

## UNDERSTANDING YOUR POLICY

Please read this document carefully and make sure You understand and fully comply with its terms and conditions. Failure to do so may jeopardize the payment of any claim which might arise and could lead to the Policy becoming void. Please ensure You keep it in a safe place so You can read it again if You need to.

### The Policy

We will provide the insurance as stated in the Policy. The Proposal / Policy Schedule, which includes the signed declaration and the undertaking to pay the premium, is the basis of the contract and forms part of the Policy. The Policy contains details of the insurance cover You have bought, what is excluded from the cover and the conditions of this insurance.

### Contract of Insurance

The Policy is evidence of a Contract of Insurance. The Policy will only become effective when We have received payment in full and received and accepted the Proposal / Policy Schedule.

### The Proposal / Policy Schedule

The proposal form and any other information provided by the Insured or on his/her behalf. In consideration of the Insured having completed a proposal form and the required premium paid to the Administrator (please note this Policy is not valid until such premiums have been received), the Insurers agree to indemnify the Insured up to the maximum liability detailed herein, subject always to the definitions, conditions, exclusions and periods contained herein.

### Legal Rights

This insurance is in addition to Your legal rights and is not to be substituted for the supplier's liability if the Vehicle is found to be unfit for the purpose for which it was intended, or is not as described or is not of satisfactory quality.

## DEFINITIONS

The words below have a specific meaning. For ease of reference these definitions have been placed in alphabetical order.

**Administrator / AutoProtect** means AutoProtect (MBI) Limited, Warwick House, Roydon Road, Harlow, Essex CM19 5DY. Telephone 01279 456 500.

**Contract of Insurance / Policy** means the Mechanical Breakdown Insurance Policy underwritten between You (the Insured) and Red Sands Insurance Company (Europe) Limited (the Insurer).

**Geographical Limits** means the areas in which the Policy is effective and are Great Britain, Northern Ireland and Channel Islands plus any additional area detailed under Extra Benefits.

**Indemnity Limit** means the amount shown in the Proposal / Policy Schedule subject to the lower limits as stated in these terms and conditions, inclusive of VAT, up to the purchase price of the Vehicle.

**Insured / You / Your** means the registered owner of the Vehicle forming the subject matter of the Policy.

**Insurer / We / Us / Our** means Red Sands Insurance Company (Europe) Limited. Whose registered office is situated at Level 3, Ocean Village Business Centre, 23 Ocean Village Promenade, Gibraltar and is registered in Gibraltar under company registration number 87598.

**Mechanical Breakdown** means the failure of a mechanical or electrical component, causing a sudden stoppage of its function, for a reason other than wear and tear, deterioration or negligence. Damage caused by the effect of overheating or abuse is not regarded as a Mechanical Breakdown under the terms of the Policy.

**Period of Insurance** means the period as shown on the schedule, from the start date to the end date of the policy.

**Proposal/Policy Schedule** means any signed proposal and declaration together with any additional information You may have supplied to Us in support of Your application for insurance.

**Vehicle** means the vehicle as specified on the Proposal/Policy Schedule.

## PARTS COVERED

Please see your Proposal Form for details of the maximum amounts that may be paid for each and any claim. These may be subject to lower limits as stated on these pages. All limits include VAT. There is no restriction to the number of claims you can make. This policy covers all mechanical and electrical parts (including labour to fit them), of the insured vehicle against mechanical breakdown as defined below.

### Oil seals

Crankshaft front seal, camshaft oil seal, auxiliary shaft oil seal, gearbox rear seal, drive shaft(s) seals and differential pinion seal and where an engine or gearbox repair requires oil seals or gaskets.

### Casings

If any of the covered parts fail and this damages the casings, they will also be covered.

### Working materials

Oils, oil filter and anti-freeze are covered only if it is essential to replace them because of the failure of a part which is covered under this Policy.

### Air Conditioning System

In the event of a valid claim, maximum contribution to system re-gas is £45.00 inc VAT.

