Transport Contractors General Tips – Motor & GIT sections

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General

- It is vitally important that you have declared your correct loss history for at least the last three years.
- Your full business description must be disclosed for correct rating of risk. You also need to advise whether you're previously traded under a different name.
- Your contact details, VAT registration number and Company registration number is required in terms of the FICA regulations.

NB First amounts payable/excesses shown below are an indication only and the actual situation is reflected in your policy schedule.

Basis of indemnity

- Vehicle values are published and updated monthly by Mead & Mc Grouther in their Auto Dealers Digest, which is the official guide used by all insurers.
- Insurers will generally insure your vehicle for its market value (this is the average between the vehicle's trade in and retail values) and your premium is also based on this amount. The basis of indemnity in the event of a claim would therefore be the market value.
- Some insurers will grant you the option of insuring your vehicle for its trade-in or retail value and premium will be based on these higher values. The basis of indemnity in the event of a claim will then be either trade-in or retail value.
- Replacement value is normally paid when within first 12 months of new or first registered vehicles subject to the limit of indemnity – **This option is not available to truck & trailers**.
- With you truck and trailer insurance you also have the option, with some insurers, of insuring for the VAT exclusive value. The premium will then be based on the lower value resulting in a huge reduction in premium. However, all claims, whether total loss or accident repairs (partial losses) will be settled on a VAT exclusive basis as well.

- Average applies to vehicles not insured for the correct value as per the basis of indemnity chosen.
- Insurers have the right to repair, reinstate, pay out cash values for your vehicle in the event of a claim.
- The criteria that insurer's generally employ to determine whether to write-off an accident damage vehicle or not is that the estimated repair cost must exceed between 75% to 80% of market or trade or retail value.
- Following settlement of your total loss claim the wreck (salvage) belongs to the insurer and they may dispose of it as they please and you have no say in it' disposal.
- Where a total loss settlement is made, the insurance company may deduct the remaining pro-rata premium due from the settlement.
- Please check your vehicle values and ensure that you are adequately insured for at least the market value of these vehicles as you may be severely exposed in the event of a total loss even if you enjoy credit shortfall (top-up) cover.
- Vehicles values should be revised after every 12 months. As a rule we will not adjust your vehicle's value automatically at renewal as there may be other factors involved in arriving at its first value.

Territorial limits

Your policy covers you for the operations within R.S.A., Namibia, Lesotho, Swaziland, Botswana, Zimbabwe and Malawi. Other territories like Mozambique, Zambia, and DRC/Congo (Up to Lubumbashi) must be applied for separately.

Third party liability cover must be obtained at each border post when leaving the Republic of South Africa as you motor policy only covers your third-party liability for accidents occurring within South Africa.

Political Riot cover (SASRIA) is also excluded when you travel outside the Republic of South Africa.

NB Repatriation cost to get the vehicle back to RSA may be for your own cost – check your policy for details

Cover outside RSA is for own damage only and you must ensure that you purchase liability cover at the relevant border post. Cover afforded in other territories is subject to the jurisdictions of courts in the RSA

Vehicle requirements

- Vehicles under R150 000.00 in value must be fitted with a VESA approved level 3 or 4 immobiliser and/or a VESA approved gear lock.
- Vehicles between R150 000.00 and R250 000.00 in value must be fitted with a **passive** tracking device which has been approved by the insurer. In addition, the device must be tested every three months and an activation report must be submitted in the event of a theft/hijacking claim to prove that the device was operational.
- Vehicles over R250 000 in value must be fitted with an **active** tracking device which has been approved by the insurer. In addition, the device must be tested every three months and an activation report must be submitted in the event of a theft/hijacking claim to prove that the device was operational.
- Your vehicle (trailer included) must be maintained in a roadworthy condition at all times especially the tyres. Insurers may repudiate your claim if it found that the vehicle was not roadworthy at the time of the loss.
- Front Mechanical horse tyres must not be fitted with re-tread tyres and the remaining tyre read must not be less than 3mm.
- The vehicle must be fitted with 1 x 9kg Dry Powder fire extinguisher which must be serviced every six months. The driver must be educated in the use of the fire extinguisher.
- Please check that we have correctly recorded registration numbers of the truck and trailers and also supply us with all your tracking certificates. We also require the VIN number & engine number (preferably supply us with a copy of registration certificate & certificate of fitness for record purposes)

Driver requirement

- Correct category license for the category of vehicle being driven.
- Professional Driving Permit (PDP) is compulsory for driving of any goods or passenger carrying vehicles.
- Do not employ drivers younger than 25 years of age or with less than 3 years of code 14 driving experience. Your policy does not provide cover due to age and lack of experience – it is vitally important that you advise any exceptions to this rule to us immediately.
- It is a policy requirement for drivers to rest for four hours after every nine hours of drivers and drivers must be given off two weekends in each month.
- It is a policy requirement that you keep personnel files containing the driver’s ID document, license, PDP and medical history/report. – inspect driver’s licenses regularly for any endorsements

