

# Commercial Motor Policy



INSURANCE  
CORPORATION

## **Customer Service**

At Insurance Corporation we have a commitment to customer service.

We have built a reputation as the company that puts our customers first and foremost.

You can help us to maintain our reputation by letting us know if that doesn't happen and you consider that our service has not been acceptable.

### **Our commitment to you**

If you are not satisfied with our service for any reason, you should initially write to or ask to speak with the Service Manager of Insurance Corporation, at the address shown below.

If matters are still not resolved to your satisfaction, you can write to the General Manager, at the same address.

Insurance Corporation of the Channel Islands Limited  
PO Box 160  
Dixcart House  
Sir William Place  
St Peter Port  
Guernsey  
GY1 4EY

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## Commercial Motor Policy

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Insurance Corporation of the Channel Islands Ltd (referred to in this Policy as the Insurers) will provide insurance in the terms of this Policy, Schedule and any current Certificate of Motor Insurance in respect of accidental injury loss or damage happening during the Period of Insurance in the Channel Islands Great Britain Northern Ireland the Republic of Ireland the Isle of Man or during transit by sea between any of these territories

The Period of Insurance includes any subsequent period for which the Insurers may accept payment for the renewal of this Policy

The Proposal and Declaration made by the Policyholder are the basis of and form part of this Policy

The total amount payable by the Insurers in respect of any of the Sections irrespective of the number of parties insured by this Policy having a claim under this Policy in respect of such Sections shall not exceed in the whole any stated Limits of Liability or Limits of Indemnity

For the purpose of any stated Limits of Liability or Limits of Indemnity all of the parties insured under this Policy shall be treated as one party or legal entity so that there will be only two parties to the contract of insurance namely the Insurers and the Policyholder

For risks written from the Bailiwick of Guernsey the Insurance Contract is governed by Guernsey Law

For risks written from the Bailiwick of Jersey the Insurance Contract is governed by Jersey Law

It is possible to choose the Law applicable to a contract of insurance covering a risk situated in the United Kingdom. We have chosen Scottish Law to apply if You live in Scotland and English Law to apply if You live elsewhere in the United Kingdom

For risks situated in Jersey or the United Kingdom the insurer is RSA Insurance Group plc

Payment of Your premium is evidence of acceptance of Our choice, If any other law is to apply, it must be agreed by both parties and evidenced in writing

The Insurer hereby assigns to the Insured the benefit of the indemnity issued by The Insurer's Parent Company RSA Insurance Group plc

Please read this Policy and Schedules and Certificate of Motor Insurance to ensure that they are in accordance with your requirements

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## Section 1 – Loss or Damage to the Motor Vehicle

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### A COVER

#### Comprehensive Cover

If the Motor Vehicle (or its accessories or spare parts on it) as defined in the Schedule is lost or damaged the Insurers will indemnify the Policyholder at their own option by repairing or replacing the Motor Vehicle or paying the amount of the loss or damage. The Insurers' liability in respect of the Motor Vehicle including accessories or spare parts but excluding any trailer attached to it shall not exceed whichever is the lesser of

- a the market value of the Motor Vehicle including its accessories and spare parts on it
- b £20,000 unless any higher amount is shown in the Schedule for that Motor Vehicle

#### Cover for Fire and Theft only

If the Policy Cover is stated in the Schedule to be **'Third Party Fire and Theft'** the Insurers shall be liable under this Section only for loss or damage caused by fire lightning explosion theft attempted theft or the taking away of the Motor Vehicle without the consent of the Policyholder

### B EXTENSIONS

#### Motor Trade

Whilst the Motor Vehicle is in the custody of a member of the motor trade for maintenance or repair the following shall be inoperative

- a Exception 1 overleaf
- b General Exception B1 a and c of Section 6
- c Endorsement 2 if applicable

#### Recovery and Redelivery

Following loss or damage insured by this Policy the Insurers will pay the reasonable cost of

- a protection and removal of the Motor Vehicle (if disabled) to the nearest competent repairers
- b delivery after repair or after recovery of the Motor Vehicle to the Policyholder's address in the Channel Islands or such other place agreed by the Insurers

#### Hiring or other Agreements

If the Insurers know that the Motor Vehicle is hired leased or loaned to the Policyholder under a hire purchase agreement vehicle leasing agreement or other agreement any payment shall be made to the owner whose receipt shall be a discharge of any claim under this Section

