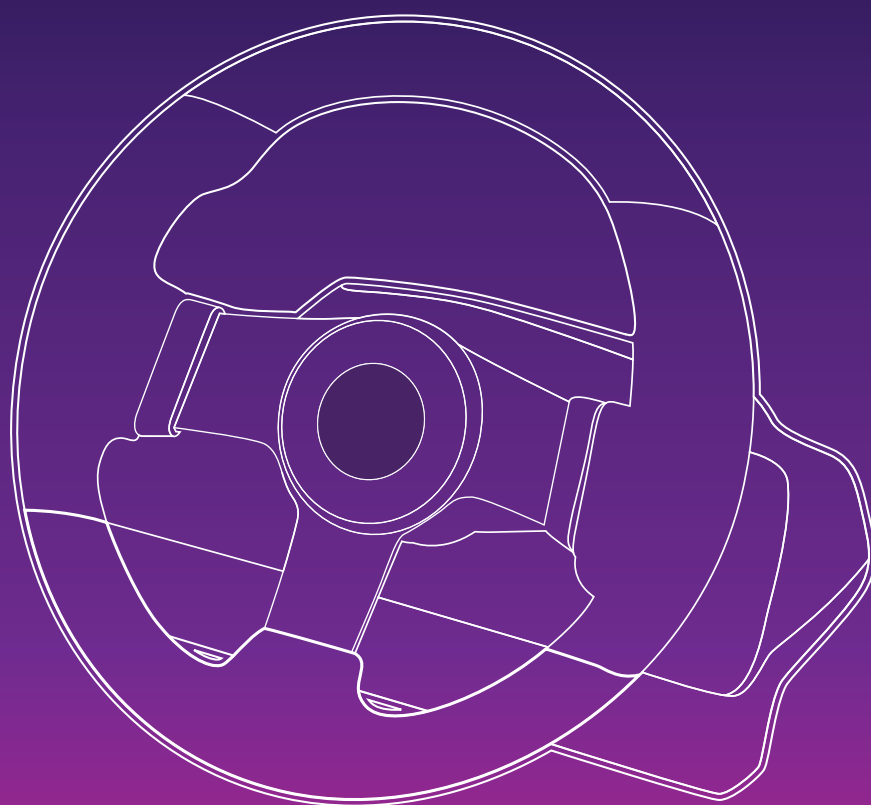


MOTOR TRADE ROAD RISKS POLICY DOCUMENT



COVER
ENGINEERED FOR
THE MOTOR TRADE

Free Business Advice Service

Available 24 hours each day, 7 days every week, all year round

These free helplines service are provided which you may use while your Policy is in force to discuss business problems in the following categories:

Business Legal Advice Helpline

0845 300 6168

Unlimited access to a team of solicitors and other legal experts, for 24 hours confidential legal advice and guidance on any commercial legal problem such as:

- employment
- VAT
- prosecution
- contract disputes
- landlord and tenant disputes.

Please note that advice on motoring matters is not available.

Legal advice can only be offered in respect of matters subject to the laws of and within the jurisdiction of courts or tribunals of:

- England Scotland Wales and Northern Ireland
- the Channel Islands and the Isle of Man
- any other member country of the European Union
- Switzerland and Norway.

This service is supplied by DAS Legal Expenses Insurance Company Limited on behalf of NIG.

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The Insured named in the Schedule and carrying on the Business described in the Schedule and no other for the purpose of this insurance has applied to the Company for the insurance hereinafter contained and has paid or agreed to pay the premium.

The Proposal or statement of fact and declaration shall be the basis of this contract.

The Company will provide insurance as described in each Section which is stated in the Schedule as being operative in respect of any accident injury loss or damage occurring in Great Britain, Northern Ireland, The Isle of Man or the Channel Islands (or during transit by sea between any ports therein including loading or unloading) during any Period of Insurance but excluding:

Any Insured Vehicle whilst in, or on:

- i** any Business Premises owned or occupied by the Insured
- ii** any other place at which the Insured is carrying on motor trade activities (other than a road or public highway within the meaning of the Road Traffic Acts).

The Policy, Schedule and Certificate of Motor Insurance should be read together and any word or expression to which a specific meaning has been attached in any part of this Policy, its Schedule or the Certificate of Motor Insurance issued hereunder shall bear such meaning wherever it may appear.

Date Policy signed as shown in the Schedule

General Definitions

The Insured

The person, persons or Limited or Public Limited Company named in the Schedule.

