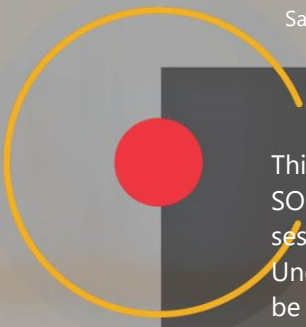





TRAINING MANUAL 2023



This document is a manual utilised by Sasria SOC Limited when conducting training sessions on the Sasria Regulations (Sasria Underwriting Procedures). The manual must be read in conjunction with the Regulations.

BACKGROUND

This document serves as a study guide to be utilised during Sasria Limited (Sasria) training sessions. The manual is aimed at providing the market with basic information on how to align the underlying policies with Sasria covers.





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THE FORMATION OF SASRIA LIMITED



1. History

Prior to 1979 the conventional insurance market in South Africa offered cover for riots (there was no differentiation between politically or non-politically motivated riots), strike and malicious damage. During the mid-1970's there was an escalation in violence and unrest, with a particular escalation in acts of politically motivated malicious damage, such as bomb blasts, sabotage, etc.

1976 saw the Soweto student riots; the damages caused by the riots could not be readily labelled as damages caused by acts which were overtly political. The underlying insurance market became reluctant to settle claims as a result of the abovementioned riots. Furthermore, losses from the said incidents were enormous and it was difficult (if not impossible) to buy reinsurance cover.

The insurance market was prepared to continue to provide cover for non-politically motivated riot. It was then identified that there was a gap in the cover provided by the conventional/ underlying insurance market i.e. there was no insurance for:

- Politically motivated acts
- Terrorism
- Political riots

In order to address the situation, the Government approached the South African Insurance Association (SAIA) with a view of establishing an organization to provide insurance cover for those activities not covered by the conventional insurers. The Government expressed its intention that such organization will be left in the hands of the private sector.

This led to the formation of the then South African Special Risks Insurance Association (SASRIA) in 1979. SASRIA was formed as a section 21 Company. It was agreed at the time that participation in SASRIA would be restricted to short term insurers registered to transact business in the Republic and all such insurers who wished to join would be required to become signatories to an agreement which, inter alia, embodied reinsurance obligations of each member company.

The objectives for Sasria were set out as the provision of insurance cover to protect assets against certain defined events, being primarily politically motivated acts, acts of terrorism and political riots. Sasria cover is non-refusable and non-cancellable and it is affordable.



2. Legislative Monopoly

The Reinsurance of Damages and Losses Act of 1989 defines the perils that Sasria may underwrite and it states that Sasria is the only institution in South Africa that may provide cover for the perils as defined i.e. special risks.

When Sasria was formed, it was administered by SAIA. The Government was Reinsurer of last resort with unlimited liability. Sasria being a Section 21 company accumulated funds of about R12bn during the late eighties.

3. The Conversion of Sasria

In 1989 Sasria's perils were extended to include damage to property caused by non-political riot, strike and labour disturbances. In 1999 Sasria was converted from a Section 21 company to a Limited company, hence today the company is called Sasria Limited and not SASRIA as an association. The conversion was effected in terms of the Conversion of Sasria Act 1998. As a result of the conversion, Sasria became wholly owned by the SA Government.

During the conversion an Actuarial analysis was conducted to determine surplus assets. It was established that Sasria had funds in excess of its insuring needs. The Government, Sasria and members of SAIA consulted on best solution to distribute Sasria's vast reserves accumulated during its existence. It was agreed that the surplus funds be paid over to the Government as a special dividend.

In 1998 the Government retracted the unlimited Government Guarantee and limited it to R1bn.

Historically Sasria rates were high - to enable Sasria to build up reserves. From 1994 Sasria consistently reduced rates year on year until 1999 where-after they remained static. As a direct result of the 9/11 events, a second actuarial analysis was conducted. The analysis revealed that Sasria needed to increase its reserves; it was recommended that there be a 20% increase on the premium. The first rates increase since 1999 was effected in 2003. Sasria had to purchase more reinsurance and reinsurers insisted that the Nuclear, Chemical and Biological Terrorism Exclusion be added onto the Sasria policy wording.



SASRIA PERILS

4. Sasria Perils

In terms of the SASRIA policy wording, Sasria will cover loss of, or damage to the property insured directly related to or caused by:

- any act (whether on behalf of any organization, 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;
- 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 economic 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;
- any riot, strike or public disorder, or any act or activity which is calculated or directed to bring about a riot, strike or public disorder;
- any attempt to perform any act referred to in clause (i), (ii) or (iii) above;
- the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in clause (i), (ii),(iii) or (iv) above.

NOTE: In this Policy, the term “Public Disorder” shall be deemed to include civil commotion, labour disturbances or lockouts.

4.1 Comments on the perils

4.1.1 Riot

In the case of **Sasria vs. Elwyn Investments (Pty) Ltd**, no clear definition of a riot was given by the learned judges; however some very important guidelines were revealed.

Essentially, the courts had to decide whether the word riot should be given a legal meaning or its ordinary dictionary meaning. It was decided that in interpreting the word ‘riot’ and in accordance with this case, the English law is not to be used; the various dictionary definitions are too wide; the ordinary meaning of the word ‘riot’ should be adopted, i.e. what does the insurer and the layman perceive as being a riot

Whilst the learned judges did not give a precise definition of riot, it is clear from the judgment that the following pointers should be used:

1. The perception of the ‘man on the street’
2. A large number of people acting unlawfully
3. Violence or threats of violence to any person
4. Disturbance of the public peace by violence
5. Tumult and strife

4.1.2 Strike and Lock out

A Strike is defined as a period of time when an organized group of employees of a company stops working because of a disagreement over pay or working conditions.

A Lock out is a situation when an employer refuses to allow workers into their place of work until they agree to various conditions.

Where a strike exists or a lockout exists, 'damage' caused during the time of a strike or lockout will be covered by Sasria. A strike, for the purposes of the Sasria peril may be legal or illegal and may also constitute a go-slow strike.

4.1.3 Public Disorder

Sasria provides cover for Public Disorder. In the policy Public Disorder shall be deemed to include civil commotion, labour disturbance and lockout. There is no common law definition of what would constitute a public disorder, public disorder is deemed by the Sasria policy to include civil commotion.