### Excluding:

Cracked or porous cylinder heads and blocks, burnt valves and any skimming/pressure testing. Body, paint, glass, interior/exterior trim, key fobs and key cards, in-car entertainment/ communication systems and connected equipment including satellite navigation, catalytic converters and diesel particulate filters, wheels, airbag and system, electrical wiring, wiring looms, hoses, pipes, cables, brake seizure and corrosion.

Wear and tear/service items and other components subject to routine maintenance or periodic repair or replacement such as plugs, HT leads, brake frictional material, clutch facings, wiper blades/rubbers, auxiliary belts, light bulbs/units, tyres, batteries, exhaust systems [this is not a complete list].

The proposal form is part of the contract between you and Red Sands Insurance Company (Europe) Limited for the Mechanical Breakdown Insurance policy. Your policy covers the vehicle shown on the Proposal Form.

AutoProtect (MBI) Limited has been appointed by Red Sands Insurance Company (Europe) Limited as administrator to distribute this Policy of insurance. AutoProtect (MBI) Limited has been appointed to deal with all administrative matters relating to claims handling, including payment of claims, arising under this policy.

## WHAT IS NOT COVERED

- 1) We will not accept liability for any claim which is reported to AutoProtect more than 14 days after the relevant fault is discovered.
- 2) We will not accept liability for any claim where the repair has not commenced within 14 days of the relevant fault being reported to AutoProtect.
- 3) The Policy does not apply to:
  - vehicles used for hire or reward [for example, taxis, self-drive hire or driving schools];
  - vehicles used for any kind of timed competition or race; or

- non-standard, customised or modified vehicles.
- 4) We will not accept liability for damage caused by:
    - neglect;
    - corrosion;
    - any foreign matter getting into or onto a part;
    - lack of servicing;
    - the effects of over-heating, whether caused by an insured part or not;
    - freezing;
    - abuse;
    - damage to parts not covered by this Policy or consequential damage; or
    - damage to parts We cover caused by parts not covered by the Policy.
  - 5) We will not accept liability for:
    - wear and tear;
    - deterioration;
    - the effects of poor repairs, faults or defects at the time of the sale;
    - parts which have been fitted incorrectly;
    - parts which are of faulty manufacture or design; or
    - parts not fitted as standard or optional extra by the manufacturer, unless cover for such items is agreed beforehand.
  - 6) The Policy excludes any damage caused by fire, accident or any road hazard whether or not insured under any motor insurance or accidental damage policy. It does not provide cover for other people or physical injury.
  - 7) We will not accept liability for damage caused by war risks, sonic booms or nuclear radiation.

## GENERAL CONDITIONS

You must comply with the following conditions to have the full protection of the Policy. If You do not comply with them We may at Our option cancel the Policy or refuse to deal with Your claim or reduce the amount of any claim payment.

- 1) **Duty of Care**  
You must not continue to drive the Vehicle after any damage or incident if this could cause further damage to the Vehicle.
- 2) **Fraud**  
You must not act in a fraudulent manner. If You, or anyone acting for You, make a claim under the Policy knowing the claim to be false, or fraudulently exaggerated in any respect; or make a statement in support of a claim, knowing the statement to be false in any respect; or submit a document in support of a claim, knowing the document to be forged or false in any respect; or make a claim in respect of any loss or damage caused by Your wilful act, or with Your connivance, then:
  - We shall not pay the claim;
  - We shall not pay any other claim which has been made or will be made under the Policy;
  - We may at Our option declare the Policy void;
  - We shall be entitled to recover from You the amount of any claim already paid under the Policy;
  - We shall not make any return of premium; and
  - We may inform the police of the circumstances.
- 3) **Cancellation**

You may cancel the Policy within 14 days of the start date without financial penalty provided no claim has been submitted. Thereafter both parties must give 14 days notice of cancellation. The Policy has no surrender value and no premium paid will be refunded after 14 days of the start date.

