

Chapter 6A

Product specific rules

		<div>6A.1</div>	<div>Guaranteed asset protection (GAP) contracts</div>
			<div>Application</div>
	6A.1.1	<div>R</div>	<div><p>This section applies to a <i>firm</i> which sells a <i>GAP contract</i> to a <i>customer</i> in connection with the sale of a <i>vehicle</i> by:</p><div><div>(1) the <i>firm</i>; or</div><div>(2) a <i>person</i> connected to the <i>firm</i>.</div></div></div>
	6A.1.2	<div>G</div>	<div><p>There is a sufficient connection between the <i>GAP contract</i> and the sale of a <i>vehicle</i> if the <i>GAP contract</i> is sold in connection with other goods and services, for example a <i>credit agreement</i>.</p></div>
	6A.1.3	<div>G</div>	<div><p>A <i>person</i> connected with a <i>firm</i> includes acting as an <i>introducer</i> or <i>appointed representative</i> for that <i>firm</i> or if, regardless of <i>authorisation</i> status, it has a relevant business relationship with the <i>firm</i>.</p></div>
			<div>Ensuring the customer can make an informed decision</div>
	6A.1.4	<div>R</div>	<div><div><div>(1) Before a <i>GAP contract</i> is concluded, a <i>firm</i> must give the <i>customer</i> the following information:</div><div><div>(a) the total <i>premium</i> of the <i>GAP contract</i>, separate from any other prices;</div><div>(b) the significant features and benefits, significant and unusual exclusions or limitations, and cross-references to the relevant policy document provisions;</div><div>(c) whether or not the <i>GAP contract</i> is sold in connection with <i>vehicle</i> finance, that <i>GAP contracts</i> are sold by other distributors;</div><div>(d) the duration of the <i>policy</i>;</div><div>(e) whether the <i>GAP contract</i> is optional or compulsory;</div><div>(f) when the <i>GAP contract</i> can be concluded by the <i>firm</i>, as described in ■ ICObS 6A.1.6R and ■ ICObS 6A.1.7R; and</div><div>(g) the date the information in (a) to (f) is provided to the <i>customer</i>.</div></div></div><div><div>(2) This information must be communicated in a clear and accurate manner and on paper or another <i>durable medium</i> in accordance with ■ ICObS 4.1A.</div></div></div>

		(3) This information must be drawn to the <i>customer's</i> attention and must be clearly identifiable as key information that the <i>customer</i> should read.
6A.1.5	G	A <i>firm</i> must also comply with the <i>rules</i> in ■ ICOBS 6 (Product Information).
		Deferred opt-in for GAP contracts
6A.1.6	R	Except as specified in ■ ICOBS 6A.1.7R, a <i>GAP contract</i> cannot be concluded by a <i>firm</i> until at least 2 clear <i>days</i> have passed since the <i>firm</i> complied with ■ ICOBS 6A.1.4R.
6A.1.7	R	<p>A <i>firm</i> can conclude a <i>GAP contract</i> the <i>day</i> after providing the information in ■ ICOBS 6A.1.4R to a <i>customer</i> if the <i>customer</i>:</p> <p>(1) initiates the conclusion of the <i>GAP contract</i>; and</p> <p>(2) consents to the <i>firm</i> concluding the <i>GAP contract</i> earlier than provided for in ■ ICOBS 6A.1.6R, and confirms that they understand the restriction in ■ ICOBS 6A.1.6R.</p>
6A.1.8	G	Before concluding a <i>GAP contract</i> , a <i>firm</i> should have regard to the information needs of its <i>customers</i> and consider whether it would be in the <i>customer's</i> interest to receive the information in ■ ICOBS 6A.1.4R again, for example, if a long time has passed between providing the information and the conclusion of the contract.