

### INSURANCE POLICY

#### Understanding Your Insurance Cover

Please read this **policy** carefully together with the **Schedule** and make sure **You** understand and fully comply with all the terms and conditions as a failure to do so might jeopardize the payment of any claim which may arise and may lead to **Your** insurance becoming void.

Words in bold type face in this **policy**, other than in the headings, have specific meanings attached to them as set out in section 1 of this document.

Please ensure **You** keep this **policy** and the **Schedule** in a safe place so that if **You** should need to **You** can read it again.

#### Your Insurance Cover

This policy is a contract between **You** and the Insurer, Financial & Legal Insurance Company Limited 5400 Lakeside, Cheadle, Stockport, SK8 3GQ which is authorised by Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority under firm reference number 202915.

#### Terms and Conditions

This insurance is designed to pay:

1. The difference between the settlement **You** receive from **Your Motor Insurance Policy** and the cost of replacing **Your Motor Vehicle** with a **Motor Vehicle** of the same make, age, mileage and specification, as **Your Motor Vehicle** when **You** bought it up to a maximum of £75,000 or,
2. if the model is no longer available then the replacement cost of the nearest equivalent vehicle will be used or,
3. should **You** not wish a replacement vehicle, pay the difference between the settlement **You** receive from **Your Motor Insurance Policy** and the **Original Purchase Price** paid when **You** originally purchased the **Motor Vehicle** up to a maximum of £75,000, or
4. the difference between **Your motor Insurance Settlement** and any **Outstanding Balance** if greater than the replacement cost or the **Original Purchase Price** of the **Motor Vehicle** up to a maximum of £75,000.

**Please note: We** will only pay the element of the **Outstanding Balance** that relates directly to the price of the **Motor Vehicle**. See the definition of **Insurance Settlement**.

#### Eligibility

**You** can apply for this insurance if:

1. **You** are the registered owner and or keeper of the **Motor Vehicle**; and
2. The **Motor Vehicle** has, and will have, a motor **insurance policy** at all times throughout the **Cover Period**, in **Your** name as the policyholder or in the name of a nominated authorised driver. **Please Note: Motor trade insurance policies of any type are excluded.**
3. The **Motor Vehicle** has not previously been declared a **Total Loss** / write off

4. The **Motor Vehicle** was not purchased more than 90 days before the **Cover Start Date**
5. The **Motor Vehicle** is under 4 years old and has a recorded insured value between £5000 and £100,000, and is listed in Glass's Guide at the **Cover Start Date** and if 3 years or older has a valid MOT and if the vehicle is an LCV it is below 3.5t and used in the course of normal business such as builder, mechanic, plumber etc. and
6. The **Motor Vehicle** has been purchased from a UK VAT Registered Motor Dealer and
7. The **Motor Vehicle** is not one of the following excluded vehicles:  
Ferrari, Lamborghini, Maserati, Rolls Royce, Motorcycle, Motor Scooter/Moped, any left hand drive vehicle and a vehicle which does not meet UK or EC approval or is not commercially available in the UK direct from a manufacturer or its authorised importer or dealer, any taxi, mini cab, driving tuition vehicle, courier or delivery vehicle of any type or any private or public rental vehicle or any rally, competition or off-road vehicle of any type.
8. **You** are a business and the vehicle is covered for Class 1 Business Use only and the vehicle is only used by one driver and is not used as a pool car.

**We** will not provide any cover if **You** do not meet these eligibility requirements.

## 1. DEFINITIONS

**Administrator and Claims** means Spectrum Insurance Services Limited.

**Cover end date** means the earliest of:

1. the date **You** sell or transfer the **Motor Vehicle**;
2. the date benefit is paid under this insurance;
3. the date on which **You** cease to have a **Motor Insurance Policy** in place covering the **Motor Vehicle**;
4. the date this certificate terminates as stated on the **Schedule**.

**Cover Period** means the period from the **Cover Start Date** to the **Cover end date**.

**Cover Start Date** means the date on which Financial and Legal Insurance Company Limited or its authorised motor dealer/broker receives the premium payable for cover or the date given on **Your Schedule**, whichever is later.

