

## MOTOR SECTION

### Sub-Section A Loss or damage

#### Defined events

Loss of or damage to any vehicle described in the schedule and its accessories and spare parts listed and described in the schedule whilst thereon provided that

1. the limit of indemnity for each type of vehicle is as stated in the schedule and shall be the maximum amount payable by the company in respect of such loss or damage, but shall not exceed the reasonable retail value (or other basis of indemnity selected being "market" or "agreed" value as indicated in the schedule) and its accessories and spare parts at the time of such loss or damage;
2. the company may, at its own option, repair, reinstate or replace such vehicle or any part thereof and/or its accessories and spare parts or may pay in cash the amount of the loss or damage not exceeding the reasonable market value (or retail or agreed value, as the case may be) of such vehicle and/or its accessories and/or spare parts at the time of such loss or damage;
3. if, to the knowledge of the company, the vehicle is the subject of a suspensive sale, lease, higher purchase or similar agreement, such payment shall be made to the owner described therein whose receipt shall be a full and final discharge to the company in respect of such loss or damage
4. in respect of each and every occurrence giving rise to a claim under this sub-section, the insured shall be responsible for the first amounts payable stated in the schedule (according to the type of vehicle) of any expenditure (or any less expenditure which may be incurred) for which provision is made under this sub-section (including any payment in respect of costs, expenses and fees), and of any expenditure by the company in the exercise of any discretion it may have under this insurance.

If the expenditure incurred by the company shall include any first amount payable for which the insured is responsible, such amount shall be paid by the insured to the company forthwith

5. the company shall not be liable for more than the amount stated in the schedule (after deduction of the first amounts payable) in respect of the theft or attempted theft of radios, tape players and similar equipment or telephones and tracking units not supplied by the manufacturers of the vehicle when new.
6. towing and recovery
  - a) where an incident payable in terms of the policy occurred within the borders of the Republic of South Africa, and towing and recovery of the insured item is necessary, the insured is required to arrange such recovery and towing via the toll-free number via the Toll-Free number **0861 TOWING (869464)**.
  - b) where the loss is not payable in terms of the policy or where the insured did not arrange recovery and towing via the toll-free number, such cost will not be covered in terms of the policy
  - c) where an incident payable in terms of the policy occurred outside the borders of the Republic of South Africa, the recovery and towing of the insured item will not be covered and such towing and recovery will be at the insured's own expense unless the policy has been extended to cover cross-border towing
  - d) Towing to the company's nearest approved repairer or salvage facility will be deemed sufficient. Any additional towing costs as might be required by the insured will not be paid in terms of the policy
  - e) Following repairs or reinstatement of the insured item, the reasonable cost of collecting or delivering the insured item is covered to a maximum limit of R7,000 any one occurrence
7. in the event of any incident giving rise to a claim under Sub-Section A the maximum payment in the event of any part (which shall include any spare wheel, tool, accessory and spare part) needed to repair or replace damage (insured under Sub-Section A of this section) to such insured vehicle being unobtainable in the Republic of South Africa as a standard

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(ready manufactured) article the liability of the company shall be discharged by the payment of a sum equal to the value of such part (including the reasonable cost of freight other than by air) at the time of the accident but not in any case exceeding such part's price as stated in the manufacturers last issued catalogue or price list

8. the cover provided by the company in terms of the territorial limits or extended territorial limits (if stated in the schedule to be applicable) whilst vehicles are travelling outside the borders of the Republic of South Africa is subject to the following exceptions (including exceptions to sub-section A):

- a) any parts stripped from the vehicle whilst left unguarded and / or unattended at the scene of an accident or whilst in transit back to the Republic of South Africa
- b) all and any imposed duties, customs, charges, bribes, release fees or stamps
- c) towing and recovery costs
- d) if following an accident the insured vehicle is not returned to the Republic of South Africa and it is declared by the company to be a constructive total loss outside the Republic of South Africa then:

the company will settle the claim for the estimated cost of repairs or the lesser of the market value preceding the loss and the sum insured less:

- i) the first amount payable;
- ii) the value of salvage calculated on what would have been realised in the Republic of South Africa if the vehicle had been recovered.

On payment of the above the salvage will belong to the insured provided that cover in terms of this section will cease if the vehicle is abandoned outside the Republic of South Africa.

