

VAPS HCV

EXCESS REDUCER
POLICY WORDING

2024



VAPS HCV
INSURANCE UNDERWRITERS



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▼ **PREAMBLE**

Whereas the Insured (or their authorized intermediary) has submitted a Proposal form and declaration completed by you to VAPS Insurance Underwriters which shall form the basis of the contract and is deemed to be incorporated herein.

OPERATIVE CLAUSE

Subject to the terms exceptions conditions (precedent or otherwise) and in consideration of and conditional upon the prior payment of the premium by or on behalf of the Insured and receipt thereof by or on behalf of the Underwriter, the Underwriter specified in the Policy Schedule agrees to indemnify the Insured by payment in respect of the Defined Event occurring within the territorial limits during the Period of Insurance and as otherwise provided under the within sections up to the sums insured, limits of indemnity, compensation and other amounts specified. Specific exceptions, conditions, provisions and warranties shall override general exceptions, conditions and provisions stated in the Underlying Insurance policy or otherwise agreed.

1. General Exceptions, Conditions and Provisions

General Conditions

Subject to the provisions of Section 55 of the Short Term Insurance Act No 53 of 1998 (as amended)

1. Cancellation

This policy or any section may be cancelled at any time by the Insured or the Underwriter by giving 30 days' notice in writing. If the policy is an annual contract a refund of premium will be calculated pro-rata from the date of cancellation to the renewal date. If the policy is a monthly policy or a claim has been instituted against the policy no refund of premium will be payable. Refund of premiums will only be affected if sufficient proof can be given of a notification of cancellation to the Underwriters and will never be more than 3 (three) months.

2. Premium Payment (where premium is payable by bank debit order or by transmission account)

The premium is payable on or before inception or renewal date (15 days grace will be allowed after the relevant due date applicable), failing which the policy will lapse from the day preceding the inception or renewal date. In the case of monthly policies the 15 (fifteen) day grace period will apply with effect from the second month following the inception date of the policy. Any subsequent premiums on monthly policies are payable on the first working day of each month of the same month. If the premium is paid by debit order and this is dishonored by your bank:

- (a) As a result of your instruction to the bank to stop payment of the debit order, the policy will lapse from the last day of the month for which premium was received.
- (b) For any other reason than (a) above, the following month a debit order will be submitted to the bank for two months premium. If this is returned unpaid, the policy will lapse from the last day of the month for which premium was received.

3. Claims

- 3.1. On the happening of any event which may result in a claim under this policy the Insured shall, at their own expense;
 - (a) give notice thereof to VAPS within 30 (thirty) days of any claim and provide particulars of any other insurance covering such events as are hereby insured, and
 - (b) submit to VAPS full details in writing of any claim, and
 - (c) satisfy VAPS that there is a current and valid Underlying Insurance Policy and credit agreement (if applicable) and if requested to submit such proof of the existence thereof, and
 - (d) Submit to VAPS such proof, information and sworn declarations as the Underwriter may require, these may include but not be limited to the Underlying Insurer's claim adjustment, agreement of loss form, claim payment confirmations and/or full credit agreement statement.
- 3.2. No claim shall be payable if submitted after 30 (thirty) days from the date of the claim.
- 3.3. In the event of a claim being rejected by the Underwriter, the Insured needs to claim payment by serving written legal process on VAPS within 180 (one hundred and eighty) days from the date of the rejection of the claim.
- 3.4. In the event of a claim repudiation in terms of the Underlying Insurance Policy the Insured must notify VAPS of this fact within 7 (seven) days of such repudiation notwithstanding that such claim may be the subject of pending legal action, and advise VAPS of the status of such legal action regularly.

4. Jurisdiction clause

This insurance is governed by the law of the Republic of South Africa whose courts shall have jurisdiction in any dispute arising hereunder.

5. Underlying Policy

- 5.1. The Insured's Vehicle detailed on this schedule must be comprehensively insured for its full retail value at all times in terms of the Underlying Policy, in particular at the date of loss. If the Insured Vehicle is not comprehensively insured on an Underlying Policy for the period of this policy, then all the benefits under the policy shall be forfeited.
- 5.2. Where the Underlying Policy is cancelled or for any reason is void or invalid, this policy does not operate.
- 5.3. Where the Underlying Policy has repudiated liability for a claim in terms of the Underlying policy and the Underlying Policy has been cancelled, void or avoided, but the Underwriter has made the Insured an ex-gratia payment, this policy will not operate.
- 5.4. Client cannot decide not to submit a claim under his Underlying Policy and only claim from their VAPS policy.

