



# VAPS HCV EXCESS REDUCER PRODUCT GUIDE

2023



**VAPS HCV**  
INSURANCE UNDERWRITERS

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# Intelligent insurance solutions.



# Important Notes

- ▶ There must be a valid Comprehensive Underlying policy in place.
- ▶ Minimum sections per policy:  
Own Damage Excess reducer + any other section.
- ▶ Minimum premium per policy: R100 per month
- ▶ Broker Commission: Non-Motor 20% & Motor 12.5%
- ▶ The Underlying Insurer must admit liability and pay out before our cover will respond, except where the claim falls within the excess.
- ▶ Our rating guide is a guideline only and is always subject to the policy wording.

## Additional Notes:

- ▶ If the client's claim falls within the excess with the Underlying Insurer, they can still submit a claim to VAPS.
- ▶ Vehicles, Trailers & Plant must always be comprehensively insured with a valid underlying policy in place.
- ▶ If Non-Standard Excesses are applied by the Underlying Insurer, then the Inner Excesses may vary.
- ▶ Additional Value Added Products and Services are available for vehicles that are insured on the VAPS HCV Transporter policy:
  - VAPS HCV Accident Assist
  - Driver Accident Cover
  - VAPS Risk & Bureau Services
  - VAPS HCV Telematics
  - Truck Hire
  - Inception Value Policy
  - Pollution Cover

# 1. Own Damage Excess Reducer

## HCV's, Trailers, Buses, Commercial Vehicles, LDV's, PMV's & Plant

This section insures your Standard Own Damage excess which is payable in terms of your Underlying Insurance Policy limited to the Sum Insured stated in this Policy Schedule and the Maximum Sum Insured stated below.

HCV'S, TRAILERS, BUSES, COMMERCIAL VEHICLES & PLANT	
Monthly Rate	▶ 1% of basic excess
Minimum Monthly Premium	▶ R100 (Per policy)
Maximum Indemnity Limit	▶ R350 000
Excluded	▶ Rental Vehicles & Courtesy Vehicles
Inner Excess	▶ Flat Excesses

PRIVATE MOTOR VEHICLES & LDV'S	
Vehicle Value	Monthly rate
Less than R100 000	▶ 1.5% of basic excess
Between R100 000 and R200 000	▶ 1.25% of basic excess
Between R200 000 and R500 000	▶ 1% of basic excess
Over R500 000	▶ Flat Excesses
Minimum Monthly Premium	▶ R100 (per policy)
Maximum Indemnity Limit	▶ R80 000
Excluded	▶ Rental Vehicles & Courtesy Vehicles
Inner Excess	▶ Flat Excesses

# 2. Theft/Hijack Excess Reducer

## HCV's, Trailers, Buses, Commercial Vehicles, LDV's, PMV's & Plant

This section insures your Theft/Hijack excess (Theft/Hijack/Write-off) which is payable in terms of your Underlying Insurance Policy limited to the Sum Insured stated in the Policy Schedule or the Maximum Sum Insured stated below, subject to the applicable Inner excess.

HCV'S, TRAILERS, BUSES, COMMERCIAL VEHICLES & PLANT	
Monthly Rate	▶ 0.25% of Theft/Hijack Excess
Minimum Monthly Premium	▶ R100 (per policy)
Maximum Indemnity Limit	▶ R450 000
Excluded	▶ Rental Vehicles & Courtesy Vehicles
Inner Excess	▶ Nil

### Important Note:

- ▶ To a vehicle stolen and recovered with damage an inner excess of R5 000 will apply unless otherwise agreed with VAPS.

# 3. Third Party Excess Reducer

## HCV's, Trailers, Buses, Taxi's, Commercial Vehicles, LDV's, PMV's & Plant

This section insures you for payment of your liability / Section II excess which is payable in terms of your Underlying Insurance Policy limited to the Sum Insured stated in this Policy Schedule and the Maximum Sum Insured stated below or in the Policy Schedule.

PRIVATE MOTOR VEHICLES, TAXI'S & LDV'S		
Monthly Rate	Sum Insured	Premium
	▶ R2 500	▶ R30 pm
	▶ R5 000	▶ R45 pm
	▶ R7 500	▶ R60 pm
	▶ R10 000	▶ R70 pm
Minimum Monthly Premium	▶ R100 (per policy)	
Maximum Indemnity Limit	▶ R450 000	
Excluded	▶ Rental Vehicles & Courtesy Vehicles	
Inner Excess	▶ Nil	

# 4. Penalty Excess Reducers

## HCV's, Trailers, Buses, Commercial Vehicles, LDV's, PMV's & Plant

This section insures your excess which is payable in terms of your Underlying Insurance Policy covering the additional penalty excesses due, limited to the Sum Insured as stated in the Policy Schedule and the Maximum Sum Insured as stated below provided the said liability on the Underlying Insurance Policy exceeds the Sum Insured stated in this Policy Schedule.