## C EXCEPTIONS

### Exceptions to Section 1

In respect of each and every occurrence the Insurers **shall not be liable** for

- 1 the first £100 of any claim for loss or damage to the Motor Vehicle except where the only loss or damage is to the windscreen or windows (see Exception 6) and, in addition, the amount stated below while the Motor Vehicle is being driven by or is in the charge of any person who
  - a is under 21 years of age £150
  - b
    - i is under 25 but not under 21 years of age or
    - ii holds a provisional licence to drive or has held a full licence to drive a vehicle of the same class as the Motor Vehicle for less than 12 months or
    - iii does not hold a licence to drive but is driving in circumstances where a licence is not required by law £100

This Exception shall not apply to loss or damage resulting from fire lightning explosion theft or attempted theft or the taking away of the Motor Vehicle without the consent of the Policyholder

- 2 a diminution in value following repair
  - b loss of use depreciation wear and tear mechanical or electrical breakdown
- 3 damage to tyres by application of brakes or by punctures cuts or bursts
- 4 loss or damage directly occasioned by pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds
- 5 loss of the Motor Vehicle resulting from deception by a purported purchaser or his agent
- 6 the first £50 in respect of loss or damage to the windscreen or windows where this is the only damage to the Motor Vehicle other than scratching of bodywork resulting from the breakage of glass
- 7 loss or damage to the Motor Vehicle when left unattended or unoccupied when it has not been locked, with the windows closed and the ignition key removed

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## Section 2 – Liability to Third Parties

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### A COVER

#### Sub-Section 1 – Indemnity to Policy Holder

The Insurers will indemnify the Policyholder in respect of legal liability incurred for damages and claimant's costs and expenses in respect of accidental

- a death of or bodily injury to any person (including passengers)
- b loss of or damage to material property up to a limit of £1,000,000 any one claim or number of claims arising out of one cause
- c stoppage of or interference with pedestrian vehicular rail air or waterborne traffic or escape or discharge of any substance or gas up to a limit of £1,000,000 any one claim or number of claims arising out of one cause

in connection with the use of the Motor Vehicle (including loading and unloading)

The Insurers will in addition pay in respect of any event which may be the subject of indemnity under this Sub-Section

- i advocates' and/or solicitors' fees for representation at any coroner's inquest or fatal inquiry or court of summary jurisdiction
- ii the costs and expenses incurred with their written consent
- iii the costs of defence against a charge of manslaughter or causing death by reckless or dangerous driving

#### Sub-Section 2 – Indemnity to Other Persons

The Insurers will also indemnify in the terms of Sub-Section 1

- a any person permitted to drive the Motor Vehicle under the terms of the Certificate of Motor Insurance
- b any passenger in the Motor Vehicle other than the driver
- c
  - i any principal with whom the Policyholder has an agreement
  - ii any hirer of the Motor Vehicle other than under a hire purchase agreement provided that the Insurers shall not be liable in respect of liability arising from the act default or neglect of the principal/hirer his servant or agent
- d the legal personal representatives of any person entitled to indemnity under this Section in respect of liability incurred by that person

### **Sub-Section 3 – European Union Cover**

The Insurers will provide indemnity in the terms of this Policy while the Motor Vehicle is in any country which is a member of the European Union and any other country in respect of which the Commission of the European Union is satisfied that arrangements have been made to meet the requirements of Article 7(2) of the EEC Directive on insurance of civil liabilities arising from the use of motor vehicles No. 72/166/CEE but only to the extent that any road traffic legislation requires insurance or security in the country concerned including costs and expenses incurred with the Insurers' consent

### **Sub-Section 4 – Contingency Cover for Employees' Vehicles**

The Insurers will indemnify the Policyholder and no other person in the terms of Sub-Section 1 while any motor vehicle not the property of or provided by the Policyholder's business by any person in the Policyholder's employ but the Insurers shall not be liable

- a if there is any other insurance covering the same liability
- b for loss or damage to such motor vehicle

## **B EXCEPTIONS**

### **Towing**

This Policy shall operate while the Motor Vehicle is being used for the purpose of towing

- 1 one disabled mechanically-propelled vehicle
- 2 any trailer providing that the Motor Vehicle towing the trailer is a goods carrying vehicle and has a gross vehicle weight not exceeding 3.5 tons

