

FINANCIAL SHORTFALL GAP INSURANCE POLICY

This policy describes the insurance cover **you** have chosen and the **benefit** payable. The policy provides up to 60 months cover, and in the event of the **insured vehicle** being a **total loss**, pays the difference between **your motor insurance settlement** and the **early settlement amount** required by the **finance company** to clear **your finance agreement** subject to the **benefit** limit stated on **your schedule of cover**. The payment of any **benefit** is subject to the terms and conditions as set out below.

This policy has been arranged by Car Care Plan Ltd and cover is provided by Groupama Insurance Company Limited.

Car Care Plan Ltd and Groupama Insurance Company 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.

1. DEFINITIONS

The following words will have the following meanings when they appear in bold print in this document:

"benefit" means the maximum amount payable under the policy as detailed on the **schedule of cover**.

"consequential loss" means any other costs that are directly or indirectly caused by the event which led to **your** claim unless specifically stated in this policy.

"early settlement amount" means the amount required to settle the **finance agreement** at the date of **total loss** excluding any amount carried over from a previous **finance agreement**, any insurance premiums, additional interest charges, discounts, incentives and cashbacks, arrears, title discharge fees and any other financed amount not relating specifically to the **insured vehicle**.

"end date" means the date this insurance cover ends, in accordance with Clause 6.

"finance agreement" means the credit agreement other than a contract hire or lease agreement between **you** and the **finance company** relating to the **insured vehicle**.

"finance company" means an authorised UK finance company with which **you** have entered into the **finance agreement**.

"insured vehicle" means the vehicle or motorhome:

- (i) purchased by **you** with monies advanced under the **finance agreement**; or
- (ii) hired to **you** with an option for **you** to purchase it.

"market value" means the retail value shown in the *Glass's Guide* publication for a vehicle of similar make, model, age, mileage and condition.

"motor insurance" means a policy providing comprehensive **motor insurance** in respect of the **insured vehicle** issued by **your motor insurer** and maintained in **your** name throughout the period of cover.

"motor insurance settlement" means the money that **you** receive from **your motor insurer** under **your motor insurance** following a claim for the **total loss** of the **insured vehicle**.

"motor insurer" means a UK authorised **motor insurance** company that issued a policy of **motor insurance** to **you**.

"premium" means the amount that **you** have agreed to pay **us** in respect of insurance cover under this policy.

"schedule of cover" means the schedule **we** send **you** detailing **your** insurance cover.

"start date" means the date shown on **your schedule of cover** as the date this insurance cover commences.

"territorial limits" means England, Scotland, Northern Ireland, Wales, the Isle of Man and the Channel Islands. The **insured vehicle** is also covered in the European Union, Croatia,

Iceland, Norway, Switzerland, Liechtenstein and Andorra for a maximum of 30 days (90 days in relation to a motorhome) 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 the **total loss** of the **insured vehicle** as a result of fire, theft, accident damage, natural disaster or adverse weather conditions rendering the **insured vehicle** beyond economic repair resulting in a **motor insurance settlement**.

"we, us, our" means Groupama Insurance Company Limited and any third party administrator acting on their behalf.

"you, your, insured" means either:

- (i) a private individual or a sole trader who is eligible for cover under Clause 2. (i) below and whose name appears as the **insured** on the **schedule of cover**; or
- (ii) a partnership, which in the name of at least one partner, appears as the **insured** providing the partner fulfils Clause 2. (i) (a) and the partnership fulfils Clause 2. (ii) and whose name appears as the **insured** on the **schedule of cover**; or
- (iii) a limited company or other legal entity which is eligible for cover under Clause 2. (ii) below and whose name appears as the **insured** on the **schedule of cover**.

