

MATERIAL DAMAGE RISKS SECTION

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This Section of the Regulations is separated into:

- General Material Damage Regulations
- Multimark Regulations
- Excess of Loss Fire
- Marine Hull Regulations
- Aviation Hull Regulations
- Agricultural Regulations
- Personal Lines Regulations

You are advised to be fully acquainted with the General Regulations sub-section before issuing any Sasria document. The following classes of Material Damage coverage are included in these Regulations:

- All Risks (Commercial and Personal)
- All Risks Transport
- Baggage and Travel (excluding Personal Accident)
- Computers - Hardware and Software
- Container Liability (Material Damage risks only)
- Exhibition
- Golfer's
- Inflation Contingency
- Jewellers
- Pedal Cycles
- Subsistence Farming (Domestic policy, with livestock value not more than R 850,000)



A. GENERAL MATERIAL DAMAGE REGULATIONS

1. SELECTION

In order to accommodate an Insured who wishes to effect Sasria cover on only certain of their assets, It is permissible to issue **ONE** underlying **Material Damage Policy** including both those risks requiring Sasria cover and those not requiring Sasria cover subject to the following provisions:

- Selection is only permissible on those underlying policies where it can be readily and undisputedly shown, to which property/risks/items the Sasria cover is applicable, as well as how the Sum Insured for Sasria purposes is calculated according to the underlying policy and the property/risks/items selected for Sasria covers.
- Under the heading “Total Sum Insured” on the Sasria Policy Schedule, the following must be inserted in addition to the monetary value “Selection - Refer attached Schedule.”
- The Selection Schedule must be attached to all Sasria Policy Schedules where selection is applicable.
- In the event of a claim, the Sasria Policy Schedule, Selection Schedule and Conventional Policy Schedule must be submitted to Sasria.

NOTE:

Where the above provisions cannot be adhered to, selection is not permissible, and the Sasria covers must continue to be issued on the same basis as before.

An insured may **NOT** choose to select mid-term and may only be permitted to “select” with effect from the next renewal date of the underlying policy, as refunds in premium to allow for selection are not permissible.

For ease of administration, one of two schedules may be used, Schedule A in cases where it is more appropriate to list property included, and Schedule B where it is more appropriate to list property excluded.



Selection Schedule A – ANNEXURE 28 (Printed Document)

SCHEDULE ATTACHING TO AND FORMING PART OF SASRIA MATERIAL DAMAGE

COUPON NUMBER: _____
IN THE NAME OF: _____
NOMINATED INSURER’S POLICY NUMBER: _____
WITH EFFECT FROM: _____

It is hereby declared and agreed that the cover afforded in terms of this Coupon attaches only to the property as detailed hereunder.

All other property belonging to the insured as detailed on the underlying policy schedule, to which this Coupon attaches is hereby excluded.

Where an item number is used to describe the property insured, the numbering used shall correspond with the numbering of the underlying policy schedule, and shall include all such property as described and or defined in terms of such item number as contained in the underlying policy schedule.

| DESCRIPTION | SUM INSURED R |
|-------------|------------------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

Subject otherwise to the Terms, Conditions and Exceptions of this Coupon

Signed on behalf of **Sasria SOC Limited**

Countersigned at _____

On the _____ day of _____ Year _____

 Executive Manager _____
For: Agent



Selection Schedule B – ANNEXURE 29 (Printed Document)

SCHEDULE ATTACHING TO AND FORMING PART OF SASRIA MATERIAL DAMAGE

COUPON NUMBER: _____

IN THE NAME OF: _____

WITH EFFECT FROM: _____

It is hereby declared and agreed that the cover afforded in terms of this Coupon **EXCLUDES** the property as detailed hereunder.

Where an item number is used to describe the property EXCLUDED, the numbering used shall correspond with the numbering of the underlying policy schedule, and shall EXCLUDE all such property as described and or defined in terms of such item number as contained in the underlying policy schedule.

| DESCRIPTION | VALUE R |
|-------------|------------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

Subject otherwise to the Terms, Conditions and Exceptions of this Coupon

Signed on behalf of **Sasria SOC Limited**

Countersigned at _____

On the _____ day of _____ Year _____

Executive Manager

For: Agent

2. POLICIES TO WHICH THESE REGULATIONS APPLY

This section of the Regulations includes:

2.1 MULTIMARK

- FIRE
- BUILDINGS COMBINED
- OFFICE CONTENTS as insured in
- GLASS
- BUSINESS ALL RISK
- ELECTRONIC EQUIPMENT

terms of the S.A.I.A. approved
Multimark Policy wording.



2.2 ASSETMARK, ASSETS OR OTHER MULTI-RISK POLICIES

- All Material Damage covers other than:
- Money
- Transit
- Personal Lines

With regards to **Throughput** covers, only the static risk is to be identified. The transit risk is catered for in terms of the Transit Risks Regulations.

