

POLICY WORDING



laka

BICYCLE
INSURANCE POLICY

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1. Your insurer

Your Laka bicycle insurance is arranged by Laka Limited and underwritten exclusively by Zurich Insurance plc.

Laka Limited is authorised and regulated by the Financial Conduct Authority.

We will provide clear and objective information about the insurance Laka arranges, however we will not provide advice.

Zurich Insurance plc is authorised by the Central Bank of Ireland and authorised and subject to limited regulation by the Financial Conduct Authority.

2. Important information

It is important that you check your policy schedule to ensure that the information that you have provided to us is accurate and that the cover options which you have chosen are correct. If this is not the case, please contact us as soon as possible.

Please take the time to read the contents of this policy to ensure that you understand the cover we are providing you and that you comply with our terms and conditions. This policy wording and your policy schedule are important documents; please keep them handy in case you need to refer to them for any reason. We recommend that you periodically review your policy to ensure that it continues to meet your needs.

3. FCA's regulatory sandbox

Laka is part of the FCA's regulatory sandbox. The regulatory sandbox allows firms to test innovative offerings in a live environment.

Joining Laka means **you** will be participating in this test and be one of the first to experience a new, innovative insurance model.

More information can be found on the [FCA's website](#).

4. Contacting Laka

You can contact **us** at any time through email and from within the **platform** through web chat.

You can reach **our platform** at <https://app.laka.co.uk> upon login.

The support team may be reached as well at support@laka.co.uk

In case **you** need to post documents to **us** please use the following address:

Laka Limited
44 Great Marlborough St
London W1F 7JL

5. Definitions

Accidental damage	Any sudden, unintended and unforeseen damage caused to your bicycle(s) or accessories
Abandonment	When a bicycle is left in a location which is not your home for more than 24 consecutive hours
Accessories	Any of the following that are shown on your policy schedule : bicycle computers, bicycle GPS, bicycle watch, glasses and goggles, helmet, front and back lights, the lock, bottle cage and bicycle box, trailers and passenger(s) carrying trailers
Accidental loss	Loss by a third party (airline, courier or recognised transport provider) whilst in their custody. This does not include your deliberate abandonment of the bicycle(s)
Bicycle(s)	Any cycle, adult tricycle or tandem powered by human pedalling that you have registered on the Laka platform and shown on your policy schedule . This definition includes electric bicycles which meet the relevant UK rules for ‘electrically assisted pedal cycles’ (EAPC’s)
Commencement date	The date that your cover starts as shown on your policy schedule
Geographical cover	The geographical area shown in your policy schedule

Home	The address where the bicycle is usually kept as stated on your policy schedule , which is your permanent domestic residence and is a house, or a flat or a room in a communal residence. Cover includes a maximum period of 30 days at any one time during the period of insurance , to include any temporary residence such as holiday cottage / home, guesthouse or hotel within the limits of the geographical cover
Insured gear	The bicycle(s) and accessories specified in your policy schedule
Insured value	The amount set out on your policy schedule
Pack	The group of cyclists with whom you are pooled
Period of insurance	The period specified on your policy schedule when your policy is active
Personal cap / cap	The maximum payment you will have to pay in a month, based on the value of your insured gear
Platform	The Laka platform can be accessed through: https://app.laka.co.uk
Professional racing	Any races in which you earn an appearance fee for participation or are paid a salary to participate. Any races organised by the Union Cycliste Internationale (UCI) which are not specifically classified as Gran Fondo or Amateur races (see a list of their events here)

Policy schedule	The document issued by Laka Limited on behalf of Zurich Insurance plc which confirms your personal details (e.g. name and address), details of the bicycle(s) , commencement date and end date of your policy
Share	The payment / premium that you owe us for cover we provided for the period of insurance
Sold Secure Gold Lock	You can find the list of Sold Secure Gold Locks <u>here</u>
Theft	The unauthorised taking of your bicycles(s) and / or accessories by a third party with the intention of permanently depriving you of it / them
Vandalism	Any intentional destruction or damaging of your bicycle(s) or accessories by a third party
We / us / our	The insurer and administrator named in the policy schedule
Wear & tear	Loss or damage caused by cleaning, alteration, adjusting, restoration, repair, maintenance, mechanical or electrical breakdown, scratching, misuse, atmospheric or climate conditions
You / your / yourself	The person named on the policy schedule , or any family member using the bicycle with your consent

6. The Laka bicycle insurance cover

We take a different approach to insurance. You are going to be part of a pack, avid cyclists like yourself. We trust that you play fair and do all you reasonably can to avoid claims. This benefits you and your fellow cyclists as the less the pack claims, the less every cyclist pays.

