

Mechanical Breakdown



AA Warranties
0860 267 267

24h Roadside Assistance
0861 002 273

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A. Introduction to the policy

We will repair or replace broken *vehicle parts* up to the *cover limit* of *Your* choice.

We will cover the *parts* listed in the policy for each valid claim if *You* follow the rules below:

- Make a valid claim for the *failed parts* covered by this policy.
- Take *Your vehicle* for its scheduled services.
- Ensure that the monthly premium is paid as per *Your Premium debit* date as listed in the **policy schedule**.
- Keep to the terms and conditions of this policy.

The parties to this contract are... *You* and *Us*!

This policy is a legal contract between *You* and *Us*.

'We', 'Us' and 'Our' refers to Lombard Insurance Company Limited the insurance provider. Lombard) is a licensed insurer and an authorised Financial Service Provider (FSP No. 1596) that underwrites non-life insurance business. (Company Registration No. 1990/001253/06).

Certain services are performed by *Our* underwriting manager (AMP). The words **'We', 'Us' and 'Our'** include the underwriting manager even though they are not a party to this policy. The **disclosure notice** lists contact details, services and functions.

'You' and 'Your' refers to the individual named in the **policy schedule** and called the insured. The insured have rights under this policy.

Your policy documents

Your policy documents include an application, the **policy schedule**, the **policy wording** and a **disclosure notice**.

- The application is the proposal form and/or voice recording of the sales conversation when *You* bought this policy, and where the *premium payer* gives *Us* permission to collect the premium.
 - If *You* make any changes or additions to the policy after the *policy start date*, the recording of the telephonic conversation we had with *You* when *You* made the changes, will also be *part* of this policy.
- The **policy wording** explains the benefits, conditions, exclusions as well as claims requirements.
- The **policy schedule** summarises *Your* personal cover details. The **policy schedule** also highlights the specific terms and conditions which are important at the start of this contract.

You must ensure that *You* understand *Your* cover and responsibilities by reading all the sections of *Your* policy document. If *You* have any questions, please contact the underwriting manager as listed in the **disclosure notice**.

We are not bound by any policy changes unless *We* agree in writing and include them in this policy by sending *You* a new **policy schedule**.

The latest product documents replace the previous version.

Use the disclosure notice to find *Your* way

The **disclosure notice** details legal information and contact details so that *You* can communicate with the parties to this policy effortlessly. It also provides details on how to submit a claim, a complaint or to give a compliment.

Keep this document with the **policy wording** and **policy schedule**.

How to read this policy

Our communication with *You* is honest and easy to understand. We use plain language and pictures to explain the terms and conditions. Here are a few things to assist *You* when reading this **policy wording**:

- i. Important insurance words are explained under definitions. These words appear in italics throughout the policy.
- ii. When *We* refer to a specific section of this policy, the reference will include the name of the heading.
- iii. The headings in the policy are for reference only and will not affect the meaning of the related terms and conditions.
- iv. Days refer to ordinary calendar days, including weekends and public holidays.
- v. Month or monthly refers to calendar month including weekends and public holidays.

vi. **The following icons mean:**



Examples to explain *Our T's and C's*



A benefit



Requires *Your* action



No cover

B. *Your* responsibilities

You need to act responsibly to receive cover. If *You* do not follow the rules listed below, *Your* cover may be affected.



1. *You* must keep to all the rules, terms and conditions

You must keep to all the rules, terms, conditions and the claims process set out in this **policy wording**. If *You* do not keep to all the terms and conditions of this policy, it may result in a claim being rejected or the policy being cancelled from the *policy start date*.



2. Service and maintain *Your vehicle*

- a. *You* must service *Your vehicle* regularly at an accredited repairer (no self-servicing is allowed) and as stipulated in the manufacturer's service booklet. The service must be done according to the *vehicle* manufacturer's specifications for the age and kilometres of the *vehicle* at the time. If it is not in line when *You* purchase this policy, *You* must ensure that this is rectified within thirty (30) days and service intervals are brought back inline and maintained.
- b. We will give grace and allow a run-over of 1,500km or 30 days either side of the service interval, regardless of the manufacturer's run-over period.
- c. If *You* do not keep to the service requirements for *Your vehicle*, the policy will be cancelled and *You* will not have cover, even if the failed component is not a routinely maintained part.
- d. Make sure that the certificates in the *vehicle* service booklet are up to date and stamped and that *You* keep all tax invoices for services carried out. We will request proof of services with the tax invoice in the event of a claim.
- e. *Your vehicle* must be kept in a roadworthy condition and the *Parts* required to drive it must be complete. This means that all the *Parts* installed at manufacture stage must always be present in the *vehicle*.



3. Take reasonable care and avoid deliberate risk

- a. *You* must protect the *vehicle* from further loss or damage. This means that *You* may not continue to use the *vehicle* if *You* become aware of a potential problem.



For example: If *Your vehicle* overheats and *You* continue to drive it, it may cause more damage than if *You* had stopped driving immediately after *You* noticed the overheating.

- b. *You* must stop using *Your vehicle* immediately if a breakdown happens or is imminent, or a part fails, to protect the *vehicle* from any further loss or damage.
- c. *You* must not misuse or abuse *Your vehicle*.



