

VAN INSURANCE

A guide to our van insurance
product procedures



Manual Business

New Business Submission

Wherever possible a completed and signed proposal form must be obtained before the issue of a new business cover note. The proposal form, together with the copy cover note and no claims discount proof, must be submitted to our Brentwood office immediately cover is issued to enable us to comply with the requirements of the Motor Insurance Bureau relating to population of the Motor Insurance Database. Continuation cover notes must NOT be issued until the proposal form has been submitted. If a proposal form and other supplementary documentation is not available on the day cover is effected then full risk details with a copy cover note must be provided in order we may comply with our Motor Insurance Database regulations. Full premium calculations must be shown, or where software system produced documentation is used, an appropriate quotation print out should be attached.

Where a no claims discount proof is not submitted, documents will be prepared on the net of discount amount, but an adjusting premium will be raised after 60 days from inception if the document has still not been received. Immobiliser declarations, where required, must always be obtained. An immobiliser warranty endorsement will appear on the schedule that will invalidate any theft claim where proof of fitment of an approved immobiliser is not provided.

Where any gap in cover occurs between the expiry date on the proof of no claim discount and the inception date of the new insurance, an explanation for such gap must be provided.

Each proposal form will be underwritten on individual merit and we reserve the right to increase premiums, modify terms or to decline any proposal or alter terms at renewal.

System Generated Documentation

Provided prior written authorisation has been obtained, we will accept software house system generated proposal forms and cover notes. Submission of all such documentation should be in accordance with the following procedural instructions.

Adjustments

Certificates of insurance are issued on a specified registration basis only and must be returned to us where appropriate. You must gain the previous certificate back from the customer before furnishing him with a replacement.

Mid Term Adjustments

All documentation must be submitted to our Brentwood office on the day cover is issued to enable us to comply with the requirements of the Motor Insurance Database.

Additional Vehicles

A new proposal form and copy cover note must be submitted as any additional vehicle will be treated as a new insurance. We do not cover additional vehicles on the same policy.

Amendment to Cover or Use

A new proposal form must be obtained and submitted together with the previous certificate of insurance and the copy cover note. We will only increase cover on the same vehicle at renewal date.

Amendment to Drivers

Full details of all additional drivers must be submitted with the copy cover note and the previous certificate of insurance.

Change of Address

Details of garaging/parking arrangements must be advised. An administration fee, as advised to the software houses, will apply in addition to any other premium amendment.

Substitution of Vehicles

The previous certificate of insurance must be submitted together with the copy cover note showing full details of the replacement vehicle.

Duplicate Certificate/Policy

The current administration fee will be charged. Where a duplicate certificate is required, a letter or lost certificate declaration signed by the customer must be submitted together with the copy of the cover note, which must be issued.

Renewals

You will be advised when we do not intend to invite renewal of a policy. Otherwise you should issue our renewal documentation promptly so it is with the customer at least 21 days before the renewal date. You must ensure the customer is informed of their responsibility to disclose any changes to the risk and advise them of any changes in the terms and conditions, which are to apply. There are no days of grace under any of our policies, therefore you must advise us if the policy is to renew on or before the renewal date. If we do not receive your confirmation that the policy is to be renewed on or before the renewal date then we will automatically lapse the policy. No reinstatement of cover will be allowed, a new policy will be required if you effect cover after the renewal date, with the relevant new business premium, not the renewal rate, being charged.

We do accept that where the policy is renewed on the renewal date that it may not be possible to advise us on that day. We will therefore accept notification that the policy has been renewed on or before the renewal date up to 5 days after the renewal was due. You must prove that cover was accepted on or before the renewal date by issuance of a cover note.

Adjustment Near Renewal Date

Cover notes must not be issued to extend past renewal date unless renewal is required, when this should be indicated and a note of premium calculations shown.

Electronic Trading Procedures

We have full cycle EDI facilities with all major software houses and individual agreements with regard to other sources of electronic trading. Please refer to the Insurer Notes section of your software house system. If you have any queries relating to Electronic Trading please contact our E-Commerce Team at the Brentwood office on 01277 266502 or email e_commerce@LV.com.

EDI Documentation

You should retain the following documentation for inspection and audit purposes:

- A fully completed proposal form signed by the customer or statement of fact where permitted
- Proof of no claims discount
- Immobiliser declarations/warranties
- Any other supporting documentation

We reserve the right to audit any EDI records held by you. Any discrepancies may lead to suspension or withdrawal of EDI and/or agency facilities.

All documentation should be retained for 3 years following expiry or cancellation of the insurance.

New Business Submission

Once you have completed the New Business process on your software house system you must ensure the EDI message is created and sent in accordance with the latest issued user manual of your chosen software house. You must ensure that your system is correctly connected and updated so that a daily submission of EDI data is adhered to.

Adjustments

Where the adjustment requires the issue of a new certificate please ensure that the previous certificate is returned to you. You must record the date that the certificate was received in your office(s). Once you have completed the adjustment process on your software house system you must ensure the EDI message is created and sent in accordance with the latest issued user manual of your chosen software house. You must ensure that your system is correctly connected and updated so that a daily submission of EDI data is adhered to.

