
MOTOR TRADERS EXTERNAL RISK SECTION

Sub-section 1 - Loss or damage

Defined events

DAMAGE to any vehicle as defined herein. If such vehicle is disabled by reason of any loss or damage insured hereby, the insurers will pay the reasonable cost of protection and removal to the nearest repairers. The insured may give instructions for repairs to be executed without the previous consent of the insurers to the extent of but not exceeding the sum of R3 000 provided that a detailed estimate is first obtained and immediately forwarded to the insurers. The insurers 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, Malawi or Mozambique.

Provided always that

1. the limit of indemnity stated in the schedule shall be the maximum amount payable by the insurers in respect of such DAMAGE each and every occurrence, but not exceeding the reasonable market value of the vehicle (VAT included) at the time of such DAMAGE
2. in respect of each and every occurrence giving rise to a claim (except a claim resulting from fire, lightning or explosion) under this sub-section, the insured shall be responsible for the first amount, as reflected in the schedule as the first amount payable, 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 insurers in the exercise of any discretion they may have under this insurance. If the expenditure incurred by the insurers shall include the first amount payable, such amount shall be paid by the insured to the insurers forthwith.

Exclusions applicable to sub-section 1

The insurers shall not be liable to pay for

- (a) consequential loss as a result of any cause whatsoever, depreciation, whether arising from repairs following a defined event or otherwise, wear and tear, mechanical, electronic or electrical breakdowns, failures or breakages
- (b) damage to tyres by application of brakes or by road punctures, cuts or bursts (unless some other part of the vehicle is damaged at the same time)
- (c) damage to springs/shock absorbers due to inequalities of the road or other surface or to impact with such inequalities other than as specifically provided for herein
- (d) DAMAGE to any vehicle as a result of detention, confiscation or requisition by customs or other officials or authorities unless following a defined event for which indemnity is provided under this section, provided that damage occurring during such detention, confiscation or requisition, which is discovered on return of the vehicle to the insured, is not hereby excluded
- (e) DAMAGE to vehicles whilst on the insured's premises.

Sub-section 2 - 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, in respect of which the insured shall become legally liable to pay damages including claimant's costs and expenses as a consequence of

- (i) death of or bodily injury to any person but excluding death of or bodily injury to any person in the employ of the insured arising from and in the course of such employment or, if the insured is an individual, being a member of the same household as the insured
- (ii) damage to property other than property belonging to the insured or held in trust by or in the custody or control of the insured or being conveyed by, loaded onto or unloaded from such vehicle.

The insurers 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 subsection, provided that the total of the insurers' liability under both this extension and sub-section 2 shall not exceed the limit of indemnity stated in the schedule to apply to sub-section 2.



2. indemnify any person who is driving or using any vehicle on the insured's order or with the insured's permission, and/or any passenger provided that
- (a) such person shall, as though he were the insured, observe, fulfil and be subject to the terms, exclusions and conditions of this insurance in so far as they can apply
 - (b) indemnity shall not apply in respect of claims made by any member of the same household as such person
 - (c) such person is not entitled to indemnity under any other policy except in respect of any amount not recoverable thereunder
 - (d) such person driving such vehicle has not been refused any motor insurance or continuation thereof by any insurer.

Exclusions applicable to sub-section 2

The insurers 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 or accident compensation enactment. This exclusion shall apply notwithstanding that no insurance under such enactment is in force or has been effected
2. death of or injury to any person being carried in or upon or entering or getting onto or alighting from a motor cycle, side car, motor scooter or trailer 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 the vehicle) of any tool or plant forming part of or attached to or used in connection with a vehicle or anything manufactured by or contained in any such tool or plant. This exclusion shall not apply to forklift trucks.

Sub-section 3 - Medical expenses

Defined events

Accidental bodily injury to any occupant of any private type motor car or motorised caravan, or the permanently enclosed passenger carrying compartment of a commercial vehicle insured, other than a bus or a taxi, provided that the liability of the insurers shall be limited to the payment of the medical expenses incurred as a result of such injury up to the sum stated in the schedule in respect of each person injured, provided further that the amount payable under this sub-section shall be reduced by any amount recoverable under any workmen's compensation enactment or similar legislation.