6. Fraud

If any claim under this policy is in any way fraudulent or if any fraudulent means are used by the Insured or anyone acting on the Insured's behalf to obtain any benefit under this policy or if any of the events Insured against in terms of this policy are occasioned by the Insured's intentional act or with the Insured's Connivance, all the benefits stated in the Schedule and all premiums paid on terms of this policy, shall be forfeited.

1. General Exceptions, Conditions and Provisions

7. Underlying Policy Indemnity

The Insured shall use his best endeavors to obtain a full indemnity in terms of the underlying Policy. Notwithstanding such endeavors, the Underwriters Liability shall not be increased by reason of any failure by the Insured to obtain a full Indemnity in terms of the Underlying Policy and in the case of a total loss; a full indemnity shall be deemed to be the Retail Value as defined.

8. Contract

The Policy Schedule and this policy and any endorsements or amendments thereto comprises the Insured's insurance contract with the Underwriters.

9. Other Insurance

9.1. If, at the time of any event giving rise to a claim under this policy, insurance exists with any other insurers covering the Insured against the defined events, underwriters shall be liable to make good only a rate able proportion of the amount payable by or the Insured in respect of such event. If any such other insurance is subjected to any condition of average, this policy, if not already subjected to any condition of average, shall be subjected to average in like manner. However, the Underwriter will be under no obligation to make any payment under this policy from which it could have been relieved under any exception applicable to this policy or any other section thereof.

9.2. If, during the currency of this section, any driver's license in favor of the Insured or their authorized driver is endorsed, suspended or cancelled or if he or they shall be charged or convicted of negligent or reckless driving or driving under the influence of alcohol or narcotic drugs, then written notification thereof must be sent to insurers without delay.

General Provisions

Subject to the provisions of Section 55 of the Short Term Insurance Act No 53 of 1998 (as amended)

1. Inner Excess / First amount payable

Except where provided for specifically in any section, the amount payable under this policy/section for each and every loss, damage or liability shall be reduced by the inner excess/first amount payable shown in the Excess / Policy Schedule for the applicable Defined event.

2. Meaning of words

The schedules and any endorsements thereto and the 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.

3. Policy Schedule sums insured blank

If the Sum insured, Limit of indemnity is left blank or has no monetary amount stipulated against it or reflected as nil or not applicable this means the Defined event or circumstance shown in the Policy Schedule is not insured by this policy.

4. Insured Sections

Each Section is only applicable if stated in the Policy Schedule.

General Exceptions

The Underwriters shall not be liable for:

1. Liability to passengers or to third parties of whatsoever nature including third party vehicles, unless stated in the schedule to apply.
2. Any loss or damage caused, sustained or incurred whilst the Insured Vehicle is being driven by the Insured or by any other person unless duly and fully licensed to drive the vehicle in terms of any applicable legislation, or whilst the concentration of alcohol in the Insured's or authorized driver's blood exceeds the statutory limit in force at such time or whilst the Insured or the driver is under the influence of a drug having a narcotic effect.
3. Any claim arising out of contractual liability or where the Insured is in the process of breaching any criminal law.
4. Consequential loss of any nature whatsoever, depreciation, wear and tear, mechanical or electrical breakdowns, failures or breakages.
5. Loss or Damage for any SASRIA insurable losses are not covered by this policy. The burden of proving the contrary shall rest on the Insured.

1. General Exceptions, Conditions and Provisions

6. This policy does not cover loss or damage caused directly or indirectly by or through or in consequence of any occurrence for which a fund has been established in terms of the War Damage Insurance and Compensation Act, 1976 (No. 85 of 1976) or any similar Act operative in any of the territories to which this policy applies.
7. Notwithstanding any provision of this policy including any exclusion, extension or other provision not included herein which would otherwise override a general exception, this policy does not cover loss or damage to property or expense of whatsoever nature directly or indirectly caused by, arising out of or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any sequence to the loss, damage or expense. The burden of proving the contrary shall rest on the Insured.
8. Damage to wheels (tyres/rims) by application of brakes or by road punctures, cuts & bursts.
9. Damage to springs/shock absorbers due to inequalities in the road or other surfaces or to impact with such inequalities; detention, confiscation or requisition by customs or other officials or authorities.
10. Malicious damage, windscreen claims, cleaning and damage not accidental.
11. Damage to accessories fitted to the vehicle such as radios, tape players, CD, DVD players, fleet management systems tachographs, telephones or similar equipment.
12. Damage to demo and rental vehicles.
13. Any loss or damage to any electronic component or refrigeration or plant equipment unless such loss or damage is directly as a result of an insured event.
14. The ownership, operation, maintenance or use of any vehicle of which principle use is:
 - a. The transportation of high explosives, such as nitro-glycerin, dynamite, or any other similar substances.
 - (b) The bulk transportation of liquefied petroleum or gasoline.
 - (c) The transportation of chemicals or gases in liquid, compressed or gaseous form.
 - (d) Contractors Plant and Machinery if not licensed for use on a public road.
 - (e) The transportation of hazardous waste.
 - (f) Self-drive hire.
 - (g) Insurances covering police force vehicles
15. Motor Personal Accident coverage.
16. Liability assumed under any Motor Vehicle Act Enactment.
17. Any loss or damage associated with an Insured Vehicle, operating on a public road, and not having a valid roadworthy certificate and / or not being in a roadworthy condition and / or not being legally permitted to operate on a public road, at the time of such loss.
18. Public Emergency Service Vehicles.

