

Policy Booklet

Sovereign Private Car

for your car insurance

This document explains
cover provided by the
Sovereign Private Car
Insurance Policy



Sovereign Private Car Policy

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Thank you for choosing NIG as your Motor insurer.

We have been established for over 100 years and provide insurance products to over 2 million customers across the UK. Operating from its London Head Office and network of regional offices NIG sells its policies through over 2,200 professional intermediaries at over 6,000 retail locations.

NIG conducts its business from the United Kingdom and is a part of The Royal Bank of Scotland Group.

Visit www.nig.com for further details.

If this cover does not meet your requirements, please return all your documents (including the certificate) within 14 days of receipt to your broker or agent. We will return any premium paid less a pro rata charge for the number of days for which cover has been given. The full annual premium is due if a total loss claim has been made.

For other Cancellation and administration charges please refer to Condition 3 and Notes for your information sections of this policy booklet.

Introducing your policy

Please read this policy, your certificate of insurance and your schedule carefully to make sure you have all the cover you need. You should keep all these documents in a safe place.

Policy cover

If the cover shown in your schedule is:

- **comprehensive** - all parts of the policy apply;
- **third party fire and theft** - part 1 applies when it relates to loss or damage resulting from fire or your car being stolen or taken without your permission, and parts 2, 6 and 7 apply;
- **third party only** - parts 2, 6 and 7 only apply.

Our insurance contract with you

This policy is a contract between us and you. Nobody else has any rights they can enforce under this contract, and the Contracts (Rights of Third Parties) Act 1999 shall not apply (except as set out in the Road Traffic Acts).

The proposal and declaration you have made form the basis of this policy.

We will provide insurance as shown in:

- this policy, as amended by the schedule, which shows any changes to the policy; and
- the certificate of motor insurance, which is evidence of the motor insurance you need by law.

The insurance applies throughout the United Kingdom except where we say otherwise.

The Law applicable to this contract

Under European Law, you and we may choose which law will apply to this contract. English Law will apply unless both parties agree otherwise.

How to make a claim

You must report all accidents and losses immediately. Either phone Claim Call on **0845 607 1626** or ask your insurance adviser for a report form.

Part 1 | Loss or Damage

What is insured

Your car if it is damaged, or if it is stolen or taken without your permission.

Accessories and spare parts fitted to your car or in your private garage if they are damaged, or if they are stolen or taken without your permission.

We will at our option:

- pay for the damage to be repaired; or
- repair or replace what is stolen or damaged; or
- pay the amount of the loss or damage.

We will not pay more than the market value of your car at the time the loss or damage happened. This will not be more than the amount you paid for it. We will not pay any costs which increase the market value of your car.

Where we have agreed to pay the market value of your car and payment is made to you the car will become our property.

If your car is under a hire-purchase or leasing agreement, we will make any payment for the total loss of your car to the hire-purchase or leasing company.

We will also pay the reasonable cost of taking your car to the nearest repairer and returning it to your address after the repairs have been carried out.

Provided that the policy is still current, we will also temporarily insure any motor car supplied to you under the NIG recommended repairer network whilst your car is being repaired as a direct result of damage covered by this policy. The cover for a car supplied under this paragraph will be comprehensive, even if the policy cover is third party, fire and theft.

If the car is still in your possession at the time this insurance expires, you must renew this insurance to maintain cover for the temporary car.

If, within one year of registration as new in your name, your car is stolen and not recovered or is damaged and the cost involved in the repair will exceed 60% of the manufacturer's list price (including car tax and value added tax) at the time of loss or damage, we will replace your car with a new car of the same make and model provided that one is available.

When carrying out repairs, our approved repairers will be entitled to fit parts made by other manufacturers they recommend for which they or the manufacturers offer a warranty.

If we cannot get a replacement part or accessory, we will pay the manufacturer's last list price.

If you have comprehensive cover and you claim only for broken glass in your car windscreen or windows or scratched bodywork caused by the broken glass, this will not reduce your no claim bonus. This does not include damage to sunroofs.