2.3 MARINE HULL

- OCEAN VESSELS
- INLAND WATER VESSELS
- SMALL CRAFT INCLUDING SPORT CRAFTS (rubber ducks, canoes, speed boats, rowing boats and the like including the outboard motors but not including any trailer) pleasure crafts/ small crafts insured on a personal lines underlying policy must be charged the fire domestic rate.
- CONTAINERS

2.4 AVIATION HULL

- GROUND RISKS ONLY

2.5 AGRICULTURAL (all insured in terms of an underlying Material Damage Policy including the risk of fire loss or damage)

- LIVESTOCK (Subsistence Farming to be covered under the Domestic policy)
- BLOODSTOCK
- POULTRY
- GAME
- ABBATOIRS
- FORRESTS
- GROWING CROPS (INCLUDING FRUIT)
- HARVESTS

2.6 PERSONAL LINES

- HOUSEHOLDERS'
- HOUSEOWNERS'
- ALL RISKS
- BICYCLES
- SPORTS EQUIPMENT

The Policy referred to above is called an “**underlying**” policy.

A **Sasria Material Damage Coupon** is issued in this instance.

Although one **Material Damage Coupon** may be issued for each of the above types of insurance, it is recommended that you issue a separate **Material Damage Coupon** for each class. This way if any changes are undertaken during the Period of Insurance it would be easier to recalculate the Sum Insured and premium.



3. ASCERTAIN WHAT ADDITIONAL COVERS OPERATE AND THEIR SUMS INSURED

The Sasria Coupon incorporates the Terms, Conditions, Exceptions, Exclusions and Warranties of the underlying Policy to which it attaches. **It does not automatically Incorporate the Extensions.** In order to cater for the Extensions, the Sasria Sum Insured must be increased by the value of the Extension and a premium charged for the said Extension. In this instance a schedule showing a breakdown of all additional covers Included (together with the sum insured) must be attached to the coupon. Please refer to the sub-sections of this section to ascertain what some of these additional covers are and how to cater for them in the **Material Damage Coupon**.

3.1 Breakdown of the sum insured

- The breakdown of the sum insured must always be provided on the Sum Insured Endorsement which will attach to and form part of the coupon. The value of all the Additional covers must be clearly identified on the endorsement.

| <p>SASRIA SOC LIMITED Reg. no 79/000287/08 VAT reg. 4140119340 SUM INSURED ENDORSEMENT</p> | | |
|--|--------|------|
| COUPON | NUMBER | YEAR |
| FE | | |

Endorsement attaching to and forming part of Coupon/Policy number _____

In the name of _____

Breakdown of the Sum insured:

| | | |
|---|---|-------|
| Buildings | R | _____ |
| Contents | R | _____ |
| Business All risk/All Risk | R | _____ |
| Electronic equipment | R | _____ |
| Rent | R | _____ |
| Escalation and or Inflation | R | _____ |
| Claims preparation costs | R | _____ |
| Capital additions | R | _____ |
| Architect and Professional fees | R | _____ |
| Clearance costs (Demolition, Debris Removal | R | _____ |
| Security costs | R | _____ |
| Other (details must be provided) | R | _____ |

3.2. CLAIMS PREPARATION COSTS:

- This extension is often repeated, with differing limits, in various sections of an underlying policy. You must include the various section limits to the various section Sums Insured. Only if one limit applies throughout the underlying policy are you able to include the limit once.



3.3. ESCALATION AND INFLATION:

Various underlying Policies cater for an escalation, or the effects of inflation, on the Sums Insured. Sasria will follow the terms of these clauses provided that:

- an underlying premium is charged for this extension.
- The method used to calculate this premium is also used to calculate the additional Sasria premium. If no underlying premium is charged the following method must be used:

| | |
|--|-------------------------|
| Day 1 to 365 | 100% of the rate |
| Year 2 calculate the value of this increase and charge 50% of the Sasria premium rate on this increased value. | |
| Year 3 calculate the compounded value of this increase and charge 25% of the Sasria premium rate on this increased value. | |
| Year 4 calculate the compounded value of this increase and charge 20% of the Sasria premium rate on this increased value. | |
| Year 5 + calculate the compounded value of this increase and charge 15% of the Sasria premium rate on this increased value. | |

- the value of the escalation, or inflation, must be identified on the Schedule. See Instructions as to the issue of the Schedule’.
- at expiry of the Period of Insurance adjustment is to be undertaken by the Agent who must use the following endorsement: See next page.



ANNEXURE 26 (Not a printed document)

PREMIUM ADJUSTMENT

ESCALATION/INFLATION

Endorsement attaching to and forming part of SASRIA LTD

Coupon/Policy No. _____

in the name of _____

It is hereby declared and agreed that notwithstanding Condition 4 of the Coupon the Insured having declared the Values as at expiry date of the period of insurance shown in the Coupon, the premium is adjusted in accordance with the Provisions in the Nominated Insurer's policy insofar as it relates to Escalation/Inflation.

In consideration of the foregoing there is an Additional/Refund premium amounting to R _____ due by/to the Insured.

Signed on behalf of **Sasria SOC Limited**

Countersigned at _____

On the _____ day of _____ Year _____

Executive Manager

For: Agent

3.4 RENT

There are many methods used to identify that rent is insured in terms of the underlying policy. In addition, Sasria provides an alternative to insuring Rent under a **Sasria Business Interruption Policy**.

The Sasria **Business Interruption Policy** provides for Rent Payable only (as a Standing Charge, since Rent Receivable is not a standing charge), so where an Insured has an item on the conventional Business Interruption policy for Rent Receivable it is permissible to cover Rent Receivable in terms of a Sasria **Material Damage Coupon**. This method may also be used as an alternative to insuring Rent Receivable under a Sasria **Business Interruption Policy**

- Deduct the value of Rent from the Sum Insured of the Business Interruption Sasria Policy.
- Include an Item for Rent in the Fire peril section of the underlying Policy stating the annual Rent value.
- Apply a Deductible to this Rent Item for the total Sum Insured, which will render the Rent Item of no effect in terms of the underlying policy.
- Rent then becomes an Item in terms of the underlying Policy for Sasria to follow.
- In this respect, the Rent Item only operates until the premises are tenantable, since the **Material Damage Coupon** applies to Rent Receivable only.
- Where the underlying Policy includes a Rent clause, refer to the separate Subsections herein.



