

CL-SCP123 : FORMATIVE ASSESSMENT 4

UNIT STANDARD: 120110

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.





US120110 ASSESSOR FEEDBACK

TOTAL	/253
PERCENTAGE	

OVERALL RESULTS

C	NYC
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ASSESSOR DETAIL

Assessor name and surname:

Assessor signature:

Date:

Comments:

MODERATOR DETAIL

Moderator name and surname:

Moderator signature:

Date:

Comments:

UPHELD	OVERTURN
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AUTO ELECTRICAL SPECIALIST

Module introduction

Motolek, a potential client, contacts you with regard to their insurance portfolio. They tell you that they are looking for a new insurance quote as their premium with their current insurer (SA Insurers) is too high, and they are unhappy with some claims that were not paid with no specific reason being given.

You inform them that you will have to do a review of the premises before informing him of the underwriting measures involved and giving them a quotation.

The following sections are relevant to this case study:

- Section: General
- Section: Fire
- Section: Office Contents
- Section: Theft
- Section: Public Liability
- Section: Motor



Further information

Previous losses confirmed by previous insurers:

- Fire damage to the upper level. Malfunctioning of air-conditioning unit. They installed 4 hand held firefighting units on the upper level, as the firefighting equipment was only installed on the first level. Now there is easy access no matter where on the premises.
 - These are regularly serviced and are currently up-to-date.
 - The nearest fire brigade, Stikland branch, is 25km away.
 - Water supply – municipality.
 - Smoking is not permitted on the premises, and therefore there are no smoking detectors. (You have noticed some cigarette butts in the yard). There are no no-smoking signs as everybody knows that they are not allowed to smoke. There are flammable materials all over the first floor, as they are used during the day, but locked in the spares storeroom overnight.
 - The staff has yet to be trained on fire preventing methods.
- Theft claim for burglary after office hours. They are in an industrial area, not near any rivers, dams or informal settlements. There are also no security vehicles patrolling the area. They employed a security company, had a radio linked alarm and panic buttons installed. There is an alarm passive (eye) in each room. Because of the 24 hour security, they have not installed any burglar bars or security gates.
- Money claim that was not paid. R10 000 was stolen from one of the safes during working hours. The safe is a SABS grading category 2 ADM grade D3, installed in the spares storeroom. The safe keys are kept in the lower level office, in a box fitted to the wall with all the other keys to the premises. The manager banks the cash once a week, and this amounts to R150 000 on average. He does sometimes bank twice a week if the amount in the safe exceeds R200 000. There is only one key on the premises and a spare key kept at the manager's home. Money is received by the person dealing with the client, and a receipt is issued. The money with a copy of the receipt is then placed in the safe. The bookkeeper comes in once a month and documents all the invoices with the receipts.

Notes after visiting the site:

1. The building is of standard construction, and is a good condition, barely 5 years old.
2. There is no increased risk of water damage – the roof is standard construction (corrugated iron) and there appear to be no leaks. The gutters are in a good condition, and cleaned on a regular basis.
3. Inside the building the skylights are plastic and the office spaces are separated by dry-walling.
4. The lower level has a concrete floor, and the upper level has a wooden floor.
5. Security consists of the 24 hour security guard, linked SAIDSA alarm and panic buttons.
6. There is no additional lighting except the normal street lights, and there is also no access control during office hours. The gates at the entrance are locked with a chain and lock after business hours.
7. Electricity is received from Eskom. They currently have a lot of problems with electricity, and have contracted with an electrician to sort this out. They need additional wall plugs. They are currently working with leads and are overloading the wall plugs. They are concerned about this, as the contact breakers do not work.
They also want to install power surge arrestors on the main distribution board, wall plugs and data lines.
The data lines are the main concern, as they currently do back-ups of their system every night just before close of business. The data is saved on an external hard drive and taken home by the manager on duty.
8. There is no gas stored on the premises, and they use electricity for their power tools and spray booths.
9. All items should be stored on pallets. Hence they need additional pallets since some of the stock is on the floor due to limited space available.

10. The Motolek clients drive their vehicles to the front of the building and wait in the waiting area. One of Motolek's staff members will then complete a form with the client to record what needs to be done to the vehicle. The staff member will then drive the vehicle to the workshop, and to the yard when the repairs are finished. No client is allowed beyond the sliding gate, into the workshop

Schedule of previous insurance with SA Insurance Company

SA VERSEKERINGSMAATSKAPPY/INSURANCE COMPANY

Mister M
49 Factory Street
Stikland
7530

Policy number: 123746389

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: Motolek
49 Factory Street
Stikland
7530
GPS coordinates 134°W 25°S
Business: Auto Electrical Specialists
Agency: ABC Brokers
Agency number: 00002
Manner of payment: Monthly debit order in advance
Institution: National Bank
Date of payment: 1st day of the month
Insured period: 1 March 2004 to 31 March 2004

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

Office: Stikland
Working hours: Monday to Friday, 8:00 to 17:00

Signed at *Stikland* on *10 March 2004*.