What is not insured

- a Loss of use, loss of market value for any reason, deterioration or wear and tear.
- b Mechanical, electrical, electronic or computer faults, failures, malfunctions or breakdowns.
- c Damage to tyres from braking or by road punctures, cuts or bursts.
- d Loss of, or damage to, your car as a result of it being stolen or taken without your permission at any time if:
 - an ignition key or any similar device is left in or on the car; and/or,
 - all doors, roofs, windows and all other openings including convertible roofs have not been closed and locked; and/or
 - any security or tracking device, which you have told us is fitted to your car, has not been set or is not in working order; and/or,
 - the annual network subscription for the maintenance contract of any tracking device has not been renewed.
- e The cost of replacing car locks or re-programming or replacing any car theft device as a result of the loss of the car keys.
- f Loss of, or damage to, your car as a result of someone getting it by fraud or trickery while pretending to be a buyer.
- g Confiscation or destruction of your car by, or under the order of, any government or public or local authority.
- h Loss of your car resulting from it being repossessed and returned to its rightful owner.
- i Loss of, or damage to, your car as a result of it being stolen or taken without your permission unless you make a report to the police and get a crime reference number.
- j More than £500 for permanently-fitted audio/visual equipment, computer or computer games, telecommunication and navigational equipment unless it is standard equipment for your car when built and your policy cover is comprehensive.
- k More than £250 for permanently-fitted audio/visual equipment, computer or computer games, telecommunication and navigational equipment, if the policy cover is third party fire and theft.
- l More than £500 for accessories and spare parts in your private garage.
- m Loss of, or damage to, any trailer or caravan, whether attached to or detached from your vehicle.
- n The first amount you must pay shown under endorsements added to the schedule.

Part 2 | Liability to Others

What is insured

We will insure you for all amounts (subject to the limits set out below) you legally have to pay for causing the death of, or injury to, any person or damage to their property as a result of an accident caused by you using or driving any car which your certificate of motor insurance covers you to drive or use. This includes towing a trailer, caravan or broken-down motor car. This towing must be allowed by law and the vehicle being towed must be properly attached to your car.

We will provide the same insurance to the following people:

- Anyone you allow to drive your car if they are covered by your certificate of motor insurance.
- The employer of anyone you allow to drive your car if their driving and business use on behalf of that employer is covered by your certificate of motor insurance.

If you ask at the time of an accident, we will provide the same insurance to the following people:

- Anyone you allow to use (but not drive) your car for social, domestic and pleasure purposes.
- Anyone travelling in or getting into or out of your car.

If your certificate of motor insurance allows it (and you are not in the motor trade or car-hire business) we will also insure you, for your liability to others, while you are driving a motor car or motor cycle you do not own and which you have not hired under a hire-purchase or leasing agreement. You must have the owner's permission. We will not insure you if you no longer have your car or if it has been previously damaged and it would cost more than its value to repair. We will not insure loss or damage to the vehicle you are driving.

If anyone covered by this insurance dies, we will deal with any claims which are covered by this policy made against that person's estate.

As long as the claim is insured by this policy, we will, with our prior agreement, pay for a solicitor or barrister to:

- represent anyone insured under this policy at a coroner's inquest or fatal accident inquiry; or
- defend anyone insured under this policy in a court.

If there is an accident insured by this policy, we will pay for emergency medical treatment that must be provided under the Road Traffic Acts. This will not reduce your No Claim Bonus.

What is not insured

- a Liability for death of, or injury caused to, any person while they are working with or for anyone insured by this policy (except as set out in the Road Traffic Acts).
- b Anyone who has other insurance covering the same liability.
- c Liability for loss of or damage to property which belongs to, or is in the charge of, any person who is insured by this policy.
- d Liability for loss or damage caused in a place where aircraft land, park or move, including the associated service roads, refueling areas, and ground equipment parking areas.
- e Liability for pollution or contamination unless it is caused by a sudden and identifiable event which is accidental and unexpected.
- f Liability caused by acts of terrorism as defined in the Terrorism Act 2000 unless we have to provide cover under the Road Traffic Acts.
- g Liability for more than £20,000,000 for damage to property and £5,000,000 for legal expenses and costs.
- h Loss or damage to any car you drive or any trailer, caravan or vehicle you tow.

