

Financial Shortfall Insurance

1. INTRODUCTION

This Policy in connection with **Your Schedule** proves that **You** have chosen protection under the Return to Invoice Insurance, and that **You** will be protected by it provided the relevant insurance premium(s) are paid.

Some words in this Policy have special meanings, which are explained in Part 3, under the heading **MEANING OF WORDS**. Whenever these words are shown in **bold type**, they have these special meanings; otherwise, they have their ordinary everyday meanings. Please note also that **We** or **Us** or **Our** refers to the Insurer who is London General Insurance Company Limited, registered number 1865673, which is a private company limited by shares and incorporated in England, authorised and regulated by the Financial Services Authority, FRN202689 whose head and registered office is at Combined House, 15 Wheatfield Way, Kingston Upon Thames, Surrey KT1 2PQ, and **You** or **Your** refers to an individual or company who will benefit from the protection provided by this policy. The Supplying Dealer named on **Your Schedule** acts as **Our** agent in respect of this insurance.

The Policy shows the details of the benefit provided for **You** if **You** suffer a **Total Loss**. Part 4 explains the benefits of the Policy, together with circumstances when **You** cannot claim and **We** have listed certain general information about **Your** Policy in part 7.

Customers with special needs

If **You** have hearing or speech difficulties **You** can text telephone Us on 020 8869 1796/97. This document and all **Our** literature is available in large print, audio and Braille – **We** will be happy to supply **You** with a copy or **You** can call **Us** on 0870 849 9805.

2. ARE YOU ELIGIBLE?

You are eligible to take out protection if at the **Starting Date**:

- if **You** are an individual **You** are over 18 years old; and
- the **Insured Vehicle** is less than 7 years old and is the sole vehicle listed in the **Agreement** (if any); and
- the **Insured Vehicle** is covered by **Comprehensive Motor Insurance**; and
- the **Insured Vehicle** has an **Original Purchase Price** of less than £75,000 at the date of purchase; and
- **You** are resident, or if **You** are a company are registered, in the Unmited Kingdom, Channel Islands or the Isle of Man.

IMPORTANT

Please read Part 2 and Part 4 of the Policy carefully as they may affect **Your** decision as to whether the Policy is suitable for **You**.

3. MEANING OF WORDS

Agreement

Your credit or hire purchase agreement with the **Finance Company** (if any) in respect of the **Insured Vehicle** but not including Finance Lease Agreements.

Comprehensive Motor Insurance

A policy of road risks motor insurance which covers accidental loss or damage to the **Insured Vehicle** in addition to third party, fire and theft cover.

Date of Loss

The date of the incident occurring to the **Insured Vehicle** in respect of which a claim for **Total Loss** is paid under **Comprehensive Motor Insurance**.

Date of Purchase

The date on which **You** purchased the **Insured Vehicle**.

End Date

The date **Your** protection ends as explained in Part 5.

Finance Company

The company with whom **You** have an **Agreement** (if any) in respect of the **Insured Vehicle**.

Grey Import

A new or used vehicle that does not comply with European Community Whole Vehicle Type Approval (ECWVTA) imported into any EU Member State from a non EU country.

Insured Value

Either:

- the actual amount that **You** receive under the **Comprehensive Motor Insurance**; or
- the market value, as reasonable determined by **Us** in accordance with published industry data, at the **Date of Loss** of a vehicle which is the equivalent age, make, condition, and model as the **Insured Vehicle**; whichever **We** in **Our** absolute discretion consider appropriate.

Insured Vehicle

The vehicle purchased by **You** or the **Finance Company** within the terms of **Your Agreement**, but not including Aston Martin, Bentley, Bristol, De Tomaso, Ferrari, H.M.C., Honda NSX models, Lamborghini, Lotus Esprit V8, Maserati, Mitsubishi 3000GT, Marcos, Porsche (over 3.2 models), Rolls Royce, Maybach **Parallel imports**, **Grey imports**, emergency vehicles, taxis, buses, trucks, heavy goods vehicles, light commercial vehicles, motor cycles, invalid carriers, vehicles used for hire and reward, courier vehicles, road racing, rallying, pace-making, speed testing or any other competitive event, or any vehicle which has been modified other than in accordance with the manufacturer's specification.

Market Value

The market value, as reasonably determined by **Us** in accordance with published industry data, at the **Date of Purchase**, of a vehicle which is the equivalent **age**, make, condition, and model as the **Insured Vehicle**.

