

Motor Traders Insurance

External section



Sub-section A - Loss or Damage

Defined events

Loss of or damage to any vehicle and its accessories and spare parts whilst thereon occurring whilst the vehicle is

1. on the road;
2. temporarily garaged during the course of a journey elsewhere than in or on any business premises owned and/or occupied by the insured anywhere in the Republic of South Africa, Namibia, Botswana, Lesotho Swaziland, Zimbabwe and Malawi.

In addition, if such vehicle is disabled by reasons of any loss or damage insured hereby, the company will pay the reasonable cost of protection and removal to the nearest repairers and the insured may give instructions for repairs to be executed without the previous consent of the company to the extent of but not exceeding R2,000 provided that a detailed estimate is first obtained and immediately forwarded to the company. The company will also pay the reasonable cost of delivery to the insured after repair of such loss or damage not exceeding the reasonable cost of transport to the permanent address of the insured in the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland Zimbabwe and Malawi

provided that

1. the limit of indemnity for loss of or damage to any 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 market value of the vehicle 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 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 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.

Exceptions to sub-section A

The company shall not be liable to pay for

1. 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 breakdowns failures or breakages.
2. damage to tyres by application of brakes or by road punctures, cuts or bursts.
3. damage to springs/shock absorbers due to inequalities of the road or other surface or to impact with such inequalities.
4. detention confiscation or requisition by customs or other officials or authorities.
5. loss of or damage to accessories or spare parts by theft unless the vehicle is stolen at the same time.

Sub-section B - Liability to third parties

Defined events

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

1. 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.

2. 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 or 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 sub-section 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 thereunder.

Exceptions to sub-section B

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

1. 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.
2. death of or in jury to any person being carried in or upon or entering or getting onto or alighting from any motor cycle motor scooter or side-car attached thereto at the time of the occurrence of the event from which any claim arises.
3. liability arising from the operation demonstration or use for purposes other than maintenance or repair of a vehicle (unless it is a fork lift truck) 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.

Limits of indemnity

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.

Definitions

1. Occurrence

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

2. Vehicle

The term vehicle shall mean

- (a) any motor vehicle or trailer the property of or in the custody or control of the insured (excluding any vehicle being the property of the insured and hired or sold under a suspensive sale or other deferred ownership agreement unless such vehicle is in the custody or control of the insured at the time of the occurrence of the event out of which any claim arises) and
- (b) any vehicle (mechanically-propelled or otherwise) attached to a vehicle covered under (a) above for the purpose of being towed or salvaged.

No claim rebate provisions

In the event of no claim being made or arising under this section during a period of insurance specified below immediately preceding the renewal of this policy the renewal premium will be subject to the No Claim Discount as follows:

Period of insurance	No Claim Discount
the preceding year	10%
the preceding two or more consecutive years	20%
otherwise than above no discount applies	

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

Extensions

1. Social domestic and pleasure use (if stated in the schedule to be included)

The description of use clause is extended to include use for social domestic and pleasure purposes in respect of the persons named in the schedule.

2. Loss of use of customers vehicles (if stated in the schedule to be included)

In the event of the company being liable to indemnify the insured under sub-section A of this section in respect of loss of or damage to any vehicle being the property of a customer whilst in the custody or control of the insured the company will also indemnify the insured notwithstanding exception (a) in the exceptions to sub-section A of this section against liability at law to pay compensation for loss of use of such vehicle provided that the liability of the company shall be limited to the amounts stated in the schedule.

3. Unauthorised use by employees (if stated in the schedule to be included)

Specific exception 1(a) (ii) is cancelled.

4. Legal liability of passengers for acts of negligence (if stated in the schedule to be included)

The company will at the request of the insured indemnify in terms of sub-section B of this section any person using the vehicle provided that such person

- (a) is not personally driving or in control of the vehicle.
- (b) is not entitled to indemnify under any other policy.
- (c) is not under the influence of intoxicating liquor or drugs.
- (d) shall as though he were the insured observe fulfil and be subject to the terms exceptions and conditions of this section in so far as they can apply.

