



Make sure you're covered for unforeseen mechanical breakdown.

AA Mechanical Breakdown insurance will assist with a payment towards a mechanical, electrical and electronic *failure* of your vehicle. This policy is also commonly known as a warranty policy.

You can select a cover plan that fits your vehicle's age.

With age and mileage, all moving and non-moving components deteriorate in a motor vehicle and the likelihood of *failure* increases. You need a warranty policy to protect you against vehicle failures.



Lombard Insurance Company Ltd. (Reg. no.1990/001253/06) is a licensed short-term insurer and an authorised Financial Services Provider (FSP No. 1596). Advantage Motor Protector (Pty) Ltd is the underwriting manager of the AA Warranties products and an authorised Financial Services Provider (FSP No. 45942).

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A. Introduction to the policy

We **promise** to 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 short-term insurer and an authorised Financial Services Provider. (FSP No. 1596). (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 includes an application, the policy schedule and the policy wording.

- 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 document replaces 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:

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



Examples to explain our T&Cs



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. Take the vehicle for an inspection



a. You must take your *vehicle* for an inspection at any of our AA Quality Assured Service Providers. We must receive your approved inspection report within 30 days after the *policy start date*.

b. It is your responsibility to have the *vehicle* inspected to activate the cover provided by the policy. If this is not done the policy will be automatically cancelled and you will lose your right to claim under this policy.

3. Service and maintain your vehicle



a. You must service your *vehicle* regularly at an accredited repairer 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.

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.

d. Make sure that the certificates in the *vehicle* service booklet are up to date and stamped. We may request proof of the service and the 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.

4. 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.

5. 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);
 - using your *vehicle* to carry out your trade, such as plumbers, electricians, builders, garden services, farmers, etc.

6. 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**.

7. 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**.

- 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.

8. You must have financial insurable interest in the vehicle



a. You must have a financial interest in the *vehicle* during the *period of insurance*. This means that you must be the owner of the *vehicle*, or the owner of the credit agreement for the *vehicle*.

b. You must tell us in writing if you are no longer the owner of the *vehicle*. If ownership changes, this policy will automatically cancel and you will lose your right to claim. We will refund any premium paid since change of ownership.

9. 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 service provider to repair the odometer.

10. 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*.

11. Tell us if your vehicle is 15 years old or reaches 300 000km



a. This policy cover expires after a certain period. You will only have cover until the vehicle reaches 15 years and/or 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*.

12. 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 claim paid.

c. We will take legal steps to recover damages from you.

C. Benefits

Cover Plan Table	Cover limit Breakdown benefit	Car hire	Cash back
1. Chrome	R 7 000	No	No
2. Bronze	R 10 000	Yes	Yes
3. Silver	R 20 000	Yes	Yes
4. Gold	R 30 000	Yes	Yes
5. Platinum	R 40 000	Yes	Yes
6. Titanium	R 50 000	Yes	Yes

1. Mechanical breakdown cover

1.1 Insured event



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 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 for only the labour, or for only 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 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 component covered 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 (optional)



You can double your *cover limit* for an added premium. If you have selected and stated in the schedule to double your *cover limit*, you will have twice the *cover limit* breakdown benefit.

This benefit option is not available to you if your *vehicle* is more than 12 years old and/or has completed more than 250 000km.

1.5 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.