4. *You* must tell *Us* what *You* use *Your vehicle* for

You must tell *Us* what *You* mainly use *Your vehicle* for. The *vehicle* uses are explained below and are set out in the **policy schedule**.

- a. Private use: *You* use *Your vehicle* for private, domestic and pleasure purposes. This includes travelling to and from *Your* place of work, but excludes business use as explained below.
- b. Business use: *You* use *Your vehicle* for private use as explained above, and on a regular basis for professional or business travelling.
- c. Commercial use is not covered: *You* may not use *Your vehicle* for commercial travelling or as a tool of trade, **for example:**



- using *Your vehicle* as a courier or delivery *vehicle*;
- renting out *Your vehicle* for use by others;
- using *Your vehicle* to carry passengers for reward, such as a taxi or limousine (excluding lift clubs);
- Response vehicles



5. *You* must give *Us* correct and true information

- a. *We* base *Our* decision to insure *Your vehicle* on the information *You* provide to *Us*. If any of this information is incomplete or incorrect, *Our* decision will have been based on incomplete or incorrect information and, if *We* had known the complete and correct information when *You* applied for the policy, *We* may not have agreed to cover *Your vehicle*.
- b. *We* may decline *Your* cover or end the policy or any *part* of it. It is *Your* responsibility to ensure that all material information *We* receive is complete and correct. Material information is information that affects *Our* decision to insure *Your vehicle* on the terms and conditions of this policy.
- c. If any of this information changes, please contact *Us* immediately. If *We* agree to these changes *We* will send *You* an updated **policy schedule**.



6. *You* must choose a *cover limit*

- a. There are different *cover limit* options that *You* may choose from when *You* apply for cover. *You* may change the *cover limit* at any time by contacting the intermediary on the details set out in the **disclosure notice**. Certain *cover limit* options may not be available based on the information *You* provide for example the kilometers on *Your* odometer.
- b. If *You* select a higher *cover limit* after the *policy start date*, a 30-day waiting period will apply to the difference in cover only.
- c. *You* may not choose an option with higher *cover limits* if *Your vehicle* is more than 12 years old and/or has completed more than 250 000km as at the date that *You* want to change *Your* option.



7. Inspect *Your* odometer regularly

- a. Ensure that the odometer of the *vehicle* can record the accurate distance travelled by the *vehicle*.
- b. *You* must inform *Us* immediately if the odometer of the *vehicle* fails to operate accurately or if it suffers any damage. Then immediately after notifying *Us* arrange for the *vehicle* to be taken to an AA Warranties approved service provider to repair the odometer at *Your* cost.

8. Inform *Us* when *You* sell *Your vehicle*

- a. When *You* sell *Your vehicle* and this policy is still in place at the time of the transfer to the new owner, the new owner may take over the cover. *We* will cancel *Your* policy and issue a new policy for the new owner. No waiting period will apply to the new policy if there was no break in cover.
- b. *You* must inform *Us* in writing to replace the policy for the same *vehicle*, within three working days from the date of the transfer of *Your vehicle*.

9. Tell *Us* if *Your vehicle* becomes 15 years old or reaches 300 000km

- a. This policy cover expires after a certain period. *You* will only have cover until the *vehicle* becomes 15 years old and/or reaches 300 000 km's on the odometer from the date of first registration (whichever occurs first).
- b. It is *Your* responsibility to inform *Us* when this happens. *We* will pay back any premiums *We* received for the time that *You* did not have cover for *Your vehicle*.

10. *You* must be honest

- a. All dealings about this policy must be done honestly and in good faith. *We* will not accept responsibility if *You* (or any person acting on *Your* behalf), is dishonest or misrepresents information. *You* will lose *Your* right to claim if *We* suffer a financial loss due to:
 - dishonest behavior;
 - misrepresentation; or
 - criminal activity.
- b. *We* will cancel *Your* policy from the *policy start date* or from the date of the actions listed above. If *We* cancel *Your* policy from the *policy start date*, *We* will refund all premiums paid less any claims paid.
- c. *We* will take legal steps to recover costs paid out in terms of the policy.

C. Benefits

Cover Plan	Cover Limit	Cover Eligibility	Roadside Assist	Car Hire
Chrome	R7 000	12 years old or less and less than 250 000km travelled	Yes	No
Bronze	R10 000	12 years old or less and less than 250 000km travelled	Yes	Yes
Silver	R20 000	10 years old or less and less than 200 000km travelled	Yes	Yes
Gold	R30 000	8 years old or less and less than 180 000km travelled	Yes	Yes
Platinum	R40 000	5 years old or less and less than 120 000km travelled	Yes	Yes
Titanium	R50 000	5 years old or less and less than 80 000km travelled	Yes	Yes
Titanium double-up	R100 000	Double the <i>cover limit</i> for an added premium on Titanium only. 5 years old or less and less than 80 000km travelled	Yes	Yes

1. Mechanical breakdown cover

1.1 Insured events

The only *insured event* We cover is the *failure* of the *Parts* listed in the Breakdown benefits table below.