#### 4) Servicing

The Vehicle must be serviced by a VAT registered garage, six months or 6,000 miles [whichever is the sooner] from the date of or mileage at date of purchase of the Policy, and thereafter at intervals of six months or 6,000 miles [whichever is the sooner], and must consist of:

- Change engine oil and filter;
- Check oil levels in the gearbox and differential and top up where necessary;
- Check coolant level and anti-freeze/inhibitor strength. Top up where necessary;
- Check timing belt [if fitted], renew if necessary; and
- Brake fluid must be replaced in accordance with the manufacturer's recommendation.

The interval from the Policy purchase date to the first service and the intervals between services must not exceed the stipulated time or mileage by more than 21 days or 500 miles. This time allowance is to facilitate You to make sure services are completed at the correct intervals. If any circumstances prevent the service being carried out at the correct time AutoProtect must be informed immediately by recorded delivery.

**As an option the Vehicle may be serviced in accordance with the manufacturer's recommended service schedule by a VAT registered garage.**

If You have details of when the last service was carried out, You may service the Vehicle at the recommended interval from that service. Please retain proof of the previous service for Our inspection in the event of a claim. If no details are available to confirm that the Vehicle is within the manufacturer's recommended service limits then the first full manufacturer's service must be carried out at the latest within six months or 6,000 miles [whichever is the sooner] from the date/mileage at date of purchase of the Policy but preferably at the first available opportunity. The intervals between services must not exceed the manufacturer's stipulated maximum excess time or mileage allowances.

The only acceptable proof of servicing will be the fully detailed VAT service invoice[s] indicating servicing dates and mileages. You must keep these invoices for Our inspection in the event of a claim.

**Failure to maintain and provide proof that the above service schedule has been completed will invalidate the Policy.**

#### Warning

**Timing belts [otherwise known as camshaft drive belts].**

If Your Vehicle has a timing belt, please make sure that it is in good condition and that it is checked and changed in line with the manufacturer's recommendations. If the timing belt breaks it can cause serious and unnecessary engine damage and inconvenience. No responsibility will be accepted for damage caused by the failure of a worn out timing belt.

#### 5) Notification of Changes

If any of the following changes occur you must notify us immediately.

- Change of address
- The use of vehicle e.g. being used for Private hire
- Any modifications to your vehicle
- The vehicle is used for more than 60 days abroad in any one year.

Failure to notify us of changes may invalidate your cover under the policy.

We will then advise You of any changes in terms.

#### 6) The Law Applicable to the Policy

The Policy will be governed by the laws of England and Wales.

#### 7) Transfer of Ownership

If You want to sell the Vehicle You will be able to transfer the Policy to the new owner. You must apply to AutoProtect to transfer the Policy before You sell the Vehicle. There is a fee of £25 which You must enclose with Your application. The Policy cannot be transferred if the Vehicle is sold to a dealer or trader and the Policy will be automatically cancelled on such a sale.

The unexpired portion of the Policy is transferable upon resale of the Vehicle to a private individual, provided that:

- All documentation relevant to the Policy has been passed over to the new owner; and
- The Vehicle has been serviced and maintained according to the Policy.

The fee will be returned if Your application cannot be accepted.

- 8) Before selling You the Vehicle, the dealer must check the Vehicle to make sure that the parts covered under the Policy are in good condition.
- 9) We may declare void any Policy where the Proposal / Policy Schedule does not correctly show the exact Vehicle type, model, age and mileage. If You give incorrect information on the Proposal / Policy Schedule, the Policy may be void or, at AutoProtect's option, allowed to continue subject to the payment and receipt of any additional premium that may be required to reflect the correct information.
- 10) The mileage quoted on the Proposal / Policy Schedule does not guarantee that this is the true distance the Vehicle has covered.
- 11) We will not pay more than the limits shown on the Proposal / Policy Schedule or as otherwise restricted in these terms and conditions.
- 12) The Policy will only be valid if the Proposal / Policy Schedule has been received by AutoProtect and the premium has been paid and received in accordance with these terms and conditions. AutoProtect has the right to refuse an application for cover.
- 13) The dealer who sold You the car acts as AutoProtect agent only for the purpose of supplying the Policy. The dealer is not an AutoProtect agent for the purpose of receiving premiums. AutoProtect is not responsible for any mistakes or incorrect information provided by the dealer about the nature or value of the Policy.
- 14) Your rights as set out in the Policy are in addition to Your legal rights.
- 15) You cannot change these terms and conditions unless You have Our written agreement. We may appoint any person to handle claims, including payment thereof. We reserve the right to change at any time any of the parties providing administration or claims handling or related services under the Policy.
- 16) At the time of cover the Vehicle must be taxed and legal for use on the public highway.