6.1. How it works

Every month we will charge you and the rest of the pack the cost of claims submitted for the previous month. We calculate your share of this by taking into account the value of all your insured gear. The more valuable your bicycle(s) and accessories are, the higher your share will be (proportionally).

Whatever happens, the amount you pay as your share will never be more than your personal cap we shared with you in your policy schedule. The cap is calculated based on the total value of your insured gear as set out in your policy schedule.

Your share will include a management fee of 25% of the cost of claims as part of Laka's remuneration, part of which may be shared with the insurer. That means Laka makes money when the pack's claims are settled and is intended to align our interest with yours.

If you and your fellow cyclists take good care and there are fewer claims, you will directly benefit by paying less. If the pack has no claims, we will not charge you anything that month.

We will send you a monthly overview which explains how we calculated your share and charge this directly through the payment method provided by you. Our ambition is to be as transparent as possible with you and your monthly overview will contain total cost of claims and management fees.

6.2. Renewal of your policy

This is a monthly policy which automatically renews every month. We will ask you if the value of your bicycle(s) and accessories have increased (you might have bought winter tyres, pedal bars or other cool gadgets) or decreased. We will adjust the terms accordingly and update your policy schedule.

If no adjustments are made and the policy is not cancelled, we will continue cover with the same terms as the previous month.

6.3. Cancellation of your policy

You may cancel your cover within 14 days of first taking out this policy unless you have already made a claim, in which case you will be required to pay your share for the month.

After that period, you may cancel the policy at any time but you will be liable to pay your share to the end of the whole month in which you cancelled.

We may cancel this policy if you have withdrawn your payment details and no other method of payment is filed. We will make several attempts to verify that this was intentional.

We may cancel this policy by giving you 14 days' notice in writing where we have a valid reason. A valid reason includes, but is not limited to non-payment of your share or not complying with our conditions of cover. We will cancel the policy immediately if we have evidence of fraud or serious non-disclosure and backdate that cancellation to the relevant date.

6.4. Your payment

We attempt to collect your payment on the 3rd business day of the next calendar month. We pre-authorize your payment on the last day of the month you are covered.

If **we** cannot collect **your share** successfully, **your** cover will be paused retroactively to the last day of the previous month and **you** will not be able to submit a claim. **We** will make several attempts to get in touch with **you** to continue **your** cover. If the payment succeeds before the 7th business day of the new month **we** will reactivate **your** cover retrospectively. If not **your** insurance cover will be cancelled.

After 30 days of not paying **your share**, **we** reserve the right to report the unfulfilled payment to a credit referencing agency of **our** choice.

7. Your cover

7.1. Who is covered

We cover **you**, the member of the Laka community, and family members living in **your home**.

7.2. What items can be covered

We will insure **your bicycle** for a value between £1,000 and £7,500. **You** can add extra **bicycles** between those values up to a total cover value of £15,000.

Secondary **bicycles** with a value below £1,000 but more than £500 may be added at **our** discretion.

We will insure any types of **bicycle** within those value brackets including electric **bicycles** which meet the relevant UK rules for 'electrically assisted pedal cycles' (EAPCs). Note that Northern Ireland has different rules for EAPCs which means that **our** insurance policy is not suitable for **your** EAPC if **you** are in Northern Ireland.

In addition, **you** can add the following **accessories** up to a total of £500 in value: trailers, passenger(s) carrying trailers, bicycle computers, bicycle GPS, bicycle watch, glasses and goggles, helmet, front and back lights, the lock, bottle cage and bicycle box.

Only **bicycles** and **accessories** specifically listed on the Laka **platform**, and shown on the **policy schedule**, are covered.

