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Extended Mechanical Breakdown Warranty

Terms & Conditions



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Extended Mechanical Breakdown Warranty

This product provides you with a mechanical and/or electrical breakdown warranty that covers a range of components outlined in the section called “Components Covered” in your policy. Please note that your policy does not cover every eventuality and that you need to familiarise yourself fully with the cover provided under your policy.

General terms and conditions

Definitions

This section provides you with information regarding terms that are used in your policy:

You/your

The term you or your refers to the person whose name and address appears on your schedule.

Insurer

The insurer is the insurance company that provides and underwrites your insurance cover.

Upon receipt of a fully completed schedule and the required premium, the insurer will accept the risk if your vehicle complies with the terms and conditions as set out in your policy. The insurer however reserves the right to decline this insurance should the insurer become aware of any information that affects the initial decision to accept cover.

Claims Administrator

The term claims administrator refers to Innovation FSP (Pty) Ltd (Registration No. 1997/005662/07). Innovation FSP is a licensed Financial Services Provider for the purposes of the Financial Advisory and Intermediary Services Act 37 of 2002.

Your Vehicle

Your vehicle refers to any motor or light delivery vehicle (LDV) that is registered in South Africa and specified in the welcome schedule or voice-logged proposal.

Mechanical Breakdown

Mechanical breakdown refers to the unforeseen failure of any of the components specifically listed under the section “Components Covered”, arising from mechanical and/or electrical failure, causing a sudden stoppage of their functions and necessitating repair and/or replacement.

Cost of Repair

The cost of the repair refers to the usual and reasonable charges for components and/or labour required to repair or replace the damaged components.

Insured

The insured refers to the owner of the vehicle at the time of purchasing your policy, or in the instance where the policy has been transferred in terms of your policy, the new owner of the vehicle.

Authorised Dealer

This term refers to an accredited Authorised Repairing Dealer registered as such with the Retail Motor Industry (RMI) or Automobile Association of South Africa (AASA).

Manufacturer

The manufacturer refers to the entity that manufactured/supplied the vehicle as specified on your schedule.

Policy Description

Your policy comprises of an Extended Warranty. Your vehicle's category, age and current recorded kilometres will determine what extended warranty policy option your vehicle will qualify for.

What you need to know and do

This section of your policy explains your responsibilities. Under your policy there are terms and conditions that you need to be aware of as listed within your policy. It is essential that where you are required to comply with any of these terms and conditions that you do so. Failure to comply with the terms and conditions could result in a claim against your policy being rejected and / or your policy being cancelled.

Policy Scope and Cover

Eligible Vehicles

The age and distance covered by your vehicle at the time your policy becomes effective, will determine the category under which your cover commences.

In order for your vehicle to be covered under your policy, it is essential that your vehicle complies with the following:

Better-Extend 1, 2, 3 & 4 (see "Limits of Liability" table).

Your vehicle must;

- be a passenger, 4x4 or light commercial vehicle with a gross vehicle mass of less than 3 500 kg;
- have a full service history in place, as per manufacturer's specification;
- not be a taxi, rental vehicle, an exotic vehicle, a rebuilt vehicle (Code 3), a modified vehicle or a vehicle that is or has been used in any form of motoring competition or sport;
- be in a sound mechanical condition and have a valid roadworthy certificate; and
- have a valid manufacturer warranty or maintenance plan in place.

Please note: In order to qualify for **Better-Extend 1, 2, 3 & 4**, the vehicle must have less than 120 000 km's recorded on the odometer from the date of the original registration.

Effective Date and Duration

Your cover commences on the date/kilometres that your manufacturer's warranty or maintenance plan expires and extends or provides warranty cover for a further 24 months or until a total of 250 000 km's is recorded on the odometer from the date of first registration, whichever occurs first.

Premium Payment

This is a monthly policy and the amount payable as specified in the schedule, is due on the first day of each month, in advance or on the due date as agreed by the insurer. It is your responsibility to ensure that the payment for each month is made timeously and that in the event of payment being made via a debit order from your bank account that there are sufficient funds in your account.

Failure to make the payment on the due date will result in the cover under your policy not being in force for the period for which the payment has not been paid. You will be given a grace period of 15 days to make payment, after which there will be no cover. There will be no cover until outstanding monies have been paid.

If no payment is received for two consecutive months, there will be no cover and no claim will be paid. Notification of any changes in banking details should reach the insurer at least 10 days before the next premium is due for payment.

The insurer reserves the right to increase the monthly premium once a year by giving you 31 day's written notice either by post or via electronic media in the form of an email to the last known address.

