
MOTOR SAFE POLICY WORDING

GENERAL TERMS AND CONDITIONS

Mutual & Federal Risk Financing Limited Registration Number 1966/010741/06 (the insurer) agrees upon receipt of the premium to indemnify or compensate the insured by payment in respect of the insured perils and defined events provided in terms of this policy during any period of insurance for which it accepts a premium.

This policy wording as amended from time to time, various administrative forms, Application Forms, Policy Schedules, declarations, authorisations, any voice-logged conversations pertaining to this policy and agreements supplied by Mutual & Federal Risk Financing Limited shall form the basis of this insurance contract. In the event of any conflict between the provisions of this policy wording and that of any other documents as mentioned above, the provisions of the policy wording shall prevail.

The Intermediary will receive commission from Mutual & Federal Risk Financing Limited as set out in the Policy Schedule.

GENERAL DEFINITIONS

- a) We/us/our means the Insurer - Mutual & Federal Risk Financing Limited a registered Insurer for the purposes of the Short-term Insurance Act 1998 and a licensed financial services provider for the purposes of the Financial Advisory and Intermediary Services Act 2002.
- b) You/your/yours/yourself means the insured named in the schedule, other insured(s) and/or other parties to whom cover in terms of the sections of this policy has been provided.
- c) Insured means the person named in the Schedule of Insurance, who is the owner of the Policy and is responsible for the payment of the premium, which also includes each member of his family normally residing with him/her at the risk address as stated on the Schedule of Insurance.
- d) Tyres shall mean any tyre(s) purchased and fitted to an insured private motor vehicle including private light delivery vehicles not exceeding 3500 kg, by a reputable tyre franchisee.
- e) Anniversary date means the day, generally the 1st day of the month, not more than 12 months from the start date of the policy.
- f) Any vehicle not in a roadworthy condition.
- g) This policy is not transferable to another/or other vehicle.

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- h) Tyres where the tyre tread depth is not in accordance with the regulations as stipulated in the Road Traffic Act (Act 93 f 1996).
 - i) Speed testing, reliability trails, hire or reward or off road activities.
 - j) Loss or damage caused by a road traffic accident, fire or theft.

GENERAL PROVISIONS

1. INTERPRETATION

The schedule and any endorsements thereto, this policy wording and the underlying policy wording shall be read together and any word or expression to which a specific meaning has been given in any part thereof shall bear such meaning wherever it may appear.

2. SUMS INSURED LEFT BLANK IN SCHEDULE

If the sum insured, limit of liability or benefit in the schedule is:

- a) left blank or no amount is stated against it;
- b) is shown as "Nil" or "0", as "N/A" or "Not Applicable", as "Not Insured" or as "No", "Not Included" or "Excluded";

it means that the insurance cover, peril or circumstance as stated in the schedule is not insured or provided for by your policy.

3. PERIOD OF INSURANCE

The Period of Insurance is initially the period from the inception date of the policy to the last day of the calendar month in which the inception date occurs. Thereafter the renewal Period of Insurance is equivalent to one calendar month.

4. DISCLOSURE PERMISSION GRANTED BY YOU

By taking out this policy, you have acknowledged that the sharing of claims and underwriting information (including credit information) by insurers is essential to enable the insurance industry to underwrite policies and assess risks fairly and to reduce the incidence of fraudulent claims, in the public interest and with the view to limiting premiums.

On your behalf and on behalf of any person that you represent herein, you hereby waive any right to privacy in any insurance information provided by you or on your behalf in respect of any insurance policy or claim made or lodged by you and you consent to such information being disclosed to any other insurance company or its agent.

You also acknowledge that the information provided by you may be verified against other legitimate sources or databases.

The policyholder, on his/her own behalf or any person who is represented, hereby waives any rights to confidentiality with regards to underwriting or claims information (including credit information) that has been provided by any person in respect of any insurance policy or claim made or lodged by the policyholder.

