

Early Termination Insurance Policy



1st January 2025

Early Termination Insurance Policy Information Notice

This is your Early Termination Insurance Policy. Read this and the Schedule of Insurance carefully and keep them in a safe place. Any words in this policy booklet that are capitalised are defined. Please see Article 1 which explains the meaning of each defined term

If you have any questions about any of your documents, please contact AYVENS Insurance.

This Policy contains the legally binding terms under which the insurer, Euro Insurances DAC trading as AYVENS Insurance, has agreed to insure the Policyholder. This booklet, together with the Schedule of Insurance and any endorsement applying to this booklet, contain the benefits, conditions and exclusions that apply to the cover. The Policy provides cover for losses that occur during the Period of Insurance for which the Policyholder has paid, or agreed to pay, the Insurance Premium.

Data Protection Policy

The Insurer will hold the Policyholder's details in accordance with the Insurer's Data Protection and Privacy Policy together with all applicable data protection laws and principles.

Please note that a copy of the full Data Protection and Privacy Policy is available upon written request from AYVENS Insurance, Ground Floor, AYVENS House, Central Park, Leopardstown, Dublin 18, Ireland, should AYVENS Insurance hold personal data belonging to the Policyholder and/or the Lessee.

Article 1 – Definitions

Accidental Death

Means death resulting from a nonintentional bodily injury resulting directly from the sudden and unexpected action of an external cause.

Commencement Date

Means the date the relevant Vehicle is first delivered to the Lessee unless otherwise agreed in writing by the Insurer.

Contract of Employment

Means a permanent contract of employment provided by the Employer to the relevant Named Driver. It does not include any fixed term contracts or fixed term projects or self-employed contracts.

Contract Period

Means the period of the Master Lease Agreement (maximum term as per Master Lease Agreement).

Master Lease Agreement

Means the Master agreement between the Policyholder and the Lessee specifying the terms and conditions upon which the Vehicle or, in case of several Vehicles, each of the Vehicles are provided by the Policyholder to the Lessee.

Early Retirement

Means the Named Driver's voluntary formal notification to cease permanently any employment with the Employer under the Contract of Employment at a retirement date earlier than that specified in or applying to the Contract of Employment

Employer

Means any legal person issuing a Contract of Employment to the Named Driver. This definition includes any parent company, subsidiary or associated body of that legal person.

Excess Mileage Charge

Means the charge for exceeding the contract mileage of the applicable Vehicle, as defined in the Master Lease Agreement and assessed at the rate chargeable in the Master Lease Agreement for the proportional mileage at the Return Date.

Excess Period

Means the initial period from the Commencement Date during which, if the Contract Hire Agreement on the applicable Vehicle is terminated, no payment will be due by the Insurer to the Policyholder pursuant to Article 4.

In other words, if the 'Termination Date' falls within this excess period no payment can be made. It is vital you read the definition of Termination Date below along with exclusion 8.

Insurance Premium

Means the sum which the Policyholder is obliged to pay by virtue of this Policy to the Insurer in consideration for the cover provided herein.

Insurer

Means AYVENS Insurance. AYVENS Insurance, the Insurer of this policy, is authorised and regulated by Central Bank of Ireland (CBI). As an insurance company authorised within the European Union AYVENS Insurance is permitted to conduct business in Ireland. The address of AYVENS Insurance is AYVENS House, Central Park, Leopardstown, Dublin 18, Ireland.

Lessee

Means the legal person that has entered into a Master Lease Agreement with the Policyholder for the hire to them of a Vehicle or Vehicles as named as the Lessee in the Schedule of Insurance

Motor Insurer

Means the insurer providing the compulsory third party liability cover of the Vehicles under the Motor Insurance Policy.

Motor Insurance Policy

Means the compulsory third party liability insurance policy or policies covering the Vehicles in compliance with the applicable law.

Named Driver

Means, an employee of the Lessee who has been declared by the Lessee to the Policyholder, as the Named Driver of the relevant Vehicle at the Commencement Date.

