

Catastrophe Cover Mechanical Breakdown Insurance

V1.3

This policy describes the insurance cover **You** have chosen and the benefit payable. Subject to the correct premium having been paid, **This Insurance** will contribute towards the cost of repairs required to **Your Vehicle**, due to the unexpected **Breakdown** of the **Components** listed under Section 4, occurring within the **Period of Cover**, limited to the maximum **Claim Limit(s)** defined under the 'Definitions used in This Insurance' section.

Any **Components** not specifically listed are not covered by **This Insurance** and the cost of any such repairs will remain the responsibility of the policy holder.

The premium is a monthly premium payable in advance by **You** for each consecutive month of cover under **This Insurance**.

Your policy has been arranged by Mechanical Breakdown & General Insurance Services Ltd (MB&G) & underwritten by UK General Insurance Ltd on behalf of Great Lakes Reinsurance (UK) SE. Registered Office: Plantation Place, 30 Fenchurch Street, London EC3M 3AJ.

Mechanical Breakdown & General Insurance Limited are authorised and regulated by the Financial Conduct Authority (FCA) R.N. 306978. Registered office: Cobalt Business Exchange, Cobalt Park Way, Newcastle Upon Tyne, NE28 9NZ

UK General Insurance Limited are authorised and regulated by the Financial Conduct Authority (FCA) R.N. 310101.

Great Lakes Reinsurance (UK) SE is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority R.N. 202715. This can be checked on the Financial Services Register at www.fca.org.uk/firms/systems-reporting/register or by calling them on 0800 111 6768.

Great Lakes Reinsurance (UK) SE is covered by the independent 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 90% of the claim with no upper limit. You can get more information about compensation arrangements

from the FSCS or visit www.fscs.org.uk

Definitions

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

Breakdown(s)

The internal failure which is hereby defined as the actual and sudden mechanical failure or Breakdown of a Component listed under 'What Is Covered' which results in the sudden stoppage of its normal functions and which necessitates repair or replacement to resume those functions;

Claim Limit(s)

The maximum amount that can be claimed under the policy for each Mechanical Breakdown as stated on **Your Policy Schedule**. The total amount claimable during the Period of Insurance is restricted to the **Market Value** of the Vehicle on the date of purchase of **Your** policy;

Claims Excess

The first amount of each claim payable by **You** as detailed on **Your Policy Schedule**;

Component(s)

Any mechanical, electrical or electronic **Components** which form part of the Vehicle manufacturer's original specification, detailed as covered in the section headed 'What is covered';

Consequential Loss

Any other costs which are directly or indirectly caused by the event which led to **Your** claim unless specifically stated in this policy;

End Date

The earlier of the following dates:

- The date on which **You** fail to pay **Your** monthly premium when it falls due
- The date on which **This Insurance** is cancelled by either party

Geographical Limits

The area in which This Insurance is effective, this being Great Britain, Northern Ireland, Republic of Ireland, the Channel Islands and the Isle of Man. Cover also applies to mainland Europe excluding Ukraine, Russia, Belarus and Georgia for a maximum of 60 days in any 12 month period;

Glass's ICME Manual

The annually updated repair times guide published by Glass's, used by the Institute of Automotive Engineer Assessors as the recognised industry source for mechanical and electrical repair times information;

Home

The address detailed on Your Policy Schedule;

Issue Date

Will be confirmed in the Schedule, being the date on which You either concluded the contract of Insurance or the day on which You receive the contractual terms and conditions;

Market Value

The retail value of the **Vehicle** shown in the current Glass's Guide publication and where there is no finance on the **Vehicle** will include an allowance of up to 20% greater than the Glass's Guide retail value;

Period of Cover

A period of one month from the Policy Start Date as shown on the Schedule and for each subsequent month for which a Monthly Premium has been paid, until the End Date;

Premium

The monthly **Premium** that **You** have agreed to pay **Us** in respect of insurance cover under this policy. Each payment of Premium by You entitles you to one calendar month of Insurance Cover;

Policy Schedule

The document issued to You containing details of the Vehicle, Your name and address, **Period of Insurance**, Claims Excess and Claim Limit applicable to Your policy;

Policy Start Date

The date shown on **Your Policy Schedule** as the date this insurance cover commences;