The policyholder acknowledges that the insurance information so provided may be stored in the shared database and used as set out above as well as for any decision pertaining to the continuance of the policyholder's policy or the meeting of any claim the policyholder may submit.

5. COMPLIANCE WITH TERMS AND CONDITIONS OF THE POLICY

Unless you have complied with all policy terms and conditions we will not accept any liability under this insurance.

6. FRAUD

If any claim in terms of this policy is in any respect fraudulent or if any fraudulent means or devices are used by you or anyone acting on your behalf or with your knowledge or consent to obtain any benefit under this policy or if any event is caused or contributed to by the willful act or with your connivance the benefit afforded under this policy in respect of any such claim shall be forfeited.

7. MISREPRESENTATION, MISDESCRIPTION AND NON-DISCLOSURE

We may declare this policy or any part of it as void or voidable and of no binding effect if details provided by you or on your behalf, whether requested by us or not, which affect the terms of acceptance or continuation of any risk by us are not disclosed or are misrepresented or not fully and accurately described or if you do not advise us of any change in the risk.

8. MORE THAN ONE POLICY

The relevant section(s) of the policy will not respond if there are any other insurance policies in place providing the same cover as the corresponding section(s) below.

9. NO RIGHT TO OTHER PERSONS

Unless otherwise provided, nothing in this policy shall give any rights to any person other than the insured. Any extension providing indemnity to any person other than the insured shall not give any rights of claim to such person, the intention being that the insured shall claim on behalf of such person. Payment to you shall in every case be a full discharge by us.

10. TERRITORIAL LIMITS

The cover is restricted to vehicles within the Republic of South Africa.

11. REPATRIATION

If the vehicle is damaged outside of the Republic of South Africa, the cost of repatriation will not be covered.

12. CANCELLATION

This policy or any section may be cancelled by:

- a) You at any time in writing and we will be entitled to retain the short period premium or minimum premium;
- b) Us, by giving the requisite notice to you in writing at your last known or nominated address and we will retain a short period premium. Notice shall be deemed to have been received by you after 10 days of the dispatch of the notice unless proven by you to the contrary.

13. PREMIUM PAYMENTS

- a) If you put a stop payment on your premium this policy will automatically be cancelled from the date that the premium was due to be paid.
- b) We may decide to change the amount of premium payable under this policy at any time and if we do we will give you 30 (thirty) days' notice of a change in premium.
- c) It is a condition of cover that at inception of cover the insured will pay insurers a premium as stipulated on the schedule.
- d) This policy is valid for one calendar month provided that:
 - i. The policy is automatically renewed for a further month every time you pay your premium which must be paid on the due date as agreed;
 - ii. The premium is payable in advance and you will only be covered for that period in respect of which your premium has been paid;
 - iii. Non-payment of the premium shall result in the policy terminating;
 - iv. If we do not receive your first premium (in the first month) the policy will be void from the inception date.

14. CLAIMS PROCEDURE, REQUIREMENTS AND CONDITIONS

- a) The Policyholder (and or its employees) agrees to undergo a Layered Voice Analysis as a pre-assessment relating to any claim submitted in terms of this section of the policy.
- b) You must give all information, documentation and assistance required by us in order that we can settle the claim.
- c) If we reject a claim or dispute the quantum of any claim made under this policy you must make representations to us within a period of 90 (ninety) days after the date of receipt of the notice of rejection or dispute.
- d) You have 6 (six) months after expiry of that 90 (ninety) day period for the institution of legal action, failing which we will be relieved of liability.
- e) We will not be liable under more than one section of this policy in respect of liability, loss or damage arising from the same event in respect of the same liability, loss or damage.
- f) In respect of any section of this policy under which an indemnity is provided for liability to third parties, we may, upon the happening of any event, pay you the limit of indemnity provided in respect of such event or any lesser sum for which the claim or claims arising from such event can be settled and we shall thereafter not be under further liability in respect of such event.
- g) In the event of a claim for which we become liable to provide indemnity for the maximum amount payable under any item(s) or section of the policy, no refund of premium for the unexpired period of insurance will be made.

