



**XLTRANSIT**

## Brief Summary of Product Offering

### **1. Goods in Transit**

As per the product introduction XL Transit offers comprehensive goods in transit covers for primarily hauliers and rail risks in Sub Saharan Africa. Where applicable the cover is all risks unless specifically stipulated otherwise on the schedule or wording. When submitting a quotation the following information would be required in order to provide a preliminary quotation:

- Name of insured
- Specified number of carrying vehicles (in rail the annual carry)
- Load limit per specified carrier
- Type of goods carried (mostly)
- Areas of transportation (local, regional, provincial, national or cross border)
- Three year written GIT claims history from insurers

### **2. Contingency liability**

Contingency liability cover is appropriate for sub-contracted loads by the insured, be they sub-contracting transporters, transport brokers or the product supplier. It is imperative that the warranties indicated on the quotation are communicated to the insured as indicated on the quotation and schedule if cover is accepted. When submitting a quotation for this cover the following information would be required to provide a preliminary quotation:

- Name of the insured
- Accurate estimation of the monthly turnover/fees generated by sub-contracted loads
- Load limit
- Type of goods carried
- Areas of transportation (local, regional, provincial, national or cross border)
- Written three year claims history from insurers

It is very important that the insured submits an accurate fee estimation as any significant differential on the submitted fees could be deemed misrepresentation should a financial analysis be undertaken by the insurers at any stage where requested.

The following warranties are to be noted under the contingency liability cover:

1. Cover will be restricted to goods entrusted and conveyed by the first appointed sub-contractor only.
2. Externally Reviewed Financials to be provided on request at the policy annual renewal. Please note a significant deviation of 20% from submitted fees following a required independent financial review could be deemed as misrepresentation in the event of a claim.
3. Sub- contractor's verification, referencing and vetting procedure as per industry norm.
4. The existence of this Insurance must not be disclosed to any sub-contracted carrier.
5. Written contractual arrangements with sub-contracted carriers must be structured in such a manner that the sub-contracted carrier is responsible for all loss and/or damage occasioned to the cargo, has insurance paid up and in place to the same limits and specifications of the insureds policy and verified confirmation received.
6. A List of the named sub-contractors must be provided upon request.
7. Quotation is subject to a written applicable 3 year claims history from previous insurers.
8. Sub-contractual agreement to cede claims payments on sub-contractors GIT claims to contractors.

### **3. Environmental spillage clean-up cover**

Where the insured carries goods deemed hazardous under South African National Road Traffic Act regulations, it is a requirement they the carrier has cover in place to attend to any environmental clean-up required following a spill/leakage from the carrier or at a premises.

In order to submit a quotation for this cover the following preliminary information is required:

- Name of Insured
- Specified number of carrying vehicles
- Load limit per carrier
- Type of hazardous goods carried
- Areas of transportation (local, regional, provincial, national or cross border)
- Written three year claims history from insurers

The above cover will be subject to South African National Road Traffic Act regulations pertaining to the carriage of hazardous goods, the policy schedule as warranted and the policy wording.

XL Transit (Pty) Ltd has been constituted to provide specialized truck load insurance cover to the commercial transport market. The goal of which is to build relationships with selective brokers who service this sector and enable them to optimize their service and performance levels through our efficiencies and assistance.

The business is written through Guardrisk a long, well established and much respected insurance licence carrier. This should give significant security and comfort to our broker network and subsequent clients.

We offer full underwriting and claims settlement authority. We aim to maximise speed and efficiencies in turnaround on quotations, issuing of policy schedules and settlement of claims.

XLT`s strategic goal is to have a core selective broker network in each city as well as outlying geographic region within South Africa. This network will be to the mutual benefit of both us the underwriter and selective broker respectively, thereby ensuring an element of broker exclusivity.

Our vision is to ultimately become the preferred Service Provider for Goods in Transit insurance.

XL Transit Cover:

- GIT
- Excess Buy Down
- Contingency Liability
- Environmental Pollution & Contamination Liability/Spillage Clean-up
- First Loss Basis
- 5% overloading extension
- Loading and offloading where it is the responsibility of the insured
- Unlimited recovery costs – economic decision
- R30 000 debris removal cover (Can be bought up to higher limits)
- Driver fidelity cover included
- Truck Assist incidence response included (please refer attached brochure)
- RSA and all SADEC countries
- Deterioration of stock cover available upon request
- Livestock cover available upon request
- Standard quotation turn around 20 minutes from receipt of information

Should there be any additional queries or requests, please contact your preferred select broker.

