

Consent Clause

I acknowledge the sharing of claims and underwriting information (including credit information) by Insurers is essential to enable the Insurance industry to underwrite policies and assess risks fairly and to reduce the incidence of fraudulent claims. In the public interest and with a view to limiting premiums, I hereby waive any right to privacy in any insurance or claims information supplied by me or on my behalf in respect of any insurance application or claim made or lodged by me and I consent to such information being disclosed to any other insurance company or its agent. I also waive any rights of privacy and consent to the disclosure of any information relevant to any insurance claim concerning me or any insured person I represent.

Deductibles

The following shall be deducted from the settlement of each and every claim:

1. Shortfall and Violation when indemnity is based on the Statutory Settlement Balance.
 - 1.1 The amount by which the excess payable by you in terms of the underlying policy exceeds R2,000.
 - 1.2 The amount paid by the underlying insurer.
 - 1.3 Any amounts refundable to you including insurance premiums (Comprehensive, Life, Warranty etc).
 - 1.4 All arrear instalments and interest thereon and any early settlement penalties.
2. Violation
 - 2.1 In respect of vehicle definition 2.1 Private Type Vehicles:
 - 2.1.1 A deductible equal to the lesser of 5% of the Sum Insured or 5% of the market value.
 - 2.1.2 An additional 5% of the Sum Insured value in respect of theft or hijack where the vehicle is not recovered within 14 days of such occurrence.
 - 2.1.3 An additional R750,00 where the driver is under 25 years of age.
 - 2.2 In respect of vehicle definition 2.2 Commercial Vehicles:
 - 2.2.1 Basic deductible 20% of Sum Insured.
 - 2.2.2 An additional R5 000,00 should the driver fail to provide a valid Professional Driving Permit. The above deductibles in paragraphs 2.2.1 and 2.2.2 are cumulative.
 - 2.3 In respect of vehicle definition 2.3 Commercial Vehicles:
 - 2.3.1 Basic deductible 10% of Sum Insured minim sum R2 500,00.
 - 2.3.2 An additional 5% of the Sum Insured where the driver is under 25 years of age or over 75 years of age.
 - 2.3.3 An additional 10% of Sum Insured in respect of theft or hijack, where the vehicle is not recovered within 14 days of such occurrence. The above deductibles in paragraphs 2.3.1 to 2.3.3 are cumulative.

Regional Offices

Head Office: Telephone: (011) 879-0400 Fax: (011) 453-9533/4
146 Boeing Road East, Elma Park, Edenvale, 1609
PO. Box 674, Edenvale, 1610
National Share Call Number: 0860734 268
Compliance Department: Telephone: (011) 879-0400 Fax: (011) 453-9533

NORTHERN GAUTENG REGION
Groenkloof Park Building, 446 Stobellus Street, Groenkloof
PO. Box 26335, Arcadia, 0007
Tel: (012) 4201 1100 Fax: (012) 343-6195

GAUTENG REGION
146 Boeing Road East, Elma Park, Edenvale, 1609
PO. Box 674, Edenvale, 1610
Tel: (011) 879-5000 Fax: (011) 454-0492 or Fax: (011) 454-0348

KWAZULUNATAL REGION
Suite 4, 295 Florida Road, Morningside, Durban, 4001
PO. Box 37776, Overport City, 4067
Tel: (031) 308-1000 Fax: (031) 303-9162 or (031) 303-9167

FREE STATE REGION
No. 3 Third Street, Alberton, Bloemfontein, 9301
PO. Box 9664, Bloemfontein, 9300
Tel: (051) 506-2000 Fax: (051) 448-2988

EASTERN CAPE REGION
3rd Floor, First Bowling House, Ring Road, Greenacres, Port Elizabeth, 6045
PO. Box 27680, Greenacres, 6057
Tel: (041) 391-5500 Fax: (041) 363-0292 or Fax: (041) 363-3141

