

Bay Union – Prestige Policy Wording – Important information about your cover

We understand that reading your insurance policy can be a boring task and is possibly not at the top of your list of priorities. We include this information document to make sure that you are aware of the REALLY important things about your cover, and to help you find your way in your policy wording. Remember, it is still your responsibility to make sure you understand your policy wording! This document is only for your information and does not form part of your policy wording.

IMPORTANT: This document is for your information only and does not form part of your policy wording. It highlights a few aspects of your cover and you need to read the cover section policy wording for all the details. It covers all the sections that are available to you, but the ones that you selected and have cover for are listed in your policy schedule.

General conditions and obligations

(For more information refer to the following: **General conditions** in the **General terms and conditions** section; all the **cover sections**; as well as **your policy schedule**)

Your obligations

The **General conditions** section explains your responsibilities and applies to all the cover sections that you select under the policy. There might also be extra responsibilities specific to a cover section so please check the headings called **Your obligations and What is covered** in the cover sections.

Please make sure you understand what the conditions for cover are because they might affect your claims. We have the right to reject a claim if you do not adhere to a condition or obligation, so it is very important that you understand what these are.

Warranties

The **How we settle your claims** section mentions warranties that are applicable to your cover. For example, all pieces of individual jewellery, sets (such as a pair of earrings), or watches valued at more than R50K, must be kept locked away in a wall or floor mounted safe when not in use and not specified. Some warranties may also be explained in the cover sections under the title **Your obligations**.

An alarm warranty is an example of a condition for cover. This means that we require you to have a linked alarm in your home as a minimum security requirement for Buildings and/or Contents cover. The alarm must be armed when your premises is unoccupied.

☞ **When is your home considered to be occupied/unoccupied?**

If you go away on holiday your premises is considered as being unoccupied if your domestic helper, who lives on your premises, is not left in charge and does not have access to the main residence. If, however, you give your domestic helper access to the main residence and give instructions to take care of your home while you are away, your premises will be considered as being occupied.

☞ **What does the alarm warranty mean for you when you leave your premises unoccupied?**

This means that when you leave your home you must leave someone in charge. This person must have access to the alarm codes and arm the alarm if they leave the premises. They must also make sure that all the doors are locked, and that the home is secure when they are too far to hear what is going on in the main residence.

Give us honest, full and correct information

(For more information refer to: **General conditions** in the **General terms and conditions** section)

All the information you give us about yourself, your property and your risk profile must be accurate and honest. This will include information about your financial situation (such as insolvency), taking up a dangerous sport like hang-gliding, or the details of the regular driver of your vehicle. Please make sure that you have told us about ALL your previous claims from the past three years, because this information affects your premium and might affect how we assess your future claims. Giving us incorrect information or misrepresenting information could mean that we reject a claim or we cancel your policy.

Tell us if your information changes

(For more information refer to: **Introduction** section)

You must tell us when any of your information changes, especially material information which would affect our decision to insure your property. You must also contact us immediately when any details stated in your schedule are no longer accurate. For example, moving to a new address, adding a thatch lapa to your house, changing the security of your house, or if the regular driver of your vehicle changes.

Also tell us of material changes that may increase the risk of loss or damage to your property such as when your home will be unoccupied or when you renovate your home. When we become aware of the changes, we have the right either to cancel the policy, or let it continue with new terms and conditions.

Premium payment

(For more information refer: **General conditions** in the **General terms and conditions** section)

Your cover won't start until we have received your first premium. If your policy automatically cancels because we did not receive your first premium, and you want to insure your property again, we will treat it as a new policy and your premium might be different. Once your policy has started, all future premiums must be paid on your premium collection date. If you make a change to your policy which results in a premium change, and the date of the change does not coincide with the premium collection date, then we will either add or subtract the pro-rata premium to or from your next monthly debit order. Your consultant will advise on the process for pro-rata premiums when premiums are paid annually.

Monthly premiums are payable by bank debit order. There is no grace period for your first premium, but if you miss a payment for any subsequent month we will keep you covered for that month as a grace period. We will then, however, request two months premiums the following month. Your policy will be cancelled if we do not receive the two months premiums and you will not have cover from the date of your first missed payment.

