



## What is GAP Insurance and what are its benefits?

GAP insurance coverage protects you against the shortfall you may experience in the event of an incident where your vehicle is written off or stolen. With second car prices falling, there is a very real possibility that there may be a big difference between the insurer's settlement figure and the loan taken for this purpose. In addition, where a vehicle is leased, the leasing company may insist on a settlement figure greater than the settlement figure offered by your insurer.

GAP insurance can help in the following ways:

- GAP will help you in making payments that are left pending on your loan at the time damage is caused to the vehicle. The insurance company only pays you the amount that the car is worth, but the amount that is due for a lease or loan may be more than that. The gap between the two is covered by the GAP insurance coverage.
- GAP will also cover your insurance deductible payments which are other payments included, along with the loan payment, at the time of a car theft. When a car is stolen, it is possible that the vehicle will be recovered, however, this is not always the case. In addition, the car may also have been ruined by fire or in an accident.
- It should be remembered that from the moment you purchase your vehicle, it loses its value. In fact, 20% of the value of an asset is lost after you drive it from the dealer's showroom to your house. GAP insurance is designed to help with this loss should your vehicle be damaged beyond economic repair or stolen and not recovered.

## How can Ingram Hawkins and Nock Ltd help?

Once an expensive cover option in addition to Motor Insurance premiums, the good news is that at the moment GAP insurance premiums are falling and Ingram Hawkins and Nock Ltd can offer a fast, comprehensive and competitively priced solution – all we will need to know is the make, model and age of your car and the period of the lease (if any) over which you have taken the car.

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