TOTAL LOSS SECTION

In the event of loss or damage (less any excess applicable as stated in the schedule) we will pay for:

Under this section you may claim for a vehicle which is not covered by any other insurer and which has been written off, stolen or hi-jacked resulting in a total loss.

CONDITIONS

- a) Vehicles valued over R800 000 will not be covered under the Total Loss section.
- b) The maximum limit of indemnity under the Total Loss section will not exceed R 800 000.
- c) A vehicle inspection needs to be done within 48 hours by Glasfit or the bank and/or dealership to provide an invoice.
- d) There must be a valid and authorised claim
- e) Tracking report may be requested in the event of a claim.
- f) The insured cannot be placed in a better position than he/she was prior to a loss/claim.
- g) This Policy will only pay for amounts stated.
- h) Prevent Further Loss or Damage – Take reasonable, necessary steps to prevent or minimise loss, damage, injury or liability. For example, if your car is involved in an accident where the oil sump is damaged, and despite the oil level warning light coming on, you continue driving, and this causes engine damage, the damage to the engine is not covered.

WE WILL INDEMNIFY YOU FOR:

- a) The insured vehicle which is not covered by any other insurer and which has been written off, stolen or hi-jacked resulting in a total loss.

WE WILL NOT INDEMNIFY YOU FOR:

- a) Vehicles valued over R800 000 will not be covered under the Total Loss section.
- b) Should the vehicle be valued over R800 000 the only sections that will be applicable is Agreed Value and Credit Shortfall
- c) Theft and malicious damage caused by You, any members, partners, directors or employees
- d) This policy will not respond if there are any other insurance policies giving the same cover as in this section.

AGREED VALUE SECTION

In the event of loss or damage (less any excess applicable as stated in the schedule) we will pay for:

Under this section you may claim for the decrease of the agreed value of the vehicle from the inception of the policy to the date of Total Loss (theft/hi-jack or write-off).

The agreed value section may be extended to include:

This cover is optional and must be stated on the schedule should it have been selected.

- ON THE ROAD COSTS Maximum indemnity R3500
- LICENSING AND REGISTRATION Maximum indemnity R3500
- SMASH AND GRAB Maximum indemnity R2500

CONDITIONS

- a) Should there be an interruption of the policy due to non-payment, cancellation and reinstatement or any other reason, the retail value at the most recent inception date will be used.
- b) A vehicle inspection needs to be done within 48 hours of inception of the policy by Glasfit or the bank and/or dealership to provide an invoice.
- c) The maximum limit of indemnity under the Agreed Value section will not exceed R400 000.
- d) A valid Policy must be in place at all times.
- e) There must be a valid and authorised claim
- f) This Policy will only pay for amounts stated.

WE WILL INDEMNIFY YOU FOR:

The decrease of the agreed value of the vehicle from the inception of the policy to the date of Total Loss (theft/hi-jack or write-off).

WE WILL NOT INDEMNIFY YOU FOR:

- a) Consequential loss - Any consequential loss or damage not directly caused by an insured peril unless specifically noted.
- b) There is no cover if the loss occurs outside the period of insurance as stated in Your Policy Schedule

CREDIT SHORTFALL SECTION

Under this section you may claim for a shortfall that may arise between the payment of the underlying insurer and the settlement balance in terms of the relevant credit agreement.

CONDITIONS

- a) Vehicle must be comprehensively insured.
- b) A vehicle inspection needs to be done within 48 hours by Glasfit or the bank and/or dealership to provide an invoice
- c) A valid underlying Policy must be in place at all times.
- d) The insured cannot be placed in a better position than he/she was prior to a loss/claim.