Parental Leave

Means the Named Driver's leave from full time employment with the Employer under the Contract of Employment as a result of the following applying:

- the Named Driver has continuous employment for 26 weeks ending with the fifteenth week before his or her child is born; and
- the Named Driver is the child's biological or legal adoptive parent

Period of Insurance

Means the period for which the Insurance Premium has been paid or the Policyholder has agreed to pay the Insurance Premium to AYVENS Insurance and shown in the Schedule of Insurance as the Period of Insurance.

Policy

Means the terms, conditions and exclusions contained in this booklet together with the Schedule of Insurance.

Policyholder

Means the legal person named as Policyholder in the Schedule of Insurance or referred to as You / Your.

Redundant / Redundancy

Means the formal notification of dismissal from employment of the Named Driver under the Contract of Employment because the position or the Named Driver has been deemed redundant in compliance with the law applicable at the time.

It is vital that you read the definition of excess period. **No payment will be made if the Named Driver becomes aware during the excess period that they may or will be made redundant.**

Resignation

Means the voluntary formal notification by the Named Driver to cease permanently any employment with the Employer under the terms of the Contract of Employment.

Return Date

Means the date when the relevant Vehicle is due to be returned to the Policyholder pursuant to the terms and conditions of the Master Lease Agreement.

Schedule of Insurance

Means a document which forms part of these terms and conditions outlining details of but not limited to the following: Policyholder; Lessee, Period of Insurance; next insurance renewal date and other details of the insurance cover which may apply.

Termination Payment

Means the net amount required by the Policyholder to terminate the Master Lease Agreement of the applicable Vehicle at the Return Date, as defined in the Schedule of Insurance.

Termination Date

Means the date the Named Driver first formally notifies the Employer or is notified of an occurrence which will end the Master Lease Agreement. For the avoidance of doubt, this shall mean

- in the event of Resignation, it is the date the Named Driver notifies their Employer of their intention to terminate permanently their Contract of Employment; or
- in the event of Redundancy, it is the date the Named Driver is first notified by their Employer that they have been, or may be, selected for Redundancy.

The Lessee is obliged to inform the Policyholder of the relevant Termination Date in all circumstances. It is NOT the actual termination of their Contract of Employment if it occurs at a later date.

Territorial Limits

This Early Termination Policy shall be valid within the geographical territory of Europe (as defined) or such other territory as agreed in writing by the Insurer during the Insurance Period

Europe:

For the purposes of this Policy, Europe shall be defined as the countries who participate in the Agreement between the National Insurers' Bureaux of the Member States of the European Economic Area and other Associate States namely: Andorra, Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark (including the Faro Islands), Estonia, Finland, France (including Monaco), Germany, Greece, Hungary, Iceland, Ireland, Italy (including Vatican City), Latvia, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden, Switzerland (including Liechtenstein), United Kingdom (including the Channel Islands, Gibraltar and the Isle of Man).

Terrorism

Means acts of persons acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of HM Government

Vehicle or Vehicles

Means each and all motor vehicles supplied to the relevant Lessee in the relevant Master Lease Agreement mentioned in the Schedule of Insurance and belonging to Category B as defined by Directive 2006/126/EC of the European Parliament and of the Council of 20 December 2006.

Article 2 – Insurance Cover

Eligibility

The Policyholder is eligible to claim under this Early Termination cover in respect of the applicable Named Driver or Vehicle(s) as long as: -

- The Named Driver is a company car driver or an employee participating in an Employer backed salary sacrifice or similar employee car ownership scheme.
- The Named Driver holds a full driving license issued by a country which is party to the European Economic Area; and
- The Vehicle is covered by the Motor Insurance Policy maintained in the Lessee's and/or the name of AYVENS Sweden Limited for the duration of this Early Termination Insurance

Cover

Subject to the Excess Period, the Insurer shall pay to the Policyholder an amount equal to the Termination Payment, which would otherwise be payable on the applicable Vehicle by the Lessee under the Master Lease Agreement as a result of the early termination of such Master Lease Agreement before the contractually agreed Return Date of such Master Lease Agreement, provided that such early termination is caused directly by one of the following events:

- A** - The Named Driver's Resignation
- B** - The Named Driver being made Redundant by their Employer (including the Named Driver accepting voluntary Redundancy)
- C** – The Named Driver being on unpaid Parental Leave for more than 6 months
- D** - Any of the following:
 - i) The Named Driver's driving license being withdrawn permanently or for more than 6 months for medical reasons by the authority legally authorised to withdraw such license; or
 - ii) The Named Driver being absent from employment for a period of not less than 3 months due to the Named Driver being medically unfit to complete the duties of their employment and subject to receipt of a valid medical certificate.
 - iii) The Accidental Death of the Named Driver,
- E** – The Total Loss of the Vehicle as a result of total damage loss covered by a prevailing motor vehicle insurance or vehicle damage guarantee.
- F** - The Named Driver having to transfer or relocate to a different branch or subsidiary within their Employer's group of companies in order to remain in the company's employment, but not for the purposes of personal reward/gain.

Provided that the Vehicle is returned to the Policyholder or vehicle provider.

For the avoidance of doubt, the Insurer shall not be liable to pay for any amount in relation to any charge or cost other than the Termination Payment due by the Lessee to the Policyholder in case of termination of the relevant Master Lease Agreement

For each Vehicle, an Excess Period of 182 days from the Commencement Date applies to all of the above. As such, the Insurer will not cover any claim made in relation to any of the events listed under paragraphs A to D of this Article if the event giving rise to the claim occurs on or before the last day of the Excess Period.

Article 3 – Conditions

1. Indemnity is limited to: (i) a maximum number of claims per annum amounting to or equating to 10% of the Lessee's total insured fleet of Vehicles or 5 vehicles, whichever is greater, as defined in the Master Lease Agreement (rounded up to the nearest whole number); and (ii) up to a maximum claim per Vehicle of the current year's Price Based Amount (PBA).
2. **The applicable Named Driver and the Lessee must have no prior knowledge or information, which is likely to give rise to a claim under the Policy.**
3. All Vehicles must be:
 - maintained in accordance with the manufacturers' service schedule; and
 - insured under a Motor Insurance Policy.
4. The maximum period of any Master Lease Agreement shall be as defined in the Master Lease Agreement.
5. The Insurer will only provide the cover described in the Policy if:
 - the Policyholder claiming has met all of the terms of the Policy; and
 - the information data and declaration per Lessee is, as far as known, correct and complete; and
 - the application data has been received and accepted by the Policyholder on behalf of the Insurer.
6. In the event of an occurrence likely to give rise to a claim under the Policy the Policyholder must:
 - give notice to the Insurer once the possibility of Early Termination is known to the Policyholder.
 - use due diligence to minimise the loss and avoid further loss.
 - provide documentary evidence including medical certificates and salary slips
 - provide the Insurer with all information and assistance that is required in the settlement of the claim.
7. The Insurer shall be entitled to:
 - settle the claim directly with the Policyholder.
 - take over and/or conduct in the name of the Policyholder the defence or settlement of any claims and to prosecute for indemnity or otherwise against any third party before or after payment is made.
 - have full discretion in the conduct of any negotiations, proceedings, and settlement of any claim.
8. This Policy shall be considered null and void in the event that the Policyholder fraudulently or in bad faith presented inaccurate statements or have not disclosed facts and circumstances known by the Policyholder which may have influenced the Insurer in the acceptance or application of the Insurance Premium or the terms and conditions set out in this Policy at any time during the Period of Insurance. The Insurer would in such circumstances have the right to retain any Insurance Premium already paid, without prejudice to the nullity of the Policy. If the Policyholder otherwise intentionally or negligently has presented inaccurate statements or have not disclosed facts and circumstances known by the Policyholder which may have influenced the Insurer in the acceptance or application of the Insurance Premium or the terms and conditions set out in this Policy at any time during the Period of Insurance, the Insurer is entitled to either discharge from liability, or reduce its liability, in relation to any claim,.
9. The Policyholder is obliged to cooperate with the Insurer prior to the acceptance or application of the Insurance Premium or the terms and conditions set out in this Policy at any time during the Period of Insurance and obtain accurate information to ensure that all statements disclosed to the Insurer are factual and correct.
10. The Insurer may terminate the Policy by giving 30 days' notice in writing to the Policyholder at its registered office address, (i) if the Policyholder materially has breached its obligations towards the Insurer, or (ii) if a circumstance significant to the risk and which is referred to in this Policy has changed in a manner which the Insurer cannot deemed to have taken into consideration. The Policyholder may terminate the Policy by giving 30 days' notice in writing to the Insurer. In the event of early termination of the Insurance Policy at the request of the Policyholder, no Insurance Cover will apply under the Policy anymore and, where there has been no claim made on the Insurance Policy, the Insurer shall return pro rata the remaining part of the Insurance Premium to the Policyholder. In the event of early termination of the Insurance Policy following acceptance of a valid claim on the Vehicle under the Policy, no Insurance