On behalf of the insurer

SCHEDULE SUMMARY

SA VERSEKERINGSMAATSKAPPY INSURANCE COMPANY

EFFECTIVE SECTIONS	ADDITIONAL/REFUND PREMIUM	RENEWAL PREMIUM	
		Monthly	Annually
Fire	0,00	R 116,00	R 1392,00
Theft	0,00	R 33,33	R 400,00
Electronic Equipment	0,00	R 20,83	R 250,00
Motor	0,00	R2 041,66	R24 500,00
Public Liability	0,00	R 62,50	R 750,00
Policy fee		R 10,00	R 120,00
Total premium (14% VAT included)		R2 284,33	R27 412,00

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

Prescription date: 1 March 2005

Policy number: 123746389

Insured: Motolek

Effective date: 01/03/2004

ENDORSEMENTS APPLICABLE TO MONTHLY POLICY

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

Section	Reference
General	001 Premium adjustment clause
Fire	N.A.
Theft	
Electronic Equipment	N.A.
Motor	115 Premium adjustment clause
Public Liability	
(Claims made basis)	N.A.

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: 123746389

Insured: Motolek

Transaction number:

Effective date: 01/03/04

STAND NO.	DETAILS OF PREMISES/ITEM DESCRIPTION	SUM INSURED/INDEMNITY LIMIT
1	49 Factory Street, Stikland Machinery	R348 000
Construction:	Standard	
Occupation:	Motor electrician	

ADDITIONAL PERILS

Extension: Earthquake

Extension: Special perils

Extension: Malicious damage

OPTIONAL EXTENSIONS APPLICABLE

N.A.

MEMORANDUMS

Machinery on hire-purchase at National Bank and insured in terms of this section:

Motor hoist (model HW 2500)	R220 000
2 x ABC mechanical lathes (model S100)	R 80 000 (R40 000 each)
Bosch drill-press (model Kw100)	R 20 000
4 x Bosch portable drills (model K999)	R 4 000 (R1 000 each)
4 x Makita angle grinders (model AG100)	R 4 000 (R1 000 each)
4 x sets of Gedore socket spanners	R 10 000 (R2 500 each)
4 x sets of Gedore hand tools	R 10 000 (R2 500 each)

OPTIONAL EXTENSIONS NOT APPLICABLE

Extension: Riot and strike

Extension: Leakage

Extension: Subsidence and landslip

Clause: Stock declaration conditions

Extension: Escalator clause

Clause: Disposal of salvage

SA VERSEKERINGSMAATSKAPPY INSURANCE COMPANY

SECTION THEFT

Policy number: 123746389

Insured: Motolek

Transaction number:

Effective date: 01/03/04

STAND NO.	DETAILS OF PREMISES/ITEM DESCRIPTION	SUM INSURED/INDEMNITY LIMIT
1	49 Factory Street, Stikland First loss cover	R5 000
Excess:	10% of claim min R500	1
Construction:	Standard	

OPTIONAL EXTENSIONS APPLICABLE

Keys and locks: R2 500

MEMORANDUMS

Memo 1 – Excess applicable to theft claims amounts to 10% of claim with a minimum of R500.

Memo 2 – 24hour security. Armed security on premises after hours.

OPTIONAL EXTENSIONS NOT APPLICABLE

Buildings – Increased limit

SA
VERSEKERINGSMAATSKAPPY
INSURANCE COMPANY

SECTION ELECTRONIC EQUIPMENT

Policy number: 123746389

Insured: Motolek

Transaction number:

Effective date: 01/03/04

DETAILS OF PREMISES/ITEM DESCRIPTION

SUM INSURED/INDEMNITY LIMIT

PENTIUM IV COMPUTER AND MAG 796 MONITOR (17DM)

R7 200

[Serial number 22uw 123]

First amount payable 10% of claim min R250

1 x HP LASERJET PRINTER

R2 150

[Serial number 2233Bl 123]

First amount payable 10% of claim min R250

OPTIONAL EXTENSIONS APPLICABLE

N.A.

MEMORANDUMS

N.A.

OPTIONAL EXTENSIONS NOT APPLICABLE

Telkom access lines

Incompatibility cover

SA VERSEKERINGSMAATSKAPPY INSURANCE COMPANY

SECTION MOTOR (SPECIFIED BASIS)

Policy number: 123746389

Insured: Motolek

Transaction number:

Effective date: 01/03/04

ITEM NO.	MAKE/MODEL	DESCRIPTION	YEAR	CFG	SUM INSURED	COVER
1	FORD RANGER	LDV	2002	2	R115 000	C
2	FIAT UNO	P/V	1995	2	R 35 000	C
3	VENTER	TRAILER	1998	2	R 25 000	C
4	VESPA 125CC	SCOOTER	2002	2	R 5 000	C

SUB-SECTION B

INDEMNITY LIMIT

With respect to any event that occurs directly or indirectly because of a fire or explosion.