#### CLAIMS CONDITIONS

- 1) AutoProtect cannot agree to any claim without providing a claims authority number. The repairer must not start any repairs without this number. Please quote Your claims authority number each time You contact AutoProtect about Your claim and make sure the repairer includes this number on their invoice.
- 2) If when making a claim You do not follow the correct procedure, We will not be able to pay Your claim in this instance.
- 3) No liability shall exist in respect of parts supplied, repairs carried out or any other claim under the Policy other than claims made in accordance with the procedures set out in these terms and conditions and for which specific authorisation is given by AutoProtect.
- 4) We reserve the right to provide replacement parts and to carry out repairs under the Policy or to arrange for their provision by other persons.
- 5) AutoProtect may insist that Your repairer uses exchanged or reconditioned parts to affect a repair.
- 6) If the part to be replaced has some wear or the part improves the general condition or value of the Vehicle, You may be required to pay an amount towards the improvement.
- 7) The amount of time allowed for labour will be in line with the manufacturer's / Glass's Guide standard repair times. The cost of diagnosis or testing is not included.
- 8) The Insurer and the Administrator reserve the right to examine the Vehicle, to subject it to expert independent assessment and to name the repairer to be used. AutoProtect will use the results of any expert independent assessment to determine the amount to be paid in respect of a claim. This will be subject to the claimable limits and the terms and conditions of the Policy.

#### MAKING A CLAIM

- 1) If You wish to make a claim telephone 01279 456 501, or write to:  
AutoProtect (MBI) Limited  
Warwick House  
Roydon Road  
Harlow  
Essex CM19 5DY.
- 2) The claims procedure will be explained to You.
- 3) Book the Vehicle in with the selling dealer or recommended repairer and give Your permission to carry out any fault finding/diagnosis or dismantling necessary.
- 4) If You want to use Your local repairer, You must make sure that they follow AutoProtect's claims procedures. **N.B.** Please note that Your repairer will only be paid up to the equivalent AutoProtect national labour rate.
- 5) You agree that You will pay the costs of dismantling and repairing the Vehicle if the cause of the breakdown is not covered by the Policy and, if it is covered, all costs which exceed the limits on the Proposal / Policy Schedule and any excesses that may apply. You are responsible for paying for any other work You ask the repairer to carry out.
- 6) The repairer must then telephone AutoProtect quoting the Policy type and number and ask for authority to carry out the repair.
- 7) If Your claim is accepted, Your repairer will be informed how much will be paid under the Policy and an authority number for this value will be issued. The authority number will be effective for 90 days only from the date issued. No payments

will be made under the terms of the authority number after the expiry of the period of 90 days. You are responsible for paying any amount the repairer charges over and above the amount authorised.

- 8) When the repairs have been completed, the repairer must submit an invoice within the period of 90 days referred to in paragraph seven. The invoice must be addressed to AutoProtect and clearly show the authority number given by AutoProtect for those repairs. The invoice must show whom AutoProtect should pay and all parts used in the authorised repair, labour and VAT.
- 9) AutoProtect may also need to see Your original service invoices.

If there is a disagreement please refer to Our Complaints Procedure.

#### EXTRA BENEFITS

The extra benefits listed below will be provided subject to the limits specified in the Proposal / Policy Schedule if any of the parts covered under the Policy fail and You are stranded with the Vehicle.