- Premium will be repayable to Policyholder and the remaining balance of the Insurance Premium will be due and payable by the Policyholder before any outstanding claim settlement is paid. The cover for the Vehicle expires with immediate effect upon payment of a valid claim under any section of Article 2 of the Policy; there will be no refund of Insurance Premium in such case.
11. Subject to Condition 13, any dispute arising out of this Policy shall be brought before a competent court in Sweden who shall have jurisdiction to hear and determine such dispute and the parties hereby submit to the decision of such a court.
 12. The Policyholder may terminate (make void) the Policy within the first 30 days and receive a full refund of Insurance Premium. The 30-day period begins from the date of the conclusion of the contract.
 13. The Policy is governed by the law of Sweden.
 14. The Policyholder is entitled, but not obligated, to demand by written notice to the Insurer that a refusal of coverage or the question of the size of the compensation is settled by arbitration. The Policyholder and the Insurer must then each choose an arbitrator within 8 days of receipt of notice of such demand. The arbitrators shall then choose an impartial arbitrator. If they cannot agree on this within 14 days, an arbitrator is designated by the President of the Chartered Institute of Arbitrators in the Republic of Ireland.
 15. The arbitrators under Condition 13 shall settle the case definitively by a written justifying decision according to the insurance terms and regulations of the law of Sweden. The arbitrators will also settle the question of the costs, including payment of the fees for the arbitration.
 16. The cover provided under the present Policy is valid, for each Vehicle, from the Commencement Date and ends upon the relevant Termination Date, provided that the Termination Date is during the Period of Insurance and the Policy has not been terminated under Condition 16.
 17. The policy may be terminated on the applicable Vehicle in the following cases and circumstances:
 1. By the Insurer
 - a) In the event of non-payment of the Insurance Premium
 - b) In the event of material alteration of the risk
 - c) If the Policyholder conceals or misrepresents facts when declaring the risk or during the Period of Insurance
 - d) Following a claim. The Policyholder then has the right to terminate any other insurance contracts he has taken out with the Insurer on the applicable Vehicle.
 2. By the Policyholder:
 - a) In the event that the risk is reduced where the Insurer refuses to reduce the Insurance Premium accordingly
 - b) In the event of termination by the Insurer of another policy of the Policyholder following a claim
 3. As of right:
 - a) In the event of total loss of the applicable Vehicle if this loss is the result of an event which is not covered
 - b) In the event of requisition of the applicable Vehicle, according to applicable legislation.
 - c) In the event of termination of the Master Lease Agreement for a reason other than those listed under a) or b) above, the cover for the applicable Vehicle will cease on the day on which the Master Lease Agreement is terminated.
 18. **Limitation period**

All claims arising out of this Policy must be brought within ten (10) years from the date of occurrence of the circumstance which forms basis for the right to insurance coverage under the Policy. If the Policyholder or someone else seeking insurance coverage has made a claim to the Insurer within the ten (10) year time limit, the time period to bring action is always at least six (6) months from the date the Insurer declared it had taken a final decision in relation to that claim.

