

SASRIA LTD. GENERAL SECTION

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**SASRIA LTD.
GENERAL SECTION**
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SASRIA LTD.

GENERAL SECTION

1. APPLICATION FOR SASRIA LTD. COVER.

No request for Sasria cover may be refused provided it conforms to the requirements of the Agents authority and these Regulations.

2. ISSUING OF SASRIA DOCUMENTATION

2.1 WHO MAY ISSUE A SASRIA DOCUMENT

Sasria Coupons and Policies may only be issued by Insurance Companies (referred to hereafter as 'Agents') who have received authority from Sasria and have signed an Agency Agreement.

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

- a. Company letterhead
- b. Financial Services Board (FSB) certificate
- c. FSB authorized business
- d. Effective date
- e. FAIS registration certificate
- f. VAT number
- g. Company registration number
- h. Banking details : account number, branch code, type of account

2.2 DELEGATED 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.

When requesting registration of a Delegated Authority the Agent must furnish Sasria with the following information regarding the Underwriting Manager that seeks to be a Delegated Authority:

- i. The full name of the Underwriting Manager/Delegated Authority
- ii. The FAIS registration number of the Underwriting Manager/Delegated Authority
- iii. The effective date from which the Underwriting Manager/Delegated Authority will be issuing Sasria documentation on behalf of the Agent Company

- iv. The contact person or Branch Manager's name and contact details
- v. The physical address
- vi. The classes of business applicable

In the event of the Agreement/Contract between the Sasria Agent Company and the Underwriting Manager/Delegated Authority being terminated, Sasria must be notified of the date of termination of the Agreement/Contract.

The Sasria Agent is 100% responsible for the safe-keeping, accounting control procedures, issuing of all Sasria documents, the collection of and payment over to Sasria of all premiums. A Delegated Authority must submit their Sasria returns to the Agent, who shall incorporate these returns within their returns to Sasria. No additional credit terms are allowed when an Underwriting Agent is involved.

2.2.1 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 familiarised, 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.

2.3 BACKDATING OF SASRIA DOCUMENTATION

Agents are only permitted to backdate Sasria cover in terms of the following procedures:

- 2.3.1 Coupons or Policies must be issued within 30 days of the date of instruction received from the Insured or their Intermediary. Please see the section on Group Schemes for the issue of Group Scheme Coupons/Policies.
- 2.3.2 Agent must receive written notification, from the Insured or their intermediary. Verbal requests for a Sasria Coupon or Policy are not accepted.
- 2.3.3. This written notification is only acceptable if signed by the Insured, or on their Intermediary's letterhead, on a timed and dated facsimile or e-mail from the Insured, or their Intermediary.
- 2.3.4 All written instructions must be attached to the Agents copy of the Coupon or Policy and retained in the event that Sasria requires this copy at the time of attending to any claim or for auditing purposes.
- 2.3.5 If the Coupon or Policy needs to be backdated further than the permitted 30 days, due to administrative problems of the Agent, then application must be

made to Sasria, in writing, immediately any problems are identified. Full details for the delay in the issuing of the Sasria document must be given. To this application must be attached a copy of the written request for cover and confirmation if there have been any Sasria related claims in the interim period. Thereafter Sasria's reply MUST be attached to the Agents copy of the Coupon or Policy. This confirmation by Sasria will be required should a claim be submitted for any insured loss or damage, and for audit purposes.

- 2.3.6 Sasria will not consider requests for backdating where the request is made to Sasria more than six (6) months after either the request for Sasria cover or the inception date of the Sasria cover, whichever is the later.

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.*

2.4 INCEPTION DATE OF THE SASRIA DOCUMENT

The inception date of the Sasria Coupon or Policy may only be the inception date of the underlying Policy, the date of receiving written instructions or issue date of the Coupon or Policy, whichever the latest date.

If the Agent is acting in terms of the Backdating Procedures, then the inception date of the Coupon or Policy must not be earlier than 30 days prior to issue.