CAPE TOWN REGION
The Vineyards Office Estate, Regent House, Farm No. 2,
99 Jip de Jager Drive, Bellville, 7530
PO. Box 3525, Tyger Valley, 7536
Tel: (021) 912-2500 Fax: (021) 913-8843 (Management/Marine)
or Fax: (021) 913-8844 (Underwriting) or Fax: (021) 913-8845 (Accounts)
or Fax: (021) 913-8846 (Claims/Legal)

IMPORTANT INFORMATION

(This notice does not form part of the Policy document)

As a short-term insurance policyholder or prospective policyholder, you have the right to the following information

1. ABOUT THE INTERMEDIARY

- (a) Name, physical address and postal address and telephone number
- (b) Legal status and any interest in the insurer
- (c) Whether or not in possession of professional indemnity insurance
- (d) Details of how to institute a claim
- (e) Rand amount of fees and commissions payable
- (f) Written mandate to act on behalf of insurer

2. INSURERS AND ADMINISTRATORS

- (a) Name, physical address and postal address and telephone numbers
- (b) Telephone number of compliance department of insurer
- (c) Details of how to institute a claim and/or complaint
- (d) Type of policy involved
- (e) Extent of premium obligations you assume as a policyholder
- (f) Manner of payment of premium, due date of premium and consequences of non-payment

3. OTHER MATTERS OF IMPORTANCE

- (a) You must be informed of any material changes to the information referred to in paragraphs 1 and 2.
- (b) If the information in paragraphs 1 and 2 was given orally, it must be confirmed in writing within 30 days
- (c) If any complaint to the intermediary or insurer is not resolved to your satisfaction, you may submit the complaint to the Registrar of Short-term insurance
- (d) Paragraph or any lie detector test is not obligatory in the event of a claim and the failure thereof may not be the sole reason for repudiating the claim
- (e) If the premium is paid by debit order:
- (f) It may only be in favour of one person and may not be transferred without your approval, and
- (g) The insurer must inform you at least 30 days before the cancellation thereof, in writing, of its intention to cancel such debit order
- (h) The insurer and not the intermediary must give reasons for repudiating your claim
- (i) Your insurer may not cancel your insurance merely by informing your intermediary. There is an obligation to make sure the notice has been sent to you
- (j) You are entitled to a copy of the policy free of charge

4. WARNING

- Do not sign any blank or partially completed application form.
- Complete all forms in ink.
- Keep all documents handed to you.
- Make notes as to what is said to you.
- Don't be pressured to buy the product.
- Incorrect or non-disclosure by you of relevant facts may influence an insurer on any claims arising from your contract of insurance.

5. PARTICULARS OF SHORT-TERM INSURANCE OMBUDSMAN

The ombudsman is available to advise you in the event of claim problems which are not satisfactorily resolved by the insurance intermediary or the administrator on behalf of the insurer:
PO Box 32334
Tel: (011) 726-8900
BRAAMFONTEIN 2017
Fax: (011) 726-5501

6. PARTICULARS OF THE REGISTRAR OF SHORT-TERM INSURANCE

Financial Services Board
PO Box 35655
MENLO PARK 012
Tel: (012) 428-8000
Fax: (011) 347-0221

YOUR SIGNATURE ON THE PROPOSAL FORM DENOTES RECEIPT OF THIS DOCUMENT

Adcover Credit Shortfall Insurance

Adcover Credit Shortfall Insurance

REGENT
INSURANCE
COMPANY



REGENT
INSURANCE
COMPANY

Inspiration 2872a ADC

Insurance Fraudline
0860 002526
insurance@fraudline.co.za

CO. REG. NO. 1946/007612/06 — Approved Financial Service Provider 02/06

Policy Preamble

This policy is the agreement for motor insurance between the Regent Insurance Company Ltd (we, us, our) and the Insured (you, your) named in the schedule which forms part of this policy on the basis that your proposal and declaration, whether written or verbal, also forms part of this policy. Payment of benefits is conditional upon the timely receipt of your premiums for the period of insurance and in compliance with the provisions, exceptions and conditions stipulated herein.

NOTE: This Policy includes consent to the disclosure of private underwriting and claims information.