The Company

U K Insurance Limited trading as NIG.

Insured Vehicle

Any motor vehicle the property of the Insured or in his custody or control in connection with his business as described in the Schedule provided that such vehicle is not a goods carrying vehicle being used for hire or reward or is not a vehicle constructed for the purpose of transportation of more than two vehicles at any one time (Use solely for breakdown purposes or use under a Trade Plate for the carriage of goods for demonstration purposes in accordance with the regulations applicable to trade licences is not deemed to be use for hire or reward).

An Insured Vehicle also includes any vehicle (mechanically propelled or otherwise) attached for the purpose of being towed to an Insured Vehicle but does not include a vehicle which is being transported on another vehicle unless the vehicle which is being transported has wheels in contact with the road.

An Insured Vehicle DOES NOT include a motor vehicle privately owned by any director, employee or relative of the Insured or hired to them under a hire purchase agreement EXCEPT where the said vehicle is in the custody or control of the Insured for sale repair testing servicing maintenance cleaning or inspection.

Business Premises

Premises from which business is conducted, whether or not used solely for that purpose.

Excess

The first amount of any claim for loss or damage which is payable by the Insured.

Experienced Driver Excess

Excess applicable to persons of 25 years of age or over who hold a full licence.

Inexperienced Driver Excess

Excess applicable to persons holding a provisional licence or who have not held for a period of 1 year a full licence or who are over 21 but under 25 years of age.

Young Driver Excess

Excess applicable to persons under 21 years of age.

Additional Excess

Excess applicable to Person or Vehicle identified in the Schedule alongside the amount of such excess.

Endorsed Excess

Excess applied by Endorsement and shown in the Schedule.

Business

The business as stated in the Schedule.

Employee

Any person while working for the Insured in connection with the Business who is

- a** under a contract of service or apprenticeship with the Insured
- b** a person under a contract of service or apprenticeship with some other employer and who is hired to or borrowed by the Insured
- c** a labour master or person supplied by him
- d** a person engaged by a labour only sub-contractor
- e** a self-employed person performing work under a similar degree of control and direction by the Insured as a person under a contract of service or apprenticeship with the Insured
- f** a driver or operator of hired-in plant
- g** a trainee or person undergoing work experience

General Exclusions

The Policy does not cover:-

- 1** any accident injury loss or damage whilst an Insured Vehicle is
 - a** being used other than in accordance with the Limitations As To Use described in the Certificate of Motor Insurance or is being driven by or for the purpose of being driven is in the charge of any person other than an authorised driver described in the Certificate of Motor Insurance;
 - b** being driven by the Insured unless he holds a licence to drive such vehicle or has held and is not disqualified for holding or obtaining such a licence;
 - c** being driven with the consent of the Insured or his representative by any person who to their knowledge does not hold a licence to drive such vehicle unless such person has held and is not disqualified for holding or obtaining such a licence;
 - d** being driven in an unsafe or unroadworthy condition;
- 2** any liability incurred as a result of an agreement or contract unless such liability would have attached in the absence of such agreement;
- 3** except so far as is necessary to meet the requirements of the Road Traffic Acts, this policy does not cover any consequence whatsoever directly or indirectly caused by or contributed to by or arising from War or Government Action.

War shall mean war, invasion, acts of foreign enemies, hostilities or war-like operations (whether war be declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to popular rising, insurrection, rebellion, revolution, or military or usurped power.

Government Action shall mean martial law, confiscation, nationalisation, requisition or destruction of property by or under the order of any government or public or local authority or any action taken in controlling preventing suppressing or in any way relating to war.

- 4** any accident (except under Section 2) arising in consequence of
 - a** an earthquake or
 - b** riot or civil commotion arising elsewhere than in Great Britain, the Channel Islands or the Isle of Man;
- 5** any damage loss or liability arising directly or indirectly from
 - a** ionising radiations or contamination by radioactivity from any irradiated nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
 - b** the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
- 6** any proceedings brought or Judgement obtained against the Insured or any person covered by the Policy in any Court outside the United Kingdom, unless such proceedings are brought or Judgement is obtained in the Court of a foreign country arising out of the use of the Insured Vehicle in that foreign country, and the Company has agreed to extend cover under the Policy to cover such foreign use.