This Insurance

The cover detailed in this policy document;

Waiting Period

The first 28 days following the **Policy Start Date** during which time no claim will be accepted. Where You have purchased **This Insurance** within one month of the original manufacturer's warranty expiring, the **Waiting Period** does not apply;

We, Us, Our

UK General Insurance Ltd on behalf of: Great Lakes Reinsurance (UK) SE, and any third party administrator acting on their behalf;

You, Your

The registered owner of the Vehicle forming the subject matter of this policy which is named on the Policy Schedule

2. Eligibility

This Insurance is available for passenger cars, vans and light commercial vehicles up to 3,500kg GVW that are registered within the **Geographical Limits** as shown on the **Schedule**.

This Insurance does not cover vehicles that;

- are used for hire or reward (e.g. taxi or driving tuition);
- are used for courier services, haulage or transportation of goods;
- have been previously recorded as an insurance total loss;
- have been modified from the manufacturer's specification (unless agreed by **Us**);
- are used for road-racing, rallying, or any other competitive event;
- are not maintained in accordance with manufacturer's instructions including servicing.

3. Payment of Premium

- i. You must pay the **Premium** within 28 days of the **Start Date**.
- ii. When **You** pay the **Premium**, subject to Section 6 below, **You** will be covered for the Period of Insurance;

4. What is Covered

- All mechanical and electrical **Components** of the vehicle that were manufacturer's original fitments except those listed below.
- Those regarded as service items or **Components** which are expected to require periodic replacements
- Timing Belt are covered if the timing belt has been changed in accordance with the time/mileage requirements specified by the manufacturer (proof required). Damage subsequently caused if timing belt has not been changed as specified by manufacturer is specifically excluded.
- Wheels and tyres, spark plugs, wiper blades and arms, auxiliary drive belts, pipes and hoses, exhaust system including catalytic convertors, brake shoes, pads and discs, batteries, lamps and bulbs, fuses, wiring connections and looms, audio equipment, radio aerial masts and motors, bodywork, paintwork, all weatherstrip and seals, water ingress, door locks, handles, hinges, check straps, all glass including heater elements, trim, upholstery including seat runners and seat adjustment mechanisms cosmetic finishers, general oil leaks or the adjustment of any component.

IMPORTANT

No claim will be rejected on the grounds of

Wear and Tear where the Vehicle has covered less than 60,000 miles and is under 5 years old at the time of the claim.

LABOUR AND PARTS COST

Labour times that can be claimed under **This Insurance** will be in accordance with the time given in **Glass's ICME Manual** and in line with the rates charged by Our nominated repairers unless agreed beforehand. **We** may ask the repairer to use guaranteed exchange units or factor parts when repairing **Your Vehicle**. Any costs **We** agree will be based on the prices for these parts.

COMPENSATION AND COSTS

This Insurance is a contract of compensation which means that if the repairs to **Your Vehicle** result in the condition of **Your Vehicle** being better than immediately prior to the Breakdown, **You** may be asked to pay a contribution towards the costs.

5. When you will not be Covered

- i. Any claim occurring within the 28 day **Waiting Period**, except where **You** have purchased **This Insurance** within one month of the original manufacturer's warranty expiring.
- ii. Any excess as detailed in the **Schedule**
- iii. **Components** other than those specifically listed in the section headed 'What is covered'.
- iv. General maintenance or serviceable items including Adjustments, the cleaning of **Components** or diagnostic charges except where this forms part of a valid claim under **This Insurance**
- v. **Wear and Tear** where the Vehicle is over 5 years old and has covered more than 60,000 miles.
- vi. Damage caused by impact or accident, overheating, freezing, corrosion or the intrusion of harmful substances (for example the ingress of water), use of an incorrect grade of fuel or oil, or lack of antifreeze, lubrication or servicing.

- vii. Improper use of the Vehicle, neglect or abuse of any kind, or drive on damage after a fault has occurred.
- viii. Pre-existing faults that were on the Vehicle at the time of purchase or caused by inadequate servicing or as a result of faulty workmanship.
- ix. Damage to **Components** not covered by **This Insurance**, or any resultant losses, third party claims, bodily injury, road hazard, fire damage or any other losses beyond the actual scope of cover.
- x. Claims resulting from any modification to the Vehicle or the substitution of **Components** by non-standard **Components** or equipment not approved by the manufacturer of the Vehicle.
- xi. Any claim if the odometer has been altered or disconnected or inoperative resulting in the mis-representation of the Vehicle's actual mileage at the date of purchase by **You**.
- xii. Any repairs not authorised by **Us** prior to the repair work being carried out or any costs other than those specifically agreed and authorised by **Us**.