Nuclear Exclusion

1. Except as regards the Fidelity, Stated Benefits and Group Personal Accident sections
 - (a) this policy does not cover:
 - (i) loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising there from or any consequential loss;
 - (ii) Any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from radiations or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; For the purpose of this exception only, combustion shall include any self-sustaining process of nuclear fission.
 - (b) the indemnity by this policy shall not apply to nor include any loss, destruction, damage or legal liability directly or indirectly caused by, or contributed to by, or arising from nuclear weapons material.

Asbestos Exclusion

1. Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision which would otherwise override a general exception, this policy does not cover any legal liability, loss, damage, cost or expense whatsoever or any consequential loss directly caused by, arising out of, resulting from, in consequence of, in any way involving, or to the extent contributed to by, the hazardous nature of asbestos in whatever form or quantity.
2. Racing, rallies and/or speed trails. Vehicles on rails and not on terra firma.
3. Loss, damage or liability for goods conveyed in connection with any trade or business on any vehicle insured by the Company, unless stated on the Policy Schedule.
4. Loss, Damage or Liability following any non-collision event not otherwise insured

2. Definitions

1. Insured

The person or the business entity named as the Insured in the application, Certificate of Insurance and or Policy Schedule for this Insurance and shall include such persons, authorized employees, spouse, parents and children normally residing with such person together with such other persons who can be regarded as permanent members of the Insured Persons Household and Staff.

2. Insured Vehicle

The vehicle(s) described in the Application / Policy Schedule and registered in the name of the Insured, whilst in the care, custody and control of the Insured, excluding any parts or accessories.

3. Finance Company

The Finance Company, who is the creditor in terms of the credit agreement, who's interest in this insurance, is noted on this Policy Schedule.

4. Underlying Policy

The current valid Motor Comprehensive and / or Motor Liability and / or All Risks Goods in Transit Policy as applicable to the cover, effected in the name of the Insured with an Insurer (as defined in the Insurance Act 58 of 1998 as amended) in respect of the Insured asset.

5. Conveyances

Cover is limited to goods conveyed by the vehicle specified on the Policy Schedule. Any goods conveyed by a vehicle other than the specified vehicle will not be covered in terms of the policy. The vehicle specified on the Policy Schedule will be identified by registration number and must be identical to the same vehicle involved at the time of a loss and / or claim, failing which will result in no claim / cover.

6. Hijacking definition: Goods in Transit

Seizure of the Insured goods consigned contained in or on such conveyance where such seizure is accompanied by unlawful and forcible removal of the goods consigned to a destination other than originally intended and accomplished by means of violence or threat of violence on or against the person or persons who, at the time of such seizure, are in actual lawful control of such conveying vehicle carrying the goods consigned.

7. Hijacking definition: Vehicle

Seizure of the Insured Vehicle where such seizure is accompanied by unlawful and forcible removal of the Insured Vehicle to a destination other than originally intended and accomplished by means of violence or threat of violence on or against the person or persons who, at the time of such seizure, are in actual lawful control of such vehicle.

8. Credit Agreement

A legally enforceable Credit Agreement as defined in the National Credit Act 34 of 2005 as amended, entered into by the Insured with the Finance Company in respect of the Insured Vehicle and specified in the Policy Schedule.

9. Statutory Settlement Balance

The payment due by the Insured as at the time of the loss which would liquidate the Insured's obligations to the Finance Company in terms of the Credit Agreement entered into, to finance the purchase / lease of the Insured Vehicle.

