

BMW Financial Services



Sheer
Driving Pleasure

BMW TOP UP
CREDIT SHORTFALL COVER.

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The BMW Group Top Up/Deposit Policy for Vehicles with a sum insured up to R1 500 000.

BMW Financial Services (South Africa) (Pty) Ltd., is an Authorised Financial Services and Registered Credit Provider (NCRCP2341).

This document contains the BMW Group Top Up/Deposit Cover Policy wording. The details of this Policy document have been set out for Your information. This Policy is underwritten by Guardrisk Insurance Company Limited (License No. 75), hereafter referred to as (Guardrisk) and administered by Innovation FSP (Pty) Ltd (Registration No. 1997/005662/07) (FSP No. 21468), hereafter referred to as (the Administrator) which are Authorised Financial Services Providers.

The Top Up/Deposit protection product is directly linked to a vehicle. The Vehicle must be a total loss and the benefit paid is the difference between the outstanding debt and the Market Value of The Vehicle. An unintentional violation benefit is included and this is paid when a client unintentionally violates their Comprehensive Underlying Insurance Policy.

TERMS AND CONDITIONS.

In return for the Insured paying the Premium and continuing to meet all the conditions for cover, Guardrisk Insurance Company Limited will provide insurance cover under the BMW Group Top Up/Deposit Policy as described in this document.

Guardrisk agrees and undertakes in favour of the Insured's named in the Schedule of Insurance to pay the benefits described in the Policy subject to:

1. the actual receipt by Guardrisk at its head office of the correct and sufficient Premium or Premiums;
2. where neither (Top Up, Deposit) is selected, the Insurer's liability will be restricted to the Policy that correlates to the Premium received and the maximum specified sum;
3. the truth and accuracy of the information given in the Insured's Schedule of Insurance;
4. the Terms and Conditions contained herein or endorsed hereon.

OTHER MATTERS OF IMPORTANCE.

1. You will be informed of any material changes to the information about the intermediary, insurer and or underwriter provided above.
2. If any of the information reflected above was given to you orally, this disclosure notice serves to provide you with the information in writing.
3. If we fail to resolve your complaint satisfactorily, you may submit your complaint to the Ombud of Short-Term Insurance.
4. You will always be given a reason for the repudiation of your claim.
5. If the insurer wishes to cancel your policy, this will be done in writing, to your last known address.
6. You will always be entitled to a copy of your policy at no extra charge.

COOLING OFF PERIOD.

Should you not be satisfied with the policy, you are entitled to a period of up to 30 (Thirty) Days after the policy has been issued within which you may cancel your policy in writing at no cost. Cover will cease upon cancellation of the policy.

Please note that you may only cancel this policy within 30 (Thirty) Days where no benefit has yet been paid or claimed or if the event insured against under the policy has not yet occurred.

WARNING.

1. Do not sign any blank or partially completed application form.
2. Keep notes of what is said to you and all documents handed to you.
3. Don't be pressurised to buy the product.
4. Failure to provide correct or full relevant information may influence the insurer on any claims arising from your contract of insurance.

WAIVER OF RIGHTS.

The General Code of Conduct stipulates that no Financial Services Provider may request or induce in any manner a client to waive any right or benefit conferred on the client by/or in terms of any provisions of the said Code, or recognise, accept or act on any such waiver by a client. Any such waiver is null and void.

DEFINITIONS.

“Accidental Death”

Death caused by accidental, violent, external and visible means.

“Balance of Indebtedness”

The benefit payable is based upon the Sum Insured reflected on the Proposal at the time of inception of this Policy, being equal to the amount of the (Principal Debt + VAT) as reflected on the Credit Agreement. Should the Sum Insured on the Proposal, be less than the (Principal Debt + VAT) as reflected on the Credit Agreement, then the benefits payable will be determined at the same proportion that the Sum Insured bears to the amount advanced under the Credit Agreement (Principal Debt + VAT). This will further be limited as stipulated in the definition of Selling Price, to 10% (Ten Percent) over the Retail/New List Price.

The total amount of all instalments falling due under and in terms of the Credit Agreement, after the date of the Event giving rise to a claim under this Policy, plus the residual where applicable, less all such finance charges as are to be rebated in accordance with the provisions of the National Credit Act 34 of 2005, relating to the advanced payment of instalments under and in terms of a credit agreement, excluding early settlement interest. The above shall equally apply to Lease and Rental Agreements, less the Comprehensive Underlying Insurers payments, less any Excess, less all arrear payments, and any amount on unexpired risk portion of insurance Premiums, including, inter alia but not limited to any short-term, credit life assurance or motor warranty Premiums, as at the Date of Loss; as determined by Us.

Any standard and non-standard Excess agreed by the Insured, for the purpose of reducing the monthly Premium on their Comprehensive Underlying Insurance Policy will not be covered under this agreement, and will therefore, be excluded from any claim payment.

Any failure by the Insured, or the Credit Provider, to expedite or assist with the finalisation of the Basic Top Up claim, which will result in additional interest being charged on a delayed payment, shall not be borne or form part of the Balance of Indebtedness payable by Us.

“Comprehensive Underlying Insurance Policy”

The fully comprehensive enforceable motor vehicle insurance Policy entered into by You with any registered domestic insurance company (The Comprehensive Underlying Insurer), which covers The Vehicle against, and obliges the Comprehensive Insurer to pay, for all possible motor vehicle risks (including theft and hijacking) occurring at least in the whole of the Republic of South Africa. The Vehicle and its accessories and extras must be correctly Insured in terms of the TransUnion Auto Dealer Guide for at least its full Market Value, Retail Value or New List Price at Date of Loss.

“Beneficiary”

The nominated party as per the Policy in the Event of an Accidental Death claim payment.

“Credit Agreement”

The Agreement as defined in the National Credit Agreements Act 34 of 2005 (Or as Amended) and referred to in the Schedule of Insurance, which shall be a valid and current Credit Agreement or loan agreement to which the Insured's shall be bound either as a debtor or as surety for the debtor.

“Credit Provider”

The institution granting the finance.

