



CL-SCP123 : FORMATIVE ASSESSMENT 5

UNIT STANDARD: 120115

Santam is an authorised financial services provider (licence number 3416)





TREATING CUSTOMERS FAIRLY

Santam recognises the importance of ensuring fair treatment to customers throughout the customer relationship life cycle. We believe that the principles of Treating Customers Fairly (TCF) are already embedded in the Santam culture through our brand promise of “Insurance good and proper”. All business decisions are made in full regard of the fair treatment of customers, and we believe that all clients must realise value in their insurance purchase.

This training material is designed and developed in accordance with those TCF principles and is intended to provide the learner with sufficient knowledge and understanding in order for he/she to appropriately, effectively and fairly advise the customer.





US120115 ASSESSOR FEEDBACK

| | |
|------------|-----|
| TOTAL | /78 |
| PERCENTAGE | |

OVERALL RESULTS

| | |
|---|-----|
| C | NYC |
|---|-----|

ASSESSOR DETAIL

Assessor name and surname:

Assessor signature:

Date:

Comments:

MODERATOR DETAIL

Moderator name and surname:

Moderator signature:

Date:

Comments:

| | |
|--------|----------|
| UPHELD | OVERTURN |
|--------|----------|



INTRODUCTION

Below is the current schedule of Mr. X – the owner of Segers Superette and Take Aways.

The policy is now due for renewal, and you visit Mr. X at his premises to discuss the new terms and conditions. Mr. X also has some questions that he wants you to answer.

Study the schedule, and then answer the questions, relating to the risk.

SA VERSEKERINGSMAATSKAPPY / INSURANCE COMPANY

Mr X

Reference: 5555

110 Durban Road

Durbanville

7550

Policy number: 123456789
Segers Superette & Take Aways

Dear Sir

It is our pleasure to include with this a copy of your policy.

Yours sincerely



Head of Underwriting

SCHEDULE

SA VERSEKERINGSMAATSKAPPY INSURANCE COMPANY

Insurer: SA Insurance Company
Product: Santam Commercial
Insured: Segers Superette & Take Aways
110 Durban Road
Durbanville
7550
Business: Café and Take Aways
Agency: XYZ Brokers
Agency number: 00001
Manner of payment: Monthly debit order in advance
Institution: Absa
Date of payment: 1st day of the month
Insured period: 1 January 2004 to 31 January 2004

Any consecutive period of one calendar month to which the company agrees to renew the policy or any section of it.

Office: Durbanville

Signed at *Durbanville* on 3 January 2004.



On behalf of the insurer

SCHEDULE SUMMARY

SA VERSEKERINGSMAATSKAPPY INSURANCE COMPANY

| EFFECTIVE SECTIONS | ADDITIONAL / REFUND PREMIUM | RENEWAL PREMIUM | |
|----------------------------------|-----------------------------|-----------------|-----------|
| | | Monthly | Annually |
| Fire | 0,00 | R670,00 | R8 040,00 |
| Theft | 0,00 | R333,33 | R4 000,00 |
| Money | 0,00 | R 33,33 | R 400,00 |
| Glass | 0,00 | R 20,00 | R 240,00 |
| Public Liability | 0,00 | R166,67 | R2 000,00 |
| Broker's fee | | R 15,00 | R 180,00 |
| Total premium (14% VAT included) | 0,00 | R738,33 | R8 860,00 |

After inception of cover, this schedule will become a tax invoice for the payment of the amount due (VAT number: 1234).

Prescription date: 1 January 2014
Policy number: 123456789
Insured: Segers Superette & Take Aways
Effective date: 01/01/2014

ENDORSEMENTS APPLICABLE TO MONTHLY POLICY

(Endorsements attached to policy and which form part of it)

| Section | Reference |
|---------------------|--|
| General | 001 Adjustment of premium clause |
| Fire | N.A. |
| Theft | |
| Money | N.A. |
| Glass | N.A. |
| Public Liability | |
| (Claims made basis) | 112 Extension: Products liability 113 Extension: Wrongful arrest and defamation |

GENERAL PROVISION

If, in the schedule of this policy, the sum insured, limit of indemnity or compensation is:

- left blank or has no monetary amount stipulated against it;
- reflected as nil or not applicable or not covered or no indemnity extended;

it means the defined event or circumstance shown in the schedule is not covered by the policy.

