

BMW Insurance



BMW Shortfall



**BMW Shortfall**  
BMW Shortfall Policy Handbook



**START  
STOP  
ENGINE**

## Introduction

This policy document and **your confirmation of cover** describe the basis of **our** legal contract. It is important that **you** examine them carefully to make sure they meet **your** needs. Please keep these documents together in a safe place.

Please check the **confirmation of cover** and **your statement of fact** carefully to ensure the information **you** have given us is correct. **You** must tell **us** if this information is wrong or if it changes. If **you** don't **you** might find that **you** are not covered and **we** may not pay any claim.

If any of the information **we** have recorded is incorrect or if **you** have any questions about this insurance, please contact BMW Protect Services on 0845 641 9735.

In return for paying the **premium**, **we** will insure **you** under the conditions of **your policy** for an insured event that takes place during the **period of insurance**.

## Insurer

BMW Shortfall is underwritten by Allianz Insurance plc and administered by Mondial Assistance (UK) Limited.



# Definitions

If **we** explain what a word means, that word has the same meaning wherever it appears in **your policy** or **confirmation of cover**. These words are highlighted in **bold** throughout **your policy**.

**We** have defined the most common words below.

## Agreement

The hire purchase, lease purchase, personal contract purchase or finance lease agreement between **you** and the **finance company** relating to the **insured vehicle**.

## Confirmation of cover

A document which includes **your** details, the details of the **insured vehicle** and specifies the cover provided by **your policy**.

## Date of total loss

The date of the theft, fire, malicious damage or accident damage that leads to a claim for the **total loss** of the **insured vehicle**.

## Early settlement amount

The amount needed to settle the **agreement** at the **date of total loss** excluding any amount carried over from a previous finance **agreement**, payment protection insurance **premiums**, additional interest charges, arrears, and any other financed amount not relating specifically to the **insured vehicle**.

## Finance company

The bank or financial institution named in the **agreement**.

## Insured vehicle

A BMW car whose registration number is shown in the **confirmation of cover** built to the manufacturer's UK specification and supplied by an authorised BMW dealer.

## Insurer

Allianz Insurance plc.

## Invoice price

The price paid for the **insured vehicle** including any delivery charges, new vehicle registration fees, road tax, number plates, any manufacturer factory fitted options at delivery and any dealer fitted options subject to a maximum of £2,000.

## Level of cover

The amount shown in the **confirmation of cover**.

## Market value

The value determined by referring to Glass's Guide at the **date of total loss** of a motor vehicle which is the same make, model, age and mileage as the **insured vehicle**. Dealer fitted accessories are included up to a value of £2,000.

## Motor insurance policy

A comprehensive policy of motor insurance maintained throughout the **period of insurance** that provides cover for the **insured vehicle** against Accidental Damage, Malicious Damage, Fire and Theft.

## Motor insurance settlement

The amount **you** receive from the **motor insurer** following a claim for the **total loss** of the **insured vehicle**.

## Motor insurer

An insurance company regulated and authorised in the UK by the Financial Services Authority.

## Period of insurance

The period between the start date and the expiry date shown on **your confirmation of cover**.

# Definitions

(continued)

## **Policy**

The contract of insurance between **you** and **us**.

## **Premium**

The amount shown in the **confirmation of cover**.

## **Replacement vehicle**

The vehicle provided to **you** by **your motor insurer** in the event of a **total loss** within 12 months after the start date of this **policy**.

## **Statement of fact**

A document which confirms the information **you** have given.

## **Total loss**

The **insured vehicle** being declared by the **motor insurer** as either;

- 1) beyond economic repair as a result of fire, accidental or malicious damage; or
- 2) stolen and not recovered.

## **We, us, our**

Allianz Insurance plc or Mondial Assistance (UK) Limited on behalf of the **insurer**.

## **You, your**

The person or business shown in the **confirmation of cover**.