1.2 Breakdown benefit

We will pay up to the *cover limit* for the repair or replacement of a *part* that has *failed*. You must claim for the *part*, as well as the labour to have the *part* fitted or repaired. You may not claim only for the labour, or only for the cost of the *part*.

1.3 Understand Your cover limit

When You apply for this policy, You must select a cover plan that fits Your needs. The cover plan and applicable limit is listed on the **policy schedule**.

We will pay the market related part cost and labour up to the *cover limit* for an *insured event*.
If Your claim exceeds the *cover limit*, You need to pay the shortfall.

The *cover limit*:

- applies to the total of all the *Parts* listed next to each covered component event, including the cost of labour to have the *Parts* fitted
- does not apply to each listed *part* individually. Each *part* individually is limited to its market value

1.4 Double-up on Titanium cover (optional)

You can double Your *cover limit* for an added premium. If You have selected the Titanium Cover Plan option and stated in the schedule to double Your *cover limit*, You will have twice the *cover limit* breakdown benefit.

1.5 Mechanical breakdown benefit table

The table lists all the *Parts* We cover. We also list certain *Parts* and incidents that We specifically do not cover.

Parts that are not listed in the table are not covered.

Mechanical Breakdown Benefit Table Components	 Covered parts (A <i>part</i> is only covered if it is specifically listed below)
Engine	We cover all internal lubricated <i>Parts</i>: pistons, piston rings, piston pins, crankshaft and main bearings, connecting rods and rod bearings, thrust washers, camshaft and bearings, chains, tensioners and gears, rocker arms, valves, valve springs, valve cotters, valve spring retainers, valve guides and seats, push rods, cam followers, hydraulic lifters and oil pump, exhaust manifolds, intake manifolds. Engine block, and cylinder bores are covered only if damage occurs due to <i>failure</i> of the covered <i>Parts</i>. Overheating related failures are not covered. 
Manual gearbox	We cover all internal lubricated <i>Parts</i>: gears, shafts, synchro hubs and rings, bearings, bushes and internal shift selectors, external shift linkage, transfer box components, clutch master cylinder, clutch slave cylinder. Seals and gaskets will only be covered in the event of a listed insured <i>part failure</i>.

Automatic gearbox	We cover all internal lubricated <i>Parts</i>: torque converter, gears, brake bands, drums, servos, vacuum modulator, solenoids, bearings, bushes, oil pump, shafts and valve body, oil cooler, external shift linkage, transfer box components. The transmission/transfer case is covered only if the damage is due to <i>failure</i> of a <i>part</i> in the manual transmission/ transfer box. Seals and gaskets will only be covered in the event of a listed insured <i>part failure</i>.
Differential	We cover all internal lubricated <i>Parts</i> for: front, rear, four wheel and rear wheel drive: crown wheel and pinion, pinion bearings, spider gears, thrust washers, pins, bearings, half shafts, locking hubs. The drive axle housing is covered only if the damage is due to <i>failure</i> of a listed differential <i>part</i>. Seals and gaskets will only be covered in the event of a listed insured <i>part failure</i>.
Trans-axle (front wheel drive unit)	We cover all internal lubricated <i>Parts</i>: gears, shafts, synchro hubs and rings, bearings, bushes, internal shift selectors, crown wheel and pinion, pinion bearings, spider gears, thrust washers, bearings, external shift linkage, transfer box components. The trans-axle/transfer case is covered only if the damage is due to <i>failure</i> of a covered axle <i>part</i>. Seals and gaskets will only be covered in the event of a listed insured <i>part failure</i>.
Propeller shaft	We cover the: propeller shaft-tube, universal joints, front yoke, rear flange and centre support bearing.
Drive shafts	We cover: all internal lubricated <i>Parts</i> of the CV joints, universal joints and half shafts. Half shafts are covered only if the damage is due to <i>failure</i> of a covered <i>part</i>.
Suspension - front and rear	We cover the: upper and lower control arms, control arm shafts and bushings, torsion/stabilizer bars, radius arms, upper and lower ball joints, king pins and bushes, electronic modulated suspension actuator. Seals and gaskets will only be covered in the event of a listed insured <i>part failure</i>.
Braking system	We cover the: master cylinder, wheel cylinders, calipers, servo unit, anti-lock braking system activator and vacuum pump if fitted, parking brake cable and ratchet mechanism; proportioning valve, hydraulic lines; ABS control unit and all sensors.
Steering mechanism	We cover: all internal lubricated <i>Parts</i> of the steering rack and pinion, or steering box.  For example: power steering pump and reservoir, tie rod steering, column coupling, steering damper, steering gear housings, reservoir and pump housings are covered if the damage is from <i>failure</i> of a covered steering <i>part</i>. Seals and gaskets will only be covered in the event of a listed insured <i>part failure</i>.