#### **Exceptions to Sub-Section A**

The company shall not be liable to pay for

- a) consequential loss as a result of any cause whatsoever, depreciation in value whether arising from repairs following a defined event or otherwise, wear and tear, mechanical, electronic or electrical breakdowns, failures or breakages
- b) damage to tyres by application of brakes or by road punctures, cuts or bursts
- c) damage to springs/shock absorbers due to inequalities of the road or other surface or to impact with such inequalities
- d) detention, confiscation or requisition by customs or other officials or authorities
- e) loss or damage of any insured vehicle from or in connection with any exchange, cash or credit sale agreement, including theft under false pretence and/or fraud
- f) loss not payable in terms of the policy or where the insured did not arrange recovery and towing via the toll-free number.

#### **Sub-Section B Liability to third parties**

##### **Defined events**

Any accident caused by or through or in connection with any vehicle described in the schedule or in connection with the loading and/or unloading of such vehicle in respect of which the insured and/or any passenger becomes legally liable to pay all sums including claimant's costs and expenses in respect of

- i) death of or bodily injury to any person, but excluding death of or bodily injury to any person in the employ of the insured arising from and in the course of such employment or being a member of the same household as the insured

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- ii) damage to property other than property belonging to the insured or held in trust by or in the custody or control of the insured or being conveyed by, loaded onto or unloaded from such vehicle.

The company will also, in terms of and subject to the limitations of and for the purposes of this Sub-Section ,

1. pay all costs and expenses incurred with their written consent, and shall be entitled at their discretion to arrange for representation at any inquest or inquiry in respect of any death which may be the subject of indemnity under this subsection, or for defending in any magistrate's court any criminal proceedings in respect of any act causing or relating to any event which may be the subject of indemnity under this sub-section, provided that the total of the company's liability under both this extension and sub-section B shall not exceed the limit of indemnity stated to apply to sub-section B
2. indemnify any person who is driving or using such vehicle on the insured's order or with the insured's permission provided that
  - a) such person shall, as though he were the insured, observe, fulfil and be subject to the terms, exceptions and conditions of this insurance in so far as they can apply
  - b) such person driving such vehicle has not been refused any motor insurance or continuance thereof by any insurer
  - c) indemnity shall not apply in respect of claims made by any member of the same household as such person
  - d) such person is not entitled to indemnity under any other policy except in respect of any amount not recoverable there under
3. indemnify the insured while personally driving or using any private type motor car not belonging to him and not leased or hired to him under a lease or suspensive sale agreement, provided the insured is an individual and has insured hereunder a vehicle described under definition (a) or (b) and provided the company shall not be liable for damage to the vehicle being driven or used
4. indemnify the insured in respect of liability arising from the towing by a vehicle (other than for reward) of any other vehicle or trailer (including liability in connection with the towed vehicle or trailer), provided the company shall not be liable for damage to the towed vehicle or trailer or to property therein or thereon.

provided that

in respect of each and every occurrence giving rise to a claim under this sub-section, the insured shall be responsible for the first amounts payable stated in the schedule (according to the type of vehicle) of any expenditure (or any less expenditure which may be incurred) for which provision is made under this sub-section (including any payment in respect of costs, expenses and fees), and of any expenditure by the company in the exercise of any discretion it may have under this insurance.

If the expenditure incurred by the company shall include any first amount payable for which the insured is responsible, such amount shall be paid by the insured to the company forthwith

#### **Exceptions to Sub-Section B**

The company shall not be liable under this sub-section in respect of

- a) so much of any compensation or claim as falls within the scope of any compulsory motor vehicle insurance enactment. This exception shall apply notwithstanding that no insurance under such enactment is in force or has been effected
- b) death of or injury to any person being carried in or upon or entering or getting onto or alighting from a vehicle described in definition (b), (c), (d) or (e) at the time of the occurrence of the event from which any claim arises (except any person being carried in or upon or entering or getting onto or alighting from a permanently enclosed passenger-carrying compartment of a commercial vehicle with a carrying capacity not exceeding 1 500kg)
- c) liability arising from the operation, demonstration or use (for purposes other than maintenance or repair of the vehicle) of any tool or plant forming part of or attached to or used in connection with a vehicle or anything manufactured by or contained in any such tool or plant. This exclusion shall not apply to forklift trucks.
- d) any liability for

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- i personal injury or bodily injury or financial loss or loss of, damage to, or loss of use of property directly or indirectly arising out of an environmental incident.
- ii the cost of removing nullifying or cleaning up pollutants
- iii fines, penalties, punitive or exemplary damages arising directly or indirectly out of the discharge, dispel, release or escape of pollutants.