Breakdown Benefit Table Components	Covered <i>parts</i> 	No cover 
Engine	<p>We cover all internal lubricated <i>parts</i>:</p> <p>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, cylinder head(s), exhaust manifolds, intake manifolds.</p> <p>Engine block and cylinder bores are covered only if damage occurs due to <i>failure</i> of the covered <i>parts</i>.</p>	<p>We do not cover:</p> <p>decarbonisation: the removal of carbon from the piston crown and combustion chamber roof; <i>failures</i> caused by build-up of carbon; burnt or bent valves, pulleys or external tensioners; external securing bolts, corroded bolts; routine cam belt replacements, exhaust gas recirculation valve</p>
Manual gearbox	<p>We cover all internal lubricated <i>parts</i>:</p> <p>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.</p>	<p>We do not cover:</p> <p>clutch plate, pressure plate, clutch fork, clutch cable; external damage to transmission or transfer cases; external securing bolts.</p>
Automatic gearbox	<p>We cover all internal lubricated <i>parts</i>:</p> <p>torque converter, gears, clutches, brake bands, drums, servos, vacuum modulator, solenoids, bearings, bushes, oil pump, shafts and valve body, oil cooler, external shift linkage, transfer box components, transmission mounts, seals and gaskets.</p> <p>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.</p>	<p>We do not cover:</p> <p>external damage to transmission or transfer case(s); external securing bolts.</p>
Differential	<p>We cover all internal lubricated <i>parts</i> for front, rear, four wheel and rear wheel drive:</p> <p>crown wheel and pinion, pinion bearings, spider gears, thrust washers, pins, carrier housing and carrier bearings, half shafts, locking hubs, seals and gaskets.</p> <p>The drive axle housing is covered only if the damage is due to <i>failure</i> of a listed differential <i>part</i>.</p>	<p>We do not cover:</p> <p>external damage to axle housing(s); external securing bolts.</p>

Breakdown Benefit Table Components	Covered parts 	No cover 
Trans-axle (front wheel drive unit)	<p>We cover all internal lubricated <i>parts</i>:</p> <p>gears, shafts, synchro hubs and rings, bearings, bushes, internal shift selectors, crown wheel and pinion, pinion bearings, spider gears, thrust washers, carrier housing and carrier bearings, external shift linkage, transfer box components, seals and gaskets.</p> <p>The trans-axle/transfer case is covered only if the damage is due to <i>failure</i> of a covered axle <i>part</i>.</p>	<p>We do not cover:</p> <p>external damage to the trans axle or transfer case; external securing bolts.</p>
Propeller shaft	<p>We cover the propeller shaft-tube, universal joints, front yoke, rear flange and centre support bearing.</p>	<p>We do not cover:</p> <p>clutch plate, pressure plate, clutch fork, clutch cable; external damage to transmission or transfer cases and external securing bolts.</p>
Drive shafts	<p>We cover all internal lubricated <i>parts</i> of the CV joints, universal joints and half shafts.</p> <p>Half shafts are covered only if the damage is due to <i>failure</i> of a covered <i>part</i>.</p>	<p>We do not cover:</p> <p>the protective rubber boots; <i>failure</i> of the CV joints if the protective boots were damaged and therefore exposed to elements.</p>
Suspension - front and rear	<p>We cover the:</p> <p>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.</p>	<p>We do not cover:</p> <p>replacement of struts, springs, leave springs, shock absorbers.</p>
Braking system	<p>We cover the:</p> <p>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.</p>	<p>We do not cover:</p> <p>brake discs, brake drums, disc pads, brake shoes and linings.</p>
Steering mechanism	<p>We cover all internal lubricated <i>parts</i> of the steering rack and pinion, or steering box. For example:</p> <p>power steering pump and reservoir, tie rod steering column coupling, steering damper, seals and gaskets; steering gear housings, reservoir and pump housings are covered if the damage is from <i>failure</i> of a covered steering <i>part</i>.</p>	<p>We do not cover:</p> <p>external damage to steering gear, reservoir and pump housings; damaged protective boots and the resultant damage to the steering rack; piping, hoses and belts.</p>