Fuel system	We cover the: mechanical and electrical fuel pumps, petrol and diesel fuel injection pumps, diesel fuel lift pump, air-flow meter, throttle body, warm up regulator, fuel accumulator, fuel injectors, carburettor. Seals and gaskets will only be covered in the event of a listed insured <i>part failure</i>.
Cooling system	We cover the: radiator, heater radiator, water pump, welsh plugs, thermoswitch, thermostat and its housing, engine fan motor, engine fan viscous clutch, oil cooler. Seals and gaskets will only be covered in the event of a listed insured <i>part failure</i>.
Electrical parts	We cover the: internal <i>failure</i> of the alternator, starter motor, windscreen wiper motors, power seat motor, power mirror motor and the original equipment of the power door lock, power window motor and power sunroof motor.
Electronic ignition	We cover the: amplifier module and trigger unit; coil packs and distributor.
Electronic computer parts	We cover the: engine management control module and sensors, fuel injection control module and sensors, transmission control module and sensors, anti-lock braking system control module and sensors, variable induction system control module and sensors, electronically actuated 4WD transfer box control module, electronically modulated suspension control module, original sunroof control, original security system, cruise control and automatic temperature control.
Air conditioner / heating	We cover the: internal components of the compressor pump, compressor electro-magnetic clutch assembly, condenser, evaporator, pressure regulator assembly, expansion valve, heater control valve, Seals and gaskets will only be covered in the event of a listed insured <i>part failure</i>.
Wheel bearings	We cover the: front and rear hub assemblies, front and rear wheel bearings, Seals and gaskets will only be covered in the event of a listed insured <i>part failure</i>.
Turbo or super chargers / air pump	We cover the: turbo charger unit /super charger unit, actuators and sensors
Additional components	We cover the: speedo cable, window winder regulators, door and boot locks, bonnet and tailgate gas struts.

2. Roadside Assistance benefit (0861 002 273)

We have entered into an agreement with AA Fleet Care to offer the following benefits that will be paid for by *Us* unless stated otherwise. Benefits will be deemed invalid if not arranged through AA Fleet Care **(0861 002 273)**.

You gain access to essential roadside benefits after 30 days from the *policy start date*. The Roadside Assistance benefits offer basic cover as a result of mechanical breakdown only and is therefore limited as described below.

Roadside Assist benefit		Benefit description	Benefit value	Benefit limit
1	Tow-in	AA Fleet Care will arrange for <i>Your vehicle</i> to be towed to the nearest Repair Facility or if after hours to a secure overnight facility.	R1000 (incl VAT) per incident	Limited to one tow-in service per 12 months
2	Patrol and battery services	This service is available 24/7. The primary objective of the AA Patrol and Battery Services fleet is to give <i>You</i> on-the spot mobility at the side of the road. This service is only available in urban areas and will be provided under the towing. Services offered include fuel to reach a filling station, emergency roadside repairs, battery failures, changing a flat tyre and key lock-out services.		Limited to two callouts per 12 months unless stated otherwise Any callouts over and above these <i>limits</i> are for the <i>Your</i> account.
2.1	Changing of a flat tyre	In the event of a flat tyre, serviceable tyres will be changed. If a serviceable tyre is not available, towing will be provided under the tow-in benefit.		Limited to two call-outs per 12 months unless stated otherwise. Any call-outs over and above these <i>limits</i> are for <i>Your</i> account.
2.2	Battery failure	In the event of battery <i>failure</i> , arrangements will be made to jump start the <i>vehicle</i> . If required, a replacement battery can be provided. The cost of the battery is for the Insured's account.		Limited to two call-outs per 12 months unless stated otherwise. Any call-outs over and above these <i>limits</i> are for <i>Your</i> account.
2.3	Keys lock-out service	If <i>Your</i> keys are accidentally locked in <i>Your vehicle</i> , AA Fleet Care will request the services of a locksmith to retrieve <i>Your</i> keys.	R550 (incl. VAT)	Limited to one incident per 12 months.
3	Car Hire	In the event of a breakdown, if it occurs in excess of a 100km radius from <i>Your</i> home, the AA will pay for 24-hour car hire to complete the journey or to return home. The hired <i>vehicle</i> will be a Group B <i>vehicle</i> and is subject to availability. The car hire benefit is available after 30 days from the <i>policy start date</i> . <i>You</i> must qualify for a rental car under the rental company's terms and conditions.	R1200 (incl. VAT)	Limited to a one incident per 12 months.

4	Overnight accommodation (if broken down more than 100km's from home)	In the event that a vehicle has broken down more than 100km's from the policyholders' home, and provided that the policyholder has elected to forfeit the 24-hour car hire option above, arrangements will be made for overnight accommodation for the policyholder to the benefit value.	R1200 incl. VAT. (Inclusive of passengers and not per passenger)	Limited to a one incident per 12 months.
5	AA Mayday Emergency Medical Assistance	The AA provides 24-hour AA Mayday emergency medical assistance services for unforeseen medical emergencies. The AA will arrange for emergency medical evacuation to a suitable medical facility in the event of a medical emergency. The service is available nationally and includes: • Emergency evacuation and transfer to the most suitable medical facility • Relocation after treatment • Liaison with next of kin to keep them informed • Travelling companions for stranded minors (motor vehicle collisions) • Transfer of emergency medicine and blood • Telephonic medical and travel advice	This is an access service only. The policyholder is responsible for all costs incurred	

D. We do not cover

The table lists all the incidents and conditions that we do not cover. We also do not cover *Parts* if not listed under the Covered *Parts* column in the Mechanical breakdown benefit table.