R2 500 000

Liability to passengers

R2 500 000

Any other event and the total of (a), (b), and (c)

R2 500 000

COVER

A = Fire and Theft

B = Balance of third party, Fire and Theft

C = Comprehensive

D = Third party only

E = Balance of third party and Fire

OPTIONAL EXTENSIONS APPLICABLE

Extension: loss of keys	R 5 000
First amount payable	R 100
Extension: windscreen	R 2 000
First amount payable	25% MIN R250
Liability limits (theft of radios)	R 2 500
Extension: Contingent liability	R2 500 000
Extension: Parking facilities and movement of third party vehicles	R2 500 000

MEMORANDUMS

Memo 1

Loss of use is included as attached.

Memo 3

Up to R100 000	5% of claim min R1 000
R100 000 – R150 000	5% of claim min R1 500
R150 000 – R250 000	5% of claim min R2 000
R 250 000 and more	5% of claim min R3 500



OPTIONAL EXTENSIONS NOT APPLICABLE

Riot and strike
Wreckage removal
Unauthorised passengers
Credit shortfall

**SA
VERSEKERINGSMAATSKAPPY
INSURANCE COMPANY**

SECTION PUBLIC LIABILITY

Policy number: 123746389

Insured: Motolek

Transaction number:

Effective date: 01/03/04

ITEM NO.	DESCRIPTION	INDEMNITY LIMIT
	Claims made basis	R1 000 000
	Excess 5% of claim minimum R1 000 / maximum R25 000	
	Retrospective date: 01/03/2004	