4. ESTABLISH THE Sasria DOCUMENT SUM INSURED, INCLUDING ANY ADDITIONAL COVERS SUMS INSURED

4.1 SUMS INSURED EXCEED R100 MILLION

If the Material Damage Sum Insured, before the inclusion of any additional cover Sums Insured, exceeds R 100 m the Insured shall be entitled to have the Sasria **Material Damage Coupon** adjusted on a Day 1/ Day 365 basis, as follows:

With the Stock Declaration Conditions applying –

Unlike the standard Stock Declaration Conditions, Sasria require that the 100% Sum Insured be used when calculating the premium.

At expiry of the Period of Insurance, all the declarations made, or deemed to be made, are averaged and the Policy premium rate is applied, less discounts (if applicable), to the average Stock Sum Insured, and the Insured will be entitled to a maximum refund of 25% of the premium originally paid for these Conditions.

Add the following endorsement: See next page *(Not a printed document)*

Endorsement attaching to and forming part of Sasria SOC Ltd

Coupon No _____

In the name of _____

It is hereby declared and agreed that in respect of stock and materials in trade insured in terms of this Coupon, that the premium is adjustable, in terms of the following:

1. At inception of the Period of Insurance, of this Coupon, the Insured has set the Sum insured on the maximum value of stock and materials in trade that the Insured will have in their possession at any time during the Period of Insurance of this Coupon. The premium shall be calculated on this value.
2. At expiry of the Period of Insurance, of this Coupon, the Insured agrees to declare the value of all stock and materials in trade held by the Insured on the last business day of Each trading month. Stock and materials in trade shall be valued at the cost to the Insured without any additional amount added thereto.
3. The Nominated Insurer shall calculate the average monthly value of the stock and materials in trade held by the Insured during the Period of Insurance and shall recalculate the premium accordingly, at the premium rate used at inception of the Coupon.
4. Any difference between the premium paid, at inception, and the premium calculated on the average value of the stock and materials in trade shall be refunded to the Insured, but not exceeding 25% of the premium paid at inception.
5. The liability of Sasria shall not exceed the value of stock and materials in trade stated at inception of the Period of Insurance of the Coupon. Any amounts in excess of this value shall not be indemnified, nor shall premium be charged for any such excess value.

Subject otherwise to the Terms, Conditions and Exceptions of this Coupon.

Signed on behalf of **Sasria SOC Limited**

Countersigned at _____

On the _____ day of _____ Year _____

Executive Manager

For: Agent



Without the Stock Declaration Conditions applying, do not add the Stock Declaration Conditions endorsement. **Add the following endorsement:**

ENDORSEMENT NO. 363 A (Printed Document)

Endorsement attaching to and forming part of Sasria SOC Ltd

Coupon No. _____

in the name of _____

PREMIUM ADJUSTMENT CLAUSE (Subject to 1(b) below)

1. (a) Special Condition 3 of this Coupon is hereby cancelled and replaced with the condition of average applicable to the Nominated Insurer’s Policy to which this Coupon relates.
 (b) Should the Nominated Insurer’s Policy not be subject to a condition of average then Special Condition 3 of this Coupon shall apply but not at the time of the commencement of any destruction of or damage to such property but at the time of inception of this Coupon.

Irrespective of the above, any condition of average shall apply separately to every item insured by this Coupon as detailed in the Nominated Insurer’s Policy.

2. Special Condition 4 of this Coupon is likewise hereby cancelled and replaced by the following Special Condition: At the inception of the Period of Insurance the Insured agrees to declare the total value of the property insured hereby based on the official records of the Insured to represent as far as practicable the full and true amounts. At the expiry of the Period of Insurance, the Insured agrees to declare to Sasria the total value of the property insured hereby on the same basis as applicable at the inception of this Coupon.

The premium rate applied to the inception values shall be applied to the expiry valuation values and 50% of any difference in the premiums so calculated shall be refunded by or paid to Sasria as the case may be.

It is hereby understood and agreed that no other premium adjustment clause or Provision shall apply to this Coupon. The intention being that this Coupon shall be adjusted in terms of this Clause and not in terms of any other Clause applicable to or incorporated in the Nominated Insurer’s Policy.

Subject otherwise to the Terms, Conditions and Exceptions of this Coupon.

Signed on behalf of **Sasria SOC Limited**

Countersigned at _____

On the _____ day of _____ Year _____

Executive Manager

For: Agent

NOTE:

- It is recommended that only one declaration basis be used, i.e. without the Stock Declaration Conditions.
- Stock values are limited to the Insured’s cost price for replacement at the time of the incident causing the claim.



4.2 SECTIONAL TITLE PROPERTIES

Individual unit owners may arrange their own Sasria cover, if the Body Corporate or Managers do not arrange Sasria coverage for the entire complex, providing the unit number or identification is detailed on the **Material**

Damage Coupon.