We do not cover damage caused by the following incidents:	• Fire • Collision (an instance of one moving object or person striking violently against another) • Impact • An accident (an unfortunate incident that <i>You</i> could not foresee that happens unexpectedly and unintentionally at an identifiable time and place) • Driving the <i>vehicle</i> under conditions not suitable to the <i>vehicle</i> type • Mishandling or abuse • Broken or torn rubber boots / dust covers • Electrical / voltage spikes or surges • Burnt or bent valves • Overheating, over boosting conditions (cracked heads, warped heads, blow gaskets, collapsed pistons) • Damage from oil leaks or oil leaks themselves • Overloading • Over-revving • Sabotage • Neglect and continued use of the <i>vehicle</i> after an initial fault has been identified • Breakdown caused by water, mud, sand or foreign objects • Incorrect fuelling and over/under fuelling • <i>Failure of a part</i> caused by <i>detonation</i> or <i>pre-ignition</i> (example: incorrect fuel pressure or ignition timing) • Ionising, radiation or contamination by nuclear events and substances • Civil commotion, labour disturbances, riot, strikes, war, terrorism and similar events
We do not cover failures if <i>You</i> use the <i>vehicle</i> for the following purpose	• Racing, rallies, speed or other contests. • Carrying a greater load or more passengers than the <i>vehicle</i> is designed or licensed to carry. • Commercial uses.
We do not cover pre-existing failures	We do not cover pre-existing damage where the cause of <i>failure</i> was there before the <i>policy start date</i>.
We do not cover vehicles	• That are rebuilt or modified from the manufacturer's specification. • Without a roadworthy certificate. • Registered outside the Republic of South Africa. • Still covered under the manufacturer's warranty.

This policy is not a maintenance or service plan.	We do not cover any routine maintenance or maintenance related failures to <i>Parts</i> such as: • routine cambelt replacements. • damage due to loss of coolant in engines that require liquid coolant. • tyres or wheel alignment. • friction materials or surfaces. • damage due to loss of baffle plates or clogging of any baffle plates by particles, which may impair the cooling characteristics of any engine. • damage caused by foreign matter in the cooling, mechanical, electrical and/or electronic systems. • <i>Parts</i> that did not break but were replaced at the time of repairs. • repair of rust, paintwork, bodywork or corrosion.
We do not cover wear and tear	Wear and tear, defined as the gradual reduction in operating performance commensurate with age and mileage travelled by the <i>vehicle</i>, is not covered. Example: • A bearing in the alternator that begins to wobble and squeak because it is worn out. • Or when <i>Your vehicle's</i> clutch has become worn over time and starts to slip when <i>You</i> change gears. • Or the gradual loss of engine compression that requires new valves or rings. • Gradual reduction in operating performance commensurate with age and mileage travelled by the <i>vehicle</i> is not covered.
We do not cover poor workmanship	• We do not cover <i>failure</i> of <i>Parts</i> if repairs were done poorly, incorrectly or if experimental <i>Parts</i> were fitted. • It includes vehicles that have not been serviced to the manufacturer's specifications or by an approved service provider.
Mileage	We do not cover a <i>failure</i> if We are unable to confirm the actual mileage of the <i>vehicle</i> at the time of a claim or if We discover that the odometer has been disconnected or tampered with.
We do not cover the repair or replacement of specific parts:	• any soft-top canvas, mechanical or motorised mechanisms that convert from open-air (top-down or topless) mode to an enclosed (roofed or top-up) mode • body <i>Parts</i>, exterior trim, interior trim and fittings, upholstery, carpets and seat covers • from fitting experimental units or modifications, other than those approved by the <i>vehicle's</i> original manufacturer • glass, windscreen, windows or any form of lights, plastic or lenses
We do not cover consequential loss	Example: If <i>Your vehicle</i> breaks down on the way to a holiday destination, We will cover <i>You</i> for the <i>failure</i> of <i>Parts</i> listed, but We will not pay for any loss <i>You</i> may suffer for travel and holiday arrangements.
We do not cover any resultant damage	Example: If the radiator on the <i>vehicle</i> fails and as a result the engine seizes, the seizing of the engine is the <i>resultant damage</i> that We do not cover. However, We would cover the radiator.

E. Premium payments

1. What must *You* pay?

- a. This is a monthly policy. This means that *Your* policy is automatically renewed for another month every time *You* pay the monthly premium.
- b. The *premium payer* must pay the premium listed in the **policy schedule**. If *You* are not the *premium payer* and the *premium payer* stops paying the premiums it remains *Your* responsibility to pay the premiums for cover to continue.

2. When must *You* pay?

- a. For the policy to start, the *premium payer* must pay the first month's premium on the agreed *premium debit date*. If *We* do not receive *Your* first premium, *We* will attempt to debit *Your* account again on the *premium debit date* the following month with the premium amount due. If *We* do not receive the premium on the next month, the policy will not start.
- b. For the policy to renew each month, the premium is due on the *premium debit date*. *We* will allow a 1-month grace period (extra time) from the *premium debit date* for *You* to pay *Your* premium. If *We* do not receive *Your* first premium, *We* will attempt to debit *Your* account again on the *premium debit date* the following month with the premium due.
- c. If the *premium debit date* falls on a weekend or public holiday, the *premium payer's* bank account will be debited on the first working day before or after the weekend or public holiday.