# When Will You Be Covered

## What we will pay for:

If the **insured vehicle** is declared a **total loss** by the **motor insurer**, we will pay the lower of the following:

- the **level of cover** shown in the **confirmation of cover**; or
- the difference between the **motor insurance settlement** and the **invoice price**; or
- where the **early settlement amount** is greater than the **invoice price**: the difference between the **early settlement amount** and the **motor insurance settlement**; and

up to £500 in respect of any excess **you** are required to pay to the **motor insurer** as part of **your** claim for a **total loss** in the 12 months immediately after the **start date**. This amount reduces to £250 thereafter.

In the event **your motor insurer** provides **you** with a **replacement vehicle**, we will transfer the unexpired term of this insurance to the **replacement vehicle** at no extra cost.

## What we will not pay for:

Any amount deducted from the **motor insurance settlement** in respect of the following:

- any excess over £500 deducted by the **motor insurer** in the 12 months immediately after the **start date**. This amount reduces to £250 thereafter;

- the salvage value of the **insured vehicle** where **you** do not have to transfer ownership of the **insured vehicle** to the **motor insurer**;
- any outstanding premium owed to the **motor insurer**; and
- a reduction in the **motor insurance settlement** because of **your** contributory negligence.

Any amount included in the **early settlement** in respect of the following:

- missed payments and any interest due under the terms of the **agreement**;
- any amount carried over from a previous loan or finance agreement and interest payable thereon; and
- any amount due under the **agreement** relating to insurance premiums, warranty costs, fuel, paintwork and fabric protection applications or any other amounts included in the invoice and any interest payable thereon.

Any **premium**, or a part of any **premium**, that has not been paid to **us**.

The VAT content of any claim if **you** are registered to recover VAT.

## What Is Not Covered

**You** are not covered if the **insured vehicle**:

- is being driven, with **your** consent, by someone who does not hold a valid driving licence or is in breach of the conditions of that driving licence;
- is being driven by **you** or any other person with **your** consent when intoxicated or under the influence of drugs and/or alcohol;
- has not been built to the manufacturers' UK specification or built for use outside the UK;
- has been modified outside of the manufacturer's UK specification other than for use by disabled drivers or passengers;
- is owned by a business or company involved in the sale or service of motor vehicles;
- is used as an emergency or military vehicle, courier or delivery vehicle or for the haulage/transportation of goods, invalid carrier or driving instruction vehicle;

- is used as a taxi or for hire or reward;
- is used for road racing, rallying, pace-making, speed testing or any other competitive event.

**We** will not pay for any loss arising from:

- a **date of total loss** outside the **period of insurance**;
- any act or omission which is wilful on either **you** or the driver of the **insured vehicle's** part;
- civil commotion, terrorism, riot or insurrection, war or any act incidental to war (whether declared or not); or
- a **total loss** that is not a result of an accidental damage, malicious damage, fire or theft claim under **your motor insurance policy**.

# General Conditions

The following General Conditions apply to the whole of this **policy**.

## 1. Eligibility

**You** can only purchase this **policy** if **you**;

- a) are over 18 and **your** permanent place of residence is in the UK, or in the case of a business, registered and trading in the UK;
- b) have bought the **insured vehicle** with money advanced under an **agreement** or from **your** own resources;
- c) are named as the policyholder or a named driver on the **motor insurance policy**;
- d) have applied for this insurance cover either as an individual or in the case of a business, as the owner, a partner or a director of the business; and
- e) have paid the **premium** and agreed to comply with the terms and conditions of this **policy**.

## 2. Assignment

**You** cannot assign or charge this **policy** in any manner whatsoever.

## 3. Surrender value

When **your** cover under this **policy** ends, it will not have any cash or surrender value.

## 4. When the cover ends

This **policy** will end automatically at the earliest of the following:

- a) the expiry date shown in

**your confirmation of cover**;

- b) the date on which the **insured vehicle** is repossessed by or returned to the **finance company**;
- c) the date on which a claim is paid under this insurance cover;
- d) the date **you** or **we** cancel the **policy**;
- e) the date the **premium** or a **premium** instalment is not paid;
- f) the date **you** no longer have possession of the **insured vehicle**.