Annual premiums are payable by bank debit order or as agreed with your consultant, and can be paid within the 30-day grace period after the start of your policy. If you don't pay, your policy will automatically lapse. You can only claim during the grace period if your premium is paid, or if you have agreed to have it deducted from any settlement.

❖ **Cooling-off period:** If an insured event doesn't happen during the first fourteen days after you have received the policy documents then you can cancel your cover from the date your cover started. You must tell us within fourteen days from the date you received the policy documents and we will pay back all the premiums you have paid for the cancelled cover.

Proof of ownership and value

(For more information refer to: **How we settle your claims** section)

It is important to keep proof of ownership for your insured items because we will request it when you claim for items that are lost, stolen or badly damaged.

❖ **Contents:** You must give us proof of ownership and proof of value for household contents that you claim for. While we understand it is not practical to keep proof for every household item you own, there are items we do expect minimum proof of ownership for, such as jewellery, electronic items and watches. Depending on the specific items, this may include documents and information such as valuation certificates, sales receipts and debit details on a credit card or bank statement. If you cannot provide proof, we will not pay more than the limit stated in the schedule.

❖ **Assets specified:** You must give us proof of ownership and proof of value, such as a valuation certificate, for your insured items when we ask for it. If you are unable to provide proof of value for a specified item, your cover will be limited to the amount stated in the schedule and not the specified value of the item. If you insure something as a specified item, we will never pay more than the value of the item as shown on the document.

❖ **Fine arts:** Fine arts must be regularly re-valued, as they are subject to currency fluctuations. All valuation certificates must be in South African currency.

❖ **Personal accident:** You must give us proof of earnings as a prerequisite for us paying any benefit.

Limits, sum insured and excesses

(For more information refer to: your **policy schedule – including the Excess and Limit section**)

Your policy schedule explains what you are covered for and for how much. It includes the Excess and Limit section and endorsements that apply to you. You must read through your policy schedule carefully to understand the extent of your cover.

- ❖ **Limits:** The limit is the most we will pay for a claim. The limit could be the sum insured, or it could be a different amount. The limits for all benefits are set out in the policy schedule.
- ❖ **Sum insured:** The sum insured is the value of an item that you asked us to insure and it is stated in the schedule. You must make sure that you insure your property for its current full replacement value or you might be underinsured. When you are underinsured you can be exposed to serious financial loss if a claim occurs. The sum insured for certain benefits will automatically increase every year on the policy review date by an inflation-linked percentage. For some benefits, the sum insured might reduce, for example, the value of your vehicle. Motor vehicles must be insured for the retail value or if agreed, for the sum insured agreed annually. If the sum insured increases, the premium will also increase. You are still responsible to ensure that the sum insured represents the full value of the insured property.
- ❖ **Excesses:** The excess is the first amount you must pay when you claim. Your excess amount will be the total of your basic excess and any additional excess amounts that apply to the specific claim. Please check your policy schedule to see what your excess amounts are and if there are any additional excesses that apply to you. How your excess works is explained under the sub-heading **Your excess** in the **General terms and conditions** section.

Optional cover

This is cover that is not automatically included, it applies only if you have specifically requested it, i.e. it is listed as covered in the policy schedule and you pay an additional premium for it. Optional cover options are shown in each cover section.

Exclusions

(For more information refer to: **General exclusions** section)

There are certain things we do not cover you for – these are called exclusions. We may reject a claim if the loss or damage was caused by an exclusion or related to an exclusion.

- ❖ **General exclusions:** These exclusions apply to all the cover sections. The most important general exclusions you must know of are:
 - Wear and tear
 - Mechanical, electrical or electronic breakdown, defect or failure
 - Dishonesty, theft by false pretences or fraudulent acts
 - Items that fail while still under any warranty or maintenance agreement
- ❖ **Specific exclusions:** These apply to certain items only and these are explained under each cover section: **What is not covered.**

Your Home cover

You must insure your home for its full current replacement value to prevent underinsurance. The cost of replacing your home should include the cost of removing all the remains and rubble in the case where your home is completely destroyed, drawing up building plans and getting them approved, and then rebuilding everything you currently have (including outbuildings) at current building costs.

- ❖ **Geysers:** We will repair or replace your home geyser in full if you use a Hollard service provider. If you use your own service provider, your geyser cover will be limited to the amount in your schedule.
- ❖ **Subsidence, landslip or ground heave standard cover:** This cover is ALWAYS subject to our approval. If approved it will be shown in the schedule and an additional premium will be payable.

