



Policy Document

MOTOR POLICY

LORDS
— INSURANCE —
Guarding Your Tomorrow.

SECTION 07:

MOTOR POLICY

This policy represents a motor insurance contract between Lords Insurance Company and the Insured as named in the attached schedule, which forms part of this agreement. Your completed proposal and declaration—whether provided verbally or in writing—are also considered part of this policy.

Coverage under this policy is conditional upon the payment of premiums for the insured period, and is subject to all terms, conditions, exclusions, and provisions contained herein.

This policy applies to the following vehicle types:

- Private motor vehicles
- Light delivery vehicles with a gross vehicle mass not exceeding 3,500 kg
- Motorcycles
- Caravans and trailers with a load capacity not exceeding 750 kg

SCOPE OF COVER

1.Comprehensive

- **Own Damage** – We will indemnify you for damage to your vehicle as described in the Schedule (including its accessories, permanent fittings and any spare parts in or on it) against loss or damage in accordance with the indicated Scope of Cover.
- **Third party Liability** – We will pay for the loss or damage for which you are legally liable to a third party if the legal liability arises from an insured event involving the insured vehicle as out in the Third-Party Liability Section.

2.Third Party, Fire and Theft

We will indemnify you against loss of or damage to the insured vehicle stated in the schedule, and its permanently fitted accessories and spare parts due to fire, lightning, explosion, self-ignition or from theft or attempted theft.

We will also pay for the loss or damage for which you are legally liable to a third party if the legal liability arises from an insured event involving the insured vehicle as out in the Third-Party Liability Section.

3.Third Party Only

We will only pay for the loss or damage for which you are legally liable to a third party if the legal liability arises from an insured event involving the insured vehicle as out in the Third Party Liability Section.

SUB-SECTION 1 LOSS OF OR DAMAGE TO THE VEHICLE/S

1.OUR INDEMNITY TO YOU

Loss or damage to the vehicle

- 1.1.** Cost of repairs to the vehicle described in the schedule as a result of accident, fire, storm, hail damage, theft or attempted theft, hijack or malicious damage.

1.1.1 If the vehicle or any part of it is lost or damaged, we will at our option indemnify you by paying for its repair by a repairer acceptable to us or replacement or the amount of the loss or damage, less the first amount payable.

If the vehicle is the subject of an instalment sale or lease agreement any money due to you will be used first towards the repayment of the debt under the agreement. The receipt by the owners referred to in the agreement will be a complete discharge to us for the repayment.

1.1.2. If the Schedule records that the Replacement Cost is insured, the Company's liability for a vehicle that within one year (12 months) of its registration as new is lost or stolen and not recovered; or so damaged that the estimated cost of repair exceeds 70% of the new list price inclusive of VAT at the date of the damage, will be the current cost of a new vehicle of the same or similar make and model provided that the Maximum Indemnity is not less than the new list price at the date of purchase inclusive of VAT.

- 1.2.** If the vehicle has been stolen or hijacked or if the vehicle is deemed by us to be a write-off, we will replace the vehicle, or at our option we will pay you the Sum Insured as stated in the schedule or the retail value, whichever is the lesser.

- 1.3.** In all cases we reserve the right to determine whether to repair, replace or reinstate and to determine the place of such repair, replacement or reinstatement.

2.ADDITIONAL BENEFITS

You will only have the following additional benefits if your vehicle is insured under class of use 1.

