
BROADFORM HOMEOWNERS INSURANCE POLICY

KEY INFORMATION DOCUMENT

February 2014

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ABOUT THE KEY INFORMATION DOCUMENT

This Key Information Document (KID) will assist you to understand and make an informed decision about your insurance. It contains summarised information of the significant benefits and features of the policy.

This is only a summary of the cover and not a legal and binding document. We suggest that you read the entire document in conjunction with the policy wording and policy schedule. If there are any discrepancies between this document and the policy wording and schedule, the policy wording and schedule always takes preference.

For easy reference, the insurer is referred to as we, us or our, and the insured is referred to as you, your or yours.

The content of this document is of a general nature only and has not considered your objectives, financial situation or needs. You should carefully consider the information provided having regard to your personal circumstances to decide if this insurance is right for you.

The information in this KID was current at the date of preparation. From time to time we may update some of the information in the KID that is not materially adverse. You can obtain a copy of any updated information by contacting your broker. We will give you a copy of any updates if you request them. If it becomes necessary, we will issue a Supplementary KID (SKID) or replacement KID.

Details of the insurer and the underwriting manager are shown below. All administration is dealt with by the underwriting manager (CIA) on behalf of the insurer. Your broker acts on your behalf and is your agent through whom you contact CIA and us.

	The Insurer	The Underwriting Manager
Name	Compass Insurance Company Limited Registration Number: 1994/003010/06 FSP Number: 12148	Commercial & Industrial Acceptances (Pty) Ltd Registration Number: 2000/019340/07 FSP Number: 13890
Contact Us	You may contact Compass in the following ways: <ul style="list-style-type: none"> • By telephone: 011 745 8333 • By fax: 011 745 8444 • By email: info@compass.co.za • By writing to Compass Insurance Co. Limited PO Box 37226 Birnam Park 2015 	You may contact CIA in the following ways: <ul style="list-style-type: none"> • By telephone: 0861 242 777 • By fax: 086 613 6684 • By email: jhb@cia.co.za • By writing to Commercial & Industrial Acceptances (Pty) Ltd PO Box 615 Bedfordview 2008

IMPORTANT INFORMATION

Thank you for choosing the CIA Broadform Homeowners Insurance Policy to protect you and your property. This policy has been arranged with us through your broker. The policy document must be read together with the schedule as it will tell you all you need to know about the cover, terms, conditions and limitations of your cover.

Some words with special meanings are defined in the policy and are shown in ***bold italic***. Please refer to the policy wording for the definitions. These definitions apply throughout the policy unless shown differently in any particular section. **One section may not be used to interpret another section. All exclusions are shown in red.**

Unless stated to the contrary the singular includes plural and vice versa.

COOLING OFF PERIOD

You have a cooling off period of 14 days from the inception date of the policy, if you decide for any reason that this policy does not meet your requirements you can advise us in writing within 14 days and we will cancel the policy and refund any premiums paid by you in full. You will however not receive a full refund if you have made a claim.

If you wish to cancel the policy after the 14 day cooling off period, you will only be entitled to a pro-rata refund of premium.

HOW DO WE CALCULATE YOUR PREMIUM?

The premium you must pay for this insurance is shown in the schedule / quotation.

The key factors that influence the premium calculation are:

- the sum insured you choose;
- the location of your property;
- the type of construction of the building;
- the occupation of the building;
- if or to what extent the building is vacant;
- your previous history of losses (whether insured or not);
- the probability of a claim occurring;
- other factors relating to our cost of doing business.

Please see the example below:

Premium Calculation:

Risk premium	As per the above
Sasria premium	Compulsory based on SASRIA rates
Broker fee	As agreed between you and your broker
Commission	20% included in the premium
VAT	14% included in the total premium
TOTAL PREMIUM	Reflected on the policy schedule

MAKE SURE THE BUILDING SUM INSURED IS ADEQUATE

For us to pay your claim in full it is important that you insure the building for its correct replacement value (Referred to as total reconstruction cost). It is advisable to obtain a professional valuation to establish the correct sum insured at inception and update it on a regular basis. The replacement value of your property must be based on the current rebuilding cost plus allowances for associated costs, for example: demolition, removal of debris and site clearance, professional fees such as engineers, architects', quantity surveyors' and project managers, and complying with current national or local building regulations and other legislation, and VAT.