10. Market Value

The reasonable market value of the vehicle shall be deemed to be the average of the Trade and Retail value of the same model and year manufactured, including the value of factory fitted sound equipment, spare parts and accessories as reflected in Mead and Mc Grouter's Dealer Guide for the year and month in which the loss took place. Where the particular make and model of the Insured Vehicle is not reflected in the relevant Dealer's Guide (or Auto Dealer's Digest - for cars over 10 years old) then an average value given for the Insured Vehicle by three independent motor industry sources of The Underwriter's choice will be used as the Market Value of the Insured Vehicle.

11. Commercial Vehicle

The vehicle excluding demo and rental vehicle registered and licensed with the appropriate authorities to operate for commercial use as described in the Policy Schedule. This vehicle must be insured on an Underlying Policy.

2. Definitions

12. Private / Passenger Vehicle

The vehicle excluding demo and rental vehicle described in the Policy Schedule including station wagons, double cab (LDV), Sport utility vehicle (SUV) and the like or similar vehicle designed to seat not more than 9 persons including the driver. Cover is restricted to private, professional and pleasure purposes only, this vehicle must be insured on an Underlying Policy.

13. Premium

The amount due in terms of the policy paid by or on behalf of the Insured to the Company prior to cover incepting.

14. Excess

The amount due by the Insured in terms of the Underlying Policy, limited to the amount specified on the VAPS Policy Schedule.

15. Inner Excess

The amount due by the Insured in terms of this policy.

16. Theft

The unlawful intentional removal of the Insured Vehicle or goods without the Insured's permission.

17. Total loss Reducer (Including Theft/Hijack)

Any Policy Excess payable in respect a Total loss in terms of the Underlying Policy limited to the amount specified in the VAPS Policy Schedule.

18. Third Party Excess Reducer

The amount payable in the event of a third party claim (commonly referred to as section II liability excess).

19. Additional / Penalty underlying excess due on Underlying Policy

Any additional / penalty policy excess as defined payable in terms of the Underlying Policy, limited to Heavy Commercial vehicles only.

20. Application / Policy Schedule

Documentation issued as evidence of insurance and thereby entitling the Insured to the Benefits applicable as defined herein.

21. Occurrence

The event which gave rise to the Insured's claim in terms of the Underlying Policy.

22. Date of Loss

The date of occurrence in terms of the Underlying Policy.

23. Period of Insurance

The period stated in the Application / Policy Schedule commencing from the actual receipt of the first payment of the Insured's premium and any subsequent Uninterrupted period for which the premium has been actually received by the Underwriter.

24. Underwriters

Shall mean the Insurer as stated on your policy schedule.

25. Sum Insured

The value stated on the Policy Schedule in respect of the item insured

3. Own Damage Excess Reducer

(Heavy Commercial Vehicles, Trailers, Buses, Taxi's, Commercial Vehicles, LDV's, PMV's & Plant & Equipment)

Defined Event

This section insures your Standard Own Damage/Section A 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

Specific Conditions

1. In terms of the Insured Vehicles the policy is limited to the Sum Insured as stated subject to maximum Sum Insured per event of;
 - 1.1. Heavy Commercial Vehicles, Trailers, Buses, Commercial Vehicles & Plant – R300, 000
 - 1.2. Private Motor Vehicles & LDV's – R 80 000
2. Less the Inner excess as stated in the Policy Schedule and/or as noted on endorsement on Policy Schedule.
3. If non-standard excesses are applied by Underlying Insurers, inner excess may vary

Specific Exclusions

The underwriter shall not be held liable for:

1. Any loss or damage or injuries to third parties; 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 or electrical breakdown, failures or breakages and any penalty excess not specifically purchased.
2. Towing & Recovery Costs are excluded.
3. Theft & Hijack excluded unless the policy has been extended to include Total Loss (Theft/Hijack cover)
4. Any additional excesses are excluded unless Insured and noted on Policy Schedule.

4. Theft/Hijack Excess Reducer

(Heavy Commercial Vehicles, Trailers, Buses, Taxi's, Commercial Vehicles, LDV's, PMV's & Plant & Equipment)

Defined Event

This section insures your Theft/Hijack excess 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 (as defined). Theft is defined as the unlawful intentional removal of the insured vehicle without the Insured's permission. Hijacking is defined as the unlawful and forcible seizure, accompanied by violence or threat of violence on or against the person or persons, who at the time of the seizure was in lawful control of the insured vehicle specified in the Policy Schedule.

