



GAP insurance

Protecting your investment



Current statistics indicate the risk of your vehicle being stolen or written off is now greater than ever before. Around 315,000* vehicles are stolen every year, which is equivalent to 1 every 85 seconds.

**Information comes from Car Theft Index 2003.*



Bridging the GAP

If this does happen or your vehicle is written off through an accident, your insurance company will generally offer you a 'total-loss' payment based on the market value of your vehicle at that time. This value could be significantly less than either the original cash price of the vehicle or what you may still owe under a finance agreement.

You might not realise just how much a total loss can affect your own finances even if you have comprehensive motor insurance for your vehicle. Now you can take out GAP insurance to help protect your investment.

What is GAP insurance?

If your vehicle is written off because of accidental damage, fire or theft, there are two types of GAP insurance cover available to you.

GAP (Shortfall Protection)

This covers the difference between the amount your insurance company will pay and what you actually owe under your Volkswagen Finance agreement. We will pay up to £10,000.

GAP Plus (Return to Invoice)

This covers the difference between the amount your insurance company will pay and the actual price you paid for your vehicle. We will pay up to £15,000. This payment will help you replace your car with a new car which is the same or similar to the one you have lost.

Both of these payments will apply on top of your insurance claim settlement and you can get them for new and used vehicles.

How does GAP insurance work?

Here are examples of how the two options could work for you. These figures are used as a guide only.



How can I take out GAP insurance cover?

The retailer that sold you your vehicle can give you an application form. You just make a single payment to cover you for up to three years with the GAP Plus option and up to five years with the GAP option. You must also have a comprehensive motor insurance policy in place for the whole time the cover applies.

See the page opposite for a summary of cover for GAP insurance.



GAP insurance summary of cover

keyfacts

This is a summary of the conditions of GAP (shortfall) policy number GP1409 and GAP Plus (return to invoice) policy number GP1411. You will be covered by whichever policy you apply for and for which we accept you. You can find full details in the policy documents that we will send when we accept you for cover. You can ask us for copies earlier if you want.

Both policies are provided by Pinnacle Insurance plc, Pinnacle House, Al Barnet Way, Borehamwood, Hertfordshire WD6 2XX, an insurance company based in the UK.

Type of insurance

Both policies are guaranteed asset-protection policies which make sure that you are not financially disadvantaged if your vehicle is written off and the amount paid under your motor insurance policy is not enough to pay off your finance agreement (GAP shortfall) or to match the original price you paid for your vehicle (GAP Plus).

Features and benefits

To be eligible for either GAP insurance policies you must live in the UK for tax purposes and be aged 18 or over. You can get cover for vehicles insured under a comprehensive motor insurance policy. To be eligible for a GAP (shortfall) policy, you must have bought your vehicle under an agreement with Volkswagen Finance.

If your vehicle is written off the two levels of cover are shown below.

- 1 GAP (shortfall) will pay the difference between the amounts you are paid under your motor insurance policy and the early-settlement figure in the finance agreement.
- 2 GAP Plus will pay the difference between the amounts your motor insurance policy will pay and the original price you paid for your vehicle.

Policy limits

- 1 GAP (shortfall) will pay up to £10,000. We will not pay benefit to cover any arrears (missed payments) under the finance agreement and any interest on those arrears.
- 2 GAP Plus will pay up to £15,000.

For both policies we will not pay benefit for:

- any amount your motor insurer charges for the excess if it is more than £250; and
- any part of the price you paid for the vehicle if it is not directly related to the vehicle, for example for extra options fitted by the retailer, any warranty, insurance and accessories.

Exclusions

You can find full details of the exclusions in clause 4 of the policy document. The main instances where we will not provide cover under this policy are shown below.

- If you use your vehicle for hire or as a taxi, as a courier or delivery vehicle, as an emergency vehicle, or invalid carrier, or for teaching someone to drive, for racing or competition or modified other than in line with the manufacturer's specifications.
- If you or a person you give your permission to drive the vehicle is under the influence of alcohol or drugs, or does not hold a valid driving licence.

- If your vehicle is driven outside the UK, Ireland, the Channel Islands or the Isle of Man for more than 30 days.
- If the comprehensive motor insurance does not pay the insured value of your vehicle.

How long the contract lasts

- 1 GAP (shortfall) will last for up to five years but will end earlier if we pay a claim or the full loan is paid off.
- 2 GAP Plus will last for up to three years but will end earlier if we pay a claim.

Your right to cancel

You can cancel this policy within 14 days of your agreement starting and receive a refund of any premium you have paid if you have not made a claim. After that you may cancel the insurance cover at any time by writing to Pinnacle Insurance plc, Pinnacle House, Al Barnet Way, Borehamwood, Hertfordshire WD6 2XX. However, we will not refund your premium after the first 14 days.

How to claim

If you want to make a claim, you can get a claim form by calling 08707 200 742, writing to Claims Department, Pinnacle Insurance plc, Pinnacle House, Al Barnet Way, Borehamwood, Hertfordshire WD6 2XX or on-line at www.pinnacle.co.uk

If you want to complain

We always aim to provide a first-class standard of service. However, if you have any concerns about any part of the service you have received, please contact the Customer Relations Department at Pinnacle Insurance plc. If you are still not satisfied with the outcome of any enquiries, you can refer your complaint to:

The Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR.

This procedure will not affect your right to take legal proceedings. However, please remember that there are some instances when the FOS cannot consider complaints. You can get a leaflet with details of our full complaints or appeals process from Pinnacle if you ask.

Compensation

Pinnacle Insurance plc is covered by the Financial Services Compensation Scheme. You may be entitled to compensation from this scheme if Pinnacle Insurance cannot pay out all claims. This depends on the type of business. Most types of insurance business are covered for 100% of the first £2,000 of a valid claim and 90% of whatever you have lost. You can get more information about compensation arrangements from the Financial Services Compensation Scheme. Phone 020 7892 7300.

Choice of law

You are free to choose the law which will apply to the policy. Unless otherwise agreed, we have decided that English law will apply. If you live in Scotland, Wales or Northern Ireland, you will be entitled to begin legal proceedings in your local courts. All communication will take place in English.



Volkswagen Finance is a trading name of
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