Definition

1. **Market Value** is deemed to mean the average between Trade and Retail prices as evidenced by the production and contents of the publications Auto Dealer's Digest or Commercial Vehicles Digest , duly adjusted for condition. Where no provision is made in such publications, a sworn appraisalment shall be proof thereof.

2. **Vehicle** is the vehicle described in the Schedule of Insurance which may only be one of the following:

- 2.1 Private type vehicles private motor cars, light delivery vehicles with a gross vehicle mass of not more than 3 500kg, motor cycles, caravans and trailers with a carrying capacity of not more than 750kg but excluding taxis and vehicles carrying commercial trade goods.
- 2.2 Taxis vehicles with a gross vehicle mass of not more than 8 700kg, used for the carriage of passengers for reward and/or for social, domestic and pleasure purposes.
- 2.3 Commercial vehicles with a gross vehicle mass in excess of 1 500kg, and trailers with a carrying capacity in excess of 750kg.

3. **Underlying Policy** and **Underlying Insurer** means the fully comprehensive motor vehicle insurance policy entered into by you with any registered domestic insurance company (Underlying Insurer), which covers the vehicle against and obliges the underlying insurer to pay all possible motor vehicle risks (including theft and hijacking) occurring in the Republic of South Africa.
4. **Statutory Settlement Balance** is the payment due by you as at the date of loss which would liquidate your outstanding liability to the Financial Institution (Finance House) in terms of the Credit agreement and entitle you to retain the vehicle unencumbered, excluding any arrears instalments due as at the date of loss, interest and/or finance charges on such arrears instalments and any early settlement penalties; and other insurance premiums refundable.

5. **Credit Agreement** is an enforceable credit agreement as defined in the Credit Agreement Act 75 of 1980 (as amended) entered by you with the Financial Institution in respect of the vehicle.
6. **Maximum Indemnity** is the Sum Insured or the Market Value of the vehicle, whichever is the lesser or the Statutory Settlement Balance, whichever is the greater but limited to the retail value of the vehicle, plus accessories, plus interest in terms of the Usury Act.

7. **Excess** is an amount to be borne by you in respect of each and every claim in terms of the underlying policy.
8. **Deductible** is an amount to be borne by you in respect of each and every claim in terms of this policy as detailed in the section Deductibles .

Indemnity

1. Shortfall

Where the vehicle is stolen and not recovered or damaged beyond economical repair and is written off by your underlying insurer, who has settled your claim in terms of the underlying policy, the settlement amount shall be deemed to be no less than the current Market Value at the time of the loss, less the underlying policy excess and if a shortfall arises between such payment and the Statutory Settlement Balance in terms of the relevant Credit Agreement, we will pay the Statutory Settlement Balance as defined less the deductibles for this policy as stipulated herein

2. Violation Of Policy Conditions

- 2.1 Where your motor comprehensive insurer validly repudiates liability for your claim as a result of a Policy condition being unintentionally violated we will pay for the reasonable repair costs, or, if the vehicle is beyond economical repair or stolen and not recovered, we will pay the Market Value or the sum insured, whichever is

the lesser; Where the Statutory Settlement Balance as detailed on the Finance House's Finance Statement for the month prior to the date of loss/accident is greater than this figure we will pay the Statutory Settlement Balance. All amounts paid will be subject to the standard deductibles.

- 2.2 In addition to the above we will pay the reasonable cost of towing and storage but limited to R7500.00.
- 2.3 Where you inadvertently forget to pay a single monthly instalment on your motor comprehensive insurance policy and are consequently uninsured for a period we will regard such an instance as a Violation and will pay any claim repudiated by your motor comprehensive insurer as a result of such nonpayment in terms of 2.1. This is subject to your motor comprehensive insurer having received three consecutive payments prior to the month of nonpayment.

General Conditions

1. You must have in force at all times a motor comprehensive policy covering the vehicle for the full market value.
2. We may elect, at our option, to repair, replace, reinstate or pay cash in settlement of your claims. We also assume the right to specify the place of such repair, replacement or reinstatement.
3. The interest of the Finance House is noted. Any payment due shall first be made to the Finance House.
4. You must notify us within 30 days of your claim being repudiated or within 60 days of your motor comprehensive claim being settled.