Specific Conditions

1. In terms of the Insured Vehicles (as defined) the policy is limited to the Sum Insured as stated subject to maximum Sum Insured per event of;
 - 1.1 Heavy Commercial Vehicles, Trailers, Buses, Commercial Vehicles & Plant – R400, 000
 - 1.2. Private Motor Vehicles & LDV's – R 80 000
2. Less the Inner excess as stated in the Policy Schedule and/or as noted on endorsement on Policy Schedule.
3. Any vehicle stolen and recovered with damage - an inner excess of R5 000 will apply unless otherwise agreed with VAPS.
4. In the event that the Underlying Policy Insurer successfully recovers the Insured Vehicle, the Underwriter reserves the right to be reimbursed for their ratable portion of the salvage.
5. Should the vehicle be recovered with damage the client can claim under the Own Damage section of this policy if applicable.

Specific Exclusions

1. No benefit shall accrue until a period of 6 (six) consecutive weeks has elapsed from the date of the Insured Total Loss event or in the event that the Insured has not been indemnified by the Underlying Policy Insurer.

5. Third Party Excess Reducer

(Heavy Commercial Vehicles, Trailers, Buses, Taxi's, Commercial Vehicles, LDV's, PMV's & Plant & Equipment)

Defined Event

This section insures you for payment of your Third-Party Liability excess which is payable in terms of your Underlying Insurance Policy limited to the maximum Sum Insured stated in this Policy Schedule. A liability event is defined as any accident caused by or through or in connection with any vehicle described in the Policy 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, provided the said liability on the Underlying Policy exceeds the Sum Insured stated in this Policy Schedule.

Specific Conditions

1. This policy will only respond if the Underlying Insurer requests for the section II liability excess i.e. must be a valid and entertained claim.
2. Unless otherwise stated, the liability of the company under this sub-section in respect of any one occurrence shall not exceed the limits of indemnity as stated in the schedule.
3. This section will not apply to Trailers that are not hitched to the horse at any one time unless individually specified under the policy.

Specific Exclusions

This section will only apply in respect of an excess solely applicable to the underlying Motor Liability section. (This section will not respond to a claim where there is both Motor Own Damage & TP liability and only a single excess applies to both damages)

6. Penalty Excess Reducer

(Heavy Commercial Vehicles, Trailers, Buses, Taxi's, Commercial Vehicles, LDV's, PMV's & Plant & Equipment)

Defined Event

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 this 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.

Specific Conditions

1. This section will not apply to those penalty excesses specifically endorsed by the Underlying Insurer due to corrective action, i.e. as a result of claims.
2. In terms of each specifically insured penalty excess the policy is limited to the Sum Insured as stated in this Policy Schedule subject to a maximum sum insured per event of R75 000 less the respective Inner excess.
3. Options available:
 - (a) Driving between 23h00 and 05h00.
 - (b) Professional Driving Permit (PDP) less than two years old.
 - (c) Driver under 23 years or older than 65 years.
 - (d) Single vehicle accident.
 - (e) Capsizing and overturning whilst tipping.
 - (f) Driving license is issued by an authority outside the Republic of South Africa.
 - (g) Driver licensed for less than 3 years.
 - (h) Extended Territorial Limits.

Specific Exclusions

The Underwriter shall not be held liable for:

1. Any loss or damage or injuries to third parties; consequential loss as a result of any cause whatsoever, depreciation in value whether arising from repairs following defined event or otherwise wear and tear, mechanical or electrical breakdown, failures or breakages and any penalty excess not specifically purchased.

7. Loss of Use

(Heavy Commercial Vehicles, Trailers, Buses, Taxi's, Commercial Vehicles, LDV's & PMV's)

Defined Event

This section insures your Loss of Income of your insured Commercial Vehicle following an insured event of Own Damage, Theft / Hijack or Total Loss 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.