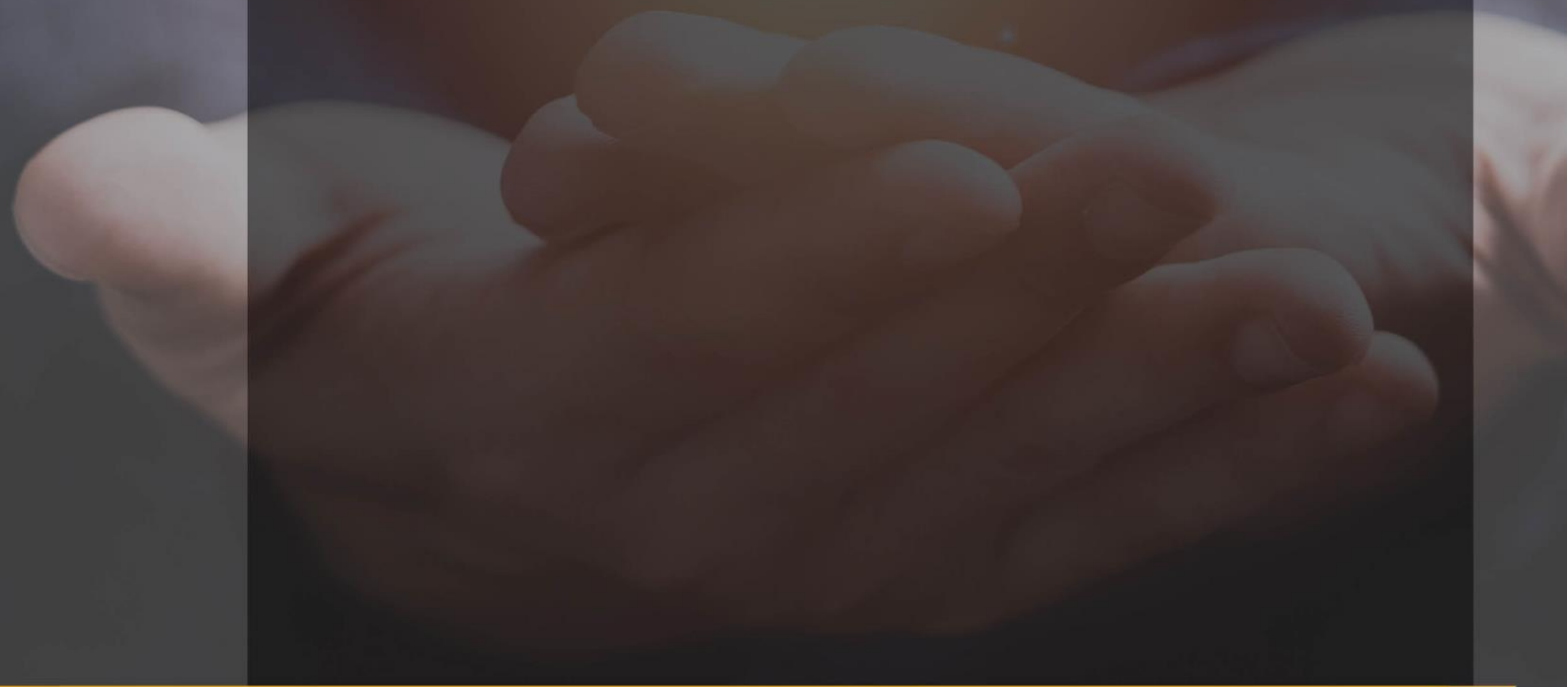
Civil commotion has been judicially defined and since civil commotion is deemed to be included within the words 'public disorder', public disorder should be interpreted iusdem generis, or of the same like or manner as civil commotion. Civil commotion can be defined as an outbreak of lawlessness of a fairly considerable scale amongst the citizens of a state, and is interpreted by the courts to mean something between a riot and total insurrection. By implication, public disorder is something of a greater nature than civil commotion. Public disorder, therefore, should be taken to mean an outbreak of lawlessness amongst the citizens of a state, and is something of a greater degree than riot and of a lesser degree than anarchy.

4.1.4 Labor disturbance

The courts have stated that labour disturbance can therefore be interpreted to mean, in essence, a riot in the workplace. Where the workers therefore cause damage to the workplace in a riotous type of situation, this damage will be covered by Sasria.

NB: looting is not a stand-alone Sasria peril and will only be considered in terms of Sasria if it occurs during an active peril for which Sasria accepts liability.

THE GENERAL SECTION



5. How to become a Sasria Agent

In order to be a Sasria Agent an institution need to provide Sasria with the following documents:

1. Company letterhead
2. Financial Sector Conduct Authority (FSCA) certificate
3. FSCA authorized business
4. Effective date
5. FAIS registration certificate
6. VAT number
7. Company registration number
8. Banking details : account number, branch code, type of account

Should an institution be accepted as a Sasria Agent, there will be an Outsource agreement signed between the said institution and Sasria. Only a Sasria Agent may issue Sasria documentation.

6. Delegation of authority

The authority to issue Sasria Coupons and Policies may not be delegated to any other organization, other than a Sasria authorized Delegated Authority. By a Delegated Authority we mean, an underwriting manager that does business for a particular Sasria Agent only and may not sell or write business on behalf of any other Agent Company. Before Sasria will authorize a Delegated Authority to issue Sasria documents on behalf of the Sasria Agent, the Sasria Agent must apply to Sasria for this permission and receive authorization, in writing, from Sasria.

6.1 Duties of the Agent with regards to Delegated Authority

1. Ensure that all Underwriting Managers with Delegated Authority have access to the Sasria regulations and are fully familiarized, kept up to date with and comply with the terms and conditions of Sasria's regulations as amended from time to time.
2. Ensure that Delegated Authority attend Sasria training sessions at least once per annum or as and when necessary and called for by Sasria.
3. Conduct audits at all Delegated Authorities
4. Permit Sasria through its own employees or appointed persons to perform internal audit reviews of any Sasria function carried out on behalf of Sasria by the Delegated Authority, at least once per annum or as and when deemed necessary and called for in writing by Sasria.
5. Immediately implement measures to comply with recommendations, or correct any procedures or irregularities of whatsoever nature in the issuing or the administration of Sasria business discovered during any internal audit review conducted.

7. Sasria Agents

From the above it can be noted that Sasria does not conduct direct business, it functions through Agents. The Sasria Agents underwrite on behalf of Sasria (in line with the Sasria Regulations), and collect premiums on behalf of Sasria.

8. Hold Cover

Sasria allows hold cover for a period of 30 days, written permission must be obtained from Sasria.

Hold cover can be requested under the following circumstances:

- a. Delay in issuing cover
- b. Delay in finalising renewal

9. Backdating

Coupons or Policies must be issued within 30 days of the date of instruction received from the Insured or their Intermediary. Should there be a need to issue a coupon outside the 30 days period, Sasria must be approached for a permission to backdate cover and the following must be submitted with the request:

1. The Agent must submit written request for permission to backdate cover detailing reasons for the request.
2. Original request for cover
3. The Agent must provide confirmation and proof of premium
4. Confirmation of no claims
5. Inception date or renewal date of the Coupon or Policy
6. Sasria will not allow backdating of cover longer than six months.

NOTE: If the Coupon or Policy has not been issued within the permissible 30 day backdating period, and written permission from Sasria to backdate further than the 30 days has not been obtained, the effective date of cover in terms of the Coupon or Policy will be deemed to be the date of actual issue of the Coupon or Policy. Although the period of insurance will be less than twelve months, the minimum premium is the 12-month annual premium even if the date of issue is after renewal date of the underlying Policy.

10. Period of insurance

The Period of Insurance for a Sasria Coupon/Policy must be from the inception date of the underlying Policy for a period of 12 consecutive calendar months.

Retraction of an expiry date of a Sasria Coupon or Policy is only permissible where there is a change in the Insured's Financial Year-end and all insurance renewal dates are likewise changed to coincide with the new Financial Year-end. A new Coupon or Policy must, thereafter, be issued for the new 12 consecutive calendar month period. In this instance a pro-rated refund may be effected. In this instance a Renewal Warranty (Annexure A) must be attached to the Coupon.

The expiry date of a Sasria Coupon or Policy may be extended in order to coincide with the expiry date of the underlying Policy to which it attaches. A pro-rated additional premium may be calculated.

NOTE: The retraction or extension of an expiry date of a Sasria Coupon or Policy in order to avoid an increase in Sasria premium rates is strictly prohibited and will be in breach of these Regulations

11. Renewal Notifications

Sasria Agents may send a notification of expiry either in conjunction with the renewal invitation of the annual underlying Policy, or for the Coupon or Policy itself, to remind the Insured or broker that a new Coupon or Policy must be arranged to continue the cover beyond the expiry date of the current Coupon or Policy.