- 1. Medical Expenses** – If any occupant of the insured vehicle sustains bodily injury in direct connection with the vehicle, we will reimburse actual medical expenses up to a maximum amount of P2 500 per occurrence provided that only you claim the benefits on behalf of the injured parties.
- 2. Loss of Keys** – We will reimburse you for the cost of replacing your vehicle's locks and keys including the remote alarm controller and if necessary, the reprogramming of any coded alarm system up to an amount of P5 000 any one event following the disappearance of any key or of the remote alarm controller of the insured vehicle.
- 3. Protection And Repair** – We will pay you not more than P5 000 for the protection, storage and removal of the vehicle to our Assessing Centre in respect of vehicles damaged within a radius of 200km from Gaborone or the nearest repairer for areas more than 200km from Gaborone or in the territorial limits of The Republic of Botswana, Eswatini, Lesotho, Mozambique, Namibia, South Africa, Zambia and Zimbabwe.
- 4. Emergency Repairs** – You may authorise repairs to the vehicle up to P5 000 without our consent provided that you provide us with a full itemized quotation, invoice as well as photographic evidence of the damage subject to the claim being payable under this policy.
- 5. Delivery after Repair** – After repair, we will pay up to a maximum of P2 500 for the delivery of your vehicle to your address in the territorial limits of the Republic of Botswana, Eswatini, Lesotho, Mozambique, Namibia, South Africa, Zambia and Zimbabwe.

- 6. Radios** – The limit in respect of loss or damage to Car Radios by theft or attempted theft from the vehicle is limited to P3 000 any one event. This limit will include damage to the car by theft or attempted theft.

A claim for a Radio will not be regarded as a Claim in terms of the Claims Free Group.

Radios in terms of this Section shall mean Radios not fitted as original equipment and fitted subsequently, Speakers, Citizen Band Radios, Tape Decks, Tapes and other ancillary equipment.

- 7. Window Glass and Windscreen** – We will pay for damage to window glass of the vehicle without alteration of the claim-free group, but you will pay the window glass excess amount shown in the schedule, of every claim.

- 8. Fire Extinguishing Costs** – In addition to the Limit of Indemnity shown in the schedule we will pay any costs not exceeding P5 000 related to the extinguishing or fighting of fire provided that you are legally liable for such costs and your vehicle was on fire or was in danger of being damaged by fire.

9. New for Old

If the insured vehicle stated in the schedule is stolen and not recovered or is damaged beyond economical repair within 6 months of first registration as new and the vehicle has travelled less than 15,000km's. We may replace the vehicle or, at our option, pay you up to the current purchase price at the time of the loss (including VAT) less any appropriate discount and excess applicable but not more than the Sum Insured stated in the schedule.

3. DEFINITIONS

Imported Vehicles (Grey imports)

These will be defined as "imported new or secondhand motor vehicles assembled outside the SADC region or without dealerships for new models in the SADC region" You are required to disclose at the proposal stage that your vehicle is a grey import.

- a.** The sum insured of such vehicles shall be the sum of the purchase price, duties levied, delivery costs and other related costs.
- b.** The valuation of the vehicle at any given period shall be calculated by depreciating the sum insured at a rate of 0.75% per month from the date of purchase.
- c.** An inspection of the vehicle shall be carried out by one of our employees, selected panel of motor assessors or an agent approved by Lords Insurance.
- d.** Prices for parts for such vehicles will be limited to the cost of a part of a similar or nearest to a SADC model.

4. OPTIONAL EXTENSIONS (IF STATED ON THE SCHEDULE TO BE INCLUDED)

1. Credit Shortfall

If you are the first registered owner of the vehicle insured under this policy and the vehicle is irreparably damaged or stolen (and not recovered within 6 weeks) and the reasonable market value on the date of such damage or theft is less than the amount owing by you under a valid instalment sale or leasing agreement, we will, subject to your vehicle being adequately insured and also subject to the total payments in respect of the said loss or damage not exceeding the maximum balance outstanding on your credit facility with the bank, make an additional payment of 20% of the insured value to off-set the difference between the market value or sum insured of the vehicle and the outstanding balance on the credit facility.

- 1.1.** any payments and/or any interest in arrears on the date of the damage or theft, and
- 1.2.** any discount in respect of finance charges and/or interest for the unexpired term of such instalment sale or leasing agreement on a date not exceeding 30 days after the date of the damage or theft, and
- 1.3.** any monthly or interim payment which on the date of the damage or theft has not been made solely because such payment in terms of the conditions of the particular agreement has not actually become due other refundable due to you.

