

DEALER XTRAPLUS RETRENCHMENT POLICY WORDING

The following is the Hollard Dealer XtraPlus Retrenchment policy wording. Hollard has set out the details of the policy for Your information.

This policy is underwritten by Hollard. Hollard is a registered insurance company and an authorised Financial Services Provider. This policy has been designed by Hollard for clients of the Credit Provider who have successfully applied for loans with the Credit Provider. Hollard agrees to accept any eligible person who has successfully applied for this cover and will, in the event of a valid claim, pay the benefit to the Credit Provider subject to the terms and conditions of this policy.

The Intermediary will receive commission from Hollard as set out in the Policy Schedule.

This policy wording as amended from time to time, various administrative forms, Application Forms, Policy Schedules, declarations, authorisations, any voice-logged conversations pertaining to this policy and agreements supplied by Hollard shall form the basis of this insurance contract. In the event of any conflict between the provisions of this policy wording and that of any other documents as mentioned above, the provisions of the policy wording shall prevail.

Cession

- It is recorded and agreed to by You in the Application Form that You assign and transfer the benefits in terms of this policy to the Credit Provider as collateral security for the monthly Loan Instalments in terms of the Credit Agreement. Accordingly, in the event of a valid claim, Hollard will pay the benefit in terms of this policy to the Credit Provider.
- This cession supersedes and cancels any other beneficiary nominated by You.

Retrenchment benefit

- The Retrenchment Benefit provides a monthly payment equal to the Loan Instalment in the event of an Insured Person covered by this benefit suffering Retrenchment during the Period of Insurance.
- The benefit will be paid for a maximum period of 3 (three) months per claim event. After a claim-free period of 6 (six) consecutive months of permanent employment has been achieved, the benefit will be reinstated for new Retrenchment claims, subject to a maximum of 6 (six) payments in total over the Period of Insurance.
- The Retrenchment claim event date, as determined by Hollard, is the date on which the Insured Person ceases to earn an income, having regard to the Insured Person's last date of active service and employment record.

Termination of benefit

- The Retrenchment Benefit in respect of a particular Insured Person will cease on the earlier of:
 - The payment of 6 (six) Loan Instalments under this benefit; or
 - The date of the Insured Person's 65th (sixty-fifth) birthday; or
 - The re-employment of the Insured Person; or
 - The Expiry of Insurance Cover.

Eligibility

- The Main Insured Person is eligible to be covered for the Retrenchment benefit if they are over the age of 18 (eighteen) years and below the age of 60 (sixty) years at the Commencement of Insurance.

Deferred period

- There is a Deferred Period of 30 (thirty) days for the Retrenchment benefit.
- Premiums are payable during the Deferred Period, and any extended Deferred Period required by Hollard.
- Premiums will be waived for the period that a Retrenchment Benefit is being paid.

Waiting periods

- There is a Waiting Period of 3 (three) months for the Retrenchment benefit.
- Should cover in respect of an Insured Person be terminated and subsequently reinstated, the Waiting Periods will commence on the date of Reinstatement, unless waived in writing by Hollard.
- Should cover for a new loan be applied for, a new policy must be issued and the Waiting Periods will re-apply to the new loan from the Commencement of Insurance of the new policy.

Exclusions

- For the Retrenchment Benefit, in addition to the Waiting Periods above, Hollard will not be liable to pay a Retrenchment Benefit if any of the following applies:
 - The Insured Person resigned, retired or accepted voluntary retrenchment or redundancy;
 - The Insured Person or the Credit Provider was aware at the Commencement of Insurance or had reasonable grounds for believing that he/she would become unemployed, retrenched or redundant;
 - The Insured Person lost his/her job due to theft, fraud, dishonesty or any misconduct on his/her part, or received in the 6 (six) months prior to the Commencement of Insurance one or more verbal or written reprimands which constituted part of his/her employer's disciplinary procedures;
 - The Insured Person had not been employed on a full time permanent basis for at least 6 (six) consecutive months at the time he/she was retrenched;
 - The Insured Person was self-employed, or employed as a partner in a partnership, a member of a close corporation or a director of a company, or employed in a business owned by a family member of his/hers, or where the Insured Person undertook seasonal work, or where unemployment is a regular feature of his/her work;
 - The Insured Person's unemployment was:
 - caused by a strike, labour dispute or industrial action whether the Insured Person was participating or not;
 - due to illness or injury;
 - due to the expiry of the fixed term or a renewable contract of employment;
 - caused by any lawfully constituted authority nationalising, confiscating or commandeering the assets of his/her employer.