OPTIONAL EXTENSIONS APPLICABLE

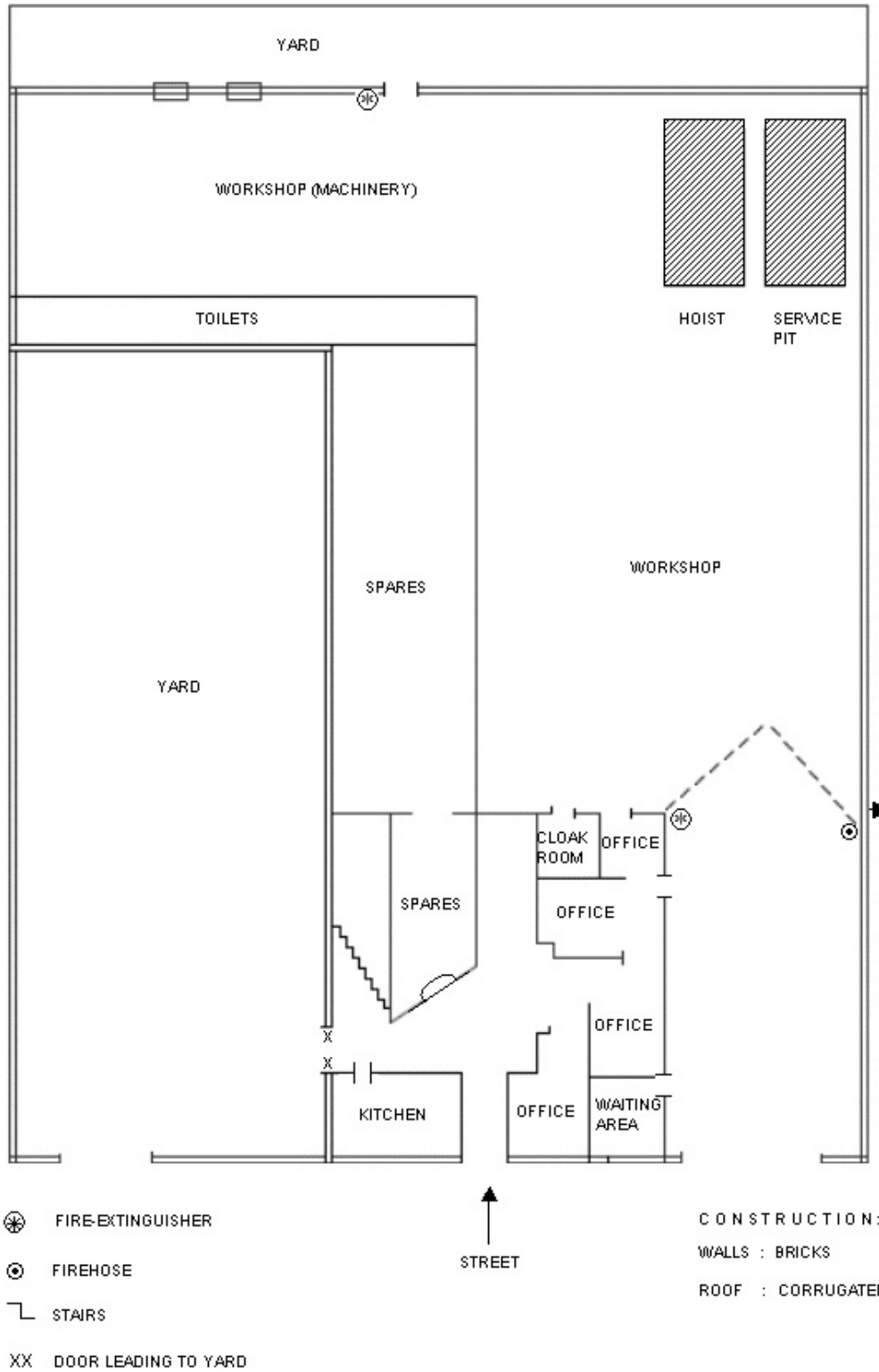
Extension: Legal defence costs R 10 000

OPTIONAL EXTENSIONS NOT APPLICABLE

Extension: Products liability
Extension: Wrongful arrest and defamation

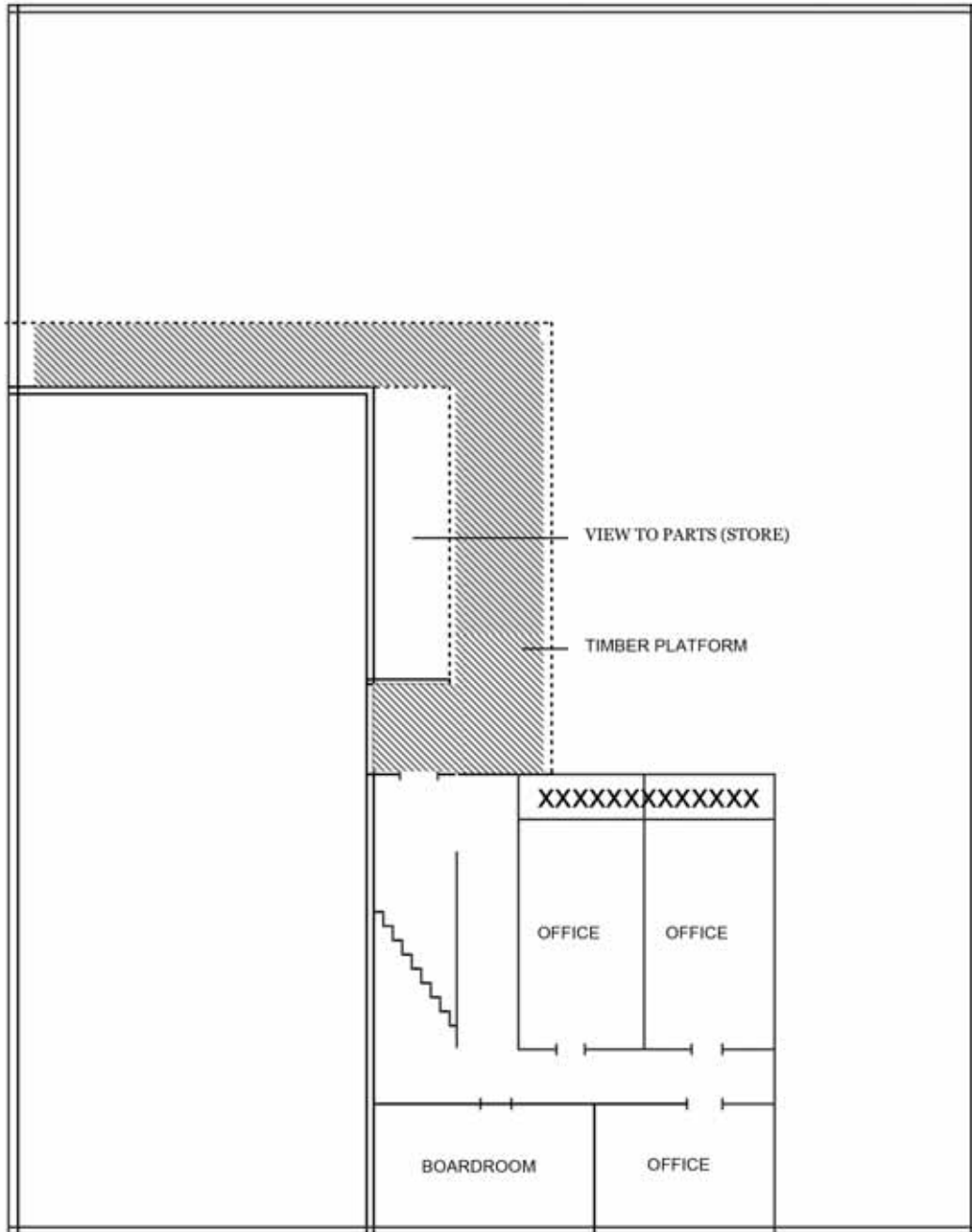


GROUND LEVEL





UPPER LEVEL



Insurable items

Mr M provides you with the following list of items to insure now that he is financially able to. This is in addition to the items already on his current policy.