2. Deletion Of First Amount Payable – All Damage Claims (Excess Buy Back) (If Stated In The Schedule To Be Applicable)

In consideration of the payment of an additional premium, we hereby agree to:

- i.** waive the basic excess only, if so stated in the schedule, or
- ii.** waive the theft and hi-jack excess only, if so stated in the schedule, or
- iii.** waive both the basic, theft and hi-jack excess only, if so stated in the schedule.

This extension will not waive any other cumulative, windscreen or any other extension excesses as stated in the wording or the schedule.

5.SPECIFIC EXCLUSIONS TO SUB-SECTION 1

We will not be liable for

- a)** damage to or seizing up of the engine or any other part or parts due to loss of water, oils or lubricants by any cause whatsoever.
- b)** Claims where there was failure to provide a breath specimen to a police officer or any other recognized authority for purposes of analysis of alcohol level.
- c)** Claims where the driver/Insured failed, without reasonable cause in Lords opinion to remain on the scene of the accident.
- d)** depreciation, wear and tear, mechanical or electrical breakdown failure or breakage
- e)** damage to the engine or tyres unless some other part of the vehicle is damaged at the same time.
- f)** damage to suspension systems due to inequalities of the road, potholes or other surfaces or impact with such inequalities.
- g)** loss or damage resulting from incorrectly maintaining or fueling your car or from the use of substandard fuel,
- h)** lubricants or parts.

6.SPECIAL PROVISION

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein, this section is extended to cover damage directly occasioned by or through or in consequence of:

- a)** civil commotion, labour disturbances, riot, strike or lockout;
- B)** the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in (a) above;

provided that this extension does not cover:

- a)** loss or damage occurring in the Republic of South Africa and Namibia;
- b)** consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured;
- c)** loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;
- d)** loss, damage, cost or expense directly or indirectly arising from dispossession, detention, confiscation, forfeiture, impounding or requisition legally carried out by customs, police services, crime prevention units or other officials or authorities

- e) loss or damage related to or caused by any occurrence referred to in general exception 1 (A)(ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence. If Lords alleges that, by reason of proviso a), b), c), d) or e), loss or damage is not covered by this section, the burden of proving the contrary will rest on You.

SUB-SECTION 2 LIABILITY TO THIRD PARTIES

1. The Policyholder is insured against legal liability for the payment of damages, costs and expenses and against any costs and expenses incurred with the Company's written consent in consequence of
 - death or bodily injury to any other person who is not a member of your household or in your employ, or any fare-paying passengers in the vehicle;
 - damage to property not belonging to you or any member of your household.
2. You are similarly covered whilst driving a vehicle not belonging to you or a member of your household provided that:
 - it is not subject to a credit/lease agreement; and
 - is not covered by another insurance policy;
 - damage to the said vehicle is excluded.

The maximum limits of our liability in respect of 1 and 2 above are:

Liability consequent on fire or explosion **P2 500 000.**

Passenger liability **P2 500 000.**

Any other one event **P2 500 000**

SPECIFIC EXCLUSIONS TO SUB-SECTION 2

This sub-Section does not insure liability

1. for the death of or injury to a member of the Policyholder's household or an employee of the Policyholder if the death or injury arises out of or in the course of such employment, or a person being carried in or on any trailer or caravan attached to the vehicle, or (if the vehicle is a trailer or caravan) a person being carried in or on or getting off or on to the vehicle;
2. for damage to property belonging to the Policyholder or any member of Your household or in Your possession under the terms of any agreement to lease or hire or rent or otherwise, or property being carried in or on the vehicle or any trailer attached to the vehicle;
3. for so much of any damages, costs or expenses as is covered by any relevant Compulsory Motor Vehicle Insurance legislation;
4. more than P2 500 000 including all costs and expenses for any one accident or series of accidents arising out of one event.

SPECIFIC PROVISION APPLICABLE TO SUB-SECTION 2

The Company may at its discretion nominate a legal representative to attend any inquest, inquiry or criminal proceedings arising out of any death, injury or damage provided that the Company agrees to pay the costs of such representation.