Provided always that

- a the vehicle is not towed for reward
- b the Insurers shall not be liable by reason of this paragraph
  - i in respect of damage to the towed vehicle or trailer or property being conveyed by such vehicle or trailer
  - ii if the Motor Vehicle to which any trailer is attached is drawing a greater number of trailers than is permitted by law

## **C EXCEPTIONS**

### **Exceptions to Section 2**

The Insurers **shall not be liable**

- a for liability arising from the loading or unloading beyond the limits of any carriageway or thoroughfare by any person other than the driver or attendant of the Motor Vehicle
- b for death or bodily injury arising out of and in the course of the injured person's employment by the person claiming indemnity under this Section except as is required by any road traffic legislation
- c to indemnify any person driving unless that person holds a licence to drive the Motor Vehicle or has held and is not disqualified for holding or obtaining such a licence
- d to indemnify any person not driving but claiming indemnity if to his knowledge the person driving does not hold a licence to drive the Motor Vehicle unless he has held and is not disqualified for holding or obtaining such a licence
- e to indemnify any person other than the Policyholder if that person is entitled to indemnity under any other policy
- f for loss of or damage to property owned by or in the custody or control of
  - i the Policyholder or any person claiming indemnity or
  - ii any person in the service of the Policyholder or any person claiming indemnity where the property is in the custody or control of that person by virtue of that service
- g for loss of or damage to property being conveyed by the Motor Vehicle
- h any legal liability except as required by any road traffic legislation which arises from the use of a vehicle while it is on any part of any commercial or military airport or airfield used for
  - i the take-off landing or movement of aircraft on the ground
  - ii aircraft parking including any associated service roads refuelling areas ground equipment parking areas aprons maintenance areas and hangars

but exceptions c and d shall not apply when a licence is not required by law

### **Right of Recovery**

The Policyholder shall repay to the Insurers all sums paid by them under this Section because of the requirements of any law if the Insurers would not have been liable for those payments by the terms of this Policy

### **Application of Limits of Liability**

In the event of any accident involving indemnity to more than one party any limitation in this Policy of the amount of that indemnity shall apply to the aggregate amount and such indemnity shall apply in priority to the Policyholder



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## Section 3 – Trailers

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### A COVER

A trailer shall be insured in the terms of this Policy as though it were a Motor Vehicle if either

- a it is specified in the Schedule
- or
- b it is not specified but
  - i it is attached to
  - or
  - ii it has been attached to and whilst away from the Policyholder's premises is temporarily detached from (but remains in the vicinity of) a Motor Vehicle for which the Schedule shows that unspecified trailers are covered

### B CONDITIONS

Provided that

- 1 while any such trailer is attached to a towing vehicle or power unit they shall together be regarded as one vehicle
- 2 any plant permanently attached to a trailer shall be regarded as part of that trailer
- 3 the Insurers' liability under Section 1 of this Policy – Loss or Damage to the Motor Vehicle – in respect of any trailer shall not exceed the amount shown in the Schedule

### C EXCEPTIONS

The Insurers **shall not be liable**

- 1 under paragraph b for trailers with plant permanently attached while the trailer is detached from the towing vehicle
- 2 if the Motor Vehicle to which an insured trailer is attached is drawing a greater number of trailers than is permitted by law
- 3 except so far as is necessary to meet the requirements of road traffic legislation in connection with the operation as a tool of any trailer insured by this Policy unless the trailer is one specified in the Schedule

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## Section 4 – Other Clauses

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### Rallies Competitions and Trials

While any Motor Vehicle insured by this Policy is used in a Competition or Rally or Trial the insurance shall be restricted to those liabilities for which insurance is compulsory by road traffic legislation

This limitation shall not apply in respect of any event organised for the purpose of encouraging road safety in which the route shall not exceed 100 miles and no merit is attached to a competitor's performance on the public highway except in relation to good road behaviour and compliance with the Highway Code. If such event includes driving tests the driving area shall not exceed 100 square yards and no test shall be timed.

### Emergency Treatment

The Insurers will indemnify any person using the Motor Vehicle in respect of liability under road traffic legislation to pay for emergency treatment fees.

### No Claim Discount

If no incident resulting in a claim under this policy has occurred during the following periods of insurance the next renewal premium will be reduced by the discount shown in the following scale:

One year	10%
Two consecutive years	20%
Three consecutive years	30%
Four consecutive years	40%
Five consecutive years	50%

A claim arising from a single incident which occurs after a 50% discount has been earned will reduce the discount at renewal to 30% and a 40% discount will in the same circumstances be reduced to 20% and a 30% discount will be reduced to 10%.