# GOODS IN TRANSIT / CARRIER'S LIABILITY

## Understanding The Policy Wording

### **The Preamble**

This refers to the declaration of an agreement between the Insurance Company and the Insured in which the main requirements, warranties and specific conditions of the policy are summarised.

### **1. Commencement of Insurance**

This paragraph describes the period from when cover starts and lapses in terms of the different types of policy periods available.

### **2. Policy Limits**

The policy is limited to the limit of indemnity per any one vehicle, per any one transit, unless otherwise declared and accepted by Insurers prior to any loss. Where separate limits are stipulated under various commodity types, such limits are not cumulative.

### **3. Insured Cargo**

The policy covers goods carried by the Insured on behalf of its clients (including all packing materials, pallets, receptacles, covers, boxes, labels and the like when necessary for commercial purposes) as stipulated in the policy schedule, but excludes:

Antiques, antiquities of any description, arms, ammunition, bank and treasury notes, bullion, cash, mobile telephones and accessories, copper and copper products, electronic goods, deeds, designs, documents of any description, explosives, film, gold, or silver articles, used household goods and personal effects, highly flammable substances, jewellery, liquor (other than wine or beer), live animals, motor vehicles of any description, plans, precious metals or stones, pre-paid phone cards or vouchers, specie, stamps, tickets, tobacco and tobacco products (other than raw tobacco), tyres, tinned fish and travellers cheques unless specifically included in the policy schedule.

### **4. Carrying Vehicles**

Cover is limited to goods entrusted to the Insured whilst conveyed on mechanically propelled vehicles and its trailers as specified in the policy schedule. Cover attaches to the truck registration number as the trailers in and of themselves cannot pull the loads, hence the requirement to have the truck registration number noted as opposed to the trailers. On exception the trailer reg numbers are noted however this has to be formally agreed between Insurer and the broker / Insured.

### **5. Territorial Limits**

Cover is limited to loss or damage occurring within the territories as stated in the policy schedule at the time of the loss. Where cover is extended to include all SADC regions, this applies that the following countries are covered in addition to the Republic of South Africa – Lesotho, Botswana, Swaziland, Namibia, Zimbabwe, Mozambique, Malawi, Zambia, Tanzania, Kenya, Angola and the Democratic Republic of Congo (however no further north than Kolwezi).

### **6. Duration of Cover**

This clause notes that cover shall attach upon commencement of loading the insured cargo onto the carrying conveyance at the point of loading, continue uninterrupted throughout the ordinary course of transit and terminates once the cargo is offloaded at its destination at the consignees premises. It also confirms that loss or damage as a result of loading and unloading operations is covered, provided this responsibility is under the direct control of the Insured. That being said, damage as a result of loading and unloading of live animals, motor vehicles, plant and machinery (where noted in the policy to be included as a specified commodity) will be excluded absolutely. This clause also deals with incidental storage which will be included for a period not exceeding 72 hours during the ordinary course of transit, provided the goods are kept within a fully enclosed and locked building or guarded security compound.

### **7. Defined Risks / Risks Insured**

This clause deals with the cover provided under the policy and should be read in conjunction with the policy schedule. New goods transported in fully enclosed / fully tarpaulined vehicles enjoy all risks cover (unless specifically stated otherwise) whereas second hand goods transported enjoy cover against the risk of fire, collision, overturning, theft following an insured peril and hijacking as defined in the policy wording.

Cover on SAB / AbinBev loads (excluding Coca-Cola) are restricted to fire, collision, overturning, theft following & hijack

#### **8. Containers**

If stated in the policy schedule as included, the policy is extended to cover in addition to any other amount recoverable under the policy (up to the load limit stated) loss of or damage to standard general purpose and reefer containers, which were on the carrying vehicle noted in the schedule at the time of the loss. Cover on these items are limited to fire, collision, overturning, theft following and hijack.

#### **9. Tarpaulins, Ropes, Chains, Nets and Corner Plates**

If stated in the policy schedule as included, the policy is extended to cover in addition to any other amount recoverable under the policy (up to the load limit stated) loss of or damage to ropes, tarpaulins, nets, chains and corner plates, which were on the carrying vehicle noted in the schedule at the time of the loss. Cover on these items are limited to fire, collision, overturning, theft following and hijack. There is a 10% excess deductible unless otherwise stated in the policy schedule.