Specific Conditions

1. 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 Insurer approved collision damage repairer.
2. Maximum benefit of R120 000 any one event in total, or
 - (a) R15 000 per week, or
 - (b) 12 weeks in total
3. After the deduction of the time excess as defined in the Policy Schedule, this cover will commence the following day from the date of authorization of repairs by the Underlying Policy Insurer.
4. 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.
5. Any indemnity amount will only become applicable if the Insured is unable to use the Insured Vehicle in the opinion of VAPS prior to the commencement of repair following a loss or accident giving rise to a claim in terms of the Underlying Insurance Policy.
6. The Insured event must be the subject of an indemnifiable claim in terms of the Underlying Policy.
7. Should the Insured Vehicle(s) be declared a total loss or stolen or hijacked & not recovered in terms of the Underlying Policy whichever occurs first but in any event not exceeding:
8. The limit purchased per the Policy Schedule up to a maximum of 8 / eight weeks in total if the vehicle(s) is repaired,
9. The limit purchased per the Policy Schedule up to a maximum of 6 / six weeks in total if the vehicle(s) was declared a total loss or stolen or hijacked and not recovered. Any amount payable shall only commence after the expiry of the Time Excess as defined.
 - (a) A three day Time Excess after authorization of repairs to apply to Sum Insured up to R60,000
 - (b) A five day Time Excess after authorization of repairs to apply to Sum Insured up to R120,000
10. If a second claim occurs on the same vehicle(s) within a 12-month cycle, the time excess period will be 15 days and on a third claim within a 12 month cycle on the same vehicle(s), the excess period will be 20 days.
11. The time excess period will apply over and above any other excess payable under this Policy in connection with the same incident.
12. Any claims for Loss of Use or Total Loss per vehicle arising within the first 60 days of cover will result in a 21 day excess period being applied.
13. Combined claims limit in respect of Own Damage Excess and Loss of Use:
14. An overall combined gross claims limit of R350, 000 per incident is applicable when benefits under all sections are claimed.

Specific Exclusions

1. No claim will be processed for downtime caused by mechanical and/or electrical breakdown.
2. No claim will be paid unless proof is submitted that the Underlying Company has indemnified the Insured for the said Insured event.

8. Credit Shortfall Cover

(Heavy Commercial Vehicles, Trailers, Buses, Taxi's, Commercial Vehicles, LDV's, PMV's & Plant & Equipment)

Defined Event

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.

Specific Conditions

1. The amount of the Statutory Settlement Balance up to a maximum of:
 - (a) Heavy Commercial Vehicles, Buses, Special Types & Trailers – R250, 000
 - (b) Light Delivery Vehicles, Private Motor Vehicles & Motorcycles – R60, 000
2. The amount paid by the Underlying Insurer (before Underlying Insurer Policy excess being deducted) will be deducted.

Specific Exclusions

1. 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.
2. 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 instalment and any re-financed payments.
3. Inner Excess will be nil and or as noted on Policy Schedule.
4. If a 0% deposit was paid when the finance agreement inception and/or the finance term exceeded 60 months, an alternative rate will apply.

9. Deposit Protector

Defined Event

Where the Vehicle is written off (damaged beyond economical repair), or stolen and not recovered, during the Period of Insurance, we will pay the benefit as stated in the Policy Schedule.

Specific Conditions

1. In terms of each specifically insured deposit policy the benefit is limited to the Sum Insured as stated in the Policy Schedule subject to a maximum sum insured per event of not more than 10% of the vehicle value or R180 000 whichever is the lesser.
2. The basis of indemnification will be the Total Loss Value of the Insured vehicle as at the date of loss per the Underlying Policy.
3. A credit agreement must be in force on the Insured vehicle.
4. When an insured event occurs that may result in a claim under this policy, you will be required to Provide Us with and/or authorize Us to obtain a copy of Your Credit Agreement or other similar agreements between Yourself and the Credit Provider.

10. Cross Border Towing & Recovery

(Heavy Commercial Vehicles, Trailers, Buses, Taxi's, Commercial Vehicles, LDV's, PMV's & Plant & Equipment)

Defined Event

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.

Specific Exclusions

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.

11. Car Hire

(PMV's, LDV's and Commercial vehicles below 3500kgs only)

Defined Event

VAPS HCV 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** (If cover is included) - 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 and if cover is included) - 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

12. Pollution Liability Excess Reducer

(Heavy Commercial Vehicles, Commercial Vehicles & LDV's)

Defined Event

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

Specific Conditions

1. The amount of the Underlying Policy Excess which will not be higher than the amount stated in the Policy Schedule up to a maximum of R150, 000 for Hazardous Goods Transported on the Insured Vehicle.
2. Less the inner excess amount applicable on each and every claim, which will be 25% of claim with a minimum of R5, 000 and or noted as endorsement on the Policy Schedule.
3. This cover is only available if the Hazardous Goods Transported are Insured with an Underlying Insurance Company for Pollution Liability, and the said liability exceeds the limit stated in the VAPS Policy Schedule in respect of the specified Insured Vehicles.
4. We will at our option pay any claim directly to the Underlying Insurer; provided that the loss is indemnified by the Underlying Insurer and that the claim exceeds the VAPS Sum Insured.

Specific Exclusions

The Underwriters shall not be held liable for:

1. Liability arising following a Consignee / Consignor / Operator - not complying with all legislation governing the transportation of Hazardous Goods.