Limitation of benefits

- An Insured Person may not be covered in terms of one or more Hollard Dealer XtraPlus Retrenchment Policies where the total Initial Loan Amount across that Insured Person's cover in respect of all policies at any time exceeds R1,000,000 (one million Rand).
- Hollard may increase this limit from time to time.
- In the event that a claim is submitted where the limit as stated above has been breached, the amount payable by Hollard will be limited to the Loan Instalment (as applicable) calculated assuming that the maximum aggregate of the Initial Loan Amount was equal to the maximum benefit allowed. Hollard may refund a proportion of the premiums paid for cover above the maximum benefit.

- Only one Credit Agreement shall be covered per policy. Should an Insured Person apply for a second loan, a new policy must be issued for the new loan. In the event that this is not done and a claim is submitted, Hollard shall only be liable for the claim amount applicable to the original loan.
- This policy does not acquire any paid-up value or surrender value.
- All benefit payments are subject to the verification of the validity of any claim.

General restrictions, exclusions, provisions and conditions

Consent to disclosure of private information

- It is essential for insurance companies to share claims and underwriting information (as well as credit information) in order to enable the fair assessment and underwriting of risks and to reduce the number of fraudulent claims.
- Insured Persons are required to consent to the disclosure of any insurance information and personal information provided by them or on their behalf for any insurance policy or claim made or lodged by the Insured Persons or on their behalf and to agree to such information being disclosed to any other insurance company, whether on their behalf or on behalf of any person represented herein and that such information may be verified against other databases.
- On the Expiry of Insurance Cover Hollard shall retain the records of the personal information of the Insured Persons for historical, statistical or research purposes only. The information provided may be verified against other sources or databases.

Currency and law

- Premiums and benefits payable under this policy shall be paid in the Republic of South Africa and in South African Rands only.
- This policy shall be governed by and interpreted in accordance with South African Law in the courts of the Republic of South Africa.

Territory covered

- Insured Persons must ordinarily reside in the Republic of South Africa to be covered in terms of this policy. Cover is extended to include a visit lasting less than 3 (three) months outside the Republic of South Africa.
- An Insured Person who is not a South African citizen, a legal permanent resident or who ordinarily resides outside of the Republic of South Africa will not be covered in terms of this policy.

Criminal activities

- Hollard shall have no liability whatsoever under this policy where any claim arises from or is the result of any intentional contravention of any criminal law, whether legislative or common-law (including fraud), by the Credit Provider or an Insured Person, or by anyone acting on the Credit Provider or an Insured Person's behalf or with his/her consent, or by any person claiming any benefit under this policy.
- In the event of such a claim, all benefits afforded in terms of this policy and all premiums paid in respect of this policy shall be forfeited, and this policy may be void or cancelled as from the date of the criminal offence, at Hollard's discretion.

Misrepresentation, misdescription or non-disclosure

- Misrepresentation, misdescription or non-disclosure of any material fact or circumstances in connection with this policy, a claim or the application for this policy may result in the policy being cancelled, a claim rejected or the policy being void from inception and all premiums being forfeited.

In the event that a benefit has been paid as a result of any misrepresentation, non-disclosure, misdescription or fraudulent action by the Credit Provider, an Insured Person or by any person claiming any benefit under this policy, such a person will be required to repay or return the benefit paid. Hollard shall be entitled to take legal action to recover the benefit and any costs involved.