6. When will the cover End

The **End Date** will be the earliest of:

- i. The date of expiry of the **Period of Insurance**;
- ii. The date on which **We** advise **You** that **Your** insurance cover is terminated under Section 8;
- iii. The date on which **You** do not pay the **Premium** when it is due, or **You** cancel any payment previously made; or
- iv. The date the **Vehicle** is sold by **You** to another party. This policy is non-renewable.

7. Cancelling your Policy

We hope **You** are happy with the cover this policy provides. However, if after reading **Your** policy, this insurance does not meet with **Your** requirements, please return it to Mechanical Breakdown & General Insurance Services within 14 days who will then refund **Your Premium**.

Mechanical Breakdown & General Insurance Services
Cobalt Business Exchange, Cobalt Park Way,
Newcastle Upon Tyne, NE28 9NZ

The Insurer shall not be bound to accept renewal of any insurance and may at any time cancel any insurance document by sending 14 days notice to the Insured at the Insured's last known address. Provided the **Premium** has been paid in full the Insured shall be entitled to a proportionate rebate of **Premium** in respect of the unexpired period showing on the insurance.

8. Our Right of Recovery

If any benefit is paid which is found to have been made as a direct or indirect result of **You** providing false or fraudulent information, 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 Procedure

When **We** authorise a claim **We** will do so by issuing a unique claim authorisation number. Repairs must not be started until **We** have given this number to **You** or **Your** garage.

If **You** think that **You** have a fault which may be covered by **This Insurance**, **You** must contact **Us** in the first instance. The Claims Telephone Number is: 0191 259 6378

We will require the following information, so please have this to hand when telephoning.

- a. The policy number and Vehicle registration number.
- b. Current mileage of **Your** Vehicle.
- c. Details of the Vehicle service history.

Our claims engineers will record the details of the Breakdown and advise **You** of:

- a. The nearest Nominated Service Centre or Repairer.
- b. The next steps **You** should take.
- c. What information **We** will require.

If **You** have broken down at the roadside and have chosen the optional Roadside Assistance, please refer to **Your** separate Roadside Assistance handbook.

PLEASE NOTE

You will need to take **Your** Vehicle to a repairer. **We** have a nationwide network of nominated repairers who are familiar with Our claims and billing procedures. **We** recommend these repairers wherever possible. If a suitable nominated repairer cannot be located **We** will agree with **You** a local alternative.

Take **Your** Vehicle to the repairer and give them **Your** permission to investigate the fault and find the cause of the failure. The garage should then telephone **Us** to discuss their findings. They must not carry out repairs until **We** have given permission to do so by issuing an authority number.

INVESTIGATION

You must authorise any dismantling of **Component(s)** for inspection and **You** will be responsible for the cost incurred if the claim is not covered by **This Insurance**. The Insurer will only pay for dismantling costs as part of a valid claim.

ASSESSING YOUR CLAIM

We or the Insurer may require an independent opinion of **Your** claim. **We** reserve the right to use an independent consulting engineer to inspect **Your** Vehicle, the failed **Components** and service history before **We** authorise a claim. Whilst **We** will make every effort to ensure this happens with the least delay and inconvenience to **You**, **We** and the Insurer shall not be liable for any losses **You** incur through any delay outside Our control.

Not all the cost of the repair will always be covered by **This Insurance**. Additional repair costs and those not covered by **This Insurance** must be paid for by **You**.

ON COMPLETION

Wherever possible, **We** will pay the repairer directly up to the amount authorised. **You** must make arrangements to cover any costs not covered by **This Insurance**. If **You** are VAT registered, **We** will not pay the VAT element of **Your** claim.

You or the repairer must send **Us** the original, fully detailed and itemised invoice and any service proof that has been requested. Please make sure that **You** clearly mark on the invoice, to whom **We** should make payment. Photocopies of invoices will not be accepted. **We** will only pay the amount authorised for the claim.