2. ELIGIBILITY

- (i) An individual or sole trader will be eligible for this insurance cover if he or she:
 - (a) is at least 18 years of age;
 - (b) is resident in England, Scotland, Northern Ireland, Wales, the Isle of Man or the Channel Islands on the **start date** and remains so throughout the period of insurance;
 - (c) has purchased the **insured vehicle** with monies advanced under a **finance agreement**;
 - (d) has applied for this insurance cover in the form approved by **us**;
 - (e) has paid or agreed to pay the **premium** and agreed to comply with the terms and conditions of this policy; and
 - (f) has **motor insurance** in place for the **insured vehicle**.
- (ii) A partnership, limited company or other legal entity will be eligible for this insurance cover if:
 - (a) it is permanently situated, and in the case of a limited company, registered in England, Scotland, Northern Ireland, Wales, the Isle of Man or the Channel Islands on the **start date**;

- (b) it has purchased the **insured vehicle** with monies advanced under a **finance agreement**;
- (c) it has applied for this insurance cover in the form approved by **us**;
- (d) it has paid or agreed to pay the **premium** and agreed to comply with the terms and conditions of this policy; and
- (e) it has **motor insurance** in place for the **insured vehicle**.

3. PAYMENT OF PREMIUM

Your premium can be paid as a single **premium** or as a monthly payment by direct debit. Whether **you** have opted to pay **your premium** as a single payment or by monthly direct debit **your** policy will expire in accordance with Clause 6 of **your** policy. If the monthly payment option has been chosen and any instalment is not paid **your** policy will end 30 days after the date the instalment was due.

4. WHAT YOU ARE COVERED FOR

- (i) In the event of the **total loss** of the **insured vehicle** occurring after the **start date** and before the **end date**, **we** will pay an amount equal to the difference between:
 - (a) the **early settlement amount**; and
 - (b) the value of the **insured vehicle** at the date of **total loss** which will be the greater of:
 - (i) the **motor insurance settlement**; or
 - (ii) the **market value**; less the deductions listed in (iii) below.
- (ii) The **benefit** under Clause 4. (i) will be paid directly to the **finance company** and is subject to a maximum **benefit** of £10,000 where the **insured vehicle** purchase price is £25,000 or under, or £20,000 **benefit** where the purchase price is between £25,001 and up to £50,000 and £25,000 **benefit** where the purchase price is over £50,001 and up to £125,000.
- (iii) **We** will deduct from the **benefit** payment:
 - (a) any excess deducted by the **motor insurer**;
 - (b) the salvage value of the **insured vehicle** where **you** are not required to transfer ownership of the **insured vehicle** to the **motor insurer**;
 - (c) any premium owing to the **motor insurer** for the **motor insurance**;
 - (d) where the **motor insurer** reduces the **motor insurance settlement** because of **your** contributory negligence or due to the condition of the **insured vehicle** – the same percentage or amount as deducted by the **motor insurer**;
 - (e) any **premium**, or a part of any **premium** that has not been paid to **us**; and
 - (f) the VAT content of any claim if **you** are VAT registered;
 - (g) any amount included in the **early settlement amount** relating to:
 - (i) any arrears, and any interest payable on those arrears, under the terms of the **finance agreement**;
 - (ii) any amount due under the **finance agreement** not relating directly to the **market value** of the **insured vehicle** at the time of purchase. (This policy only covers the part of the **finance agreement** relating to the **insured vehicle** itself, all other elements of the **finance**

agreement and its related interest charges are excluded). If the **finance agreement** includes the cost of a loan transferred from a part exchange vehicle or from a previous **finance agreement**, any negative equity will be deducted from the claim. **We** will value the part exchange vehicle according to *Glass's Guide* trade value and not the amount offered by the vehicle trader; and

- (iii) any amount due under the **finance agreement** relating to dealer fitted options, insurance or warranty, and any interest payable thereon.
- (iv) If **you** decline the offer of a replacement vehicle under the terms of **your motor insurance** policy, then **we** will pay **your** claim based on the value of the replacement vehicle according to *Glass's Guide* retail value and not the settlement figure offered by **your motor insurer** in lieu of the replacement vehicle.
- (v) **We** reserve the right to calculate any rebate for early repayment of the outstanding **finance agreement** provided for under the Consumer Credit Act 1974.
- (vi) If **your motor insurer** provides **you** with a replacement vehicle under the terms of **your motor insurance**, **you** may apply for this policy to be transferred to the new vehicle (the original **start date** and purchase price will apply).