He doesn't want any cover for riot and strike.

Rest of machinery and equipment	R 450 000
Stock in trade (parts)	R 500 000
Electronic equipment	
1 x 22" CTX Computer screen S/N OU7-75300583	R 2 450
1 x 133 Pentium 148 MB Computer S/N 011171126	R 4 300
1 x GEM Electronic lathe (electronic component is 35% of lathe)	R 100 000
2 x Electrical battery testing system (electronic component is 75% of system)	R 40 000
Cover for theft increase to	R 30 000
Cover for money	R 250 000
Hand tools and equipment taken along when technicians are on standby or are repairing vehicles at the premises of the client.	R 100 000 (replacement value) (limit per item R2 000)
Increase general public liability limit to	R2 000 000
Defective workmanship	R 100 000

TASK 1

Activity 1.1

(4)

(US120110;S01;AC1)
(US120110;S01;AC4)

Explain the difference between a proposer and an insured. Give an example of a proposer and an Insured.

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Activity 1.2

(10)

(US120110;S01;AC2)

Categorise the following risks referring to standard or non-standard risk, and give reasons for your answer.

RISK DESCRIPTION	STANDARD	NON-STANDARD	REASON
Business that does welding and works with flammable liquid			
Restaurant with thatch roof			
Office block for attorneys			
School			
Taxi operators			

Activity 1.3

(12)

(US120110;S02;AC1)

Which insurance section would you suggest to cover the following risks? Explain why you recommend that section.

RISK	SECTION	REASON
Factory building	(1)	(2)
Restaurant stock	(1)	(1)
School building	(1)	(1)
Glass windows of attorney office	(1)	(1)
Glass stock of PG Glass	(1)	(2)

Activity 1.4

(12)

(US120110;S02;AC3)

State any two liability risks which you identify with the following risks and indicate whether this is a high, medium or low risk.

1. Pick 'n Pay
2. School
3. Bakery
4. Hairdresser

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Activity 1.5

(15)

(US120110;S02;AC5)

Indicate which of the following risks would require a survey to be done. Give reasons for your answer, and indicate (where applicable) what you would request the surveyor to pay specific attention to.

RISK	SURVEY (YES/NO)	REASON	IF SURVEY IS REQUESTED, WHAT SHOULD THE SURVEYOR PAY SPECIFIC ATTENTION TO
School	(1)		(1)
Factory manufacturing tyres	(1)		(1)
Office block worth R250 million	(1)		(1)
Car manufacturer	(1)		(1)





Activity 1.6

(4)

(US120110;S04;AC4)

- (a) Explain the difference between the Net retention and Gross retention from a reinsurance point of view. (2)
- (b) Outline the major differences (in terms of application) between Treaty reinsurance and Facultative Reinsurance. (2)

(a)

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(b)

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TASK 2

- (US120110;S01;AC3)
- (US120110;S02;AC2)
- (US120110;S02;AC4)
- (US120110;S02;AC6)
- (US120110;S02;AC7)
- (US120110;S03;AC2)
- (US120110;S04;AC1)
- (US120110;S04;AC3)

Commercial Survey Report

- 2(a) Complete the survey report. Refer to the information provided by the insured below, the schedule of the current insurer provided by the insured, and the site map attached. (136)
- 2(b) Prepare a quote on the items already insured, as well as the items the client wants to add to the policy. (13)
- 2(c) Add your own recommendations after the quote. (21)



COMMERCIAL SURVEY REPORT

TICK FORM

DISCLAIMER

(US120110;S02;AC2)
 (US120110;S02;AC6)
 (US120110;S02;AC7)

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[12]

TO:	N/A	FROM BRANCH:	N/A
BRANCH:	N/A	SURVEYOR:	N/A
DEPARTMENT:	N/A	SURVEY NUMBER:	N/A
		POLICY NUMBER:	N/A
		QUOTATION NUMBER:	N/A
REFERENCE:	N/A	DATE:	N/A
REASON FOR SURVEY (new business, renewal, claim, underwriting):			
IS THE GENERAL RISK ACCEPTABLE?			
YES:			
YES, WITH REQUIREMENTS:			
NO:	REASON:		
DETAIL OF THE INSURED			
NAME OF INSURED:			
PHYSICAL ADDRESS:			
	POSTAL CODE:		
CONTACT PERSON:			
TELEPHONE NUMBER:			
OCCUPATION:			
DESCRIPTION OF ABOVE:			
GPS COORDINATES:			
WORKING HOURS			
MONDAY TO FRIDAY			
SUNDAY			
WHO IS ON THE PREMISES AFTER HOURS?			