“Date of Loss”

The date upon which the damage to or loss of The Vehicle occurs, which date must fall within the Period of Insurance.

“Date of Occurrence”

For Supplementary Cover claims – the date of the letter of rejection of Your Comprehensive Underlying Insurance Policy claim;

For Top Up and Deposit claims – the date on which Your account with the Credit Provider is credited with the payment from the Comprehensive Underlying Insurer in settlement of Your claim in terms of Your Comprehensive Underlying Insurance Policy.

“Days”

Ordinary Days, including weekends and public holidays. A Day shall also mean a continuous 24 (Twenty-Four) hour Period.

“Deposit”

A contractual monetary amount as described in the National Credit Agreements Act 34 of 2005 (Or as Amended).

“Dual Insurance”

Situation in which the same risk is Insured by 2 (Two) overlapping but independent Insurance Policies.

“Event”

The Event which gave rise to Your claim in terms of the Comprehensive Underlying Insurance Policy, on the Date of Loss.

“Ex Gratia”

Where liability under the Comprehensive Underlying Insurance Policy is denied and a non-contractual partial or full settlement of the claim is made without prejudice.

“Excess”

An amount to be borne by You in respect of each and every claim.

“Extras”

Any tangible addition to the financed asset, all insurance policies and fees are excluded from this description.

“First Amount Payable”

- For Supplementary Cover claims:
 - The Excess/First Amount Payable in terms of the Comprehensive Underlying Insurance Policy;
 - An additional 15% (Fifteen Percent) of the claim if The Vehicle was insured in the incorrect class of use in terms of the Comprehensive Underlying Insurance Policy;
 - An additional 15% (Fifteen Percent) of the claim if the claim in terms of the Comprehensive Underlying Insurance Policy was rejected due to the violation of a Suspensive Condition;
 - 1.1, 1.2 and 1.3 are cumulative.
- For Top Up, Deposit, claims - nil.

“His / Her”

For “his” and “he” where the Insured is male and read “her” and “she” where the Insured is female.

“Innovation FSP”

Innovation FSP is a licensed Financial Services Provider for the purposes of the Financial Advisory and Intermediary Services Act 37 of 2002.

“Insured”

An Insured shall mean a person or legal entity who has successfully applied for this Policy Schedule of Insurance and paid for it in full.

“Insurer”

Shall mean Guardrisk Insurance Company Limited's Licence No. 75.

“Market Value”

The average of the recommended retail value and trade value of The Vehicle (Including its accessories and spare parts as specified in the Invoice/Offer to Purchase) at the Date of Loss, as determined by that month's issue of the TransUnion Auto Dealer Guide, and adjusted according to the Kilometre reading, at the time of the Event, and Condition chart contained in the Guide. Where the particular make and model of The Vehicle is not reflected in the “Auto Dealer's Guide” (or “Auto Dealer's Digest for Cars Over 10 (Ten) Years Old” or “Commercial Vehicle Dealer's Guide”) then the average value given for The Vehicle by three independent motor industry sources of Our choice will be used as the Market Value of The Vehicle. The Market Value is limited to 10% (Ten Percent) over the Market Value as stated above.

“Maximum Indemnity”

Our Maximum Indemnity is equal to R300 000 (Three Hundred Thousand Rand). Should The Vehicle be underinsured in terms of its Sum Insured under this Policy, Our benefit payment will be adjusted in the same proportion as the proportion of under insurance.

DEFINITIONS.

“Misrepresentation”

Conscious decision to change the facts as they are, to mislead an interested party. This shall also mean the failure to disclose material information at the date of application that had the Insurer been aware of would have resulted in the Policy not being issued.

“Partial Loss”

A loss that does not totally devalue or ruin The Vehicle.

“Period of Insurance”

As stated in the Schedule of Insurance issued in terms of this Policy.

“Policy”

The Schedule of Insurance.

“Policy Inception Date”

The policy inception date is the purchase date of the policy.

“Premium”

The monthly or annual amount payable as stated in the Schedule of Insurance or any endorsement issued in terms of this Policy.

“Premium Due Date”

The Premium payment date on or before the date appearing on the Schedule of Insurance.

“Purchase Value”

The value of The Vehicle and extras as stated on the original purchase invoice, before deduction of the Deposit, including tangible extras.

“Schedule of Insurance”

The Schedule containing Your details and the details of The Vehicle, Period of Insurance, Premium payable, Sum Insured, bank details and address.

“Selling Price”

The Selling Price of The Vehicle, is the price, including physical extras which You paid for The Vehicle at the time. This Policy will not cover more than 10% (Ten Percent) above the new list price or retail value of The Vehicle as stated in that month's issue of the TransUnion Auto Dealer Guide. The Selling Price is limited to a minimum of R50 000 (Fifty Thousand Rand) and a maximum of R1 500 000 (One Million Five Hundred Thousand Rand) excluding any insurance Premiums and fees, warranty costs, fuel and delivery charges, interior and paintwork protection applications, administration charges or other additional refundable or finance amounts included in the invoice.

“Statutory Settlement Balance”

The payment due by You as at the Date of Loss which would liquidate Your outstanding liability to the Credit Provider in Terms of the Credit Agreement and entitle You to retain The Vehicle unencumbered, excluding any arrear instalments due as at the Date of Loss, interest and/or finance charges on such arrear instalments and any early settlement penalties.

“Sum Insured”

The equivalent of the Selling Price.

“Suspensive Condition”

A condition of the Comprehensive Underlying Insurance Policy which suspends cover, either partly or wholly, pending the implementation of a requirement in terms of that Policy.

“Term Cover”

Where the full premium for the period of the cover has been received in advance.

“The Vehicle”

The Vehicle described in the Schedule of Insurance and which may be any of the following: light motor vehicles, minibuses (Maximum 16 (Sixteen) Seater), caravans, light delivery vehicles and panel vans all with a gross vehicle mass of not more than 3 500 kg (Three Thousand Five Hundred Kilogram), and trailers with a carrying capacity of not more than 750 kg (Seven Hundred and Fifty Kilogram).