Only the Agent that has issued the underlying policy for the Complex may issue the unit owner's Sasria **Material Damage Coupon.**

4.3 REINSTATEMENT VALUE CONDITIONS

If the Reinstatement Value Conditions, included in the underlying Policy, includes an Average Condition then Sasria will follow the underlying Policy conditions and not Special Condition 3 of the Coupon.

4.4 EXHIBITION COVERS

If a separate Exhibition underlying policy or Cover Note is issued, the full annual Sasria premium must be charged, although the Exhibition may be for a period less than 12 months. In this regard, the minimum premium payable is **R500** per Coupon.

4.5 GLASS

Where the tenants, due to the lease contract, are obliged to arrange Glass cover, for the windows and doors, it is not necessary that the underlying policy covers the Glass for loss or damage by fire.

4.6 REINSTATEMENT VALUE CONDITIONS - MOTOR VEHICLES (Depot Risks)

This is permissible under the **Material Damage** Coupon providing the rate of **0,06048%** is applied to the total Reinstatement Value of all vehicles that can be parked on the premises.

Reinstatement Value Conditions is available for the Depot/static risk for all Motor Vehicles, subject to the following provisions:

- The Agent must issue a Material Damage Coupon;
- The Reinstatement Value Conditions shall only apply to Motor Vehicles, the property of the Insured or for which they are legally responsible, whilst contained within a Depot;
- The Sum Insured must represent the maximum new reinstatement value of all vehicles that can be within the Depot at any one time;
- The annual premium to be applied to the value arrived at in terms of 3. above is a rate on value of 0,06048%;
- The Agent must issue an underlying Pro Forma Fire risks Policy, in terms of the Regulations applying to Material Damage risks;
- Should the Insured only wish to cover the difference between the retail values of their vehicles and the new reinstatement value of the vehicles, then an application must be submitted by the Agent to Sasria. Such requests will not be unreasonably refused;
- The following Endorsement must be included in the **Material Damage Coupon:**



(Not a printed document)

REINSTATEMENT VALUE CONDITIONS

It is hereby declared and agreed that notwithstanding anything herein contained to the contrary, Reinstatement Value Conditions shall apply to Vehicles whilst at Depots which for the purpose of this Coupon shall be defined as:

“Depots are premises enclosed with Security Walls or Fences and which have Security Guards and/or Supervisory Staff on duty at all times of the Day or Night when vehicles are parked there”.

In the event of Motor Vehicles insured in terms of this Coupon being damaged, the basis upon in which the amount payable is to be calculated shall be the cost of replacing or reinstating such vehicles of the same kind or type but not superior to nor more extensive than the insured vehicles when new, provided that:

1. until expenditure has been incurred by the Insured in replacing or reinstating the vehicles, Sasria shall not be liable for any payment in excess of the amount which would have been payable if these conditions had not been incorporated herein.
2. if at the time of replacement or reinstatement the sum representing the cost which would have been incurred in replacement or reinstatement if all of the insured property had been damaged exceeds the Sum Insured thereon at the commencement of any damage to such vehicles by a defined event, then the Insured shall be considered as being their own insurer for the excess and shall bear a rateable proportion of the loss accordingly.
3. these Conditions shall be without force or effect if:
 - (a) the Insured fails to intimate to Sasria within six (6) months of the date of damage or such further time as Sasria may in writing allow their intention to replace or reinstate the vehicles.
 - (b) the Insured are unable or unwilling to replace or reinstate the vehicles Subject otherwise to the Terms, Conditions and Exceptions of this Coupon.

Signed on behalf of **Sasria SOC Limited**

Countersigned at _____

On the _____ day of _____ Year _____

Executive Manager

For: Agent

NOTE: Reinstatement value does not attract discount, nor does it get applied to the reinstatement value.

5. DEDUCTIBLES/FIRST AMOUNTS PAYABLE

There are NO Deductibles applicable to Sasria **Material Damage Coupons**.

Deductibles applicable to the underlying policy are not imported into the Sasria **Material Damage Coupon**.

6. MAKE SURE THAT THE CORRECT COUPON SCHEDULE IS ISSUED

A Material Damage Coupon must be issued.

Money
Goods in Transit
Motor



Cover provided in terms of other sections of these Regulations.

No other Coupon shall be accepted for these covers.



7. INSTRUCTIONS AS TO THE ISSUE OF THE SCHEDULE

SCHEDULE

TAX INVOICE

(VAT Reg. 4140119340)

This Coupon becomes a Tax Invoice on payment in full, of the premium reflected

| COUPON | NUMBER | YEAR |
|--------|--------|------|
| FE | | |

FE: The next Sasria **Material Damage Coupon** number.

Year: The calendar year in which the Coupon incepts, i.e. the year of the first date of the Period of Insurance.

Replacing Coupon Policy No. (Where applicable)

Agent:

The name of the underlying insurer is the Agent.

UNDERLYING POLICY NUMBER:

The Policy number of the underlying Policy issued by the Agent.

In addition, you are required to identify the Section of the Policy that is being covered by this **Material Damage Coupon**.

BROKER:

The name of the Insurance Broker

THE INSURED NAME:

The full name of the Insured must be entered. If insufficient space enter the first name and then add the following: and those stated in the attachment.'

Prepare, and attach, a schedule with the following clearly stated:

"THE INSURED, as stated on the Schedule of this Coupon is fully recorded hereunder as XYZ Manufactures (Pty) Ltd; ABC Marketing CC; _____ for their respective rights and interests, as more fully detailed in the underlying Policy".