If, according to our calculations, the amount needed to replace the building with a similar new building at the time of the damage, is more than the sum insured, we will not pay you the full amount of the damage. You will be your own insurer for the difference between the sum insured and the total reconstruction cost. Therefore, you will be responsible for a proportional share of the damage.

Let us assume you are insured for R 500,000, but the total reconstruction cost of the building is R 1,000,000. This means you are only insured for half of the total reconstruction cost. You are responsible for the other half. For example, if you suffer damage to the value of R 100,000, we will only pay half of this amount, which is R50,000, calculated as follows:

Insured for	R 500,000
Total reconstruction cost	R 1,000,000
Claim	R 100,000
Calculation of underinsurance	$R 500,000 \div R 1,000,000 \times R 100,000$

We will only pay you R 50,000.

Also refer to "What you are covered for" in Section A – Buildings on page 7 of the policy wording for monetary limitations in respect of professional fees.

YOUR DUTY

We will only cover you if you keep to all the terms and conditions of the policy and you tell us everything that could reasonably have an effect on our decision to insure your property and to help us assess its risk correctly.

It is your responsibility to make sure that the information relating to the insured property is accurate and correct.

You must tell us immediately if:

- Any of the information contained in the schedule / quotation is incorrect
- There is a change in the occupancy of the building
- There is a change in circumstances that may increase the chance of damage, injury or liability
- Illegal occupants (squatters) have moved into any part of the building
- Your banking details change if the premium is paid by debit order

What you tell us may affect the terms and conditions of your cover, including the premium and the excess you are responsible for paying when you claim.

You must adhere to all the terms and conditions set out in the policy, this includes, but is not limited to making sure that you:

- Keep the building well maintained and in a good condition, including making regular inspections of the property, repairing faults or fixing defects such as leaking roofs, gutters, drains, water pipes and damaged tiled areas
- Take all reasonable care to prevent theft, loss, damage or legal liability to other people and their property
- Make sure that all laws are obeyed
- Pay the premium for the insurance as reflected in the schedule on time. Refer to General Condition 20 on page 32 of the policy wording

If you do not meet your responsibilities or, we discover that you, or someone acting for you, knowingly give false information, we may:

- Reduce or reject your claim
- Cancel the policy
- Void the policy (treat as null and void)
- Recover any payments from you that we have made for previous claims

RENEWALS

We will send you a renewal schedule on the anniversary date of the policy each year. It is important that you check the details to ensure all the information contained in the schedule is correct, and that the sums insured are adequate.

You must also take note of any changes (if any) that have been made.

MAKING A CLAIM

This is the procedure you should follow in the event of a claim or if something happens which may result in a claim. If you do not follow this procedure, you will break a condition of the policy that may invalidate your claim.

You must:

- Effect any immediate temporary repairs necessary to prevent further loss, damage or injury
- Immediately notify the Police following loss or damage by theft, attempted theft, malicious damage, violent disorder, riots or civil commotion and obtain a case reference number
- Provide us with full details of your claim as soon as reasonably possible after the event, but not later than 30 days after the event or occurrence. If you fail to do so, we may at our discretion reject your claim
- Provide us with all information and evidence, including written estimates and proof of ownership and value that we may request

DO NOT UNDER ANY CIRCUMSTANCES

- Effect full repairs without our consent
- Admit, negotiate or settle any claim without our permission in writing
- Abandon any property

Also refer to the General Claims Procedure on page 35 of the policy wording.

WHAT WILL BE THE EFFECT IF YOU CLAIM

The cover remains in force after a claim is paid.

If we decide that the risk of giving you cover has increased, we have the right to increase your premiums, reduce your cover or even cancel the policy.

CAN YOU LOSE MONEY

This product is not an investment or savings product, so the risk that you may get out less money than you put in, is not relevant.

If the policy ends for any reason, the cover will fall away. Payments for past cover periods are not refundable.

COMPLAINTS PROCEDURE

We realise that things can go wrong and that there may be occasions when you feel that we have not provided the service you expected. When this occurs we want to hear about it so that we can investigate the complaint and where possible put things right.