Otherwise, if the inception date of the Coupon or Policy is not the inception date of the underlying Policy, and a pro-rata premium is charged, being the first time cover is incepted and in order to align the expiry date of the Sasria Coupon or Policy to that of the underlying covers, then the following Renewal Warranty must be completed and attached to the Coupon or Policy:

ANNEXURE 20 (*Printed document*)

RENEWAL WARRANTY

The Insured agrees to renew this insurance on expiry of the first period on thefor at least an equal amount for one full year, failing which the Insured agrees to pay Sasria the sum of R..... representing the difference between the premium charged for the said first period (calculated pro-rata on the annual premium) and the annual premium.

Subject otherwise to the terms and conditions of this Coupon Policy.

Signed on behalf of Sasria Ltd.
Director

Countersigned aton theday of20..

.....
For: Sasria Agent

2.5 PERIOD OF INSURANCE

The Period of Insurance of a Sasria Coupon or Policy should be from the inception date of the underlying Policy for a period of 12 consecutive calendar months. Subject to the Backdating Procedures and Inception Date of the Sasria Document.

Retraction of Expiry Date

The 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.

Extension of Expiry Date

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

2.6 RENEWAL NOTIFICATIONS

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 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, as in the case of the underlying policies, is automatic i.e. the broker and or insured is no longer required to request for the renewal. The renewal documents should therefore include the Sasria documentation (Coupon/Policy) with the amended sums insured's as per the underlying policy.

If the insured has not advised the Sasria Agent of their un-wiliness 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.

On the issue of a new Period of Insurance Coupon or Policy, following the expiry of a Coupon or Policy, the minimum premium is the 12-month annual premium even if the date of issue is after renewal date of the underlying Policy.

There are no exceptions to this Regulation. The minimum 'renewal' premium is the 12 month annual premium. The Period of Insurance will then be the date of issue to the expiry date of the underlying Policy.

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

2.7 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 'STANDARD S.A.I.A. EXCEPTIONS' (FOR INCLUSION IN THE UNDERLYING INSURER'S POLICY)

- (A) This policy does not cover loss of or damage to property related to or caused by:
- (i) 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;
 - (ii) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war;
 - (iii) (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;
 - (iv) any act (whether on behalf of any organisation, 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;
 - (v) 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;

- (vi) any attempt to perform any act referred to in clause (iv) or (v) above;
- (vii) 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.

(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.

(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 organisation 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.

3 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 perils.**

P.S. Refer to the specific sections of these Regulations to ascertain what additional covers are permissible and how to cater for them in the Coupon or Policy.

The Sasria Agent that issued the underlying Policy is the only Agent who may issue the corresponding Sasria Coupon or Policy Schedule.

The underlying Policy number must be recorded on the Coupon or Policy Schedule.

NOTE: Collective underlying Policies.

The Lead Insurer must issue the Sasria Coupon or Policy for 100% of the risk concerned. No co-insurer may issue a Sasria Coupon or Policy for any individual section of the Policy, irrespective of whether the Lead Insurer covers the underlying Policy section, or not.

Sasria policies are stand alone i.e. they have their own terms and conditions and do not attach to an underlying policy.

4. LIMIT OF SASRIA'S INDEMNITY

4.1 R500million Coupon – F1 and F2

The annual aggregate limit of Sasria is R 500million any one Insured. This limit applies to The Material Damage and the Standing Charges and or Working Expense cover only. For the Standing Charges/Working Expense cover to be effective there must be a Material Damage Coupon covering the same property.

4.2 Excess of Loss Coupon – FE3

Sasria also provides an excess of loss cover of up to R1bn subject to a separate rating structure. This cover is limited to a combined (MD and Full BI) maximum of R1billion.

This limit applies to The Material Damage and the Standing Charges and or Working Expense cover only. For the Standing Charges/Working Expense cover to be effective there must be a Material Damage Coupon covering the same property.

4.3 Full Business Interruption - BI

In addition to standing charges and working expense cover, Sasria provide the Full Business Interruption cover. This product provides cover for net profit and extensions. This limit purchased under this cover must be a third of the limit purchased under Excess of Loss and subject to the maximum of R250million.

4.4 Other Limits

The limit of indemnity for the Construction risk cover and the Motor Policy is detailed under the relevant sections of the Regulations.