“Total Loss”

Whereas the result of an accident, fire or theft the cost of repair or recovery of The Vehicle exceeds its Market Value.

“We, Us, Our”

Guardrisk Insurance Company Limited (“Guardrisk”). An authorised Financial Services Provider, FSP No. 26/10/75.

“You, Your”

The person or entity named as the Insured in the Schedule of Insurance. You must be 18 (Eighteen) years of age and be a permanent resident of South Africa and/or permanently residing in South Africa or a properly constituted and Registered Company or Trust.

BENEFITS PAYABLE IN TERMS OF THIS POLICY.

1. Supplementary Cover (Optional and only applicable if applied for and so indicated in the Schedule of Insurance)

1.1 Where The Vehicle is damaged, written off or stolen during the Period of Insurance and a term or condition of the Comprehensive Underlying Insurance Policy is unintentionally violated or not complied with, resulting in the rejection of liability for the claim by the Comprehensive Underlying Insurer, We will pay in respect of:

- 1.1.1 Repairable Vehicles:
The cost of repair of The Vehicle less the Excess/First Amount Payable as defined in this Policy or The Maximum Indemnity as defined, whichever is the lesser.
- 1.1.2 Total Loss and Constructive Total Loss Vehicles (Including Stolen or Hijacked Vehicles).

The Maximum Indemnity is as defined less the Excess/First Amount Payable in terms of this Policy.

2. Top Up (Optional and only applicable if applied for and so indicated in the Schedule of Insurance)

Where The Vehicle is stolen and not recovered or damaged beyond economical repair and is written off by the Comprehensive Underlying Insurer, who has settled Your claim by means of a lump sum payment, and a shortfall arises between such payment and the Statutory Settlement Balance in terms of the relevant Credit Agreement, We will pay either:

2.1 The Statutory Settlement Balance as defined,

MINUS:

- 2.1.1 The Excess/First Amount Payable by You in terms of the Comprehensive Underlying Insurance Policy;
- 2.1.2 The amount paid by the Comprehensive Underlying Insurer; (which We will deem to be never less than the Market Value, Retail Value or New List Price of The Vehicle at the Date of Loss), as defined in this Policy;
- 2.1.3 Any amount on unexpired risk portion of insurance Premiums, including, inter alia but not limited to, any short-term, credit life assurance or motor warranty Premiums, as at the Date of Loss; as supplied to Us by the Credit Provider;
- 2.1.4 Any further or additional amounts added to the principal debt on which the Premium calculation is based in terms of the Credit Agreement after its date of commencement, and any finance charges and interest thereon;

2.1.5 Any amount that exceeds the defined "Selling Price" as defined in this Policy by Us;

LESS:

2.1.6 Any deferred payments, debit review, or any other such arrangements as agreed to by the Credit Provider and the Insured;

PLUS:

2.1.7 Your Excess/First Amount Payable in terms of Your Comprehensive Underlying Insurance Policy, or R6 000 (Six Thousand Rand) whichever is the lesser;

Or:

2.1.8 The Maximum Indemnity as defined, whichever is the lesser.

This means that if Your Vehicle is stolen or written off, We will settle the difference between Your Comprehensive Insurance pay-out and the amount on Your Finance Agreement, less excess payable, arrears, refundable premiums, legal fees, notice interest charges or capital additions.

3. Accidental Death Benefit (Only applicable to the Top Up benefit if applied for and so indicated in the Schedule of Insurance)

In the Event of your death due to accidental, violent, external and visible means the Policy will pay the lump sum amount of R5 000 (Five Thousand Rand) to the nominated beneficiary.

4. Excess on Partial Loss (Only applicable to the Top Up benefit if applied for and so indicated in the Schedule of Insurance)

Where The Vehicle is a Partial Loss, We will pay an Excess of up to R1 500 (One Thousand Five Hundred Rand) per annum, which accumulates, where there has not been a claim submitted and paid under this benefit, at R1 500 (One Thousand Five Hundred Rand) per annum for 3 (Three) years.

We will pay a maximum of R1 500 (One Thousand Five Hundred Rand) or the actual Excess, (of The Vehicle forming the subject matter of this Policy) in the Event of a claim, whichever is the lesser, subject to the terms specified under this section. This benefit is applicable for the first 3 (Three) years of the Policy. To enjoy the benefit under this section You must submit a claim to Your Comprehensive Underlying Insurer.

5. Instalment Protection (Only applicable to the Top Up benefit if applied for and so indicated in the Schedule of Insurance)

Where The Vehicle is stolen and not recovered, or damaged beyond economical repair and is written off, We will pay 2 (Two) instalments (of The Vehicle forming the subject matter of this Policy) up to a maximum of R15 000 (Fifteen Thousand Rand), while the underlying insurance company settles the agreed amount, whichever is the lesser, subject to the terms specified under this section.

6. Deposit Protection (Optional and only applicable if applied for and so indicated in the Schedule of Insurance)

Where The Vehicle is stolen and not recovered, or damaged beyond economical repair and is written off, We will pay the actual deposit (of The Vehicle forming the subject matter of this Policy) up to a maximum of R100 000 (One Hundred Thousand Rand), whichever is the lesser, subject to the terms specified under this section.

GENERAL CONDITIONS.

The following conditions are applicable to all sections of this Policy.

1. Comprehensive Underlying Insurance Policy

- 1.1 You must ensure that The Vehicle is comprehensively insured for its full Market Value in terms of the Comprehensive Underlying Insurance Policy, in particular at the Date of Loss. If The Vehicle is not the subject of an enforceable fully Comprehensive Underlying Insurance Policy (which covers The Vehicle against, and obliges the Comprehensive Underlying Insurer to pay for, all motor vehicle risks including theft and hijacking), then this Policy does not operate;
- 1.2 You must comply with all the terms and conditions relating to the Comprehensive Underlying Insurance Policy;
- 1.3 Where the Comprehensive Underlying Insurance Policy is unenforceable, cancelled or for any reason is void or invalid or should be treated as such by the Comprehensive Underlying Insurer, or where it is not fully comprehensive, this Policy does not operate;
- 1.4 We will only settle the claim if the Comprehensive Underlying Insurance Policy has fully indemnified You in terms of the Comprehensive Underlying Insurance Policy.