FIRE TECHNICAL INFORMATION

(5)

FIRE AREA:	N/A	CONSTRUCTION CLASS:	N/A	BUSINESS CODE:	N/A
RETENTION CLASS:	N/A	OCCUPATION CODE:	N/A		
SAME RISKS				ITEMS – type in item numbers	SAME RISKS (001, 002)
FIRE:					
BUILDINGS COMBINED:				N/A	N/A
BUSINESS INTERRUPTION:				N/A	N/A
OFFICE CONTENTS:				N/A	N/A
HOUSEOWNERS:				N/A	N/A
HOUSEHOLDERS:				N/A	N/A
ACCOUNTS RECEIVABLE:				N/A	N/A
Is there another policy that must be linked to this policy? If yes, give policy number, section and items:					
SAME RISK DISTANCES (minimum)				N/A	
STANDARD TO STANDARD				15 METERS	
STANDARD TO NON-STANDARD				20 METERS	
NON-STANDARD TO NON-STANDARD				25 METERS	
THATCH TO STANDARD				30 METERS	
THATCH TO NON-STANDARD				30 METERS	
THATCH TO THATCH				30 METERS	
MAXIMUM PROBABLE LOSS – MPL PER BUILDING OR PER SAME RISKS: %					
All under one roof with free internal communication:	YES			NO	
Risks separated by fire break wall and/ or detached buildings:	YES			NO	
If in your opinion MPL less than 100%, supply site plan and explanation.					
MPL is applicable per building, or per same risks' buildings.					
HIGHEST SINGLE RISK:					

FIRE SURVEY REPORT

(55)

LOSS HISTORY (not on our system). ALSO DESCRIBE PRECAUTIONS TAKEN AFTER LOSS:			
LOCALITY:			
Industrial:	<input type="checkbox"/>	Commercial:	<input type="checkbox"/>
Isolated:	<input type="checkbox"/>	Residential:	<input type="checkbox"/>
Closed shopping centre:	<input type="checkbox"/>	Other:	<input type="checkbox"/>
Details (if other):			
Is the business nearer than one kilometer from a dam or river? If nearer, give name and			
DETAILS:		N/A	
CONSTRUCTION – ROOF:			
Standard:	<input type="checkbox"/>	Thatch:	<input type="checkbox"/>
		Other:	<input type="checkbox"/>
Details (if other):			
ROOF INSULATION (construction of ceiling):			
BOX GUTTERING:			
CONDITION OF GUTTERS:	Good: <input type="checkbox"/>	Poor:	<input type="checkbox"/>
ADEQUACY OF GUTTERS:	Yes: <input type="checkbox"/>	No:	<input type="checkbox"/>
SKY LIGHTS:	Yes: <input type="checkbox"/>	No:	<input type="checkbox"/>
	Plastic: <input type="checkbox"/>	Fibre glass:	<input type="checkbox"/>
WALLS:			
Standard:	<input type="checkbox"/>	Non-standard:	<input type="checkbox"/>
Details (if other):			
Is building older than 10 years?	Yes: <input type="checkbox"/>	No:	<input type="checkbox"/>
Number of floors:	Number of basements:		
CONSTRUCTION OF FLOORS:	Concrete: <input type="checkbox"/>	Timber:	<input type="checkbox"/>
CONDITION OF BUILDING:	Good: <input type="checkbox"/>	Poor:	<input type="checkbox"/>
		Average:	<input type="checkbox"/>
ADJACENT RISK EXPOSURE (COMPLETE EVERY BLOCK WITH Y OR N)			
RIVERS / CANAL:	Debris block-up: <input type="checkbox"/>	Informal settlements:	<input type="checkbox"/>
How far?			
Describe nearby businesses:			
Vegetation near building:			
Adjacent risk communicates:	Yes: <input type="checkbox"/>	No:	<input type="checkbox"/>



It is compulsory to complete the following section if there is no Theft section. It refers to Malicious Damage.

SECURITY

Chain link fence: <input type="checkbox"/>	Street lights: <input type="checkbox"/>	2m brick wall: <input type="checkbox"/>	
Flood lights: <input type="checkbox"/>	Access control: <input type="checkbox"/>	24 hr security: <input type="checkbox"/>	
Electric fence: <input type="checkbox"/>	CCTV: <input type="checkbox"/>	2m steel fence: <input type="checkbox"/>	
S.A.I.D.S.A alarm: <input type="checkbox"/>		Other alarm name: <input type="checkbox"/>	

ELECTRICAL

Municipal supply:	Own supply:		
Contact breakers – condition appears to be:	Sound: <input type="checkbox"/>	Otherwise: <input type="checkbox"/>	
Flexible extension leads noted:	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	
Are wall plugs overloaded?	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	

PROCESS (if major process is involved, describe on separate sheet)

None: <input type="checkbox"/>		Storage/retail/distribution only: <input type="checkbox"/>	
Heat process / welding / grinding: <input type="checkbox"/>	Flammable liquids: <input type="checkbox"/>	Quantity:	
Flammable liquids store – brick under concrete slab:	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	

