

## Contents

1. POLICIES TO WHICH THESE REGULATIONS APPLY
2. COVERS INCLUDED IN A NON-SASRIA MULTI-RISK POLICY
3. PERIOD OF INSURANCE
4. ADDITIONAL COVERS AND THEIR SUMS INSURED
5. NON-INVALIDATION/NON-VITIATION CLAUSES
6. SUMS INSURED – SASRIA SUM INSURED INCLUDING ANY ADDITIONAL COVERS SUMS INSURED
7. LIMIT OF SASRIA'S INDEMNITY
8. DEDUCTIBLES
9. VOLUNTARY DEDUCTIBLE
10. CO-INSURANCE
11. MAKE SURE THAT THE CORRECT COUPON SCHEDULE IS ISSUED
12. INSTRUCTIONS AS TO THE ISSUE OF THE SCHEDULE
13. PREMIUM COMPUTATION
14. DEFINITION OF CONTRACTOR'S PLANT
15. SHORT TERM PLANT HIRE
16. PLANT COUPON MONTHLY PREMIUM
17. PLANT DECLARATION OF FEES
18. PLANT AGREED VALUE
19. DECLARATIONS, ADJUSTMENTS AND ENDORSEMENTS
20. PREMIUM RATES



## 1. POLICIES TO WHICH THESE REGULATIONS APPLY

This section of the Regulations includes:

- (i) Construction risks
  - Building contract risks
  - Civil contract risks
  - Contract works
  - Contractors' all risks
  - Demolition all risks
  - Dismantling all risks
  - Erection all risks
  - Works damage
  
- (ii) Plant risks
  - Plant all risks
  - Plant hire

And all other policy titles pertaining to loss and damage covers for the construction, erection, dismantling or demolition of property.

The policy referred to above is called an '**underlying Policy**'. A Sasria **Contract Works Coupon** is issued in this instance.

## 2. COVERS INCLUDED IN A NON-SASRIA MULTI-RISK POLICY

Should any of the identified material damage covers be included in any Multi-Risk type policy (Assets, Multimark, Multi-line, Composite, etc policies by whatever name) Sasria covers must be arranged separately in terms of these Regulations.

**NOTE:** If any Material Damage Policy provides for construction risks, it is possible to include the covers in the Sasria **Material Damage Coupon** subject to the following provisions:

- a) Only those construction risks involved with additions, extensions and maintenance, where the Insured is the Principal or the Contractor.
- b) Only those construction risks undertaken on the Insured's premises.
- c) Only those construction risks having an estimated value not exceeding **1,00%** of the Sum Insured of the **Material Damage Coupon**.
- d) Only those construction risks not exceeding the height of the Insured's existing premises.

## 3. PERIOD OF INSURANCE

The Period of Insurance of a Sasria **Construction Coupon** may be either of the following:

- a) Annual underlying Policies.  
Refer to the General Section of these Regulations.
- b) Specific Construction Risks underlying Policies.

From the inception date of the specific contract until completion of the contract, which may be shorter or longer than 12 consecutive calendar months.

**Construction Coupons** issued for a specific contract continue for the duration of the contract.



Whenever the Period of Insurance of an underlying Policy is extended and an additional premium is charged in terms of the underlying policy, an additional premium in terms of the Sasria cover must also be charged, using the same method of calculation, i.e. if a pro-rata premium is charged on the underlying Policy then a pro-rata premium must be charged on the Sasria Coupon and also when it is not charged on the underlying policy, a pro-rata premium must still be charged for Sasria purposes.

NB: All contracts that are shorter than twelve months and are being extended for a period not more than three months and the contract value remain the same as at inception, may not be charged an additional premium, if they are not being charged on the underlying policy, however any extension above three months should be charged an additional premium for the extended period. The extension must also be charged if there is an increase in the contract value from inception.

#### 4. ADDITIONAL COVERS AND THEIR SUMS INSURED

Some examples of additional cover:

- Claims preparation costs
- Professional fees
- Additional storage costs
- Employees personal effects on employers policy

#### 5. NON-INVALIDATION/NON-VITIATION CLAUSES

Agents are reminded that the use of the above clauses in their underlying Policies must be done with extreme caution. Sasria will follow the underlying Policy clauses in this respect but rely on Agents to use their utmost discretion in its use.

#### 6. SUM INSURED - SASRIA SUM INSURED, INCLUDING ANY ADDITIONAL COVERS SUMS INSURED

##### 6.1 ANNUAL UNDERLYING POLICIES

Refer to the General Section of these Regulations.

##### 6.2 SPECIFIC CONTRACT POLICIES

The **Construction Coupon** must be issued for the same Period of Insurance as the underlying Policy. At the expiry of the Period of Insurance the Sasria Construction Coupon is to be adjusted in the same manner as the underlying Policy. Refer to item 19 Declaration, Adjustment and Endorsement item of this Section of these Regulations.