Parallel Import

A new or used vehicle meeting European Community Whole Vehicle Type Approval (ECWVTA) available from the manufacturers' EU Member States' dealer network that **You** have chosen to purchase and import from a Member State other than the one within which **You** are resident.

Purchase Price

The amount paid to purchase the **Insured Vehicle**, net of road fund licence, cherished number plate transfers, dealer fitted accessories and any other administration fees, insurance premiums or subscription charges or the **Market Value**, whichever is the lower.

Repayment Date

The date on which the final repayment under the original terms of **Your Agreement** becomes due.

Schedule

The schedule confirming the details of **Your** cover under this Policy.

Settlement Figure

The amount required by the **Finance Company** at the **Date of Loss** to discharge **Your** indebtedness under the **Agreement** (if any), excluding arrears and any outstanding or uncollected premiums due under this Policy. Such settlement amount must take into consideration **Your** entitlement to the full rebate of the interest allowable to **You** under existing consumer credit legislation. No amount will be

payable in respect of any credit provided under the **Agreement** which exceeds 120% of the **Purchase Price** in respect of the **Insured Vehicles** purchased.

Starting Date

The date **Your** protection starts as explained in Part 5.

Sum Insured

The amount by which the **Settlement Figure**, (see special note in section 4 – Benefit), exceeds the **Insured Value**.

Territorial Limits

United Kingdom, Isle of Man and the Channel Islands.

Total Loss

The actual or constructive total loss of the **Insured Vehicle** as so designated by **Your Comprehensive Motor Insurance** underwriter(s) on terms that the **Insured Vehicle** becomes the property of the underwriter(s).

We/Us/Our

London General Insurance Company Limited, registered number 1865673. This is a private company limited by shared and incorporated in England, authorised and regulated by the Financial Services Authority, FRN202689.

You/Your

Any individual or company as detailed on the **Schedule** who is party to the **Agreement** and who has applied for this insurance and has agreed to pay the premium under this Policy.

4. BENEFIT

If after the **Starting Date** and before the **End Date**, subject to the Policy terms, the **Insured Vehicle** is the subject of a **Total Loss** within the **Territorial Limits** **We** will pay the **Sum Insured** (if any) plus any excess up to £250 (if applicable under the **Comprehensive Motor Insurance**) to the **Finance Company**. This amount is subject to the Claim Limit as stated on **Your Schedule**.

Special Note

- 1 No amount will be payable in respect of any credit provided under the **Agreement** which exceeds 120% of the **Purchase Price** in respect of **Insured Vehicles** purchased.
- 2 If the deposit and credit advanced by **Your Finance Company** exceeds the **Purchase Price** of the **Insured Vehicle** by more than 20%, **Our** liability will be reduced accordingly in line with any such additional finance **You** may have taken.
- 3 If the **Insured Vehicle** has not been serviced in accordance with the manufacturer's recommendations, and this has resulted in the **Comprehensive Motor Insurance** underwriter(s) making a reduced **Total Loss** payment, **We** shall reserve the right to reduce the **Sum Insured** by the amount of such reduction.

EXCLUSIONS

We will not pay any benefit:

- if the driver of **the Insured Vehicle** at the time of the **Total Loss** was driving illegally (including but not limited to driving without a valid licence or whilst driving under the influence of alcohol or drugs) except in the event of theft;
- if **the Insured Vehicle** is not covered by **Comprehensive Motor Insurance** at all times between the **Starting Date** and the **End Date**;
- for any finance due on or carried across to **Your Insured Vehicle** from previous finance arrangements;

- if **You** are offered a replacement vehicle under the terms of **Your Comprehensive Motor Insurance**;
- for any loss directly or indirectly caused by or contributed to or arising from war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, terrorism, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority.
- For any deduction **Your** motor insurer may make in respect to any salvage costs;
- For any motor insurance excess above £250 or if the motor insurance excess is recoverable from a third party.

IMPORTANT

Cover is extended whilst the **Insured Vehicle** is in any country of the EU or EFTA for a period of not more than 30 days in any 12 month period, but only subject to Your Road Risk Insurer extending **Comprehensive Motor Insurance** during such period.

Any payment of benefit under this Policy is conditional upon **You** having received a **Total Loss** payment under your **Comprehensive Motor Insurance**.

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5. HOW LONG DOES YOUR PROTECTION LAST?