General Conditions

- 1** Any incident that may give rise to a claim under this Policy must be reported as soon as possible in writing to the Insured's Broker or Agent (or direct to the Head Office of the Company if there is no broker or agent). Any claim by a third party or notice of any proceedings or any other correspondence and information received by the Insured relating to the claim must be forwarded to the Insured's Broker or Agent (or to the Company as the case may be) immediately on receipt.
- 2** The Company will be entitled to conduct and control all negotiations of any claim under this Policy and any relevant proceedings including prosecution in the name of the Insured or other person for its own benefit. No admission of liability or promise of payment may be made without the Company's written consent. The Insured and the person claiming to be indemnified shall give every co-operation.
- 3** The Company may cancel this Policy by giving seven day's notice by "recorded delivery" to the Insured at his last known address and in that event will allow a pro-rata return of premium. The Insured may also cancel this Policy by surrendering the Certificate of Motor Insurance and in that event (provided no claim has arisen in the then current period of insurance) a return of premium will be allowed after the deduction of premium at the Company's short period rates for the time the Policy has been in force.
- 4** Notwithstanding Condition 3, where the premium for this Policy is payable by instalments under the Company's Credit Agreement it is a condition precedent to the Company's liability that each instalment shall be paid when due. Any default which is not corrected within the time permitted under the Consumer Credit Act 1974 will result in the Company requesting payment of the remaining balance of the annual premium together with any outstanding credit charge. If the Company does not receive full payment within seven days of giving notice of default the Policy is cancelled from the default date. The Insured shall surrender forthwith to the Company any effective Certificates of Motor Insurance.
- 5** The Insured must take all reasonable precautions to:-
 - a** maintain an Insured Vehicle in an efficient and roadworthy condition and
 - b** safeguard it from loss or damage.
- 6** The Company shall have full access at all reasonable times to examine an Insured Vehicle.
- 7** If any other insurance covers the same loss, damage or liability the Company will not pay more than its rateable proportion of any claim.
- 8** If any claim under this Policy shall be in any respect fraudulent or if any fraudulent means or devices are used by the Insured, the person claiming to be indemnified or any person acting on their behalf, all benefit under this Policy shall be forfeited.
- 9** The Insured and/or the person who incurred the liability shall repay to the Company any sum which it has paid solely because of the law of the Country in which this Policy operates and which it would not otherwise have paid. Similarly, the Insured and/or the person who incurred the liability shall repay the Company any sum which it has paid solely because of any agreement with the Motor Insurer's Bureau. Such rights of recovery will be pursued against the Insured and/or the person who incurred the liability.
- 10** If a claim has been admitted but there is disagreement as to the amount payable the matter shall be referred to arbitration in accordance with the law. When this occurs an award must be made before any proceedings are brought against the Company.
- 11** The parties to an insurance contract are free to choose the law that will apply. In the absence of a specific agreement between the parties the law applying to this contract is English Law.
- 12** A person or company who was not a party to this Policy has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Policy but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

Section 1: Accidental Damage

The Company will indemnify the Insured against loss of or damage (other than as stated in Section 1A) to an Insured Vehicle and its accessories whilst thereon.

Section 1A: Loss or Damage by Fire or Theft

The Company will indemnify the Insured against loss of or damage to an Insured Vehicle and its accessories whilst thereon caused by:-

- i fire, lightning or explosion;
- ii theft or taking without lawful authority or any attempt thereat.

Section 1B: Loss of Use (Customers' Vehicles)

The Company will indemnify the Insured in respect of costs and expenses incurred by any customer with the Company's written consent in being deprived of the use of a vehicle following its loss or damage within the terms and conditions of Section 1 and Section 1A but only during a reasonable period necessary to allow for its repair or replacement and subject to a maximum sum as stated under Loss of Use Limit in the Schedule.

Section 1C: Vehicles with Sub-Contractors

Notwithstanding anything to the contrary in the Persons Entitled to Drive in the Certificate of Motor Insurance, Section 1 and Section 1A are extended in the event of an Insured Vehicle sustaining loss or damage whilst in the possession of a Sub-Contractor to the Insured for the purpose of work being carried out on such Vehicle on behalf of the Insured and there being no other existing insurance covering the same loss or damage. The Company shall not be liable hereunder for loss or damage to such Vehicle whilst in or on the business premises of any Sub-Contractor.