**Finance Agreement** means the original hire purchase, PCP, conditional sale, loan or credit agreement between **You** and the **Lender** for the purchase and/or use of the **Motor Vehicle**.

**Insurance Settlement** means the payment amount **You** receive under **Your Motor Insurance Policy** following the **Total Loss** of the **Motor Vehicle**.

**Insured Person** means the person named in the **Schedule**.

**Lender** means the finance company that is named in any Finance Agreement.

**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 Policy** means a standard form of comprehensive **Motor Vehicle** insurance policy with a motor insurer registered in the United Kingdom and issued to **You** and in force on the **Motor Vehicle**.

**Motor Vehicle** means the passenger car or LCV (Light Commercial Vehicle) under 3.5t, as identified in the **Schedule**, that is made for private or business use on the public highway and has a value between £5000 and £100,000.

**Negative Equity** means the situation where the **Original Purchase Price** of the **Motor Vehicle** financed by the **Finance Agreement** is above the manufacturer's published retail list price at time of purchase or its retail **Market Value** if a used vehicle.

**Original Purchase Price** means the price paid by **You** for the **Motor Vehicle** or a maximum of 110% of the **Market Value** of the vehicle as defined by Glass's Guide Retail at time of purchase, whichever is the lesser (including all factory and dealer fitted accessories up to a maximum of £2000) and after any discount given, but does not include the cost of road fund licence, new vehicle registration fee, fuel, paintwork and/or upholstery protection kits, insurance premiums (including the premium for this policy), warranty premiums, any finance arrears and any such associated costs and any **Negative Equity** transferred from a previous **Finance Agreement**.

**Outstanding Balance** means the amount the **Lender** calculates **You** must pay to settle the **Finance Agreement** less any arrears and interest on arrears, and less the repayment of any amount other than the purchase price of the **Motor Vehicle**.

**Schedule** means the **Schedule** attaching to this certificate.

**Shortfall** means the difference between the insurance **settlement** and the greater of:

1. the **Outstanding Balance** at the date on which payment is made by **Your** insurer under **Your Motor Insurance Policy**; and
2. the **Original Purchase Price**.

**Territorial Limits** - The UK, The European Union (excluding the UK), Iceland, Norway, Switzerland, Liechtenstein and Andorra are within the **Territorial Limits**, but only if the Vehicle is not out of the UK for any more than 90 days in any 12 months of cover, and the cover available under **Your Motor Insurance Policy** when the Vehicle is in the European Union (excluding the UK), Iceland, Norway, Switzerland, Liechtenstein and/or Andorra is the same as or equivalent to the cover **You** would have enjoyed if the Vehicle had been in the UK.

**Total Loss** means the actual or constructive **Total Loss** (as a result of theft or material damage to the **Motor Vehicle**) resulting in a payment under **Your Motor Insurance Policy**.

**We, Us or Our** means Financial & Legal Insurance Company Limited

**You or Your** means the **Insured Person or business** named on the **Schedule**, who is also the registered keeper of the **Motor Vehicle**, the policyholder or any named driver in the **Motor Insurance Policy** and the borrower named in any **Finance Agreement**.

## 2. WHAT WE WILL PAY

1. On receipt of satisfactory evidence that **Your** insurer has settled a **Total Loss** claim for the **Motor Vehicle** under **Your Motor Insurance Policy** during the **Cover Period**, **We** will:

### a) VRI - Vehicle Replacement:

Credit the supplying VAT registered motor dealer, as pre-authorised by **Us**, with the difference between the settlement **You** receive from **Your Motor Insurance Policy** and the replacement cost of the **Motor Vehicle**, with either: a new **Motor Vehicle** of the same model and specification as the original **Motor Vehicle**, or a **Motor Vehicle** of similar age to that of the **Motor Vehicle** when it was purchased by **You** if the **Motor Vehicle** was not new when purchased ;

**Replacement vehicle price** means;

(a) The cost, at the date of loss, of replacing the **insured vehicle** with another that is the same age, model, specification and mileage as at the date **You** purchased it.