Premium is payable in 24 monthly instalments as specified on your schedule and is due on the agreed day of each month.

Service Requirements

Your vehicle must be serviced and maintained as per manufacturer's specifications.

Note:

- A maximum tolerance as per manufacturer's specification will be allowed.
- After each service, the appropriate service record must be completed. Service receipts must be kept as proof of service, as this may be requested in the event of a claim.
- Failure to comply with the above can invalidate your policy.

Components Covered

Warranty Benefits

Your policy covers the repair and/or replacement of components, specifically listed under the section "Components Covered", arising from the mechanical and/or electrical failure during the cover period of your policy and is subject to the terms, conditions and exclusions set out herein. All repair work must be authorised in advance and carried out by the authorised dealer as recommended by the insurer and/or the claims administrator in the section "Claim Procedure".

The following vehicle components and incidences are covered under your policy:

- **4x4 Front Differential Unit:** Differential unit and free-wheel hubs.
- **Air Conditioner:** Compressor only (excluding re-gassing).
- **Braking System:** Master cylinders, wheel cylinders, callipers and servo unit (excluding friction surfaces, hand brake mechanism, Abs pump and sensors).
- **Cambelt Failure:** Cambelt and tensioner (excluding routine maintenance).
- **Clutch:** Clutch plate, clutch fork, pressure plate, master and slave cylinder, release bearing and pilot bearing are covered against mechanical failure only.
- **Cooling System:** Water pump, welsh plugs, thermostat, thermo-switch and heater radiator only.
- **CV Joints:** Constant velocity joints (excluding dust covers and rubbers).
- **Differential:** All internal components.
- **Electrical Components:** Alternator, starter motor (including ring gear) windscreen wiper motors, electric window motors (excluding serviceable items, switches, relays, brushes and bushes).
- **Electronic Ignition:** Distributor and coil packs.
- **Engine:** All internal components.
- **Front Wheel Drive Unit:** External driveshafts, couplings, hubs and bearings, and drive flanges.
- **Fuel System:** Mechanical and electrical fuel pumps, fuel injection control and sensor units and injectors (all calibration and serviceable components are excluded and the use of incorrect or contaminated fuel).
- **Transmission (Manual/Automatic):** All internal components, including torque converter (excluding flex plate).
- **Management System:** Engine and transmission management control units only.
- **Overheating:** Damage caused to your engine as a result of overheating (excluding failure from heater radiator, water pipes and flanges).
- **Propshaft and Couplings:** Propshafts, universal joints and centre bearings.
- **Steering Mechanism:** All internal components of steering box or rack (including power steering pump).
- **Turbo Assembly:** Original manufacturer-fitted turbo charger only, includes impellers, shafts, bushes and casings (excluding intercoolers).

- **Towing Charges:** Towing charges covered in the event of a valid claim being accepted by the insurer and/or claims administrator.
- **Vehicle Rental:** The vehicle rental offers a convenient 2 day vehicle rental in the event of a mechanical repair or service of your vehicle.
- **Overnight Accommodation:** Hotel Accommodation is covered if breakdown occurs in excess of 300 km's from your place of residence (in the event of a valid claim being accepted by the insurer and/or claims administrator).

Wear and Tear

It is essential to note that:

- Normal wear and tear is not covered by your policy. Normal wear and tear is defined as deterioration arising through the use or age of your vehicle which does not result in actual mechanical failure.
- Fair wear and tear is covered by your policy. Fair wear and tear is defined as deterioration through use or age that does result in actual mechanical failure.

Betterment

Definition

Betterment is referred to as the condition relating to older or original parts on your vehicle, when having been damaged in an accident which may be replaced with new part(s). The resulting improved condition of the vehicle is known as betterment.

In this case it is where the repair requires new or exchange units, which in the opinion of the insurer and/or claims administrator are in excess of what is necessary to repair the vehicle to the manufacturer's specifications, you will be liable for these additional costs. If in doubt, you should consult the insurer and/or claims administrator.

Further or Additional Loss Cover

When will a claim be covered?

- Where the damage or loss to a covered component is caused by the failure of a covered component, the higher of the two benefits will apply.
- Where the damage or loss to a non-covered component is caused by the failure of a covered component, only the benefit of the covered component will apply.
- Where the damage or loss to a covered component is caused by the failure of a non-covered component, the failure will be covered under the covered component benefit.

When will a claim not be covered?

- Where the failure of a non-covered component is caused by a non-covered component, no claim will be paid out.
- Where any of the exclusions as noted below are applicable.