- Drivers must be medically fit to drive and they must therefore undergo the prescribed medical examinations once a year.
- Drivers must at all times observe the National speed limit of 80km/hour on freeways and 60 km/hour in urban areas. There is a hefty excess payable if these limits are exceeded and some insurers may even refuse to pay your claim. Driver incentives schemes must be discouraged as these impacts on their rest periods.
- Drivers must not leave keys in unattended vehicles.
- Drivers must not give lift to hitchhikers or other unauthorised persons.
- Driver selection is very important, and it is recommended that you do a thorough background/ verification check on all drivers. Ask them for past claim history and call their previous employers. Remember you are handing an estimated R1.5 million vehicle unit to your driver.
- Train your drivers on the tipping of the trailers etc, as there is a very high claims ratio on accidents where trailers fall over due to incorrect methods of tipping when offloading.
- Criteria for drivers from outside RSA

Swaziland, Malawi, Botswana, Namibia and Mozambique drivers must have the following:

Home Country Drivers License/SADC approved license and Professional Driving Permit (PDP)

International Drivers Permit/License

International code 14 driver’s licenses endorsed by the AA is acceptable as long as the PDP has been applied for and issued in the RSA

Then they apply for a PDP in RSA with all the above documents and their passport

The drivers from Zimbabwe same as above including the defence force plate issued to them.

ZIMBABWE EXEMPTION PERMITS - 2023

The government said that ZEP holders have to find alternate means to stay in South Africa legally by 31 December 2022, and can continue to work, study and use banks, provided they have a Visa Facilitation Services Global (VFS) receipt to show that they have applied for a visa.

On Friday, 2 September 2022, the Minister of Home Affairs granted Zimbabwe Exemption Permit (ZEP) holders a further extension, i.e. until 30 June 2023, to obtain alternative work permits/visas (the previous deadline was 31 December 2022).

- **Final extension:** In the accompanying press release the Minister made it clear that no further extensions would be granted.

- **Other Zimbabwean workers:** Not all Zimbabweans who live and work in South Africa are ZEP holders. Zimbabweans who don't hold a ZEP are required to have another form of work permit or visa, just like foreigners from other countries.

- **Enforcement:** It seems that the Department of Home Affairs is becoming more intent on enforcing the provisions of the Immigration Act.

- **Prosecution:** Employing any person who is not in possession of a valid work permit or visa, can result in employers being prosecuted.

Other policy requirements

- Towing is normally limited to R30 000.00 and some insurers require that you call their 24 hour call centre for towing assistance otherwise they will not cover the towing cost. Please check your policy for full details. Certain insurers will give limited cover for maintenance towing as well.
- Check that you have adequate cover for wreckage removal. This is also normally limited to R10 000.00
- Check that your liability limits of indemnity are adequate.
- Your policy covers you for the conveyance of mining products, steel, sand, stone, chrome and coal. All other items are excluded. Please advise us immediately should you convey other products so that we can get the required cover for you.
- Please check to see if your policy covers driving between 23H00 to 05H00. If not, an additional premium can be paid to have cover for those specified hours of travelling.
- Do not over load your trailers over the maximum capacity that it is legally required to carry. Should the vehicle be involved in an accident, your insurer will not pay out the claim.
- Guidelines for maximum permissible payload:

Link trailer is 35 tons

Tri axle single bin with single rear axle on horse – 30 tons

Tri axle single bin with two rear axles on horse – 34 ton

NB maximum gross combination mass, i.e. payload and GVM of horse & trailer must not exceed

56 ton (56 000kg) unless an abnormal permit is obtained from the relevant provincial authority.

First amounts payable/Excesses

(The following is purely a guideline of the excess structure applicable – please check your policy for full details)

- Basic – 5% to 10% of claim subject to a minimum R1 500.00 to R50 000.00 depending on the type and value of the vehicle. Some insurers may apply basis excess of **10% of the value** which could be astronomical in the event of a claim. We would recommend that review your specific cases and purchase the excess buy down option to mitigate the effect of these high excesses. The excess buy down option will only reduce the basic excess and not the other excesses mentioned below.
- Theft & Hi-jacking – additional 5% to 10% of **value** of vehicle
- Windscreen – 10% to 25 % of claim minimum R100.00 to R750.00
- Drivers under 21 and/or under 25 – additional 10% of claim minimum R1500 to R5000 – No cover for trucks if driver under 25 years of age
- Driver license less than two years - additional 10% of claim minimum R1500 to R5000 – No cover for trucks if driver license is under 3 years.
- Clams within 30 days of insurance – additional 5% to 10% of claim
- Second claim in same year – additional 5% to 10% of claim
- Voluntary excess chosen by insured – fixed amount chosen by for a rebate in the premium.

