

# Loan Car Legal Cover Terms and Conditions

As a Loan Car Driver, you also benefit from legal expenses cover.

Legal expenses cover pays the legal costs and expenses of any legal proceedings to recover uninsured losses incurred as a result of any road accident which results in:

- loss or damage to your vehicle.
- loss or damage to any personal property owned by you whilst the property is in/or attached to your vehicle.
- death or injury to you whilst getting into or out of the vehicle.

# Definitions

The words or expressions detailed below have the following meaning wherever they appear in bold with a capital letter.

**Claims Adjuster** – as appointed by **Us** to collate and assess the details and circumstances of any claim.

**Date of Loss** – the date the accident that causes damage or damage as a result of malicious damage, fire or through theft or attempted theft to the **Vehicle** occurs.

**Employee** – means a person employed by the **Volkswagen Group of Companies** who has entered into a **Loan Car Plan**.

**Geographical Limits** – United Kingdom (England, Scotland, Wales and Northern Ireland). Cover also applies to member countries of the European Union, and any other country for which an International Motor Insurance Certificate (“Green Card”) is effective on the **Vehicle**, provided the cover under the **Motor Insurance Policy** is an equivalent level of cover as provided in the United Kingdom.

**Insurer(s) / We / Us / Our** – UK General Insurance Ltd on behalf of Ageas Insurance Limited.

**Insured/You/Your** – Volkswagen Group United Kingdom Limited, Yeomans Drive, Blakelands, Milton Keynes MK14 5AN.

**Legal Costs and Expenses** – fees, costs and disbursements reasonably incurred by **Us**, any **Claims Adjuster**, **Solicitor**, or other appropriately qualified person appointed to act for **You** with **Our** consent chargeable on the **Standard Basis**, or in accordance

with the Predictable Costs scheme if appropriate. Also covered are the costs of any civil proceedings incurred by an opponent for which a **Loan Car Driver** may be liable by order of a court or by agreement with **Our** prior consent.

***Explanatory note:** The Predictable Costs scheme applies to road traffic accidents which are settled by negotiation before court proceedings are issued for claims up to the value of the motor portal limit at the time of **your** claim. The rules set out how legal fees are calculated for these cases, where **Solicitors** costs are payable by **Us**, these will be on the **Standard Basis** as defined by the Civil Procedure Rules (CPR) and would be limited to £125 per hour excluding VAT **Solicitors** time, and £12.50 excluding VAT for each letter sent out.*

**Legal Expenses Limit of Indemnity** – the maximum sum payable under the Legal Expenses section of this policy (which is £50,000) for any claims arising out of any one road accident.

**Loan Car Driver** – an individual holding a **Motor Insurance Policy**, or any person insured to drive under the terms of a **Motor Insurance Policy**.

**Loan Car Plan** – means a Fixed Sum Loan Agreement regulated by the Consumer Credit Act 1974 issued to an **Employee** by **Volkswagen Group**.

**Motor Insurer** – the insurance company authorised to transact insurance business in the United Kingdom by the relevant regulatory body(s) that issued the **Motor Insurance Policy** covering the **Vehicle**.

**Motor Insurance Policy** – a comprehensive **Motor Insurance Policy** issued by a **Motor Insurer** to a **Loan**

**Car Driver** which insures the **Vehicle** against accidental damage, fire, theft or adverse weather conditions throughout the period of cover.

**Small Claims Limit** – the limit set by the Ministry of Justice in the Civil Procedure Rules Part 26.6 below which legal proceedings for a claim for damages due to personal injury are allocated to the **Small Claims Track**.

**Small Claims Track** – The process and procedures set out in the Civil Procedure Rules Part 27 for dealing with legal claims where the value of the claim is below the **Small Claims Limit** and the claim is allocated to the **Small Claims** track by the court.

**Solicitor** – the solicitor, firm of solicitors or other appropriately qualified person, firm or company appointed to act for a **Loan Car Driver**.

**Standard Basis** – the assessment of costs which are proportionate to the claim of a **Loan Car Driver**.

**Vehicle** – a car or light commercial vehicle up to 5 tonnes gross vehicle weight registered to **Volkswagen Group** which has been purchased by an **Employee** of the **Volkswagen Group of Companies** under a **Loan Car Plan** which has been notified to the **Insurer**.

**Volkswagen Group** – Volkswagen Group United Kingdom Limited.

**Volkswagen Group of Companies** – means those companies whose **Employee’s** are eligible to purchase a **Vehicle** in accordance with the terms and conditions of the **Loan Car Plan** which may be amended from time to time.

# What is covered

**We** will pay the **Legal Costs and Expenses** for legal proceedings started on behalf of a **Loan Car Driver** as a result of any road accident which results in the following:

- loss or damage to the **Vehicle**
- loss or damage to any personal property owned by a **Loan Car Driver** whilst the property is in/on or attached to the **Vehicle** or
- the death of or injury to a **Loan Car Driver** whilst in or getting into or out of the **Vehicle**.

**We** will provide this cover as long as:

- the road accident happened within the **Geographical Limits**;
- the claim will be decided by a court within the United Kingdom; or
- there are reasonable prospects of recovering sustained losses from an identifiable third party.