Specific exclusions: Important exclusions specific to your home are:

- ❖ cover whilst your home is unoccupied for longer than 60 days in a row, unless you have told us about this and we have agreed to provide cover as shown on your policy schedule, or it is a holiday home.
- ❖ gradual deterioration, lack of maintenance, depreciation or wear and tear.
- ❖ theft if the home is unoccupied, unless there are clear, visible signs of violent and forced entry or exit and if your security measures are fully operational.
- ❖ malicious damage because of theft when tenants occupy the home, unless there are visible signs of violent and forced entry or exit.

Your Contents cover

You must insure your contents for its full current replacement value to prevent underinsurance.

The following benefits are available to you under the **Flexi** cover options, up to the limits set out in your policy schedule. You can ask us for more cover if you need it and we can increase the limits under the **Flexi Plus** cover.

Flexi and Flexi Plus cover at the risk address

- ❖ **Accidental damage:** We will cover you for unforeseen accidental damage to your contents up to the limit you selected in your policy schedule, but this does not include cracking or scratching of glass or a breakable article, automatic swimming pool cleaning equipment and garden equipment.
- ❖ The other Flexi benefits at the risk address are Business contents, Contents in fish tanks (an inventory is required) and Garden and outdoor items.

Flexi and Flexi Plus cover away from the risk address

- ❖ **Assets out:** We will cover certain contents outside the home up to the limit that you selected in your policy schedule. We provide worldwide cover for personal belongings that you normally carry with you, including cell phones, tablets, jewellery, watches and sports equipment (but only when the sports equipment is not in use).
- ❖ The other Flexi benefits away from the risk address are Camping equipment, Personal baggage and Sports equipment when in use in South Africa.

Contents cover also includes:

- ❖ **Contents in storage:** We will cover your contents that are stored in a commercial storage facility if you tell us in writing before you place your contents in storage.
- ❖ **Out of vehicle cover:** We will cover your contents and personal belongings from an unoccupied motor vehicle provided that the items are out of sight and the vehicle is securely locked or in a locked building and there are visible signs of violent and forced entry. Our cover is limited to the amount in the policy schedule if there are no visible signs of violent and forced entry after a remote jamming incident.
- ❖ **Contents temporarily elsewhere:** If you remove contents from the insured address to another building, the contents must remain in South Africa. There must be visible signs of violent and forced entry at the temporary building to receive limited cover up to the amount stated in the policy schedule.
- ❖ **Jewellery and watches:** You must tell us the total value of all the jewellery and watches at your home. We will never pay more than 30% of your Contents sum insured for a jewellery and watches claim. If you require more cover, you can specify these items under our **Assets specified** section. Your cover will be limited to the amounts stated in the policy schedule if you do not have proof of value, if there are no visible signs of violent and forced entry or if the item is not kept in a bank vault, or in a locked safe while you are not wearing it.
- ❖ **Money:** Cover is limited to the amount stated in the schedule if the money is not kept in a locked safe. Theft of money must be accompanied by visible signs of violent and forced entry.

Specific exclusions: Important exclusions specific to your contents cover are:

- ❖ theft if your home is unoccupied, unless there are visible signs of violent and forced entry, and your security measures are fully operational and in place.
- ❖ theft by tenants, paying guests, house sitters, domestic employees or someone that does not form part of your household, unless there are visible signs of violent and forced entry.
- ❖ no cover if your home is unoccupied for longer than 60 days in a row, unless you have told us about this, and you have paid us the additional premium, or it is a holiday home.

- ❖ fine arts valued at more than the limit stated in the policy schedule. These must be specifically insured under the Fine arts section.
- ❖ property left in the open unless it was designed to exist in the open.
- ❖ theft of contents in a fish tank.
- ❖ items that must be specified under **Assets specified**.

Your Assets specified cover

Make sure that you specify your contents or personal belongings in this section if you require worldwide cover without any restrictions or warranties. You should consider more cover for your assets if the Contents section does not provide cover for the full value of an item. Your policy schedule must show your specified items correctly.