HCV'S, TRAILERS, BUSES, COMMERCIAL VEHICLES, LDV'S, PMV'S & PLANT	
Monthly Rate	▶ 1% per penalty excess
Minimum Monthly Premium	▶ R100 (per policy)
Maximum Indemnity Limit	▶ R60 000 per penalty excess
Inner Excess	▶ Nil

### Important Note:

- ▶ Penalty excesses capped by the Underlying Policy will be rated as above to this capped percentage amount.

### Penalty excess cover must be specified and is limited to:

- ▶ Single vehicle accident
- ▶ Driving during hours of 23h00 and 05h00
- ▶ Professional Driving Permit (PDP) less than 2 years
- ▶ Driver under 23 or older than 65 years of age
- ▶ Capsizing & Overturning whilst tipping
- ▶ Driving license issued by an authority outside the Republic of South Africa
- ▶ Driver licensed for less than 3 years
- ▶ Extended Territorial Limits





# 5. Loss of Use

## HCV's, Trailers, Buses, Commercial Vehicles, LDV's & Plant

This section insures your Loss of Income of your Insured Commercial Vehicle following an Insured event of Own Damage or Total Loss (including Theft/Hijack) which is payable in terms of your Underlying Policy, limited to the Sum Insured /daily pro-rata benefit as stated in the Policy Schedule whilst having repairs effected within a reasonable period (solely determined by VAPS) following an Insured event.

<b>HCV'S, TRAILERS, BUSES, COMMERCIAL VEHICLES, LDV'S &amp; PLANT)</b>	
Minimum	▶ 4 weeks @ R5 000 per week
Maximum	▶ 12 weeks @ R15 000 per week (Client can select any number of weeks from 4 to 12 & select any limit from R5 000 to R15 000 per week)
Monthly Rate	▶ 1.25% applied to Total sum insured
Time Excess Period	▶ 1 Day after receipt of Authorization

### Important Notes:

- ▶ Mechanical and electrical breakdown excluded.
- ▶ This cover will commence from the date of the Authorization of repairs minus the 1 day.
- ▶ Time Excess Period.
- ▶ The indemnity period will expire on date of completion of authorized repairs or on the day the Agreement of Loss/Agreed.
- ▶ Total Loss Release/Tender of Settlement is forwarded from Insurer onto Insured.
- ▶ If being repaired, cover will only be applicable whilst the Insured Vehicle is in the custody of a registered member of the Motor trade, who is an Underlying Policy approved collision damage repairer.
- ▶ Tracking reports may be requested in the event of a claim.

# 6. Cross Border Towing & Recovery

## HCV's, Trailers, Buses, Commercial Vehicles, LDV's, PMV's & Plant

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 undriveable, 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 R50,000, 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.

HCV'S, TRAILERS, BUSES, COMMERCIAL VEHICLES, LDV'S, PMV'S & PLANT	
Monthly Rate	▶ 1% of limit chosen
Minimum Monthly Premium	▶ R200
Maximum Indemnity Limit	▶ R50 000
Excluded	▶ Rental Vehicles; Third Parties; Courtesy Vehicles
Inner Excess	▶ Nil

### Important Note:

- ▶ The company shall not be liable to pay for the cost of any damages which may occur to the vehicle during the course of repatriation to the South African side of the border and/or the cost of any duties payable to the authorities.

# 7. Pollution Liability Excess Reducer

## Heavy Commercial Vehicles, LDV's & Commercial Vehicles

This section insures your excess which is payable in terms of your Underlying Insurance Policy covering the transportation of dangerous goods, environmental liability and clean-up costs limited to the Sum Insured as stated in the Policy Schedule and the maximum Sum Insured stated below.

HEAVY COMMERCIAL VEHICLES, LDV'S & COMMERCIAL VEHICLES	
Monthly Rate	▶ 0.3%
Minimum Monthly Premium	▶ R200
Maximum Indemnity Limit	▶ R150 000 - PMV's, LDV's & Motorcycles ▶ R250 000 - All other types
Excluded	▶ Rental Vehicles & Courtesy Vehicles
Inner Excess	▶ 25% of claim min R5 000

### Important Note:

- ▶ Must be a valid and entertained claim with the Underlying Insurer.