#### **10. Plant, Machinery and Equipment**

The amount recoverable for loss or damage to second hand plant, machinery or equipment shall not exceed such proportion of the cost of replacing the part lost or damaged, as the insured value bears to the value of new plant, machinery or equipment. Cover excludes mechanical, electrical and electronic derangement.

#### **11. Basis Of Valuation**

This clause describes the manner in which the policy will respond in the event of a claim. New cargo is covered for the cost price or new replacement value, whichever may be applicable as evidenced from the commercial invoices. It excludes loss of income or any other consequential losses to either the owner or the transporter. Used cargo is covered for the second hand replacement value or local depreciated market value, whichever is the lesser. Fresh produce is covered for the average market value for the commodity at the market of intended sale on the day of the intended sale, less agent and market commission, less any costs not incurred or, if pre sold, the suppliers invoice value less any costs not incurred.

#### **12. Deterioration of Stock (DOS) As A Result Of Machinery Breakdown**

If stated in the schedule as included, cover extends to include DOS as a direct result of any variation in temperature following the breakdown and / or malfunction of the refrigeration machinery and ancillary equipment (other than when caused by fuel starvation) resulting in its malfunctioning of not less than six consecutive hours. There are specific sets of warranties attached to this cover, most importantly is that verifiable service records by an authorised manufacturer or authorised manufacturers agents / suppliers on the cooling unit ever 4000 hours will be requested in the event of a claim. The burden of proving such variation in temperature, breakdown, malfunction rests with the Insured.

#### **13. Deterioration of Stock (DOS) As A Result Of Incorrect Temperature Settings**

If stated in the schedule as included, cover extends to include DOS as a direct result of the incorrect setting of the temperature regulating unit for a period of at least six consecutive hours. The warranty as stipulated in clause 11 above pertaining to the service records would apply under this specific extension as well. The burden of proving incorrect settings rests with the Insured.

#### **14. Livestock**

If stated in the policy as included, death of livestock including euthanasia (within 48 hours from the occurrence) is covered as a direct result of fire, collision, overturning, theft and bolting following one of these events and hijacking.

#### **15. Pairs and Sets**

This clause provides that where a single item in a set is lost or damaged, Insurers will only be liable to settle based on the value of the item as a proportion to the original set and not the entire set.

#### **16. Hijacking Definition**

This clause is self explanatory and defines a hijacking incident. This peril attracts a higher excess as noted in the policy schedule and all theft and hijacking incidents have to be reported to Insurers, their incident responders or the police within twenty four hours of the incident. It is important that this is highlighted to all clients.

#### **17. Other Insurance**

If at the time of the loss the policy holder has taken out insurance cover for the same risk with more than one insurer, each insurer shall only be liable to pay its rateable portion of the loss. This is also referred to as dual insurance cover.

#### **18. Cancellation**

The policy may be cancelled by Insurers giving thirty days notice in writing or by the Insured giving immediate notice.

#### **19. South African Jurisdiction**

This clause provides that in the event of a legal dispute arising between the Insurer and the Insured, that the matter will be heard in the South African courts and subject to the laws of the Republic of South Africa.

#### **20. Misrepresentation , Misdescription and Non-Disclosure**

The above is self explanatory and should any of these material facts be presented when a claim arises, it shall render the claim voidable.

#### **21. Salvage Disposal**

This clause deals with the salvage aspect of any loss or damage to the cargo. The Insured shall take all reasonable steps to mitigate the loss by preserving the recoverable salvage and to dispose of the damaged cargo at the best possible price. In the event of cargo owners not approving of any disposal / sale of the salvage, Insurers will reduce their liability by an amount equivalent to that which they would've obtained by their agents.

#### **22. Payment of Premium**

The insured shall ensure that the premium debit is successfully met on a date per their selection between the 1<sup>st</sup> – 15<sup>th</sup> of every month. A breach of this warranty will entitle the Insurer to avoid liability for all losses.

#### **23. Excess**

This clause notes how the first amount payable by the Insured will be calculated in the event of a claim.

#### **24. Claim Settlement**

This clause confirms that Insurers will settle VAT in terms of legislation (currently regulated at 15%), where the insured is obliged to pay VAT on a particular consignment.

#### **25. Debris Removal**

This clause deals with the reasonable costs legally incurred by the Insured in respect of the removal and / or disposal of non-recoverable insured cargo. The limit on the policy is R30 000.00 (unless stated otherwise) and the excess deductible is 10% of the claim.