Exclusions to Sections 1, 1A, 1B and 1C

The Company shall not be liable for:-

- 1 the first amount of any claim in accordance with the Policy Excesses shown in the Schedule, which shall apply in addition to any Additional Excess or Endorsed Excess applied to this Policy;
- 2 the first amount of any claim in accordance with the Additional Excesses shown in the Schedule, which shall apply in addition to any Policy Excess or Endorsed Excess applied to this Policy;
- 3 loss of use, loss of market value following repair, depreciation, deterioration, wear and tear, mechanical, electrical, electronic or computer failures or breakdowns;
- 4 damage to tyres by punctures, cuts, bursts or by application of brakes;
- 5 loss of accessories of a motor cycle unless stolen with the motor cycle itself;
- 6 loss of an Insured Vehicle resulting from deception by a purported purchaser or his agent;
- 7 loss of an Insured Vehicle when left unattended at any time unless the ignition key is removed, all doors, windows and other openings have been closed and locked.

Basis of Claim Settlement under Sections 1, 1A and 1C

The Company may at its option repair or replace an Insured Vehicle or accessories or make a settlement in cash not exceeding the replacement value at the time of the loss or damage, but the Company shall not in any case be liable to pay a greater sum than £100,000 in respect of any one vehicle unless otherwise stated. If any damaged part or accessory is unobtainable the basis of settlement shall be the manufacturer's last list price. The Insured may authorise repairs if the estimated cost does not exceed £500 provided that the Company is notified and a detailed estimate is supplied immediately.

If an Insured Vehicle is the subject of a hire purchase agreement any settlement in cash may be made to the legal owner whose receipt will constitute a discharge.

The Company will pay the reasonable cost of removal to the nearest repairers after such loss or damage and delivery to the Insured's address when repairs have been completed.

New Vehicle Concession Insured's Own Vehicles

If within one year of registration as new any vehicle owned or registered in the Insured's name and insured for loss or damage is

- a** lost by theft and not recovered
- or
- b** damaged to the extent that the cost of repairs will exceed 60% of the manufacturer's recommended retail price plus taxes immediately prior to such damage and the claim is settled as a total loss

the Company will pay for the cost of purchasing a new replacement vehicle of the same make and model

Provided that

- i** the Insured requests it
- ii** such a replacement is available
- iii** the total payment will be limited to a maximum of £5,000 above the amount which would otherwise have been payable under Section 1, 1A and/or 1C had this Extension not been incorporated

Vehicles Held for Sale

If a new vehicle held for sale by the Insured is damaged to the extent that it necessitates

- a** a declaration of such damage to a prospective purchaser and
- b** a discount to effect a sale

the Company will consider such discount as forming part of the claim

Provided that

- i** the Insurers have agreed the level of discount necessary to effect the sale and
- ii** the total payment will be limited to a maximum of £5,000 per vehicle

Contract Price

In respect only of vehicles sold but not delivered for which the Insured is responsible subject to a sale contract which following Loss or Damage is cancelled by reason of its conditions wholly or to the extent of the Loss or Damage, the Company's liability will be based on the Contract Price subject to this not exceeding the maximum limit any one vehicle mentioned herein.

Section 2: Liability to Third Parties

1 Indemnity to the Insured

The Company will indemnify the Insured in the event of an accident caused by or in connection with an Insured Vehicle against liability at law for damages in respect of:-

- a** death of or bodily injury to any person, or
- b** damage to property but the indemnity against liability for such damage including any indirect loss or damage is limited in respect of any one claim or series of claims arising out of one occurrence to the Third Party Property Damage Limit shown in the Schedule.

2 Indemnity to other persons

The Company will also cover in the terms of Sub-Section 1 above the following:-

- a** any authorised driver as described in the Certificate of Motor Insurance driving on the Insured's order or with his permission;
- b** the personal representatives in the event of the death of the person indemnified;
- c** any person using (but not driving) an Insured Vehicle with the permission of the Insured for social, domestic and pleasure or other purposes provided such use is permitted by the terms of the Certificate of Motor Insurance;
- d** the owner of an Insured Vehicle.

Provided that such persons observe and fulfil the terms of this Policy in so far as they can apply.

3 Cross Liabilities

Where more than one party comprises the Insured in the Schedule the Company will treat each party as the Insured as if a separate Policy had been issued to each, provided that the maximum liability of the Company hereunder shall not exceed in the aggregate the Limits stated under Sub-Section 1(b) above.

4 Indemnity for Trailers

The Company will also cover in the terms of Sub-Section 1 above the liability of the Insured for any trailer which is detached from any vehicle but only in so far as it is necessary to meet the requirements of any law relating to compulsory insurance in the territory concerned and provided that the insurance of the trailer is the responsibility of the Insured.