TALK TO CIA

If you have a complaint, the first thing you or your broker should do is to speak to one of the CIA staff members.

If your complaint relates specifically to a claim, speak with the claims consultant managing your claim. If they are unable to resolve the matter, it will be referred to management and ultimately to the Managing Director.

IF YOU ARE STILL NOT SATISFIED

If you are still unhappy and wish to escalate the matter, then please contact us. The matter will be referred to the relevant dispute handling department who will conduct a full review and endeavour to provide you with a response within 14 days.

IF YOU ARE STILL NOT SATISFIED WITH OUR RESPONSE TO YOUR DISPUTE YOU CAN SEEK AN EXTERNAL REVIEW

The Ombudsman for Short Term Insurance (OSTI) is empowered to review and rule on disputes between you and us. Their contact details appear in the schedule and you are entitled to contact their offices if ever you are dissatisfied with an outcome or decision we have made.

You will however not be able to have your dispute resolved by the OSTI if you are not eligible under the OSTI Terms of Reference.

Please contact us for further information about our complaints and disputes resolution procedures.

SHARING OF INFORMATION

While we respect the confidentiality of the information you have provided, in order to combat insurance fraud and evaluate and properly underwrite risks, the South African Insurance Association (SAIA) has created a shared database for storing insurance information. Information sharing contributes significantly to limiting insurance fraud and assessing risks fairly. In terms of South African law, we may reveal or receive information if we intend using it to prevent fraud and to underwrite risks fairly. This clause allows us to store your information in the shared database and to verify any underwriting information against legally recognised sources of databases.

On your behalf, and on behalf of any person you represent in this policy, you hereby waive any right to privacy with regard to the sharing of any underwriting and claims information (including credit information) that you provide or that another person provides on your behalf in respect of any insurance policy or claim you make or lodge.

In addition to preventing fraud and underwriting risks, your information may also be used for any decision relating to the continuance of this policy or the meeting of any claim you may submit. You consent to such information being disclosed to any other insurance company or its agents.

You must send us written notification of cancellation of authority if you no longer wish us to use the information in the manner stated above.

SASRIA COVER

You have automatic cover for damage provided by the SASRIA SOC Limited for the relevant sections of the policy to which it may apply.

SASRIA covers damage caused by any person or group of people taking part in any riot, strike, lock-out, public disorder, civil commotion or committing any act which has a political, social or economic aim, objective or cause, or in protest against any state or government. This cover is limited to insured property situated in the Republic of South Africa only.

For a full description of the cover and exclusions applicable to the cover provided by SASRIA a copy of the Master Policy wording is attached to your first policy schedule. Further copies are available on request.

SASRIA cover applicable to this policy is compulsory and cannot be cancelled.

WHAT THE POLICY CONSISTS OF AND HOW TO READ IT

Your insurance is made up of the policy wording and the schedule, which shows the sums insured, the limits of indemnity, the premium you must pay, and any other terms which apply. Whenever the policy is renewed and whenever there is a change, a new schedule will be sent to you.

The schedule and the policy wording must be read together as this tells you what is covered and what is not covered, how we settle claims and other important information you must be aware of.

There are **General Exclusions** (refer to page 26 of the policy wording) which apply to the entire policy and some **Specific Exclusions** which apply to each section only. These exclusions are printed in red in the policy wording. **Refer to the page number as indicated in this Summary of Significant Benefits and Features for the Specific Section Exclusions.**

There are also **General Conditions and Provisions** (refer to page 29 of the policy wording) which apply to the entire policy and some **Specific Conditions** that apply to certain sections of the policy.

SUMMARY OF SIGNIFICANT BENEFITS AND FEATURES

The following are examples of some of the significant benefits and features of the cover offered, but you need to read the actual policy wording which sets out the terms and conditions of this insurance to make sure it matches your expectations.

Reference is made of the specific page number in the policy.

SECTION A – BUILDINGS

The cover provided by this section is on an All Risks basis, including Subsidence and Landslide. It is the widest form of cover available for buildings. It covers accidental loss, damage or destruction from any cause whatsoever, except where specifically excluded.