### Limits of Indemnity

Unless otherwise stated, the liability of the company under this sub-section in respect of anyone occurrence shall not exceed the limits of indemnity as stated in the schedule.

### Sub-Section C Medical expenses

#### Defined Events

If an occupant in the specified part of a vehicle described below, in direct connection with such vehicle, sustains bodily injury by violent, accidental, external and visible means, the company will pay to the insured the medical expenses incurred as a result of such injury up to **R5 000** per injured occupant but not exceeding **R20 000** in total for all occupants injured as a result of an occurrence or series of occurrences arising out of one event.

The amount payable under this sub-section shall be reduced by any amount recoverable under any workmen's compensation enactment or similar legislation.

The term medical expenses includes any costs incurred to free such injured occupant from such vehicle or to bring such injured occupant to a place where medical treatment can be given.

Defined vehicle but only if it is insured under sub-section A of this section	Specified part of vehicle in which injury must occur
i) Any private car or motorised caravan	Anywhere inside the vehicle
ii) Any other type of insured vehicle other than a bus or taxi	The permanent enclosed passenger-carrying compartment

### Definitions

#### 1. Occurrence

The term occurrence shall mean an occurrence or series of occurrences arising from one cause in connection with anyone vehicle in respect of which indemnity is provided by this insurance.

#### 2. Vehicle

The term vehicle shall mean

- a) private type motor cars (including station wagons, safari vans, estate cars and the like or similar vehicles designed to seat not more than 12 persons including the driver)
- b) commercial vehicles and special type vehicles as described in the schedule
- c) motor cycles (including motor scooters and 3-wheeled vehicles)
- d) buses (including any vehicle used for business purposes and designed to seat more than 12 persons, including the driver)
- e) trailers, i.e. any vehicle without means of self-propulsion designed to be drawn by a self-propelled vehicle, but excluding any parts or accessories not permanently fitted thereto

any such vehicle being owned by or hired or leased to the insured.

#### 3. Retail Value

The term retail value shall mean the recommended retail price of the vehicle as reflected in the Trans Union Auto Information "Auto Dealers' Guide" or "Commercial Vehicle Dealers' Guide" for the make and model. Where the particular make and model of the vehicle is not given in the Guide, then the average value decided by three independent motor industry sources of our choice will be used as the retail value of the vehicle. The retail value of the vehicle will be

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adjusted according to its kilometre reading and condition and accessories and spare parts specified in the schedule.

**4. Market Value (if stated in the schedule to be applicable)**

The term market value shall mean the average between Trade and Retail prices as reflected in the Trans Union Auto Information "Auto Dealers' Guide" or "Commercial Vehicle Dealers' Guide" for the make and model. Where the particular make and model of the vehicle is not given in the guides, then the average value decided by three independent motor industry sources of our choice will be used as the market value of the vehicle. The market value will be adjusted according to the vehicle's kilometre reading and condition and accessories and spare parts specified in the schedule.

**5. Agreed Value (if stated in the schedule to be applicable)**

The term agreed value shall mean the vehicle value, plus a maximum percentage increase as agreed with the insured at inception and shown in the schedule, subject to a certificate of valuation as might be required by the company, but excluding vehicles older than 5 years.

**6. Territorial Limits**

The term territorial limit shall mean the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, and Malawi.

**7. Extended Territorial Limits (if stated in the schedule to be applicable)**

The term territorial limit is extended to mean Zambia, Mozambique, Tanzania, Kenya, Uganda, Angola and the Democratic Republic of Congo (DRC) not further north than Kolwezi.

**8. Abandoned**

The term abandoned shall mean deserted, discarded, forsaken, derelict, vacant, dumped and/or cast-off.

**9. Environmental Incident**

The term environmental incident means the discharge, dispersal, release or escape of any solid, liquid, gaseous or thermal irritant, pollutant or contaminant, including, but not limited to, smoke, vapours, soot, fumes, acids, alkalis, toxic chemicals, and waste materials in or on land, or any structure on land, the atmosphere or any watercourse or body of water, including groundwater, provided such conditions are not naturally present in the environment in the amounts or concentrations discovered, leading to serious danger to the public or potential serious pollution of or detriment to the environment, excluding a claim in connection with Microbial Matter.

