

06 November 2019

**Circular 497**

**To All Sasria Agents and Intermediaries**

**Basis of Settlement for Motor Classes of Business**

This serves to confirm the basis of settlement on the motor class of business.

Sasria settlement basis under the Motor Section is as follows:

- Retail Value Basis
- Retail Value Plus 10% in case of unspecified extras/accessories
- Replacement Value Basis
- Agreed Value Basis

**1. Retail Value Basis**

Sasria's liability to the insured will not be for more than the value specified against each vehicle, or the retail value of the vehicle calculated in terms of the TransUnion Auto Dealer Digest, whichever is the lesser.

**For an example:**

***Vehicle sum insured – R500,000***

***Incident – a riot and the vehicle was set alight, total loss***

***Retail value as per TransUnion – R455,000***

***Sasria settlement amount = R455,000***

**2. Retail Value Plus up to 10% for unspecified extras/accessories**

Sasria will pay the retail value and up to 10% of the insured value of the vehicle in respect of **unspecified** accessories fitted in or on the vehicle.

**Example A:**

***Vehicle sum insured – R600,000 incl. Unspecified extras***

***Incident – a riot and the vehicle was set alight, total loss***

***Retail value as per TransUnion – R455,000***

***Sasria settlement amount = R500,500***

**Example B:**

***Vehicle sum insured – R600,000 incl. specified extras valued at R120,000***

***Incident – a riot and the vehicle was set alight, total loss***

***Retail value as per TransUnion – R455,000***

***Sasria settlement amount = R575,000***

### 3. Replacement Value Basis

Where an insured vehicle is less than twelve months old, from the date of first registration and the vehicle has travelled less than 30 000 KM since the date of first registration as new – then Sasria agrees to bear the costs of replacing the vehicle with a new vehicle of the same make and model (subject to the availability thereof) in the event of the total loss of such vehicle. This condition applies only to vehicles not exceeding 3500 kilograms gross vehicles mass.

**Example A:**

**Vehicle sum insured – R800,000**  
**First registration date – 01/01/2019**  
**Kilometers travelled – 15,000kms**  
**Incident – a riot and the vehicle was set alight, total loss**  
**Retail value as per TransUnion – R750,000**

**Sasria settlement amount = New Replacement Value**

**Example B:**

**Vehicle sum insured – R800,000 incl. unspecified extras**  
**First registration date – 01/01/2019**  
**Kilometres travelled – 15,000kms**  
**Incident – a riot and the vehicle was set alight, total loss**  
**Retail value as per TransUnion – R750,000**

**Sasria settlement amount = New Replacement Value Plus up to 10%**

### 4. Agreed Value Basis

If, at the beginning of the insurance period, the vehicle is insured at any value other than the retail value, the vehicle shall be deemed to be insured on agreed value basis. This option is typically reserved for one-of-a-kind, unique vehicles, classic vehicles, or vehicles of high worth where the retail value cannot be easily assessed. In some cases, vehicles with higher value of extras or accessories are also insured on agreed value basis.

The onus for obtaining correct asset value annually remains the responsibility of the insured.

**NB:** Categories where premium computation is based on a rate e.g. M8, where a rate is applied to the sum insured, Sasria allows a maximum difference of up to 10% above the retail value. Sasria will not consider any variance between the sum insured and the retail value in excess of 10%.

The Agreed Value Basis will be allowed on the following instances:

- Where it is a classic vehicle with no retail value;
- Where it is a unique vehicle and the retail value is not available
- On vehicles with a retail value plus a number of unspecified extras/accessories
- On vehicles with a retail value but their market values are higher due to brand, make/model popularity

**Example A:**

**Vehicle agreed value – R1,875,000 incl. Unspecified extras**

**Incident – a riot and the vehicle was set alight, total loss**

**Retail value as per TransUnion – R1,500,000**

**Sasria settlement amount = R1,650,000**

**Example B:**

**Vehicle agreed value – R1,875,000 incl. specified extras valued at R300,000**

**Incident – a riot and the vehicle was set alight, total loss**

**Retail value as per TransUnion – R1,500,000**

**Sasria settlement amount = R1,800,000**

**NB: It must be noted that Sasria Motor cover is a stand-alone policy, it does not follow the underlying policy cover and its terms & conditions, therefore, settlement basis on the underlying motor cover does not apply to Sasria Motor cover.**

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