SA VERSEKERINGSMAATSKAPPY INSURANCE COMPANY

SECTION FIRE

Policy number: 123456789

Insured: Segers Superette & Take Aways

Transaction number:

Effective date: 01/01/14

| STAND NO. | DETAILS OF PREMISES/ITEM DESCRIPTION | SUM INSURED/INDEMNITY LIMIT |
|-----------|--------------------------------------|-----------------------------|
| 1 | 110 Durban Road, Durbanville | |
| | Building | R1 500 000 |
| | Stock in trade | R 200 000 |
| | Equipment | R 300 000 |
| | Signage | R 10 000 |

Construction: Standard

Occupation: Café and Take Aways

OPTIONAL EXTENSIONS APPLICABLE

Extension: Earthquake

Extension: Special perils

Extension: Malicious damage

Extension: Leakage

Extension: Escalator clause

MEMORANDUMS

N.A.

OPTIONAL EXTENSIONS NOT APPLICABLE

Extension: Riot and strike

Extension: Subsidence and landslip

Clause: Stock declaration conditions

Clause: Disposal of salvage

SA
VERSEKERINGSMAATSKAPPY
INSURANCE COMPANY

SECTION THEFT

Policy number: 123456789

Insured: Segers Superette & Take Aways

Transaction number:

Effective date: 01/01/14

| STAND NO. | DETAILS OF PREMISES / ITEM DESCRIPTION | SUM INSURED / INDEMNITY LIMIT |
|-----------|--|-------------------------------|
| 1 | 110 Durban Road, Durbanville First loss cover | R50 000 |

Excess: 10% of claim min R500

Construction: Standard

OPTIONAL EXTENSIONS APPLICABLE

Keys and locks: R2 500

MEMORANDUMS

Memo 1: Limit on tobacco and cigarettes: R10 000.

Memo 2: Condition 2: Burglar alarm (siren type).

OPTIONAL EXTENSIONS NOT APPLICABLE

Buildings – Increased limit

SA
VERSEKERINGSMAATSKAPPY
INSURANCE COMPANY

SECTION GLASS

Policy number: 123456789

Insured: Segers Superette & Take Aways

Transaction number:

Effective date: 01/01/14

| STAND NO. | DETAILS OF PREMISES / ITEM DESCRIPTION | SUM INSURED / INDEMNITY LIMIT |
|-----------|--|-------------------------------|
| 1 | 110 Durban Road, Durbanville Limit | R3 000 |

Excess: 10% of claim min R250

OPTIONAL EXTENSIONS APPLICABLE

Special replacement

MEMORANDUMS

N.A.

OPTIONAL EXTENSIONS NOT APPLICABLE

Riot and strike extension

SA VERSEKERINGSMAATSKAPPY INSURANCE COMPANY

SECTION MONEY

Policy number: 123456789

Insured: Segers Superette & Take Aways

Transaction number:

Effective date: 01/01/14

| STAND NO. | DETAILS OF PREMISES / ITEM DESCRIPTION | SUM INSURED / INDEMNITY LIMIT |
|-----------|---|-------------------------------|
| 1 | 110 Durban Road, Durbanville | |
| | Limit | Indemnity limit |
| 1. | Money which is not kept in a locked safe or strongroom | |
| | (i) While it is on the insured premises, after the insured's trading hours; | R3 000 |
| | (ii) While it is in the dwelling of the insured, a partner, director or employee of the insured; | R3 000 |
| | (iii) While it is on the insured premises, in the safe-keeping of one or more of the petrol attendants; and | R |
| | (iv) While | |
| | (a) It is in the safekeeping of one or more collectors or delivery people; | R |
| | (b) It is in the safekeeping of a partner, director or employee of the insured who is on a business trip any place in the world and away from the insured premises. | R3 000 |
| 2. | Money kept in a locked safe or strongroom in a building on the insured's premises after the insured's trading hours. | |
| | (i) With regard to the safe or strongroom as described below: | |
| | | R |
| | (ii) With regard to any safe or strongroom which is not specified in 2(i) above, the limit in relation to the grading of such a safe or strongroom will be determined as follows: | |
| | No SABS grading | R 5 000 |
| | SABS category 1 grading | R 10 000 |
| | SABS category 2 grading | R 20 000 |
| | SABS category 2 grading HD grading D3 | R 40 000 |
| | SABS category 2 grading ADM grading | R 100 000 |
| | SABS category 2 grading ADM grading D3 | R 125 000 |
| | SABS category 3 grading | R 175 000 |
| | SABS category 4 grading | R 350 000 |
| | SABS category 5 grading | R 500 000 |



3. With regard to any other loss of or damage to money during the period described below, the indemnity limit for money related to the specified insured premises will read as follows:

Main limit:

- During December or any mentioned period R 5 000
- any other period R 5 000

With regard to the loss of crossed cheques, crossed bills or crossed postal orders.