If a **Loan Car Driver** is awarded costs, a **Loan Car Driver** must use these to repay the amount **We** have paid out on behalf of a **Loan Car Driver** in connection with the proceedings.

**We** will pay all **Legal Costs and Expenses** (up to the **Legal Expenses Limit of Indemnity**) when a **Loan Car Driver** receives no costs or compensation. If the **Legal Costs and Expenses** are greater than the amount a **Loan Car Driver** is awarded for those costs and expenses, **We** will pay the extra amount (up to the

**Legal Expenses Limit of Indemnity**). The most **We** will pay for all claims arising from any one event is the **Legal Expenses Limit of Indemnity**.

## • Representation

**We** can take over, and carry out in the name of a **Loan car Driver**, action to take or defend any claims. **We** will have complete control over how legal proceedings are carried out. Pre-issue of legal proceedings, a **Solicitor** from **Our** panel will be appointed. **We** will appoint **Solicitors** to act on behalf of a **Loan Car Driver** to prosecute, defend or settle any claim accepted under the terms of this policy.

Should legal proceedings need to be issued, a **Loan Car Driver** does not have to accept the **Solicitor We** have chosen. If a **Loan Car Driver** cannot agree a suitable **Solicitor** with **Us**, a **Loan Car Driver** can refer the choice of **Solicitor** to arbitration in line with the conditions of this policy. A **Loan Car Driver** must let **Us** know in writing the full name and address of a **Solicitor** who a **Loan Car Driver** wants to act on their behalf. If there is a dispute about the choice of **Solicitor**, **We** will choose one whilst arbitration takes place. If **We** are insuring two or more people for one claim, a **Loan Car Driver** may choose **Solicitors** and send their name and address to **Us** before **We** agree to pay any **Legal Costs and Expenses**.

In choosing a **Solicitor**, a **Loan Car Driver** must try and keep the cost of any legal proceedings as low as possible. Before **We** accept a **Loan Car Driver's** choice of a **Solicitor**, or if a **Loan Car Driver** fails to choose a **Solicitor**, **We** will be entitled to instruct a **Solicitor** on behalf of a **Loan Car Driver**.

- A **Loan Car Driver** must give **Us** any information and evidence **We** need (a **Loan Car Driver** will have to pay any costs involved in this). A **Loan Car Driver** must not do anything to affect a **Loan Car Driver's** case.
- **We** will, with a **Loan Car Driver's** prior consent, make **Our** own investigation into the case, and may, subject to a **Loan Car Driver's** final approval (such prior consent or final approval not to be unreasonably withheld), attempt to reach a settlement.
- Where the uninsured loss does not exceed the current level of the Small Claims Court and is not in respect of a claim for damages for personal injury **We** may investigate the circumstances of the claim and attempt to obtain settlement with a **Loan Car Driver's** prior consent (such prior consent not to be unreasonably withheld). **We** shall not be liable to provide representation on behalf of a **Loan Car Driver** at any court proceedings where the amount involved in respect of the uninsured loss does not exceed the current level of the **Small Claims Court**.
- **We** reserve the right to provide representation in the Small Claims Court if **We** consider that it is appropriate in all the circumstances of the case for there to be such representation.
- **We** shall have direct access to the **Solicitor** at all times and a **Loan Car Driver** shall co-operate fully with **Us** in all respects and shall keep **Us** fully and continually informed of all material developments in the legal representation of proceedings.

# What is covered (cont.)

- At **Our** request a **Loan Car Driver** shall instruct the **Solicitor** to produce to **Us** any documents, information or advice in their possession and further shall give them such other instructions in relation to the conduct of their claim as **We** may require.
- **Our** written consent must be obtained prior to the:
  - instruction of Counsel to appear before a Court (or tribunal) before which a **Solicitor** has a right of audience
  - instruction of Queen’s Counsel
  - incurring of unusual experts fees or unusual disbursementsor
  - making of an appeal.
- **Legal Costs and Expenses** payable are to be in no way affected by any agreement undertaking or promise made or given by a **Loan Car Driver** to the **Solicitor**, witness expert or any **Claims Adjuster**.
- **You** and a **Loan Car Driver** must co-operate fully with **Us**, the **Claims Adjuster** or **Solicitor**.
- The **Loan Car Driver** or the **Solicitor** shall inform **Us** immediately in writing of any offer pursuant to Part 36 of the Civil Procedure Rules made with a view to settling the claim and no agreement is to be made to settle on the basis of both sides paying their own costs without **Our** prior approval.
- If any offer pursuant to Part 36 of the Civil Procedure Rules is not accepted by a **Loan Car Driver** against **Our** advice, but the amount thereof is equal to or in excess of the total damage eventually recovered, **We** shall have no liability in respect of any further **Legal Costs and Expenses** or opponent’s civil costs.
- At **Our** request a **Loan Car Driver** will require the **Solicitor** to have the **Legal Costs and Expenses** taxed, assessed or audited by the relevant authority.
- If for any reason the **Solicitor** refuses to continue to act for a **Loan Car Driver** or if a **Loan Car Driver** withdraws their claim from the **Solicitor**, **Our** liability will cease forthwith unless **We** agree to the appointment of an alternative **Solicitor** to continue with the claim pursuant to the procedure contained in terms and conditions of this policy, but **We** shall have no liability to meet the additional legal costs and expenses arising solely as a result of the appointment of a new **Solicitor**.
- **Disputes relating specifically to legal representation**  
If there is a disagreement over presentation, acceptance, rejection, control or discontinuance of any claims or representation at proceedings, then at **Your** or a **Loan Car Driver’s** written request, any such difference shall be decided by Counsel or a **Solicitor** who both **You** or a **Loan Car Driver** and **We** agree to. In the absence of agreement, they will be appointed by the President of the relevant