## 5. Cancelling your policy

**You** may cancel this **policy** within 14 days of receiving the documents. If **you** have not made a claim **we** will refund any **premium you** have paid. If **you** have made a claim **we** will refund any **premium** paid on a pro-rata basis to the date of the **total loss**. **We** may deduct a £15 administration charge from any refund of **premium**.

After 14 days **you** may cancel the insurance cover at any time. **We** will not refund any **premium you** have paid and **you** will be required to pay all future **premium** instalments and any other instalments **you** may owe.

If **you** choose to cancel **your** insurance, simply return the **confirmation of cover** marked cancelled to:

## General Conditions (continued)

BMW Protect Services  
PO Box 1852  
Croydon  
CR9 1PW

**We** may cancel this **policy** at any time by giving **you** 30 days notice in writing to the address shown on **your confirmation of cover**.

### 6. Paying premiums by instalments

If **you** pay **your premium** by direct debit or by any other instalment method:

Should **you** cancel the **policy** **you** will be required to pay all future **premium** instalments. **You** will also be required to pay all other **premium** instalments **you** may owe. **We** have the right to take any instalment **you** have not paid from any claims payment. If **you** do not pay an instalment on the date it is due, this will give **us** the right to cancel this **policy** from the date that instalment was due to be paid.

### 7. Keeping to the terms of the policy

**We** will only give **you** the cover described in the **policy** if:

**You** pay the **premium** or any agreed **premium** instalment; When making a claim **you** meet all of the conditions as far as they apply; Declarations made and information given to **us** orally, electronically or in writing forming the basis of this **policy** are complete and correct as far as **you** know.

### 8. Fraud

If **you** or anyone acting on **your** behalf makes a claim which is at all false or fraudulent, or supports a claim with any false or fraudulent document device or statement, this **policy** shall be void. **You** will lose all benefit and premiums **you** have paid for this **policy**. In addition **we** may recover any sums paid by way of benefit under the **policy**.

If **you** fraudulently provided **us** with false information, statements or documents **we** may record this on anti-fraud databases, **we** may also notify other organisations. The Data Protection Notice issued with **your** schedule provides additional information.

### 9. Law applying to the Contract

Unless **we** agree otherwise:

- a) the language of the **policy** and all communications relating to it will be English; and
- b) all aspects of this contract of insurance, including negotiation and performance, are subject to English law and the decisions of the English courts.

### 10. Rights of Parties

A person or company who was not a party to this **policy** has no right under the Contracts (Rights of Third Parties) Act 1999 or any subsequent legislation 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 such Act.

# Making A Claim

**You** should contact **us** as soon as possible after the **date of total loss** to report **your** claim.

Please follow these simple steps:

## Step One

### Gather Information

**We** will not be able to process **your** claim without information about the **insured vehicle**. To ensure **your** claim is processed quickly, please gather the following information:

- Written confirmation of the **motor insurance settlement** from **your motor insurer**;
- Copies of the original sales invoice to confirm the **invoice price**;
- A copy of the **agreement** (if appropriate);
- Written confirmation from the **finance company** of the **early settlement amount** and how it has been calculated.

## Step Two

### Request a claim form

**You** can download a claim form at: [www.bmwprotect.co.uk](http://www.bmwprotect.co.uk)

**You** can request a claim form by telephone: 0845 641 9738

## Step Three

### Submit your claim

Please return the claim form as soon as possible making sure:

- All questions have been answered and **you** have signed the declaration;
- **You** enclose all of the documents required.

Return the complete claim form to:

Claims Department  
BMW Protect Services  
PO Box 1852  
Croydon  
CR9 1PW.