Part 3 | Personal Accident Benefits

If you or your spouse/civil partner are accidentally injured while travelling in or getting into or out of any motor car and this injury alone results within three calendar months in:

- Death
- Permanent loss of sight in one or both eyes; or
- Loss of one or more limbs.

We will pay the injured person(s) or their legal representative £5,000.

The most we will pay in any period of insurance is £5,000.

What is not insured

- Any person over 79 years of age or under 18 at the time of their injury.
- Any injury or death resulting from suicide or attempted suicide.
- If you or your spouse/civil partner have insurance under more than one motor policy for the same accident, we will pay under one policy only.
- If as a result of the accident you or your spouse/civil partner are convicted of any drink-related or drug-related offence.
- If at the time of an accident, you or your spouse/civil partner is driving under the influence of alcohol and drugs or any other substance and this is an offence under the driving laws of the country in which the accident happened.

Part 4 | Personal Belongings

We will pay up to £100 for personal belongings in your car if they are lost or damaged by an accident, fire, theft or attempted theft.

We will not cover loss of or damage to:

- money, stamps, tickets, documents, cheques or share or bond certificates; or
- goods, samples or equipment you or anyone insured by this policy carry in connection with any trade or business.

Part 5 | Medical Expenses

We will pay up to £200 in medical expenses which must be paid for each person being carried in your car if they are injured in an accident involving your car.

Part 6 | No Claim Bonus

If no claim is made under this policy, we will reduce the premium you pay when you renew it according to our current scale of No Claim Bonus. You cannot transfer this bonus to another person.

If you have not paid all the premiums you owe, we will not issue proof of your No Claim Bonus.

In the event of a claim being made the No Claim Bonus will be stepped back in accordance with the following scale:

No. of years bonus at the start of the period of insurance	No. of years bonus at the next renewal date following:		
	1 claim	2 claims	3 claims or more
7 or more	3 years	1 year	Nil
4 to 6 years	2 years	Nil	Nil
3 years	1 year	Nil	Nil
2 years	Nil	Nil	Nil
1 year	Nil	Nil	Nil

Your No Claim Bonus will not be reduced as long as we have got back all that we have paid from those who are responsible.

Guaranteed bonus

If this is shown in your schedule, you will be allowed a No Claim Bonus according to the guaranteed bonus rate in force even if you make claims.

Protected bonus

If this is shown in your schedule, your No Claim Bonus is protected. You will keep your No Claim Bonus protection unless you have:

- more than one claim in a period of cover; or
- more than two claims in any three periods of cover in a row.

If we have to reduce No Claim Bonus we will do so as follows.

Number of claims in a period of insurance	No. of years bonus at the start of period of insurance:	
	5 or more years	4 years
2 claims	2 years	1 year
3 or more claims	Nil	Nil
Number of claims in three periods of insurance in a row		
3 claims	2 years	1 year
4 or more claims	Nil	Nil

Part 7 | Foreign Use

Compulsory cover

This policy provides the compulsory cover you need by law to use any car covered in:

- Any country which is a member of the European Union
- Any country which the Commission of the European Community approves as meeting the requirements of Article 7 (2) of the European Community Directive on Insurance of Civil Liabilities arising from the use of motor vehicles (no72/166/EEC) as amended.

See list of countries on page 14.

Full policy cover

The insurance is extended, for a period of 90 days, to provide the same cover shown in your policy schedule in any of the countries shown on page 14.

This will cover your car while it is in and being transported between any countries to which the insurance applies. Cover in these countries is conditional that your main permanent residence being in the United Kingdom.

If you cannot drive the car because of loss or damage covered by this policy, we will also pay the reasonable cost of delivering it to your address in the United Kingdom.

We will also pay the amount of customs duty you have to pay as a result of the loss or damage.

General Exceptions

- 1 This policy does not provide insurance when any car covered is:
 - a being driven by, or is in charge of for the purpose of being driven by, anyone not covered by your certificate of motor insurance or schedule;
 - b being used for purposes that are not shown in your certificate of motor insurance;
 - c being driven with your permission by anyone who you know has not got a driving licence or who you know is disqualified from holding or getting a licence; or
 - d being driven by or in the charge of anyone who does not keep to the conditions of their driving licence.

