High Excess Motor Insurance Product - Explanation

This guide explains how your excess works, what “market value” and “insured value” means, and includes an important disclaimer. Please read it alongside your policy schedule and policy booklet.

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1. What is an excess?

An excess is the first part of any claim that you must pay yourself.

- If your claim is approved for €36,000 and your excess is €2,500, the insurer will normally pay €33,500 and you pay €2,500.
- The excess applies each time you make a claim, unless your policy says otherwise.

Your policy may have:

- Standard excess - the normal excess that applies to most claims.
- Additional excesses - for example for younger drivers, windscreen claims, theft, or a high excess policy.

The exact excess (or excesses) that apply to you are shown on your policy schedule.

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2. How does the excess work in practice?

When you make a claim:

1. The insurer assesses whether the claim is covered under your policy.
2. If the claim is accepted, the insurer calculates the amount payable (for example, the repair cost or the value of the vehicle if it is written off).
3. Your excess is then deducted from that amount.

If the cost of the damage is less than or equal to your excess, the insurer may not make any payment, even though the incident is still treated as a claim on your record.

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3. When does the excess apply?

Your policy excess only applies to claims for:

- fire, theft
- or accidental loss of your own vehicle.

It does not apply to claims for injury to other people or damage to someone else's property (third party claims) unless your policy or schedule clearly says something different. Please check your policy schedule and any endorsements for the excesses that apply to you.

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4. What is "market value" and "insured value"?

For many motor policies, if your vehicle is written off or stolen and not recovered, the insurer will pay up to the market value of the vehicle at the time of the loss. Market value is the reasonable cost to replace your vehicle with one of a similar age, type, mileage and condition just before the incident.

If the insured value (sum insured) shown on your policy schedule is lower than the market value at the time of the loss, the **insured value will be the maximum amount the insurer will pay**, less any policy excess and any other applicable deductions.

For example, if the agreed market value of your vehicle at the time of the loss is €36,000, the insurer will normally base the claim settlement on €36,000, less any excess and any other applicable deductions under the policy.

Market value may be different from:

- The price you originally paid;
- The amount you still owe under any finance agreement;
- The value you may see advertised for other vehicles.

The insurer may use independent guides, trade publications and current selling prices to help determine the market value.

Important disclaimer

- This document is a guide only. It does not form part of your insurance contract and does not replace your policy wording, schedule or any endorsements.
- If there is any difference between this guide and your policy documents, your policy documents will apply.
- The cover provided, the excesses that apply, and how any claim is settled will always depend on your individual policy terms, conditions, limits and exclusions.
- Please refer to your policy schedule and policy booklet for full details.
- Please contact us if you are unsure about how your cover or excess works.

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