The renewal of Sasria cover, is automatic i.e. the broker and or insured is no longer required to request for the renewal i.e. as the underlying policy is being renewed, Sasria cover will automatically be renewed. The renewal documents should therefore include the Sasria documentation (Coupon/Policy) with the amended sums insured as per the underlying policy. If the insured or broker has not advised the Sasria Agent of their un-willness to renew Sasria within 60(sixty) days from inception of the new period of insurance, it will be deemed that the insured has intentions to renew Sasria cover. In this case the full premium will be payable. If the insured cancels the new Sasria cover within the said 60(sixty) days period, cover will be treated as not taken up and a refund will be effected from.

NOTE: Late notification of renewal does not qualify for a pro-rata premium charge

12. Standard S.A.I.A. Exceptions

The S.A.I.A. Exceptions must be included in all underlying Policies. (These may be amended from time to time by the S.A.I.A.).

The underlying policy does not cover loss of or damage to property related to or caused by:

1. (A) civil commotion, labour disturbances, riot, strike, lockout or public disorder or any act or activity which is calculated or directed to bring about any of the foregoing;
2. War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war;
 - (a) 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;
 - (b) Insurrection, rebellion or revolution;
3. any act (whether on behalf of any organization, 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
4. 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 economic 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;
5. Any attempt to perform any act referred to in clause (iv) or (v) above;
6. The act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in clause A (i), (ii), (iii), (iv), (v) or (vi) above.

If the company alleges that, by reason of clause A (i), (ii), (iii), (iv), (v), (vi) or (vii) of this exception, loss or damage is not covered by this policy, the burden of proving the contrary shall rest on the insured.

7. (B) This policy does not cover loss or damage caused directly or indirectly by or through or in consequence of 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.
8. (C) Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision not included herein which would otherwise override a general exception, this policy does not cover loss of or damage to property or expense of whatsoever nature directly or indirectly caused by, arising out of or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any sequence to the loss, damage or expense.

For the purpose of this General exception 1(C) 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 organization or government or any other person or body of persons, committed for political, religious, personal or ideological reasons or purposes 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 company alleges that, by reason of clause 1(C) of this exception, loss or damage is not covered by this policy, the burden of proving the contrary shall rest on the insured.

13. Underlying Policy

There must be an underlying fire policy (non-motor) in existence for a Sasria Coupon to be effective. Sasria incorporates the Underlying Policy terms, conditions, warranties, exclusions and exceptions, but not extensions; unless such terms and conditions have been replaced by the terms and conditions, contained in the Sasria Coupon/Policy wording. Sasria will not follow any terms or extensions of the underlying Policy that provide any form of consequential or indirect loss. The intention being that Sasria will only indemnify the Insured for direct loss or damage resulting from the Sasria insured peril.

14. Coupons and Policies

Material damage coupons attach to an underlying policy and incorporates the terms, conditions, warranties, exclusions and exceptions of the underlying policies; but not extensions. A Coupon cannot function on its own. There are two types of material damage coupons i.e. Fire Material Damage coupon which is identified by a prefix FE; and Contract Works identified by a prefix CW.

15. Territorial limits

Sasria provides cover for property situated in South Africa and within South African borders.

Sasria has an agreement with the Namibian special risk insurance association (Nasria), in terms of this agreement, you have cover in Namibia temporarily (for a maximum of sixty 60 consecutive days). Sasria policy/Coupon will respond to Sasria related events whilst in Namibia and vice-versa.

16. Sasria documentation

16.1 Sasria wordings

The Sasria Policy wordings are not prenumbered and are bound in pad form in single sheets. The wordings also available in electronic format.

In terms of the Policyholder Protection Rules, the following must be disclosed to the client at underwriting stage,;

- The nature of the Sasria cover must be disclosed to the insured.

- The cost of the Sasria cover must be disclosed to the insured.

NOTE: The Sasria Agent and brokers are required to disclose and send the relevant Sasria wordings in order to ensure that the nature of the Sasria cover is disclosed.

17. Sum insured

The Sum Insured on the Sasria Coupon or Policy should generally not be less than the Sum Insured of the underlying Policy, nor any loss limit recorded in the underlying Policy. The Sasria Sum Insured must be inclusive of the Value Added Tax (VAT), where the underlying policy Sum Insured is exclusive of VAT, the value of the VAT must be calculated so that the Sasria Sum Insured is VAT inclusive. The Sum Insured must be the underlying Policy's full value at risk (Sum Insured), plus all the additional covers Sums Insured.

18. Average Clause

Material Damage:

The condition of average applicable to the Nominated Insurer's Policy to which this Coupon relates.

Should the Nominated Insurer's Policy not be subject to a condition of average then Special Condition 3 of this Coupon applies 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.

Business Interruption:

The principle of average will apply as follows:

The amount we will pay for an indemnity period of 12 months will be proportionately reduced if the sum insured for Loss in gross profit is less than the sum calculated by applying your gross profit rate to the annual turnover.

19. Reinstatement of the Sasria Sum insured

The Sasria regulations addresses reinstatement in two folds namely, the reinstatement of the sum insured as well as the annual loss limit.

Reinstatement of the Sum Insured

- The reinstatement of the Sum Insured is automatic, this stays the same despite the number of times the client claims from Sasria as this is the value of the property insured.
- Reinstatement of the Loss Limit

- Then there is the depletion of the Sasria loss limit which is the R500m coupon/ policy limit not the value of the insured property. Where the annual loss limit has been depleted, the sum insured may be reinstated, upon written request, subject to the following procedure being followed:
 - The claim must have been accepted and settled by Sasria
 - A prorated premium must be charged for the remainder of the period of insurance
 - The Coupon/Policy must be endorsed accordingly
 - Premium must be collected and paid over to Sasria

20. Limit of indemnity

The Sasria limits of indemnity are Value Added Tax (VAT) Exclusive.

Primary Coupon - **R500million aggregate limit.**

The annual aggregate limit of Sasria is R500 million any one Insured during the period of insurance. This limit applies to Material Damage, Standing Charges, Working Expenses, Net Profit Revenue, and Gross Profit cover only.

The limit of indemnity for construction risk is the annual aggregate limit of Sasria is R500 000 000 any one contract. Where there is more than one contractor involved in the contract concerned, each Contractor may either have a separate Construction Coupon issued in their own name, or be included in the main Construction Coupon, the aggregate limit is then increased to R550 000 000.

The limit of indemnity in the case of motor vehicles is retail value in the case of total loss.

21. Deductibles

There are no deductibles on Sasria Coupons and Policies except in the case of Construction Risk.

22. Declarations

Declarations must be done at the relevant periods e.g. at the end of twelve (12) consecutive months. Non submission of declarations may result in under or over insurance.

23. Pro forma/ Dummy Policy

In order to obtain Sasria cover, it may be necessary to issue a Pro Forma underlying Policy. There are many reasons for this, some of which are:

1. The underlying Policy is issued by an insurance company that is not a Sasria Agent.
2. The Insured is a subsidiary of a group of companies, where each subsidiary acts autonomously as to what insurances they effect, but are included in the group insurance covers.
3. The underlying Policy is issued overseas for a South African risk.
4. Fire insurance may not be applicable or available.
5. Sasria Agents have declined to issue an underlying Policy.