Note: in the case of a Group Scheme, the name registered with Sasria should be used as the Insured name.

COMPANY REGISTRATION NUMBER:

This part is to be completed in the case of commercial/corporate policies. The company registration number of the insured must be supplied. If not available at inception, the coupon may be issued but must be endorsed within three months from inception.



Note: In the case of a Group Scheme the words “not applicable” should be utilised. However, the said details should be added on the underlying policies for auditing and claims purposes.

HOLDING COMPANY NAME:

This part is to be completed in the case of commercial/corporate policies. The holding company name of the insured must be supplied. If not available at inception, the coupon may be issued but must be endorsed within three months from inception.

Note: In the case of a Group Scheme the words ‘not applicable’ should be utilised. However, the said details should be added on the underlying policies for auditing and claims purposes.

Insured VAT Reg. No:

This part is to be completed providing the VAT number

Legal Address:

This part is part is to be completed providing the legal address of the insured

THE INSURED RISK ADDRESSES:

Top five risk addresses details (if more than one address is insured) must be supplied. The details to be supplied are: Street name and number, risk city and postal code.

If not available at inception, the coupon may be issued but must be endorsed within three months from inception.

Note: In the case of a Group Scheme the words ‘not applicable’ should be utilised. However, the said details should be added on the underlying policies for auditing and claims purposes.

PERIOD OF INSURANCE:

From _____ To 24h00 on _____

Or to the time and date on which the Nominated Insurer’s Policy may have been terminated or become invalid if such date be earlier.

The full period as recorded in the underlying Policy, must be entered here.

If the COUPON is being issued after 30 days of the first date, then enter the date issued.

Refer also to the **GENERAL SECTION: PERIOD OF INSURANCE**

Total Sum Insured: R

Subject to the Aggregate Limit of Liability stated in the Proviso of this Coupon Policy

The underlying Policy Sum Insured relative to South Africa.

If **Escalation/Inflation** is included add the following:

“Plus _____ % for escalation or inflation as detailed in the underlying policy”.

or

“Plus, R _____ for escalation or inflation as detailed in the underlying policy”.



Then add the following:

“as per the percentages used in the underlying policy” In brackets include the following:

“(plus, the value of all the additional covers totalling R....)” This amount is calculated by reference to the sub-sections. If subject to Selection add the following: Selection - Refer attached Schedule.

GROSS PREMIUM: R

The above premium is inclusive of Value Added Tax at the standard rate.

Refer to the Regulations before entering an amount here.

8. PREMIUM COMPUTATION

The premium rate is applied to the total Sum Insured.

However, discounts in the form of the Magnitude Discount, Voluntary Deductible and Co- insurance facility may be applicable.

The order that the discounts, if applicable, are applied, is:

| | |
|--|----------------|
| Premium rate applied to the Sum Insured | R _____ |
| Magnitude Discount | R (_____) |
| Premium due | R _____ |
| Voluntary Deductible Discount (on premium due) | R (_____) |
| Premium due to Sasria | R _____ |
| Or | |
| Premium rate applied to the Sum Insured | R _____ |
| Magnitude Discount | R (_____) |
| Premium due | R _____ |
| Co-insurance Discount (on premium due) | R (_____) |
| Premium due to Sasria | R _____ |

9. DECLARATIONS, ADJUSTMENTS AND ENDORSEMENTS

The only declarations applicable to the Sasria Material **Damage Coupon** relate to the Stock Declaration Conditions or if the Sum Insured exceeds R 100 m or if the **Material Damage Coupon** is subject to an escalation or inflation clause.

NOTE: Any Magnitude Discount applying at the inception of the cover must also be used for the purpose of all premium adjustments at the end of the Period of Insurance.

10. DISCOUNTS

Loss Limit, Co-insurance and Voluntary Deductible discounts are available in certain circumstances. Refer to the section titled “**Discounts**” for details.



B. MULTIMARK REGULATIONS

1. ESTABLISH THE SASRIA DOCUMENT SUM INSURED, INCLUDING ANY ADDITIONAL COVERS SUMS INSURED

Before issue the Agent must identify if **Selection** is required (Refer **A 1** of these regulations) as well as identify the following **additional amounts**, total them and enter (within brackets) this amount after the Coupon Sum Insured.

1.1 FIRE SECTION:

| | | |
|----------------------------------|--|----------------|
| <i>Claims Preparation Costs:</i> | A minimum of R1 000.00 | R1 000.00 |
| | or | |
| | The amount stated in the | R _____ |
| <i>Capital Additions Clause:</i> | 15% of the sum insured of Columns 1,3 & 5. | R _____ |
| <i>Escalator Clause:</i> | The percentage amount of Columns 1,3 &5. | R _____ |
| | TOTAL | R _____ |

1.2 BUILDINGS COMBINED SECTION:

| | | |
|----------------------------------|------------------------------------|----------------|
| <i>Claims Preparation Costs:</i> | A minimum of R1 000.00 | R1 000.00 |
| | or | |
| | The amount stated in the schedule. | R _____ |
| <i>Rent:</i> | 25% of the Sum Insured. | R _____ |
| | TOTAL | R _____ |

