



Just Drive

Don't buy it. Just drive it.

A guide to:

GAP Insurance

justdriveleasing.co.uk

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GAP Insurance

You get your new lease car and ride off into the distance looking sharp: sunnies on and the wind in your hair.

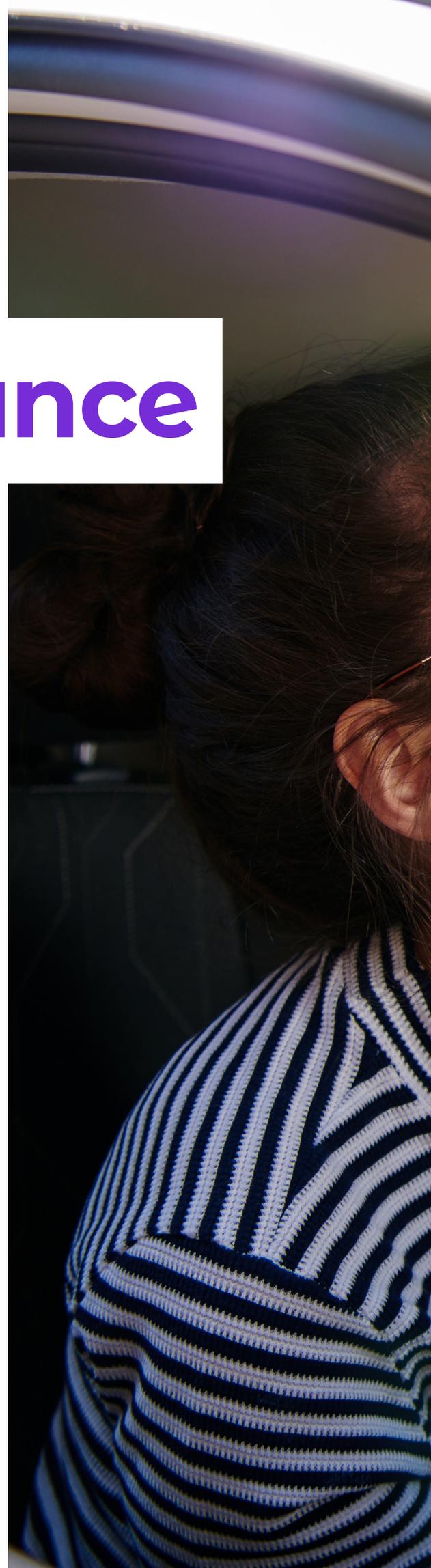
The last thing on your mind as you tear into the chorus of Don't Stop Me Now is your policy documents and whether you ticked that box to add GAP insurance...

But if a lease car is written off, the nitty gritty of your insurance policy starts to matter. You would still owe your leasing company the outstanding payments and could be left paying monthly or a big settlement bill for a car you can no longer drive.

GAP insurance is the secret to making sure you can end your agreement with your leasing company and maybe even have enough left for a deposit on another lease car, to drive off into the sunset honking your brand-new horn.

Written off:

your vehicle is written off or a total loss when the insurer decides the cost of repair is higher than the cash value of the vehicle.





What on earth is this 'GAP'?

GAP (Guaranteed Asset Protection) insurance covers the difference, or the 'gap', between your vehicle's outstanding finance balance and its market value when you make a claim through your motor insurance company.

Market value:

the expected price if you sold your vehicle.