The following instructions must be undertaken by the Agent before the issue of the Sasria Coupon or Policy:

1. The Pro Forma Policy must cover the risk of fire loss or damage to the insured property;
2. The Pro Forma Policy must incorporate all the terms, limits and restrictions of the Policy it is following;
3. The Pro Forma Policy must include the S.A.I.A. Exceptions;
4. The Pro Forma Policy must be subject to a Deductible equal to the indemnity limits, or Sum Insured, of the covers provided. The intention being that the Pro Forma Policy provides no actual coverage, but allows Sasria an underlying Policy wording to follow;
5. Before issue, the Sasria Agent must supply reasons and obtain written approval from Sasria. Such approval must be attached to the Agent's copy of the Coupon or Policy.

24. Policy holder protection rules

The Financial Sector Conduct Authority (FSCA) issued a directive that Sasria Agents, on behalf of Sasria; need not only disclose that Sasria cover has been purchased, the nature of the cover and the cost thereof must also be disclosed to the insured. A full copy of the Sasria Coupon/Policy wording must also be furnished to the Insured.

The above is also applicable to clients belonging to a Group Scheme.

25. Premium collection

Sasria Agents must account and pay all premiums to Sasria, via the Annexure 1 Return form, within 30 days from the end of the month in which Sasria cover commences. E.g. If cover incept on the 1st April the premium is due to Sasria within 30 days from the 30th April, being the 31st May. In this example, May will be regarded as the month of account to Sasria. The remittance timelines apply to both monthly and annual policies.

Where premiums are submitted late, there is a penalty of ten percent (10%) per month or part thereof of the actual premiums submitted.

26. Minimum premium

- 26.1 The minimum premium payable to Sasria per policyholder is per class of business as stated in the rating schedule.
- 26.2 The minimum premium may not be pro-rated.
- 26.3 The minimum premium as per section 2.1 is applicable to both individual policies as well as Group Scheme policy (per policyholder).
- 26.4 The minimum premium is calculated per Sasria rating class.

27. Pro – rata premiums

Sasria premiums may be pro-rated in the following instances only:

1. Provided that it is the first time that the Insured is taking out a Sasria Coupon or Policy for a risk and the Period of Insurance is less than 12 consecutive calendar months, a pro-rata premium may be charged. This is permissible only to align the Coupon or Policy with the underlying Policy renewal date, and a Renewal Warranty must be completed and attached to the Sasria Coupon or Policy.
2. A pro-rated premium refund may be calculated where the expiry of the Coupon or Policy is being aligned to the Insured's new Financial Year-end.
3. Where there is a change of insurer mid-term.
4. Where the Sum Insured is adjusted, a pro-rata premium/refund must be calculated for the difference and must be accounted for in the monthly Accounting Returns.
5. Where the expiry date of the period of insurance is retracted, a pro-rated premium refund may be calculated.
6. Where the expiry date of the period of insurance is extended, a pro-rated additional premium may be calculated
7. In order to save administration costs, Agents may, at their discretion, waive a pro rata additional, or refund premium as follows:
 - 7.1. Annual Coupons / Policies (including Annual Group Schemes) - if the pro-rated additional or refund premium is less than R10-00

8. Monthly Coupons / Policies - if the pro-rated additional or refund premium is less than R1-00
9. Sasria premium may not be pro-rated in the following instances:
10. If the minimum premium was charged, in the event of cancellation of the Sasria Coupon or Policy, NO REFUND PREMIUM is permissible.

Minimum First and Annual Premiums may not be pro-rated.

PS: Any other reason must be referred to Sasria for permission to effect a pro-rated premium

28. Refund of premium

Where a Sasria Coupon or Policy has been cancelled, a refund of premium may only be granted to the Insured in the following circumstances:

1. When the interest of the Insured in the insured property ceases by virtue of sale of the property or insolvency of the Insured;
2. in the case of a final transfer of ownership in terms of a Take Over Certificate or similar legal transfer of risk;
3. where the Sasria Agent elects to cancel the underlying Policy due to adverse claims experience and/ or underwriting considerations;
4. where the Sasria Agent reissues the underlying Policy;
5. Where there is a change of Insurer in midterm;
6. Where there is dual insurance.

29. Cancellation

It is permissible to cancel a Coupon or Policy under a pro rata refund of premium when there is a change of Insurer mid-term of the Period of Insurance

- The new insurer must issue the Coupon or Policy charging a pro rata premium for the un-expired Period of Insurance provided that the inception date of the new Coupon or Policy coincides with the cancellation date of the old Coupon or Policy
- A copy of the cancellation endorsement of the old Coupon or policy must be attached to the Agent's copy of the new Coupon or Policy.
- In respect of the Stock Declaration Conditions or, where the Sum Insured exceeds R100 m and the necessary endorsement is included
- In respect of reductions in the Sum Insurer. Retraction of Expiry Date (see Period of Insurance) Annual declarations on a Sasria Categorized Policy (subject to the provisions as detailed on the Sasria Declaration Endorsement.

PS: Any other reason must be referred to Sasria for **permission to pass a refund.**

30. Intermediary fee

30.1 Non motor classes of business

Sasria Agents are entitled to retain 22.5% of the premium, of which no more than 15% may be rebated to the Intermediary, as follows:

- 10,5% Agent Commission
- 12% Broker Fee

30.2 Motor

Sasria Agents may retain 22% per policy of which no more than 11.5% may be rebated to Intermediaries.

- 10,5% Agent Commission
- 11,5% Broker Fee

31. Audit Returns

- The submitted Annexure 1 Return is to be verified by means of an audit certificate submitted to Sasria from the Agent company's auditors, at half yearly intervals (31st March and 30th September each year).
- Sasria Agents that generate a premium of R 5 million per annum or less and all Captives are exempt from providing two audit certificates per annum. These institutions are now only required to submit one return per annum covering the 12 months period ending 31 March.
- Where the said institutions have had a qualified audit certificate in the last two years, they will be required to still provide Sasria with two audits certificates per annum until such time Sasria is comfortable with the administration of its business by that Agent. Such certificate must be submitted to Sasria not later than 60 days after the end of each period

Late submission of Audit Certificates attracts a penalty of R500, 00 per day that the certificate is late.



MATERIAL DAMAGE SECTION

32. Selection

In order to accommodate an Insured who wishes to effect Sasria cover only on certain 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:

- a. 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 cover.
- b. Add the following on the coupon - "Selection - Refer attached Schedule."
- c. Selection Schedule must be attached to all Sasria Policy Schedules where selection is applicable.
- d. In the event of a claim, the Sasria Policy Schedule, Selection Schedule and Conventional Policy Schedule must be submitted to Sasria.

Note: Selection midterm is not permissible.

33. Additional covers

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.

For additional covers to be insured, the Sasria sum insured must be increased by the value of the additional cover. Failure to add additional covers 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 apply.

Sasria also gives free cover of R 250,000 per extension and accumulatively to a maximum of R 1,000,000 for all extensions combined on Commercial policies and up to R 250,000 free cover for Domestic policies, limited to R 100,000 per extension.

PS: Not all additional covers are insurable by Sasria.

Insurable Additional Covers: Capital additions, Escalator clause, CPC, Rent, Municipal plans scrutiny fees, Debris removal, Etc.

34. Imminent danger / security costs prior to a loss

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

- In the event that the required limit is higher, the base R10m cover must be purchased from Sasria and extended cover in excess of R10m can be bought in the open market with a written permission from Sasria.
- The Sasria rate applicable is that of the corresponding Fire coupon and or Contract works coupon
- An active Sasria peril should be present within 10km radius of the insured premises

35. Escalation / inflation

Where a premium is charged on the underlying policy for Escalation / inflation, the method utilized to calculate the underlying premium should be followed when calculating the Sasria premium. Where no underlying premium has been charged, the Sasria method should be followed:

100% - year 1; 50% - year 2; 25% - year 3; 20% - year 4; 15% - year 5

At expiry of the Period of Insurance adjustment is to be undertaken by the Agent by means of an endorsement.