5. DOCUMENTATION

5.1 MANUAL DOCUMENTATION

The Coupon and Policy wordings are not pre-numbered and are bound in pad form in single sheets.

The Schedules attaching to and forming part of the Coupons and Policies that are to be completed by Agents are pre-numbered and are bound in pad form in triplicate.

5.2 ELECTRONIC DOCUMENTATION

Agents are permitted to print their own Sasria Coupons and Policies via their computer system, provided that these conform to the original versions as prescribed by Sasria.

Sasria stationery may be made available in an electronic format (word format) upon application. In order to utilize the electronic stationery the Sasria agent will be required to sign an indemnity prior to us releasing the documentation.

Note: the actual issue date must be reflected on the coupon (not the date printed)

5.3 DOCUMENTATION STRUCTURE OF COUPON AND POLICY NUMBERS

5.3.1 PREFIX AND NUMBERS

The prefix has been incorporated for ease of identification of each particular type of Coupon and Policy. Whilst the seven-digit number has been retained, each Sasria document will be printed with a separate series of numbers in order to prevent the duplication of numbers for computer purposes.

NOTE: Since only the Schedules are numbered, these will be in triplicate in pad form. The Coupon and Policy documents themselves are unnumbered and printed in single sheet form.

5.3.2 YEAR OF ACCOUNT

In the case of both Coupons and Policies, the number thereon is followed by an oblique (/), after which Agents themselves are to insert the last two digits of the year in which the cover incepts (e.g. /01). It is important that this procedure is adhered to, as the Accounting Returns must be broken down into years of account.

NOTE: The operative digits are the year in which cover incepts. Therefore any future alteration done by means of the General Endorsement should still reflect the original year of account.

5.3.3 UTILIZING THE SAME COUPON/POLICY NUMBER

There is no need to issue a new Sasria Coupon/Policy number at renewal. The current Coupon/Policy number can be used with the only change being the year of account. E.g. FE 12345/2007 for 2007, at renewal the same Coupon/Policy number can be used, therefore FE 12345/2008, at next renewal FE 12345/2009. If the Sasria Agent prefers to use a new Coupon/Policy number, this method may still be utilized.

In the case of Group Schemes, the above method may also be followed i.e. the same Coupon/Policy number may be utilized for a specific Group Scheme for a period of twelve consecutive months. At renewal, the only change will be the year of account; however in the case of monthly Group Schemes the correct month of business should be recorded on the Coupon/Policy.

5.3.4 ADDITIONAL INFORMATION

The following information must be supplied on all Coupons/Policies (this applies to Material Damage, Contract Works and Standing Charges)

- The name of the holding company
- Company registration number
- Risk address - top five (5) risks per highest sum insured

Note: All Excess of loss (FE3) and Full Business Interruption (BI) coupons issued in a particular month, must be forwarded to Sasria at the end of each month. The coupons can be faxed or e-mailed to underwriting@sasria.co.za or info@sasria.co.za.

5.4 LOST DOCUMENTATION

When Sasria documents are lost, for record purposes, an appropriate Affidavit setting out the circumstances of the loss must be obtained before the replacement documentation may be issued.

6. CESSION OF SASRIA COUPONS/POLICIES

A Cession of an underlying Policy does not automatically apply to a Sasria Coupon or Policy.

A Cession of the Sasria Coupon or Policy may be effected either by including reference to the Coupon or Policy in the underlying Policy Cession wording, or by the issue of a separate Cession.

Suitable reference should also be included in the Cession to the effect that the Sasria Coupon or Policy has to be re-issued at the end of the Period of Insurance, if the Cession is attached to an annual underlying Policy.

It should further be noted that as the underlying Policy will now have two Cessions (one for the underlying Policy only and one for the Sasria Coupon or Policy), double stamp duty is required to be paid.

7. INDIVIDUAL SECTIONS OF AN UNDERLYING POLICY (e.g. Multi Mark)

Each individual section in an underlying Policy may be treated as an individual Policy for the purpose of Sasria. Sasria therefore permit the issue of Coupons or Policies against one or more sections.

It is essential that the Coupon or Policy clearly identifies the relevant underlying Policy section.