2. Conditions Precedent to Liability

We shall have no liability under this Policy and You shall not be entitled to be indemnified under this Policy unless:

- 2.1 Subject to Condition 30 under General Conditions, the Premium has been received by Us by the Premium Due Date;
- 2.2 You comply with the Claims Procedures set out under Condition 11 under General Conditions;

3. Comprehensive Underlying Insurance Policy Indemnity

- 3.1 You shall use Your best endeavours to obtain a full indemnity in terms of Your Comprehensive Underlying Insurance Policy, including if necessary, the institution of legal proceedings against the Comprehensive Underlying Insurer to enforce Your rights in terms of the Comprehensive Underlying Insurance Policy, and referring the matter to the Ombud for Short-Term Insurance;
- 3.2 You must notify Us of rejection of Your claim in terms of the Comprehensive Underlying Insurance Policy within 60 (Sixty) Days, notwithstanding that such claim may be the subject of pending legal action, and advise Us of the status of such legal action.

4. Arbitration

Should any dispute arise between You and Us as to the amount of any claim under this Policy, liability having already been admitted by Us for the claim in principle, You may refer such dispute to arbitration within 90 (Ninety) Days of the dispute arising in accordance with the Arbitration Act 42 of 1965 (As Amended).

5. Rejection of Claim and Time Bar

In the Event of a claim being rejected or You dispute the benefit amount paid by Us, You are entitled to make representations to Us in respect of Our decision to reject the claim or as to the manner in which the benefit amount was calculated for a period 180 (One Hundred and Eighty) Days from the date of receipt of the letter of rejection or the date of the claim payment.

The dispute should be raised with the Insurer prior to disputing the matter with the Ombud.

Representation must be submitted in writing to:

Guardrisk Insurance Company Limited

Reg No: 1992/001639/06
FSP No: 75
Address: Tower 2, 102 Rivonia Road,
Sandton, 2196
Tel. 011 669 1000
Fax. 012 675 3856
Email: claimsrepudiation@guardrisk.co.za

Guardrisk Compliance Officer

Guardrisk Insurance Company Limited
P.O. Box 786015
Sandton
2146
Email: compliance@guardrisk.co.za
Tel. 011 669 1039
Fax. 012 675 3856

Where You are not satisfied with the response from the Insurer You are entitled to make further representation to:

The Ombud for Short-Term Insurance

P.O. Box 32334
Braamfontein
2017
Tel. 011 726 8900
Fax. 011 726 5501

In terms of Section 15 of the Financial Services Ombud Schemes Act No. 37 of 2004 that on the receipt of the official referral to the aforementioned Ombud, any applicable time barring clause in terms of this Policy or the running of prescription in terms of the Prescription Act No 68 of 1969, from the date of referral to the date of withdrawal of the referral or determination of the referral by the Ombud shall be stayed. If the dispute is not satisfactorily resolved in this manner, legal action may be instituted against the Insurer for the enforcement of the claim by way of the service of summons against the Insurer. Summons must be served on the Insurer within 6 (Six) months from the date You receive the outcome in respect of the representations You have made, failing which all benefits in respect of such claim shall be forfeited and no liability can arise in terms of such claim.

6. Misrepresentation

If any claim under the Comprehensive Underlying Insurance Policy or this Policy is in any way misrepresented or if any fraudulent means are used by You or anyone acting on Your behalf to obtain any benefit under this Policy, or if any of the Events Insured against are occasioned by Your intentional act, or with Your connivance, all benefits under this Policy shall be forfeited, and the Policy will be voidable and Premiums paid returned to you.

7. Jurisdiction

This Policy is subject to South African law and to the jurisdiction of a competent South African court.

8. Noting of The Credit Provider Interests

The interests of the Credit Provider in this Policy are hereby noted. Any payment in terms of this Policy shall be made first to reduce any liability due by You to the Credit Provider in terms of the Credit Agreement and their receipt shall be an effectual discharge of Our liability for that portion of Your claim. Any balance thereafter shall be paid to You. This Policy is ceded to the Credit Provider where applicable.

GENERAL CONDITIONS.

9. Termination of this Policy

The end date will be the earliest of:

- 9.1 the date at the end of the Period of Insurance;
- 9.2 the date of expiry of the period, as selected on the Schedule of Insurance;
- 9.3 where the Credit Provider is the owner of The Vehicle, the date on which The Vehicle is repossessed;
- 9.4 the date on which The Vehicle is sold by You;
- 9.5 the date on which a benefit is paid under this Policy;
- 9.6 when We do not receive Your Premium, subject to Condition 17 under General Conditions and Premium under Definitions;
- 9.7 when either You or We cancel the Policy, subject to Condition 10 under General Conditions;
- 9.8 when Credit Agreement is settled.

10. Cancellation and Refund of Premiums

This Policy may be cancelled by You or Us at any time on 31 (Thirty-one) Days written notice to the last known address. In the case of term policies Your Single Premium will be refunded on a scale determined by Our actuary based on Our calculation for the unexpired portion of the Term Policy, provided that no claim was submitted, in which Event No Premium shall be refunded.

11. Claims Procedures

On the happening of an Event which may result in a claim under this Policy, You shall at Your own expense:

- 11.1 Supplementary Cover
 - 11.1.1 Notify Us immediately on 0860 100 269 or email us at bmwclaims@innovation.group, of the rejection of Your claim in terms of the Comprehensive Underlying Insurance Policy and within 60 (Sixty) Days of the Date of Occurrence provide Us in writing by means of a claim form with full details of the claim together with particulars of the Comprehensive Underlying Insurance Policy;
 - 11.1.2 Attach a copy of the letter of rejection by the Comprehensive Underlying Insurer to Your claim form;
 - 11.1.3 Provide Us with such proof, information and affidavits as We may require to process the claim;
 - 11.1.4 You are responsible for the Excess/First Amount Payable in respect of each and every Event;

- 11.1.5 Provide Us with a copy of the claim form in terms of the Comprehensive Underlying Insurance Policy claim. Assist Us in any recovery action instituted by Us against any third party responsible for the loss or damage, which action may proceed in Your name, and/or in the identification of The Vehicle stolen and recovered, and the prosecution of those responsible, for which assistance We will reimburse You for Your reasonable out-of-pocket expenses;
- 11.1.6 Provide Us with and/or authorise Us to obtain a copy of Your Credit Agreement and a statement of Your account with the Credit Provider, reflecting a full transaction history;
- 11.1.7 Referral to the Ombud for Short-Term Insurance for a decision on the rejection by the Comprehensive Underlying Insurer.