36. Rent extension

Commercial Lines: Sum Insured must be increased to cater for rental that is covered under the fire exposure. Sasria allows rent payable (under BI) or rent receivable.

Personal Lines: Sasria follows underlying policy free rental provision up to 25%.

NOTE: In this respect the Rent Item only operates until the premises are tenantable, since the Material Damage Coupon applies to Rent receivable only

37. Sectional title properties

In the case of Sectional title properties, the 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.

38. Reinstatement Value condition

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.

It is permissible to insure motor vehicles for the reinstatement value; this cover is for static risks only – no road risk. The Sum Insured must represent the maximum new reinstatement value of all vehicles that can be within the Depot at any one time. The rate is to be applied to the reinstatement value. The Agent must issue an underlying Pro Forma fire risks Policy, in terms of the Regulations applying to Material Damage risks.

Upon application Sasria will consider a request to cover the difference between the market value of their vehicles and the new reinstatement value of the vehicles.

39. Exhibition covers

Sasria caters for exhibition policies subject to the minimum premium.

40. Glass cover

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.

41. Electronic Equipment

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.

PS: Increased costs of working may not be insured under the Material Damage Coupon.

42. Multi risk policies

If a Multi risk Policy provides for construction risks, same may be insured under the Material Damage Coupon subject to the following:

- i. The construction risks should involve additions, extensions and maintenance, where the Insured is the Principal or the contractor.
- ii. The construction risks must be undertaken on the Insured's premises.
- iii. Only those construction risks having an estimated value not exceeding 1, 00% of the Sum Insured of the Material Damage Coupon.
- iv. Only those construction risks not exceeding the height of the Insured's existing premises.

43. Aviation risk

Sasria only covers 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

44. Agricultural risk

A commercial rate is applicable to this class and the cover extends to the following:

- Stock theft of animals
PS: Sasria only cover theft or looting following a Sasria insured event.
- Stampede of animals, resulting in injury or death to the animal
- Burning of crops

45. Domestic risks

Any property legally owned by or under a legal custody and control of a private person(s), trust, company (private or public), collective, cooperative, society, etcetera, and used solely or primarily for domestic, educational, leisure and pleasure purposes or used as:

- Residential property (flats, townhouses, houses, student accommodation, hostels, etc.)
- Holiday accommodation with no alcohol license (lodges, hotels, motels, B&B, AirBNB, etc.)
- Private Libraries
- Museums
- Art Galleries (no sales allowed)
- Monuments and statues of historic importance
- Private Schools under Basic Education category (nursery, primary, high schools and adult literacy programmes)
- Where the responsibility to insure government schools is delegated to the School Governing Body (SGB), the F1 Sasria rating category may be used.
- Places of Religious worship such as churches, convents, monasteries, etc.
- Welfare and charity organisation
- Private health institutions such as clinics, hospitals, specialised practices and traditional/cultural practices
- Halls not used for commercial purposes
- Arts and culture centres (including privately owned but government-sponsored)

PS: All properties and vehicles owned by, leased by or within the custody and control of municipalities attract the commercial rate.

46. Mixed use properties

Where a building is used both for commercial and domestic purposes and the risks can be undisputedly separated from each other, separate rates should be applied i.e. commercial and domestic respectively. However, where the risks cannot be clearly separated then the commercial rate should be applied to the entire building.

Please note that Sasria reserves the right to investigate the use of the lower rate in the event where mixed properties are insured.

47. Tertiary institutions

A tertiary institution has been defined as: an institution (public or private) that offers specific capacities of higher learning or further education e.g. colleges, universities, technical and vocational education and training institutes, etc.

- The rating code is F1 (T)

48. Municipalities

Effective 1st February 2022, a separate rating category applies for Municipalities at 0,029580% annually. The rating code MUN and the application of the minimum premium is unchanged.

Cover for various Municipal districts and offices is covered under the Municipality Material Damage Coupon/Schedule

49. Mayors & Councilors cover

- Mayors and councillors houses up to the value of R1.5m can now be insured within the Municipality policy at a premium of R54.00 per annum/ R5.40 per month.
- In the event that a mayor or councillor would request cover exceeding a limit of R1.5m, a separate Sasria coupon should be issued accordingly
- The cover for house contents is capped at a maximum of 30% of the value of the property not exceeding the combined limit of R 1.5m.
- All mayors and councillors insured under the Municipality policy should be noted accordingly including their risk addresses
- An inventory list of all their household contents should also be completed in the event of a claim
- The facility is available to mayors and councillors during their term of office ONLY

50. Commercial Office

Office Risks is separated from Commercial Risks with effect from 1st February 2022 as a rating category on its own. The applicable rate charged is 0,020880%.

Application of the minimum premiums remains unchanged.

Examples of Risks rated under the F2 Office category:

- Attorneys' Offices
- Office Blocks
- Accounting Firms

To confirm that Office Blocks with e.g. canteens, coffee shops, gyms etc. for use by the building tenants (buildings may be single or multi-tenanted) with access control to the facilities preventing walk-ins, are subject to the Office Premises' rate.



SASRIA F4 PRODUCT - SME



51. Purpose

Sasria Fire category F4 product offers special risk insurance for businesses falling within the SME sector to ensure their property is adequately insured. Sasria, in partnership with various Sasria Agents and Associations has identified a gap in its current product offering and has created this product to bridge the gap in the market.

52. Qualifying Criteria

Sasria Fire category F4 product offers special risk insurance for businesses falling within the SME sector to ensure their property is adequately insured. Sasria, in partnership with various Sasria Agents and Associations has identified a gap in its current product offering and has created this product to bridge the gap in the market.

53. Limits and Premium

There are four (4) options of policy limits to choose from. The premium charged is based on the option selected, i.e. there is a minimum policy limit with a minimum premium and a maximum policy limit with a maximum premium payable.

53.1 Policy limit options

The minimum limit of Indemnity afforded under this option is R10 000 and the maximum limit provided is R2 000 000.

This cover does not cater for:

- Businesses classified under Micro-insurance
- Personal policies
- Motor risks
- Personal injuries or death
- Liability risks of any kind
- Legal costs

This policy follows the exclusions as stated on the Sasria Fire policy wording and underlying policy where applicable



MONEY SECTION



54. Cover provided

This section covers loss or damage (including fire loss or damage) to Money and Cash.

55. Sum insured

Sasria follows the Limits of the underlying Policy, including the Crossed Cheque limitation and any Claims Preparation Costs clause.

56. Premium computation

The premium rate is applied to the premium of the underlying Policy.

The value of the underlying Policy is not included in the calculation of the Loss Limit Discount. However the resultant discount is applicable to the premium.



GOODS IN TRANSIT SECTION



57. Classes of cover

- Goods in transit
- Inland transit
- Marine cargo (limited to South African risks)
- Stock throughput (transit risks only)

and all other policy titles pertaining to loss or damage (including fire loss or damage) to property in transit within South Africa.

Ocean Vessels, Inland water vessels, Small craft including rubber ducks, canoes, speed boats, rowing boats including outboard motors except for trailers) pleasure crafts/ small crafts insured on a personal lines underlying policy must be charged the fire domestic rate.

58. Application Of Marine Institute Riot Strike Civil Commotion Clauses (RSCC)

Only permitted if included in underlying policy.

Discount due to dual coverage.

59. Application of Loss Limit Discount:

Sum Insured may not be included in the Full Value calculation but the discount may be applied to the Premium.