8. DISCOUNTS

There are various discount methods available i.e. these include Co-Insurance, Loss Limit discounts and Voluntary Deductibles. The various Endorsements to be used and details as to the premium reductions available can be found under the Discount section of the Regulations.

9. TERRITORIAL LIMITATION

The cover is restricted to property situated within the Republic of South Africa.

10. ENDORSEMENTS

The General Endorsement, reproduced below, must be used wherever necessary, and is applicable to all Coupons and Policies.

Where the General Endorsement is used to effect an alteration to the total Sum Insured on a Coupon or Policy the pro-rata premium/refund must be calculated for the difference and must be accounted for in the monthly Accounting Returns.

In certain cases, specific endorsements are available for use wherever necessary, and in this regard please refer to the specific sections of these Regulations.

GENERAL ENDORSEMENT

NUMBER	YEAR
GE /	

ENDORSEMENT ATTACHING TO AND FORMING PART OF COUPON /POLICY

No. IN THE NAME OF.....

EFFECTIVE DATE:
(Please Tick The Appropriate Box/boxes)

	1. Change of name of the Insured to
	2. Change of underlying Policy Number (If reissued by Insurer) From To
	3. Change of Period of Insurance: From To
	4. Change in date of Commercial Operation: (ASC Policies only) From To
	5. Change in Annual Premium (if incorrectly rated) From R. To R.
	6. Policy/Coupon cancelled
	7. Sum Insured increased/reduced From R. To R
	8. Premium adjustment (Declaration Adjustment): For Period ending
	9. Indemnity Period increased/reduced (Standing Charges Policy) From months To months
	10. Change of vehicle Delete Make.....Reg..... Cat..... Bus Value R..... Replaced by Make.....Reg..... Cat..... Bus Value R.....

Subject otherwise to the terms and conditions of this Coupon/Policy. Warranted otherwise no change in the property insured or the Insured's interest therein.

	<p>11. Change of Registration No. From To (Single Vehicle Policies only)</p>				
	<p>12. Change / addition of Company Registration Number: From To</p>				
	<p>13. Change / addition of Holding Company: From To</p>				
	<p>14. Change / addition of Risk Address:</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <p>Risk Address 1:</p> <p>Street name and number:</p> <p>Risk City:</p> <p>Postal Code:</p> </td> <td style="width: 50%; vertical-align: top;"> <p>Risk Address 2:</p> <p>Street name and number:</p> <p>Risk City:</p> <p>Postal Code:</p> </td> </tr> <tr> <td style="vertical-align: top;"> <p>Risk Address 3:</p> <p>Street name and number</p> <p>Risk City</p> <p>Postal Code.....</p> </td> <td style="vertical-align: top;"> <p>Risk Address 4:</p> <p>Street name and number:</p> <p>Risk City:</p> <p>Postal Code:</p> </td> </tr> </table>	<p>Risk Address 1:</p> <p>Street name and number:</p> <p>Risk City:</p> <p>Postal Code:</p>	<p>Risk Address 2:</p> <p>Street name and number:</p> <p>Risk City:</p> <p>Postal Code:</p>	<p>Risk Address 3:</p> <p>Street name and number</p> <p>Risk City</p> <p>Postal Code.....</p>	<p>Risk Address 4:</p> <p>Street name and number:</p> <p>Risk City:</p> <p>Postal Code:</p>
<p>Risk Address 1:</p> <p>Street name and number:</p> <p>Risk City:</p> <p>Postal Code:</p>	<p>Risk Address 2:</p> <p>Street name and number:</p> <p>Risk City:</p> <p>Postal Code:</p>				
<p>Risk Address 3:</p> <p>Street name and number</p> <p>Risk City</p> <p>Postal Code.....</p>	<p>Risk Address 4:</p> <p>Street name and number:</p> <p>Risk City:</p> <p>Postal Code:</p>				
	<p>15. Premium PREMIUM: R..... REFUND PREMIUM: R..... (inclusive of VAT)</p>				

Signed on behalf of Sasria Limited

Countersigned at.....

.....
 Director

on the day of 20.....