11.2 Top Up Claims (Available under "Top Up Protector" selected on the Schedule of Insurance).

- 11.2.1 Notify Us immediately on 0860 100 269 or email us at bmwclaims@innovation.group, that Your claim in terms of Your Comprehensive Underlying Insurance Policy has been settled and within 60 (Sixty) Days of the Date of Occurrence, submit to Us full details in writing of Your Top Up claim by means of a claim form;
- 11.2.2 Provide Us with or authorise Us to obtain a copy of the Credit Agreement or other agreement between Yourself and the Credit Provider and a statement of Your account with the Credit Provider, reflecting a full transaction history;
- 11.2.3 Provide Us with such proof, information and affidavits as We may require to process the claim;
- 11.2.4 Provide Us with a copy of the signed agreement of loss or Ex Gratia agreement or letter accompanying the Ex Gratia payment, whichever is applicable, between You and the Comprehensive Underlying Insurer;
- 11.2.5 Be responsible for the amount by which the Excess/First Amount Payable in terms of Your Comprehensive Underlying Insurance Policy exceeds R6 000 (Six Thousand Rand).

11.3 Accidental Death Claims

- 11.3.1 Notify Us immediately on 0860 100 269 or email us at bmwclaims@innovation.group, of Your claim within 60 (Sixty) Days of the Date of Occurrence, submit to Us full details in writing of Your Accidental death claim by means of a claim form.
- 11.3.2 Provide Us with such proof and information as We may require to process the claim.

11.4 Deposit Protector Claims (Available under "Deposit Protector" selected on the Schedule of Insurance).

- 11.4.1 Notify Us immediately on 0860 100 269 or email us at bmwclaims@innovation.group, that Your claim in terms of the Comprehensive Underlying Insurance Policy has been settled and within 60 (Sixty) Days of the Date of Occurrence submit to Us full details in writing of Your Deposit claim by means of a claim form;
- 11.4.2 Provide Us with such proof and information as We may require to process the claim;
- 11.4.3 Provide Us with and/or authorise Us to obtain a copy of Your Credit Agreement or other similar agreements between Yourself and the Credit Provider;
- 11.4.4 Provide Us with a copy of the signed agreement of loss between You and the Comprehensive Underlying Insurer;
- 11.4.5 Provide Us with proof of the Deposit paid in terms of the Credit Agreement relating to Your replacement vehicle.

In the Event of a claim being rejected, the Insured is entitled to relief through court action, the Ombud for Short Term Insurance and the complaints process as detailed;

Guardrisk Compliance Officer

Guardrisk Insurance Company Limited
P.O. Box 786015, Sandton, 2146
Email: compliance@guardrisk.co.za
Tel. 011 669 1000
Fax. 012 675 3856

No benefit will be paid if The Vehicle is not a Total Loss, with the exception of the Accidental Death benefit and Excess on Partial Loss benefit.

GENERAL CONDITIONS.

12. Authority to Complete Claim Forms

If it should come to the knowledge of the Credit Provider that The Vehicle has been damaged in an accident during the Period of Insurance and You are unable, refuse, fail or cannot be traced to complete, wholly or partially, the claim form in terms of this Policy, a Regional Manager, Credit Manager or a Collections Manager of the Credit Provider shall be and is hereby authorised to complete and sign such claim form to the best of his or her knowledge and belief on Your behalf and provide Us with a copy of Your Credit Agreement and a statement of Your account with the Credit Provider, reflecting a full transaction history.

13. Contract

The application for this Policy, the Schedule of Insurance, this Policy and any endorsements or amendments together comprise Your Policy with Us. This Policy is made up of numerous benefits, each benefit must be individually applied for and the appropriate Premium must be paid for the appropriate benefit or benefits selected.

14. Reasonable Precautions

You shall take all reasonable precautions to avoid and to minimise any loss, failing which We shall have no liability under this Policy.

15. Territorial Limits

Cover is limited to Events occurring in the territorial limits as specified in Your Comprehensive Underlying Insurance Policy.

16. Repatriation Costs

If The Vehicle is damaged outside the Republic of South Africa, the cost of repatriation will be borne by You.

17. Period of Grace for Premium Payment

You shall be entitled to a period of 15 (Fifteen) Days from the Premium Due Date in which to pay Your Premium. In the case of monthly policies, this period of grace only applies from the second month of the currency of the Policy. No relaxation by the Insurer of this period; will be deemed to be a change in this condition.

18. Roadworthy Condition

You shall maintain The Vehicle in a roadworthy condition in compliance with the National Road Traffic Act 93 of 1996 (As Amended or Substituted) and the Regulations promulgated thereunder. We will not accept liability for any loss or damage if the condition of The Vehicle contributed to or caused the Event.

19. Prescription

There shall be no liability for any claim under this Policy after the lapse of 12 (Twelve) months from the Date of Loss unless such claim is the subject of a pending legal action.

20. Amendments or Endorsements

We may amend or endorse this Policy at any time by giving You 31 (Thirty-One) Days' notice in writing at Your last known address.

21. Vehicle Substitution

Where The Vehicle is substituted on an existing Credit Agreement, You must advise the Administrator immediately of such a change to the Credit Agreement and within 30 (Thirty) Days' supply the Administrator with the new vehicle details. The Sum Insured and the General Conditions, as indicated at inception of the Policy, will be applicable and all claims will be subject to the original Sum Insured and the General Conditions as at the inception of the Policy.