60. Sum insured

VAT

VAT exclusive underlying policies, the limit Sum insured must be increased by the VAT element

61. Additional covers

A Sasria premium must be charged for these risks, at inception of the cover, and adjusted following a declaration of the values at risk, to Sasria.

62. Territorial Limits

The cover provided by Sasria is limited to the South territorial limits, including South African territorial waters.



BUSINESS INTERRUPTIONS SECTION



STOP

63. Policies to which this section applies;

The cover provided for Business Interruption is for either Standing Charges/ Working Expense, Net Profit, Gross profit and Revenue only. There must be a Material Damage Coupon to which the BI cover will attach

64. Basis of cover under this section.

Specified Standing Charges

- The List of the Insured's Standing Charges must be provided
- The Sum Insured must represent the list of specified standing charges (NOT THE CONVENTIONAL POLICY SUM INSURED)
- Policy is subject to Average
- This basis is used if the conventional policy is issued on an Additions Basis
- There must be a Sasria Material Damage Coupon in force covering the same interest and period

64.1 Uninsured Working expenses

- The List of Uninsured Working Expenses must be provided
- The Sum Insured must represent the insured working expenses (NOT THE CONVENTIONAL POLICY SUM INSURED)
- Accepted formula: Gross Profit – Net Profit = Working Expenses
- Policy is subject to Average
- This basis is used if the conventional policy is issued on a Difference Basis
- There must be a Sasria Material Damage Coupon in force covering the same interest and period Net Profit
- The Policy Number is identified as "NP" and applies to those covers arranged to cover only Net Profit of the Insured's Business.
- The limit for the net profit would need to be listed on the Sasria Policy, whether it is insured with Standing Charges or Working Expenses.
- The net profit can be insured on its own and with the Standing Charges or Working Expenses Sasria policy, under the SC/WE Sasria policy
- There must be a Sasria Material Damage Coupon in force covering the same interest and period

64.2 Gross Profit

- Insurance gross profit is defined as: turnover less purchases, bad debts and any other expense deemed variable (adjusted for year-end stock and work in progress variation)
- The Policy Number is identified as "GP" and applies to those covers arranged to cover only GROSS PROFIT of the Insured's Business
- Gross Profit should be insured in the following manner:
- Sasria Standing Charges/ Working Expenses and Sasria Net Profit, the values for both policies need to show the combined sum insured and be applied with the rate to get to the premium
- The rate applied is the same as for SC/WE and NP
- There must be a Sasria Material Damage Coupon in force covering the same interest and period

64.3 Revenue

- The money paid to the insured for goods sold and for services rendered in the course of the business at the premises.
- Sasria will only cover rent income under the revenue section if this is not already provided for under the underlying material damage policy.
- Revenue cover will follow the current BI rating structure
- Revenue cover will follow the current Sasria indemnity period structure.
- There must be a Sasria Material Damage Coupon in force covering the same interest and period

65. Additional Covers

The list below shows insurable and uninsurable additional covers provided under SC/WE:

- a. Extension to cover (Additions)
 - i. Claims Preparations Costs – automatic up to R50 000
 - ii. Dependency loss – between premises
 - iii. New business clause – company that has been trading for less than 12 months
 - iv. AICOW – one and a half times policy rate
 - v. Alternate trading clause, etc
- b. Uninsurable extensions (Additions)
 - i. Fines and penalties
 - ii. Prevention of access
 - iii. Public utilities
 - iv. Public telecommunications, etc.

66. Indemnity Periods

Domestic: minimum 12 months and maximum 48 months.

Commercial: minimum 12 months and maximum 60 months.



CONSTRUCTION RISK SECTION

67. Multi Risk Policy

Should any of the identified material damage covers be included in any Multi-Risk type policy (Assets, Multimark, Multiline, etc. policies by whatever name) Sasria covers must be arranged separately in terms of these Regulations.

If any Material Damage Policy provides for construction risks, it is possible to include the covers in the Sasria Material Damage Coupon subject to the following provisions:

- a. Only those construction risks involved with additions, extensions and maintenance, where the Insured is the Principal or the Contractor.
- b. Only those construction risks undertaken on the Insured's premises.
- c. Only those construction risks having an estimated value not exceeding 1,00% of the Sum Insured of the Material Damage Coupon.
- d. Only those construction risks not exceeding the height of the Insured's existing premises.

68. Period of insurance

The Period of Insurance of a Sasria Construction Coupon may be either annual i.e. 12 consecutive months or from the inception date of the specific contract until completion of the contract, which may be shorter or longer than 12 consecutive calendar months.

Construction Coupons issued for a specific contract continue for the duration of the contract.

Whenever the Period of Insurance of an underlying Policy is extended and an additional premium is charged in terms of the underlying policy, an additional premium in terms of the Sasria cover must also be charged, using the same method of calculation, i.e. if a pro-rata premium is charged on the underlying Policy then a pro-rata premium must be charged on the Sasria Coupon.

69. Sum insured

The sum insured would be the contract value in the case of a specific contract or the annual turnover in the case of an annual policy. The sum insured may be inclusive of insurable additional covers.

70. Loss Limit

The annual calendar limit of Sasria is R500m any one contract. However where more than one Contractor is involved in the contract concerned, each Contractor may either have a separate Construction Coupon issued

in their own name, or be included in the main Construction Coupon. The annual calendar limit is then increased to R550 000 000 in the aggregate.

By increasing the limit to R550 000 000, Sasria recognizes that more than one contractor could be working on the contract concerned

The term "more than 'one contractor'" shall include Sub-Contractors, Principals and actual Contractors. This could apply to a single structure or to the development of a contract site, such as a housing Development.

71. Deductibles

The Insured shall be responsible for the following amounts in respect of each and every theft claim under the construction risk:

- i. 0,1% of the Contract Value of the specific contract against which the claim is made.
- ii. Domestic risks minimum R250-00
- iii. Other risks minimum R2 500-00

The maximum amount payable by the Insured shall not exceed R25 000-00 in respect of each and every claim.

The Insured shall be responsible for the first R1 000-00 in the case of plant risk.

72. Discounts

72.1 Voluntary deductible

The Insured may select to incur a Voluntary Deductible

Premium discounts available for selecting a Voluntary Deductible, are:

R1 000 000	5,0%
R2 000 000	9,5%
R3 000 000	13,5%
R4 000 000	17,0%
R5 000 000	20,0%
R6 000 000	22,5%
R7 000 000	24,5%
R8 000 000	26,0%

R9 000 000	27,0%
R10 000 000	27,5%

A Voluntary Deductible may be incorporated at any time during the Period of Insurance with the premium refund calculated on a pro rata basis.

72.2 Loss Limit Discount

Where the contract value is above R500m, the insured qualifies for a discount in premium. In calculating the magnitude discount, the contract period is taken into account.

NOTE: The Discount applying at the inception of the cover must also be used for the purpose of all premium adjustments at the end of the contract period, even if the contract value results in a higher Loss Limit Discount applying.

73. Premium computation

The premium rate is applied to the total Sum Insured.

In the case of Annual Underlying Policies, the rate is applied to the estimated contract turnover for the Period of Insurance; in the case of Specific Contract Underlying Policies, the rate is applied to the value of the contract plus all additional covers Sums Insured. Where the underlying policy is subject to escalation, the Sasria rate is applied to the Total Sum Insured inclusive of escalation.