Your protection starts on the date **You** apply and **We** accept **Your** application for cover and ends on the earliest of the following:

- The date on which all sums due to the **Finance Company** under the **Agreement** have been paid; or
- The **Repayment Date**; or
- The date on which the **Agreement** is transferred to a third party; or
- The date **You** default in satisfying any obligation under the **Agreement**; or
- the date the **Insured Vehicle** is disposed of by **You** or the **Finance Company**; or
- the date of a claim being met by **Us**; or
- the number of months following the **Starting Date** as indicated in **Your Schedule**.

6. HOW DO YOU CLAIM?

IMPORTANT

You should not accept any offer made by **Your Comprehensive Motor Insurance** underwriter(s) until **We** have given **You** authority to do so.

- **You** should telephone London General Holdings Limited on 1870 849 9823 and ask for a Claim Form to be sent.
- The Claim Form must be completed, ensuring any sections to be completed by others are filled in.
- The completed form must be sent to the Creditor Claims Department, London General Holdings Limited, Eaton House, 152-158 Northolt Road, Harrow HA2 0EA.
- Please note that **We** must receive a completed Claim Form, together with any other information **We** may reasonably require within 120 days of the **Date of Loss** (including proof of the payment of a claim for **Total Loss** of the **Insured Vehicle** under the **Comprehensive Motor Insurance**). If such a completed Claim Form and information is not received within 120 days then, other than in exceptional circumstances, no benefit will be paid in respect of the claim.
- **We** reserve the right to subject the **Insured Vehicle** to an independent assessment.

7. GENERAL

- Both **You** and **We** are free to choose the law applicable to this insurance contract. Unless specifically agreed to the contrary prior to Policy inception, this Policy shall be subject to English Law. The EEA State for the purposes of the Policy is the United Kingdom.

- The maximum benefit when added to any benefit being paid by Us following any claim made by You under this Policy is as stated on **Your Schedule**, regardless of the number of policies held by **You**.
- Any benefit paid under this Policy will be paid to the **Finance Company** for the purpose of crediting **Your Agreement**.
- Any attempt to falsify any information provided to **Us** will invalidate **Your** protection.
- This Policy shall not acquire a surrender value.
- It shall not be possible for **You** to assign or charge the benefits of the insurance in any way whatsoever.
- **We** have the right to take proceedings in **Your** name, in order to recover for **Our** benefit the amount of any payment made under this Policy.
- In the event of an insurance claim, any information that **You** provide to **Us** may be put onto a Register of Claims through which insurers share information to prevent fraudulent claims. A list of participants and the name and address of the operator are available from **Us**.
- In the event of a claim **We** reserve the right to deduct any outstanding premiums from the amount payable by **Us** under this Policy.
- The companies which provide the products and services related to this Policy are regulated by the Financial Services Authority and are a member of the Financial Services Compensation Scheme (FSCS). It is a duty of the FSCS to ensure that a percentage of sums owed to policyholders by an insurance company in liquidation is paid to those policyholders if the company itself is unable to meet its liabilities in full. Under the Scheme General Insurance is covered for 100% of the first £2,000 and 90% of the remainder of the claim. This compensation system is subject to restrictions and not all policyholders are eligible. Further details are available on request.

8. CANCELLATION RIGHTS

If for any reason **You** are not satisfied with the cover, or find that it does not meet **Your** requirements, **You** can cancel it by advising London General Holdings Ltd in writing within 14 days of receipt of this Policy document. The cover will then be cancelled and any premium **You** have paid will be returned to **You**, although if a claim has been made during this period the insurer may recover any costs incurred. If **You** cancel after such 14 day period, no refund of premium will be given.

9. CUSTOMER CARE

For complaints relating to the selling of this Insurance please contact the sales agent from whom the insurance was purchased and whose details appear under 'Client Details' on page 12.

For complaints relating to the administration or claims handling under this Insurance please write to the Claims Insurance Manager of London General Holdings Limited at Eaton House, 152-158 Northolt Road, Harrow, HA2 0EA. If **You** are not satisfied with the response **You** may write to the Administration Director at the same address.

For complaints relating to the terms of this contract please write to the Insurer, London General Insurance Company Limited at Eaton House, 152-158 Northolt Road, Harrow, HA2 0EA. If **You** are not satisfied with the response **You** may write to the Managing Director of the insurance company at London General Insurance Company Limited at Eaton House, 152-158 Northolt Road, Harrow, HA2 0EA.

If **Your** complaint addressed to any of the above parties is not resolved to **Your** satisfaction **You** may contact the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London, E14 9SR stating clearly the nature of the complaint and the party to which the complaint was originally addressed.

None of the above affects any right of action **You** may have.