SUB-SECTION 3 MEDICAL EXPENSES

The Company insures under this sub-Section the cost of medical expenses not exceeding P2 500 per person per accident and not otherwise recoverable for treatment of a bodily injury sustained by the driver or occupant of any vehicle insured comprehensively hereunder (other than a motorcycle, caravan or trailer) the direct result of an accident involving such vehicle.

SPECIFIC EXCLUSIONS

This policy does not insure any loss, damage, liability, medical expenses or compensation resulting from an accident occurring

- (i) outside the territorial limits of the Republic of Botswana;
- (ii) as the result of the Policyholder being under the influence of intoxicating liquor or drugs;
- (iii) in connection with the use of any vehicle by the Policyholder or of an insured vehicle by anyone else with the Policyholder's permission if not properly licensed to drive such vehicle in accordance with the laws of the territory concerned but this exclusion shall not apply if any law or regulation applicable to learner drivers is being observed or if the licence is not valid at the time purely because of a failure to renew it, provided that the driver concerned has held a valid renewable licence and is not disqualified from renewing it.
- (iv) in connection with the use of an insured vehicle by the Policyholder or by any one else with Your permission otherwise than in accordance with the description of use;
- (v) while the vehicle involved is being used with the Policyholder's permission by anyone known by him/her to be under the influence of intoxicating liquor or drugs.

SPECIFIC CONDITIONS

1. Traffic Offences or Endorsement Suspension or Cancellation of Driving Licences

Prompt notice must be given to the Company of the endorsement, suspension or cancellation of the Policyholder's driving licence or that of any person who regularly drives an insured vehicle or of any charge or proceedings relating to reckless or negligent driving on Your part.

2. Average

If the vehicle insured is, at the commencement of any loss or damage to it, of greater value than the sum insured thereon, then the insured shall be considered as being their own insurer for the difference and shall bear a ratable share of the loss accordingly.

3. Deductibles

All limits are subject to the deduction of the amounts specified in the Table of Deductibles, which amounts are cumulative and apply to each and every claim, each and every insured vehicle.

4. Description of Use

Class of Use 1

Use for social, domestic and pleasure purposes including use by the Insured for journeys between your home and your permanent place of business provided that business calls are not made on the journey but excluding use in connection with any business or profession, the carriage of goods for trade purposes, hiring, carriage of passengers for hire or carriage or fare-paying passengers, commercial, travelling, driving instruction for reward, racing, speed or other contests, rallies, trials or use for any purpose in connection with the motor trade.

Class of Use 2

Use for social, domestic and pleasure, business and professional purposes excluding hiring, carriage of passengers for hire or carriage of fare-paying passengers, commercial travelers, driving instruction for reward, racing, speed or other contests, rallies, trials or use for any purpose in connection with the motor trade.

Class of Use 3

, domestic and pleasure purposes but you will not be insured for travel to and from work, business and professional purposes, hiring, carriage of passengers for hire or carriage of fare-paying passengers, driving instruction for reward, racing, speed or other contests, rallies, trials or use for any purpose in connection with the motor trade. The term "motor trade" will not invalidate any cover provided to you while the vehicle is in the custody or control of any member of the motor trade and used for its maintenance or repair.

GENERAL EXCLUSIONS

We will not be liable for any accident, injury, loss, damage or liability whatsoever, resulting from:

1. consequential loss as a result of any cause whatsoever, depreciation in value whether arising from repairs following Damage or otherwise;
2. mechanical, electrical or electronic breakdown, failures or breakages, gradual causes such as wear and tear, rust, mildew, corrosion or decay;
3. damage to tyres caused by the application of brakes, or road punctures, cuts or bursts;
4. damage to the suspension, springs or shock absorbers caused by uneven roads or other uneven surfaces or due to impact with such unevenness;
5. damage to the vehicle caused by or attributable to an un-roadworthy condition of the vehicle;
6. damage to any vehicle as a result of detention, confiscation or requisition by customs or other officials or authorities;
7. while the insured vehicle is used for any other purpose than what is noted in the schedule and/or stated on the proposal form;
8. incurred outside the Republic of Botswana, Eswatini, Lesotho, Malawi, Mozambique, Namibia, South Africa, Zambia, Zimbabwe but will indemnify you against Damage to any vehicle while in transit by sea between ports in these territories including loading and unloading incidental to such transit;
9. while been driven or towed by you, your driver or any other person with your express or implied consent, who at the time and place of the loss was or is under the influence of alcohol or where the alcohol concentration of the driver's blood exceeds the statutory legal limit, or where the driver is under the influence of drugs or where the driver of the insured vehicle refuses to submit to a breathalyser and or blood alcohol test required by a lawful authority in order to determine the driver's alcohol content level at the time of the loss;
10. while being driven by any person with your express or implied consent, who is not duly and fully licensed to drive the insured vehicle in terms of the legislation applying to any territory within the territorial limits. This exclusion does not apply whilst the person driving the insured vehicle is learning to drive, and is complying with the laws and regulations in force relating to learner drivers;
11. arising from or in connection with any exchange, cash or credit sale agreement, including theft under false pretence and/or fraud;
12. if any insured vehicle stated in the Schedule does not comply with the requirements of roadworthiness of any Road Traffic Act within the territories where the vehicle is driven;
13. we shall not be liable for any claim arising from contractual liability, unless such liability would have attached to you notwithstanding such contractual agreement.

14. Loss or damage resulting from theft or hijacking where the vehicle has not been fitted with an approved immobiliser, proof of which has been received by us prior to the event.
15. Where the loss, damage or injury has been deliberately caused by yourself or any member of your household or family or anybody who acts on your behalf.

GENERAL CONDITIONS

1. The maximum amount payable by us is the limit of indemnity less any first amount payable (excess/deductible) stated in the schedule, but shall not exceed the reasonable retail value as reflected in the Mead & Mc Grouther Auto/Commercial Dealer's Digest (VAT included) of the insured vehicle and its permanently fitted accessories and spare parts at the time of the loss.
2. You are obligated to inform us in writing if the address where you usually keep the vehicle we insure has changed, as this influences the continual acceptance of the policy, risk or a claim.
3. You are obligated to inform us in writing if the insured vehicle is not being used in accordance with the stipulated risk category that it was originally insured for at inception of the policy, as this influences the continual acceptance of the policy, risk or any claim.
4. If, to our knowledge, the insured vehicle is the subject of a credit or similar agreement, you agree that we will pay the title holder shown in the agreement up to the outstanding amount, limited to the maximum amount payable. If the outstanding amount is less than the maximum amount payable we will pay the difference to you.
5. If, in the event of a valid claim under this Section, any part, accessory or fitment is unprocurable in the Republic of Botswana or South Africa or as standard, ready-manufactured article, our liability shall be limited to a sum equal to the value of such part at the time of the Damage, but not in any case exceeding the maker's latest price list of such part, plus the reasonable cost of freight excluding air transport, provided that the indemnity provided in terms of this clause, shall not increase our liability.
6. The loss must occur in the Republic of Botswana, Eswatini, Lesotho, Mozambique, Namibia, Lesotho, South Africa, Zambia and Zimbabwe.

Cover granted under this policy is subject to the jurisdiction of the courts of the Republic of Botswana.

7. You must take all reasonable steps to always maintain the vehicle in a roadworthy condition.
8. You must render any assistance or information we may require before and after the settlement of a claim.
9. You must take all reasonable steps to safeguard the insured vehicle from loss or damage and you must maintain the insured vehicle in an efficient and roadworthy condition. Should the insured vehicle or any part fail to comply with any requirements for roadworthiness as set out in the Road Traffic Act, then all benefit under this policy in respect of any claim made shall be forfeited, and we shall have free access to examine the insured vehicle at all times.
10. You may not admit liability to anyone, or negotiate with any person claiming damages from you, and you may not give any instructions for repair unless approved by us in writing.
11. The onus is on you to prove any loss is covered. If we repudiate your claim any legal action by you must commence within 90 days otherwise all benefits under your policy will be forfeited.
12. You must assist us in identifying the vehicle in the case of a recovery following theft or hijack.
13. If your vehicle has been damaged outside the Republic of Botswana, it must be repatriated at your expense prior to consideration of a claim.
14. No person other than yourself or your instalment credit company has or may obtain any rights under your policy. We may elect to pay such instalment credit company and such payment shall be as valid and effectual as if made to you.
15. If repairs to the vehicle have not commenced within 60 days after authorisation by us due to your actions, all benefits in respect of the claim will be forfeited unless agreed to by us in writing.