74. Plant risk

Definition: Aides used by Contractors to assist and enable them to fulfill their obligations in terms of the contract

Mobile plant (both Licensed and unlicensed for road use) may be insured under the Construction risk section. Where the underlying Construction or Engineering policy is extended to include road risk cover, the Sasria Construction risk coupon will attach to such an extension provided the mobile plant is licensed for road use.

Mobile plant registered for road use may still be insured under the Motor Coupon (Category M6) if the Insured wishes to do so.

Short term plant hire – is also covered by Sasria, with the minimum premium equal to 25% of the annual premium (subject to a minimum premium of R50).

Plant may be insured on a fees basis, declared/agreed value or market value.

Fee basis - Contractors hire-in Contractors' aides for any period and declare to the Agent annually the value of fees paid to the Owner. Premium – rate applied on the estimated fees to be paid to the owner.

Adjustments effected at the end of the period of insurance.

Agreed value - Basis of indemnification for the Insured's own Construction Plant may be amended from market value to an Agreed Value provided that the U/L policy is on agreed value and that the premium is also calculated on agreed value basis.

Declarations and Adjustments - Declaration are done at the expiry of the period of Insurance and this is effected by means of an endorsement.

75. Advanced standing charges

The Sasria Project Delay cover is provided by the issue of a Sasria Advance Standing Charges Policy.

75.1 Requirements of the Sasria project delay policy:

At the time of any loss a Sasria Contract Works Coupon must respond to the loss.

The total liability of Sasria shall not exceed the Limit of Indemnity stated in the Construction Risks Regulations (R500 million or R550 million in total aggregated during insurance period).

The liability of Sasria in terms of the Sasria Project Delay Policy only commences following the Date of Commercial Operation, as stated in the Schedule, should as a result of a Construction Risks claim the Commercial Operations does not commence on the date stated.

The period of insurance on the Advance Standing Charges Policy must follow that of the Sasria Contract Works Coupon detailed on the specification. Therefore, if the contract period is extended, the period of insurance in respect of the Advance Standing Charges Policy must likewise be extended.

The premium discount scale will apply to the Sasria Project Delay Policy premium but the Sum Insured may not be combined when determining the discount. The discount arrived at by calculating the discount applicable to the Sasria Construction Risks Coupon will be the discount applicable to the Sasria Project Delay Policy premium. Copies of all Sasria Project Delay Policy Schedules, plus the premium calculation, must be submitted to Sasria in those cases where the discount has been applied.

76. Additional Covers

- Claims preparation costs
- Professional fees
- Additional storage costs
- Employees personal effects on employers policy



MOTOR SECTION



The Sasria motor policy is a standalone policy and does not attach to the terms and conditions of an underlying policy.

77. Polices to which this section applies

77.1 Private and business owned

- Motor cars
- light delivery vehicles (ldv) heavy commercial vehicles (hcv) motor fleets
- trailers
- special type road vehicles
- non-registered types

77.2 II. VEHICLES USED FOR FARE PAYING PASSENGERS

- Bus rapid transit buses
- taxis

77.3 Mobile plant

77.4 Motor traders

77.5 Motor traders internal motor traders external

78. Territorial limits

Vehicles registered in the Republic of South Africa in respect of which a Sasria POLICY has been issued, may travel temporarily in NAMIBIA without the need for separate cover by virtue of a reciprocal arrangement with NASRIA. This is permissible notwithstanding the territorial limits as contained in the Sasria POLICY.

79. Period of insurance

The Period of Insurance should be for a period of 12 consecutive months.

Providing that this is the first time, ever, that the Insured is taking out a Sasria Motor Policy, then the period of Insurance may be less than 12 consecutive months, but only to align the Policy with the insured's portfolio renewal date, a pro-rata premium may be charged, and the Renewal Warranty must be completed and attached to the Sasria Motor Policy on categories where a motor rate is assigned. The categories that are applied with the minimum premium, those minimum premium may not be pro-rated.

80. Premiums rates

Sasria premium rates are charged on the use of the vehicle rather than the type of vehicle. Other than busses, Motor Traders and mobile vehicles are rated per vehicle and not on value.

Minimum premium is the premium per vehicle iro Cat 1, The following categories premium is per rate value. Category A1,2,3,4,5,6,7 and 8.

81. Fleet Policies

A fleet policy is issued where there are 4 or more vehicles owned by or in the custody and control of the insured. Same is issued on a Categorized /Specification basis and Declaration made at end of the period and premium adjusted accordingly.

82. Cover Provided

1. Retail value on total loss claims.
2. Replacement Value is automatically included on Cat 1 vehicles where vehicles is less than 1 year and travelled less than 30000kms.
3. Motor vehicles may be insured for reinstatement Value under the Material Damage Coupon, the cover is for vehicles for the reinstatement value whilst parked in a depot. – no road risk.
4. Credit shortfall cover is available from Sasria subject an Endorsement, which must be added to the Sasria Motor Policy by the Agent at the time of issue.
5. Uninsured third party vehicle cover.

83. Mobile plants

M6: Mobile plants - moveable equipment designed to be used in construction sites; it is in the form of high valued motorized equipment. Only mobile plants registered for road use and are utilized on public roads must be insured under the Motor Coupon.

PS: Where a mobile plant is registered for road use but will never be utilized on a public road, same may be insured under the plant all risk Coupon.



DISCOUNT SECTION



84. Discount methods

- 1.1. Coinsurance - Insured's are able to obtain a reduction in their Sasria premium by agreeing to share any losses with Sasria as a Co- Insurer.

Voluntary deductible - This is where the Insured may select to incur a voluntary deductible.

Voluntary deductible cannot be selected in conjunction with co-insurance.

Magnitude discount - applies to a One Insured i.e. A single Insured or a Holding Company and all its Subsidiaries (as contemplated by the Companies Act, 1973 as amended), or a subsidiary of a Holding Company. Sasria Premium based on Full Value and discounted for each million in excess of R500 million if the insured is a One Insured.

The Sum Insured / Full Value in respect of any One Insured means:

- i. The total of the Sums Insured for all Coupons/Policies for which Sasria cover has been effected (other than Money, Transit, Contract Works and Motor).
- ii. In cases where Inflation or Escalation is applicable, the Full Value must be calculated using the base Sum Insured/Value and not the Final Sum Insured/Value as brought about by the provision for Inflation or Escalation.
- iii. The Sums Insured, or limits, in respect of Money, Goods in-Transit, Marine Cargo and Stock throughput risks must not be included in the Sum Insured for the purposes of determining the Loss Limit Discount. The Loss Limit Discount itself, however, will still be applicable to the premium payable in respect of the Money, Goods in-Transit, Marine Cargo and Stock throughput risks Coupons.
- iv. Where the One Insured's sum Insured / Full Value exceeds R500 million, all Coupons commencing in the same calendar year are to be dealt with simultaneously and collectively. The discounted percentage thus calculated remains unchanged throughout the Period of Insurance of all the Coupons involved and applies to all subsequent calculations necessitated by increases or decreases in the total Sum Insured (not applicable to Mergers Takeovers and Disposal of Companies), and the issue of Coupons for any other risks (Money, Goods in Transit, Marine Cargo and Stock Throughput risks) to which the Loss Limit Discount is applicable.