Breakdown Benefit Table Components	Covered parts 	No cover 
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.	We do not cover: fuel system corrosion/contamination, glow plugs and service related items; calibration of fuel pumps or injectors, <i>failure</i> caused by incorrect fuel injector function or fuel pump timing.
Cooling system	We cover the: radiator, heater radiator, water pump, welsh plugs, thermostitch, thermostat and its housing, engine fan motor, engine fan viscous clutch, oil cooler, seals and gaskets.	We do not cover: radiator cap, expansion tank cap, blocked radiators, hoses, corroded pipes, pulleys and belts or fan blades; external damages or losses caused by external damage; foreign matter blocking or entering the cooling system.
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 sun roof motor.	We do not cover: switches and relays; batteries, globes, lamp assemblies, wiring and serviceable items such as brushes or bushes.
Electronic ignition	We cover the: amplifier module and trigger unit; coil packs and distributor.	We do not cover: high tension leads, distributor cap, rotor and spark plugs; the ignition switch, barrel and key.
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 sun roof control, original security system, cruise control and automatic temperature control.	We do not cover: the remote control or electronic key for the security system; air bags and its sensors.
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.	We do not cover: rectification of gas leaks, re-gassing, receiver dryer unit (maintenance), belts, pipes, hoses and service related items, heater matrix and hosing.

Breakdown Benefit Table Components	Covered parts 	No cover 
Wheel bearings	We cover the: front and rear hub assemblies, front and rear wheel bearings, seals and gaskets.	We do not cover: <i>failure</i> because of accident damage or lack of lubricant.
Turbo or superchargers / air pump	We cover the: turbo charger unit /super charger unit.	We do not cover: pipes and hoses.
Other	We cover the: speedo cable, window winder regulators, door and boot locks, bonnet and tailgate gas struts.	We do not cover: entertainment equipment, glass, tyres, body parts, paint, trimmings and fittings; warped cylinder heads, cracked cylinder heads; collapsed piston or piston rings, or <i>failure</i> of the cylinder head gaskets amplifier module; damage to casings caused by corrosion, or because of the lack of anti-freeze; damage from oil leaks or oil leaks themselves.



2. Car hire



We offer car hire if a breakdown happens more than a 100km radius from your home. We will pay for 24-hour car hire to complete the journey or to return home. The hired vehicle will be a class B vehicle and is subject to availability.

The car hire benefit is available after 30 days from the *policy start date*. You must qualify for a rental car under the rental company's terms and conditions.

The benefit is limited to R1000 per incident, maximum one incident per 12 months.

3. Cash-back reward



If you don't claim for 24 months and have 24 uninterrupted premium payments during the *period of insurance*, we will pay back 10% of all premiums paid in that 24 month period.

The claim-free cycle starts on the *policy start date* and is reviewed every 24 months to determine your cash back reward.

We will give you a cash voucher to spend at any of our AA approved suppliers. Your cash-back reward will be lost if we pay any claim before 24 months. If the policy is cancelled and reinstated, the claim-free period will start again after the reinstatement date.

If you decide to withdraw a claim to protect your cash-back reward, your claim cannot be reviewed if you have another claim at a later stage.

D. We do not cover



1. We do not cover the *parts* if not listed under the Covered *Parts* column in the Breakdown benefit table.



2. 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 you 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
	Overloading
	Over-rewing
	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
	Wrong fuel and over/under fuelling
	Ionising, radiation or contamination by nuclear events and substances
	Civil commotion, labour disturbances, riot, strikes, war, terrorism and similar events



3. We do not cover *failures* if you use the *vehicle* for the following purpose

- racing, rallies, speed or other contests;
- carrying a greater load or more passengers than the *vehicle* is designed or licensed to carry;
- commercial uses.



4. 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 manufacturers warranty.



5. Pre-existing failures

We do not cover pre-existing damage where the cause of failure, was before the *policy start date*.



6. This policy is not a maintenance or service plan.

We do not cover any routine maintenance or maintenance related failures to *parts* such as:

- routine cam belt 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;
- *parts* that did not break but were replaced at the time of repairs;
- repair of rust, paintwork, bodywork or corrosion.

7. We will not cover *wear and tear*.



Example: A bearing in the alternator that begins to wobble and squeak because it is worn out. Or when your vehicle's clutch has become worn over time and starts to slip after you change gears. Or the gradual loss of engine compression that requires new valves or rings.

8. We do not cover *failure of parts* if repairs were done poorly. It includes



vehicles that have not been serviced to the manufacturer's specifications or by an approved service provider.

9. We do not cover a *failure* if we are unable to confirm the



actual mileage of the *vehicle* at the time of a claim or if we discover that the distance recorder has been disconnected or tampered with.