5. WHEN YOU WILL NOT BE COVERED

- (i) The **benefit** will not be paid for a **total loss** of the **insured vehicle** if:
 - (a) it is used as an emergency or military vehicle, courier or delivery vehicle, invalid carrier or driving instruction vehicle;
 - (b) it is subject to a lease agreement, contract hire agreement or is used for hire or reward of whatsoever nature, or as a taxi;
 - (c) it is a scooter, motorcycle, touring caravan, non-UK specification vehicle or not built for principal sale in the UK or classed as a grey import, kit car, bus, coach, commercial vehicle more than 3.5 tonnes, truck, heavy goods vehicle or any vehicle not listed in the *Glass's Guide* publication;
 - (d) it is used for road racing, rallying, pace-making, speed testing or any other competitive event;
 - (e) it has been modified other than in accordance with the manufacturer's specifications; or
 - (f) it is stolen by any person who has access to the **insured vehicle's** keys.
- (ii) The **benefit** will not be paid if the **total loss**:
 - (a) is caused when the **insured vehicle** is driven, with **your** general consent, by someone who does not hold a valid driving licence or is in breach of the conditions of that driving licence;
 - (b) results from **you**, or any other person with **your** general consent driving the **insured vehicle**, when intoxicated or under the influence of alcohol or drugs not prescribed by a medical practitioner or drugs prescribed by a medical practitioner where advice against driving has been given;

- (c) results from an accident, theft, act of vandalism or flood outside the **territorial limits** where the **insured vehicle** has been driven for more than 30 days (90 days in relation to a motorhome) outside the **territorial limits** in the 12 months immediately preceding the **total loss**;
 - (d) occurs while the **insured vehicle** is being driven outside the **territorial limits** and the cover provided by the **motor insurer** does not meet the minimum requirements under the policy; or
 - (e) results from civil commotion, terrorism, riot or insurrection, war or any act incidental to war (whether declared or not).
- (iii) The **benefit** will not be paid if:
- (a) **you** do not have **motor insurance** in place from the **start date** until the date of **total loss**;
 - (b) **your motor insurance** claim is declined and **you** have not received the **motor insurance settlement**;
 - (c) the loss is covered by any other insurance or warranty; or
 - (d) if the **insured vehicle** is owned by a garage, vehicle trader or any other associated vehicle trade company.
- (iv) The cover also excludes any loss of use of the **insured vehicle** and any **consequential loss**.
- (v) Any element of the original purchase price that exceeds 110% of the **market value** at the time of purchase if the **insured vehicle** is not subject to a hire purchase agreement.

6. WHEN WILL THE COVER END?

The **end date** will be the earliest of:

- (i) 60 months from the **start date** of the policy as stated on **your schedule of cover**;
- (ii) the date on which the **insured vehicle** is repossessed by the **finance company**;
- (iii) the date on which **benefit** is paid under this insurance cover;
- (iv) the date on which **we** advise **you** that **your** insurance cover is terminated under Clause 8;
- (v) the date on which **you** do not pay the **premium** when it is due, or **you** cancel any payment previously made or fail to maintain **your** payments under the monthly payment option; or
- (vi) the date the **insured vehicle** is sold by **you** to another party;
- (vii) the scheduled date of expiry of the **finance agreement**;
- (viii) the date on which **you** have repaid to the **finance company** all sums due under the terms of the **finance agreement** if earlier than (vii);
- (ix) the date the **insured vehicle** is sold by **you** to another party.

This policy is non-renewable.

7. CANCELLATION AND REFUNDS

You may cancel **your** insurance cover within 14 days of receiving the policy documentation and receive a refund of the **premium** paid if **you** have not made a claim. Thereafter **you** may cancel the insurance cover at any time by writing to: Car Care Plan GAP Customer Services, Jubilee House, 5 Mid Point Business Park, Thornbury, West Yorkshire BD3 7AG, however no refund of **premium** will be payable.

8. INVALID COVER BENEFIT

If any **benefit** is paid which is found to have been made as a direct or indirect result of **your** fraud, recklessness or negligence then all payments shall be forfeited and **we** reserve the right to demand that any sum paid by **us** is repaid by **you** and/or take the appropriate legal action against **you**.

9. CLAIMS

- (i) If **you** wish to make a claim under this insurance cover, please:
 - (a) contact **our** administrator, Car Care Plan GAP Customer Services, on 0844 573 8086;
 - (b) supply all information and assistance that **we** may require in establishing the amount of any payment, under this insurance, including original documentation.