85. Calculation of the Loss Limit Discount

Table 1 Total Sum Insured Discount (Sasria Value at Risk in R million)

R		R		%				
0	-	500	=	0				
500	-	700	=	0	+	0.0600	Fore each million in excess of	500 million
700	-	950	=	12	+	0.0280	For each million in excess of	700 million
950	-	1,450	=	19	+	0.0200	For each million in excess of	950 million
1,450	-	1,950	=	29	+	0.0120	For each million in excess of	1,450 million
1,950	-	2,700	=	35	+	0.0080	For each million in excess of	1,950 million
2,700	-	5,200	=	41	+	0.0044	For each million in excess of	2,700 million
5,200	-	7,700	=	52	+	0.0028	For each million in excess of	5,200 million
7,700	-	12,700	=	59	+	0.0012	For each million in excess of	7,700 million
12,700	-	25,200	=	65	+	0.0008	For each million in excess of	12,700 million
25,500	-	37,700	=	75	+	0.0004	For each million in excess of	25,200 million
37,700	-	Plus	=	80	+	0.0002	For each million in excess of	37,700 million

Maximum discount allowed maximum discount allowed is 90.00%

EXAMPLE:

Total Sasria Value At Risk : R787 362 000

Discount = 12% + 2, 44% (.0280% X 87) = 2.436%

Loss Limit Discount Therefore = 14, 44%

Premium calculation:

Value at Risk: R787 362 000 @ 0.0120% = R94, 483.44

Less loss limit discount @ 14.44% = R13, 643.41 Premium payable to Sasria = R 80, 840.03

GROUP SCHEMES SECTION



86. General provisions

All Group Schemes provided by a Sasria Agent, where Sasria coverage is required, are subject to the following Regulations:

- a. The Group Scheme must be registered with Sasria
- b. All persons covered in terms of the Group Scheme must take out Sasria coverage on all property that can be insured by Sasria.
- c. Insured/s can select Sections, risk or items where they wish Sasria cover to be applicable
- d. Each scheme must be separately registered. If a Sasria Agent deals with 4 different brokers, and each Broker requires their clients to be part of a Group Scheme, 4 separate schemes must be registered with Sasria.
- e. A single Coupon/Policy may be issued at the end of each month. The Regulations governing the issuing of Coupons/Policies must be strictly adhered to in respect of each individual Insured in the Scheme as though a separate Coupon/Policy has been issued to each individual.
- f. In the event of a claim, documentary proof to substantiate that cover operates must be submitted. In addition, a copy of the relevant underlying Policy must be requested.
- g. All Coupons must be issued no later than 30 days after the end of the month in which the cover incepts, i.e. the Coupon / Policy issued for the period 1st September to 30th September, must be issued no later than 30th October etc.
- h. In terms of the Policyholder Protection Rules each personal lines policyholder must be furnished with a full copy of the relevant Sasria Coupon Policy Wording. Therefore, despite the fact that only one Sasria Coupon Policy Schedule is issued, each policyholder forming part of the Group Scheme is to be treated as if an individual Sasria Coupon Policy Schedule had been issued. IT IS INSUFFICIENT TO MERELY STATE THAT THE FULL WORDING IS AVAILABLE ON REQUEST.

87. Sum insured

The Sasria Agent must total the Sums Insured for each Insured. This total must be recorded on the Coupon as the Sum Insured.

88. Minimum premium

Each Policyholder insured in terms of a Group Scheme is subject to a minimum premium of R50.00 per annum or R5.00 per month on non-motor Sasria Coupons. The minimum premium must be applied as if the Insured had been issued with an individual Sasria Coupon. The minimum premium is calculated per Sasria rating class e.g. all classes rated at F1 or F2 subject to one minimum of R50.00 per annum or R5.00 per month.

In the case of NEW BUSINESS, Sasria Agents may at their discretion charge a pro-rated premium for the period on risk in cases where the inception date of the underlying policy is not the first day of the month. Minimum premiums may not however be pro-rated.



CLAIMS PROCEDURE



The background of the slide features a blurred image of a document with a pen resting on it. The document text is partially legible, showing phrases like "The Contractor will carry out...", "ance, if warranted) relative to any...", "nmittee.", "Assignment. The Contractor", "Agreement, or delegate the p...", and "the prior written consent of th...".

89. Claims Registration

89.1 Documentation

The following documents form an integral part of each and every claim and must be submitted to Sasria for a claim to be processed seamlessly.

- a. Preliminary Claims Advice Form
- b. Sasria Coupon/Policy
- c. Full copy of the Underlying Policy Schedule and wording
- d. Claim Form
- e. Quantum documents(quote, invoice, etc)
- f. Proof of premium payment

89.2 Preliminary Claims Advise Form

- i. Must be submitted with all first notification documents.
- ii. Must be completed in full (where possible)

89.3 Sasria Coupon/Policy

- i. The Sasria Coupon / Policy must be legible as this document forms an integral part of the registration of a claim by Sasria.
- ii. The Sasria Coupon / Policy must be for the correct Period of Insurance and Risk e.g. Motor, Fire, Goods in Transit, Money, Business Interruption or Contract Works.
- iii. If the Sasria Coupon / Policy has been backdated by more than the permitted 30 day grace period, or, the Sasria Coupon / Policy has been signed after the date of loss, the documents stated under 7.2 must be kept on the relevant claims file.

89.4 Underlying Policy Schedule

- i. On all non-motor claims, the Underlying Policy Schedule for the correct period of insurance must be submitted to verify cover details as well as the sums insured, etc.
- ii. With regard to Motor claims, where the Sasria Policy has been issued on a blanket basis to cover a Domestic Scheme, a copy of the Agent Company's Domestic Policy printout listing the Insured's motor vehicles, must be accompany the Sasria Policy.

89.5 1.5 Claim Form

- i. The Insured must in all cases, complete an appropriate Agent company Claim Form. (Brokers' Claim Forms are also acceptable)
- ii. The Insured must complete a Motor Accident Claim Form on motor claims, and a General Claim Form on non-motor claims. Glass / windscreen Claim Forms are unacceptable.
- iii. The Claim Form must be completed in full, dated and signed by the Insured.

- iv. The Claim Form must contain a comprehensive detailed description of the circumstances surrounding the incident
- v. On motor claims, a detailed driver's statement must accompany the Claim Form.
- vi. Full details as to the circumstances of the loss or damage must be stated in the Claim Form.

89.6 Quantum documents

- i. Under no circumstances may the Sasria Agent, or the Loss Adjuster, authorize any repairs without first obtaining permission from Sasria
- ii. A minimum of two (2) Repair Quotations must be obtained and submitted to Sasria
- iii. In the case of emergency repairs, i.e. windscreen or glass replacements, authorization for these repairs may be undertaken but for the account of the Sasria Agent or the Insured. Should it be established that the loss or damage is in terms of the coverage of the Sasria Coupon/Policy, then Sasria will reimburse the Agent, or Insured, in terms of the Coupon/Policy issued.
- iv. Once Sasria has accepted liability, the Repair Invoice may be made out to Sasria Limited and submitted for payment with all pertinent documentation.
- v. The Insured must sign all Clearance Certificates which must be supplied to Sasria with all Invoices, before Sasria will settle the repair costs.

89.7 Additional Documentation

- i. On Motor Policies that have been issued on the "categorized" basis(fleet), a copy of the Declaration Endorsement for the previous period of insurance, must be submitted (see specimen attached "Annexure B")
- iii. In the case of Group Schemes, a copy of the Motor Specification must be submitted (see specimen attached "Annexure C")
- iv. Where the Sasria Coupon has been issued for a period of insurance less than 1 year, a copy of the Renewal Warranty signed by the Insured must be submitted (see specimen attached "Annexure D")
- v. Any document, i.e. Endorsement or Specification forming part of the Sasria Coupon/ Policy must also be submitted.

A Clearance Certificate signed by the insured must accompany all accounts/ invoices which Sasria is required to settle direct.



THANK YOU

Sasria

South Africa's only special risk insurer

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