10. 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 *parts*, exterior trim, interior trim and fittings, upholstery, carpets and seat covers;
- from fitting experimental units or modifications, other than those approved by the *vehicle's* original manufacturer;
- Glass, windscreen, windows or any form of lights, plastic or lenses

11. We do not cover *consequential loss*.



Example: If your *vehicle* breaks down on the way to a holiday, we will cover you for the *failure of parts* listed, but we will not pay for loss you may suffer to travel and holiday arrangements.

12. We do not cover any *resultant damage*.



Example: If the radiator on the *vehicle* fails and as a result the engine seizes, the seizing of the engine is the *resultant damage* that we do not cover. However, we would cover the radiator.

13. We do not cover *failure of a part* caused by *detonation* or *pre-ignition*.



Example: incorrect fuel pressure or ignition timing.

E. General conditions for cover

1. Territorial limits

All repair 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*, excess 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. Drivers license

Any person driving this vehicle must have a valid South African drivers license.

F. 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, 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 15-day grace period (extra time) from the *premium debit date* for you to pay your premium. This grace period does not apply to the payment of the first premium.
- 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 will attempt to debit the bank account again. If we can collect the premium, your policy will continue.

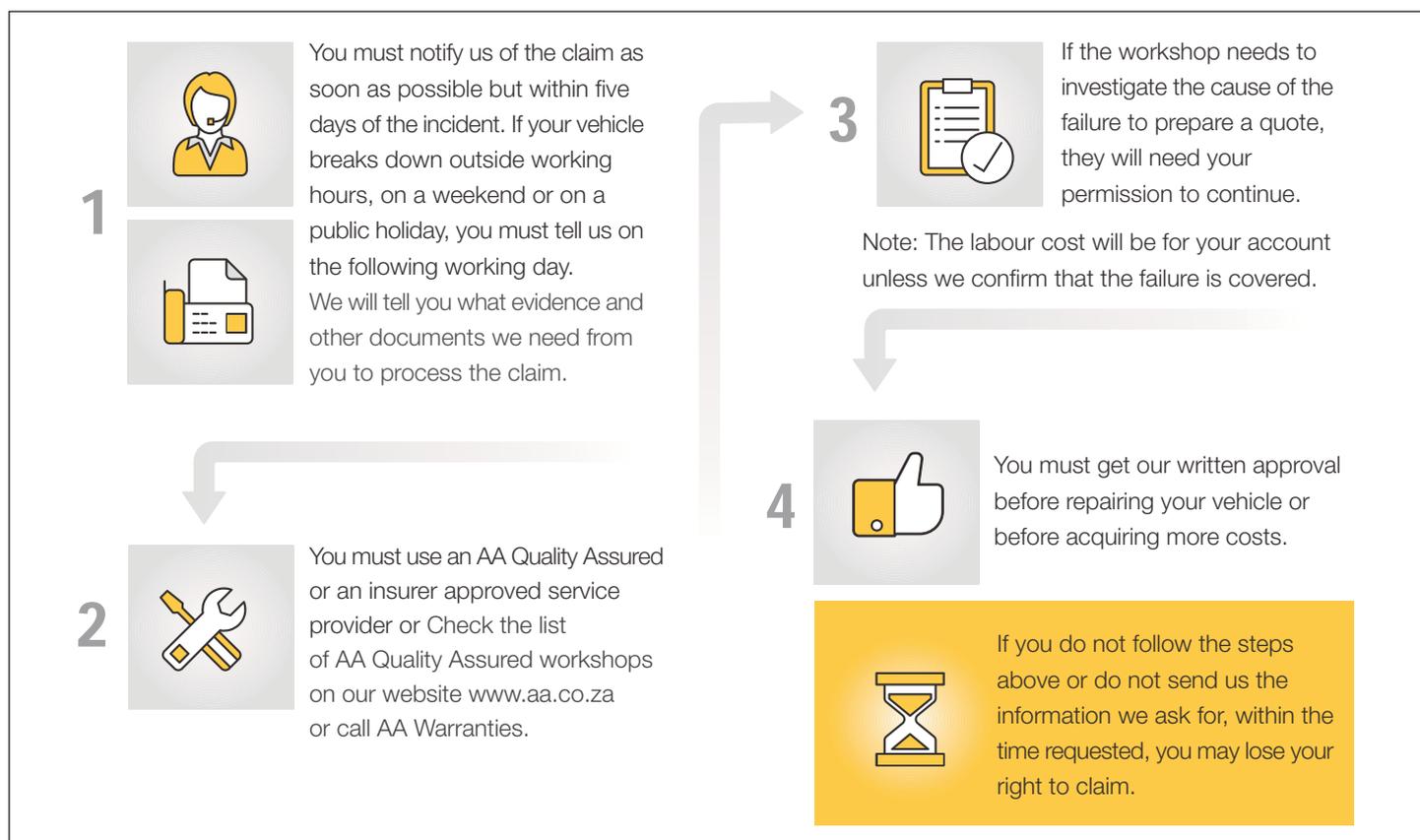
- b. If we do not receive the payment after 15 days, the policy will end on the last day of the month for which a premium was received. We do not have to reinstate your policy.
- c. We will honour a claim that arises during the grace period if it is a valid claim. The unpaid premium will be deducted from the benefit amount.