**10. Environmental Impairment**

The term environmental impairment means damage to the environment in respect of which the Insured is held legally liable under the National Environmental Management Act 107 of 1998 (N.E.M.A.), as amended from time to time

**11. Microbial Matter**

Microbial matter means fungi or bacterial matter which reproduces through the release of spores or the splitting of cells, including but not limited to, mould, mildew and viruses, whether or not such Microbial Matter is living

**No claim rebate provisions (applicable to specified vehicle basis)**

In the event of no claim being made or arising under this policy during a period of insurance specified below immediately preceding the renewal of this policy, the renewal premium for the insurance of the vehicles will be based on the relevant Claim-free group as follows:

**Vehicle Definition (a)**

	Claim free group
Period of insurance the preceding year	1
the preceding two consecutive years	2
the preceding three consecutive years	3
the preceding four consecutive years	4
the preceding five or more consecutive years.	5
Otherwise than above, claim-free group.	0

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If one or more claims are made or arise under this policy during a period of insurance for which the premium is based on claim-free group 4 or 5, then the next renewal premium will be based on claim-free group 2 or 3 respectively and for subsequent renewals as follows

**(i) Claim-Free Group 4**

Period of insurance during which no claim is made or arises the preceding year	Claim free group
The preceding year	3
the preceding two consecutive years	4
the preceding three consecutive years	5

**(ii) Claim-Free Group 5**

Period of insurance during which no claim is made or arises the preceding year	Claim free group
The preceding year	4
the preceding two consecutive years	5
Otherwise than, Claim-free Group	0

Should the company consent to a transfer of interest in this policy, the period during which the interest was in the transfer or shall not accrue to the benefit of the transferee.

If more than one vehicle is described in the schedule to this policy, the claim-free group/no claim discount shall be applied as if a separate policy had been issued in respect of each such vehicle.

**Extensions**

**1. Contingent liability extension (If stated in the schedule to be included)**

The indemnity under Sub-Section B includes claims made against

- the insured in the event of an accident arising in the course of the business and caused by or through or in connection with any motor vehicle not the property of or provided by the insured, while being used by any partner or director or employee of the insured (hereinafter in this extension referred to as such person)
- any such person in the event of an accident arising in the course of the business and caused by or through or in connection with any motor vehicle not belonging to him or to the insured or leased or hired by either of them, but only in so far as such person has not been refused any motor insurance or continuance thereof by any insurer

provided that

- all the words in (b) of the exceptions to Sub-Section B are deleted
- the company shall not be liable for loss of or damage to any motor vehicle being used for the purposes and in the manner described in (a) and (b) above
- the payment by the insured of subsidies or travelling allowances to such person for the use of his own vehicle for official purposes of the insured, including the carriage of persons for such purposes, is allowed without prejudice to the insurance by this extension
- if, at the time of the occurrence of any accident giving rise to a claim under this extension, the insured or such person is entitled to indemnity under any other policy in respect of the same occurrence, the company shall not be liable to make any payment hereunder except in respect of any first amount payable beyond the amount payable under such other policy
- the terms, exceptions and conditions of the policy shall otherwise apply.

**2. Passenger liability (if stated in the schedule to be included)**

Exception (b) to Sub-Section B shall not apply to vehicles described in definition (b), other than special types, or in definitions (c), (d) or (e). Provided that cover is limited to any person while being carried in or entering into or alighting from the driver's cabin of such insured vehicle at the time of the happening of the occurrence out of which any claim arises. The limit of indemnity for anyone occurrence shall not exceed the amount stated in the schedule.

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**3. Unauthorised passenger liability**

The indemnity under sub-section B, notwithstanding exception (b) thereto, extends to cover the insured's legal liability for death of or bodily injury to persons while being carried in or entering into or alighting from the driver's cabin of such insured vehicle in contravention of the insured's instructions to their driver not to carry passengers.

The limit of indemnity for anyone occurrence shall not exceed the amount stated in the schedule.

**4. Parking facilities and movement of third party vehicles extension**

This section extends to indemnify the insured in respect of accidents caused by or through or in connection with the moving of any vehicle (not owned or borrowed by or hired or leased to the insured) by any person in the employ of the insured or acting on the insured's behalf, provided always that such vehicle was being moved

- (a) with the authority of any tenant, customer or visitor of the insured or
- (b) in connection with the insured's parking arrangements or
- (c) to facilitate the carrying out of the insured's business,

and provided further that this extension shall not apply in respect of damage to vehicles which are parked for reward. For the purpose of this extension, such vehicle (and its contents) shall not be deemed to be held in trust by, or in the custody or control of, the insured.