(The indemnity limit below is payable above the indemnity limit shown in 1, 2 and 3.) R100 000

Details Indemnity limit / Compensation

| | |
|----------------|--------|
| Clothing | R3 000 |
| Containers | R2 000 |
| Keys and locks | R3 000 |

OPTIONAL EXTENSIONS APPLICABLE

Personal accident (assault) extension

Capital sum R10 000

Weekly sum R 100

Medical costs R 1 000

Number of persons 3

MEMORANDUMS

Excess: 5% of claim min R500

OPTIONAL EXTENSIONS NOT APPLICABLE

Riot and strike extension



SA VERSEKERINGSMAATSKAPPY INSURANCE COMPANY

SECTION PUBLIC LIABILITY

Policy number: 123456789

Insured: Segers Superette & Take Aways

Transaction number:

Effective date: 01/01/14

| STAND NO. | DETAILS OF PREMISES / ITEM DESCRIPTION | INDEMNITY LIMIT |
|-----------|--|-----------------|
| 1 | 110 Durban Road, Durbanville | |
| | Claims made basis | R2 000 000 |

Excess: 5% of claim minimum R1 000 / maximum R25 000

Retrospective date: 01/01/2010

OPTIONAL EXTENSIONS APPLICABLE

| | |
|---|----------|
| Products liability | R500 00 |
| Products: Take aways and baked products | |
| Legal defence costs | R 10 000 |
| Wrongful arrest and defamation | |
| • per event | R 50 000 |
| • per annual insurance period | R100 000 |

MEMORANDUMS

Excess with regard to products liability: 10% of claim minimum R2 000 and with a maximum of R25 000



Activity 1

(10)

(US120115;S01;AC1)

Mr X firstly wants to know why his building is covered under the Fire section and not the Buildings Combined section.

- 1.1 Explain the difference between the Fire section and the Buildings Combined section. (8)
- 1.2 Confirm if Mr X has been insured on the correct section. (2)

1.1

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1.2

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Activity 2

(15)

(US120115;S01;AC2)

Explain under which section(s) the following assets are covered, and name two perils covered under the section.

- 1. Equipment. (3)
- 2. Theft of money. (3)
- 3. Burglary where stock was stolen. (3)
- 4. Breakage of windows of the shop. (3)
- 5. Money payable to someone that got food poisoning. (3)

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Activity 3

(14)

(US120115;S01;AC3)

Explain to Mr X how the sum insureds for the following items / sections are determined. Also indicate if Average is applicable or not.

1. Fire section: Building (2)
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2. Fire section: Stock (2)
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3. Fire section: Equipment (2)
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4. Theft section (2)
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5. Sum insured on money (2)

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6. Sum insured for seasonal period on money (2)

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7. Glass section (2)

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Activity 4

(6)

(US120115;S02;AC1)
(US120115;S02;AC2)
(US120115;S02;AC3)
(US120115;S02;AC4)

Discuss where to insure stock, liability and loss of profit, and explain why they are covered differently.

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Activity 5

(5)

(US120115;S03;AC1)

Considering the processes involved when operating a take-away business.

- (a) Classify if such a fire risk is high / medium / low? (1)
- (b) Give reasons for your answers. (4)

(a)

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(b)

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Activity 7

(45)

(US120115;S04;AC1)
(US120115;S04;AC2)
(US120115;S04;AC3)
(US120115;S04;AC4)

Refer to Mr X current schedule and explain the following:

1. What sections does Mr X currently have, and what insured perils are covered under each of the sections? (10)

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2. State two exclusions applicable to two of the sections as answered in Question 1.
(Remember to name the section as heading, followed by the answer). (10)

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3. State two two optional covers applicable to two of the sections as answered in Question 1.
(Remember to name the section as heading, followed by the answer). (20)

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4. What are the specific **terms and conditions** applicable to:

- (a) Glass section regarding type of glass we will insure? (1)
- (b) Theft section regarding burglar alarms? (2)
- (c) Money section regarding money taken on a business trip? (2)

(a)

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(b)

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(c)

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Total marks: 108



US120115 ASSESSOR FEEDBACK

| ACTIVITY NUMBER | TOTAL |
|--------------------|------------|
| Activity 1 | 10 |
| Activity 2 | 15 |
| Activity 3 | 14 |
| Activity 4 | 6 |
| Activity 5 | 5 |
| Activity 6 | 13 |
| Activity 7 | 45 |
| TOTAL MARKS | 108 |

| | |
|------------|------|
| TOTAL | /108 |
| PERCENTAGE | |

| | |
|---|-----|
| C | NYC |
|---|-----|

ASSESSOR DETAIL

Assessor name and surname:

Assessor signature:

Date:

Comments:

MODERATOR DETAIL

Moderator name and surname:

Moderator signature:

Date:

Comments:

| | |
|--------|----------|
| UPHELD | OVERTURN |
|--------|----------|



DOCUMENT PROPERTIES

Designed for: Santam staff and intermediaries

Description: Santam Commercial Policy – Formative assessment 5

Course code: CL-SCP123

Version: Version 2.2

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