3. What will happen if *You* don't pay?

- a. If the debit order fails because of insufficient funds, *We* may attempt to debit *Your* account again during the month and if not successful, *We* will debit *Your* account with the premium on *Your* selected debit order date the next month *Your* premium is due.
- b. If *We* do not receive the payment after *Our* re-attempt as explained above in 3.a, the policy will end on the last day of the month for which a premium was received. *We* do not have to reinstate *Your* policy.
- c. If *You* stop the debit order directly with *Your* bank, *We* will allow a 1-month grace period to pay the premium. If no premium is received after the grace period, the policy will end on the last day of the month for which a premium was received. If *You* want to continue with *Your* policy, *You* need to contact *Us*.
- d. *We* will honour a claim that arises during the grace period if it is a valid claim. The unpaid premium will be deducted from the approved benefit amount.

F. General conditions for cover

1. Territorial limits

All repairs or servicing must be done within the borders of the Republic of South Africa. If *Your vehicle* breaks down outside the Republic of South Africa, it is *Your* responsibility to bring the *vehicle* back to the Republic of South Africa. The normal claim process will then apply.

2. Changes to policy conditions

- a. *We* will tell *You* at least 30 days before the effective date of any change or changes *We* make to the premium, *limits*, *excesses* or policy conditions.
- b. If *You* ask *Us* to make any changes to the policy conditions it will be effective from the date agreed to by *Us*.
- c. *We* will send *You* an updated **policy schedule**, **policy wording** and an explanation of the changes. Unless *You* tell *Us* that *You* do not want to continue with this policy, *We* will automatically renew *Your* policy on the terms set out in the updated **policy schedule** and **policy wording**.

3. Good faith

We will always act in good faith in *Our* mutual dealings. If *We* make an administration error, it will not take away any cover *You* have, or give *You* any cover that *You* do not have.

4. Your rights can't be given to another person

You may not give *Your* rights or benefits under this policy to another person. If *You* try to hand *Your* rights to another person, *We* will not recognise that contract. *We* will continue *Our* contract with *You* as if *You* had not made a contract with someone else. This type of contract is known in law as a cession.

5. Our liability

Our liability in terms of this policy is conditional upon *You*, or anyone acting on *Your* behalf, keeping to all the terms and conditions of this policy. All claim payments are subject to the verification of the validity of any claim.

6. We will email any correspondence to You

We will email all correspondence to *Your* last known email address. *We* assume that *You* received and read *Our* correspondence if it was addressed to *You*.

7. No waiver

We and *Our* service providers agree to make every effort to provide the benefits described in this policy, but *We* are not responsible for theft, delays, personal damage, resultant or *consequential loss* from the performance or inability to perform these services.

8. Your privacy

We respect the privacy and security of *Your* personal information. However, it is important to share *Your* insurance information within the insurance industry to gather industry statistics, to improve the quality of risk assessment and to prevent fraud.

We may provide *Your* personal information to *Our* service providers who assist *Us* in managing *Your* cover and *Our* relationship with *You*. This will always be done as permitted by the relevant privacy legislation.

9. Currency

Your premiums and benefits must be paid in South African Rands only.

10. Law

The courts of the Republic of South Africa under South African law will govern and interpret the terms and conditions of this policy.

11. Driver's licence

Any person driving this *vehicle* must have a valid South African driver's licence.

12. Cancellation

a. Cooling-off Period

You have 31 days from the date of receipt of *Your* policy documents in which to reconsider this policy. If *You* are not entirely happy *You* may cancel this policy and all collected premiums during this period will be refunded to *You* provided *You* have not made a claim. A cancellation request must be made in writing by *You*. Please email *Your* instruction to cancellations@aawarranties.co.za

b. Cancellation

You may cancel this policy with *Us* at any time. Once *Your* policy has commenced and *You* choose to cancel the policy, *You* must give *Us* 31 (thirty one) days' notice. No refund will be made for premiums received. *You* will enjoy cover under the policy until the end of the month of the cancellation request. A cancellation request must be made in writing by *You*. Please email *Your* instruction to cancellations@aawarranties.co.za

c. We may cancel this policy by giving You 31 (thirty-one) days' written notice.

G. Claims made easy

1. Your responsibilities before You claim

- a. If You require roadside assistance, first confirm that the service available to You as listed under the Roadside assistance benefit.
- b. If a *part* has *failed*, first check that the *part* is listed under the Mechanical breakdown benefits table.
- c. You may not claim for any benefit during the first 30 days after the *policy start date*.
- d. Make sure that the workshop is an AA Warranties approved service provider. Check the list of *Our* approved workshops on *Our* website www.aawarranties.co.za or call *Us*.