Some types of adjustments may not be supported by EDI facilities for example, temporary adjustments. This may vary depending upon which software house you use. If you have any queries please contact your Underwriting Section on 0871 222 8455 and follow the telephone prompts for Underwriting.

Renewals

An EDI message containing the premium, NCD level and policy information will be sent to you prior to renewal. Confirmation of acceptance or lapsing will need to be transmitted back to us. We will provide the message to you up to 30 days prior to the renewal date to ensure you can provide the customer with our renewal notice 21 days prior to the renewal date. There are no days of grace under any of our policies, therefore you must advise us if the policy is to renew on or before the renewal date. If we do not receive your confirmation that the policy is to be renewed on or before the renewal date then we will automatically lapse the policy. No reinstatement of cover will be allowed, a new policy will be required if you affect cover after the renewal date, with the relevant new business premium, not the renewal rate, being charged.

We do accept that where the policy is renewed on the renewal date that it may not be possible to ensure the EDI message reaches us on that day. We will therefore accept notification that the policy has been renewed on or before the renewal date up to 5 days after the renewal was due. Your system must not allow you to accept cover after the renewal date.

Standard Procedures

Quotations

All quotations are given subject to a satisfactory proposal form or Statement of Fact. If a verbal quotation is obtained a quote number and/or authorisation code must always be obtained from our Underwriting department. You may be required to enter the code into your software house system and it will be transmitted in the EDI message. The precise procedure will vary depending on the software house used. If in doubt please contact your Underwriting Section on 0871 222 8455 and follow the telephone prompts for Underwriting.

Any software house generated quotation that is 'guaranteed' is subject to certain criteria. We will only honour that guarantee if you have adhered to the terms of the software house guarantee rules. Failure to comply with those rules invalidates the guarantee of the quotation and may render the quotation invalid.

If our Underwriting department has provided your quotation you must present that business on the effective date, providing the quotation reference number. Failure to provide risk details to us on the first effective date will invalidate any quotation provided.

Charges

An administration fee is built into our mid term adjustment rate as advised to software house systems in respect of all adjustments in addition to any other premium amendment.

Cancellation

The reason for cancellation and whether the instructions are from the customer or the intermediary must be stated. The contract of insurance will be cancelled from the date the certificate of insurance is received by us, or one of our authorised agents. Any refund of premium will be calculated on a pro rata basis, less the administration fee, subject to no claims being made, except where cancellation is being made under the "Cooling Off" period (See below for cooling off period). A return of premium will only be made where no claim has been made against the policy. If you cancel the policy and provide a refund to the customer before we confirm that no claim has been made and a return of premium is due then you will be responsible for that return of premium.

Manual Policies – You must return the certificate of insurance along with your advices as to why the policy is being cancelled, unless being cancelled under the cooling off period.

Electronic Policies – You must ensure that your software system has correctly processed the cancellation and that the message is created and sent to us.

All documentation relating to any cancellation must be retained for 3 years following expiry or cancellation of the insurance.

7-Day Notice of Cancellation

Where we or one of our authorised agent require cancellation of a policy for any reason, notice must be sent to the customer by letter providing 7 days notice that cancellation will occur. This letter must carry no proviso relating to outstanding monies or documentation. If the letter does mention any other proviso it does not satisfy the MIB in terms of correctly cancelling a contract of Motor Insurance.

A person may be prosecuted under section 147 of the Road Traffic Act if a Certificate of Motor Insurance or temporary cover note is produced, after that policy is cancelled, to any person with the intention of deceiving that person into accepting it as genuine.

Once cancellation has taken effect, it is irrevocable and cover may not be reinstated. This means as soon as the cancellation date has passed, cancellation is irrevocable. It is essential that a copy of your letter be forwarded with your cancellation instructions, unless you are cancelling via an electronic message to us when you should hold the relevant documentation for audit.

Cancellation Under the Cooling Off Period

We are obliged to provide a 14-day “Cooling Off” period following the customer receiving our policy documentation. In order for the customer to cancel the policy using this “Cooling Off” period they must request the cancellation within 14 days of them receiving the policy documentation and return the certificate of insurance. They do not have to provide a reason for cancellation. The charge for the time on cover when cancelled in such circumstances will be on a pro rata basis subject to a minimum charge of £25 + Insurance Premium Tax.

Failure to follow the correct cancellation procedure can result in us becoming liable for RTA or MIB claims. If we become liable for such claims as a result of non-compliance with the correct cancellation procedure the cost of that liability will be passed to you, including our costs for defending or dealing with such actions.

Cover Note Book Procedures

Where software house system generated cover notes are available, these should always be issued. A cover note book for manual use will be made available, to be used in circumstances where it is not possible for your software house system to issue the appropriate cover note.

Cover note books are for the sole use of the intermediary and office to whom they are issued and must not be passed on to other offices or sub agents without prior consent from us. Used cover note books must be returned to us immediately upon completion. Failure to return books promptly may result in replacement books being withheld.

Intermediaries must keep a register of cover note books and maintain strict security over their use and storage. Any losses must immediately be notified in writing to us quoting a Police crime reference number, address of police station and date of theft.