For example, if **You** purchased a brand new vehicle (where **You** were the first registered keeper) and it was declared a **Total Loss** after 2 years then this insurance would pay the difference between the **motor Insurance Settlement** and the value of purchasing a brand new replacement vehicle of the same specification. If **You** purchased a 1 year old vehicle with 10,000 miles on the odometer and this was declared a **Total Loss** after 2 years, this policy would pay the difference between the **motor Insurance Settlement** and the value of purchasing a replacement 1 year old vehicle of the same specification, with 10,000 miles on odometer at the time of **Total Loss**.

If the original model is no longer available;

(b) the cost of an equivalent superseding vehicle of the same age, specification and mileage as at the date **You** purchased the **insured vehicle**.

Where the original model or superseding model is no longer available

(c) the difference between the **motor Insurance Settlement** and the net invoice price of the insured vehicle plus an added 10% in value.

How **We** calculate the cost of a replacement vehicle;

(i) if the vehicle was brand new when **You** bought it, then **We** will source three price offers from the franchised dealer network which may include online quotations. **We** will use the average of these figures to determine the cost of the replacement vehicle

(ii) if the vehicle **You** purchased was used, **We** will use Glass's Guide retail transacted value, together with vehicles available within the UK retail network to determine the replacement cost of a vehicle of the same age, specification and mileage as **Your** vehicle was at the time **You** purchased it (e.g. if the vehicle was 1 year old, with 10,000 on the odometer then another 1 year old, 10,000 mile example at the time **You** make a claim.

The determination of what is the equivalent or superseding model is decided by **Us**. To enable **Us** to do this **We** may reference information from vehicle manufacturers, trade publications and valuation services such as Glass's Guide or other online websites.

### b) RTI - Return To Invoice

Should **You** not wish a replacement vehicle, **We** will pay **You** the difference, between the settlement **You** receive from **Your Motor Insurance Policy** and the **Original Purchase Price** paid when **You** purchased the **Motor Vehicle** including any discount given, less dealer fitted accessories or services, unless specified on the relevant manufacturer's price list, road fund license, extended warranty charges and insurance premiums or,

### c) GAP Finance Shortfall

Pay any greater **Outstanding Balance** owed on **Your** finance or lease agreement following a **Total Loss**.

## 3. WHAT WE WILL NOT COVER

This insurance does not cover, and **We** will not make any payment for, any of the following:

1. Any liability for death or bodily injury or damage to any person, damage to property or any other losses or expenses arising from the event that results in the **Total Loss** of the **Motor Vehicle**.

2. Any contribution that **You** more specifically insure elsewhere.

3. Any additional costs within the **Insurance Settlement** for anything other than the purchase of the **Motor Vehicle**. This includes, but is not limited to, administration charges, option to purchase charges, late payment charges and arrears, early settlement charges.

4. Any of **Your Finance Agreement** instalments that are in arrears or any interest on arrears, or any deficit due to non payment or erratic payment of any amounts that **You** should have paid under the terms of **Your Finance Agreement** or any outstanding financed amount transferred from any previous **Finance Agreement** including "Cash Back" to **Your** current **Finance Agreement**.

5. If the event causing the **Total Loss** is occasioned by **Your** deliberate act or with **Your** consent.

6. If the claim or loss is caused by **You** taking part (either directly or indirectly) in a crime.

7. Drink driving offence or **You** being under the influence of drug s.

8. The amount of any policy excess on **Your Motor Insurance Policy** exceeding £250.

9. **Your Motor Insurance Policy** insurer replacing **Your Motor Vehicle** or offering **You** a replacement vehicle in settlement which **You** decline.

10. **Your Motor Insurance Policy** insurer offers to repair **Your Motor Vehicle** but **You** have instead requested the claim to be dealt with on a **Total Loss** basis.

11. If the claim or loss is directly or indirectly caused by 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.

12. If the claim or loss is directly or indirectly caused by ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

13. Any VAT element of any claim where **You** are VAT registered.

14. Any deduction by **Your** Motor Insurer for any unrepaired pre -accident damage.

## 4. CLAIMS PROCEDURE

If **You** wish to make a claim under this insurance cover please contact the **administrator** on 01143 219 877. All claims must be notified as soon as is reasonably possible and in any event within 120 days of any **Total Loss**. The **administrator** will send **You** a claim form for **You** to complete and return.