16. In the event of our having paid a total loss claim, all payments received for the sale of the vehicle or its salvage shall be for our benefit, whether the vehicle is a total loss or is damaged beyond economic repair.
17. You must inform us who the regular driver of the vehicle is.
18. Unless you have notified us in writing of any modification or alteration to your vehicle, or any other material fact affecting the risk and we sanction such modification, alteration or fact, all cover under this policy shall cease.
19. If this policy is issued on a non-specified vehicle basis, the Insured shall submit to the company at the end of each period of insurance a declaration of the total number of vehicles owned, hired or leased during the period of insurance. The company shall, upon receipt of this declaration, make a premium adjustment of 50% of the annual rate per vehicle applied to the difference in the number of vehicles at inception or renewal and the number declared.
20. If requested, the vehicle must be inspected by an approved inspection agent. Until such time as the inspection is carried out, there will be no cover under this policy for losses due to theft or hijacking.

EXCESSES

Unless otherwise stated in the policy schedule, you will be responsible for the first amount payable in respect of each and every occurrence, giving rise to a claim as follows:

The premiums payable under this Policy shall not be less than the minimum premium specified in our applicable rating guide, as amended from time to time."

Private Cars and Light Delivery Vehicles – Grey Imports	
Retail value up to P300,000	6.5% of claim, Minimum p3,500
Retail value P300,001 to P500,000	6.5% of claim, Minimum p5,500
Retail value over P500,001 to P750,000	6.5% of claim, Minimum p7,000
Retail value over P750,000	6.5% of claim, Minimum p10,000

Private Cars and Light Delivery Vehicles (Local)	
Retail value up to P300,000	5% of claim, Minimum p3,500
Retail value P300,001 to P500,000	5% of claim, Minimum p5,000
Retail value over P500,001 to P750,000	5% of claim, Minimum p6,500
Retail value over P750,000	5% of claim, Minimum p10,000

Heavy Commercial Vehicles	
Retail value up to P300,000	10% of claim, Minimum p5,000
Retail value P300,001 to P750,000	10% of claim, Minimum p10,000
Retail value over P750,000	10% of claim, Minimum p20,000

Caravan/Trailer/Motorcycles/Specila Types	
Personal/Commercial use	10% of claim, Minimum p2,500

Windscreen/glass	
Private cars/LDV's	25% of claim, Minimum p500
HCV/Busses	25% of claim, Minimum p2,500

Car Radios	
Factory Fitted Rdios	10% of claim, Minimum p1 000
Specified Rdios	25% of claim, Minimum p1 000

Loss of keys	
loss of Keys	20% of claim, Minimum p1 000

Additional Excesses	
Single vehicles accident	1% of claim, Minimum p1 500
Driver under 25 years or over 75 years of age	1500
Person who have held a drivers license for less than 2 years	1500
More than one accidental claim in 12 months	1500

Theft/Hijacking	
A) Theft/Hijack occuring within the borders of Botswana	
i) Vehicle fitted with an approved tracking device	5% of claim, Minimum p5 000
ii) Vehicle not fitted with an approved tracking device	10% of claim, Minimum p5 000
B) Theft/Hijack occuring within the borders of Botswana	
i) Vehicle fitted with an approved tracking device	6.5% of claim, Minimum p5 000
ii) Vehicle not fitted with an approved tracking device	15% of claim, Minimum p5 000
Tracker installation is a requirement for vehicles above p500 000.00	
Extensions	
Towing fees limit	p5,000 per incident