

UNDERWRITTEN BY PINNACLE INSURANCE PLC

Head and Registered Office : Pinnacle House, A1 Barnet Way, Borehamwood, Hertfordshire WD6 2XX
Company Registered Number : 1007798
Policy Number : 02211
Date of Policy : 1st November 2006
Policyholder : HSBC Insurance Brokers Limited
Registered Office : 8 Canada Square, London E14 5HQ

YOU ARE ADVISED TO READ THIS DOCUMENT CAREFULLY

HOW TO CLAIM: Simply telephone Cardif Pinnacle on 0870 729 6127 for a claim form, complete all the sections and return it.

SPECTRUM GAP PLUS

INTRODUCTION

This insurance is designed to pay the difference between the **motor insurance settlement** paid by the **motor insurer** in the event of the **insured vehicle** being a **total loss** and the **recorded market value**. The payment of any benefit is subject to the terms and conditions set out below.

UNDERSTANDING YOUR POLICY

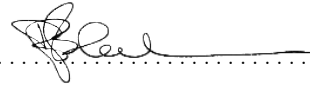
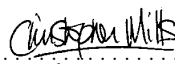
Please read this policy and **schedule of cover** carefully so **you** know what cover is provided, what is excluded and what **you** should do if **you** need to claim. Failure to comply with the terms and conditions of this policy may jeopardise the payment of any claim which might arise and could lead to this policy becoming void. Please ensure **you** keep this policy and **schedule of cover** in a safe place so **you** can read it again if **you** need to.

Please check the information contained in the **schedule of cover** is correct and that this policy meets **your** requirements.

If any information is incorrect or **you** have any questions regarding **your** cover please contact:

Customer Service Dept, Cardif Pinnacle*
Pinnacle House, A1 Barnet Way, Borehamwood, Hertfordshire WD6 2XX
Telephone 0870 729 6127

SIGNED ON BEHALF OF PINNACLE INSURANCE PLC



DIRECTOR(S)

1. DEFINITIONS

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

“**date of total loss**” means the date of the theft, fire or accident that gives rise to **your** claim for the **total loss** of the **insured vehicle**;

“**end date**” means the date this insurance cover ends, in accordance with Clause 6.;

“**insured vehicle**” means the vehicle identified in the **schedule of cover**;

“**market value**” means the retail market value based on that listed in the current *Glass's Guide* for purchasing, or replacing, the **insured vehicle** with one of the same make, model, trim level, recorded mileage and overall condition. **We** reserve the right to have an independent valuation undertaken should the specification not be available within *Glass's Guide* or it is suspected that the condition of the **insured vehicle** is such that this would affect the *Glass's Guide* value. There will be no value allowance for non-standard fittings, other than a reduction should any non-standard fittings be considered to have a detrimental effect on retail prospects and/or value. *Glass's Guide* is a Motor trade publication recognised and used extensively throughout the motor vehicle industry to value vehicles;

“**monthly premium**” means the monthly premium shown in the **schedule of cover**, the first such premium being payable on or before the **start date** and thereafter payable on a monthly basis;

“**motor insurance policy**” means a comprehensive motor insurance policy covering the **insured vehicle** issued by the **motor insurer**;

“**motor insurance settlement**” means the money that **you** receive from the **motor insurer** following a claim for the **total loss** of the **insured vehicle**;

“**motor insurer**” means the company that issued a **motor insurance policy** relating to the **insured vehicle**;

“**new vehicle**” means a vehicle that is less than 6 months old from date of first registration with the Driving and Vehicle Licensing Agency (DVLA);

“**recorded market value**” means:

(i) in respect of a **new vehicle** - the invoice price paid for the **insured**

vehicle (including delivery charges, new vehicle registration fees, road tax, number plates and factory fitted options) but excluding any amount relating to any dealer fitted options, insurance premiums, warranty costs, fuel, paintwork protection applications, and any amount/negative equity carried over from a previous loan or finance agreement on a vehicle, which is being part exchanged and which inflates either the invoice price of the new/replacement vehicle, part exchange allowance, or loan amount borrowed on the **insured vehicle**.