Exclusions

Your policy does not cover any:

- parts not specified under the section "Components Covered";
- repairs undertaken without the prior authorisation of the insurer and/or claims administrator;
- damage caused by theft, hi-jacking, an accident, misuse or neglect;
- damage resulting from the fitting of experimental units, or modifications, other than those approved by the vehicle's original manufacturer;
- standard services and service parts required during routine maintenance procedures;
- repairs, should it be discovered that the odometer has been disconnected or tampered with;

- gradual reduction in operating performance commensurate with the age and kilometres covered by the vehicle.
- claims for repair, replacement or alterations not accompanied by a valid, fully completed and detailed VAT invoice;
- mechanical and/or electrical failure which is recoverable under any other insurance policy;
- loss or damage resulting from any water, foreign substances, incorrect or contaminated fuel, defective products or poor workmanship;
- cause of breakdown, in the opinion of the insurer and/or claims administrator that was evident prior to the effective date of your policy;
- oil leaks of any nature and/or damage caused as a result thereof;
- hoses, pipes, auxiliary belts, fan blades and CV rubber boots or dust covers;
- re-gassing of the air conditioner;
- taxi's, rental vehicles, exotic vehicles, rebuilt vehicles (Code 3), modified vehicles or vehicles that are or have been used in any form of motoring competition or sport.

Your Obligations

Your terms and conditions shall also incorporate, as express terms and conditions, all the contents of your policy, which you will be deemed to have read. It is expressly agreed and declared that the insurer and/or the claims administrator will be released from all liability and obligations under your policy if the terms and conditions of your policy are not fully complied with.

- All claims must be reported to the insurer and/or claims administrator immediately. In the event of a breakdown after hours, over a weekend or a public holiday the claim must be reported to the insurer and/or claims administrator on the next working day. Failure to do so may invalidate the claim.
- All claims documentation must be received by the insurer and/or claims administrator within 30 days of the date of completion of the repairs; otherwise they will not be accepted.
- Your policy will be cancelled in the event of excessive claims within your policy duration.
- You must service the vehicle as per the requirements defined in section "Service Requirements". Failure to comply will invalidate your policy.
- Your policy is in addition to, and does not detract from, any contractual rights under Statute or Common Law.
- You must take all reasonable steps to maintain your vehicle and keep it in a proper and efficient state of repair and in the event of any mechanical and/or electrical failure you must use all reasonable means to protect the vehicle from further loss or damage.
- In no case whatsoever will the insurer and/or the claims administrator be liable to make any payment in respect of any mechanical and/or electrical failure after the expiration of 6 months from the occurrence of mechanical and/or electrical failure.
- It is your responsibility to ensure that, in the case of diesel vehicles, the diesel pump and injectors is calibrated and serviced as per the manufacturer's specifications. A failure resulting from incorrect calibration will result in rejection of the claim.

Disputed claims

After you are informed of the decision made on a claim, you will be allowed 90 days to make the appropriate representations to the underwriter about the decision made. If you do not comply with this time limit, the disputed claim will not be reconsidered.

If representations have been received, the decision will then be reviewed and the outcome communicated to you. If, after review, you are not indemnified for a claim or any part of it and you wish to challenge the decision made, you must serve legal process within six months calculated from the expiry of the 90-day period referred to above. If you do not comply with this time limit, you will be prevented from proceeding with legal process.

Policy Amendments and Cancellations

You are entitled to cancel your policy at any time by giving the insurer 31 days' notice.

The insurer is entitled to amend the terms and conditions or cancel your policy by giving you 31 days' notice in writing, either by post or via electronic media in the form of an email to the last known address.

In the event that you cancel your policy, the following conditions will apply with regard to the refund of premiums.

- There will be no refund due if a claim has been paid under your policy.
- All costs incurred, including commissions, underwriting fees and binder fees will be deducted if a refund is due. The balance will be refunded on a pro-rata basis and payment will be processed within 30 days of the cancellation request date.
- The refund will be paid to the financing institution if your policy has been financed by a financial institution or forms part of a suspensive sale agreement.

Your policy commences on the date or kilometres that your manufacturer's warranty or maintenance plan expires and continues on a monthly basis for an additional 24 months or until the vehicles odometer reaches 250 000 km's, whichever occurs first. The onus is on you to advise the insurer when the odometer reaches 250 000 km's prior to the 24 month period having expired.

Jurisdiction, Currency and Disputes

Your policy is valid only within the territorial limits of South Africa, Botswana, Namibia, Lesotho, Mozambique, Zimbabwe and Swaziland. All payments will be made in the currency of South Africa. Your policy will be governed by the laws of the Republic of South Africa whose courts will have jurisdiction in any dispute arising under your policy.