LP GAS

Any gas installation on site?	Number of cylinders:	Size:	
Is wall block manifold in good condition?	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	
Are containers stored according to regulations?	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	
Explain how they are stored:			

STORAGE

RACKING:	Timber: <input type="checkbox"/>	Steel: <input type="checkbox"/>	
Are all goods susceptible to water damage stored on racking or pallets?	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	Height:

HIGH SHELVING

Steel poles must be installed in the floor at the corner of the shelves to prevent fork lifts from colliding against the shelves	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	How far?
Storage: neat tidy and well organised?	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	Height:
Risk congested:	Disorganised: <input type="checkbox"/>	Untidy: <input type="checkbox"/>	
Is the storage away from any sources of heat?	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	How far?





SPRAY PAINTING

Spray booth lighting: flash proof light units	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	
Extractor fan:	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	
Flammable liquids:	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	
Infra red lights:	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	
General condition:			
HOW IS IT POWERED?	Parafin: <input type="checkbox"/>	Electricity: <input type="checkbox"/>	Diesel: <input type="checkbox"/>

If parafin or diesel is used, explain where the container is stored, and what the capacity is:

DEEP FAT COOKING

How often are the extraction filters cleaned?	
How often is the ducting chimney cleaned?	
Is the ducting / chimney cleaned by a professional company once a year?	
Is there adequate ventilation?	

FIRE PROTECTION

Name of local fire brigade:			
Nearest fire station:		Km from risk:	
Appliances on site – hand held:	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	
Are all the apparatus installed according to regulations?	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	
Size:		Number of extinguishers:	
Service dates marked:	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	Last date:
Fire blankets:	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	
F class wet chemical:	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	
Extinguisher (deep fryers):	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	Number:
30m hose reels:	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	Number:
Service dates marked:	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	
Easy access to all appliances:	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	
Hydrant ring main:	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	
Automatic sprinklers:	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	
A.S.I.B. certificate valid:	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	
Sprinkler detail – contact number:			





Edition:		Supply:	
Hazard:		Stack Height:	
A.S.I.B. requirements:	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	
Is the main valve chained and padlocked in open position?	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	
WATER SUPPLY			
Municipal: <input type="checkbox"/>	Borehole: <input type="checkbox"/>	Other: <input type="checkbox"/>	
Borehole pump: <input type="checkbox"/>	Electric: <input type="checkbox"/>		
Smoke detectors:	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	
Are they linked to 24 hour zone? (A smoke detector at the distribution board is of importance)			
Fire alarm:	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	
Is a hot work permit system in place?			
Was a hot work permit handed to the client?			
Total of floor area:			
Floor area more than 2500 sq meters, and building erected after 1987 – sprinkler system is compulsory:			
Has the building been built before 1987 (sprinkler system not necessary):			
Has any of the staff had basic fire prevention training?			
Are power surge protectors used on the main distribution board?			
Are power surge protectors used at wall plugs and data lines?			
MANAGEMENT AND HOUSEKEEPING			
General standard:	Good: <input type="checkbox"/>	Average: <input type="checkbox"/>	Poor: <input type="checkbox"/>
Waste disposal:	Good: <input type="checkbox"/>	Average: <input type="checkbox"/>	Poor: <input type="checkbox"/>
Is smoking permitted?	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	
If no, were used smoking materials noted?	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	
Are "no smoking" signs on display?	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	
Specified rules for smoking (i.e. smoke areas, etc):	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	
ARE FLAMMABLE MATERIALS LOCATED AGAINST OR BETWEEN BUILDINGS?	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	
STORM AND FLOOD RISKS			
Explain the topography of the ground of the insured premises, as well as that of the surrounding area:			





S.A.I.D.S.A. approved:	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>
Type of system:	Radio:	Telephone line:
System acceptable?	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>
Is alarm system according to SAIDSA minimum installation standards?		
Describe any attractive goods / stock (e.g. cellphone airtime):		
Describe how the electronic equipment is protected:		
Are all back up information stored:		
At a different premises?	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>
In a fire proof safe?	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>
OPINION OF RISK		
Good: <input type="checkbox"/>	Average: <input type="checkbox"/>	Poor: <input type="checkbox"/>
Is the theft risk acceptable?	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>
See attached risk reduction requirements?	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>



MONEY SURVEY REPORT

[20]