- ❖ **Assets specified:** We will cover any specified items up to the value you gave us per item. This means that you do not have cover for anything that is not listed on your schedule. The following items are **ONLY** covered if you specify it in this section:
 - Parachutes, para-gliders, hang-gliders, wheelchairs, mobility scooters and shop riders.
 - Personal belongings or contents that are worth more than the **Assets out** benefit under the **Contents** section.
- ❖ **Jewellery and watches:** If you are unable to provide a valuation certificate from a registered jeweller or valuator, payment will be limited to the amount stated in the schedule and not the specified value of the item.
- ❖ **Items kept in a vault:** If you temporarily remove items from a vault, you will only receive limited cover up to 30 days. If you require more cover you must notify us of the removal of items and pay the additional premium.

Exclusions and restrictions: Important exclusions specific to your assets specified are:

- ❖ fixtures, fittings and contents of caravans and trailers must be separately insured under the **Motor vehicle** section.
- ❖ a firearm or gun when it is not in a locked gun safe or if you are not carrying it at the time of loss or damage.

Your Fine arts cover

Fine arts means art, antiques and collectables of particular value due to their age, style, artistic merit or collectable value.

We will pay the agreed value for items specified, and the fair market value for unspecified items.

Please check that all the information on your policy schedule is correct and let us know if you move your art to a different address to the one shown on your policy schedule.

- ❖ **Arts temporarily removed:** Theft out of a vehicle or when it is temporarily removed to other premises must be accompanied by visible signs of violent and forced entry or exit. You must ask us every time you want to keep your art at a temporary location. Jewellery and watches are never covered during transit. Cover while in transit, even if you are permanently moving to a new home, is not automatically provided and can be bought at an additional premium.
- ❖ **Appreciation:** If the fine art has increased in value, and there is a claim, then we will pay the extra increase in value within the appreciation limit stated in your policy schedule. You must have a valuation prior to a claim and the valuation should not be older than 24 months.
- ❖ **Collection temporarily stored elsewhere:** We will cover you against loss or damage to the collection when at a framer or restorer for an agreed period of time. You must ask us every time you want to keep your collection elsewhere. This cover does not include **Exhibition** cover which can be bought as optional cover.
- ❖ **Temporary storage costs:** We will cover the reasonable storage and transportation costs up to the limit if we find it necessary to move the art into safe storage. You must ask us if you want to store your art at a temporary location.
- ❖ **Defective title:** We will only cover an item under the defective title benefit if you buy it after the date your cover starts. Before you buy an item, it is your responsibility to check that the seller had a legal right to sell the item.
- ❖ **New acquisitions:** We will allow an automatic increase in the total collection sum insured for new items if you notify us within 30 days from the date of purchase and pay the additional premium.

- ⊗ **Jewellery and watches:** We require valuations upfront as these items are insured on an agreed value. The warranties are very strict under this section. We only cover loss or damage while an item is worn by you, carried by you or in a safe. You must not leave the items unattended, in any luggage compartments on an airplane nor in any temporary safekeeping facility offered by a club or gym.
- ⊗ **Items kept in a safe:** If you are staying in a hotel, motel or guest house, you must keep all these items in a locked safe at the management's offices, and not in a safe inside your room.

Specific exclusions: Important exclusions specific to your fine arts are:

- ⊗ items used for any business activity.
- ⊗ breakage or theft if the building where you keep your art is lent or rented, unless there are visible signs of violent and forced entry.
- ⊗ your home is unoccupied for longer than 60 days in a row, unless it is shown as a holiday home, art gallery or storage facility on your policy schedule.
- ⊗ loss or damage during a professional restoration or conservation process.

Your Personal liability cover

Your personal liability cover is linked to your **Contents** or **Home** cover. We will pay the actual amount of liability, legal costs or medical expenses up to a maximum of the limit shown on your policy schedule. If there is more than one person claiming against you because of the same event, the maximum limit applies per event.

The personal liability benefit amounts are limited to a specific amount in any 12-month period. These amounts are chosen by you when you take out the policy and are stated in the schedule. If we decide that a claim payment represents a fair settlement, we may pay out less than the maximum stated in the schedule.

Specific exclusions: Important exclusions specific to your personal liability cover are as follows – there is no liability cover:

- ⊗ related to the ownership of land or buildings, except if that home is also covered under this policy.
- ⊗ related to home alterations, additions or renovations.
- ⊗ related to the spread of fire to adjacent properties, homes or land situated on a smallholding, farm or plot unless stated in the policy schedule.
- ⊗ arising out of an agreement you might sign with a third party, for example a builder.
- ⊗ arising from any business, trade or occupation.