22. Hold Cover

We will provide full cover until the first premium due date as noted in the policy application, however, all waiting periods are still applicable and all exclusions still apply.

23. "Dual Insurance"

In the Event of Dual Insurance, the Insurer who has the earlier Policy Inception Date and has received Premium will be liable for the claim. In the Event where The Administrator does not have the earlier Inception Date, We shall refund Premium from Inception Date. The Onus is on the Insured to Establish where more than 1 (One) Insurer on the assets exist. Therefore, no Interest will be included in the refund payment. In the Event where an Insurer has already paid under a similar Policy, The Insured must supply proof of the Inception Date of the latter Policy to establish a refund due, any cover where Dual Insurance did not exist will not be refunded.

24. Specific Conditions applicable to Supplementary Cover

- 24.1 We may at Our option repair, replace or pay cash in lieu of the amount of damages or use any combination of these methods of indemnity;
- 24.2 We reserve the right to require any repair work to be carried out at a repairer of Our choice;
- 24.3 We reserve the right to decide when The Vehicle may be declared a Total Loss;
- 24.4 In the Event of a payment by Us for a Total Loss or constructive Total Loss, any proceeds subsequently recovered from the sale of The Vehicle or its salvage shall be solely Our property;
- 24.5 We shall only be liable to pay one Supplementary Cover claim where the claim arises from Your inadvertent non-payment of a single month's Premium in terms of the Comprehensive Underlying Insurance Policy and provided that You paid Your Premium for at least 3 (Three) consecutive months immediately prior to the month of non-payment;

- 24.6 The Insured must refer the rejection to the Ombud for a ruling prior to Us processing the claim.

25. Specific Conditions applicable to Top Up

- 25.1 The Maximum Indemnity under this section shall not exceed R300 000 (Three Hundred Thousand Rand);
- 25.2 In support of any claim under this section, You will need to provide Us with a copy of the Credit Agreement, forming the subject matter of this Policy.

26. Specific Conditions applicable to Deposit

- 26.1 The Maximum Indemnity under this section shall not exceed R100 000 (One Hundred Thousand Rand);
- 26.2 In support of any claim under this section, You will need to provide Us with proof of the actual Deposit paid forming the subject matter of this Policy;
- 26.3 The Deposit benefit terminates 3 (Three) years from the date of inception of the Policy.

27. Specific Conditions applicable to Instalment Protection

- 27.1 The maximum liability under this section shall not exceed R15 000 (Fifteen Thousand Rand);
- 27.2 In support of any claim under this section, You will need to provide Us with written proof of the actual Instalment paid for The Vehicle forming the subject matter of this Policy.

28. Specific Conditions applicable to Accidental Death

- 28.1 The maximum liability under this section shall not exceed R5 000 (Five Thousand Rand).

29. Specific Conditions applicable to Excess on Partial Loss

- 29.1 The maximum liability under this section shall not exceed R1 500 (One Thousand Five Hundred Rand) per annum.
- 29.2 In support of any claim under this section, You will need to provide Us with proof of the actual Excess paid for The Vehicle forming the subject matter of this Policy.

30. No Premium, No Cover

This Policy is conditional upon and will only come into effect following payment of the premium.

GENERAL EXCLUSIONS.

The following exceptions are applicable to all sections of this Policy except as they may be varied by specific exceptions under a particular section.

We shall not be liable for:

1. Liability to any passenger or third party whatsoever, including third party vehicles, for loss, damage or personal injury.
2. Any loss or damage caused, sustained or incurred whilst The Vehicle is being driven by You or by another person with Your consent, unless duly and fully licensed to drive The Vehicle in terms of any applicable legislation, or whilst the concentration of alcohol however measured, in Your or such person's blood or respiratory system exceeds the statutory limit in force at such time, or whilst You or such person is under the influence of alcohol or a drug having a narcotic effect.
3. Any claim arising out of any contractual liability.
4. Consequential loss of any nature whatsoever, depreciation, wear and tear, mechanical or electrical breakdown, failures breakage.
5. Loss or damage related to or caused by civil commotion, labour disturbances, riot, strike, lock-out or public disorder, war, invasion, acts of foreign enemy, hostilities or warlike operations, or any risk which is covered by the Policy issued by SASRIA Limited (Formerly the South African Special Risks Insurance Association). If We allege that the loss or damage is covered by the SASRIA Limited Policy the burden of proving the contrary shall rest on You.
6. Loss or damage caused directly or indirectly by or through or in consequence of or contributed to by nuclear weapons material or by ionising radiations or contamination by radioactivity or by any nuclear fuel or waste.
7. Any claim in terms of this Policy, unless You have complied with all the Policy terms and conditions.
8. Any loss or claim arising where there is misrepresentation, non-disclosure or errors in description of any fact or circumstance, whether in connection with:
 - 8.1 Your Comprehensive Underlying Insurance Policy;
 - 8.2 Your Comprehensive Underlying Insurance Policy claim;
 - 8.3 This Policy; or
 - 8.4 Your claim in terms of this Policy.
9. Any claim where You reside permanently outside the Republic of South Africa, in which case this Policy shall be deemed to be void from inception and the Premium refunded.
10. More than Our rateable proportion of any loss or claim which is covered under another enforceable Comprehensive Underlying Insurance Policy.
11. Loss or damage, consequential loss or any legal liability arising from the failure or malfunction of any computer, data processing equipment or media microchip, integrated circuit or similar device or any computer software" the computer equipment".
12. Where the loss or damage or liability is attributable to more than one proximate cause, this exception will not apply if any other such cause is an Insured Event.
13. In the Event of the mechanical breakdown of any vehicle. We will not pay for the replacement or repair or modification of any part of the computer equipment causing the Event but We will pay for any resultant loss, damage or liability covered under this Policy.
14. Damage to The Vehicle which existed prior to the Event (Pre-Existing Damage), or loss, damage or liability arising from any other Event unrelated to a particular claim, unless such Event is subject of a valid claim registered separately and in accordance with the terms and conditions of this Policy.
15. In the case that there is no shortfall under this Policy then there will be no payment of the R6 000 (Six Thousand Rand) Excess under Defined Events covered by this Policy.
16. The hiring of The Vehicle to other parties for the purpose of reward; driving instruction for reward; any speed trials, motor vehicle speed contests or racing; demo vehicles or loan vehicles; emergency response or security vehicles; taxis; or any use excluded by the cover provided in the Insured's Comprehensive Underlying Motor Insurance Policy.
17. Damage to tyres caused by the application of brakes or by road punctures, cuts or bursts.
18. Damage to the suspension due to inequalities of the road or other surface or to impact with such inequalities.
19. Loss or damage to any sound equipment.
20. A negligent, wilful or criminal act by the You.
21. Lack of scheduled maintenance as determined by the manufacturer.
22. No benefit will be paid if You have not met all the terms and conditions of the Comprehensive Underlying Insurance Policy and if Your claim under the Comprehensive Underlying Insurance Policy is rejected.
23. Loss or damage if The Vehicle has been modified or if it is used for racing, rallying, pace-making, speed testing or any other competitive Event, or it is used as an emergency or military vehicle, courier/delivery vehicle or for the haulage/transportation of goods, invalid carrier or driving instruction vehicle.
24. Any breach of conditions as stipulated in the Credit Agreement if The Vehicle is subject to such a Credit Agreement.
25. No excess is covered under the Benefit, We will contribute up to R6 000 (Six Thousand Rand) towards the excess payable by You.
26. Specifically excluding taxis/vehicles used to transport fare-paying passengers. Vehicles also excluded are emergency vehicles like ambulances, security vehicles etc. as well as vehicles used for racing or rallying, tow trucks, couriers and motor homes. The Vehicle must not be older than 10 (Ten) years of age. Any leathers, helmets, other riding accessories and any other Extras purchased under the Credit Agreement are all excluded with regards to motorcycles.
27. Specific Exceptions applicable to Instalment Protection
 - 27.1 No benefits are payable under this section if a claim is made or has been settled in terms of the Supplementary Cover section of this Policy, or when an Ex Gratia settlement has been made by the Comprehensive Underlying Insurer.