10. Conditions

- i. This policy, together with any written statement or other information made or supplied by **You** relating to insurability, 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 **You** 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 certificate holder'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. In the event of the place of establishment being situated in the Channel Islands the relevant law governing the Channel Islands shall apply.
- v. To improve the quality of **Our** service, **We** will be monitoring and recording all telephone calls made to **Our** administrator, MB&G Insurance Services Limited.
- vi. 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.
- vii. Our liability under this policy will be binding for the Period of Insurance shown on the Policy **Schedule**. Cover commences 28 days after the date of first purchase of this policy.
- viii. The Vehicle shall be free of any pre-existing faults at the time of purchase of the policy and that it shall be serviced in accordance with the manufacturer's recommended service intervals by a garage registered for VAT, the garage completing the relevant service details in the Vehicle's service book and the receipt retained. A maximum allowance of 21 days or 500 miles (whichever is less) shall be permitted as a run-over on the due date of service intervals.
- ix. **You** shall not continue to use the Vehicle following Mechanical Breakdown where use may cause further damage to the Vehicle.
- x. All benefits under this policy shall be forfeited and the Insurer and Administrator shall be released from all obligations to **You** if the conditions and 'How to make a Claim' procedures are not complied with or a claim made by **You** or anyone acting on **Your** behalf to obtain a policy benefit is fraudulent or intentionally exaggerated; or a false declaration or statement is made in support of a claim under this policy.
- xi. If at any time **This Insurance** which **We** arranged for **You** is subsequently cancelled by the Insurer, **We** may arrange and enter in to a new contract with another Insurer ("New Policy"), acting as **Your** agent on **Your** behalf. **We** will give **You** advance notice of any changes to the terms of the New Policy. This clause can apply to more than one New Policy. **You** may at any time cancel the authority contained in this clause by giving **Us** written notice, although **Your** notice will not affect New Policies entered into before **We** receive **Your** notice.
- xii. **This Insurance** is an addition to **Your** legal rights under the Sale of Goods Act if **Your** Vehicle is found to be unfit for use or not of satisfactory quality.
- xiii. **This Insurance** does not entitle **You** to Breakdown Assistance/Rescue services unless **You** have purchased and received a separate 'Roadside Assistance policy'.
- xiv. Varying Premiums - **We** reserve the right to revise the monthly premium payable by providing a minimum of 45 days prior written notice by registered post to **Your** last known address. As **You** pay separately for each month of cover, if **You** choose not to accept the revised premium **You** may cancel **This Insurance** and **We** will continue to provide cover for any remaining period for which **You** have already paid after the expiry of **Our** notice period.
- xv. By way of subrogation, **We** reserve the right to take over and carry out the defence or settlement of any claim after a payment has been made under this policy. Legal action may be taken in the **Your** name to recover payment from a third party made under this policy.
- xvi. **We** shall not be liable for any claim arising thereby or indirectly caused or contributed by or a **Consequential Loss** listed under the exclusions section of this policy.
- xvii. If at the occurrence of a claim there exists any other insurance, which would entitle **You** to indemnity then this policy shall only contribute its rateable proportion of such loss.

- xviii. **We** reserve the right to subject the Vehicle and or failed **Component** to expert assessment.
- xix. Where dismantling of a covered **Component** is necessary to determine the validity of a claim, **You** must authorise any dismantling. Costs incurred will only be met as part of a valid claim.
- xx. It is expressly agreed and declared that **We** shall be released from all liability and obligation should the Terms and Conditions of the policy not be complied with fully.
- xxi. The Terms and Conditions and application details 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.