**5. Windscreen (if stated in the schedule to be included)**

The provisions of this section relating to first amount payable and no claim rebate shall not apply to any payment for damage to windscreen glass, side or rear glass forming part of any vehicle

provided that

- (a) no other damage has been caused to the vehicle giving rise to a claim under the policy
- (b) the insured shall be responsible for the first amount payable (applicable to glass) stated in the schedule of each and every loss.

**6. Waiver of subrogation rights**

For the purposes of this section, the company waives all rights of subrogation or action which they may have or acquire against any other person to whom the indemnity hereunder applies, and each such person shall observe, fulfil and be subject to the terms, exceptions and conditions (both general and specific) of this insurance in so far as they can apply.

**7. Principals**

Notwithstanding specific exception 2 of this section, the indemnity under Sub-Section B extends to indemnify, to the extent required by the conditions of any contract of the Building Industries Federation of South Africa, and in connection with any liability arising from the performance of such contract, any principal named in such contract entered into by the insured for the purposes of the business, provided that the liability of the company shall not exceed the limit of indemnity stated in the schedule.

**8. Cross liabilities**

Where more than one insured is named in the schedule, the company will indemnify each insured separately and not jointly, and any liability arising between such insured shall be treated as though separate policies had been issued to each, provided that the aggregate liability of the company shall not exceed the limit of indemnity stated in the schedule.

**9. Riot and strike (if stated in the schedule to be included)**

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein, this section is extended to cover loss or damage directly occasioned by or through or in consequence of:

- i) civil commotion, labour disturbances, riot, strike or lockout;
- ii) the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in (i) above;

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- (a) loss or damage occurring in the Republic of South Africa and Namibia;
- (b) consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured;
- (c) loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;
- (d) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation commandeering or requisition by any lawfully constituted authority;
- (e) loss or damage related to or caused by any occurrence referred to in General exception 1 (A) (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If the company alleges that, by reason of provisos (a), (b), (c), (d) or (e), loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

**10. Loss of keys (if stated in the schedule to be included)**

The company will indemnify the insured in respect of the cost of replacing locks and keys, including the remote alarm controller and, if necessary, the reprogramming of any coded alarm system of any insured vehicle, following upon the disappearance of any key or alarm controller of such vehicle or following upon the insured having reason to believe that any unauthorised person may be in possession of a duplicate of such key or alarm controller, provided that

- (i) the company's liability shall not exceed, in respect of anyone event, the amount stated in the schedule
- (ii) such amount shall be reduced by the first amount payable stated in the schedule.

The provisions of this section relating to first amount payable and no claim rebate shall not apply to this extension.

**11. Fire extinguishing charges**

Any costs (not exceeding **R15 000**) relating to the extinguishing or fighting of fire shall be deemed to be damage to the insured property and shall be payable in addition to any other payment for which the company may be liable in terms of this section, provided the insured is legally liable for such costs and the insured property was in danger from the fire.

**12. Wreckage removal extension**

The cover provided under Sub-Section A of this section is extended to include costs and expenses incurred by the insured in respect of the clearing up and removal of debris and wreckage of any insured vehicle following damage to such vehicle by a defined event, provided that, in addition to the limit of indemnity under Sub-Section A of this section, the limit of the company's liability under this extension shall not exceed, in respect of anyone occurrence, **R25 000** or the limit stated in the schedule.

**13. Own damage first amount payable reducer (if stated in the schedule to be included)**

If the insured's vehicle is damaged the company will pay the insured the total of the Standard Own damage first amount payable deducted from the insured's claim under sub-section A up to the amount stated in the schedule for this extension.

If the insured's vehicle written off by the company as a total loss and the company makes a successful recovery under Sub-Section A on the insured's behalf the company reserves the right to be reimbursed a rateable portion of the first amount payable that was paid to the insured.

**14. Theft and hijack first amount payable reducer (if stated in the schedule to be included)**

If the insured's vehicle is stolen or hijacked the company will pay the insured the total of the first amount payable deducted from the insured's claim under sub-section A up to the amount stated in the schedule for this extension.