COVER	THE MOST WE WILL PAY	PAGE
Building	Sum insured stated in the schedule	6
Extra cover following damage paid in addition to the building sum insured		
Arson reward	Up to R 10,000	8
Emergency accommodation	R 1,000 per day, maximum R 7,000	8
Escalation of the sum insured	10% Current insurance period 10% Further reinstatement period	8
Generator hire	Up to R 15,000	9
Home modifications	Up to R 20,000	9
Landscaped gardens	Up to R 10,000	9
Loss of rent and alternative accommodation		
Loss of rent following damage	Actual amount of rental lost or the reasonable rent payable of equivalent unfurnished alternative accommodation, limited to 30% of the sum insured. Plus up to R 5,000 storage costs of undamaged household contents of owner occupied dwellings if not insured elsewhere	9
Pets	Up to R 2,500	10
Removal of trees	Up to R 5,000	10
Security guards	Up to R 7,500	11

Water removal and dehumidifying – without our consent	Up to R 5,000	11
Extra cover		
Building materials awaiting installation	Up to R 15,000	11
Intercom system sim card	Up to R 5,000	12
Loss of water	Up to R 5,000	12
Medical, trauma and funeral costs Medical Costs Trauma Costs Funeral Costs	R 10,000 R 1,000 R 5,000	12
Replacement of Locks & Keys	Up to R 5,000	13
Title deeds	Up to R 5,000	13
Optional extra cover		
Environmental upgrade	Up to the amount selected by you	13

Limitations to the cover		
In some instances and circumstances the cover and / or amount we will pay is limited as follows:		
Circumstances	Limitations to cover	
Building additions, extensions, alterations or renovations	Various covers are restricted during the contract period	14
Floor coverings	We will only replace floor coverings in the affected room or rooms	14
Textile and fabric awnings and coverings	We will only pay 50% of the replacement value for items older than 10 years	14
Vacant buildings	If the building becomes vacant during the period of insurance, you shall become a co-insurer with us in respect of damage that is caused by theft or malicious intent; and you shall bear a rateable proportion of any damage equal to 20% of the claim, before the deduction of any excess. If the building remains vacant for more than 30 consecutive days, there is no cover for damage caused by theft or malicious intent in respect of the vacant building.	14

Excesses		
Lightning damage	R 2,000	
Storm, wind, water, hail and snow	R 1,000	
Water damage to laminated and wooden floors	10% of claim minimum R 2,500 cumulative to the basic excess	
Earthquake (Klerksdorp, Stilfontein, Orkney, Welkom, Odendaalsrus, Riebeeckstad, Hennenman and Virginia)	1% of the sum insured minimum R 2,500	
Subsidence and Landslide	1% of the sum insured minimum R 1,000	
All other claims	R500	

SPECIFIC EXCLUSIONS TO SECTION A - BUILDINGS AND CONTENTS - WHAT YOU ARE NOT COVERED FOR	PAGE
<p>1. We will not pay for any loss or damage directly or indirectly caused by, or arising from, or aggravated by, or resulting from:</p> <ul style="list-style-type: none"> a) cracking or collapse of the insured property unless caused by damage not otherwise excluded; b) inherent vice, latent defect, defective design, defective workmanship, structural defects, defective construction or defective material or lack of maintenance and the cost of maintenance of the insured property, or any other failure to keep the insured property in a good state of repair; c) interference with, or removal of, or weakening of support of the building; d) normal settlement, shrinkage or expansion, creeping, heaving and vibration; e) contraction or expansion of clay and similar soil types due to its moisture or water content; f) excavations on or under land, other than excavations in the course of mining operations; g) domestic pets, primates, birds, vermin, or insects; h) gradual deterioration and gradually operating causes occurring over a period of time, including decay and wear and tear; i) seepage, rust, oxidation, corrosion, deforming, distortion, contamination, pollution, changes in humidity or temperature, concrete or brick cancer, fraying and fading; j) mildew, mould, disease, fungus, wet or dry rot, damp, rising damp, a change in the underground water table, erosion or change in colour; k) change in texture or finish, staining, denting, chipping, marring, scratching or cracking, not affecting the operation of the item; l) any process of cleaning, bleaching, dyeing, testing, experimenting, restoring, manufacturing, servicing, altering, refurbishing, repair, renovation, or construction; m) any process involving the application of water; 	15