# 8. Goods in Transit (GIT) Basic Excess Reducer

## HCV's, Trailers, Buses, LDV'S, Commercial Vehicles

This section insures your specified vehicle's GIT Basic excess applicable, which is calculated and payable on your Underlying Insurance Policy limited to the Sum Insured and Specified excesses as stated in the Policy Schedule and the maximum Sum Insured.

HCV'S, TRAILERS, BUSES, LDV'S, COMMERCIAL VEHICLES	
Monthly Rate	▶ 0.33%
Minimum Monthly Premium	▶ R100 (per policy)
Maximum Indemnity Limit	▶ R200 000
Excluded	▶ Rental Vehicles & Courtesy Vehicles
Inner Excess	▶ Nil

### Important Note:

- ▶ Cover can be extended to include Tarps, Ropes, Chains, Debris removal etc.

# 9. Goods in Transit (GIT)

## Theft/Hijack Excess Reducer

### HCV's, Trailers, Buses, LDV'S, Commercial Vehicles

This section insures your specified vehicle's GIT Theft/Hijack excess applicable, which is calculated and payable on your Underlying Insurance Policy limited to the Sum Insured and Specified excesses as stated in the Policy Schedule and the maximum Sum Insured.

HCV'S, TRAILERS, BUSES, LDV'S, COMMERCIAL VEHICLES	
Monthly Rate	▶ 0.33%
Minimum Monthly Premium	▶ R100 (per policy)
Maximum Indemnity Limit	▶ R300 000
Excluded	▶ Rental Vehicles & Courtesy Vehicles
Inner Excess Nil	▶ Nil



# 10. Windscreen Comprehensive Cover

## HCV's, Trailers, Buses, Commercial Vehicles, LDV's, PMV's & Plant

This section insures the repair or replacement of your windscreen damaged on your specified Insured Vehicle and NOT the excess reducer section.

HCV'S, TRAILERS, BUSES, COMMERCIAL VEHICLES, LDV'S, PMV'S & PLANT	
Monthly Rate	▶ R120 per Insured Vehicle
Minimum Monthly Premium	▶ R120
Maximum Indemnity Limit	▶ R15 000
Excluded	▶ Rental Vehicles & Courtesy Vehicles
Inner Excess	▶ 20% of claim minimum R250

### Important Notes:

- ▶ All Windscreen claims must be reported within 30 days of loss.
- ▶ In terms of the Insured vehicles, this section is limited to R 15 000 any one loss.



# 11. Windscreen Excess Reducer

## HCV's, Trailers, Buses, Commercial Vehicles, LDV's, PMV's & Plant

This section insures your standard Windscreen excess which is payable in terms of your Underlying Insurance Policy limited to the Sum Insured stated in this Policy Schedule and the maximum sum insured stated below.

HCV'S, TRAILERS, BUSES, COMMERCIAL VEHICLES, LDV'S, PMV'S & PLANT	
Monthly Rate	▶ 2.5%
Minimum Monthly Premium	▶ R25
Maximum Indemnity Limit	▶ R10 000
Excluded	▶ Rental Vehicles & Courtesy Vehicles
Inner Excess	▶ Nil

### Important Note:

- ▶ All Windscreen claims must be reported within 30 days of loss.

# 12. VAPS Non-Motor Excess Reducer

## All Commercial & Personal Lines Sections other than Motor

This product insures any Non-Motor excess as described in your VAPS Policy Schedule which is payable in terms of your Underlying Insurance Policy limited to the Sum Insured stated in the VAPS Policy Schedule and the maximum sum insured stated in this VAPS Policy Schedule.

Commercial Lines sections that we can provide Excess Reducer cover on: Fire, Buildings Combined, Office contents, Electronic Equipment, Business Interruption, Accounts Receivable, Theft, Money, Glass, Fidelity, Goods in Transit, Business All Risks & Accidental Damage.

Personal Lines sections that we can provide Excess Reducer cover on: Houseowners (Buildings), Householders (Contents) & All Risks.

These rates are a guide only. Please refer all quotes to VAPS for a formal quote.

ALL COMMERCIAL & PERSONAL LINES SECTIONS OTHER THAN MOTOR	
Monthly Rate	▶ 1% to 2% of Underlying Excess
Minimum Monthly Premium	▶ R60
Maximum Indemnity Limit	▶ R250 000
Inner Excess	▶ Inner Excess will be determined by VAPS

### The Underwriter shall not be held liable if:

- ▶ Proof of settlement has been received from the Underlying Policy Insurer.
- ▶ The Underlying Insurer has refused your claim for an event.

