Specific changes in respect of the Motor Policy Wording

The Motor Policy Wordings follows a similar rewriting and structure to the revised Material Damage wording, and what is set out above in terms of Definitions, Defined Events, General Conditions and General Exclusions are similarly applicable.

In addition thereto, we bring to your attention the following key changes to the Motor Policy Wording, that have been implemented to ensure clarity, align with developing market standards in the motor space.

1 Definitions

1.1 Please note that in addition to changes to universally applicable definitions in respect of Sasria cover, certain motor specific definitions have been enhanced and added to reflect the changing nature of the motor risk category. These include:

1.1.1 A definition for Advanced Driver Assistance Systems ("**ADAS**");

1.1.2 A distinction between Commercial Use and Domestic Use; and

1.1.3 A definition for E-Vehicles.

1.2 The intention behind this definitional clarity is, as above, to ensure that there are clearer rules and better understanding as to what terms mean, which leads to better underwriting discipline, advice, and more precise and consistent claims interpretation and handling.

2 Vehicle Type and Use Categories

2.1 The various categories and classes in the previous Motor wording focused mainly on the vehicle type.

2.2 In the revised Motor Policy Wording, there is a shift for the categories to focus both on vehicle type, but also on the use of the vehicle, and it is here where the definitional distinction for Commercial Use and Domestic Use becomes relevant.

2.3 We have also sought to tighten the rules and classifications pertaining to non-registered vehicles.

2.4 Distribution partners must ensure appropriate and correct matching of vehicle type and use at policy inception or renewal, to ensure appropriate pricing and avoid instances of miscommunication or misinformation which may impact on the policyholder's cover, in accordance with the General Conditions.

3 Basis of Settlement

3.1 The revised Motor Policy Wording now includes four settlement bases, namely:

3.1.1 Retail Value;

3.1.2 Retail Value + 10% for unspecified extras;

3.1.3 Replacement Value, in specified circumstances; and

3.1.4 Agreed Value, in specified circumstances.

3.2 Sasria has also included an express E-Vehicle compensation basis. There are technical compliance obligations which Distribution partners must make policyholders insuring these E-Vehicles aware of.

3.3 ASAS compliance has become a warranted condition of cover, and Distribution partners must advise policyholders of their obligations in this regard to ensure proper maintenance and upkeep, in protection of the available Sasria cover.

3.4 Sasria has included certain new benefits, such as post-trauma counselling, towing costs, storage costs and debris removal, uninsured third-party vehicle damage, and credit shortfall, which may be selected by the policyholder as forming part of the Motor cover.

4 Specific Exclusions applicable to Motor Policy Wording

4.1 In addition to the General Exclusions, the Motor Policy Wording also includes specific exclusions which policyholders must be made fully aware of. These include exclusions for:

4.1.1 Circumstances where damage to an E-Vehicle battery is not directly caused by a Defined Event;

4.1.2 Damage due to the unroadworthy condition of the Vehicle;

4.1.3 Circumstances where the driver was not licensed or was under the influence of listed substances;

4.1.4 Misuse of a Vehicle outside the declared category of its Use description (e.g. used for Commercial Use when declared and insured for Domestic Use); and

4.1.5 Suspension Damage from uneven road surfaces.

CONCLUDING REMARKS

Sasria distribution partners are encouraged to carefully consider the revised Policy Wordings together with the Sasria regulations to ensure that they have a complete and comprehensive understanding of the changes, the impact thereof on the availability and scope of Sasria cover, and possible changes to information required from clients to meet the enhanced obligations in the General Conditions.

If there are specific aspects of the revised Policy Wording, Sasria regulations or that require clarification, please contact Sasria at contact_underwrting@sasria.co.za

We look forward to the implementation of the revised documents so as to align our business with modern market standards and ensure clarity on the scope of ambit of Sasria cover, and appropriate protections for our policyholders. We thank you for your support and attention to these changes in servicing our mutual clients.