Premium calculation

- The premium payable shall be a monthly premium calculated with reference to the Initial Loan Amount as specified in the Policy Schedule.
- In the event that premiums are incorrectly calculated and insufficient to pay for the benefits as specified, Hollard or the Administrator shall notify You of the correct premium amount, and full cover shall only be maintained on condition that the additional premium and any outstanding premiums are paid to Hollard.
- If no such adjustment is effected within 30 (thirty) days, all benefits applicable to the Insured Person for whom the premium was incorrectly calculated shall be reduced to only provide cover applicable to the total premium received.

No premium no cover

- An Insured Person's cover shall begin on the later of the date of receipt of the first premium due for cover in respect of the policy and the commencement of the Credit Agreement.
- Premiums are due monthly in advance and are payable on the same day as the Loan Instalment is payable.

Premium payment days of grace

- A period of 30 (thirty) days' grace from the premium due date is allowed for the payment of each premium due and payable. During this time period, all benefits will remain in force. If any event occurs during the period of grace that results in a valid claim, the unpaid premium will be deducted from any amount paid out.
- The premium grace period does not apply to the payment of the first premium on the Commencement of Insurance.

Premium and policy amendments

- Hollard may increase the premiums from time to time by giving You 30 (thirty) days' written notice of such increase.
- Hollard may amend this policy by way of endorsement, provided that any amendment will not retrospectively affect the extent of cover already provided and in force in terms of this policy.
- Hollard may charge an administration fee for any amendment requested (including Reinstatement of cover). Hollard will advise of the administration fee at the time that the amendment is requested.

Changes in details supplied

- Should there be any changes to the original details supplied at the time of application, Insured Persons must notify the Administrator within 30 (thirty) days of such change occurring, and Hollard shall take the action deemed necessary in this regard.
- Should the Insured Person not notify the Administrator of such change, Hollard reserves the right to reject liability in terms of a claim or to cancel the policy.

Cancellation

- You may request that Your policy is cancelled by giving IUA 30 (thirty) days' notice of cancellation.
- If a premium has been paid for any period beyond the date of cancellation of the policy, Hollard shall refund the relevant premium to You.

Communication method

- All communication with Hollard, the Administrator or anyone acting on Hollard's behalf must be in writing.
- Hollard may, at its sole discretion, accept communication by phone where such communication is voice logged by Hollard or on Hollard's behalf.

Clerical error

- A clerical error by Hollard shall not invalidate insurance otherwise validly in force, nor continue insurance otherwise not validly in force.

Condition precedent

- Hollard's liability in terms of this policy is conditional on the Credit Provider, an Insured Person or anyone acting on the Credit Provider or Insured Person's behalf, complying with all the terms, conditions and warranties of this policy.

Waiver of conditions

- No waiver of any of the terms, conditions and endorsements of this policy shall be valid unless made in writing under the signature of a duly authorised officer of Hollard. In addition, no act or omission by Hollard or any officer, employee or servant of Hollard shall be deemed to be a representation on behalf of Hollard upon which the Credit Provider, Insured Persons or their representatives are entitled to act.
- Hollard shall have the right to do all that is necessary and appropriate to comply with any requirements of any legislation or regulatory authorities.

Hollard's liability

- Hollard will not be liable to make any payment unless the premium due in terms of this policy has been received, and the applicable documentation, data or medical evidence and satisfactory proof of a claim as required by Hollard has been provided to Hollard at Your expense or if applicable at the expense of Your appointed executor or the Credit Provider.
- Payment by Hollard of the benefits provided in the event of a valid claim in terms of this policy will be a full and effective discharge by Hollard of its liability and obligations in terms of the policy.
- No benefit payable under this policy shall carry interest.

Claim process

- On the happening of an event, which may result in a claim in terms of this policy, You or Your appointed executor shall submit the claim to IUA.
- IUA, on behalf of Hollard, shall be notified of the full details in writing of the claim as soon as reasonably possible but within a maximum of 180 (one hundred and eighty) days from the date of the event giving rise to the claim.
- Hollard shall in no way whatsoever be liable to pay any benefit if the full details of the claim are not received within the maximum period as stipulated above.
- All certificates, information and evidence required by Hollard shall be furnished in the form prescribed and without expense to Hollard.