# 13. VAPS Tyre Cover

In the event of Accidental Damage to a tyre caused by sudden braking, cuts, punctures by foreign objects or bursts, VAPS will indemnify the Insured for the cost of repair or replacement of a tyre including balancing, provided that the indemnity is based on the percentage of unused tread left on the tyre.

These rates are a guide only. Please refer all quotes to VAPS for a formal quote.

PRIVATE MOTOR VEHICLES & LDV'S	
Monthly Rate	▶ Option 1 – R50; Option 2 – R70
Minimum Monthly Premium	▶ R45
Maximum Indemnity Limit	▶ R3 000 per tyre
Inner Excess	▶ Inner Excess will be determined by VAPS

The Insurer will reimburse the Insured the amount on the invoice relating to the purchase or repair of tyres, less any wear and tear on the tyre at the time of an event that may result in a claim. Maximum indemnity is R2 000 per tyre (Option 1) or R 3 000 (Option 2), less any wear and tear/worn tread. Maximum liability per claim/event is R4 000 (Option 1) or R6000 (Option 2).

## Specific Conditions:

- ▶ This policy is limited to two claims per year, or one claim if two tyres are replaced in one incident. All claims must be reported to the VAPS call centre on 012 942 4536 before any replacement of damaged tyre(s) may be done. No claim(s) will be paid if the client replaces tyre(s) without authorisation from VAPS.

# 14. Credit Shortfall

This section insures you for the shortfall arising following a total loss settlement per the Underlying Insurance Policy; this amount is calculated as the difference between the retail value (as stipulated in the Transunion Dealers Guide) and the Statutory Settlement Balance in the applicable Credit Agreement as defined.

HCV'S, TRAILERS, BUSES, COMMERCIAL VEHICLES, LDV'S, PMV'S & PLANT	
Monthly Rate	▶ 0.06% of vehicle value as p. Underlying Policy
Minimum Monthly Premium	▶ R50 (this section)
Maximum Indemnity Limit	▶ LDV's, PMV's & Motorcycles: R60 000 ▶ All other types R250 000
Excluded	▶ Rental Vehicles & Courtesy Vehicles
Inner Excess	▶ Nil

## Important Notes:

- ▶ Excluding any amount not directly related to the financing of the purchase / lease of the Insured Vehicle and its accessories such as but not limited to insurance premiums, maintenance agreements, warranty agreements and the like.
- ▶ Excluding any arrear amounts, interest on arrears or any other fees, such as but not limited to maintenance fees and also excluding any residual payment due under the final installment and any re-financed payments.
- ▶ Inner Excess will be nil and or as noted on Policy Schedule.
- ▶ If a 0% deposit was paid when the finance agreement incepted and/ or the finance term exceeded 60 months, an alternative rate will apply.

# 15. Car Hire

VAPS will pay the actual Car Hire charges including the cost of delivery if the Insured Vehicle is unusable or is being repaired following loss or damage covered under the Underlying Motor section or while the vehicle remains uncovered following theft, subject to availability, in terms of the selection of the Group car as shown in the schedule. If selected, VAPS will also pay for a period of 5 days after a Mechanical Breakdown of the vehicle and for two days' rental for routine servicing of the Insured vehicle.

## When will we arrange Car Hire?

- ▶ **Insured Vehicle Stolen or Hijacked** - We will arrange car hire upon receipt of instructions accompanied by copies of the claim forms from the Insurer.
- ▶ **Insured Vehicle damaged but drivable** - Provided we have received instructions and copies of claim forms from the Insurer, we will arrange car hire as soon as the insured vehicle has been delivered to an approved panel beater
- ▶ **Insured Vehicle damaged and not drivable** - Provided we have received instructions and copies of claim forms from the Insurer, we will arrange car hire as soon as the insured vehicle has been towed.
- ▶ **Mechanical Breakdown** - Upon receipt of instructions accompanied by the Mechanical breakdown claim form from the Insurer, we will provide the Insured with a hired vehicle for a period of up to 5 days whilst the insured vehicle is not in the Insured's possession.
- ▶ **Routine Services (Two claims per annum)** - Upon receipt of instructions accompanied by written confirmation from an approved motor dealer confirming the service date, we will provide the Insured with a hired vehicle for a period of 2 days, twice per annum, whilst the insured vehicle is not in the Insured's possession