5. You must supply us with all documentation (copies of settlement advices, letters of repudiation, etc) considered necessary to process the claim. You will be required to provide all such assistance, information and documentation as is considered reasonable and to assist in any recovery from third parties and/or in the identification and recovery of stolen vehicles.

6. Cover is limited to accidents or losses occurring in the Republic of South Africa, Namibia, Botswana, Zimbabwe, Lesotho and Swaziland. The policy is subject to South African Law and any payment shall be in South African currency. If your vehicle has been damaged outside the Republic of South Africa it must be repaired at your expense prior to settlement of the claim.

7. In the event of a claim, should it be necessary, an authorised official of the Finance House will be permitted to complete and sign all documentation on your behalf.
8. In the event of our having paid a total loss claim any monies received for the sale of the vehicle or its salvage shall be for our benefit. This condition shall apply whether the vehicle has suffered an actual loss or a constructive total loss.

9. The Annual Premium is payable within 30 days of the commencement of the policy.
10. You must pay the premium by the Premium Due Date. Where such premium is by way of debit order the onus will be on you to ensure that the monthly premium is met by the financial institution and if you fail to pay any monthly or annual premium within 15 days of the due date no claim shall be payable to you and cover will be cancelled.

11. If there are other insurances covering the vehicle at the time of a claim we will only pay our rateable proportion of any loss or damage.

12. This policy may be cancelled by you or us on giving 30 days written notice.
 - 12.1 If your policy is paid monthly you will not be entitled to a refund of any premium.
 - 12.2 If you have an annually paid policy, you will be entitled to a pro-rata refund premium for the balance of the period less any claim amounts paid or outstanding.
 - 12.3 If you have selected a term premium covering the period of your motor finance/credit agreement, then you will be entitled to a pro-rata refund premium for the balance of the period of insurance after a deduction of a cancellation fee of 20% of the refund amount provided that:
 - 12.3.1 your policy has been in force for less than six months; and
 - 12.3.2 no claim is outstanding or has been paid at the effective date of cancellation.

13. Where you have selected a term premium covering the period of your Motor Vehicle Finance/Credit Agreement, cover shall be deemed to run concurrently with such agreement and shall cease automatically with the termination of such agreement.

14. Your policy is not transferable.
15. The onus is on you to prove that any loss is covered. If we repudiate your claim any legal action by you must commence within 90 days of our repudiation letter otherwise all benefits under your policy will be forfeited.

16. Any correspondence to you shall be deemed to be effectively given if addressed to your address as on your application/proposal form (unless varied by you in writing) and posted by pre-stamped postal mail.

Exceptions

No compensation shall be payable:

1. If any claim under this policy is in any way fraudulent or materially inaccurate. In such circumstances all premiums paid shall be forfeited.
2. If any materially misleading statements or omissions are made to the underlying insurer or ourselves.
3. For loss or damage to tyres resulting from punctures, cuts or bursts or from the application of brakes or for damage to springs due to road inequalities.
4. For loss or damage resulting from the repudiation of your claim as a result of the vehicle being insured for the wrong class of use or if your vehicle is insured under the incorrect vehicle definition as reflected on the schedule of this policy.
5. For loss or damage to any sound equipment or non-standard fitting/accessory.
6. For loss or damage to third party property or death or injury to passengers or to third parties.
7. For wear and tear, mechanical or electrical or electronic breakdowns, failure, breakages or depreciation and any resulting non-accident damage.
8. For injury or damage caused by the use or operation of any tool or plant forming part of the vehicle.
9. For consequential loss from any cause whatsoever; or any contractual liability.
10. Whilst the vehicle is being used for racing, rallies, hiring, carrying of explosives, driving instruction for reward, or if the vehicle is designed to carry more than 23 persons including the driver.
11. For loss or damaged parts and or accessories as a result of theft unless the entire vehicle is stolen at the same time.
12. If the driver is not in possession of a current valid and unendorsed driver's licence (as defined by South African Law) or is under the influence of alcohol or drugs or the alcohol content of the driver's blood exceeds the legal limit, or the load is in excess of the carrying capacity for which the vehicle is designed.
13. For loss, damage or liability caused by civil commotion, riot, strike, war, invasion, civil war, mutiny, military rising, martial law, rebellion, revolution, any act in protest against any State Government or any other government body, or any nuclear or radio active material.
14. For any loss or liability caused, sustained or incurred under your motor comprehensive policy.
15. If you fail to comply with all the terms and conditions of this policy.
16. For loss or damage occasioned by the deprivation of the vehicle by subsequent act of any person originally authorised to be in possession thereof or by dispossession, confiscation, commandeering or requisitioning of the vehicle by any lawfully constituted authority.
17. Damage or liability caused by the failure or incapacity of any computer, including peripheral or ancillary equipment or software, microchip, integrated circuit or similar device to deal with or process any change of data.