Rejection of claim and time bar

- If Hollard declines liability for a claim made in terms of this policy, voids this policy, or if there is a dispute regarding the amount of the claim, representation may be made to Hollard within 90 (ninety) days (the "representation period") of the date of your receipt of the letter of rejection or avoidance. Representation must be submitted in writing to:

Hollard Insurance Claims Manager
PO Box 87419, Houghton, 2041
Fax: 011 351 3003

Alternatively, You may contact:

The Ombudsman for Short-Term Insurance
PO Box 32334, Braamfontein, 2017
Telephone: 011 726 8900

Fax: 011 726 5501

- If the dispute is not satisfactorily resolved in this manner, legal action may be instituted against Hollard for the enforcement of the claim by way of the service of summons against Hollard. Summons must be served on Hollard within 180 (one hundred and eighty) days of the expiry of the representation period, failing which all benefits in respect of such claim shall be forfeited and no liability can arise in terms of such claim.

Interpretation

- Words importing the singular shall include the plural, and vice versa, words importing the masculine gender shall include the feminine and neuter genders, and vice versa, and words importing natural persons shall include legal persons, and vice versa.
- The clause headings in this policy are inserted for reference purposes only and shall not affect the interpretation of any of the provisions to which they relate.

Definitions

Unless the contrary appears from the context, the following words and phrases shall have the meanings assigned to them where they appear in this policy:

Administrator

Administrator means IUA Business Solution (Pty) Ltd (IUA), who are authorised to administer policies and claims on behalf of Hollard.

Application form

Application Form means the document in which You applied for this policy.

Claim payable date

The Claim Payable Date means the date on which a valid claim becomes payable, and is equal to the claim event date plus any Deferred Period (if applicable).

Commencement of insurance

Commencement of Insurance means the date from which Insured Person is covered in terms of this policy. It is equal to the later of the date of receipt of the first premium due in respect of this policy and the commencement of the Credit Agreement as noted in the Policy Schedule.

Credit agreement

Credit Agreement means a loan contract, which meets all the criteria for credit agreements as set out in Section 8 of The National Credit Act 34 of 2005 (as amended), and which is entered into between You and the Credit Provider.

Credit provider

Credit Provider means the financial institution, as specified in the Policy Schedule, that has entered into the Credit Agreement with the Insured Persons.

Deferred period

Deferred Period means the period, starting on the claim event date, for which a claim condition must endure continuously in order for a benefit to become payable.

Expiry of insurance cover

Expiry of Insurance cover means the date from which all benefits and premiums in respect of this policy will cease to be payable, and is equal to the earlier of:

- Your death; or
- All benefits pertaining to the policy being cancelled or, expired or
- The non-payment of any premium within 30 (thirty) days of the premium due date; or
- The payment of a claim, where the claim amount is equal to the Loan Instalment and such payment results in settlement of the Credit Agreement; or
- The end of the original term of the Credit Agreement; or
- The termination of the Credit Agreement in terms of sections 122 or 123 of the National Credit Act 34 of 2005 (as amended).

Hollard

The Hollard Insurance Company Limited (Reg. No 1952/003004/06 ; FSP No 17698) ("Hollard") is a registered insurer and a licensed Financial Services Provider (FSP) that is allowed to sell short-term insurance products. Hollard has professional indemnity and fidelity insurance.

Initial Loan Amount

Initial Loan Amount means the amount of the outstanding balance due by You in terms of the Credit Agreement as at the date of Commencement of insurance, excluding any finance charges, any arrears falling due on the date of Commencement of insurance and any interest thereon.

Insured person

Insured Person means the person who has been accepted as Main Insured Persons in terms of this policy. No person will be covered unless listed in the Policy Schedule as an Insured Person.

INTERMEDIARY

Intermediary means the dealership who has introduced this policy to You and who is a registered Financial Services Provider in terms of the Financial Advisory and Intermediary Services Act 37 of 2002 or a registered representative of a licensed Financial Services Provider.