Issue of Cover Notes

Wherever possible a completed and signed proposal form must be obtained before the issue of a new business cover note. A premium will always be required in respect of any new business cover note issued and it is essential that an appropriate deposit is always collected. This is particularly important where cover is issued by any distance marketing facility or Internet business you may transact.

It is illegal to backdate a cover note. All cover notes must be issued before the risk commences.

Cover notes must be issued sequentially and must not be issued for any period in excess of 30 days unless prior written consent has been obtained from us.

Cover notes must not be issued without prior consent from us from any non standard risk falling outside the terms contained in this manual or as advised to software house systems. If in doubt do not issue cover without prior consent from us.

When copy cover notes are submitted they should clearly show the policy number, if known, the reason for issue in the section provided and be accompanied by the appropriate documentation wherever possible.

Where any cover note is “issued in error”, “spoilt” or cancelled or for any other reason, the top copy should be returned to us immediately.

Manually issued cover notes must be completed legibly in ballpoint pen.

All completed cover note books must be returned immediately.

Intermediaries who are authorised to issue computer produced cover notes must submit their monthly audit trail within 7 days of the end of the month.

Where a proposal form or other relevant information/documentation has not been submitted to us, a

continuation cover note must not be issued without prior consent.

Cover note audits are regularly undertaken and where no proposal form or policy records for an audited cover note are revealed, a time on risk charge will be applied unless a satisfactory explanation can be supplied.

Driving Abroad

Cover is extended for up to a quarter of the Period of Insurance in any member country of the EU or any other country, which follows the EU Directives on minimum cover required under motor insurance policies and are approved by the Commission of the EU. We do not offer any cover for countries who are not Member states of the EU or other states who are not approved by the Commission of the EU.

Temporary Additional Vehicles

1. Cover up to 14 days, per vehicle. (maximum of 4 occurrences per policy term.)
2. Cover is not to be increased.
3. Drivers are to remain unchanged.
4. Refer, if temporary vehicle is more than 5 ABI groups higher than the Insured Vehicle.
5. If there is no difference in value, or if the value of the temporary vehicle is up to £9,999 different to the insured vehicle, an additional ADFT excess of £150 will apply.
6. If the value of the temporary vehicle is up between £10,000 and £19,999 different to the insured vehicle, an additional ADFT excess of £250 will apply.
7. If the value of the temporary vehicle is over £20,000 different to the insured vehicle, REFER to underwriters.

Charges

£15 (+IPT) per week or part thereof, up to a maximum of 14 days.

Temporary Substitutions

We do not allow Temporary Substitutions. You may temporarily add vehicles to the policy as above.

Temporary Additional Drivers

We do not allow Temporary Additional Drivers.

Protected No Claims Discount

The policyholder must be over 21 years of age with a minimum 5 years' No Claim Discount. The cover protects the discount at its current level provided there are not more than 2 claims in any 5 consecutive years.

Note that a £50 additional excess applies to Accidental Damage, Fire & Theft claims when the Discount is protected.

Total Loss

Following a total loss claim a substitution of vehicle will be permitted in respect of the replacement vehicle but no return of premium will be allowed for any adjustment or subsequent cancellation of the insurance.

Accounts

Your monthly statement will be created on or about 5th of each month. This must be paid within the terms of credit agreed, either in the Terms Of Business Agreement or an addendum thereof, irrespective of whether the premium has been received from insured.

No item may be deleted or amended on the statement unless a valid reason has been indicated and documentary evidence supplied.

Remittances should be made payable to Highway Insurance and sent to Remittance Processing, Finance

FH1, Liverpool Victoria, County Gates, Bournemouth, BH1 2NF, or a BACS payment agreed with our accounts department.

NB Failure to comply with Account procedures may result in termination of the Agreement as detailed in the Terms Of Business Agreement.

Claims Procedures

In the event of a fire or a theft (whether the vehicle is stolen or not) the Insured must contact the Fire & Theft Team by calling 0871 222 6484.

For Accident claims the Insured must call our Contact Centre on 0871 222 6062. If the Insured does so within 24 hours and uses our Recommended Repair Centre (RRC), and if cover applies and we assess that repairs may be possible to the vehicle, we aim to:

- Arrange for our RRC to contact the Insured within 1 working day to make arrangements for the repair to the vehicle, including arranging collection if it cannot be driven.
- Subject to availability of parts we will authorise repairs within 2 days of receiving the inspection report from the RRC, if the repair cost exceeds the RRC's agreed authority.
- The RRC will provide a courtesy vehicle, wherever possible this will be a van, for the duration of the repairs to the insured vehicle.
- Advise the Insured within 2 working days of receiving the inspection report from the RRC, if the vehicle cannot be repaired for any reason.
- If the vehicle is declared a total-loss (damaged beyond economical repair) we will dispose of the salvage. The Insured may not be permitted to keep the salvage.
- Make a total-loss offer within two working days of us receiving the engineer's report.
- Send the Insured the settlement cheque within two working days of the settlement being agreed, subject to your claim being validated.
- In some instances, we may waive the Excess.