Law Society of England or Wales or the President of the Law Society of Scotland, as appropriate. Both parties shall present such information relevant to their differences to Counsel or the **Solicitor** as he shall require and his decision shall be final and binding upon them. All costs of resolving the differences shall be met in full by the party against whom the decision is made, or as may be determined by the arbitrator.

# What is not covered

**We** will not pay **Legal Costs and Expenses** for legal proceedings in the following circumstances:

- if the estimated value of any damages for the injury a **Loan Car Driver** has suffered does not exceed the **Small Claims Limit**
- if **We** consider that a **Loan Car Driver** will not get a reasonable settlement or if any expected settlement is small compared to the time and expense involved
- if **We** have not agreed in writing to the **Legal Costs and Expenses**
- claims which related to fines and penalties awarded against a **Loan Car Driver** by a criminal court
- if a **Loan Car Driver** withdraws from legal proceedings without **Our** agreement
- **Legal Costs and Expenses** where predictable costs have already been recovered by the **Solicitor**
- if **We** are not told about the claim within 180 days of the **Date of Loss**

**We** will not pay for travel expenses or compensation for being off work.

# Important information about us and our services

## Who provides Loan Car Legal Cover?

Volkswagen Financial Services (UK) Limited, registered in England number: 2835230 (registered office: Brunswick Court, Yeomans Drive, Blakelands, Milton Keynes MK14 5LR).

Loan Car Legal Cover is sold and administered by Lawshield UK Limited and underwritten by UK General Insurance Limited on behalf of the insurer Ageas Insurance Limited, registered in England number: 354568 (registered office: Ageas House, Tollgate, Eastleigh, Hampshire SO53 3YA).

With effect from 1st October 2013 the registered address of Ageas Insurance Limited is Ageas House, Hampshire Corporate Park, Templars Way, Eastleigh, Hampshire SO53 3YA.

Volkswagen Financial Services (UK) Limited, LawShield UK Limited, UK General Insurance Limited and Ageas Insurance Limited are not part of the same corporate group.

## Getting in touch

You can contact us using the following details:

Phone: 01925 403410

Write to: Loan Car Insurance Claims, PO Box 869, Warrington WA4 6LD.

## What to do if you are not satisfied with the cover or service provided

Our aim is to get it right, first time, every time. If we make a mistake we will try and 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 sorted out the situation within eight weeks we will provide you with information about the Financial Ombudsman Service.

If you have a complaint please contact our Customer Satisfaction Manager at:

Phone: 01925 403410

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

## Who we are regulated by?

Volkswagen Financial Services (UK) Limited, Lawshield UK Limited, and UK General Insurance Limited are authorised and regulated by the Financial Conduct Authority.

Ageas Insurance Limited are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Lawshield UK Limited is permitted to arrange and offer for sale general insurance.

Authorisation details can be checked on the Financial Services Register by visiting the FCA's website at [www.fca.org.uk](http://www.fca.org.uk) or by contacting the FCA on 0800 111 6768.

We have provided information about Loan Car Legal Cover and the cover it provides. You will not have to pay a fee for our services.

## Your protection under the Financial Services Compensation Scheme

Ageas Insurance Limited is covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme, if they cannot meet their obligations. This depends on the type of business and the circumstances of the claim. Most insurance contracts are covered for 90% of the claim with no upper limit. You can get more information about compensation scheme arrangements from the FSCS or visit [www.fscs.org.uk](http://www.fscs.org.uk).

# Important information about us and our services (cont.)

## Use of data

We may use personal details you give to deal with your policy, or support the development of our business by including your details in customer surveys. We may contact you and ask necessary questions. We will store your details on computer but will not keep them for longer than necessary.

Under the terms of the Data Protection Act you are entitled to a copy of any information we hold about you. Telephone calls between you and us may be recorded. We may share your details with other companies within the Volkswagen Group United Kingdom Limited and Volkswagen Financial Services (UK) Limited and other carefully selected financial services and insurance companies we partner with, so that you can be informed of products and services which may be of interest to you by telephone, e-mail or post. If you do not want to know about these products or services, please contact us.

Under the Data Protection Act we can only discuss Your details with you. If you would like anyone else to act on Your behalf, please ring and let us know. Your personal details may be transferred to countries outside the European Union. They will at all times be held securely and handled with the utmost care in accordance with all principles of the English law.