The term medical expenses is deemed to include any costs incurred in connection with such occupant being freed from such vehicle or brought to a place where medical treatment can be given.

Definitions

1. Vehicle shall mean

any motor vehicle, owned or borrowed by or hired or leased to the insured or held in trust by or in the custody or control of the insured including its accessories and spare parts while thereon or therein but excluding any vehicle which is the property of the insured and is hired or sold under a suspensive sale or similar agreement unless such vehicle is in the custody or control of the insured at the time of the event out of which the claim arises. This definition shall also include any vehicle (mechanically propelled or otherwise) attached to any vehicle defined above for the purpose of being towed or salvaged

2. Private type motor cars shall include

station wagons, safari vans and the like or similar vehicles designed to seat not more than 12 persons including the driver.

No claim rebate provisions

In the event of no claim being made or arising under this section during a period of insurance of not less than 12 months immediately preceding the renewal date, the renewal premium of such part of the insurance as is renewed shall be reduced by 10% of the net renewal premium, which reduction shall not be cumulative.

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



Clauses and extensions

1. Contingent liability

The indemnity under sub-section 2 shall include claims made against

- (a) the insured in the event of an occurrence arising in the course of the business and caused by or through or in connection with any motor vehicle not the property of or provided by the insured while being used by any partner in or of or any director, member or employee of the insured (hereinafter in this extension referred to as such person)
 - (b) any such person in the event of an occurrence arising in the course of the business and caused by or through or in connection with any motor vehicle not belonging to the insured, or leased or hired to the insured but only in so far as such person has not been refused any motor insurance or continuance thereof by any insurer, provided that
 - (i) the insurers shall not be liable for loss of or damage to any vehicle being used for the purposes and in the manner described above
 - (ii) the payment by the insured of subsidies or travelling allowances to such person for the use of his own vehicle for official purposes of the insured, including the carriage of persons for such purposes, is allowed without prejudice to the insurance by this extension
 - (iii) if, at the time of any occurrence giving rise to a claim under this extension, the insured is entitled to indemnity under any other policy or sub-section 2 of this section in respect of the same occurrence, the insurers shall not be liable to make any payment hereunder except in respect of any excess beyond the amount payable under such other policy or sub-section
 - (iv) the terms, exclusions and conditions of this policy shall otherwise apply.
- For the purposes of this extension only, exclusion 2 of sub-section 2 is deleted.

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

In the event of the insurers being liable to indemnify the insured under sub-section 1 of this section in respect of loss of or damage to any vehicle the property of a customer, whilst held in trust by or in the custody or control of the insured, the insurers will also indemnify the insured, notwithstanding anything contained to the contrary in exclusion (a) of the exclusions to sub-section 1 of this section, against legal liability to pay compensation for loss of use of such vehicle provided that

- (a) the liability of the insurers shall be limited to the amount per day stated in the schedule and
- (b) in no event shall the liability of the insurers, by virtue of this extension, exceed the liability of the insurers under sub-section 1 of this section in respect of DAMAGE to such vehicle or the sum of R20 000, whichever is the lesser.

3. Windscreen damage

The provisions of this section relating to the first amount payable 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 this section
- (b) the insured shall be responsible for the first amount payable applicable to glass claims, as stated in the schedule, in respect of each and every loss
- (c) the insured shall not forfeit any no claim rebate to which they may otherwise be entitled.

4. Waiver of subrogation rights

For the purposes of this section, 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, exclusions and conditions (both general and specific) of this insurance in so far as they can apply, but this waiver shall not apply to agents or subcontractors of the insured.

5. Principals

Notwithstanding specific exclusion 3 of this section, the indemnity under sub-section 2 extends to indemnify, to the extent required by the conditions of any contract of the Building Industries Federation of South Africa and, in connection with any liability arising from the performance of such contract, any principal named in such contract entered into by the insured for the purposes of the business, provided that the liability of the insurers shall not exceed the limit of indemnity stated in the schedule.