WE WILL INDEMNIFY YOU FOR:

- a) The maximum limit of indemnity under the Credit Shortfall section will not exceed R200 000.
- b) The credit agreement that you entered into must be a valid credit agreement in terms of the National Credit Act (Act No. 34 of 2005) or amendment thereof.
- c) If any vehicle comprehensively insured is stolen/hijacked (and not physically returned to us) or written off, we will pay to the registered finance company that financed the vehicle any difference between the reasonable retail value and the settlement balance outstanding under a valid credit agreement subject to the total payment not exceeding the limit of indemnity shown in the schedule less the first amount payable (excess).
- d) The settlement balance outstanding is defined as the payment due at any specified date that would settle the actual debt owing to the finance company.
- e) Liability having been admitted for loss or damage in terms of Own Damage Section of the Underlying Comprehensive Insurance Policy;
- f) You must provide us within 30 days of the loss or damage, a copy of the credit agreement and a statement of your account reflecting the settlement balance outstanding as at the date of loss or damage.

WE WILL NOT INDEMNIFY YOU FOR:

The settlement balance outstanding is defined as the payment due at any specified date that would settle the actual debt owing to the finance company but excluding:

- a) Any payments and instalments in arrears (earlier settlements that you did not pay) or rentals, including the interest you must pay on arrears;

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- b) Any additional finance charges, or increased instalments or rentals that you would have had to pay to ensure that there was no capital value due at the end of the insurance period. These are worked out to the month in which the underlying insurer settles the claim;
 - c) Early settlement penalties;
 - d) All refunds of your premium due to you for the cancellation of any insurance cover relating to the vehicle;
 - e) Any legal costs owing to the finance company by you;
 - f) Any extra products that may have been financed, such as Warrantee's, Service Plans or Motor Plans;
 - g) Any non-standard extra's fitted to the vehicle that should have been insured with the underlying insurer;
 - h) This policy will not respond wherein any finance agreement has been cancelled, lapsed or paid up.
 - i) This policy will not respond if there are any other insurance policies giving the same cover as in this section.

THIRD PARTY LIABILITY

This cover is optional and must be stated on the schedule should it have been selected.

Under this section you may only claim for the damage you caused to other parties and their property.

CONDITIONS

- a) Rights to Representation
The Insurers shall at their discretion, be entitled to arrange for representation at any legal proceedings.
- b) Waiver of Rights
The Insurers waive 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 your MotorGap Policy as far as they can apply.

WE WILL INDEMNIFY YOU FOR:

- a) The Insurer will indemnify you up to R200 000 (two hundred thousand rand) for all sums, including claimant's costs and expenses, which you may become legally liable to pay as a result of an accident resulting in death, injury, or damage to property caused by, through or in connection with the vehicle specified in the schedule resulting in:



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- I. death of or bodily injury to persons but excluding passengers and any person in the employ of the Insured or members of the same household provided that such death or bodily injury arose out of and during the course of such employment; and
 - II. loss or damage to property not owned by you, and/or not in your custody, control or being transported by you.

b) Towing of Vehicles

This section extends to cover liability while the Insured is towing a vehicle or trailer. The Insurers will not be liable under this section for damage to the towed vehicle, or trailer, or property thereon or therein.

WE WILL NOT INDEMNIFY YOU FOR:

a) Compulsory Third-Party Insurance

Claims in respect of any compensation or claim that fall within the scope of any compulsory third-party enactment including the Road Accident Fund Act 1996 as amended prior to 1 January 2006 within the territorial limits of the policy. This exception shall apply notwithstanding that no insurance under any such enactment is in force or has been affected.

b) Excess

The first amount payable by the Insured as stated in the schedule of excesses.

c) Scheduled Products

Liability arising out of carriage of prescribed dangerous goods in terms of Chapter 8 National Road Traffic Act (Act Number 93 of 1996), National Road Traffic Regulations 2000.

d) Spillage and Clean-up Costs

Costs and expenses incurred for clean-up and remedial procedures to remove or repair the effect of spillage or leakage of any substance carried in or on the insured vehicle or any vehicle attached thereto.

e) Territorial Limits

Liability arising from any occurrence outside the territorial limits.