

## **Cancellation Terms** **April 2011**

These will apply to all policies, irrespective of product and policy start date.

### **Right to Cancel / Cooling Off Period**

If the policyholder requests cancellation within 14 days of receipt of full documentation following inception of a new business or renewal, this will be treated as a right to cancel, with a time on risk charge calculated on a pro-rata basis with a minimum premium of £25+IPT applying for the period on cover.

### **Not Taken Up Cancellation**

If a temporary cover note or certificate is issued and you receive confirmation from the policyholder prior to inception, advising the vehicle was never purchased or collected, or proof of alternative insurance has been provided, you may cancel from inception or renewal date, where appropriate, with no charge applied.

### **Unpaid Direct Debit Cancellation**

The effective date of cancellation, for any instalment defaults, must be from the expiry date of the notice period indicated by the cancellation letter.

### **Cancellations following Total Loss Claim**

If the vehicle covered under the policy is deemed to be a total loss by Sabre and is not replaced within 14 days, the policy should be cancelled without any return premium.

### **Cancellations following a Substitution of Vehicle**

If the vehicle covered under the policy is sold and not replaced within 14 days, the policy should be cancelled.

### **Cancellation letters**

Unless the policyholder instructs you to cancel, a cancellation letter (RTA Notice) must be issued strictly in accordance with the wording below.

**We are writing to formally advise you that in accordance with the Conditions of your Policy, the Policy is hereby cancelled with effect from 7 days from the date of this letter and no further cover will be provided under the Policy. Any refund of premium due will be issued to you in due course.**

**Any certificates of motor insurance and/or temporary cover notes in your possession are no longer valid and must be returned to us immediately.**

**Please note that it is an offence under the Road Traffic Acts to keep or use a vehicle on the public highway without a valid policy of insurance being in force.**

### **Recovery of Certificates of Insurance and/or Temporary Cover Notes**

Recovery of the certificate or temporary cover note must not delay cancellation where Sabre or the intermediary, acting on Sabre's behalf, is effecting cancellation. However, every endeavour must be made to recover the certificate and/or temporary cover notes. If recovered, you are not required to return the document to Sabre and it can be destroyed. You will need to record the date the document was recovered.

### **Altering Cancellation Dates**

The effective date of a cancellation must not be "backdated" without prior authorisation by Sabre.

## **Please Note:**

- A cancellation refund will only be issued if any claims within the current policy period have been settled on a NCD allowed basis.
- If a claim is reported after cancellation of a policy, any refund of premium may be reversed and the full premium charged.
- If the certificate or temporary cover note has not been recovered, a cancellation letter must always be issued to the policyholder.
- The effective date of cancellation, where a cancellation letter has been issued, must be from the expiry date of the notice period indicated by the cancellation letter.
- Suspension of cover is not available.

## **Reminder**

It is essential that the above cancellation procedures are followed carefully. Failure to do so could render Sabre Insurance Company Ltd liable under the Road Traffic Act, or as Article 75 Insurer under the MIB Agreements.

## **Cancellation Calculation**

**12 month policy** – A pro rata charge for the period on cover, plus £50 plus IPT, will apply following any request for cancellation.

**8 month policy** – A pro rata charge for the period on cover, plus £50 plus IPT, will apply following any request for cancellation

**6 month policy** – A pro rata charge, subject to a minimum of 55% plus IPT, will apply following any request for cancellation,

**3 month policy** – No refund will be available following any request for cancellation.

## **How will this affect you?**

### **Full Cycle EDI Policies**

For full cycle EDI policies, where the functionality is available, the appropriate return of premium will be calculated depending on the product and policy period. It is essential that you transmit EDI messages on a daily basis.

### **Manual Policies**

We will require from **YOU**, cancellation instructions which can be sent by email to [underwriting@sabre.co.uk](mailto:underwriting@sabre.co.uk) or if you do not have access to email, please send the same details, by fax to: **0330 024 4697**.

If you have any queries or questions please contact Sabre's Electronic Trading Department:-

Email: [electronictrading@sabre.co.uk](mailto:electronictrading@sabre.co.uk) Tel: 01306 747276 Fax: 01306 501577