GENERAL EXCLUSIONS.

GENERAL EXCLUSIONS – ACCIDENTAL DEATH BENEFIT.

The following exclusions are applicable to the Accidental Death Benefit.

We shall not be liable for:

1. Liability to any passenger or third party whatsoever, including third party vehicles, for loss, damage or personal injury;
2. Any loss or damage caused, sustained or incurred whilst The Vehicle is being driven by You or by another person with Your consent, unless duly and fully licensed to drive The Vehicle in terms of any applicable legislation, or whilst the concentration of alcohol howsoever measured, in Your or such person's blood or respiratory system exceeds the statutory limit in force at such time, or whilst You or such person is under the influence of alcohol or a drug having a narcotic effect;
3. Any claim arising out of any contractual liability;
4. Arising directly or indirectly by radioactive contamination;
5. Arising directly or indirectly from war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, an Act of Terrorism, military or usurped power in which the Insured Person is taking an active part or whilst the Insured Person is on active service with the military, naval, air or police services of any nation;
6. Caused or contributed to by an act of war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, an Act of Terrorism, military or usurped power involving the use or release or the threat thereof of any nuclear weapon or device or chemical or biological agent;
7. Any claim in terms of this Policy, unless You have complied with all the Policy terms and conditions;
8. Any loss or claim arising where there is misrepresentation, non-disclosure or errors in description of any fact or circumstance, whether in connection with:
 - 8.1 This Policy; or
 - 8.2 Your claim in terms of this Policy.
9. Any claim where You reside outside the Republic of South Africa, in which case this Policy shall be deemed to be void from inception and the Premium refunded;
10. Where the loss or damage or liability is attributable to more than one proximate cause, this exception will not apply if any other such cause is an Insured Event;
11. A negligent, wilful or criminal act by the You;
12. Any breach of conditions as stipulated in the Credit Agreement if The Vehicle is subject to such a Credit Agreement.

GENERAL EXCLUSIONS ON LIABILITY.

- 1 This Policy does not cover loss or damage directly or indirectly caused by, related to or in consequence of:
 - 1.1 civil commotion, labour disturbances, riot, strike, lock-out or public disorder or any act or activity which is calculated or directed to bring about any of the above
 - 1.2 war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war
 - 1.3 mutiny, military rising, military or usurped power, martial law or state of siege or any other event or cause which determines the proclamation or maintenance of martial law or state of siege
 - 1.4 insurrection, rebellion or revolution
 - 1.5 any act (whether on behalf of any organisation, body or person or group of persons) calculated or directed to overthrow or influence any State or Government or any provincial, local or tribal authority with force or by means of fear, terrorism or violence.
 - 1.6 any act which is calculated or directed to bring about loss or damage in order to further any political aim, objective or cause or to bring about any social or economical change or in protest against any State or Government or any provincial, local or tribal authority or for the purpose of inspiring fear in the public or any section thereof
 - 1.7 any attempt to perform any act referred to in clause 1.5 or 1.6 above
 - 1.8 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
 - 1.9 the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrences referred to in clauses 1.1, 1.2, 1.3, 1.4, 1.5, 1.6 or 1.7 above

If the Insurer alleges that by reason of clauses 1.1, 1.2, 1.3, 1.4, 1.5, 1.6 or 1.7 of this General Exclusion loss or damage is not covered by this Policy, the burden of proving the contrary shall rest on the Insured.

- 2 Notwithstanding any provision of this Policy including any exclusion, exception or extension or other provisions not included herein which would otherwise override a General Exclusion, this Policy does not cover loss or damage to the Insured Item or expense of whatsoever nature directly or indirectly caused by, arising out of or in connection with any act of terrorism regardless of any cause or event contributing concurrently or in any sequence to the loss, damage or expense.