.....
 For: Sasria Agent

11. LOSS LIMIT DISCOUNTS - ESTABLISH IF A LOSS LIMIT DISCOUNT IS TO APPLY

Loss Limit discounts in respect of the Insured's total Sums Insured exceeding R500.000.000

A Loss Limit Discount will be allowed in respect of Coupons or Policies for which the Insured's total value at risk, to Sasria, exceeds R500million. The Loss Limit discount may be calculated and applied at either Holding company level or at subsidiary level.

Since the Regulations concerning the Loss Limit Discount, and the calculation of the Full Value, are extensive, please refer to the section titled 'Discounts'

No change in the value of the Loss Limit Discount is allowed after inception of the Sasria Coupon or Policy, during the Period of Insurance of all the Sasria Coupons or Policies involved.

The only exception to this rule is in the event of mergers, takeovers and the disposal of companies. In these circumstances the Loss Limit Discount may be re-calculated.

PS: The loss limit discount does not apply to the Excess of Loss cover and Full Business Interruption cover.

12. PREMIUMS

Regulation 4.3 of the Short Term Insurance Act, 1998 (STIA) states:

'A person authorised, as contemplated in regulation 4.1, shall, within a period of 15 days after the end of every month in which premiums are received, pay to the short-term insurer concerned the total amount of those premiums received during that month...'

We recognize that our premiums are payable to us via our agent companies, therefore 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.

NOTE: *For further details with regards to premiums, please refer to the Accounting Section of the Regulations.*

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

In terms of the Material Damage Section of these Regulations, it is permissible, subject to specific conditions, to select items or premises insured in terms of an underlying Policy for the purposes of arranging Sasria coverage. However, with regard to all other covers available, the Sum Insured must be the underlying Policy's full value at risk (Sum Insured), for property within South Africa, plus all the additional covers Sums Insured.

It is important to note that the Sasria Coupon incorporates the Terms, Conditions, Exclusions, Exceptions and Warranties of the Underlying Policy to which it attaches, it does not however incorporate the Extensions, hence the need to make provision for these "additional covers". In order to cater for the Extensions, the Sasria Sum Insured must be increased by the value of the Extension and a premium charged for the said Extension. In this instance a schedule showing a breakdown of all additional covers included (together with the sum insured) must be attached to the coupon.

There are however instances where the Sum Insured stipulated on the Sasria Schedule differs from that of the Underlying Policy e.g. where the Underlying Policy has been issued on a First Loss basis (the Sum Insured for the purposes of Sasria, must represent the FULL VALUE), if the Coupon is subject to the aggregate limits, or if the underlying policy includes property in territories where Sasria cover is inapplicable (Property insured in the underlying Policy that is situated outside South Africa must not be included). If the property is situated in Namibia you should arrange for NASRIA coverage. If the property is in any other country, special arrangements should be made with the underlying Policy Insurer, the Sasria Agent.

e.g.	Underlying Policy Sum Insured	R 10 000 000-00
	Claims Preparation Costs	<u>R 10 000-00</u>
	Sasria Sum Insured	R 10 010 000-00

R 10 010 000-00 is used to calculate the premium.

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

SASRIA LIMITED
Reg. no 79/00287/08 VAT reg. 4140119340
SUM INSURED ENDORSMENT

FE /

Annexure attaching to and forming part of Coupon/Policy

number

In the name of

Breakdown of the Sum insured:

BuildingsR
ContentsR
Business All risk/all risk.....R
Electronic equipment.....R
Rent.....R
Escalation and or Inflation.....R
Claims preparation costs.....R
Capital additions.....R
Professional feesR
Clearance costs.....R
Security costsR
Other (details must be provided)R

14. REINSTATEMENT OF SASRIA SUM INSURED FOLLOWING A CLAIM

There is no need to apply for the re-instatement of the Sum Insured under a Sasria Coupon or Policy since Sasria has agreed that the Sum Insured shall remain unchanged (not reduced by any claim) throughout the Period of Insurance of the Coupon or Policy.

However, Sasria's maximum annual limit may not be exceeded. Refer to the Limit of Sasria's Indemnity.