If the company makes a successful recovery under Sub-Section A on the insured's behalf the company reserves the right to be reimbursed a rateable portion of the first amount payable that was paid to the insured.

**Specific exception:**

Any loss or damage to parts, accessories or tyres as a result of theft, unless the entire insured vehicle is stolen at the same time.

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**15. Third party – first amount payable reducer (if stated in the schedule to be included)**

The company will pay the third party first amount payable which is payable in terms of the underlying insurance policy limited to the maximum sum insured stated in the schedule for this extension.

**Inner first amount payable/First amount payable**

This is based on a Franchise first amount payable equal to the Third party first amount payable. If the claim amount is more than the Third party first amount payable, the insurer will be responsible for the full claim amount. If the claim amount is less than the Third party first amount payable, the client will be responsible for the claim amount.

**16. Loss of use/downtime (if stated in the schedule to be included)**

The company will pay the weekly rate as shown in the schedule for the period the insured vehicle is out of use following a defined event up to the maximum amount shown in the schedule for this extension.

Specific conditions:

- i) There must be a claim under Sub-Section A.
- ii) Compensation under this section will start after the time first amount payable stated in the schedule and will continue until the date that the insured is notified that the vehicle is ready to be collected from the repairer. If the vehicle is written off, compensation will continue until the date that the initial agreement of loss is tendered to the insured or maximum period as stated in the schedule, whichever is the lesser.
- iii) Should the insured vehicle be declared a total loss, cover will cease on the day that the initial agreement of loss is tendered by the company under Sub-Section A, provided that the maximum period of compensation for vehicles which are declared to be a total loss is **6 (six) weeks**.
- iv) If the vehicle is stolen or hijacked, compensation will commence from the time the company is first notified of the theft or hijack of the insured vehicle. Compensation will cease on the day that the company tenders the initial agreement of loss to the insured or maximum period as stated in the schedule, whichever is the lesser, or when the vehicle is recovered.

**17. Credit shortfall (if stated in the schedule to be included)**

If any total loss settlement under Sub-Section A is less than the amount owing to the financier under a current instalment sale or lease agreement, the company will pay to the insured an additional amount equal to the shortfall less:

- (a) any arrears instalments or rentals including interest payable on such arrears
- (b) all refunds of premium for cancellation of any insurance cover relating to the motor vehicle
- (c) the increased instalments or rentals that would have been paid had there been no residual capital value at the end of the finance period, calculated to the month in which the claim is settled
- (d) any deductions from the comprehensive claim agreement of loss
- (e) the first amount payable payable in terms of Sub-Section A

provided always that

- i) the amounts payable shall not exceed the maximum indemnity less the first amount payable under Sub-Section A
- ii) this endorsement shall not apply to an agreement whereby the amount of any single instalment other than the final residual amount after the initial payment differs by more than 10% from any other instalment
- iii) if such shortfall is as a result of a re-advance under an instalment sale or refinancing in terms of a lease the insurance by this extension shall be void.

**18. Deposit protector (if stated in the schedule to be included)**

The company will pay an amount towards the deposit required in order to purchase a replacement vehicle following a total loss settlement.

**Specific Conditions**

1. In terms of each specifically insured vehicle the benefit is limited to a maximum sum insured per event of 10% of the vehicle value or **R150 000**, whichever is the lesser.
2. The basis of indemnification will be the Retail value of the Insured vehicle as at the date of loss.
3. A credit agreement must be in force on the Insured vehicle.

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**19. Recovery and cross-border towing (if stated in the schedule to be included)**

- i) Where the insured vehicle is involved in an accident outside the borders of the RSA and sustains damage which is insured in terms of Sub-Section A of the policy and which renders it incapacitated, the company will pay the actual costs of recovery and towing which have been incurred to repatriate the insured vehicle to the RSA, provided that the indemnity afforded by this section does not exceed the amount on the schedule, and provided that the cover under this section only pays for the costs incurred in getting the insured vehicle to the South African side of the border. Once the insured vehicle is on the South African side of the border all cover under this section ceases.
- ii) The company shall not be liable to pay for:
  - a) the cost of any damages which may occur to the vehicle during the course of repatriation to the South African side of the border
  - b) the cost of any duties payable to the authorities.