1.3 OFFICE CONTENTS SECTION:

| | | |
|----------------------------------|------------------------------------|----------------|
| <i>Claims Preparation Costs:</i> | A minimum of R1 000.00 | R1 000.00 |
| | or | |
| | The amount stated in the schedule. | R _____ |
| <i>Rent:</i> | 25% of the Sum Insured. | R _____ |
| | TOTAL | R _____ |

1.4 GLASS SECTION:

| | | |
|----------------------------------|------------------------------------|----------------|
| <i>Claims Preparation Costs:</i> | A minimum of R1 000.00 | R1 000.00 |
| | or | |
| | The amount stated in the schedule. | R _____ |
| <i>Costs and Expenses:</i> | Add R2 000.00 | R2 000.00 |
| | TOTAL | R _____ |

1.5 BUSINESS ALL RISKS SECTION:

| | | |
|----------------------------------|------------------------------------|----------------|
| <i>Claims Preparation Costs:</i> | A minimum of R1 000.00 | R1 000.00 |
| | or | |
| | The amount stated in the schedule. | R _____ |
| | TOTAL | R _____ |



1.6 ELECTRONIC EQUIPMENT SECTION:

It is permissible to provide cover for the reconstruction of computer data providing the underlying Policy provides this cover.

The limit for this cover must be added. This additional coverage will not cover the value of the information contained in the tapes or disks but only the cost of writing up the data.

R

Claims Preparation Costs: A minimum of R1 000.00 or the amount stated in the schedule.

R1 000.00

R _____

Architects and other Professional Fees: Add 15% of the Sum Insured of sub-section A.

R _____

Clearance Costs: Add 15% of the Sum Insured of sub-section A.

R _____

Express Delivery and Overtime: Add 15% of the Sum Insured of sub-section A.

R _____

Capital Additions and Currency Fluctuations: Add 25% of the Sum Insured of sub-section A.

R _____

Incompatibility Cover (if included): Add 25% of the Sum Insured of sub-section A.

R _____

TOTAL R _____

There are other extensions of coverage that could result in an amount having to be added.

An example:

EMPLOYEES PERSONAL EFFECTS ON EMPLOYERS POLICY

It is permissible to include Employee Personal Effects where this is an extension to the Multimark underlying policy issued to an employer, who is also the Insured.

The maximum liability any one claim must be added.

Notes:

- Failure to add these amounts to the Sum Insured could result in Sasria not providing the Insured with indemnity provided by the Multimark Policy.
- The Average Condition (Special Condition 3 of the Coupon) will not apply to set amount stated in the Multimark Policy but will apply to percentage amounts.
- Column 5 of the Fire Section has been known to cover motor vehicles whilst parked on the Insured's premises. This is also permissible under the **Material Damage Coupon** providing the rate is applied to the total Reinstatement Value of all vehicles that can be parked on the premises. Refer to **A 4.6** of these regulations.
- Sasria gives free cover of R250,000 per extension and accumulatively to a maximum of R1,000,000 for all extensions combined on Commercial policies and up to R250 000 free cover for Domestic policies, limited to R100 000 per extension.



C. ASSETS POLICIES REGULATIONS

1. ESTABLISH THE SASRIA DOCUMENT SUM INSURED, INCLUDING ANY ADDITIONAL COVERS SUMS INSURED

Assets Policies are purposely designed for the Insured and include extensions that are particular to that Insured only. In view of this we detail the additional cover clauses contained in the industry Assetmark Policy, as an example.

Be aware, that before issuing the Material Damage Coupon you are expected to identify all the additional cover Sums Insured and enter the value on the Coupon Schedule, in the same manner as you would do for the Multimark Policy.

If the Insured covers domestic risks in terms of the Assets underlying Policy the domestic risks must be rated at the same rate as the other Assets of the Policy. If the Domestic risks cannot be separately identified, then the higher rate must be charged.

1.1 ASSETMARK POLICY: (SECTION 1. PROPERTY DAMAGE ONLY)

(Excluding Money (4) and Property in Transit (5) Insured Events)

| | | |
|--|---|----------------|
| <i>Claims Preparation Costs:</i> | The Limit of Indemnity. | R _____ |
| <i>Earthworks and property or structures in the course of construction, erection, or dismantling (Refer to the Notes below)</i> | 10% of the Sum Insured. | R _____ |
| <i>Personal effects:</i> | R5 000.00 or the amount stated in the schedule. | R _____ |
| <i>Rent:</i> | The amount stated in the schedule. | R _____ |
| <i>Clearance Costs:</i> (no insured damage) | The amount stated in the schedule | R _____ |
| <i>Municipal Plans Scrutiny Fees</i> <i>Costs of Demolition</i> <i>Debris Removal</i> <i>Loss Minimization.....</i> <i>Architects and other Professional Fees.</i> | A realistic figure | R _____ |
| <i>Capital Additions</i> | 20% of the buildings and Plant values. | R _____ |
| TOTAL | | R _____ |

NOTES:

- Failure to add these amounts to the Sum Insured could result in Sasria not providing the Insured with indemnity provided by the Assets Policy.
- The Average Condition (Special Condition 3 of the Coupon) will not apply to set amounts stated in the Assets Policy but will apply to percentage amounts.
- It is common to cover motor vehicles whilst parked on the Insured's premises. This is also permissible under the **Material Damage Coupon** providing the rate of 0,050% is applied to the total Reinstatement Value of all vehicles that can be parked on the premises.
- If the Assets Policy provides for construction risks the following provisions apply:



- Only those construction risks involved with additions, extensions and maintenance, where the Insured is the Principal or the contractor.
- Only those construction risks undertaken on the Insured's premises.
- Only those construction risks having an estimated value not exceeding 1,00% of the Sum Insured of the Material Damage Coupon.
- Only those construction risks not exceeding the height of the Insured's existing premises.
- Any other construction risk must be insured in terms of a Contract All Risks or a Construction Plant Policy.