2. Claims process for mechanical breakdown incidents



STEP 1

You must notify *Us* of the claim as soon as possible but within five days of the incident. If *Your vehicle* breaks down outside working hours, on a weekend or on a public holiday, You must tell *Us* on the following working day.
We will tell You what evidence and other documents We need from You to process the claim.



STEP 2

You must use an AA Warranties approved service provider. Check the list of approved workshops on *Our* website www.aawarranties.co.za or call AA Warranties.



STEP 3

If the workshop needs to investigate the cause of the *failure* to prepare a quote, they will need Your permission to continue.



Important note: The labour cost for *vehicle* assessment will be for Your account unless We confirm that the *failure* is covered. It is sometimes necessary for the repair workshop to perform an electronic diagnostic test to determine the cause of *Your vehicle's* problem. This diagnostic test will be for Your account unless the repairer agrees to allow it as a *part* of the labour required to perform the authorised repair.



STEP 4

You must get *Our* written approval before repairing *Your vehicle* or before incurring more costs.



Important note:

If You do not follow the steps above or do not send *Us* the information We ask for, within the time requested, You may lose Your right to claim.

3. If *Your* claim is valid

- a. If *Your* claim is valid, *We* will repair, replace or pay *You* for damages. If appropriate *We* may use any combination of these methods. *Our* objective is to place *You* in the same financial position as *You* were in before the *insured event* took place, subject to the cover *limits* set out in the **policy schedule**.
- *We* may choose a supplier or repairer which is *part* of *Our* approved service providers;
 - *We* will pay the service provider directly, or *We* will refund *You* for the cost of the authorised repairs or replacement;
 - *We* will not consider claims that do not include a detailed *failure* report and a valid invoice.
- b. If *We* replace or repair, *We* are not required to do so exactly but only as circumstances reasonably allow.
- *We* may decide to make a payment instead of repairing or replacing the *part*. *We* will then pay *You* the *market-related* value for the *part* up to the limit set out in the **policy schedule**. How much *We* pay out does not consider the sentimental or other specific value the *Parts* may hold for *You*.

4. What must *You* pay?

a. *Excess* amount

Every time *You* claim, *We* will deduct an *excess* from the amount *We* pay. All amounts quoted below are inclusive of VAT. The *excess* that applies is based on the status of the policy at the date when *You* notify *Us* of the claim.

Days from <i>policy</i> - <i>start date</i>	Excess
0 – 30 days	Waiting period. 100% of claim for <i>Your</i> own account
31 – 60 days	Pay 50% of the approved <i>cover limit</i> or claims value, whichever is less
61 – 89 days	Pay 25% of the approved <i>cover limit</i> or claims value, whichever is less
90 days +	Pay R500 per claim AA members DO NOT PAY <i>excess</i> after 90 days.

b. Labour cost if *Parts* are not covered

You will need to pay the labour costs of the *vehicle* assessment if *Your* claim is not valid. It is sometimes necessary for the repair workshop to perform an electronic diagnostic test to determine the cause of *Your vehicle's* problem. This diagnostic test will be for *Your* account unless the repairer agrees to allow it as a *part* of the labour required to perform the authorised repair.

5. How much will *We* pay

- a. *We* will pay the cost of repairs or replacement up to the *cover limit* less the *excess* amount.
- b. *We* will pay the market value of each *part*. This amount is based on the *part's* market value at the time of the *failure*.
- c. If *You* signed the release and *We* paid the claim, *We* will not be liable for anything else in respect of that claim.
- d. If more than one *part* fails at the same time, *We* will treat the *failure* as one claim up to the *cover limit*.
- e. *We* will not pay any interest.

6. No claims in the first 30 days

- a. *You* will have no cover during the first 30 days after the *policy start date*. *We* will not pay any claims for mechanical breakdown, car hire or roadside assistance during this waiting period.
- b. This waiting period will apply again if the policy is cancelled and *We* decide to reinstate the policy. If *We* reinstate *Your* policy due to *Our* administration error, the waiting period will not apply.
- c. If *You* choose to increase *Your cover limit*, the waiting period will apply only to the additional amount from the *benefit change date*.

7. Other insurance claims

- a. If *You* have more than one policy that covers *Your vehicle* for any benefit provided under this policy, the full amount of the claim will be split proportionately between the different insurers.
- b. *You* may not claim under another policy for any amount that *We* have already paid for under this policy.
- c. If *You* have already claimed under *Your* other policy, *You* may not also claim under this policy.

8. If *You* do not agree with *Our* claims decision

- a. If *We* do not accept a claim, or *We* cancel this policy or if *You* dispute the amount of the claim, *You* may ask *Us* to review *Our* decision.
- b. *We* will review *Our* decision only if *You* send *Us* a written request to review within 90 days (the “representation period”) of the date that *You* receive *Our* rejection letter, or cancellation notification.
- c. Alternatively, *You* may contact the Ombudsman for Short-term Insurance on the contact details set out in the **disclosure notice**. The Ombudsman is an independent office appointed to make independent and fair decisions.
- d. If *You* are not satisfied with the outcome of the complaint, *You* may also take legal action against *Us*. To take legal action, *You* must instruct a lawyer to give a document to the sheriff of the court, who must serve the document on *Us*. This is called serving a summons on *Us*. Summons must be served on *Us* within 180 days of the expiry of the representation period. If this is not done in time, *You* will lose *Your* right to claim and *We* will no longer be liable for the claim.
- e. *You* may also choose to take legal action against *Us* without first requesting *Us* to review *Our* decision or to contact the Ombudsman. If *You* decide to do this, summons must be served on *Us* within 270 days of the date that *You* receive *Our* rejection letter. If *You* take legal action against *Us* before contacting the Ombudsman, *You* can approach the Ombudsman for assistance only after *You* have withdrawn the summons against *Us*.