(ii) in respect of a **used vehicle** - the **market value** recorded at the **start date** based on that listed in the *Glass's Guide* for purchasing, or replacing the **insured vehicle** with one of the same make, model, trim level, recorded mileage and overall condition and is shown in the **schedule of cover**. *Glass's Guide* is a Motor trade publication recognised and used extensively throughout the motor vehicle industry to value vehicles;

“**premium**” means where **you** have a single premium policy, the **single premium** or where **you** have a monthly policy, the **monthly premium**;

“**schedule of cover**” means the schedule sent to **you** which sets out the details of **your** cover;

“**single premium**” means the single premium shown in the **schedule of cover** and payable in one single payment on or before the **start date**;

“**start date**” means the date shown on **your schedule of cover** as the date this insurance cover commences;

“**total loss**” means the total loss of the **insured vehicle** as a result of fire, theft, or material damage beyond economic repair, resulting in a full **motor insurance settlement**;

“**used vehicle**” means a vehicle that is more than 6 months old from date of first registration with the Driving and Vehicle Licensing Agency (DVLA);

“**we, us, our**” means Pinnacle Insurance plc;

“**you, your**” means 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**.

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 the United Kingdom, the Channel Islands or the Isle of Man on the **start date**;
 - (c) is named as the policyholder or a named driver on the **motor insurance policy**;
 - (d) is the registered keeper of the **insured vehicle**;
 - (e) has applied for this insurance cover; and
 - (f) has paid the **premium** and agreed to comply with the terms and conditions of this policy.
- (ii) A vehicle can only be considered as the **insured vehicle** under this policy if:
 - (a) it is less than 5 years old;
 - (b) it has covered less than 80,000 miles;
 - (c) it has a **recorded market value** of less than £50,000;
 - (d) it is a car, light commercial vehicle less than 3,500 kg (GVW) or motorcycle over 500cc. This does not include scooters, motorcycles less than 500cc buses, coaches, light commercial vehicles (LCVs) greater than 3,500 kg (GVW), trucks, heavy goods vehicles (HGVs) or taxis; and
 - (e) it is not one of the following makes of excluded vehicles: Bentley, Bristol, Cosworth, De Tomaso, Dorchester, Ferrari, Ginetta, Lamborghini, Lancia, Maserati, or Rolls Royce; and
 - (f) it is a UK specification vehicle, built for principal sale in the UK and is not classed as a grey import.

3. PAYMENT OF PREMIUM

- (i) **You** have purchased either a single premium policy or a monthly policy.
- (ii) Where **you** have purchased a single premium policy **you** will pay the **single premium** and, subject to the terms and conditions of this policy, be covered for a maximum period of 36 months from the **start date**.
- (iii) Where **you** have purchased a monthly policy **you** will pay the **monthly premium** on a monthly basis. **Your** monthly policy will automatically renew each month provided the **monthly premium** is paid by direct debit by the due date. If **you** do not pay the **monthly premium** on the due date cover will automatically cease. **You** will be covered for each month for which **you** have paid a **monthly premium** and once **you** have paid 12 consecutive **monthly premiums** in full, subject to the terms and conditions of this policy, **you** will be covered for an additional 12 or 24 month period without the need to pay any further premiums. Please refer to **your schedule of cover** for details.
- (iv) **IMPORTANT NOTE:**
It is a condition precedent to the validity of this policy that:
 - (a) where **your** policy is a single premium policy, the **single premium** has been paid on or before the **start date**; or
 - (b) where **your** policy is a monthly policy, the **monthly premium** has been paid in accordance with the terms and conditions of this policy.

4. WHEN WILL YOU BE COVERED

- (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 the **recorded market value** and the **motor insurance settlement** less the deductions listed in Clause 4. (iv).
Motor Insurance Policy Excess - **We** will also cover up to £250 in respect of any **motor insurance policy** excess that **you** have had to pay to the **motor insurer** as part of **your total loss** claim.
- (ii) The benefits under Clause 4. (i) will be paid directly to **you**. **You** will be responsible for settling any outstanding finance arrangements **you** may have directly with **your** finance company.
- (iii) The benefit under Clause 4. (i) is subject to a maximum of £15,000.
- (iv) **We** will deduct from the benefit payment:
 - (a) any amount deducted from the **motor insurance settlement** relating to:
 - (i) any excess deducted by the **motor insurer** not covered in Clause 4. (i);

- (ii) the salvage value of the **insured vehicle** where **you** are not required to transfer ownership of the **insured vehicle** to the **motor insurer**;
 - (iii) any premium owing to the **motor insurer** for the **motor insurance policy**;
 - (iv) where the **motor insurer** reduces the **motor insurance settlement** because of **your** contributory negligence – the same percentage or amount as deducted by the **motor insurer**; or
- (b) the VAT content of any claim if **you** are VAT registered.