13. Goods in Transit (GIT) Basic Excess Reducer

(Heavy Commercial Vehicles, Commercial Vehicles & LDV's)

Defined Event

This section insures your specified vehicle's Goods in Transit 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 as stated below.

Specific Conditions

1. Maximum limit of Indemnity – R200 000 per event.
2. Limited to Cost Price of goods to the owner of the goods and/or replacement value and/or market value whichever is the lesser, at time of loss.
3. There must be in force a valid Underlying Transit Policy with a registered South African insurer covering the risks insured, at the time of loss.
4. If liability is declined in terms of the Underlying Transit Policy, then indemnification of this policy will similarly be declined.
5. Any condition, warranty or exclusion applicable to the Underlying Transit Policy will similarly be applicable to this cover.
6. This policy will only respond where there has been a legitimate non-hijack or hijack claim on the Underlying Transit Policy and such indemnity has been paid to the Insured by the Insurer, less the excess applicable in terms of the Underlying Transit Policy.
7. Insurers reserve the right to call for proof of payment of the loss by the Insurers of the Underlying Transit Policy, including copies of the Insurers claim adjustment, agreement of loss form or a full copy of the Underlying Transit Policy.
8. In the event of a recovery of any hijacked, stolen or damaged goods / salvage being made, Insurers reserve the right to be reimbursed for their ratable proportion of any such recovered goods.
9. Insurers are entitled to charge a re-instatement premium equivalent to the monthly premium, following an Insured loss.

13. Goods in Transit (GIT) Basic Excess Reducer

10. In the event of a recovery of any damaged goods / salvage being made, Insurers reserve the right to be reimbursed for their ratable proportion of any such recovered goods.
11. Inner Excess: Nil, unless an endorsement is noted on Policy Schedule
12. No additional excess will be covered unless agreed on and endorsement is noted on Policy Schedule noting same.

Specific Exclusions

1. No cover will apply in the event of aggregate deductibles.
2. Insured Cargo Exclusions: Antiques, antiquities of any description, arms, ammunition, bank and treasury notes, bullion, cash, mobile telephones and accessories, copper, deeds, designs, documents of any description, explosives, film, gold, or silver articles, used household goods and personal effects, jewelry, liquor (other than wine or beer), live animals, motor vehicles of any description, plans, precious metals or stones, pre-paid phone cards or vouchers, species, stamps, tickets, tobacco products and travelers cheques unless specifically included in the policy schedule.

14. Goods in Transit (GIT) Theft/Hijack Excess Reducer

(Heavy Commercial Vehicles, Commercial Vehicles & LDV's)

Defined Event

This section insures your specified vehicle Goods in Transit 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 as stated below.

Specific Conditions

1. Maximum limit of Indemnity – R300 000 per event.
2. Limited to Cost Price of goods to the owner of the goods and/or replacement value and/or market value whichever is the lesser, at time of loss.
3. There must be in force a valid Underlying Transit Policy with a registered South African insurer covering the risks insured, at the time of loss.
4. If liability is declined in terms of the Underlying Transit Policy, then indemnification of this policy will similarly be declined.
5. Any condition, warranty or exclusion applicable to the Underlying Transit Policy will similarly be applicable to this cover.
6. This policy will only respond where there has been a legitimate non-hijack or hijack claim on the Underlying Transit Policy and such indemnity has been paid to the Insured by the Insurer, less the excess applicable in terms of the Underlying Transit Policy.
7. Insurers reserve the right to call for proof of payment of the loss by the Insurers of the Underlying Transit Policy, including copies of the Insurers claim adjustment, agreement of loss form or a full copy of the Underlying Transit Policy.
8. In the event of a recovery of any hijacked, stolen or damaged goods / salvage being made, Insurers reserve the right to be reimbursed for their ratable proportion of any such recovered goods.
9. Insurers are entitled to charge a re-instatement premium equivalent to the monthly premium, following an Insured loss.
10. In the event of a recovery of any damaged goods / salvage being made, Insurers reserve the right to be reimbursed for their ratable proportion of any such recovered goods.
11. Inner Excess: Nil, unless an endorsement is noted on Policy Schedule
12. No additional excess will be covered unless agreed on and endorsement is noted on Policy Schedule noting same.

Specific Exclusions

1. No cover will apply in the event of aggregate deductibles.
2. Insured Cargo Exclusions: Antiques, antiquities of any description, arms, ammunition, bank and treasury notes, bullion, cash, mobile telephones and accessories, copper, deeds, designs, documents of any description, explosives, film, gold, or silver articles, used household goods and personal effects, jewelry, liquor (other than wine or beer), live animals, motor vehicles of any description, plans, precious metals or stones, pre-paid phone cards or vouchers, specie, stamps, tickets, tobacco products and traveller's cheques unless specifically included in the policy schedule.

