

# Vehicle Shortfall Insurance

Unfortunately, accidents and vehicle thefts happen. What would you do if your vehicle was involved in an accident and was written off? Or if it was stolen and not recovered – what would your options be?

Vehicle Shortfall Insurance (VSI) is a product that has been specifically designed to supplement your comprehensive motor insurance policy.

**Should your vehicle be written off as a result of accidental damage, fire or theft, the VSI policy will pay the difference (the Shortfall) between the motor insurer's settlement and the price you paid for the vehicle (the Cost\*).** In addition, the policy also provides the following extra benefits:

#### Insurance excess

Provides cover for your motor insurance policy excess up to a maximum of £300 (where this cannot be recovered from anyone else).

#### Finance shortfall

Where the finance to purchase your vehicle is arranged by Arnold Clark, the policy will pay the Shortfall between the motor insurer's settlement and the greater of the Cost and the amount required to settle the finance.

The Cost of the vehicle includes the following Arnold Clark products when you buy them at the same time as the vehicle:

#### Service Plan or Clark Plan

Any Service Plan or Clark Plan from the range of Arnold Clark servicing and MOT plans.

#### Autocare

The Arnold Clark mechanical breakdown warranty product.

#### Protect

The Arnold Clark paint and upholstery protection product.

It also includes any vehicle manufacturer servicing product (up to the value of £500) and/or vehicle manufacturer warranty product (up to the value of £500) where these are purchased with the vehicle.

#### The Cost\* – An explanation

The Cost is the sale price of the insured vehicle and includes the any of the following items when purchased at the same time:

Factory or dealer fitted options and accessories;

Arnold Clark Service Plan, Clark Plan, Autocare and Protect;

Any vehicle manufacturer specific servicing product (up to a value of £500) and/or; any vehicle manufacturer specific warranty product up to a value of £500.

The Cost takes into account any discounts applied and excludes:

Any vehicle tax, fuel or insurance premiums included in the sale price; and

VAT if you are VAT registered and can recover the VAT; and

Any debt transferred from a loan or finance agreement connected with the purchase of a different vehicle.

## Protecting your investment



### Accident claim

Mrs Warren of Edinburgh bought a 4-month-old vehicle from Arnold Clark for £20,795.

21 months later, Mrs Warren was involved in an accident when an oncoming vehicle turned into the path of her vehicle. The vehicle was written off by her motor insurer after having been declared a total loss and the insurer agreed to settle the claim for £14,295.

**Whilst the motor insurance excess was recovered from the third party, Mrs Warren was still out of pocket by £6,500.**

Fortunately, Mrs Warren had taken out Vehicle Shortfall Insurance and was protected. A cheque was issued for the sum of £6,500 covering the difference between her motor insurer's pay out and the Cost of her vehicle.

<b>The Cost</b>	<b>£20,795</b>
<b>Motor insurer's settlement</b>	<b>£14,295</b>
<b>VSI payment</b>	<b>£6,500</b>

### Theft claim

Mr Knox of Leeds was delighted with the 2½-year-old vehicle that he had purchased from Arnold Clark for £5,838.

However, almost three years later, his vehicle was stolen as part of a house burglary and was never recovered. Mr Knox received a settlement from his motor insurer of £3,500.

**This settlement resulted in a shortfall of over £2,300 against the £5,838 he had originally paid for the vehicle.**

Having taken out a Vehicle Shortfall Insurance policy, Mr Knox was protected in the event his vehicle was written off as a result of accidental damage, fire or theft. As such, a cheque for **£2,338** was subsequently issued to Mr Knox to cover the shortfall.

<b>The Cost</b>	<b>£5,838</b>
<b>Motor insurer's settlement</b>	<b>£3,500</b>
<b>VSI payment</b>	<b>£2,338</b>

The names of individuals and places in these otherwise true examples have been changed.

### 4 years' protection Affordable monthly premiums First month of cover free

Vehicle Shortfall Insurance is a pay-as-you-go monthly policy that provides up to four years' protection for a low-cost monthly premium:

#### £8.99 per month

For vehicles that cost no more than £15,000.  
Provides up to £15,000 of total benefit.

#### £12.99 per month

For vehicles that cost more than £15,000 but less than £50,000.  
Provides up to £25,000 of total benefit.

#### £15.99 per month

For vehicles that cost between £50,000 and £70,000.  
Provides up to £35,000 of total benefit.

**Plus, your first month of cover is free of charge.**

Vehicle Shortfall Insurance monthly premiums are collected by monthly Direct Debit and include Insurance Premium Tax (IPT) at the current rate. IPT rates may change during the course of your policy and as a result the monthly premiums will change.

#### Vehicle eligibility

Available on new and used cars under six years old at point of purchase.

#### Enquiries and claims

Call our dedicated helpline on

**01926 622661**

(Mon to Fri: 9am to 5pm) for assistance.

#### Please note

Where, in a total loss situation, you accept an offer of settlement from a motor insurer of less than the current market value at the time of total loss before making a claim on this policy, then the VSI insurer reserves the right to assess the loss by reference to the current market value (i.e. the published 'Glass's Guide' market valuation at the time of the total loss).

**For full policy details please refer to the Insurance Product Information Document and the policy document.**

## Vehicle Shortfall Insurance

Up to 4 years' cover  
From £8.99 per month

Plus first month's cover free of charge

### The Policy

Vehicle Shortfall Insurance is a monthly pay-as-you-go insurance policy which means it runs for consecutive periods of one month at a time. Each monthly premium paid provides the following month of cover for a maximum period of 48 months.

### Eligibility

To be eligible for VSI the vehicle must be purchased through Arnold Clark (or one of its trading subsidiaries) and must satisfy the following eligibility criteria:

- The vehicle is under six years old at date of purchase
- The VSI Cover Sum is less than £70,000
- The vehicle will be fully comprehensively insured by a UK authorised insurer
- The vehicle is a car
- The vehicle will not be used as a taxi, for private hire, for driving school tuition, or for any type of competition, racing, or track day

Failure to pay your monthly premiums will result in cover being stopped automatically from the date the unpaid premiums became due.

The policy is not transferable to any subsequent owner of the vehicle.

### Basis of Sale

We offer Vehicle Shortfall Insurance on a non-advised basis, and we do not provide a personal recommendation. This policy is entirely optional and there are similar products available through other providers.

Please note that a copy of the full terms and conditions for this Vehicle Shortfall Insurance Policy (SC07100014) is available on request.

In accordance with Insurance Distribution Directive (EU2016/97), this document is considered to be a marketing communication.

## Vehicle Shortfall Insurance (Return To Invoice GAP Insurance)

Enquiries and claims helpline  
**01926 622661**

Mon to Fri: 9am to 5pm

**Arnold Clark**

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## Protecting your investment