Payments for the following will not affect the discount:

- a payment for emergency treatment
- b payment under Section 1 in respect of breakage of the windscreen and/or windows where this is the only damage to the Motor Vehicle other than scratching of the bodywork resulting from the glass breakage
- c payment under Sub-Section 4 of Section 2

If this Policy applies to more than one Motor Vehicle the No Claim Discount shall apply as if a separate policy had been issued in respect of each Motor Vehicle.

### Cross Liabilities

If the Policyholder comprises more than one party (which in the case of a partnership includes each individual partner) the Insurers will indemnify each in the terms of this Policy against liability incurred to the other as if such other was not included as a Policyholder.

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## Section 5 – Conditions

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### Condition 1 – Compliance with Policy Terms

The liability of the Insurers will be conditional on the Policyholder complying and as appropriate any other person entitled to indemnity complying as though he were the Policyholder with the terms of this Policy

### Condition 2 – Reasonable Precautions

The Policyholder shall take and cause to be taken all reasonable precautions to prevent injury loss or damage and shall maintain the Motor Vehicle in a roadworthy condition The Insurers shall have free access to examine the Motor Vehicle at all reasonable times

### Condition 3 – Claims Procedure and Requirements

- a The Policyholder must report all accidents claims and civil or criminal proceedings to the Insurers in writing as soon as possible
- b Every letter claim writ or other document relating to any accident claim or civil proceedings must be sent to the Insurers immediately and unacknowledged
- c No admission of liability or promise of payment may be made without the Insurers' written consent
- d The Policyholder will give all information and assistance as required

### Condition 4 – Insurers' Rights

- a The Insurers are entitled to take over and conduct the defence or settlement of any claim at their discretion
- b The Insurers may at any time pay the limit of liability referred to in Sub-Section 1 of Section 2 after deduction of any sum or sums already paid or any less amount for which any claim or claims can be settled and shall then relinquish the conduct and control thereof and be under no further liability in respect thereof except for the payment of costs and expenses incurred prior to the date of such payment

### Condition 5 – Non-Contribution

If the damage or liability which is the subject of a claim under this Policy is or would but for the existence of this Policy be insured under any other insurance the Insurers shall not be liable under this Policy except to the extent of any excess beyond the amount payable under such other insurance had this Policy not been effected

### Condition 6 – Cancellation

This Policy may be cancelled

- a by the Insurers sending fourteen days notice by letter to the last known address of the Policyholder (and in the case of Northern Ireland to the Department of the Environment for Northern Ireland). The Policyholder shall be entitled to a pro rata return of premium
- b by the Policyholder who should contact the Insurers in which case the Policyholder may be entitled to refund of premium provided that no claim has been made during the current Period of Insurance

### Condition 7 – Cancellation of Monthly Premiums

If this Policy is issued or renewed on the basis of monthly premiums the liability of the Insurers will cease in the event of non-payment of any monthly premium on its due date but before the cancellation takes effect the Insurers will send seven days notice by letter to the last known address of the Policyholder

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## Section 6 – General Exceptions

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### Exception A – Change of Vehicle

If the Description of Vehicles in the Certificate of Motor Insurance refers to 'Any Goods Carrying Vehicle' or other specified class of vehicle the property of the Policyholder or hired to him under a hire purchase agreement the Insurers shall not be liable in respect of any vehicle except where particulars are already in their possession unless details are notified to the Insurers within seven days of the date of acquisition and are accepted by them

Until the Insurers are notified of the acquisition of such vehicle the Policy Cover operative for that Vehicle shall be the widest form described in the Schedule

### Exception B – Use and Driving

The Insurers **shall not be liable** in respect of

- 1 death injury loss or damage occurring or liability arising while the Motor Vehicle is being
  - a used with the consent of the Policyholder or his representative otherwise than in accordance with the limitations as to use in the Certificate of Motor Insurance
  - b driven by the Policyholder unless he holds a licence to drive the vehicle or has held and is not disqualified for holding or obtaining such a licence
  - c driven with the consent of the Policyholder or his representative by any person
    - i who is not specified in the Certificate of Motor Insurance
    - ii who the Policyholder or his representative knows does not hold a licence to drive the vehicle unless he has held and is not disqualified for holding or obtaining such a licencebut Exceptions b and c shall not apply when a licence is not required by law