5 Indemnity for Driving Other Vehicles

The Company will also cover in the terms of Sub-Section 1 above the liability of the Insured or any partner or director of the Insured while driving any motor vehicle not belonging to or hired to the Insured or any partner or director of the Insured under a Hire Purchase Agreement provided such motor vehicle is being used within the 'Limitations as to Use' specified in the current Certificate of Motor Insurance issued with the Policy.

6 Indemnity for Movement of Other Vehicles

The Company will also indemnify the Insured against legal liability to pay for death, injury or damage (including damage to the vehicle being moved) arising out of the movement of vehicles not belonging to the Insured or in the custody or control of the Insured with or without the owner's permission by the Insured or any partner, director or employee of the Insured for the purpose of

- a** parking
- b** loading or unloading
- c** allowing free passage of any Insured Vehicle.

7 Court Attendance Costs

The company will in the event of any of the under-noted persons attending Court as a witness at the request of the Company in connection with a claim in respect of which the Insured is entitled to indemnity under this Section pay compensation to the Insured at the following rates per day for each day on which attendance is required.

- a** any director or partner of the Insured £250
- b** any Employee £100

Section 2A: Third Party Contingent Liability

Notwithstanding anything to the contrary in the Persons Entitled to Drive and Limitations of Use, as defined by the Certificate of Motor Insurance, Sub-Section 1 of Section 2 is extended to indemnify the Insured in respect of:-

- a** any Motor Vehicle belonging to and driven by any Employee of the Insured on the Business of the Insured;
- b** an Insured Vehicle being driven by or in the charge of for the purpose of being driven by any Sub-Contractor to the Insured;
- c** an Insured Vehicle loaned or hired to a customer by the Insured for purposes of the customer's business or his social, domestic and pleasure use but only whilst the customer's own vehicle is in the Insured's possession for repair or servicing pending redelivery to the customer.

Exclusions to Sections 2 and 2A

The Company shall not be liable:-

- 1** in respect of death of or bodily injury to any person arising out of and in the course of such person's employment by the person claiming to be indemnified except for any passenger who is being carried in or upon or entering or getting on to or alighting from the Insured Vehicle whilst such vehicle is on a Road as described in the Road Traffic Acts. Such passenger shall not be the driver or a person in charge of the Insured Vehicle for the purpose of driving;
- 2** for damage to an Insured Vehicle or to any property belonging to or held in trust by or in the custody of the Insured or the person claiming to be indemnified or being conveyed by such vehicle;
- 3** in connection with the loading or unloading of an Insured Vehicle beyond the limits of the carriageway by any person other than the driver or attendant of that vehicle;
- 4** if there is any other insurance in force covering the same liability;
- 5** whilst the Insured Vehicle is within the precincts of an airport or aerodrome to which aircraft have access or are housed;
- 6** in respect of death of or bodily injury to any person or damage to property directly or indirectly caused by pollution or contamination unless such pollution or contamination is directly caused by a sudden identifiable unintended and unexpected incident which occurs in its entirety at a specific time and place during the Period of Insurance. All pollution or contamination which arises out of one incident shall be deemed to have occurred at the time such incident takes place. This exclusion shall not apply in circumstances where it is necessary to meet the requirements of any compulsory motor insurance legislation operative within the territorial limits of this Policy.
- 7** the policy does not cover liability of whatsoever nature or any costs or expense whatsoever directly or indirectly caused by or contributed to by or arising from Terrorism except so far as is necessary to meet the requirements of the Road Traffic Acts.

Terrorism shall mean an act or acts (whether threatened or actual) of any person or persons involving the causing or occasioning or threatening of harm of whatever nature and by whatever means made or claimed to be made in whole or in part for political, religious, ideological or similar purposes, or any action taken in controlling preventing or suppressing or in any way relating to such act or acts.

Section 3: Legal Costs

The Company will also pay any legal costs incurred with its written consent in respect of any event which is being dealt with as a claim under Section 2. This includes the cost of representation at any Coroner's Court or Fatal Accident Inquiry and of defending any proceedings arising from death or in a Court of Summary Jurisdiction.

If the Company elects to pay the limit of indemnity the costs payable under this Section shall be those incurred by the Company up to the date of that election.

Section 4: Emergency Treatment

The Company will indemnify any person in respect of Emergency Treatment as required by the Road Traffic Acts resulting from any event which this Policy insures. A payment under this section shall not affect any entitlement to No Claim Bonus.