The Insurer may in writing order the insured to bring action within a shorter time period than the ten (10) years stated above. The time period may not be shorter than one (1) year from the date on which the insured received that order.

Article 4 - Exclusions

The Policy does not provide cover in respect of:

1. Any Excess Mileage Charge or reconditioning cost.
2. Any maintenance charge. For the avoidance of doubt the maintenance charge is not included in the Insurance Premium calculation and, therefore, will not be taken into account in any claim calculation.
3. Any VAT element of the Master Lease Agreement.
4. Any period for which the Named Driver is in receipt of payment in lieu of notice of Resignation, Redundancy, or any event detailed under the heading Cover (Article 2).
5. Any excess or contributions required by the Motor Insurer following a valid claim under the Motor Insurance Policy.
6. Any diminution of value of the Vehicle following damage repair or due to the contract mileage agreed in the Master Lease Agreement being exceeded on a proportional basis.
7. Any arrears in the Named Driver's payments under the Master Lease Agreement.
8. Resignation, Redundancy, or any event detailed under the heading Cover (Article 2) occurring within the Excess Period (detailed in the Schedule of Insurance) of the Policy calculated from the Commencement Date.
9. Parental Leave occurring within 9 months of the start date of this policy irrespective of the Excess Period chosen.
10. Any Named Driver in the event of transfer of the Named Driver's place of work to a location outside the Territorial Limits of the Policy resulting in termination of the Master Lease Agreement.
11. Any circumstance giving rise to a claim which is known or can reasonably be expected to be known by the Named Driver or the Employer at the Commencement Date and which was not declared to the Insurer.
12. Any Named Driver if their driving licence is revoked or suspended for traffic or motoring convictions.
13. Any Named Driver's employment or salary ceasing as a result of a criminal act, gross misconduct, dismissal or failure to perform their duties satisfactorily, meet targets or satisfactorily complete a probationary period.
14. Any loss or damage or liability insured by any other policy except in respect of any excess amount beyond the limit of that policy, provided that such amount would otherwise be paid under the Policy.
15. Any amounts due under the Master Lease Agreement as a result of delays caused by the Named Driver or the Policyholder:
 - in providing required documentation; or
 - in reaching any settlement agreement.
16. Any loss as a result of:
 - any occurrence which renders the Vehicle un-roadworthy.
 - any act of Terrorism.
17. Any loss occurring outside the Territorial Limits of the Policy.
18. Any Named Driver's death due to any self-inflicted injury, alcohol, solvent, or drug abuse.
19. Any Named Driver, who is self-employed or on a fixed term contract

Complaints Procedure

If the Policyholder has any complaint on any matter arising in respect of this Policy, the complaint should be submitted in writing to the Insurer at the following address:

Head of Legal and Compliance
AYVENS Insurance AYVENS
House
Central Park
Leopardstown
Dublin 18
Email: complaints@AYVENSinsurance.com
Fax no + 353 1 680 4140

Claims Procedure

PROCEDURES FOR EARLY TERMINATION INSURANCE CLAIMS

In the event of an occurrence likely to rise to a claim under the Policy, the Policyholder must:

- give notice to the Insurer within 1 year, calculated from the date of occurrence of the circumstance which forms basis for the right to insurance coverage under the Policy.
- use due diligence to minimise the loss and avoid further loss.
- provide documentary evidence including medical certificates and salary slips a
- provide the Insurer with all information and assistance that is required in the settlement of the claim

Full details in support of the claim should be sent as soon as possible to the Insurer.

Settlement of the Termination Payment shall then be calculated in accordance with the formula set out in the Schedule of Insurance.

Once the claim has been accepted, the Insurer will settle the claim with the Policyholder.

Details of all Claims must be submitted, within the time periods prescribed herein to:

The Claims Department
AYVENS Insurance
Ground Floor AYVENS
House Central Park
Leopardstown
Dublin 18
Email: lpins.clm.dg@AYVENS.com
Fax no + 353 1 680 4160