G. Claims made easy

1. Your responsibilities before you claim

- a. If a *part* has *failed*, first check that the *part* is listed under the **Breakdown benefits table**.
- b. You may not claim for any benefit during the first 30 days after the *policy start date*.
- c. Make sure that the workshop is an approved service provider. Check the list of AA Quality Assured workshops on our website www.aa.co.za or call **AA Warranties**.

2. Claims process for mechanical breakdown incidents



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 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 the AA Quality Assured or insurer approved service providers
 - We will pay the service provider directly, or we will refund you for the cost of the 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 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.

Days from policy start date	Excess
0 – 30 days	Waiting period. 100% of claim for your own account
31 – 60 days	Pay 50% of the claim amount
61 – 89 days	Pay 25% of the claim amount
90 days +	Pay R500 per claim AA members DO NOT PAY excess 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.

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 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.

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.

- b. 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.
- c. 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.
- d. 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 you may suffer because of your <i>vehicle's</i> breakdown.
detonation	<p>When the air and fuel mixture in the cylinder of an engine spontaneously ignites.</p> <p>With extreme heat the mixture in the chamber can ignite automatically. Normal combustion is initiated by the spark plug.</p> <p><i>Detonation</i> happens after the spark plug has fired.</p>
excess	the first amount you 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 Breakdown benefit table . This does not include any routine maintenance or <i>vehicle services</i> .
limits, cover limit	<p>This is the maximum amount that we will pay for each benefit to:</p> <ul style="list-style-type: none">- repair or replace your <i>vehicle parts</i> after the <i>insured event</i>;- provide car hire. <p>The insured chooses a cover limit for the breakdown benefit.</p> <ul style="list-style-type: none">- 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. <p>The maximum amount payable for each and every <i>insured event</i> as set out in the Cover Plan Table under Benefits. Your cover plan and <i>limits</i> are set out in the policy schedule.</p>
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	<p>The cover period that starts on the <i>policy start date</i> and is monthly renewable if we receive the premium on time.</p> <p>Cover for mechanical breakdown will be effective 30 days after the <i>policy start date</i>.</p>
policy start date	The date when we accept your cover on condition that we receive your 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 .

H. Definitions

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 we 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 of a part</i> that is caused by faulty workmanship, or by the <i>failure</i> of any other <i>part</i> .
vehicle	<p>The <i>vehicle</i> listed in the policy schedule.</p> <p>Vehicles covered:</p> <ul style="list-style-type: none">- light motor <i>vehicles</i>, mini-buses, light delivery and panel vans with a gross <i>vehicle</i> mass not exceeding 3 600kg. <p>Vehicles excluded from cover:</p> <ul style="list-style-type: none">- 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> .