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, invalid carrier, driving instruction vehicle or the principal use of the vehicle is for parcel/courier services, or is registered to a company whose principal business is a haulage contractor;
 - (b) it is used for hire or reward of whatsoever nature, or as a taxi;
 - (c) it is used for road racing, rallying, pace-making, speed testing or any other competitive event;
 - (d) it has been modified other than in accordance with the manufacturer's specifications;
 - (e) it is one of the following excluded makes of vehicle: Bentley, Bristol, Cosworth, De Tomaso, Dorchester, Ferrari, Ginetta, Lamborghini, Lancia, Maserati, or Rolls Royce;
 - (f) it is a non-UK specification vehicle, or it is not built for principal sale in the UK, or it is classed as a grey import; or
 - (g) it is owned at the **date of total loss**, temporarily or otherwise (resulting from trade-in or acquisition for the purposes of resale) by a business formed for the purposes of selling or servicing motor vehicles.
- (ii) The benefit will not be paid if the **total loss**:
 - (a) occurred before the **start date**;
 - (b) 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;
 - (c) results from **you**, or any other person with **your** general consent driving the **insured vehicle**, when intoxicated or under the influence of drugs and/or alcohol;
 - (d) results directly or indirectly, in whole or in part, from any act or omission which is wilful, unlawful or negligent on **your** or the driver of the **insured vehicle's** part;
 - (e) results from an accident, theft, act of vandalism or flood outside the United Kingdom, the Channel Islands or the Isle of Man where the **insured vehicle** has been driven for more than 30 days outside the United Kingdom, the Channel Islands or the Isle of Man in the 12 months immediately preceding the **total loss**;
 - (f) results from a malicious damage claim, which is not accompanied by a valid and substantiated crime reference number;
 - (g) results from civil commotion, terrorism, riot or insurrection, war or any act incidental to war (whether declared or not); or
 - (h) is not the result of an indemnity claim under the accidental damage, fire or theft sections of the **motor insurance policy**.

6. WHEN WILL THE COVER END?

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

- (i) the date of expiry shown on the **schedule of cover**;
- (ii) the date on which the **insured vehicle** is repossessed, if the **insured vehicle** is purchased with a finance agreement;
- (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) where **your** policy is a monthly policy - the date on which **you** do not pay the **monthly premium** when it is due, or cancel any payment previously made; or
- (vi) the date the **insured vehicle** is sold by **you** to another party.

7. CANCELLATION AND REFUNDS

You may cancel **your** insurance cover during the first 14 days from the date **you** took out the insurance cover, and receive a refund of the **premium** paid if **you** have not made a claim. After that **you** may cancel the insurance cover at any time by writing to **us** at the address stated in Clause 11., 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 to take the appropriate legal action against **you**.

9. CLAIMS

- (i) **Important:** You should NOT accept any settlement offer made by **your motor insurer** until **you** have contacted **our** Claims Department, and **we** have given **our** consent to do so. **We** may, at **our** discretion, offer to seek an increased motor insurance settlement offer on **your** behalf.
- (ii) **Warning:** If **you** accept a settlement offer from **your motor insurer** prior to, or without **our** consent then **we** will settle **your** claim based on the **market value** at the **date of total loss** and not on the settlement figure offered by **your motor insurer**.
- (iii) **To claim:** You should telephone 0870 729 6127 and ask for a claim form to be sent to **you**. Simply complete the form and return it to the address below together with any other supporting documentation that **we** may reasonably require.

Claims Department, Cardiff Pinnacle*
Pinnacle House, A1 Barnet Way, Borehamwood
Hertfordshire WD6 2XX

Make sure **you** complete all relevant sections and attach any other necessary documents to avoid delay in receiving any benefit. All claims must be made within 120 days of the **date of total loss**.

- (iv) **We** will be unable to process **your** claim if **we** do not receive from **you** or the **motor insurer** written confirmation of the **motor insurance settlement** offer following **your** claim for **total loss**.
- (v) **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.
- (vi) **You** must comply with the terms and conditions of this policy. In particular, **you** must comply with the following conditions to have the full protection of **your** policy. If **you** do not comply with them, **we** may at **our** reasonable discretion cancel this policy, refuse to deal with **your** claim, or reduce the amount of the claims payment.