**You** must take all reasonable steps to safeguard the **insured vehicle** in the event of any damage occurring to it.

In the case of malicious damage and theft **You** must report the incident to the police within 24 hours and advise the **administrator** of the crime reference number.

Do not accept a settlement offer from **Your motor insurer** without first contacting the **administrator**.

**We** will be able to provide **You** with a **Market Value** price for **Your** vehicle as listed in Glasses Guide. This is only an estimate for **Your** reference when dealing with **Your motor insurer**.

- **You** should make a claim and provide all necessary proof as soon as possible after the event leading to the **Total Loss** of the **Motor Vehicle**, but in any event within 120 days of the date of **Total Loss**. If **You** do not do this payment of **Your** benefit may be delayed or reduced. **We** may provide an extension of that period if **You** make a request in writing giving a reasonable explanation for the delay.
- **Your** claim must be accompanied by a copy of any **Finance Agreement**, a copy of the statement by **Your Motor Insurance Policy** insurer disclosing in full the basis of the calculation used in arriving at the **Insurance Settlement** amount and evidence of payment of the **Insurance Settlement**.
- **You** should also include the settlement statement for **Your Finance Agreement** incorporating a breakdown of any arrears or interest on the arrears and interest rebate if any, **Your** fully detailed vehicle purchase invoice, a Pro-forma Invoice detailing the cost of the replacement vehicle plus this insurance certificate. **We** may require other documents to validate **Your** claim and it is **Your** responsibility to provide these.

**We** may require other documents to validate **Your** claim and it is **Your** responsibility to provide these. Documents must be certified as correct by an official of **Your Motor Insurance Policy** insurer and **Your Lender**. **We** will give **You** information on how to complete **Your** claim form and tell **You** any other details that are required.

### Best endeavor's

The Insured shall use their best endeavor's 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 current **Market Value** of the vehicle, the insurer reserves the right to contact **Your** Motor Insurer in **Your** name to access the offer of settlement and where necessary seek settlement in-line with the **Market Value** at the time of the incident that led to **Your** Vehicle being declared a **Total Loss**.

Any actions taken in **Your** name regarding the Insured Value will not affect payment of a claim under **Your** Policy. **You** must give **Us** all the assistance that is necessary.

## 5. GENERAL TERMS & CONDITIONS

This **policy** and the **Schedule** together with any written statement or other information made or supplied by **You** relating to **Your** insurance cover shall constitute the entire contract between **Us**. The provisions of the contract are, where their nature permits, conditions precedent to **Our** liability. 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.

**Your** insurance cover has no cash or surrender value.

**Your** insurance cover shall be governed by and construed in accordance with the Law of England and Wales.

**We** may at **Our** own expense take such proceedings in **Your** name as **We** may think fit to enforce any rights and remedies against or obtain relief or indemnity from other parties to which **We** shall be or may become entitled or subrogated under this **policy**.

It is a condition precedent to **Our** liability that **You** have complied with the terms and conditions of this **policy**.

If at the time of the **Total Loss** **You** have other insurance covering such loss **We** will not be liable for more than **Our** rateable proportion.

A person who is not a party to this insurance cover has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this **policy** but this does not affect any right or remedy of a third party which exists or is available apart from

Act. If any dispute between **You** and **Us** arises from this policy, **You** can make a complaint to **Us** as described in section 11 of this poli and **We** will try to resolve the matter.

### Other Insurance

If **You** have another similar insurance with **Us** or with any other insurer, in respect of the same **Motor Vehicle** then **We** reserve the right to reduce any benefit **We** may pay on this policy.

### Fraudulent claims or misleading information

**We** take a robust approach to fraud prevention in order to keep premium rates down so that **You** do not have to pay for other people's dishonesty. If any claim made by **You** or anyone acting on **Your** behalf under this insurance is fraudulent, deliberately exaggerated or intended to mislead, **We** may:

- not pay **Your** claim; and
- recover (from **You**) any payments **We** have already made in respect of that claim; and
- terminate **Your** insurance from the time of the fraudulent act; and
- inform the police of the fraudulent act.