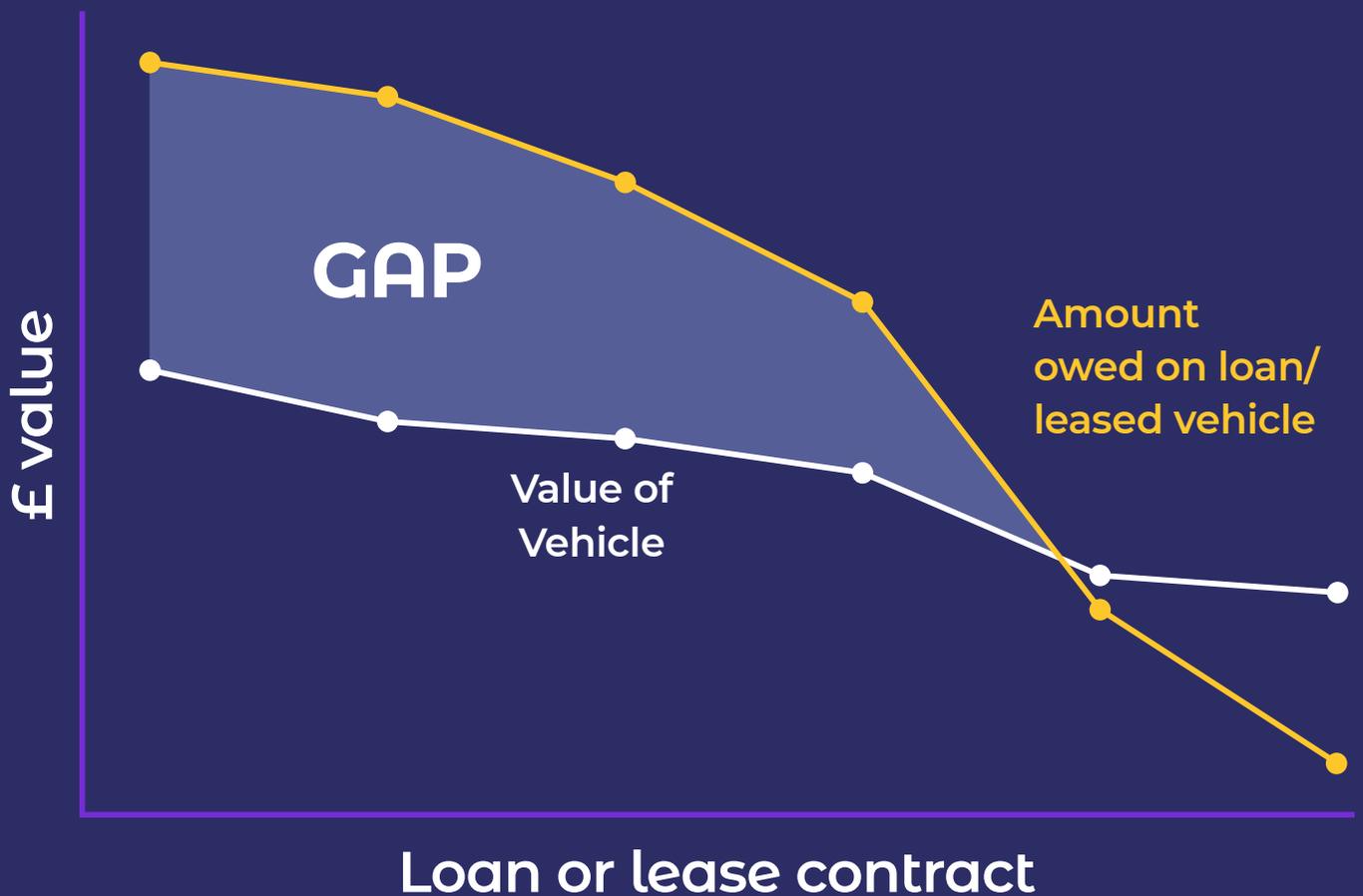
What is that GAP-insured feeling?

We all love our cars. What we don't love is when our new car is written off.

Even comprehensive motor insurance only pays the market value at the time and the total you owe your leasing company might be a higher amount. We love that even less.

GAP insurance covers the difference between the market value and your outstanding lease payments total and also refunds your initial payment. This means you will be able to pay your lender and exit your payment agreement and may even have enough to put down for your next vehicle.





How big is this gap?

Sure, new cars look and smell great but they do lose their value. That's probably why you want to lease one. But it's also a great reason to get GAP-insured.