- n) welding, grinding, cutting, shaping or the application of tools to the insured property not resulting in ignition;
- o) the invasion of vegetation, including but not limited to: trees, grass, shrubs and roots;
- p) the leakage or discharge of chemicals, oils, fluids, gases or fumes (except the sudden and unforeseen escape of oil from oil-fired heating installations forming part of the building or damage caused by the leakage or discharge from fire extinguishing installations/appliances);
- q) theft or malicious intent if the building is vacant, or if during the period of insurance the building becomes vacant for more than 30 consecutive days. If a part of the building is or becomes vacant then that part of the building will be regarded as a separate building for the purpose of this exclusion;
- r) detention, confiscation, attachment, destruction or requisition by any lawfully constituted authority or other judicial process;
- s) failure of, the deliberate withholding of, or the lack of supply of: water, steam, gas, electricity, fuel or refrigerant;
- t) any dishonest act, fraudulent scheme, trick, device or false pretence practiced on you;
- u) theft or neglect by tenants.

2. We will not cover damage to:

- a) retaining walls caused by storm, wind, water, hail or snow, unless we specifically agree to include it and we have received proof before the happening of an event, that the wall was designed and constructed in accordance with a professional Structural Engineer's design specifications;
- b) buildings or sections of buildings undergoing demolition.

3. We will not pay for:

- a) the lifting or cracking of tiles and floor coverings, caused by changes in temperature or the incorrect application of tile cement; inadequate tile cement; incorrect expansion gaps or poor building practices;
- b) consequential loss or damage of any kind whatsoever, except to the extent specifically provided for under Loss of Rent and Loss of Water;
- c) the cost of repairing leaking pipes, taps, waste pipes, sewers, shower bases, basins, baths, ornamental ponds, jacuzzi's, hot tubs, spa baths and swimming pools; nor will we pay for the cost of repairing the damage caused by accessing the leaks, unless caused by damage not otherwise excluded;
- d) the unblocking of waste and sewer pipes;
- e) accidental damage to glass for which your tenant is responsible in terms of a lease agreement;
- f) the defacement or damage to glass other than fracture through the entire thickness of the glass or any laminate thereof;
- g) any loss or damage arising from or connected to a cause which existed prior to the commencement of this policy;
- h) chipped, broken or lifted tiles, pavers or surrounds of swimming pools and spas;
- i) the repair of damage covered by any guarantee, service contract, purchase contract or any purchase agreement;

j) damage, as defined and provided for under Section B – Geyser Maintenance, to geysers.

SUBSIDENCE AND LANDSLIDE

If damage is caused by subsidence or landslide:

1. We will not pay for damage to:

- a) utilities, structures or items such as (but not limited to): drains, boreholes, watercourses, boundary walls, garden walls, screen walls, retaining walls, gate posts, gates, fences, roads, parking areas, driveways or paths, paving, pavements, runways, reservoirs, septic or conservancy tanks, canals, pipelines, bridges, docks, piers, tunnels, swimming pools and surrounds, terraces, patios or tennis courts;
- b) solid floor slabs or any other part of the building due to the movement of such slabs, unless the foundations supporting the external walls of the building are damaged by the same cause at the same time;

2. We will not pay for damage caused by, attributed to, or resulting from:

- a) leaking taps, leaking pipes or leaking swimming pools;
- b) insufficient compacting of filling, the settlement or movement of made up ground;
- c) coastal or river erosion;
- d) workmen engaged in making any structural alterations to any building.

3. We will not pay for:

- a) work necessary to prevent further destruction or damage due to subsidence or landslide, nor will we pay for the cost of underpinning the foundations.

In any action, suit or other proceeding where we allege that, because of the provisions of the Subsidence and Landslide exclusion, any damage is not covered by this policy, you will have to prove the contrary.

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SECTION B – GEYSERS

This section covers the repair or replacement cost of damaged geysers.

COVER	THE MOST WE WILL PAY	PAGE
Replacement of geyser	The reasonable replacement cost R 1,000	19
Repair of geyser		
Extra cover paid in addition to the sum insured		
Environmental upgrade	R 2,000	19
SPECIFIC EXCLUSIONS	Refer policy wording for details	20