Additional first amounts payable for Truck & trailer policies:

(The following additional excesses may or may not apply to your policy – please check your policy for details)

- Driving between 23h00 to 05h00 – additional 5% to 10% of claim minimum R10 000.00
- Accidents occurring whilst exceeding the speed limit of 80 km per hour or no tachometer or computer report available – additional 25% of claim
- Total loss claims – additional 10% - 25% of own damage excess
- Claims within 3 months of an unpaid premium or inception of the policy – additional 10% of claim minimum R10 000.00
- Overturning whilst tipping – additional 5% of claim minimum R2 500.00
- Accident claims where the speed of the vehicle at the time of the accident cannot be proved – normally an additional 30% of claim
- Third Party damage/injury excess – 5% to 10% of claim subject to a minimum of between R5 000 to

R15 000

Goods in Transit

Basis of valuation is cost price

Means of conveyance: Road vehicles owned or operated by you.

Vehicles under your control must be securely locked and contents hidden from view when unattended.

Vehicle to be parked in a secure area during overnight stops

Vehicle must not be left unattended during loading and off loading

Goods conveyed in an open vehicle must be adequately protected from the elements

Theft from unattended vehicle is not covered unless the property is contained in a completely closed and securely locked vehicle or the vehicle itself is housed in a securely locked building.

Territorial limits: Your policy covers you for the operations within R.S.A only. All other countries such as Namibia, Lesotho, Swaziland, Botswana, Zimbabwe, Malawi, Mozambique, Zambia, and DRC/Congo (Up to Lumbumbashi) must be specifically requested and applied for separately.

Political Riot cover (SASRIA) cover is excluded outside the Republic of South Africa

NB *Debris removal is normally limited to R1 200.00, but this can be increased upon payment of an additional premium. It is important that you consider increasing this limit depending on the type of cargo that you carry as in can cost in excess of R20 000.00 in some instances to clear the site.*

First amount payable:

Basic: 10% of claim minimum R500.00 to R10 000.00

Theft/Hijacking: Additional 10% of claim minimum R2 500.00 to R50 000.00

Optional covers – only if stated in the policy

First loss basis: The policy limits as stipulated in the policy schedule are on a first loss basis, therefore no average applies in the event that the load value exceeds the policy limit.

Geographical: Cover automatically applies from attachment of risk until termination of risk while the insured goods are being transported within South Africa, Lesotho, Botswana Swaziland, Namibia, Zimbabwe, Mozambique, Malawi, Zambia, Tanzania, Kenya, Angola & Democratic Republic of Congo (no further north than Kolwezi).

Tarpaulins: Cover is automatically extended to include tarpaulins, cargo nets, ropes, chains & corner plates, subject to a maximum policy limit of R15,000-00 per claim, and subject to an excess of R2,500-00 per claim. Cover applicable to tarpaulins, cargo nets, ropes, chains & corner plates is All Risks of physical loss or damage excluding wear and tear, discoloration, scratching, cutting, theft (unless due to hijacking / theft of the truck and trailer) & pre-existing damage.

Debris removal & clean up costs: Cover is automatically extended to include expenses reasonably incurred by the Insured for the removal and disposal of insured goods, and prevention of pollution of the environment by goods insured under the policy, caused as a direct result of an event insured under the policy. Subject to a maximum policy limit of R25,000-00 per claim, and subject to an excess of R2,500-00 per claim.

Salvaging / load recovery costs: Cover is automatically extended to include expenses reasonably incurred by the Insured for sending an alternative vehicle to the accident scene, reloading, salvaging, sorting & repacking costs, where the original cause of loss was an event insured under the policy. Subject to a maximum policy limit of R25,000-00 per claim, and subject to an excess

of R2,500-00 per claim.

Container cover: Cover is automatically extended to include shipping containers, subject to the policy limit as stipulated in the policy schedule (which is the policy limit for the value of the goods including the value of the shipping containers) and subject to the policy excess as stipulated in the policy schedule (which is the excess applicable for the combined claim for the goods and the claim for the shipping containers). Cover applicable to shipping containers is All Risks of physical loss or damage excluding wear and tear, rust & pre-existing damage.

Duration of cover: Cover automatically attaches upon loading of the insured goods onto the conveying vehicle and or trailer, and terminates upon offloading from the conveying vehicle and or trailer. Cover also applies during the loading onto and off loading from the conveying vehicle, subject to the loading or off loading being done by the Insured’s own employees. Cover also applies while the insured goods are off loaded from the conveying vehicle whilst in temporary storage during the ordinary course of transit, limited to a maximum storage period of 72 hours, and subject to a premises storage limit of the policy limit as

is stipulated in the policy schedule per any one claim or event. If the policy is on an All Risks basis, then cover for theft whilst in storage is subject to there having been forcible and violent entry into the locked storage premises. The Insured warrants that any such storage will be within a fully enclosed, secured, locked and guarded storage premises.

Over height shipping containers: If the height of the shipping container on the trailer exceeds the maximum legal allowed height, then this will not prejudice a claim in terms of the policy.

Overloading allowance: If the combined weight of the conveying vehicle and load is greater than that allowed by legislation, then this will not prejudice a claim in terms of the policy, unless the combined weight is more than 5% over the maximum weight allowed by legislation, in which case cover in terms of the policy is excluded absolutely.

Driver / **employee criminal involvement**: Cover is automatically extended to include criminal involvement of the Insured’s driver or employees in theft or hijacking of goods insured under the policy, with such claims being subject to the policy hijacking excess.