(a) MALICIOUS DAMAGE AND THEFT

You must in the case of malicious damage to, or theft of the **insured vehicle** report the incident to the Police and advise **us** of **your** valid crime reference number.

(b) CLAIMS PROCEDURE

Failure to follow the claims procedure set out in this policy may result in non-payment of **your** claim.

(c) SUBROGATION

We may take any steps in **your** name against any person including but not limited to **your motor insurer** to recover any money **we** pay in settlement of **your** claim. **You** must give **us** all assistance necessary.

(d) OFFER OF SETTLEMENT

If **you** accept a settlement offer from **your motor insurer** in respect of a **total loss** prior to, or without **our** consent, or **you** have not used reasonable endeavours to obtain full indemnity under the terms of the **motor insurance policy** then **we** will settle **your** claim using the current **market value** of the **insured vehicle** according to *Glass's Guide* retail value and not the settlement offered by **your motor insurer**.

(e) REPLACEMENT MOTOR VEHICLE

If **you** decline the offer of a replacement vehicle under the terms of **your motor insurance policy**, then **we** will settle **your** claim based on the value of the replacement vehicle according to *Glass's Guide* retail value and not the settlement figure offered by the **motor insurer** in lieu of the replacement vehicle.

(f) NAMED DRIVER ONLY

If **you** are only a named driver and not the policyholder of the **motor insurance policy** under which the **insured vehicle** is a **total loss**, **we** reserve the right to settle **your** claim using the current **market value** of the **insured vehicle** according to *Glass's Guide* retail value and not the settlement offered by **your motor insurer**.

10. GENERAL CONDITIONS

- (i) **You** must not continue to drive the **insured vehicle** after any damage or incident if this could cause further damage to the **insured vehicle**.
- (ii) This policy has been issued based upon information, which **you** have given to **us** about **yourself**, and the **insured vehicle**. **You** have a duty to tell **us** immediately of any changes to this information in particular any of the following: change of address, or use of the **insured vehicle** e.g. being used for private hire. Failure to do so may invalidate **your** cover under this policy. **We** will then advise **you** of any changes in terms.
- (iii) This policy, together with any written statement or other information made or supplied by **you** relating to insurability, shall constitute the entire contract between **you** and **us**. The provisions of the contract are, where their nature permits, conditions precedent to **our** liability.
- (iv) **You** cannot assign or charge this policy in any manner whatsoever.
- (v) When **your** cover under this policy ends it will not have a cash or surrender value.
- (vi) This policy shall be governed by English law. The parties to this policy agree to submit to the jurisdiction of the courts of England and Wales unless **you** live in Scotland, Northern Ireland, the Channel Islands or the Isle of Man, in which case **you** will be entitled to commence legal proceedings in **your** local courts.
- (vii) To improve the quality of **our** service, **we** will be monitoring and recording some telephone calls.
- (viii) 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.
- (ix) **We** are covered by the Financial Services Compensation Scheme (the "FSCS"). **You** may be entitled to compensation from the Scheme if **we** cannot meet **our** obligations to **you**. This depends on the type of business covered by the FSCS. Most types of insurance business are covered for 100% of the first £2,000 of a valid claim and 90% of the remaining amount of the loss. Further information about compensation arrangements is available from the Financial Services Compensation Scheme, telephone number 020 7892 7300.

11. ENQUIRIES AND COMPLAINTS

While it is always **our** intention to provide a first class standard of service, if **you** do have any concerns regarding **your** insurance cover, please address them to:

Customer Relations Manager, Cardiff Pinnacle*
Pinnacle House, A1 Barnet Way, Borehamwood, Hertfordshire WD6 2XX

Should **you** remain dissatisfied with the outcome of any internal enquiries, **you** have the right to refer **your** complaint to:

The Financial Ombudsman Service (FOS)
South Quay Plaza, 183 Marsh Wall, London E14 9SR

This procedure will not prejudice **your** right to take legal proceedings. However, please note that there are some instances when the FOS cannot consider complaints.

A leaflet detailing **our** full complaints/appeals process is available from **us** on request.

*Cardif Pinnacle is trading style of Pinnacle Insurance plc.