Any cover you have for loss of, or damage to, your car continues whilst the car:

 - is being repaired or serviced by a member of the motor trade. We will also pay the excess in the event of an accident.
 - being parked by an employee of a hotel, restaurant, or car parking service.

If you receive a mileage allowance or money from your passengers to cover the cost of petrol only, and make no profit while car sharing, we will not treat this as use for hire or reward.
- 2 This policy does not insure liability which anyone covered by this policy has as a result of an agreement or contract unless they would have had that liability if the agreement or contract did not exist.
- 3 This policy does not insure any loss or damage caused by war, revolution or any similar event.
- 4 This policy does not provide insurance except under Part 2 (Liability to Others) for any accident, injury, loss or damage caused by:
 - a an earthquake; or
 - b riot or civil commotion if it happens outside Great Britain, the Isle of Man or the Channel Islands.
- 5 This policy does not provide insurance for any loss, damage or liability caused directly or indirectly by:
 - ionising radiation or contamination by radiation from any irradiated nuclear fuel or from any nuclear waste from burning nuclear fuel; or
 - the radioactive, toxic, explosive or other dangerous properties of any explosive nuclear equipment or any part of it.
- 6 We will not insure legal proceedings or court judgements unless they result directly from the use of your car and the proceedings are brought in a country which we have agreed this policy will cover. Any other legal proceedings must be brought in an English or Welsh court.

If you live in the Isle of Man or the Channel Islands, any legal disputes will be dealt with by the courts and under the laws of those islands.
- 7 We will not cover securing the release of a motor car or motorcycle, other than your Car, which has been seized by, or on behalf of, any government or public authority.

Conditions

- 1 The insurance described in this policy will apply only if you and any person claiming to be covered by this policy have kept to all the conditions and endorsements.
- 2a You must immediately send us a filled-in report form or report fully to us, quoting your policy number, if there is an event which could lead to a claim being made against you or by you under this policy. You must do this even if you do not plan to claim personally under this policy or if damage to your own car is not covered by this policy. You must also send us any letter, notice, claim form, court proceedings, summons, writ or communication connected with any claim arising out of any event. We will contact the people who wrote to you.

If you know about any possible future prosecution, inquest or fatal accident enquiry, you must write and tell us immediately. Our address is:
Claims Department, NIG, 12 Harborne Road, Edgbaston, Birmingham B15 3AA.

You must not pay or agree to settle any claim without our written permission.
- 2b We are entitled to:
 - a take over and carry out the defence or settlement of any claim in your name, or in the name of any other person insured by this policy;
 - b take proceedings in your name, or in the name of any other person insured by this policy, to get back any money we have paid under this policy; and
 - c any information and help we need from you or any other person insured by this policy.
- 3 We or your insurance adviser may cancel this policy by sending you seven days' notice by recorded delivery to your last known address. You must then send us or your insurance adviser the certificate of motor insurance. When this is received we will refund the unused part of your premium to your insurance adviser.

If you wish to cancel your policy outside of the first 14 days (shown on page 2 of this policy) you can write to us or your insurance adviser and return your certificate of motor insurance. If you or others have not made a claim in the current insurance year, we will refund any premium paid less a pro rata charge for the number of days for which cover has been given plus an administration charge of £25 (excluding Insurance Premium Tax). Insurance Premium Tax, where applicable, is charged at the current rate of 5% applying when this document was printed. This means a total cancellation charge of £26.25.
- 4 If you pay your premium by instalments under our credit agreement, you must pay each instalment when it is due. If you miss an instalment and do not pay it within the time shown in our letters, you will have to pay all the money you owe along with any charges. If we do not receive this payment by the date shown in our letter we will cancel this policy in accordance with condition 3. You must then send us any certificates of motor insurance which are still in force. If you or others have not made a claim under the policy, we will refund part of your premium calculated on the same basis, as shown in condition 3.
- 5 If a claim is made under this policy and there is another policy that covers the claim, we will pay only our share of the claim.