15. POLICYHOLDERS' PROTECTION RULES

The Financial Services Board (FSB) have issued a directive that Agent Companies, on behalf of Sasria, need not only disclose that Sasria cover has been purchased, the nature of the cover and the cost thereof. 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.

16. LOOTING

Looting is covered in terms of the Sasria Coupon/Policy where the looting the was achieved by means of one or more of the acts set forth in the operative clause of the Sasria Coupon/Policy and/or where the proximate causation is not interrupted by a new intervening cause.

17. NASRIA

Sasria has a reciprocal agreement with NASRIA whereby if the insured has a Sasria Policy/Coupon and is temporally in Namibia the Sasria Policy/Coupon will respond to any Sasria type claims and vice – verse.

In terms of reciprocal agreements:

1. Cover extends to include property in transit from RSA to Namibia (including the return journey in respect of goods temporarily removed to Namibia) but ceases immediately the interest in such property is transferred to any party, other than the Insured, or on delivery to final destination or warehouse, whichever shall occur first. However, incidental delays caused by customs or other authorities or temporary storage awaiting arrival of onward carrying conveyances shall be deemed to be part of such transit, provided that such delays or storage are beyond the Insured's control. Where the Insured arranges storage pending final delivery cover will continue for a maximum period of 72 hours.
2. In respect of Marine imports or exports from or to a third country traveling through both RSA and Namibia
 - 2.1 For property imported to RSA through a port or other point of entry in Namibia, cover is included under a Sasria Coupon, issued in support of a domestic underlying Policy, while such property is in transit or temporarily stored in terms of the Duration Clause of the appropriate Institute Strikes Clauses, in Namibia
 - 2.2 For property exported from RSA through Namibia to a destination other than Namibia, cover is included under a Sasria Coupon, issued in support of a domestic underlying Policy while such property is in transit or temporarily stored in the ordinary course of transit, in Namibia.

NOTES

1. The purpose of 2.1 was initially to avoid Agents of both NASRIA and Sasria having to issue a Coupon (which, apart from Motor, would require an underlying Policy to be issued in both territories) to give requisite protection in respect of property temporarily removed from RSA to Namibia (e.g. holidaymakers).

It has now been extended to include property permanently removed from RSA to Namibia but only until interest changes or on arrival at final destination (e.g. possessions of emigrants in their own custody or that of a furniture remover; property transported to Namibia for sale but only up to the time of change of ownership).
2. The purpose of 2.2 is to avoid Agents of both NASRIA and Sasria having to issue a Coupon (which would require an underlying Policy to be issued in both territories) to give requisite protection in respect of imports to or exports from RSA which are transported through Namibia with final destination in RSA (imports) or in a third county (exports).
3. NASRIA Regulations have been similarly amended, substituting RSA for Namibia (and vice versa) and NASRIA for Sasria (and vice versa) wherever such words appear.

4. Cover will therefore cease on arrival at final destination but both NASRIA and Sasria have agreed to view sympathetically requests for rectification if, by oversight, cover which is clearly intended to continue has not been put in place timeously. Applications will have to be submitted to Sasria with full particulars including a history of cover with NASRIA. Proof may be required. Where Sasria agrees, permission will be granted to issue a Pro-forma underlying Policy. In such cases cover may be backdated to such time as Sasria agrees in writing. This written confirmation will have to be forwarded to the NASRIA Member concerned, to support a refund premium for reduction in Sum Insured or deletion of a specified item under the NASRIA Coupon Policy.

Brokers are urged to ascertain from clients who may be affected whether they have assets in Namibia which may require a NASRIA Coupon/Policy in terms of these provisions. In such cases the Sasria Agent should provide details to a NASRIA Member of the Pro-forma Policy and for the issue of a NASRIA Coupon/Policy. The Sasria Agents should also be requested to issue a Sasria General Endorsement reflecting the change or reduced Sum Insured and refund premium under the Sasria Coupon.

A procedure must also be established between brokers and clients (renewal and other periodic broker/client meeting agendas) to identify, on an ongoing basis, asset transfers affected by these provisions.