**20. Mechanical breakdown towing cost (if stated in the schedule to be included)**

The cover afforded under this extension applies to towing costs directly resulting from mechanical breakdown of an insured vehicle in consequence of failure of the engine, gearbox or differential from a mechanical cause, which renders the insured vehicle immobile and, in the opinion of Merx HCV (which opinion shall be reasonably held), incapable of being driven.

The towing costs are the costs of the collection of the vehicle, or vehicles in the event of a combination of truck and trailer(s), and delivery of the same vehicle or vehicles to the nearest depot of the panel towing company or such other depot as is specifically authorised by Merx HCV prior to the commencement of the towing.

In all cases Merx HCV has the option of designating the depot to which the vehicle must be towed. This cover will allow Merx HCV to tow the immobile vehicle to a place of safety. There is no limit on the radius; however, any tow is to be done by our panel towing contractors. The panel towing contractors need express authorisation from Merx HCV only.

**Specific Exceptions**

No towing cover shall apply in respect of immobility directly or indirectly resulting from:

- i) load shifting;
- ii) overloading;
- iii) brakes or brake related problems;
- iv) air leaks;
- v) tyre problems including punctures and/or tyre failure;
- vi) poor driving practices, including but not limited to, negotiating a road unsuitable for use by the particular category of vehicle, negotiating gravel roads during or after heavy rainfall periods, and driving a vehicle or vehicles whose load/s exceed the permissible load weights in terms of the road traffic legislation.

**21. Environmental Impairment Clean-up cost (if stated in the schedule to be included)**

Notwithstanding Exceptions to sub-section B d) this policy is extended to include cost and expenses caused by an environmental Incident.

Clean-up means the deactivation, removal, neutralisation, nullification and/or remediation of soil, surface water, groundwater, or any other pollution or contamination resulting from loss or damage to an insured vehicle.

Cost and Expenses means all reasonable costs and expenses, incurred by the Insured with the Insurer's consent, of:

- i) Clean-up;
- ii) Rehabilitation;
- iii) The investigation and/or monitoring costs, containment and/or maintenance costs and all legal costs associated therewith;
- iv) Fees charged by any specialists as designated by the Insurer in the investigation of any incident which may give rise to indemnity in terms of this Policy;
- v) Representation at any Inquest or Accidental Inquiry in respect of an Environmental Incident, which may form part of the subject of indemnity by this Policy and/or defending any proceedings in a Court of Summary Jurisdiction in respect of matters which may form the subject of indemnity by this Policy;

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Provided such expenses:

1. are specifically mandated by any government or statutory body, agency or entity duly acting under the authority of the Environmental Laws; or
2. have actually been incurred by a government or statutory body, agency or entity or by a third party.

but excluding:

- a. the salaries of any Insureds' employees; and
- b. costs, charges or other expenses incurred by the Insured for goods supplied or services performed by or on behalf of the staff or salaried employees of the Insured, or its parent, subsidiary or affiliate.

Cost and expenses caused by leakage or discharge of fuel from the side tanks of the insured vehicle will be limited to **R80 000** per incident. The insured will be responsible for the first amount payable of **R5 000** per incident.

**Specific condition**

On the happening of any incident giving rise to an environmental incident the insured or his representative must call Hazcall 24 (Pty) Ltd at **0860 44 44 11**. Failure to contact Hazcall 24 will lead to the claim being repudiated.

**Memoranda**

**1. Premium adjustment clause**

If this section is issued on a non-specified vehicle basis, the insured shall submit to the company at the end of each period of insurance a declaration of the total number of vehicles owned, hired or leased at such expiry date.

The company shall, upon receipt of this declaration, make a premium adjustment of 50% of the annual rate per vehicle applied to the difference in the number of vehicles at inception or renewal and the number declared.

**2. War clause**

In respect of sub-sections B and C only, general exception 1 is deleted and replaced by the following:

This section does not cover war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, military or usurped power.

**3. Description of use clause**

Use for social, domestic and pleasure purposes and use for the business or occupation of the insured excluding

- (a) hiring, carriage of passengers for hire or carriage of fare paying passengers, racing, speed or other contests, rallies, trials, carriage of explosives or carriage of any load or passengers exceeding the capacity for which it is constructed or licensed to carry
- (b) any activity in connection with the motor trade. The indemnity to the insured in connection with any insured vehicle shall operate while such vehicle is in the custody or control of a member of the motor trade for the purpose of its overhaul, upkeep or repair.

