



MOTOR

Inception Value Policy Wording

This cover applies to Vehicles not older than Five years only that are specified and covered in an F&I Motor policy for Class 2 and 3 vehicles only as listed in the FHWA Vehicle classification table on page 3 below.

1. Inception Value Policy

In the event that a vehicle insured by this policy is a total loss (i.e. stolen, hi-jacked or written off), the Insurer shall settle the insured's claim as follows:

1.1. If the vehicle is financed the Insurer shall pay the financial institution (any balance left over will be paid to the insured) the higher of:

a. the outstanding balance that the insured owes as at the date of loss.

or

b. retail value as at the inception date of this Inception Value Policy.

1.1.1. less the retail value as at the date of loss.

1.1.2. less any excesses under this Inception Value Policy.

1.2. If the vehicle is not financed the Insurer shall pay the insured, the inception value: less

1.2.1. the retail value as at the date of loss.

1.2.2. any excesses under this Inception Value Policy.

1.3. Definition of terms

1.3.1. **Inception value** The Inception Value is the reasonable retail value of the vehicle as determined and agreed by the insurer on the first day the vehicle is insured (inception of cover) on this basis. This value remains unchanged for the entire period the vehicle is insured on this basis. This cover option is available for a maximum period of 5 years from inception, after which the benefit will cease.

1.3.2. **Retail value** shall be determined as per the publication of the Mead & Mc Grouther Auto Dealers Digest. please note that IVP specifically excludes vehicle extras. That is, IVP insures only the basic vehicle's retail value without any adjustment for extras or vehicle condition.

1.3.3. **Outstanding balance** refers to the outstanding balance that the insured owes a financial institution as at the date of loss; less any:

1.3.3.1. overdue instalments and arrear interest as at the date of loss.

1.3.3.2. rebates the insured would have been entitled to have the insured settled the loan as at the date of loss.

1.3.4.3. refunds due to the insured or the financial institutions.



1.4. Important Note: This cover only applies to Class 2 and 3 vehicles only as listed in the FHWA Vehicle classification table on page 3.

1.5. Claims Processing Requirements:

In order to consider processing your claims, the following documents are strictly required and form the condition of IVP cover:

1.5.1. Agreement of Loss (“AOL”) confirming the total loss of your

vehicle: we require original or certified copy of **AOL** signed by you and the insurer (or their authorized representative) of the underlying comprehensive policy covering your vehicle; **and**

1.5.2. Deregistration or transfer of ownership documents

We require original or certified copy of deregistration or transfer of ownership of your vehicle into the name of the insurer (or their authorized representative) of the underlying comprehensive policy on your vehicle; **and**

1.5.3. Settlement letter from your bank for financed vehicles

If your vehicle is financed - we require original or certified copy of the settlement letter from your bank stating the outstanding balance on your vehicle.

1.6. Inception Value Policy does not pay the Insured:

1.6.1. if the underlying comprehensive insurance is repudiated or rejected.

1.6.2. if the underlying comprehensive policy is voided or cancelled.

1.6.3. for any amounts payable by the insured in respect of the underlying comprehensive insurance and this insurance policy (including, but not limited to outstanding premiums and the excess amounts applicable);

1.6.4. if you accepted cash settlement in lieu of writing off your vehicle.

Section B: Specific terms and conditions

2. Terms and conditions: applicable to all aspects of this Inception Value Policy

2.1. Premium Payments

2.1.1. If the insured places a stop payment on the payment of the premium, this Policy will automatically be Cancelled from the date that the premium was due to be paid.

2.1.2. The insurer may change the amount of premium payable under this Policy at any time but the insurer shall give thirty-one (31) days written notice of the change in premium to the insured.

2.2. Grace Period

2.2.1. Should the insured have a claim during the grace period mentioned in the General Terms and Conditions, the company will not process the claim until the outstanding premiums has been received.



2.3. If this insurance policy is cancelled due to the non-payment of premiums, then cover shall automatically terminate.

2.4. Reinstatement of cancelled policy

If the insurance policy is cancelled due to the non-payment of premiums (either the comprehensive cover premium or the inception value premium) then notwithstanding that the comprehensive policy may be reinstated, the Inception Value Policy shall not be reinstated but may be reissued from the date that the insured requested reinstatement and the value shall be the retail value as at the inception of the replacement Inception Value Policy.


















2.5. Underlying Insurer policy

All the terms, conditions, exclusions, exceptions, and warranties (General and specific/special) applicable to the underlying policy are deemed to be incorporated and applicable to this policy with the exception that.

2.5.1. Any premium adjustment clause/condition shall apply to this policy.

2.5.2. More specific terms, conditions, exclusions, exceptions, and warranties.

Figure 1
FHWA VEHICLE CLASSIFICATION

CLASS GROUP	DESCRIPTION	NO. OF AXLES
1	 MOTORCYCLES	2
2	 ALL CARS	2
	 CARS W/ 1-AXLE TRAILER	3
	 CARS W/ 2-AXLE TRAILER	4
3	 PICK-UPS & VANS 1 & 2 AXLE TRAILERS	2, 3, & 4
4	 BUSES	2 & 3
5	 2-AXLE, SINGLE UNIT	2
6	 3-AXLE, SINGLE UNIT	3
7	 4-AXLE, SINGLE UNIT	4
8	 2-AXLE, TRACTOR, 1-AXLE TRAILER (2&1)	3
	 2-AXLE, TRACTOR, 2-AXLE TRAILER (2&2)	4
	 3-AXLE, TRACTOR, 1-AXLE TRAILER (3&1)	4
9	 3-AXLE, TRACTOR, 2-AXLE TRAILER (3&2)	5
	 3-AXLE, TRUCK W/ 2-AXLE TRAILER	5
10	 TRACTOR W/ SINGLE TRAILER	6 & 7
11	 5-AXLE MULTI-TRAILER	5
12	 6-AXLE MULTI-TRAILER	6
13	ANY 7 OR MORE AXLE	7 or more
14	NOT USED	
15	UNKNOWN VEHICLE TYPE	

HEAVY TRUCKS