##### 6.3 SUM INSURED

The Sum Insured of the Sasria Construction Coupon must not be less than the Sum Insured of the underlying Policy nor any loss limit recorded in the underlying Policy. The Sum Insured will be the underlying Policy Sum Insured plus all the additional covers Sums Insured.

e.g. Underlying Policy Sum Insured	R 10 000 000.00
Claims Preparation Costs	<u>R 10 000.00</u>
Sasria Sum Insured	R 10 010 000.00

R 10 010 000.00 is used to calculate the premium.

#### 7. LIMIT OF SASRIA'S INDEMNITY

The annual calendar limit of Sasria is **R500 000 000** any one contract.



However where more than one Contractor is involved in the contract concerned, each Contractor may either have a separate **Construction Coupon** issued in their own name, or be **included in the main Construction Coupon**. The annual calendar limit is then increased to **R550 000 000** in the aggregate.

By increasing the limit to R550 000 000, Sasria recognises that more than one contractor could be working on the contract concerned.

The term “more than ‘one contractor’” shall include Sub-Contractors, Principals and actual Contractors. This could apply to a single structure or to the development of a contract site, such as a housing development.

## 8. DEDUCTIBLES

### 8.1 Construction Risks

The Insured shall be responsible for the following amounts in respect of each and every **theft** claim: **0,100%** of the Contract Value of the **specific contract** against which the claim is made.

**Domestic risks** minimum R250.00

(The term Domestic refers to residential property, irrespective of whether the Insured is a private individual taking the cover or a contractor, excluding a commercial Developer)

**Other risks** minimum R2 500.00

The maximum amount payable by the Insured shall not exceed R25 000.00 in respect of each and every claim.

**NOTE:** Theft losses are not indemnified by Sasria, unless it can be proved that the theft loss is directly related to the perils insured. In order to calculate the excess applicable, it will be necessary therefore to separate all theft losses from any material damage losses in respect of claims involving both theft and other damage suffered.

### 8.2 Plant Risks

The Insured shall be responsible for the first R1,000-00 each and every plant claim.

## 9. VOLUNTARY DEDUCTIBLE

The Insured may select to incur a Voluntary Deductible.

The Voluntary Deductible would be applicable only to the **Coupon** on which it is issued, and have no effect on any other **Sasria Coupon or Policy** issued to the Insured.

Separate **Coupons** must be issued where a Voluntary Deductible is selected.

The premium discounts available for selecting a Voluntary Deductible, are:

DEDUCTIBLE TO APPLY	PREMIUM DISCOUNT AVAILABLE
R1 000 000	5,0%
R2 000 000	9,5%
R3 000 000	13,5%
R4 000 000	17,0%
R5 000 000	20,0%
R6 000 000	22,5%
R7 000 000	24,5%
R8 000 000	26,0%
R9 000 000	27,0%
R10 000 000	27,5%

A Voluntary Deductible may be incorporated at any time during the Period of Insurance with the premium refund calculated on a pro rata basis.



NB: Any voluntary deductible that the insured would want to take, which is more than R10 000 000, Sasria should be approached for dispensation.

The following endorsement must be completed and attached to the **Coupon**.

**(Not a printed document)**

**Endorsement attaching to and forming part of Coupon/Policy No \_\_\_\_\_**  
**in the name of**  
 \_\_\_\_\_

It is hereby declared and agreed that with effect from \_\_\_\_\_ The Insured will be responsible for the first R \_\_\_\_\_ (in words) of each and every claim during the period of insurance as stated on the abovementioned Coupon/Policy. It is further declared and agreed that this provision may not be cancelled during the period of insurance stated on the Coupon/Policy.

In consideration of the foregoing a discount amounting to \_\_\_\_\_% has been allowed off the premium. In respect of 'One Insured' cases the discount must be deducted after the First Loss Discount.

Signed on behalf of **Sasria SOC Limited**

Countersigned at \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_

\_\_\_\_\_

For: Agent

**10. CO-INSURANCE**

Not applicable to Construction Risks.

**11. MAKE SURE THAT THE CORRECT COUPON SCHEDULE IS ISSUED**

A **Construction Coupon (C W)** must be issued.

Contract Site Business Interruption cover of these cover.



Cover provided in terms of other sections Regulations. Refer to the Business Project Delay Interruption Section

No other Coupons shall be accepted for these covers.



## 12. INSTRUCTIONS AS TO THE ISSUE OF THE SCHEDULE

**SCHEDULE**

**TAX INVOICE**  
**(VAT Reg. 4140119340)**

This Coupon becomes a Tax Invoice on payment in full, of the premium reflected

COUPON	NUMBER	YEAR
CW		

**CW:** The next Sasria Contract Works **Coupon** number.

**Year:** The calendar year in which the Coupon incepts, i.e. the year of the first date of the Period of Insurance.

**Replacing Coupon Policy No. (where applicable)**

**Agent:**  
The name of the underlying insurer is the Agent.

**UNDERLYING POLICY NO.:**  
The Policy number of the underlying Policy issued by the Agent.

**BROKER:**  
The name of the Insurance Broker.

**THE INSURED NAME:**  
The full name of the Insured must be entered. If insufficient space, enter the first name and then add the following: 'and those stated in the attachment.'