7.3. What we will cover

We will insure the **bicycle(s)** and **accessories** shown on **your policy schedule** for:

- **Theft**
- **Accidental damage**
- **Accidental loss**
- **Vandalism**

We will only cover **your bicycle(s)** for **theft** outside the **home** when it is locked through the frame, to an immovable object, with a **Sold Secure Gold Lock**.

To get **you home** safe and back on the road as quickly as possible, **we** will cover additional costs that allow **us** to replace or reinstate **your insured gear**, up to the value of £100. These costs include: delivery costs for **bicycles** and **accessories**, and fares for national travel via taxi, bus or train.

We do not apply depreciation. The value that **you** have insured **your bicycle(s)** and **accessories** for is the value that **we** will honour.

The maximum **we** will pay is the amount shown for individual **bicycle(s)** and **accessories** in your **policy schedule** (aside from any additional costs as described above).

Your bicycle(s) and **accessories** are covered within the United Kingdom, Channels Islands and Isle of Man. In addition, **you** are covered for up to 60 consecutive days of travel worldwide.

If **you** decide to cancel **your** policy during **your** travel, **your** cover will end on the day **your** policy ends.

7.4. How we will reinstate your bicycle

We will pay the cost of repair or pay the cost of replacement as new (cash settlement) or, at our discretion, arrange for repair or replacement.

We do not apply any deductible or excess.

Following a claim, you must activate cover for replaced insured gear by adding it to your policy through the Laka platform as you have as part of the on boarding journey.

7.5. What we will not cover

To protect the members of the Laka community from overly high payments we have to exclude certain situations from our insurance cover.

- Gradual causes including deterioration or wear and tear
- Professional racing
- Any act of fraud or dishonesty by you or anyone acting on your behalf
- Theft when your bicycle has been left unattended in the open if it has not been secured to an immovable object with a Sold Secure Gold Lock

8. Policy conditions

To ensure the pack consists of people equally conscientious like yourself, we require certain information from you.

8.1. You must provide us with photographs of all bicycles or accessories that you want covered

We will only cover insured gear that you have sent us photographs of, showing the items in your possession. Photographs must be provided within 14 days of activating cover or your policy will be cancelled.

A picture is sufficient provided it clearly shows **your bicycle(s)** or **accessories**. **We** require this partly as one of **our** precautions against fraud but also because it makes the claims process much easier.

We may ask for evidence of the value of **your bicycle(s)** and / or **accessories**.

8.2. You must have a Sold Secure Gold Lock

We must see evidence **you** have a **Sold Secure Gold Lock**.

You have to provide **us** with clear photographs of **your** lock, showing it both separate from and locked to **your** insured **bicycle**. The photographs must enable the lock to be identified as a **Sold Secure Gold Lock**. If **we** cannot identify the lock sufficiently from the photographs, **we** will accept any of the following as evidence:

- Original dated purchase receipt detailing the make and model of the lock
- Ebay or PayPal dated sale documentation detailing the make and model of the lock
- A dated web receipt from an online retailer detailing the make and model of the lock
- An independently written valuation provided by an accredited bicycle retailer detailing the make and model of the lock

You can submit the evidence through the Laka **platform** in My Gear > Accessories.

8.3. Fraud

We take fraud very seriously as it is **our** duty to protect the **pack**, and the interests of each of **our** customers.

If **you** or anyone acting on **your** behalf have intentionally concealed or misrepresented any information or circumstance that **you** had a responsibility

to tell **us** about, or engaged in any fraudulent conduct, or made any false statement relating to this insurance, **we** will:

- void the policy in the event of any fraud which occurred during the on boarding process, which means **we** will treat the policy as if it had never existed; or
- terminate the policy with effect from the date of any fraud which occurred during the period of insurance;

and in either case, **we** will:

- not pay any fraudulent claim or a claim which relates to a loss suffered after any fraud; seek to recover any money from **you** for any claim **we** have already paid which is later established as invalid, including the amount of any costs or expenses **we** have incurred;
- inform the police, other financial services organisations and anti-fraud databases, as appropriate

8.4. Sanctions

Notwithstanding any other terms of this policy **we** will be deemed not to provide cover nor will **we** make any payment or provide any service or benefit to **you** or any other party to the extent that such cover, payment, service, benefit and / or any business or activity of **you** would violate any applicable trade or economic sanctions law or regulation.