### Contractual Liability

- 2 any liability which attaches because of an agreement but which would not have attached in the absence of that agreement

### Radioactive Contamination

- 3 a loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
- b any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from
  - i ionising radiations or contamination by radioactivity from any irradiated nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
  - ii the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof

## **War and Terrorism**

- 4 any consequence of war Terrorism invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power except so far as is necessary to meet the requirements of road traffic legislation
- Terrorism shall mean an act of any person acting on behalf of or in connection with any individual or organisation which carries out activities directed towards the overthrowing or influencing by force or violence of HM's government in the United Kingdom or any government de jure or de facto

## **Riot and Civil Commotion**

- 5 any consequence of riot or civil commotion occurring elsewhere than in the Channel Islands Great Britain or the Isle of Man (this Exception does not apply to Section 2 - Liability to Third Parties)

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## Section 7 – Endorsements

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THESE ENDORSEMENTS ARE OPERATIVE ONLY IF THE NUMBER SET AGAINST THEM APPEARS IN THE SCHEDULE AND EACH IS SUBJECT OTHERWISE TO THE TERMS EXCEPTIONS AND CONDITIONS OF THIS POLICY

### **Endorsement 1 – Own Damage Excess**

In respect of each and every occurrence the Insurers shall not be liable for the first amount shown in the Schedule of any claim under Section 1 - Loss or damage to the Motor Vehicle This amount shall be in addition to any other amount for which the Insurers are not liable by reason of Exception 1 to Section 1 provided that

- a if the name of any person or description of any class of persons is shown against this amount this Endorsement shall apply only while the Motor Vehicle is being driven by or is for the purpose of being driven in the charge of one of those persons
- b this Endorsement shall not apply in respect of loss of or damage to the Motor Vehicle caused by fire lightning explosion theft or attempted theft

### **Endorsement 2 – Exclusion of Damage Cover for Unnamed Drivers Under 25**

The Insurers shall be under no liability under Section 1 - Loss or damage to the Motor Vehicle - while the Motor Vehicle is being driven by or is for the purpose of being driven in the charge of any person under 25 years of age other than person(s) specified in the Schedule except for loss or damage caused by fire lightning explosion theft or attempted theft

### **Endorsement 3 – Vehicle not Garaged Overnight**

The Insurers shall not be liable under Section 1 - Loss or Damage to the Motor Vehicle - for loss or damage to the Motor Vehicle not garaged overnight caused by

- a malicious act
- b theft or any attempted theft or the Motor Vehicle being taken away without the consent of the Policyholder
- c frost

### **Endorsement 4 – Third Party Working Risk**

Except as required by road traffic legislation the Insurers shall not be liable under Section 2 - Liability to Third Parties - in respect of liability arising out of

- a subsidence flooding or water pollution
- b vibration or the removal or weakening of support of any property land or building
- c the explosion of any vessel under pressure being part of plant attached to or forming part of the Motor Vehicles
- d damage to pipes or cables

while the Motor Vehicle or attached plant is being operated as a tool

### **Endorsement 5 – Excluding Third Party Working Risk**

Except as is required by road traffic legislation the Insurers shall not be liable under Section 2 - Liability to Third Parties - in respect of liability arising out of the operation as a tool of the Motor Vehicle or attached plant

### **Endorsement 6 – Indemnity to Hirer - including negligence of Hirer**

Notwithstanding any restriction contained in paragraph c of Sub-Section 2 of Section 2 - Liability to Third Parties - the Insurers will indemnify the Hirer of the Motor Vehicle in respect of any loss damage or liability covered by this Policy arising while such vehicle is let on hire other than under a hire purchase agreement provided that he is not entitled to indemnity under any other policy

### **Endorsement 7 – Cancelling No Claim Discount**

The No Claim Discount Clause in Section 4 - Other Clauses - of this Policy is cancelled

### **Endorsement 8 – Foreign Use Extension**

Subject to the payment of any additional premium required by the Insurers the insurance provided by this Policy is extended as specified in a Foreign Use Extension (meaning an endorsement and/or Green Card International Motor Insurance Card) issued by the Insurers for the period stated and to include recognised sea passages between any of the countries specified by the Insurers

The Insurers will indemnify the Policyholder against liability incurred for the enforced payments of customs duty on the Motor Vehicle following its temporary importation into any specified country provided such liability directly results from loss or damage for which indemnity is provided under the Policy



[www.insurancecorporation.com](http://www.insurancecorporation.com)

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