*Please note that it is a condition of this insurance cover that **you** do not accept a settlement offer from **your motor insurer** without first contacting Car Care Plan GAP Customer Services on 0844 573 8086.*

- (ii) If **you** accept a settlement figure from **your motor insurer**, which is less than the current **market value** of the **insured vehicle**, **we** will calculate the loss using the current **market value** of the **insured vehicle** according to *Glass's Guide* retail value.
- (iii) **We** will be unable to process **your** claim if **we** do not receive:
 - (a) a copy of **your motor insurance** schedule;
 - (b) the **motor insurer's** written confirmation that the **motor insurance settlement** has been paid following **your** claim for **total loss** and the terms on which the **motor insurance settlement** was made;
 - (c) the original sales invoice relating to the **insured vehicle**;
 - (d) a copy of the **finance agreement**; and
 - (e) written confirmation from the **finance company** of the **early settlement amount** and the terms on which it has been calculated.
- (iv) **We** may at any time request **you** to provide **us** with proof, which is reasonably satisfactory to **us**, of the validity of the claim for **benefit**. If **we** do not receive such proof **we** will not pay the **benefit**.

10. GENERAL CONDITIONS

- (i) This policy, together with any written statement or other information made or supplied by **you** relating to **your** policy, shall constitute the entire contract between **us**. The provisions of the contract are, where their nature permits, conditions precedent to **our** liability.
- (ii) **You** cannot assign or change the policy in any manner whatsoever.
- (iii) When **your** cover under this policy ends it will not have a cash or surrender value.
- (iv) 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.
- (v) To improve the quality of **our** service, **we** will be monitoring and recording all telephone calls made to **our** administrator, Car Care Plan.

- (vi) Identification – the terms and conditions and **schedule of cover** 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.
- (vii) 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.
- (viii) 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.
- (ix) 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 insurers for that purpose.
- (x) 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.
- (xi) Contribution – if at any 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.
- (xii) Limit of Liability – in the event of a claim payment as a consequence of any insured event 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 **benefit** shown in the **schedule of cover**.
- (xiii) A person who is not a party to this insurance has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this insurance but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

11. GENERAL EXCLUSIONS

The insurers will not be liable for any claim for:

1. Loss or damage caused by or arising from the intentional act or wilful neglect of the **insured**.
2. Loss of use of the **insured vehicle** or **consequential 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 therefrom or any **consequential loss**.
5. Any legal liability of whatsoever nature directly or indirectly caused by or contributed to be or arising from ionising radiations or contamination by radioactivity from the combustion of nuclear fuel.
6. Damage caused by pressure waves of an aircraft or other aerial device travelling at sonic or supersonic speed.
7. Liability where the terms of the policy have been amended or altered without **our** written consent to the **insured**.

12. COMPLAINTS PROCEDURE

We always aim to provide a first class standard of service, however, if **you** have any cause for complaint, **you** should in the first instance address **your** enquiry to the administrator: Car Care Plan GAP Customer Services, Jubilee House, 5 Mid Point Business Park, Thornbury, West Yorkshire BD3 7AG or call **us** on 0844 573 8086.

In the event **you** remain dissatisfied with the manner in which **your** complaint has been dealt with then **you** should write to **us** making sure that **you** quote **your** policy number and vehicle registration number at: The Chairman and Chief Executive, Groupama Insurance Company Limited, Groupama House, 24-26 Minorities, London EC3N 1DE.

If it is not possible 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 at: The Financial Ombudsman Service (FOS), South Quay Plaza, 183 Marsh Wall, London E14 9SR. Tel: 0845 080 1800.

The above 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.

13. COMPENSATION SCHEME

Groupama Insurance Company 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. Most insurance contracts are covered for 100% of the first £2,000 and 90% of the remainder of the claim. **You** can get more information about compensation scheme arrangements from the FSCS. Telephone number 020 7892 7300 or visit www.fscs.org.uk

14. DATA PROTECTION ACT 1998

Insurers share information with each other to prevent fraudulent claims via a register of claims. A list of participants is available on request. In the event of a claim, any information **you** have supplied relevant to this insurance cover and on a claim form, together with other information relating to the claim, will be provided to the Register in compliance with the Data Protection Act 1998 or any subsequent legislation.

If you would like a large text or taped version of this information, please telephone 0844 573 8086.