15. Windscreen Comprehensive Cover

(Heavy Commercial Vehicles, Trailers, Buses, Taxi's, Commercial Vehicles, LDV's & PMV's)

Defined Event

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

Specific Conditions

1. Loss or damage to any vehicle lights or mirrors or for any extras, i.e. Window safety shield clear, tint or signage.
2. Loss or damage to any auto glass if such glass is damaged whilst any extras as stated in point 1 above are being fitted.
3. Side glass cover for busses is excluded.

Specific Exclusions

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

16. Windscreen Excess Reducer

(Heavy Commercial Vehicles, Trailers, Buses, Taxi's, Commercial Vehicles, LDV's, PMV's & Plant & Equipment)

Defined Event

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.

Specific Conditions

1. In terms of the Insured Vehicles the policy is limited to the Sum Insured as stated subject to maximum Sum Insured per event of;
 - (a) Heavy Commercial Vehicles, Trailers, Buses, Commercial Vehicles & Plant – R10, 000
 - (b) Private Motor Vehicles & LDV's – R 5 000
2. Less the Inner excess as stated in the Policy Schedule and/or as noted on endorsement on Policy Schedule.
3. If non-standard excesses are applied by Underlying Insurers, inner excess may vary

Specific Exclusions

The Underwriter shall not be held liable for:

1. Towing & Recovery Costs are excluded.
2. Any additional excesses are excluded unless Insured and noted on Policy Schedule.
3. Windscreen claims reported more than 30 days after date of loss.

17. Tyre/Pothole Cover

(PMV's, LDV's and Commercial vehicles below 3500kgs only)

Defined Event

In the event of accidental damage to a tyre caused by sudden braking, cuts, punctures by foreign objects or bursts, the insurer 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.

Limit of Indemnity

The insurer will reimburse the Insured the amount on his/her 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 HCV.

Specific Exclusions

The Insurer will not be liable to pay for any loss or resultant damage:

- ▶ to tyres on any heavy commercial type vehicle or fare paying transport vehicles;
- ▶ caused by safety devices built into or fitted onto tyres;
- ▶ caused to tyres by safety devices, or built-in safety mechanisms;
- ▶ to flat tyres, - where the tyre cannot be repaired as a result of a normal puncture;
- ▶ caused to tyres as a result of driving while the tyre(s) are deflated; (Punctured tyre(s)-: tyre(s) that could have been repaired, if not been driven on while punctured.)
- ▶ to tyres that have a tread depth of less than 1mm at any point;
- ▶ to tyres fitted to a vehicle used for racing, pace setting, speed testing, reliability trials, hire or reward, off-road activities, dispatch or courier services, or driving tuition;
- ▶ caused by or resulting from an accident involving the motor vehicle on which the tyres were fitted;
- ▶ to rethreads, i.e. tyres that have been refitted with rubber rethreads;
- ▶ tyres still covered under a supplier or manufacturer's warranty or guarantee period;
- ▶ from, or any liability arising from faulty manufacturing or fitment;
- ▶ to the vehicle resulting from an event covered by the underlying policy;
- ▶ to rims, mags or any safety devices fitted on or in the tyre;
- ▶ or liability to third parties, or third party property damage;

Tyre Insurance Tread & Indemnity Limits

Our indemnity limits will be calculated as follows

- ▶ 1mm left on the tyre – 12.5% of the cost of the tyre
- ▶ 2mm left on the tyre – 25% of the cost of the tyre
- ▶ 3mm left on the tyre – 37.5% of the cost of the tyre
- ▶ 4mm left on the tyre – 50% of the cost of the tyre
- ▶ 5mm left on the tyre – 62.5% of the cost of the tyre
- ▶ 6mm left on the tyre – 75% of the cost of the tyre
- ▶ 7mm left on the tyre – 87.5% of the cost of the tyre
- ▶ 8mm left on the tyre – 100% of the cost of the tyre

18. VAPS Non-Motor Excess Reducer

Defined Event

This section insures your 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 this 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, Business All Risks, Accidental Damage, Public Liability, Employers' Liability, Stated Benefits & Group personal Accident.

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

Specific Conditions

1. Any specific non-motor excess can be referred to VAPS for cover.
2. Maximum Indemnity Limit is R 250 000.
3. There must at all times be a valid Underlying Comprehensive policy in place at the time of claim.

Specific Exclusions

The Underwriter shall not be held liable if:

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



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