For the purpose of this General Exclusion 2, an act of terrorism includes, without limitation, the use of violence or force or the threat thereof whether as an act harmful to human life or not, by any person or group of persons, whether acting alone or on behalf of or in connection with any organisation or Government or any other person or body of persons, including any act committed with the intention to influence any Government or for the purpose of inspiring fear in the public or any section thereof.

If the Insurer alleges that, by reason of this General Exclusion, loss or damage is not covered by this Policy, the burden of proving the contrary shall rest on the Insured.

- 3 This Policy does not cover any legal liability, loss, damage cost or expense whatsoever or any consequential loss directly or indirectly caused by or contributed to by or arising from
 - 3.1 ionising, radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion or use of nuclear fuel;
 - 3.2 nuclear material, nuclear fission or fusion, nuclear radiation;
 - 3.3 nuclear explosives or any nuclear weapon;
 - 3.4 nuclear waste in whatever form; regardless of any other cause or event contribution or event contributing concurrently or in any other sequence to the loss. For the purpose of this General Exclusion only, combustion shall include any self-sustaining process of nuclear fission.
- 4 This policy does not cover loss, damage, cost or expense directly or indirectly arising from permanent or temporary dispossession resulting from detention, confiscation, forfeiture, impounding or requisition legally carried out by customs, police services, crime prevention units or other officials or authorities.

If We say that a claim is not covered in terms of the General Exclusions then You must prove the contrary.

MATTERS OF IMPORTANCE.

You must accurately, fully and properly disclose all material facts. All information provided by You or on Your behalf is Your own responsibility. You need to be satisfied with the accuracy of any transaction submitted by anyone on Your behalf.

Misrepresentation, incorrect or non-disclosure by You of any material facts or circumstance may impact negatively on any claims arising from this insurance contract.

GENERAL DISCLOSURES.

Insurance products developed by the Administrator are sold, on licence, under the Independent Intermediaries brand for which the intermediary is appropriately compensated.

COMPLAINT RESOLUTION PROCESS.

All complaints are forwarded to the Insurer's Compliance Officer who will forward the matter to the responsible department for investigation. Once the matter is resolved, the outcome is communicated to the complainant. If the complainant is satisfied with the response, the matter is concluded. Should the complainant be dissatisfied with the response, the Ombud for Short-Term Insurance may be contacted.

CONFLICT OF INTEREST POLICY.

The Administrator has adopted a Conflict of Interest Policy, which can be requested in writing to info@za.innovation-group.com

The Administrator is an authorised Financial Services Provider in terms of the FAIS Act and is entitled to render intermediary services and advice relating to short-term insurance category 1 in respect of personal and commercial lines. The Administrator, who has contractual relationships with different Insurers, holds professional indemnity and fidelity guarantee insurance.

TREATMENT OF VAT.

You are, in terms of a SARS ruling issued in terms of section 20 (7) of the VAT Act, able to claim input tax only if You are in possession of a Policy document and proof of payment.

TREATING THE CUSTOMER FAIRLY.

We have created a superior solution – encompassing products, processing and service – tailored to each of Our customers' requirements. We will at all times, deliver a superior customer experience, simplifying and improving both Our clients and their customers' lives. We will achieve this through a motivated team of skilled people, absolute fairness in Our treatment of Our clients and partners and complying with the 6 (Six) Treat Your Customer Fairly Outcomes, namely;

- You are confident that Your fair treatment is key to Our culture;
- Products and services are designed to meet Your needs;
- We will communicate clearly, appropriately and on time;
- We provide advice which is suitable to Your needs and circumstances;
- Our products and services meet Your standards and are of an acceptable level;
- There are no barriers to access Our services or to lodge any complaints.

VARIATIONS.

No variation to this Policy shall be binding on the Insurer unless made in writing and signed by a Director or Public Officer of the Insurer and confirmed thereafter by payment of the Insured of the Premium whether varied or not.

This Policy is issued on the basis that the statements and information made and set forth in the application and all declarations made in respect thereof are true and correct and constitute a full disclosure of all facts and circumstances likely to materially affect the assessment of the risk at the time of the issue of this Policy.

The Company reserves the right to amend, add or change the Terms and Conditions of this Policy by giving 31 (Thirty-One) Days written notice of its intention to do so. Any variations and or changes will be binding on both the Insurer and the Insured and can be applied at any time to the existing Terms and Conditions after written communication of these changes has been sent to the Insured's last known address as it appears in Our records at that time.

UNDERWRITTEN BY GUARDRISK INSURANCE COMPANY LIMITED AN AUTHORISED FINANCIAL SERVICES PROVIDER.

Guardrisk Insurance Company Limited:

Reg. No. 1992/001639/06
FSP No. 75
Tower 2, 102 Rivonia Road, Sandton, 2196

Complaints Department:

Tel. 011 669 1000
Fax. 012 675 3856
Email: complaints@guardrisk.co.za

Compliance Department:

Tel. 011 669 1104
Fax. 011 675 3826
Email: compliance@guardrisk.co.za

You can access Guardrisk's Complaints Resolution Policy at: www.guardrisk.co.za or email: complaints@guardrisk.co.za

You can access Guardrisk's Conflict of Interest Management Policy at: www.guardrisk.co.za

ADMINISTRATED BY INNOVATION FSP (PTY) LTD AN AUTHORISED FINANCIAL SERVICES PROVIDER.

Reg. No. 1997/005662/07
VAT No. 4360174033
FSP No. 21468
Innovation House, 192 Bram Fischer Drive, Randburg, 2194
Private Bag X99, Bryanston, 2021
Web: innovation.group
Tel. 0860 21 0007
Fax. 0860 41 0007

Compliance and Complaints Department:

Tel. 0861 37 8257
E-mail: ombudcomplaint@za.innovation-group.com

THE OMBUD SHORT-TERM INSURANCE.

P.O. Box 32334
Braamfontein
2017
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Fax. 011 726 5501
Email address: info@osti.co.za

THE COMMISSIONER OF SHORT-TERM INSURANCE.

P.O. Box 35655
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Tel. 012 428 8000
Fax. 012 346 6941

THE FAIS OMBUD.

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For BMW Financial Services (South Africa) (Pty) Ltd.

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