8.5. You must be a UK resident and at least 18 years old.

8.6. You must take reasonable care to prevent accidents or losses and to protect your bicycle(s) and accessories.

8.7. You must report any loss or theft to the police as soon as possible and provide us with the police report or the crime reference when submitting a claim.

8.8. You must notify us within 28 days of loss or damage.

8.9. This policy is governed by English law and any disputes will only be dealt with in the courts of England or other relevant country within the United Kingdom.

9. How you claim

If **your bicycle(s)** and **accessories** have been stolen, accidentally damaged / vandalised or accidentally lost, please file a claim through our **platform** <https://app.laka.co.uk>, including all relevant details and evidence to settle the claim.

You must provide photographic evidence of **your insured gear** in order to make a claim. Photographs will be used to confirm **your** ownership of the **insured gear** and demonstrate its condition to help **us** settle **your** claim.

We will contact **you** when **we** receive notification of **your** claim to discuss settlement which may involve an examination of damage.

Where **we** have wholly reinstated **you** for any **theft, accidental damage / vandalism** or **accidental loss** and **we** can recover any **bicycle(s)** or **accessories** in part or full, **we** reserve the right to take any damaged or recovered item or claim third party compensation.

10. What happens if we can't meet our obligations

Zurich is covered by the Financial Services Compensation Scheme (FSCS) which may provide compensation where an insurer is unable to meet its obligations. **You** can get more information about compensation scheme arrangements from the FSCS or by going to www.fscs.org.uk.

11. How we process and protect your data

Information provided to **us** is processed by **us** and **our** agents in compliance with the provisions of the Data Protection Act 1998. **We** process information for the purposes of validating the information **you** provide **us**, providing insurance and handling claims. Please note that **we** may have to provide such information to third parties and / or send information for processing to

other companies which may or may not be located within the European Economic Area. At all times **we** will do **our** best to treat **your** information with respect and confidentiality.

We may seek **your** permission to obtain personal data from Social Media platforms as part of the on boarding journey (Strava / Facebook login) and subsequently. **We** may further enrich **your** profile with additional data that is publicly available or, with **your** explicit permission, access more detailed information on alternative platforms (Instagram, Twitter etc).

Your data allows **us** to identify and prevent fraud (e.g. by comparing pictures of **insured gear** during the **period of insurance** through to a potential claim.

Under the Data Protection Act 1998, **you** have the right to ask for a copy of the information **we** hold about **you** and request **we** correct **your** information if it is inaccurate. If **you** want to know more about how **we** use personal information or have any data protection questions, please contact the Data Protection Officer, Laka Limited
44 Great Marlborough St, London W1F 7JL.

12. How we handle your complaints

We will do **our** best to deal with **you** fairly and to **your** satisfaction. If **you** have any concern or complaint about this policy, the settlement of a claim or **our** treatment of **you**, please contact **us** via web chat on the Laka **platform** or email **us** at support@laka.co.uk.

If **we** cannot resolve **your** complaint straight away **we** will aim to resolve **your** concerns as soon as possible.

If **your** complaint cannot be resolved within 3 working days, **we** will pass it to the policy underwriters, Zurich Insurance, who will review and respond, keeping **you** informed of progress as needed.

13. Next steps if you are still unhappy

If **you** are not happy with the outcome of **your** complaint you can ask the Financial Ombudsman Service to review your case. **You** will need to contact them within 6 months of the date of the decision Laka or Zurich has provided.

The service they provide is free and impartial. They can be contacted as follows:

Website: <http://www.financial-ombudsman.org.uk>
Telephone: 08000 234567 (free phone, mobile and landline)
Email: complaint.info@financial-ombudsman.org.uk
Post: Financial Ombudsman Service, Exchange Tower, London, E14 9SR

The above complaints procedure is in addition to **your** statutory rights as a consumer. For further information about **your** statutory rights contact **your** local authority Trading Standards Service or Citizens Advice Bureau.