IUA

IUA means IUA Business Solution (Pty) Ltd, who are authorised to settle claims on behalf of Hollard as a mandated binder holder.

Loan instalment

Loan Instalment means the regular monthly loan instalment due in terms of the Credit Agreement. Loan Instalment excludes any residual payment (also known as "balloon payment") due in terms of the Credit Agreement, any other additional amounts and any instalments and/or any premiums which are in arrears and which fell due for payment prior to the Claim Payable Date or any interest thereon. Loan Instalment includes (if applicable) the premiums for DXP Shortfall, Return to Invoice, Deposit Protector, Retrenchment and X-Sure policies relating to the Credit Agreement. The Loan Instalment is only applicable to and payable on valid claims for the Total Temporary Disability and Retrenchment Benefits.

Main Insured Person or You or Policyholder

Main Insured Person or You or Policyholder means the principal debtor in terms of the Credit Agreement and who is listed in the Policy Schedule as the Main Insured Person in terms of this policy.

Period of insurance

Period of Insurance means, subject to the receipt of premiums monthly in advance, the period between the Commencement of Insurance and the Expiry of Insurance Cover.

Policy schedule

Policy Schedule is the document issued in respect of this policy and which forms part of the policy.

Reinstatement

A Reinstatement occurs when a policy which has been cancelled or stopped is returned to the position it was in before it was cancelled or stopped. The waiting periods will however be affected.

All premiums that were not paid before the Reinstatement will need to be paid to Hollard.

Retrenchment

Retrenchment means being retrenched or made redundant by an employer during the term of the employment agreement due to new technology, reorganisation by the employer, liquidation of the employer or staff reductions as contemplated under the Labour Relations Act 1995 (as amended), and which prevents the Insured Person from earning an income from any occupation.

Waiting period

Waiting Period means the period, starting on the Commencement of Insurance, during which the occurrence of a claim event does not result in a benefit becoming payable. _

Information

Note: This section does not form part of the policy and is provided for information only.

How to claim

In the event of a claim, contact IUA at their address below to obtain a claim form and to be advised of all additional documentation that is required for the claim to be processed.

IUA Business Solutions
P O Box 1800, Umhlanga Rocks, 4320
Telephone: 031 570 7600
Fax No. : 086 639 3867

Only original documentation will be accepted. In the event that the original is not available, only copies certified by a Commissioner of Oaths will be accepted. Documentation can be faxed so that the claims department can start processing the claim. However, the original documentation still has to be received by Hollard before payment of the claim can be made.

Hollard or any party acting on Hollard's behalf shall at all times have the right to inspect all documents relating to the policy and will communicate with Insured Persons, the Credit Provider or appointed executor regarding any problems with the documentation.

Complaints procedure

If You have a complaint about the advice or service received from the intermediary (The Dealer selling you this policy), the Intermediary can be contacted at the address provided by them.:

Complaints about the policy may be submitted to Hollard:

The Hollard Insurance Company Limited, Account Manager -
HAD Dealer Xtra Plus

Postal address: PO Box 87419, Houghton, 2041

Physical address: 22 Oxford Road, Parktown, Johannesburg, 2193

Telephone: 011 351 5000

Fax: 011 351 5001

If the matter is not satisfactorily resolved by Hollard, the complaint may be submitted to the Ombudsman for Short-Term Insurance:

The Ombudsman for Short-Term Insurance

PO Box 35655, Braamfontein, 2017

Telephone: 011 726 8900

Fax: 011 726 5501

Sharecall: 0961 726 890

E-mail: info@osti.co.za

Matters of importance

- You must accurately, fully and properly disclose all material facts. All information provided by You or on Your behalf is Your own responsibility. You need to be satisfied with the accuracy of any transaction submitted by anyone on Your behalf.
- If You feel that the policy or the manner in which the policy was sold does not meet legal requirements, or if You are not happy about the advice received, please write to The Compliance Officer - Hollard, PO Box 87428, Houghton, 2041.
- You must not sign any incomplete or blank documents. No person may request or insist that You do so.



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insurance@fraudline.co.za