Optional Extensions

You will only be entitled to the following extensions if they have been specifically purchased and noted on the policy schedule.

1. Deposit Cover

Where your motor comprehensive insurer regards your vehicle as uneconomical to repair and writes your vehicle off or if your vehicle is stolen or hijacked and is not recovered by claim settlement date, we will pay you a benefit of 10% of the Sum Insured (but not exceeding R50 000.00) towards the deposit for the purchase of a replacement vehicle provided that

- 1.1 A comprehensive motor insurance policy is in force covering the vehicle at the time of the loss.
- 1.2 The benefit will only become payable when the underlying claim has been settled subject to the provisions, exceptions and conditions stipulated in the policy.
- 1.3 If only Deposit Cover has been selected on the proposal/schedule, Shortfall and Violation cover under the indemnity section of the policy is deleted.

2. Vehicle Asset Protector

Definition

Permanent total disability and temporary total disability shall mean total and absolute incapacity from following your usual business or occupation.

BENEFIT IN RESPECT OF DEATH OR PERMANENT DISABILITY

In the event of the Finance House repessing the insured vehicle following your death or permanent disability (as defined), we will pay the Finance House the shortfall owing to the Finance House as a result of the resale value of the insured vehicle being less than the settlement value owing to the Finance House as at the date of the claim, less

- all amounts refundable to you including insurance premiums
- all ar rear instalments and interest thereon.

Benefit In Respect Of Temporary Total Disability

In the event of your being declared temporarily totally disabled as a result of an accident or illness for a period in excess of 30 days, we will reimburse you a maximum of 3 monthly instalments due to the Finance House in respect of the insured vehicle, where such instalments fall due during the period of the disability.

Specific Exceptions In Respect Of This Optional Extension

1. We shall not be liable to make any payment in respect of any condition or event arising directly or indirectly from:
 - 1.1 suicide, attempted suicide or any intentional self injury;
 - 1.2 being under the influence of alcohol or drugs other than as prescribed by a medical practitioner ;
 - 1.3 any physical defect or infirmity of which you were aware and which had its origin prior to the issue of this policy;
 - 1.4 you committing any breach of criminal law;
 - 1.5 an accident which occurs whilst you are traveling by air other than as a fare paying passenger in a licensed passenger carrying aircraft piloted by a qualified pilot;
 - 1.6 participating in war or armed conflict (whether war be declared or not) terrorist or insurgent activities, riot or civil commotion;
 - 1.7 the Acquired Immunodeficiency Syndrome (AIDS) or from any Human Immunodeficiency Virus (HIV) unless it can be proved that it was not attributable to this.
2. This extension will cease to be in force after you attain the age of 70 years.
3. This extension shall automatically be cancelled from the date of the termination of your Motor Vehicle Finance Agreement.

Specific Condition In Respect Of This Optional Extension Relating To Claims

Unless we receive written notification within 60 days of the happening of an event resulting in a claim under this extension, we shall not be liable to pay any benefit. All documentation and proof which we require in relation to the claim must be provided to us.