Fraud

If you or anyone acting on your behalf, knowingly or otherwise, commits a fraudulent act or attempts to obtain a benefit under your policy by improper means, all benefits shall immediately cease and your policy shall be cancelled. There will be no refund of any kind.

Transferability

In the event that you sell your vehicle, your policy may be transferred to the subsequent owner, provided your policy is still valid with an updated vehicle service history and no premiums are outstanding. If transferred, the owner must agree to take over premiums. This request must be submitted in writing (including the new owner's information and banking details) to the insurer, subject to approval. Your policy may not be transferred from one vehicle to another.

Claim Procedure

In the event of a mechanical and/or electrical failure which is likely to result in a claim, you must advise the insurer and/or the claims administrator telephonically on the numbers provided. The insurer and/or claims administrator will recommend authorised dealers in your area who has conformed to the stringent requirements of the insurer and/or claims administrator's quality control panel. You may choose the authorised dealer. All repair work must be authorised in advance and carried out by an authorised dealer.

Failure to obtain prior authorisation before repair work has been completed will invalidate your claim.

Information necessary when reporting a claim

- Owner's name.
- Policy number.
- Current odometer reading on your vehicle.
- Nature of mechanical failure/breakdown (failure, cause, remedy).
- Address where the vehicle can be inspected.
- Service records and/or invoices.

Should it be necessary to disassemble any component to establish the cause or extent of the damage, it is your responsibility to authorise the disassembly so as to establish whether there is any liability under your policy. The cost for the disassembly to ascertain the cause of failure will be for your own account in the event the claim is not covered.

The insurer and/or the claims administrator reserves the right to inspect your vehicle or failure before authorisation is given. After the work has been completed by the authorised dealer, you shall inspect the vehicle so as to ensure that the service work is satisfactory and complete in all respects.

Please ensure that the authorised dealer submits all repair invoice(s) to the insurer and/or claims administrator via email or post within 30 days after the repairs are completed, failing which the claim will not be considered.

Should your claim be rejected, you are entitled to receive a full explanation from the insurer and/or claims administrator.

Claim Limits

The individual claim limit that applies to your policy is clearly stipulated under the section “Limits of Liability”. The total claim aggregate shall not exceed the current trade value of your vehicle.

Limits of Liability

Monthly Extended Warranty				
Components	Better Extend 1	Better Extend 2	Better Extend 3	Better Extend 4
1. Engine	R50 000	R65 000	R85 000	R100 000
2. 4x4 Front Differential Unit	Unlimited	Unlimited	Unlimited	Unlimited
3. Air Conditioner	Unlimited	Unlimited	Unlimited	Unlimited
4. Braking System	Unlimited	Unlimited	Unlimited	Unlimited
5. Cambelt Failure	Unlimited	Unlimited	Unlimited	Unlimited
6. Clutch	Unlimited	Unlimited	Unlimited	Unlimited
7. Cooling System	Unlimited	Unlimited	Unlimited	Unlimited
8. CV Joints	Unlimited	Unlimited	Unlimited	Unlimited
9. Differential	Unlimited	Unlimited	Unlimited	Unlimited
10. Electrical Components	Unlimited	Unlimited	Unlimited	Unlimited
11. Electronic Ignition	Unlimited	Unlimited	Unlimited	Unlimited
12. Front Wheel Drive Unit	Unlimited	Unlimited	Unlimited	Unlimited
13. Fuel System	Unlimited	Unlimited	Unlimited	Unlimited
14. Transmission (Manual/Automatic)	Unlimited	Unlimited	Unlimited	Unlimited
15. Management System	Unlimited	Unlimited	Unlimited	Unlimited
16. Overheating	Unlimited	Unlimited	Unlimited	Unlimited
17. Propshaft and Couplings	Unlimited	Unlimited	Unlimited	Unlimited
18. Steering Mechanism	Unlimited	Unlimited	Unlimited	Unlimited

19. Turbo Assembly	Unlimited	Unlimited	Unlimited	Unlimited
20. Towing Charges	R1 000	R1 000	R1 000	R1 000
21. Vehicle Rental	R1 000	R1 000	R1 000	R1 000
22. Overnight Accommodation	R1 000	R1 000	R1 000	R1 000

Claim Limits (Including VAT)

The maximum amount payable per claimable occurrence for each item is clearly reflected in the “Limits of Liability”. Any number of failures that occur or are reported simultaneously will be treated as one claim. In this instance the liability will not exceed the amount of the major component benefit.

Please note: The total claim aggregate shall not exceed the current trade value of your vehicle.