6. Cross liabilities

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

7. Transit, delivery and conveying (if stated in the schedule to be included)

Notwithstanding anything to the contrary contained under basis of cover - description of use, this section extends to include 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.

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

The description of use under the wages basis and the number plate basis extends to include use for social, domestic and pleasure purposes by the insured or a member, director or employee of the insured or the named persons as applicable.

Memorandum – war and terrorism

In respect of sub-sections 2 and 3, general exclusion 1 of this policy is deleted and replaced by the following: This section does not cover war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, military or usurped power.

Optional limitations

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

Sub-sections 1 and 3 and the no claim rebate provisions of this section are cancelled.

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

The liability of the insurers under sub-section 1 is restricted solely to loss or damage resulting from fire, self-ignition, lightning or explosion or by theft or any attempt thereat. Further, sub-section 3 is cancelled.

Own vehicles exclusion (if stated in the schedule to be applicable)

If the insured is a private individual, a partnership, a proprietary company or close corporation, the insurers will not pay under sub-sections 1 and 2 for DAMAGE caused to or by any vehicle owned, hired or leased by the insured or member of the insured or any director of the insured in their private capacity.

Specific exclusions

1. The insurers shall not be liable for any death, injury, illness, loss, damage or liability resulting from an accident while the vehicle is being used with the general knowledge and consent of the insured otherwise than in accordance with the description of use specified in this section.
2. The insurers shall not be liable for any death, injury, illness, loss, damage or liability resulting from an accident
 - (a) while the vehicle is being used with the general knowledge and consent of the insured for hiring, carriage of passengers for hire or carriage of fare paying passengers, racing, speed or other contests, rallies, trials, carriage of explosives or carriage of any load or passengers exceeding the capacity for which it is constructed or licensed but only insofar as this occurs with the general knowledge and consent of the insured
 - (b) occurring outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique. However, the insurers will indemnify the insured against DAMAGE to any vehicle while in transit by air or sea between any places in these territories including loading and unloading incidental to such transit
 - (c) while any vehicle is being driven by
 - (i) the insured and where such accident results from his being 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)
 - (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)



(iii) the insured while not licensed to drive such vehicle or any other person with the general consent of the insured who to the insured's knowledge 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 the territory in which the vehicle is being driven 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.

3. The insurers shall not be liable for any claims arising from liability assumed by the insured by agreement unless such liability would have attached to the insured notwithstanding such agreement.

Basis of Cover

1. Wages basis (if stated in the schedule to be applicable)

Description of use

Use for business purposes of the insured by the insured or a member, director, employee, servant, agent or sub-contractor 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 demonstration or tuition which shall include driving by the person to whom the vehicle is being demonstrated or undergoing tuition provided that, other than in respect of motor cycles, such person is accompanied by a fully licensed driver who shall be either the insured or a member, director, employee, servant, agent or sub-contractor 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 or a member, director or employee of the insured.

2. Named driver basis (if stated in the schedule to be applicable)

Description of use

Use for business purposes of the insured by the insured or a member, director, employee or servant of the insured provided the vehicle is being driven by or is, for the purpose of being driven by him, in the charge of any of the persons named in the schedule

including use for purposes of demonstration or tuition which shall include driving by the person to whom the vehicle is being demonstrated or undergoing tuition provided that, other than in respect of motor cycles, such person is accompanied by one of the persons named

and use for social, domestic and pleasure purposes (whether such use is incidental to the business of the insured or not) by any person named.

3. Number plate basis (if stated in the schedule to be applicable)

Description of use

Use for business purposes of the insured by the insured or a member, director, employee, servant, agent or sub-contractor 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 demonstration or tuition which shall include driving by the person to whom the vehicle is being demonstrated or undergoing tuition provided that, other than in respect of motor cycles, such person is accompanied by a fully licensed driver who shall be either the insured or a member, director, employee, servant, agent or sub-contractor 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 or a member, director or employee of the insured provided that any vehicle being used for the above purposes (other than a vehicle attached to such vehicle for the purposes of being towed or salvaged) carries in the manner and for the purposes prescribed by law a trade plate bearing one of the trade registration numbers stated in the schedule.