Although liability arising from any business or trade is excluded, limited cover is available for **Directors or Officers** of a registered charity or other non-profit making organisation. Limited cover is also available for the **Bed-and-breakfast** extension, **Business Contents** and **Liability due to employing a domestic employee**.

Your Personal accident cover

We will cover you for death, disability and medical expenses because of any kind of accident anywhere in the world. The benefit limits are shown on your policy schedule and cover you, your partner, children, family who permanently live with you and are financially dependent on you, and your domestic employee. Benefits for children are subject to a maximum amount as allowed by law.

Conditions for cover: The following conditions are specific to your **Personal accident** cover:

- ⊗ We only cover persons 16 years or older, but not older than 70 years at the date of the accident.
- ⊗ Death or permanent disability must happen within 12 months of the date of the accident.

Benefit limitations and waiting periods:

- ⊗ We will never pay more than 100% of the sum insured for disability. We will only pay a percentage of the sum insured related to the extent of disability as shown in the **Schedule of benefits** in the policy wording.

Specific exclusions are detailed under the heading **What is not covered** of the **Personal accident** section.

Your Watercraft cover

Make sure that your policy schedule shows the correct details of the watercraft, like where you store it and the area of use, as well as the correct details of the skipper, and let us know if anything changes.

- ⊗ **Extra obligations:** Your watercraft cover has extra obligations that you must be aware of, for example a fire extinguishing system and storing of inflatables. Please check your obligations under your **Watercraft** cover section.
- ⊗ **Storing your watercraft:** The watercraft should be kept secure while at your place of residence. If your watercraft is not in use, we will not cover it for theft of fixtures, fittings, equipment and outboard motors unless there is evidence of force.

Specific exclusions are detailed under the heading **What is not covered** in the **Watercraft** section.

Your Motor vehicle cover

- ⊗ Make sure that your policy schedule shows the correct details for the motor vehicle, especially those below, and let us know if anything changes:
 - **The type of use** of the vehicle must be accurate – you may choose between business use, reduced cover if vehicle is not being used, limited use, social use and social with professional use. Professional use means you can use your vehicle for business but no more than twice a week. You may not use your vehicle for commercial use.
 - **The address** where you usually park the vehicle and the parking situation (for example, open carport or locked garage).
 - **Vehicle accessories** – We provide automatic cover for non-factory-fitted accessories up to the limit stated in the schedule, at no additional cost. If you require additional cover for non-factory-fitted or optional vehicle accessories, we will list the accessories in your schedule and charge an additional premium.
- ⊗ **Towing & storage after an accident:** You will only be covered for the full towing costs if you get our permission to use the towing service provider before your vehicle gets towed. If you don't, we will only pay up to the limit in your schedule.
- ⊗ **Auto glass:** You will only be covered for the full cost of replacing glass, like your windscreen, if you first get our permission and use our preferred supplier. If you don't, we will only pay up to the limit in your schedule.
- ⊗ **Tracking devices:** You will have to pay an additional excess on top of your theft or hijacking excess if:
 - the sum insured of your vehicle is over R400 000, OR
 - your vehicle is considered a high risk for theft and does not have a tracking device with vehicle recovery.
- ⊗ **Car hire:** Cover is limited to a maximum of the number of days selected by you or until your claim is finalised.
- ⊗ **4X4 Cover (Off-road):** This cover excludes vehicles being used for any organised competitive 4x4 off-road activities such as time trials and contests. The off-road use is limited to four-wheel driving, trail driving, sand-dune driving or an activity on registered trails and registered adventure trails.
- ⊗ **Credit shortfall – increased cover:** Limited cover is automatically included for credit shortfall, you may ask us for additional cover at an additional premium.

Additional excesses: We will charge an additional excess on top of your basic excess for the following incidents:

- ⊗ The driver is under 25 years or if the driver's licence is less than 2 years.
- ⊗ No tracking device installed for vehicles over R400 000.

Extra obligations:

- ⊗ Don't use your motor vehicle for any purpose other than what it is specifically designed for.

Specific exclusions are detailed under the heading **What is not covered** in the **Motor vehicle** section.