Your new car's value might reduce like this:

- End of year one: **around 40%.**
- End of year three: **around 60%** (if you drive 10,000 miles a year)

Source: The AA

So if your new lease car is valued at **£15,000** it will be worth:

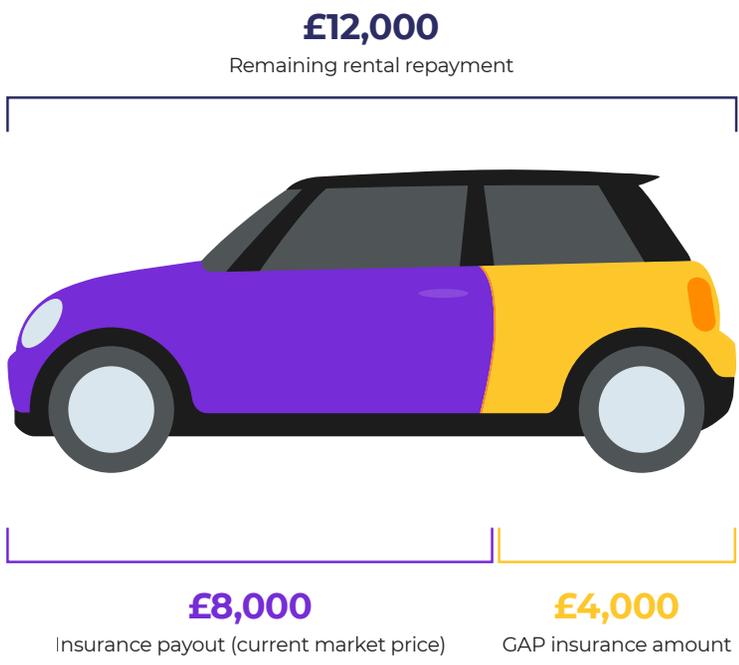
- End of year one: **£9,000**
- End of year three: **£6,000**

If it was stolen in year three, you could have £9,000 left to pay. Ouch.



For example:

How Claire gets that GAP-insured feeling...



Claire leases a car valued at £25,000 and agrees to payments over three years. Two years later, Claire's car is in an accident. 'It's a write off,' the insurer tells her. Claire knows her comprehensive motor insurance will pay her the market value of £8,000.

The leasing company lets Claire know she needs to pay the total outstanding rental payments, £12,000, to end her agreement. She will get £8,000 from her insurer but Claire needs to find £4,000 to end her finance agreement before she can even think of finding a deposit for her next car.

But Claire checks her insurance documents. She did buy GAP insurance!

Her motor insurer covers the market value of the car, £8,000, and the GAP insurance covers the difference, £4,000 and also pays the initial rental back...Phew!

FAQs:

What is contract hire GAP insurance?

This is the type of GAP insurance you need if you are leasing your car. It covers you for any remaining payments on your lease.

What are my obligations?

You have two main obligations:

Firstly, you have to give accurate and complete answers to all the questions in your application.

Secondly, you absolutely have to observe the terms, conditions and exclusions of both the policy and your motor insurance.

Will it work with third-party insurance?

Sorry, no. You need comprehensive insurance to add GAP insurance.

When does the cover start and end?

You're covered for the length of the agreed policy. It'll start and end on the dates listed in your insurance schedule. Your policy will also be terminated if you make a claim and receive payment.

Do I have to buy GAP insurance?

Nope. GAP insurance is always optional.

How do I cancel the contract?

We'd hate to see you go but if you really want to you'll need to get in touch with the broker who sold your policy to you. If you're unsure, give Autoassure a ring on 0114 321 9883 and they'll be able to help track them down for you.

If you decide that it's not working between us within 30 days of buying your policy, we'll give you a full refund. Otherwise, anything after the 30 days will be calculated pro-rata. This means that we'll refund you what's left, minus the retention fee, which is £35.00.

Do I have to buy my insurance through Just Drive?

Absolutely not. You can buy your GAP insurance anywhere but read on to find out a few great reasons to pick ours.

Whereabouts am I covered?

As well as the UK, we'll cover you in any other EU country as long as its outlined in your main motor policy.

When and how do I pay?

We ask that you pay the total premium in one full payment before the policy starts.

Get that new car feeling

For more info
visit our website:

[justdriveleasing.co.uk](https://www.justdriveleasing.co.uk)

Just Drive

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05248662 | Data Protection No : Z8873084 | VAT No : 851 2965 51

Just Drive registered address is Unit 8 The Oak Trees Business Park, Orbital Park, Ashford, Kent, TN24 0SY