## 6. GENERAL TERMS & CONDITIONS (CONT.)

If **You** insurance is terminated from the time of the fraudulent act, **We** will not pay any claim for any incident which happens after that time and may not return any of the insurance premium(s) already paid.

If **We** are unable to satisfy **Your** concerns **You** can ask the Financial Ombudsman Service to arbitrate over the complaint.

This insurance is between and binding upon the **Insurer** and **You** and their/**Your** respective successors in title, but this insurance may not otherwise be assigned by **You** without the **insurer's** prior written consent.

If the **insurer** or **You** fail to exercise or enforce any rights conferred on them by this insurance, the failure to do so will not

be deemed to be a waiver of such right, nor will it bar the exercise or enforcement of, such rights at any subsequent time. Unless expressly stated in this insurance, nothing in this insurance will create any rights in favour of any person pursuant to the Contracts (Rights of Third Parties) Act 1999. This Condition does not affect any right or remedy, of any person, which exists or is available otherwise than pursuant to that Act.

## 7. CANCELLATIONS & REFUNDS

**You** have the right to cancel this insurance without liability for the premium within 30 days of the date upon which **You** receive the certificate of insurance provided **You** have not made a claim. Notice of cancellation must be received by **Us** within 30 days. **You may** cancel **Your** insurance after 30 days and receive a pro rata refund of the number of complete unexpired days remaining of **Your** insurance cover. **You** will not be entitled to a pro-rata refund if a claim or an incident that may give rise to a claim has occurred.

**We** may cancel this insurance if in **Our** opinion **You** have at any time:

- a) given **Us** false or incomplete information
- b) agreed to help anyone try to take money from **Us**

dishonestly or

- c) failed to meet the terms and conditions of this insurance
- d) failed to act honestly towards **Us**.

**We** can cancel this insurance at any time by giving **You** at least 14 days written notice at **Your** last known address.

**You** can cancel this insurance at any time.

## 8. TRANSFER

**You** are able to transfer the unexpired portion of **Your** insurance cover to a new vehicle if either:

(a) **Your motor insurer** provides a replacement vehicle under the terms of **Your motor insurance** in the event of a **Total Loss**; or

(b) If **You** sell **Your insured vehicle**, **You** may transfer the remaining cover to the eligible replacement vehicle, subject to **Our** agreement.

All transfer requests must be made within 30 days of the date of sale of **Your** vehicle.

**You** cannot transfer **Your** insurance cover if a claim or an incident that may give rise to a claim has occurred.

If **Your motor insurer** provides **You** a like for replacement vehicle under clause 8 (a) there will be no charge to transfer **Your** insurance cover to **Your** new vehicle

## 9. COMPLAINTS PROCEDURE

**We** always aim to provide a first class standard of service. However, if **You** are dissatisfied **You** should in the first instance address **Your** enquiry to the **administrator** quoting **Your policy** number.

Their details are:

Spectrum Insurance Services Ltd  
Westthorpe Business Innovation Centre  
Sheffield  
S21 1TZ

Telephone: 01143 219680. (Mon-Fri 9am to 5pm)

email: customerservices@spectrumcover.co.uk.

Every effort will be made to respond to the complaint promptly. **You** will be kept informed thereafter of the progress and measures being taken for the complaint's resolution. **You** will be contacted again within 8 weeks from the date **You** first notified the **administrator** of **Your** complaint to issue a final response letter.

If **You** are still not satisfied, **You** can contact the Insurance Division of the Financial Ombudsman Service at:

The Financial Ombudsman Service

Exchange Tower

London E14 9SR

**You** can also contact the Financial Ombudsman Service on 0800032 8000. Website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

(Using this service does not affect **Your** right to take legal action.)

## 10. 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:

- a. Help make decisions on insurance proposals and insurance claims, for **You** and members of **Your** household
- b. Trace debtors, recover debt, prevent fraud, and manage **Your** insurance policies
- c. 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.

## 11. COMPENSATION SCHEME

The **insurer** is covered by the Financial Services Compensation Scheme, established under the Financial Services and Markets Act 2000 (the "Compensation Scheme"). If the **insurer** is unable

to meet their obligations under this insurance, **You** may be entitled to compensation from the Compensation Scheme.