# 15. Car Hire

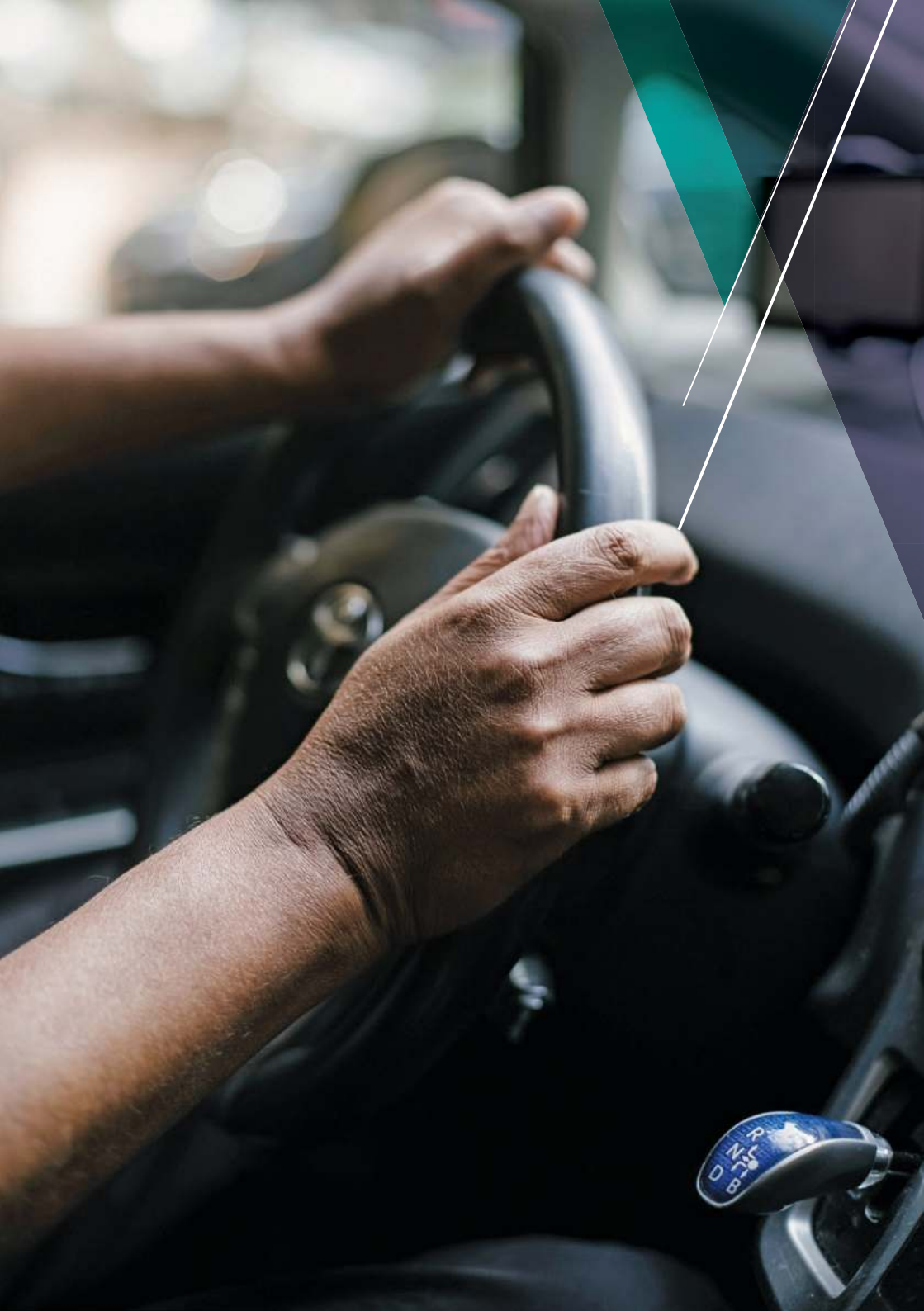
## CONTINUED

### Inclusions & Exclusions

INCLUDED IN DAILY RATE (One additional driver included)	FOR POLICYHOLDER'S OWN ACCOUNT
VAT	Delivery & Collection before 09h00 or after 16h00
Unlimited Daily Kms	Fuel
Airport Surcharge	Contract Fee
Super Collision Damage & Theft Waivers	Valet Fee
Delivery & Collection within 25km radius between 09h00 & 16h00	Windscreen & Tyre Waivers
Towing	Traffic Fine Fee & Accident Handling Fee
Tourism Levy	Cross Border Fee
Included in Daily Rate	Excess in the event of a claim - R2 500
	Refundable Fuel and E-Toll deposit (R1 500)

### Important Notes:

- ▶ There must be a valid Comprehensive Underlying policy in place.
- ▶ These products are available for Domestic/Personal Lines & Commercial Lines Policies.



**VAPS HCV is an innovative niche Insurance Underwriter specializing in Heavy Commercial Vehicle (HCV) Insurance and other Value Added Insurance products.**

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