D. EXCESS OF LOSS FIRE

Sasria provides the Excess of loss Fire cover over and above the current loss limit. The Excess of Loss Fire cover is limited to a combined (Material Damage, Standing Charges or Working Expense) limit of R1bn.

1. GUIDELINE IN ISSUING THE EXCESS OF LOSS COUPON

- This cover includes Material Damage, Standing Charges and or Working Expenses;
- The current magnitude discount structure does not apply to the Excess of Loss cover;
- This cover will be rated separately and the rates a different from the normal R500m Coupon;
- The existing material damage and the standing charges wording applies to this cover;
- A separate fire coupon with a prefix FE3 must be issued for this cover;
- All coupons issued in a particular month, must be forwarded to Sasria at the end of each month;
- All extensions insurable by Sasria under the R500m coupon may be included in this cover
- The client does not have to buy the full maximum limit;
- The Excess of cover (Material damage and standing charges) limit is available up to R1bn, should the full Business Interruption cover be bought, the combined limit is R1bn.

Below is a schematic presentation of the Excess of loss:





2. INSTRUCTIONS AS TO THE ISSUE OF THE EXCESS OF LOSS COUPON

| COUPON | NUMBER | YEAR |
|--------|--------|------|
| FE 3 | | |

FE3: FE3 coupon must be issued for the Excess of loss cover.

Year: The calendar year in which the Coupon incepts, i.e. the year of the first date of the Period of Insurance.

Replacing Coupon Policy, No (where applicable)

Underlying Fire Coupon no FE1/FE2):

The coupon number of the underlying Sasria Fire coupon of R500M

Sasria Agent:

The name of the underlying insurer is the Sasria Agent

Underlying Policy Number:

The policy number of the underlying Policy issued by Sasria Agent

Broker:

The name of the Insurance Broker.

The Insured Name:

The full name of the Insured as per coupon F1/F2

Company Registration number:

The company registration number as per coupon F1/F2

Holding Company Name:

The holding company name as per coupon F1/F2

Insured VAT Reg No:

This part is to be completed providing the VAT number

Legal Address:

This part is to be completed providing the legal address of the insured



Risk Address:

As per underlying fire coupon F1/F2

Period of Insurance:

From _____ To 24h00 on _____

The full period recorded in the underlying coupon.

Total Sum Insured (Value at risk):

The underlying policy sum insured inclusive of material damage plus standing charges and extensions relative to this coupon.

Combined Limit of liability in excess of R500m Coupon

The limit for each and every loss Single limit, Material Damage and Standing Charges or Working Expense and the aggregate during the Period of Insurance

Indemnity Period:

Standing charges or working expenses indemnity period

Gross Premium:

PS: All Excess of Loss coupons must be submitted to Sasria on a monthly basis.

E. MARINE HULL REGULATIONS

Applicable to vessels and boats that are in South Africa or within its territorial waters.

All Marine Hull underlying Policies should be subject to the Institute War and Strikes Clauses (Hulls, Time or Voyage). If not, the normal Sasria premium rate is charged.

Recoverable claims will be dealt with in accordance with the Claims Section of these Regulations. However, if the loss is covered by the Institute War (where applicable) and/or the Strikes Clauses, the claim will be reported to and dealt with in terms of the Marine Policy in the first instance. The insurer may then approach Sasria for a contribution in the event of there being a duplication of cover.

F. AVIATION HULL REGULATIONS

Only applicable for the ground risks.

Once the craft is under its own motive power, or under the control of a craft for the purpose of Take-off, the Sasria risk terminates.

G. AGRICULTURAL RISKS REGULATIONS

Since agricultural risks are business risks, the business risks rates apply.

Relative to property improvements (buildings, machinery, fences, dams and other structures), agricultural stocks (raw materials, growing, harvested or stored) and animals, the underlying Policy must insure the risk of Fire loss or damage.



The Regulations applicable to Multimark and Assets equally apply to all Agricultural risks.

Stock theft of animals
Stampede of animals, resulting in injury or death to the animal
Burning of crops directly



These losses are only covered by a Sasria Material Damage Coupon if the loss is related to/or caused by an insured peril.

Forestry fires resulting directly from a Sasria peril are covered, but from experience these fires arise from numerous causes and the Insured must be able to prove that a Sasria peril operated and was the direct cause of the fire concerned. The Sum Insured is to be arrived at by assessing the market value, less profit, at the expiry of the Period of Insurance. Future or expected value is not to be used.

H. PERSONAL LINES RISKS REGULATIONS

1. ADDITIONAL COVER EXTENSIONS

The following examples of additional cover extensions must be identified and recorded on the Schedule, in brackets, after the Sum Insured:

| | | |
|---------------------------------|---|---------|
| <i>Capital Additions Clause</i> | 15% of the Sum Insured of House owners. | R _____ |
| <i>Escalator Clause</i> | The percentage amount stated | R _____ |

2. RENT

The free rental provision granted in terms of the underlying Personal Lines Policies will be followed by Sasria irrespective of the percentage amount.