5. Windscreen extension (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 stated in the schedule of each and every loss.

6. 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.

7. Riot and strike extension (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

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

Provided that this extension does not cover

- (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.

Memoranda

1. Premium adjustment clause

The premium for each period of insurance which may be accepted by the company shall be based upon the estimated wages salaries commissions and any other consideration payable by the insured to all

employees. Where the insured is an individual or a partnership a minimum amount of R120,000 must be added for each principal.

At the commencement of each period of insurance the insured shall furnish to the company a statement containing an estimate of the amount of wages salaries commissions and any other considerations as aforesaid and shall pay to the company an estimated premium calculated upon such statement.

Upon the termination of each period of insurance the insured shall within one calendar month furnish to the company a statement of the actual amount paid or allowed as aforesaid and if the total amount disclosed by such statement shall differ from the amount upon which the estimated premium was calculated the difference in premium shall be met by an additional payment to the company or by a refund to the insured calculated on the basis of the company's scale of charges for this section.

It is a condition precedent to any liability of the company under this section that

- (a) the insured shall regularly record in a proper wage register the name of every employee together with the wages salary commission and other consideration paid or allowed to such employee and shall immediately record in such wage register the date of engagement and of discharge of each employee.
- (b) the insured shall at all times permit the company through any of its representatives to inspect such wage register.

2. Description of use clause (wages basis)

Use for business purposes of the insured by the insured a member director or employee of the insured excluding transit delivery or conveying for or on behalf of the insured by casual drivers or persons not wholly and regularly engaged in the employ of the insured including

use for purposes of tuition provided that the person being taught to drive is complying with the law in force relating to learner-drivers and is accompanied by a fully licensed driver who shall be either the insured a member of the insured or an employee of the insured including

use for purposes of demonstration which shall include driving by the person to whom the vehicle is being demonstrated provided that such person is accompanied by a fully licensed driver who shall be either the insured or a member director or employee of the insured and

use for social domestic and pleasure purposes (whether such use is incidental to the business of the insured or not) by any person other than the insured a member a director or an employee of the insured.

Optional limitations

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

Sub-section A and the No Claim Rebate provisions are cancelled.

2. Exclusion of demonstration risk (if stated in the schedule to be applicable)

The company shall not be liable for accident injury loss damage or liability whilst any vehicle is being used for the purpose of demonstration.

3. Exclusion of passenger liability (if stated in the schedule to be applicable)

The company shall not be liable under sub-section B of this section in respect of death of or injury to any person(s) being carried in or upon or entering or getting onto or alighting from any vehicle at the time of the occurrence of the event from which any claim arises.

4. Exclusion of own vehicles (if stated in the schedule to be applicable)

The definition of vehicle is amended to exclude any vehicle owned hired and/or leased by the insured.

Specific exceptions

1. The company shall not be liable for any accident injury loss damage or liability
 - (a)
 - (i) whilst the vehicle is being used otherwise than in accordance with the description of use clause.
 - (ii) whilst the vehicle is being used for any unauthorised purpose by an employee of the insured or by any other person with whom such employee is or was acting in collusion.
 - (b) incurred outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi but the company will indemnify the insured against loss of or damage to any vehicle while in transit by sea between the ports in these territories including loading and unloading incidental to such transit.
 - (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 not licensed to drive such vehicle.
 - (ii) any other person with the general 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 is not licensed to drive such vehicle

provided that any driver shall be deemed to be licensed to drive the vehicle if he is complying with the licensing laws relating to any of the territories referred to under specific exception (b) or if non-compliance with any licensing law is solely because of failure to renew any licence subject to periodic renewal or if a licence is not required by law or while such driver is learning to drive and is complying with the laws relating to learners.

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 have knowledge of such fact.