18. PRO-FORMA UNDERLYING POLICIES (Dummy Policies)

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:

- a. the Pro Forma Policy must cover the risk of fire loss or damage to the insured property;
- b. the Pro Forma Policy must incorporate all the terms, limits and restrictions of the Policy it is following;
- c. the Pro Forma Policy must include the S.A.I.A. Exceptions;
- d. 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;

- e. before issue, the 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.

19. LAPSED COUPONS/POLICIES

If the premium is not received by an Agent within the legal time frame prescribed in the Act, the Coupon/Policy will automatically lapse, and the Agent may reverse the relevant premium raised.

If, however a claim arose during that period, the claim will be considered, provided the premium is paid.

The **Coupon/Policy** may be re-issued from the date of the last payment of the Sasria premium but must run concurrently with the Period of Insurance of the underlying Policy.

20. ENQUIRIES FROM AGENTS/BROKERS

Applications or enquiries in connection with the Regulations should be directed to Sasria Limited.

21. MZANSI POLICIES/COUPONS

Sasria and SAIA have agreed on the following minimum standards for the Sasria Mzansi Coupons. Before a Sasria Agent issues Coupons under this product, Sasria must first be approached in order to utilize the lowered premium rate. Sasria will consider such application if accompanied by the approval from the Financial Services Board.

21.1 Mzansi Standards

- 21.1.1 The product may only be sold by way of a Group Scheme. The Regulations under the Group Scheme Section must be adhered to.
- 21.1.2 The documentation must be simple and understandable and comply with the proposals in the sample policy wording provided by SAIA.
- 21.1.3 Underwriting:
- a) Underwriting is permitted and underwriting questions may be asked
 - b) Existing information on record may be used in underwriting
- 21.1.4 The various components of the insured cover cannot be sold as individual policies.

The policy must cater for irregular premiums payments.

For example:

It is important that you pay your premiums each month to make sure that you remain covered. If you cannot afford to pay your premium in any one month, we will not cancel your policy and we will give you a 2nd chance to pay that premium.

If you claim from us, at least 80% of your premiums must have been paid at the time of the claim. You will need to pay the remaining, outstanding

premiums before we will settle the claim. If your policy is older than 12 (twelve) months, the 12 (twelve) months directly prior to the claim will be taken into account when calculating the percentage of premiums paid by you before the claim will be settled.

- 21.1.5 The policy must offer cover at pre-determined levels. The cover that the insured selects then is the cover that is paid. This means that averaging will not apply for these policies
- 21.1.6 The policy cannot be cancelled after the first non – payment. The policy holder must be given the opportunity to make up premiums. The principle of no premium no cover will still apply however.

For example:

If you do not pay the premium on the agreed payment date, you will not have any cover for that monthly period. From the second payment we will allow a 15 day period of grace for payment of the premium. All premiums must be fully paid before any claim will be finalised.

- 21.1.7 Due to the nature of the target market, alternatives to application in writing and changes in writing must be sought.
- 21.1.8 Cognisance must be taken of the fact that most people in this target market will be unbanked and therefore alternative premium collection facilities must be sought.
- 21.1.9 Cognisance must be taken that due to the low premiums for these products they will not generally be sold through traditional broker channels. Alternative distribution channels must therefore be sought.
- 21.1.10 The product must cover both the household and the household contents. As a minimum the policy must provide catastrophe cover

For example:

This section covers you for loss or damage to the building of your home and home contents belonging to you and your household members who live with you at the agreed address

*Loss or damage to the buildings or contents caused by:
fire,
theft,
impact by cars or animals
lightning, explosion, storm, wind, hail, snow, flood*

- 21.1.11 Repair or replacement must always be the first option when settling a claim.
- 21.1.12 Proof of ownership is not always possible in this target market and should not be absolute criteria. Where proof of ownership is not possible an affidavit should suffice.
- 21.1.13 In order to reduce the incidence of fraud an excess must be built into the policy.
- 21.1.14 Theft cover must be build into the policy at a limited percentage of the total cover.
- 21.1.15 The policy must include limited liability cover.
- 21.1.16 A simplified version of the Sasria wording has been designed for products meeting these standards. This must be included in the policy wording.

21.2 Minimum Premium

The minimum premium payable for the Mzansi product is R1.00 per insured per class of business subject to Sasria approval of the Mzansi product.