11. Exclusions

This Insurance does not Cover:

- i. **Intentional Acts**
An Insured Event occurring as a result of
 - a. Intentional act or wilful neglect or
 - b. Intentional or reckless overloading of, or the imposition of any abnormal conditions on, the Equipment.
- ii. **Sonic Boom**
Damage or destruction directly occasioned by pressure waves caused by aircraft or other aerial devices traveling at sonic or supersonic speeds.
- iii. **Consequential Loss**
Any consequential loss or damage arising from the Insured Event or from any cause whatsoever. Consequential loss shall include, but not be limited to, any financial loss or the cost of business interruption arising from the loss of use of the Equipment, or the loss of information contained in or stored on the Equipment, any time and cost involved in reinstating such information and any liability to any third party for delay or non-performance of any contract with the third party. Consequential loss shall also include loss of use of any item of Equipment (not itself subject to an Insured Event) due to its incompatibility with any item of Equipment repaired or replaced pursuant to this policy.
- iv. **Guarantees**
Any amount that is recoverable upon the occurrence of an Insured Event at no expense to **Your** customer under any guarantee, warranty, maintenance, and rental hire or lease agreement.
- v. **War**
Any direct or indirect consequence of war, civil war, invasion, acts of foreign enemies (whether war be declared or not), rebellion, revolution, insurrection, military or usurped power, or confiscation, nationalisation, requisition, destruction of or damage to property by or under the order of any government, local or public authority.
- vi. **Terrorism**
Any direct or indirect consequence of terrorism as defined by the Terrorism Act 2000 and any amending or substituting legislation. **We** will, however, cover any loss or damage (but not related cost or expense, caused by any act of terrorism provided that such act did not happen directly or indirectly because of biological, chemical, radioactive or nuclear pollution or contamination or explosion.
- vii. **Radiation**
Any direct or indirect consequence of:
 - a. Irradiation, or contamination by nuclear material; or
 - b. The radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter; or
 - c. Any device or weapon which employs atomic or nuclear fission or fusion or other comparable reaction or radioactive force or matter.

viii. **Electronic Data**

Any consequence, howsoever caused, including but not limited to Computer Virus in Electronic Data being lost, destroyed, distorted, altered, or otherwise corrupted.

For the purposes of this Policy, Electronic Data shall mean facts, concepts and information stored to form useable for communications, interpretations, or processing by electronic or electromechanical data processing or other electronically controlled hardware, software and other coded instructions for the processing and manipulation of data, or the direction and manipulation of such hardware.

For the purposes of this Policy, Computer Virus shall mean a set of corrupting, harmful, or otherwise unauthorised instructions or code, whether these have been introduced maliciously or otherwise, and multiply themselves through a computer system or network of whatsoever nature.

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, MB&G Insurance Services 01912590647.

If **You** are not satisfied 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 Customer Relations Manager
UK General Insurance Ltd
Cast House, Old Mill Business Park,
Gibraltar Island Road,
Leeds LS10 1RJ.

T: 0345 218 2685
E: customerrelations@ukgeneral.co.uk

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 and have an annual turnover of less than €2million and fewer than ten staff. **You** may contact the Financial Ombudsman Service at:

The Financial Ombudsman Service
Exchange Tower, Harbour Exchange Square
London E14 9SR

In all correspondence please state that **Your** insurance is provided by UK General Insurance Limited and quote scheme reference **MBG**

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.

Governing Law

Unless some other law is agreed in writing, this **Policy** is governed by English law. If there is a dispute, it will only be dealt with in the courts of England or of the country within the United Kingdom in which **your** main residence is situated.

Consumer Insurance Act

You are required by the provisions of the Consumer Insurance (Disclosure and Representations) Act to take care to supply accurate and complete answers to all the questions **We** may ask as part of **Your** application for cover under this policy. **You** must make sure that all information supplied as part of **Your** application for cover is true and correct and tell **Us** of any changes to the answers **You** have given as soon as possible. Failure to provide answers in-line with the requirement of the Act may mean that **Your** policy is in valid and that it does not operate in the event of a claim.

Compensation Scheme

Great Lakes Reinsurance (UK) SE is covered by the Financial Services Compensation Scheme. **You** may be entitled to compensation from the scheme in the unlikely event that Great Lakes Reinsurance (UK) SE cannot meet its financial responsibilities. The FSCS will meet 90% of **Your** claim, without any upper limit. **You** can obtain further information about compensation scheme arrangements from the FSCS at www.fscs.org.uk

Data Protection Act 1998

Please note that any information provided to **Us** will be processed by **Us** and **Our** agents in compliance with the provisions of the Data Protection Act 1998, for the purpose of providing insurance and handling claims, if any, which may necessitate providing such information to third parties. **We** may also send the information in confidence for process to other companies acting on their instructions including those located outside the European Economic Area.