However, should there be no free rental provisions in terms of the underlying policy, and the Agent charges a premium in this regard, premium must likewise be charged in respect of Sasria.

I. PREMIUM RATES

1. MATERIAL DAMAGE RISKS (OTHER THAN MARINE HULL)

1.1 MINIMUM PREMIUM

| | |
|--------------------------------|----------------|
| Minimum Annual Premium | R500.00 |
| Minimum Monthly Premium | R50.00 |

The minimum premium may not be pro-rated.

1.2 FIRE COMMERCIAL

Rating Category F2

A Rate of 0.0174% shall be applied to the Sum Insured plus the additional covers.

1.3 FIRE DOMESTIC

Rating Category F1

A Rate of 0.00363% shall be applied to the Sum Insured plus the additional covers.



1.4. FIRE DOMESTIC – Tertiary Institutions

Rating Category F1-T

A tertiary institution has been defined as: an institution (public or private) that offers specific capacities of higher learning or further education such as colleges, universities, technical and vocational education and training institutes, community colleges, further education and training colleges, nursing schools, culinary schools, research laboratories, centres of excellence, and distance learning centres.

A Rate of **0.00436%** shall be applied to the Sum Insured plus the additional covers.

1.5. Sasria cover for Mayors and Municipal Councillors Houses should be covered as follows:

- i. Municipality can include mayors and councillors' houses under their own fire policy.
- ii. A flat rate of R54.00 per annum/R5.40 per month per house is applicable.
- iii. A separate coupon must be issued in respect of such houses; this is to assist in administration.
- iv. The maximum limit of indemnity per house is R1.5m. The municipality must declare to the underlying insurer the total number of councillors at inception and renewal of the policy.
- v. The cover for house contents is capped at a maximum of 30% of the value of the property not exceeding the combined limit of R1.5m
- vi. In the event that cover in excess of R1.5m is required, Sasria cover will have to be arranged in the normal manner, that is, there will have to be a separate underlying policy for such houses.

The above mentioned facility is available to councillors and mayors during their time of office ONLY.

NOTE:

Although Sasria does not physically underwrite any application, Sasria agents must make sure that those risks enjoying the lower rate are totally separated from any other risk(s).

Separation, if structures combine more than one rated risk, must be by means of a Perfect Party Wall or a Party Wall. If a common stairwell or elevator is operational then the construction of the walls must be of massive type. If the requirements for separation of the risks cannot be applied, the higher rate must be applied to the entire building.

The terms used in this note are terms commonly used within the insurance industry and must be applied at all times. Sasria have the right to investigate the Sasria agents use of the lower rate, should at the time of investigating any claim more than one rate applies to the structure.



1.6 MARINE HULL RISKS

ANNUAL RATES MONTHLY RATES

Institute War and Strikes Clauses

| | Included | Not Incl. | Included | Not Incl. |
|---|-----------|-----------|------------|-----------|
| Pleasure crafts (including yachts, rowing boats, ski boats, sailing boats and windsurfers) | 0,00642 | 0,01308% | 0,000642% | 0,001308% |
| Commercial Vessels (including tugs, fishing vessels, oil catchers, launches, barges, lighters, supply vessels and other vessels of a similar nature) | 0,008712% | 0,0174% | 0,0008712% | 0,00174% |
| Hull builder's risks | 0,00738% | 0,01476% | 0,000738% | 0,001476% |
| Single buoy mooring complex (Including pipeline and contents) | 0,008712% | 0,0174% | 0,0007812% | 0,00174% |

Minimum Annual Premium: R500.00

Minimum Monthly Premium: R50.00

J. MATERIAL DAMAGE EXTENSIONS

1. Security Costs Extensions

a) Security costs – prior a loss (Imminent Danger)

The extension is limited to R10 000 000 (ten million Rands) total annual aggregate. This cover is only available as an extension to the Material damage and Contract works sections. The **cover does not reinstate** following depletion of the limit.

The security costs, preventative measures or protection of property cover is available on the following basis:

- i. Reasonable security costs, preventative measures costs or protection of property costs incurred to prevent **imminent** loss as a result of a Sasria SOC LTD related peril only.
- ii. Cover is limited to the sum insured as stated on the coupon if below R10 000 000.
- iii. The R10million cover is an annual limit that **cannot** be reinstated following a claim.
- iv. This extension is **not subject** to the R500million coupon annual aggregate.
- v. In the event that limit required is higher than R10million the following applies:



- Base R10million cover has to be purchased from Sasria SOC LTD, and extended cover above R10 million can be bought in open market
 - Should you wish to purchase cover in the market from ground up, you are only allowed to do so with express written permission from Sasria SOC LTD
- vi. The Sasria rate applicable is that of the corresponding Fire coupon and or Contract works coupon
- vii. The cover can be included mid-term subject to the following:
- The cover is not retrospective
 - Pro-rated premium must be collected, and the coupon endorsed

b) Security costs – protection of property during and after a loss

- i. The extension covers reasonable security costs incurred during a loss or damage to property as well as prevention for further losses, as a result of a Sasria covered peril
- ii. There is no maximum limit
- iii. The extension can be added midterm
- iv. The client will be covered up to a limit stated on the extension
- v. The extension kicks in as soon as there is a loss or damage to insured property

NOTE: These are 2 independent extensions and do not overlap each other, meaning that the client may select either one or both extensions if required.