Section 5: Windscreen/Window Damage

The Company will indemnify the Insured in respect of windscreen or window breakage including any resultant scratching of the bodywork of any Insured Vehicle by payment repair or reinstatement provided that there is no other damage. The Insured will be required to pay the first amount of any claim for reinstatement under this Section as shown in the Schedule under Windscreen Excess but shall not be subject to any other clause or endorsement requiring the Insured to be responsible for the first amount of any claim. A payment under this Section shall not affect any entitlement to No Claim Bonus. The maximum liability under this Section shall be the sum shown in the Schedule under Windscreen Limit.

Foreign Use

This Policy provides minimum cover required by law to use an Insured Vehicle in any country whose arrangements follow EC insurance directives and are approved by the Commission of the EC.

Note for foreign use: Prior notification of each trip abroad should be given. If the Company agrees to extend the Policy an additional premium will be payable and an endorsement together with an International Motor Insurance Certificate ("Green Card") will be issued.

No Claim Bonus

Dependent upon the claims arising during each 12 month Period of Insurance the annual renewal premium shall be reduced in accordance with the scale then in force.

Notes for your information

It is in your interest to keep us informed (through your Broker or Agent or direct if there is no broker or agent) of any alterations in the risk covered and also of any accidents. Indeed, it is your obligation to do so, and these notes are intended to help you.

1 Accidents

Please notify ALL accidents or losses (however trivial) IMMEDIATELY. Try to obtain the names and addresses of witnesses and pass any Third Party correspondence unanswered. If you have Comprehensive cover ask your Broker or Agent for the nearest Approved Repairer so that you can get your vehicle back on the road as soon as possible.

2 Alterations of Risk

Please notify:-

- a** changes of the driving or the use allowed by your Certificate or if there is an age of driver restriction on your Policy BEFORE cover is required;
- b** changes of address or occupation IMMEDIATELY;
- c** motoring convictions or pending prosecutions including outstanding police enquiries - criminal convictions or charges for a criminal offence - physical or mental defects - driving by young or inexperienced persons (of which we are not already aware) AT RENEWAL.

3 Travel Abroad

PLEASE

- a** notify your Broker or Agent in good time;
- b** read carefully "Information for Travellers abroad" which will be sent to you with your International Motor Insurance Card.

Important Information

Your right to cancel

If this cover does not meet your requirements, please return all your documents and any certificate to the broker, intermediary or agent who arranged the Policy within 14 days of receipt. We will return any premium paid unless a claim has been made.

Termination

If you wish to terminate the contract at any other time, please contact the broker, intermediary or agent who arranged the Policy. Any return of premium will be made based on the number of days remaining in the Policy period, unless a claim has been made when no refund is due.

Instalments – Consumer Credit Agreement

If you have chosen to pay by instalments with NIG please read the Terms and Conditions of your Consumer Credit Agreement. Failure to comply with the Terms and Conditions of your Consumer Credit Agreement may affect your Policy

How to make a claim

Please contact, in the first instance, the Broker, Intermediary or Agent who arranged the Policy. Please quote your policy number.

How to complain

If you have an enquiry or complaint arising from your Policy, please contact the Broker, Intermediary or Agent who arranged the Policy for you or NIG at the address below quoting the Policy Number in all cases.

If you are not satisfied with the way in which a complaint has been dealt with, please write to:

The Chief Executive,
NIG
Crown House,
145 City Road,
London
EC1V 1LP.

If we cannot resolve the differences between us, you may refer your complaint to the Financial Ombudsman Service (FOS). Their address is:

South Quay Plaza,
183 Marsh Wall,
London E14 9SR
Telephone: 0845 080 1800.

Details about our Regulator

NIG policies are underwritten by U K Insurance Limited who are authorised and regulated by the Financial Services Authority, registration number 202810. The Financial Services Authority website, which includes a register of all regulated firms can be visited at www.fsa.gov.uk or the Financial Services Authority can be contacted on 0845 606 1234.

Under the Financial Services and Markets Act 2000, should we be unable to meet our liabilities to policyholders, compensation may be available. Insurance advising and arranging is covered for 90% of the claim, without any upper limit. For compulsory classes of insurance, insurance advising and arranging is covered for 100% of the claim, without any upper limit. Information can be obtained on request, or by visiting the Financial Services Compensation Scheme website at www.fscs.org.uk

Whoever you are contacting, please always quote your Policy Number as it will help your enquiry or complaint to be dealt with promptly.