#### Vehicle replacement

AutoProtect will pay up to £30 a day [including VAT], for up to seven days, towards the cost of a replacement vehicle. You can only have a replacement vehicle if the Vehicle is being repaired under the Policy and prior authority has been given by AutoProtect's claims department.

#### Exclusions

1. We will not provide a replacement vehicle for the first 24 hours that You are without the Vehicle or during any delay the repairer may have waiting for parts or commencing repairs.
2. We will not cover the costs of or fuel or insurance for the replacement vehicle.
3. We will not cover any motoring fines and congestion charges that you may incur.

#### Recovery

AutoProtect will pay up to £100 [including VAT] towards the cost of towing the Vehicle to the nearest repairer if the Vehicle suffers a Mechanical Breakdown. You should ensure that Your repairer obtains an authority number that covers the recovery, and that the invoice of the person who recovered the Vehicle or the repairer's invoice is sent to:

AutoProtect (MBI) Limited  
Warwick House  
Roydon Road  
Harlow  
Essex CM19 5DY

#### Overnight accommodation and rail fares

AutoProtect will pay up to £60 towards hotel expenses or a return rail ticket if the Vehicle suffers a valid Mechanical Breakdown and You are unable to return home. We will require you to provide proof of the expenditure. You cannot claim for the cost of meals and drinks.

You can only qualify for overnight accommodation and rail fares if the Vehicle is being repaired under the Policy and prior authority has been given by AutoProtect's claims department.

#### Driving abroad

The Policy is valid for up to an aggregate of 60 days per annum for driving in the Republic of Ireland and mainland Europe. AutoProtect will not pay more than the equivalent UK cost for parts and labour.

**N.B.** These benefits will not be provided if the failure is not covered by the Policy. Payments will be limited to those levels outlined in the Policy.

#### COMPLAINTS PROCEDURE

We are committed to providing you with an exceptional level of service and customer care. If there is an occasion where You feel that We have not delivered this level of service we would like to hear about it.

If you would like to make a complaint please contact the Administrator:

The Managing Director  
AutoProtect (MBI) Limited  
Warwick House  
Roydon Road  
Harlow  
Essex CM19 5DY  
Tel: 01279 456 500  
Fax: 01279 456510

We expect that the majority of complaints will have been quickly and satisfactorily resolved at this stage but if You remain dissatisfied You can take the issue further.

In the unlikely event that the matter is still not resolved, Your complaint can be referred to the Financial Ombudsman Service:

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

Please note You have six months from the date of Our final response in which to refer Your complaint to the Ombudsman. Referral to the Ombudsman will not affect Your right to take legal action against Us. The complaints procedure above does not affect any legal right You may have to take action against Us.

#### COMPENSATION SCHEME

If we are unable to meet our liabilities you may be entitled to compensation under the Financial Services Compensation Scheme (FSCS). Further information about compensation scheme arrangements is available at [www.fscs.org.uk](http://www.fscs.org.uk), by emailing [enquiries@fscs.org.uk](mailto:enquiries@fscs.org.uk) or by phoning the FSCS on 0207 892 7300

#### DATA PROTECTION

For the purposes of the Data Protection Act 1998 the Data Controller in relation to any personal data You supply is AutoProtect. AutoProtect may use Your data to keep You informed by post, telephone or other means, of any products or services which may be of interest to You. If You do not wish to receive information from AutoProtect please write to;

The Data Protection Officer  
AutoProtect (MBI) Limited  
Warwick House  
Roydon Road  
Harlow  
Essex CM19 5DY

With limited exceptions and on payment of an administration fee, You have the right to access and if necessary rectify information held about You. If You wish to make such an inspection, please write to AutoProtect. AutoProtect will use Your data to set up and administer the Policy, including underwriting and the handling of any claim that may arise, and send Your data in confidence for processing to other companies and repairers, including those located outside the European Union. It may also be disclosed to regulatory bodies for the purposes of ensuring compliance and crime prevention.