**Optional limitations**

**Third party only limitation (if stated in the schedule to be applicable)**

Sub-sections A and C and the no claim rebate provisions are cancelled.

**Third party, fire and theft only limitation (if stated in the schedule to be applicable)**

The liability of the company under sub-section A is restricted solely to loss or damage resulting from fire, self-ignition, lightning or explosion or by theft or any attempt thereat. Further, sub-section C and the no claim rebate provisions are cancelled.

**Comprehensive excluding theft (if stated in the schedule to be applicable)**

Loss of or damage to the vehicle or any part thereof (including, among others, any tools, accessories, spare parts and spare wheel) in the event of theft/hijacking will not be covered.

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### Specific exceptions

1. The company shall not be liable for any accident, injury, loss, damage or liability

- (a) whilst the vehicle is being used with the general knowledge and consent of the insured otherwise than in accordance with the description of use clause
- (b) incurred outside the territorial limits or extended territorial limits (if stated in the schedule to be applicable)
- (c) incurred while any vehicle is being driven by
  - i) the insured while under the influence of intoxicating liquor or drugs (unless administered by or prescribed by and taken in accordance with the instructions of a member of the medical profession other than himself); or while the concentration of alcohol in his/her bloodstream exceeds the legal limit as prescribed by Section 65 of the National Road Traffic Act.
  - ii) any other person with the general knowledge or consent of the insured who, to the insured's knowledge, is under the influence of intoxicating liquor or drugs (unless administered by or prescribed by and taken in accordance with the instructions of a member of the medical profession other than himself or the insured); or while the concentration of alcohol in his/her bloodstream exceeds the legal limit as prescribed by Section 65 of the National Road Traffic Act.
- (d) if the driver or operator of any insured vehicle or any other vehicle forming a part of a combination of vehicles together with an insured vehicle, at the time of any accident giving rise to a claim in terms of this Policy is found not to comply with the National Road Traffic Act No. 93 of 1996 (as amended) and the regulations issued there under or any relevant traffic ordinance insofar as they apply to vehicle licenses, clearance certificates, operators permits, drivers licences, Professional Drivers Permits and dangerous goods.
- (e) if the insured vehicle or any other vehicle forming a part of a combination of vehicles together with an insured vehicle, is at the time of any incident giving rise to a claim in terms of this Policy is found to be in a state or condition which is not roadworthy or does not comply with Part II of the regulations and standards promulgated in terms of the National Road Traffic Act No 93 1996 (as amended).
- (f) if the insured vehicle or any other vehicle forming a part of a combination of vehicles together with an insured vehicle either singularly or in combination is at the time of any incident giving rise to a claim in terms of this Policy is found to be overloaded as provided for in terms of the National Road Traffic Act No 93 1996 (as amended) and the regulations issued there under or where the combined mass of the combination of vehicles and the load thereon exceeds 56 000 kilograms.
- (g) loss or damage of any insured vehicle, registered in the Republic of South Africa, not in compliance with the SANS standard specifications incorporated in Chapter VIII of the National Road Traffic Act 93 of 1996 (as amended) covering dangerous goods and in respect of vehicles registered in Lesotho and Swaziland, vehicles that do not comply with the local legislation and regulations regulating the transportation of hazardous material provided that in the absence of local legislation or regulations, the United Nations Standards for the transportation of hazardous materials.

It is noted and agreed that hazardous material extends to include, but not limited to:

- i) oil or liquefied gas;
  - ii) chemical substances and gases in liquid, compressed or gaseous state.
- (h) resulting from theft or hijacking where a tracking and recovery system which has been accepted by the company as fitted to the insured vehicle was not fully functional at the time and date of loss or where the subscription or service fee or service agreement had not been fully maintained by the insured. It is further warranted by the insured that during the currency of this policy, the insured shall keep in force a legal contract between themselves, and the supplier of the vehicle tracking company. The vehicle must be monitored by a 24 hour control room

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operated by the tracking company, and any recovery must be initiated and controlled by the tracking company.

2. The company shall not be liable for any claim arising from contractual liability, unless such liability would have attached to the insured notwithstanding such contractual agreement.

**Specific condition**

If, during the currency of this section, any driver's licence in favour of the insured or their authorised driver is endorsed, suspended or cancelled, or if he or they shall be charged or convicted of negligent, reckless or improper driving, notification shall be sent in writing to the company immediately the insured has knowledge of such fact.

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