H. Definitions

benefit change date	The effective date of a benefit change after the <i>policy start date</i> .
consequential loss	Any further loss that <i>You</i> may suffer because of <i>Your vehicle</i> ’s breakdown.
detonation	When the air and fuel mixture in the cylinder of an engine spontaneously ignites. With extreme heat the mixture in the chamber can ignite automatically. Normal combustion is initiated by the spark plug. <i>Detonation</i> happens after the spark plug has fired.
excess	The first amount <i>You</i> are required to pay towards every claim under this policy.
failure, fail	The sudden and unforeseen breaking (fragmented, cracked or in pieces) or short-circuiting of <i>parts</i> as defined and listed in the Breakdown benefits table. A <i>failure</i> can arise from mechanical, electrical or electronic defects that cause a <i>part</i> to stop functioning and would therefore need to be repaired or replaced.
insured event	The <i>failure</i> of a <i>part</i> as listed in the Mechanical breakdown benefit table. This does not include any routine maintenance or <i>vehicle</i> services.

limits, cover limit	This is the maximum amount that <i>We</i> will pay for each benefit to: - repair or replace <i>Your vehicle parts</i> after the <i>insured event</i>; - provide car hire; or - provide roadside assistance. The insured chooses a <i>cover limit</i> for the breakdown benefit. - the <i>cover limit</i> covers the market value for a single <i>vehicle part</i> or collection of <i>vehicle parts</i> at the time of the <i>failure</i>; including labour costs. - There is no limit per <i>part</i>, the policy limit applies at all times. The maximum amount payable for each and every <i>insured event</i> as set out in the Cover Plan Table under Benefits. <i>Your</i> cover plan and <i>limits</i> are set out in the policy schedule.
market-related	<i>Market-related</i> is the term used to refer to “industry average”. <i>We</i> apply the average of the market related cost at the time of the repair for the <i>Parts</i> and labour.
part	A single <i>vehicle part</i>, or a collection of <i>vehicle parts</i> as listed under the Benefit breakdown table. <i>Parts</i> are also known as components.
period of insurance	The cover period that starts on the <i>policy start date</i> and is monthly renewable if <i>We</i> receive the premium on time. Cover for mechanical breakdown will be effective 30 days after the <i>policy start date</i>.
policy start date	The date when <i>We</i> accept <i>Your</i> cover on condition that <i>We</i> receive <i>Your</i> first premium. A 30-day waiting (no cover) period starts on this day. The <i>policy start date</i> is listed in the policy schedule.
pre-ignition	When the air and fuel mixture in the cylinder of an engine is ignited before the spark plug fires. This is typically caused from a hot spot in the compression chamber, or by a spark plug that is too hot.
premium debit date	The date in each month on which <i>We</i> will debit the <i>premium payer's</i> bank account. This date is set out in the policy schedule.
resultant damage	This is <i>failure</i> of a <i>part</i> that is caused by faulty workmanship, or by the <i>failure</i> of any other <i>part</i>.
vehicle	The <i>vehicle</i> listed in the policy schedule. <i>Vehicles</i> covered: - light motor <i>vehicles</i>, mini-buses, light delivery and panel vans with a gross <i>vehicle</i> mass not exceeding 3 600kg. <i>Vehicles</i> excluded from cover: - motor cycles, caravans or motor homes, trailers or boats; - exotic or high-performance <i>vehicles</i> such as Lamborghini, Rolls Royce, BMW (M-Series), Audi (RS/S), etc.
wear & tear	The natural and unavoidable damage caused by aging or the normal use of a <i>part</i>. The gradual reduction in operating performance commensurate with the age or mileage of the insured <i>vehicle</i>.

Disclosure of Your personal information

We will share Your personal information with other insurers, industry bodies, credit agencies and service providers. This includes information about Your insurance, claims and premium payments. We do this to assess claims, prevent fraud and to conduct surveys.

Your Right to Privacy: Your right to privacy is a fundamental element that must be taken into consideration; however it is restricted to certain limits. These limits include cases where the parties have a legal interest in that information. In terms of South African law, We may disclose and/or receive information if We intend to use it in fraud prevention and to under write risks fairly.

Please be aware of the following relating to sharing Your Personal Information:

- Sharing information for underwriting and claims purposes is in the public interest to assist insurers in underwriting policies and to assess risks fairly, as well as to reduce the incidence of fraudulent claims. This will contribute to keeping premiums as low as possible.
- Such information being stored in the shared database and used as set out above.
- Such information being given to any insurer or its agent.