Conditions *continued*

- 6 You and any other person who is covered by this policy must do everything possible to:
 - a keep your car in an efficient, safe and roadworthy condition; and
 - b protect it from loss or damage.
- 7 If you make or report a claim under this policy which is in any way fraudulent, you will lose all benefit and the premiums you have paid. You may also have to repay money we have already paid to you.
- 8 If under the laws of any country where this policy applies, we have to make a payment which we would not otherwise have paid under this policy, you or the person who caused the accident must repay that amount to us.
- 9 You must allow us to examine your car at any reasonable time.

Notes for your information

This is not part of your policy

1 Accidents and losses

You must report all accidents and losses immediately. Either phone Claim Call on 0845 607 1626 or ask your insurance adviser for a report form.

Legal procedures now make it vital that you report any accident at once. Strict time scales have been set for dealing with claims, in particular those involving bodily injury. Heavy financial penalties may be imposed by the courts if you do not keep to these. This may affect our ability, as your insurer, to mount the best defence on your behalf.

Delay can involve us in higher costs which may go against your driving record. If the delay is extreme, we may refuse to cover you.

If your car is damaged in a way which is insured under the policy, ask for details of the nearest recommended repairers so that you can get your car back on the road as soon as possible.

Please do not admit that any accident was your fault.

Please try to get the names and addresses of witnesses.

Please take photographs of the accident scene if at all possible.

Please send us immediately any letters, summonses, writs or notices you receive and do not answer them.

2 Changes to the insurance

You must tell your insurance adviser about the following before you need cover, and receive a cover note or certificate of motor insurance:

- if the owner of your car changes;
- if you replace your car or modify it;
- if the drivers or how you use your car change.

Please tell your insurance adviser about changes of address or occupation as soon as you can. When you tell us of any change during the period of insurance and this results in an additional or return premium an administration charge will be made of £15 (excluding Insurance Premium Tax). Insurance Premium Tax, where applicable, is charged at the current rate of 5% applying when this document was printed. This means a total administration charge of £15.75.

You must tell your insurance adviser about the following before the next renewal date:

- accidents, thefts or losses (whether covered by insurance or not and regardless of blame) where these have not been previously reported to your insurance adviser;
- motoring convictions (including fixed penalty offences) or prosecutions you expect or outstanding police enquiries. Criminal convictions or charges for a criminal offence. Physical or mental impairments.

3 Travel abroad

If you are going to drive abroad:

- check that the countries you are driving in are covered by this policy and that the cover matches that which is shown in your schedule (see page 9);
- if cover is required in a country not listed below you will need an International Motor Insurance Card (Green Card). Please contact your insurance adviser 14 days before your trip for acceptability of additional countries. An extra premium will also be required if applicable.

Notes for your information *continued*

3 Travel abroad *continued*

As of January 2007

European Union countries

Andorra, Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Republic of Ireland, Romania, Slovakia, Slovenia, Spain and Sweden.

Other countries

Croatia, Iceland, Norway and Switzerland.

4 Complaints

If you have a complaint arising from your policy, contact your insurance adviser, or us. Please give your policy number.

If you are not satisfied with the way your complaint has been dealt with, please write to our Chief Executive at our head office:

NIG
Crown House
145 City Road
London
EC1V 1LP

If we are unable to resolve our differences you can contact:

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

Telephone number: **0845 080 1800**

E-mail:
complaint.info@financial-ombudsman.org.uk

Details of our Regulator

NIG is authorised and regulated by the Financial Services Authority. Our FSA register number is 202263. 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**.

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Insurance advising and arranging is covered for 100% of the first £2,000 and 90% of the remainder 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.

Further information about the compensation scheme arrangements is available from the Financial Services Compensation Scheme on www.fscs.org.uk.

NIG is the trading name of The National Insurance and Guarantee Corporation Limited.
Registered Office: Crown House, 145 City Road, London EC1V 1LP. Registered in England & Wales number 42133.
NIG is authorised and regulated by the Financial Services Authority. Our FSA register number is 202263.
Our permitted business is selling and administering contracts of general insurance. Calls may be recorded.



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