *your* complaint, *we* will explain why and tell *you* when *we* hope to reach a decision. *Our* decision is final and based on the information presented. If *you* feel that there is any new evidence or information that may change *our* decision, *you* have the right to make an appeal.

Should the matter still not be resolved to *your* satisfaction, *you* have the right to refer the matter to the Financial Ombudsman Services ('FOS'), 11 South Quay Plaza, 183 Marsh Wall, London E14 9SR. This procedure will not prejudice *your* right to institute legal proceedings. However, please note that there are some instances where the FOS cannot consider a complaint.

11.6 Financial Services Compensation Scheme

We are covered by the Financial Services Compensation Scheme ('FSCS'). Depending on the type of business and the circumstances of the claim, *you* may be entitled to compensation from the scheme if *we* cannot meet *our* obligations. For further information visit www.fscs.org.uk