3. Bodilyline Protector

In the event of the vehicle sustaining minor damage and the total cost of repairs is less than the Excess or First Amount payable in terms of your underlying motor insurance policy, we will repair the vehicle at a repairer of our choice subject to the following:

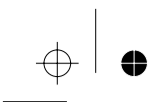
Specific Conditions In Respect Of This Optional Extension

1. You must obtain prior written authorization from Regent Insurance Claims department before repairs can commence.
2. Our maximum liability for this extension is R1 500,000 (one thousand five hundred Rand).
3. You shall be responsible for a claim administration fee of R250,00 (two hundred and fifty Rand) per claim which will be payable directly to the repairer.
4. You must notify us immediately of your underlying policy claim and within 60 (sixty) days of the date of occurrence provide us with your written claim form reflecting full details of the claim together with the particulars of the underlying policy.

Specific Exceptions In Respect Of This Optional Extension

We shall not be liable for :

1. Damage to any window, glass, window panels, accessories, door mouldings, window mouldings, lamps or lights of any sort, stickers, decals, beadings or mouldings.
2. Mechanical or electrical breakdown or damage.
3. Hail damage.
4. Loss or damage to tyres, wheels or shock absorbers, coil springs, stabiliser bars or any other suspension components.
5. Loss or damage to keys, locks, remote controls, gearlocks, immobiliser systems, tracking devices or any other security devices.
6. Loss or damage to sound equipment or any component of sound equipment, including tapes and compact discs.
7. Loss or damage to any item of clothing, sporting equipment or personal accessories.
8. Loss or damage to any cellular telephone equipment or part thereof, including hands free kits and charging equipment
9. Loss or damage to tools and spare parts of any kind.
10. Loss or damage to taxis, motorcycles and caravans.



Adcover
Proposal/Schedule **REGENT**



COVER NOTE

**INSURANCE
COMPANY**

Reg. No. 1966/0076/206

Proposal No. ADC

Regent Branch _____

Branch Code _____

CLIENT DETAILS

Mr Mrs Miss Initials _____

Surname _____

Postal Address _____

_____ Code _____

Tel (H) _____

Tel (W) _____

Date of Birth _____

VEHICLE DETAILS

Private Type Taxi Commercial

Make _____

Model _____

Reg. No _____ Year _____

Purchase Price/ Sum Insured R _____

% of Residual Value R _____

(if applicable)

OPTIONAL EXTENSIONS (tick applicable box)

1. Deposit Cover YES NO

2. Vehicle Asset Protection YES NO

3. Bodyline Protector (BP) YES NO

PREMIUM PAYABLE

A. Adcover R _____

B. Deposit Cover R _____

C. VAP R _____

D. BP R _____

Excluded from the Premium

E. Service Fee R _____

F. Administration Fee R _____

TOTAL PREMIUM

R _____

Commission @ 1.25% R _____

(Applicable to A to D only and is included in the premium)

PERIOD OF INSURANCE

From _____ To _____

Monthly Annual Term*

Select one only

* Single premium covering the period of finance agreement. If monthly and not paid through HP account, please complete separate debit order form.

Surname _____

Postal Address _____

Agent _____

FINANCE HOUSE DETAILS

Institution Name _____

Branch _____

Branch No. _____

Client's HP Account No. _____

DETAILS OF COMPREHENSIVE MOTOR POLICY

Policy No. _____

Name of Insurance Company _____

NOTES:

1. This schedule becomes a TAX INVOICE when the total due has been paid.

2. VAT is included in the premium at the ruling rate.

3. No claim shall be payable until such time as the first premium has been received by Regent Insurance Co. Ltd. or its authorised agent.

4. Bodyline Protector is not available for taxis.

DECLARATION

I/We hereby declare that all particulars stated above are true and correct and that I/We have not withheld any material facts.

I/We hereby agree that this proposal and declaration shall be the basis of the contract between myself/ourselves and Regent Insurance Company Limited and I/We agree to accept the policy subject to the conditions and exceptions hereon.

I/We are not aware of the existence of any possible violation of the underlying insurance policy conditions

Signature of applicant _____

Signed on behalf of Regent Insurance Company Limited. _____

Name _____

Date _____

No cover shall be in force until cover confirmation has been signed by Regent Insurance Company Limited.

ADC 03/06