### Conditions applying to a claim

- **You** must NOT accept any offer of **motor insurance settlement** made by **your motor insurer** until **you** have contacted **our** claims department and **we** have given **you our** consent to do so.
- If **you** accept an offer of **motor insurance settlement** from **your motor insurer** prior to, or without **our** consent, **we** may, at **our** discretion, settle **your** claim based on the **market value** at the **date of total loss** and not on the **motor insurance settlement** figure offered by **your motor insurer**.
- If the **total loss** is a result of malicious damage to or theft of the **insured vehicle**, **you** must report the incident to the police and provide **us** with the crime reference number.
- If **you** decline the offer of a **replacement vehicle** under the terms of **your motor insurance policy**, **we** may, at **our** discretion, settle **your** claim based on the value of a **replacement vehicle** according to Glass's Guide retail value, not the settlement figure offered by **your motor insurer** in lieu of the **replacement vehicle**.
- If **we** settle **your** claim and later discover it was as a direct or indirect result of **your** fraud, recklessness or negligence, **you** must repay **us** the amount **we** paid **you**. **We** have the right to demand that **you** repay any amount **you** owe to **us** and/or take the appropriate legal action against **you**.
- **You** must give **us** any assistance and provide any evidence **we** may reasonably require to prove **your** claim.
- **We** may take action in **your** name against any person, including but not limited to **your motor insurer**, to recover any money **we** pay to settle **your** claim.
- **We** may at **our** discretion and with **your** consent attempt to negotiate an increased **motor insurance settlement** on **your** behalf.

# How To Make A Complaint

BMW Financial Services and Allianz Insurance plc aim to get it right, first time, every time. If **we** make a mistake **we** will try to put it right promptly.

**We** will always confirm to **you** the receipt of **your** complaint within five working days and do **our** best to resolve the problem within four weeks. If **we** cannot, **we** will let **you** know when an answer may be expected.

If **we** have not resolved the situation within eight weeks **we** will provide **you** with information about the Financial Ombudsman Service.

Should **you** wish to make a complaint, please contact **us** at:

BMW Protect Services Manager  
102 George Street  
Croydon  
CR9 1AJ

Phone: 0845 641 9735

Using this complaints procedure or referral to the Financial Ombudsman Service does not affect **your** legal rights.

## Financial Services 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 Act

Information about **your policy** may be shared between BMW Financial Services, Allianz Insurance plc and Mondial Assistance (UK) Limited.

**You** should understand the information **you** provide will be used by **us, our** representatives, the **insurer**, other insurers and industry governing bodies and regulators to

process **your** insurance, handle claims and prevent fraud. **Your** personal details may be transferred outside of the EU. They will at all times be held securely and handled with the utmost care in accordance with all principles of English law.

## Insurer and Financial Services Authority Details

BMW Financial Services (GB) Limited trading as BMW Financial Services, registered in England No. 01288537. Registered Office: Europa House, Bartley Way, Hook, Hampshire RG27 9UF. BMW Financial Services is authorised and regulated by Financial Services Authority (FSA) under FSA registration number 312578.

This insurance is underwritten by Allianz Insurance plc, registered in England No. 84638. Registered Office: 57 Ladymead, Guildford, Surrey, GU11DB United Kingdom. Allianz Insurance plc is authorised and regulated by the Financial Services Authority (FSA) under FSA registration number 121849.

This Insurance is administered by Mondial Assistance (UK) Limited, registered in England number 1710361. Registered Office: Mondial House, 102 George Street, Croydon, CR9 1AJ. Mondial Assistance (UK) Limited is authorised and regulated by the Financial Services Authority (FSA) under FSA registration number 311909.

Our authorisation can be confirmed by the FSA by calling 0845 606 1234 or at [www.fsa.gov.uk](http://www.fsa.gov.uk).

Mondial Assistance (UK) Limited will act as an agent for Allianz Insurance plc with respect to receipt of customer money, handling premium refunds, claims handling and claims settlement.

**Copies of this document are available in Braille, audio cassette and large print on request.**



**BMW Insurance**



BMW Shortfall