	SAFES / STRONGROOMS			Underwriters please note:	
	No. 1	No. 2	No. 3	MAXIMUM LIMIT FOR SABS CAT SAFE	
Manufacturer:				SABS CAT	MAXIMUM LIMIT
No safe:					R 3000
S.A.B.S. Category:				0	R 5000
Key storage – day:				1	R 10 000
Key storage – night:				2	R 20 000
Max cash stored overnight:				2HD	R 40 000
Max amount of cash on site				2ADM	R 100 000
During daytime:				2ADMD3	R 125 000
				3	R 175 000
				4	R 350 000
				5	R 500 000
				Note: non- or pre- S.A.B.S safes and strongrooms, maximum limit is R2 500.	
Total number of receptacles:	Safes:	Cash tills:	Estimated values of cash in each:		
Is an alarm passive installed in the same room as the safe?					
Do they trade with phone cards?					
ATM					
Where is the ATM placed?	Inside premises:		Outside buildings:		
Who is responsible for the ATM?					
HOLD-UP RISK					
Late night trading?				Yes: <input type="checkbox"/>	No: <input type="checkbox"/>
Drop / chute-safe used:				Yes: <input type="checkbox"/>	No: <input type="checkbox"/>
Manufacturer of dropsafe:				Yes: <input type="checkbox"/>	No: <input type="checkbox"/>
time delay locks fitted:				Yes: <input type="checkbox"/>	No: <input type="checkbox"/>



Access control to premises:	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>
Notices on display:	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>
Keys kept by security company:	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>
Panic buttons available:	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>
C.C.T.V. used:	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>
The following section must only be completed if there is no theft survey on the policy:		
ALARM COVER	Manufacturer:	
Radio:	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>
SAIDSA approved:	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>
Siren:	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>
Armed response:	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>
Telephone line:	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>
Is alarm according to SAIDSA minimum?	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>
TRANSIT		
Professional carriers used for all banking?	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>
If "yes", name:		
Copy of deposit slip kept at office?	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>
Wages paid from cash:	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>
Wages made up in locked / separate cash office?	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>
Give a description of the cash office – explain the security and protection:		
Distance from bank:		
Frequency of banking:		
frequency of till clearing:		
CASH ON DELIVERY		
How often do they collect money per week?		
How much cash?		
How many drivers / roundsman?		
Are high crime areas visited?		
Yes: <input type="checkbox"/>	No: <input type="checkbox"/>	How often? <input type="checkbox"/>
Is a permanent money box (vehicle safe) installed inside the vehicle?	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>
See attached risk reduction requirements:	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>





Theft: (3)

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Money: (4)

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Electronic equipment: (5)

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Public liability:(1)

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(136)





– What sections would you like to give discount on the premium and give a reason? (4)

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– What physical protection would you recommend? (4)

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– What sections would require a high excess? (3)

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– What sections would require a lower excess? (2)

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TASK 3

Activity 3.1

(14)

(US120110;S02;AC8)

Mr M from Motolek wants to know what cover he has on the sections you have selected for him. Briefly explain the cover provided to Mr. M. Also indicate in there is optional cover added to the sections.

Refer to:

- **Fire section** (4)

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- **Money section** (1)

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- **Theft section** (3)

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- **Electronic Equipment section** (2)

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- **Business All Risks section** (2)

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- **Public liability section** (2)

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Activity 3.2

(3)

(US120110;S03;AC1)

How would you verify the following information given to you by Mr M from Motolek.

- (a) He has had his driver's licence for 20 years now. (1)
- (b) He bought the GEM Electronic Lathe for R250 000. (1)
- (c) He only had one fire claim and one burglary claim. (1)

(a)

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(b)

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(c)

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Activity 3.3

(4)

(US120110;S03;AC3)

Looking at Motolek's risk, identify.

- (a) A single risk that could be classified as a high risk, but being of a low frequency and explain your answer. (2)

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- (b) A single risk that could be classified as a low risk but being of a high frequency and explain your answer. (2)

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Activity 3.4

(5)

(US120110;S04;AC2)

Refer to the Public liability section.

Explain to Mr M :

- (a) (i) how the excess is applied (3);
- (ii) the main difference between a deductible and an excess (1).
- (b) He also wants to know if this is the same as self-insurance (1).

(a)(i)

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(a)(ii)

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US120110 ASSESSOR FEEDBACK

TASK 1		TASK 2		TASK 3		TOTAL
Activity 1.1	4	Survey	136	Activity 3.1	14	
Activity 1.2	10	Quotation	13	Activity 3.2	3	
Activity 1.3	12	Recommendation	21	Activity 3.3	4	
Activity 1.4	12			Activity 3.4	5	
Activity 1.5	15					
Activity 1.6	4					
SUB TOTAL	57	SUB TOTAL	170	SUB TOTAL	26	253

TOTAL	/253
PERCENTAGE	

C	NYC
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ASSESSOR DETAIL

Assessor name and surname:

Assessor signature:

Date:

Comments:

MODERATOR DETAIL

Moderator name and surname:

Moderator signature:

Date:

Comments:

UPHELD	OVERTURN
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DOCUMENT PROPERTIES

Designed for: Santam staff and intermediaries

Description: Santam Commercial Policy – Formative assessment 4

Course code: CL-SCP123

Version: Version 2.2

Last updated: 30 August 2019

Author: Learning and Development Services (CoE)





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