

MOTOR INSURANCE POLICY

COMMON TERMS AND CONDITIONS

An insurance policy is a legal contract which gives rights and obligations to the insured and insurer as well as terms and conditions that should be observed. Failure to abide by set conditions results in a breach of the insurance contract that terminates the contract or leads to partial or non-payment of claims.

As a Policyholder, you are encouraged to read your policy document and familiarize yourself with its contents. This will assist you to manage your policy and enjoy the full insurance benefits you are entitled to.

IMPORTANT POLICY MANAGEMENT MATTERS YOU SHOULD PAY ATTENTION TO.

• **ADEQUACY OF INSURANCE COVER:**

Always ensure that your insurance cover is in line with the market replacement cost of your motor vehicle to avoid underinsurance and partial claims payments.

The base sum insured at the inception of policy should be in USD and converted to ZWL\$ at the prevailing auction rate. The base sum insured should include an inflation provision considering the transactional market rate. The sum insured should be reviewed frequently, preferable quarterly.

• **POLICY COVER PERIOD:** This is the period during which your insurance policy is effective (start date and end date) as indicated on your policy documents.

• **POLICY RENEWAL:** Be aware of your policy renewal and premium payment dates. Your insurance policy will lapse at the end of the stipulated period. If you do not pay your renewal premium on due date, your insurance cover ceases to operate such that you cannot make a claim against it.

• **CLAIMS PROCEDURE**

1. Notify your broker and/or insurer within 30 days of an incident which may result in a claim.
2. Notify the Police within twenty-four (24) hours and obtain a copy of the Police report.
3. Fraudulent claims will not be paid and may attract criminal prosecution.

• **EXCESSES:** Excess means the amount you must pay towards a claim. Depending on the terms and conditions of your policy, claims will be paid out less the following excesses common among insurers.

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| The vehicle is damaged | 3% of Value | Total Loss |
| | 10% of Loss | Partial loss |
| The vehicle is uneconomic to repair or is stolen or hijacked | 3% of sum insured. | |
| Vehicle is damaged outside Zimbabwe | 5% of sum insured | |
| Theft of parts including radio | 25% of loss | |
| Windscreen Contribution | 33.33% contribution | |
| Any other excess | As stated in the policy schedule | |

• **EXCLUSIONS: The common Permanent Exclusions that are not covered by motor insurance policies are as follows:**

1. Damage or loss resulting from illegal actions of the policyholder or an authorized third-party driver for example driving under the influence of alcohol or drugs.
2. Depreciation (including depreciation attributable to an accident) wear and tear mechanical or electrical breakdown failures or breakages.
3. Damage to an engine or tyres unless some other parts of the vehicle are damaged as a result of occurrence of risk you are covered against.
4. Damage to suspension and springs due to the inequalities of the road.
5. Damage or loss caused while the vehicle was being driven by a driver without a valid driver's licence.
6. Damage to vehicle due to political riots and civil unrest.
7. Consequential loss of any kind

DISCLAIMER: The purpose of this document is to provide a summary of terms and conditions that policyholders are normally not aware of or do not pay attention to. For detailed information, policyholders are encouraged to read through their policy documents. encouraged to read through their policy documents.