#### **26. Fraud**

This clause essentially confirms that no claim that is deemed fraudulent by any means, whether by the Insured or anyone acting on their behalf or with their knowledge or consent will be valid under the policy. It further specifically excludes the dishonesty of any partner, member, director or employee of the Insured, whether acting alone or in collusion with others. The policy does however automatically extend to include driver fidelity cover.

#### **27. Warranties**

This clause describes the very specific warranty conditions where no cover shall exist, namely :

**Security** – theft or any attempt thereof where the person (usually the driver) in lawful control of the vehicle remains in attendance at all times.

**Liquor & Drugs** – where the vehicle is driven by an employee under the influence of alcohol or drugs, with the knowledge or consent of the insured

**Overloading** – where the vehicle is loaded in excess of 5% of the permissible allowance

**Drivers Licences** – where drivers do not have valid PrDP or the equivalent to their foreign nationality as per section 23 of the National Road Traffic Act

**Adherence to Laws and Regulations** – where the client is in violation of any condition in respect of Regulation 330A to 330D of the Road Traffic Act of 1996 (as amended) in relation to agreements required to be in place between the consignor and the operator

**Fitness of Vehicles** – where the vehicle is not roadworthy or the Insured is unable to supply a recent roadworthy certificate prior to the date of loss

**Tarpaulins** – where tarpaulins, nets, straps and the like are not in a sound / water repellent condition

**Over Height Containers** – failure to comply with legislation will not prejudice cover where the total combined vehicle and container height exceeds the maximum permissible allowance.

#### **28. Specific Exclusions**

In summary in no case will the policy cover the following :

- Ordinary loss in weight or volume caused by inherent vice
- Loss or damage caused by insufficient or unsuitable packing, covering or securing of the cargo
- Loss or damage caused by delay, even though the delay was caused by an insured peril
- Loss, damage, liability or expense arising from detention, confiscation, arrest, forfeiture and the like by customs, police, crime prevention or other authorities

- Consequential loss of any nature
- Contamination, pollution or liability of any kind
- Loss or damage whilst the insured cargo is conveyed by any vehicle not specifically included in the policy schedule or in the care of any sub contracted person not named on the policy
- Any liabilities towards third parties whatsoever
- Loss or damage to shipping containers unless specifically included

### **29. Repatriation**

This clause deals with loss or damage outside of RSA however within territories as indicated under the policy schedule. Where it is not economically viable to return the cargo to RSA, insurers upon their liability scope will settle the claim less the applicable policy excess and any salvage that would've been achieved had the cargo been returned to RSA. Cover will cease if the cargo is abandoned outside of the RSA borders.

### **30. Claims**

Insurers or their appointed agents are to be notified within 30 (thirty) days of any non hijack / theft incident and 24 (twenty four) hours of any hijack / theft incident.

### **31. Prescription**

If insurers decline liability of a claim, representation may be made within 90 days of the date of the rejection letter. If the dispute is not resolved satisfactorily, legal action may be instituted against the Insurer and the summons must be served within 180 days after expiry of the 90 day period.

### **32. Insurers Rights After An Event**

This clause essentially confirms Insurers rights after an event and their legal entitlement in terms of subrogated rights following settlement of a claim.

### **33. Warranty Clause**

Where this appears anywhere in the policy or wording, it applies in an insurance context. Any breach will result in Insurers dismissing liability in terms of the policy.

### **34. No Rights To Other Persons**

This clause is self explanatory in that nothing in the policy shall give rights to any person other than the Insured.

### **35. General Exclusions**

This clause is summarised as excluding nationalisation, confiscation, commandeering, requisition or wilful destruction by any lawfully constituted authority. It further excludes war, riot and terrorism

### **36. Asbestos**

This clause confirms that the policy does not cover any loss directly or indirectly caused by, arising out of, resulting from, in consequence of or in any way involving the hazardous nature of asbestos in whatever form or quality.

### **37. Nuclear Weapons and Radiation**

This clause confirms the policy will not respond to any loss or damage caused by ionising, radiation, contamination by radio activity from any nuclear fuel, nuclear waste, nuclear radiation, nuclear explosives and weapons

### **38. Sanctions Limitation and Exclusion Clause**

This clause provides that Insurers would not be liable for any claim where payment would expose Insurers to any sanction prohibition or restriction under the UN resolutions or the trade or economic sanction of the EU, UK or the USA.