Prepare, and attach, a schedule with the following clearly stated:

'THE INSURED, as stated on the Schedule of this Coupon is fully recorded hereunder as

"XYZ Manufactures (Pty) Ltd; ABC Marketing cc; \_\_\_\_\_ for their respective rights and interests, as more fully detailed in the underlying Policy".

**COMPANY REGISTRATION NUMBER:**  
This part is to be completed in the case of commercial/corporate policies. The company registration number of the insured must be supplied. If not available at inception, the coupon may be issued but must be endorsed within three months from inception.

**HOLDING COMPANY NAME:**  
This part is to be completed in the case of commercial/corporate policies. The company registration number of the insured must be supplied. If not available at inception, the coupon may be issued but must be endorsed within three months from inception.



**Insured VAT Reg No:**

This part is to be completed providing the VAT number

**Legal Address:**

This part is to be completed providing the legal address of the insured

**THE INSURED RISK ADDRESSES:**

Top five risk addresses details (if more than one address is insured) must be supplied. The details to be supplied are: Street name and number, risk city and postal code.

If not available at inception, the coupon may be issued but must be endorsed within three months from inception.

On annual contracts below R2million (including free issue material) the risk details ie street name and number, risk city and postal code need not be submitted. This is subject to the nature of the insured's business being clearly described on the underlying policy.

**PERIOD OF INSURANCE:**

From \_\_\_\_\_ To 24h00 on \_\_\_\_\_  
and any subsequent period required to complete the insured contract.

The full period as recorded in the underlying Policy, must be entered here.

If the Coupon is being issued after 30 days of the first date then enter the date issued.

**Item 1. Contract Works and Materials Sum Insured R \_\_\_\_\_**

**(Subject to escalation as provided for in the underlying Policy)**

The underlying Policy Sum Insured relative to South Africa.

After entering the Sum Insured add the following: '(Plus the value of all the additional covers totaling R \_\_\_\_\_)'

This amount is calculated by reference to the sub-sections. Refer to the Regulations before entering an amount here.

**Item 2. Construction Plant Sum Insured R \_\_\_\_\_**

**(Subject to the Limit of Indemnity stated in the Coupon Policy)** Refer to the Regulations before entering an amount here.

**Premiums Item 1. (Provisional only): R \_\_\_\_\_**

Refer to the Regulations before entering an amount here.

**Premiums Item 2. R \_\_\_\_\_**

Refer to the Regulations before entering an amount here.



Premiums TOTAL R \_\_\_\_\_

The premiums are inclusive of VAT

Any errors made on the Schedule, at the time of issue or before signing, should result in the Schedule being cancelled and a new Schedule issued.

### 13. PREMIUM COMPUTATION

#### Construction Risks

The premium rate is applied to the total Sum Insured.

(a) Annual Underlying Policies.

The estimated contract turnover for the Period of Insurance.

(b) Specific Contract Underlying Policies.

The value of the contract plus all additional covers Sums Insured.

Should the total Sasria **Construction Coupon** premium exceed R1 000 000-00 and the period of the specific contract concerned exceeds 12 calendar months, the premium must be sub-divided into the various calendar years of account.

It is important to note, where the underlying policy is subject to escalation, the Sasria rate is applied to the **Total Sum Insured inclusive of escalation**, the premium is not discounted in any way.

#### INSTALMENT PREMIUM

Consideration (on application) will be given to “Instalment” premiums in those cases where the Sasria premium exceeds R50,000 in respect of all Construction Risks.

The number of instalments permitted will depend on the duration of the contract and the premium involved.

## PLANT RISKS REGULATIONS

### 14. DEFINITION OF CONTRACTOR’S PLANT

#### 14.1 Immobile plant

Any aides used by Contractors to assist and enable them to fulfill their obligations in terms of the contract e.g. scaffolding, shuttering, tower cranes, lifts, mixers, etc.

#### 14.2 Mobile plant

A moveable equipment designed to be used in construction sites; it is in the form of high valued motorized equipment. Only mobile plants registered for road use and are utilized on public roads must be insured under the Motor Coupon.

**Note:** Where a mobile plant is registered for road use but will never be utilized on a public road, same may be insured under the plant all risk Coupon.

### 15. SHORT-TERM PLANT HIRE

It is permissible to charge a minimum premium equal to 25% of the annual premium (subject to a minimum premium of R50-00) for short period plant hire.

The 25% provision does not apply when the “Fees” basis method of Rating is used and a minimum of R50-00 must be charged regardless of the duration of the Hiring.

In the above instances an underlying Policy must be issued in respect of each individual case in order that the Period of Insurance stated on the **Construction Coupon** and that of the underlying Policy run concurrently.



Where Contractors hire-in Contractors’ aides, as insured in terms of these Regulations, for any period less than 12 consecutive calendar months, a Sasria **Construction Coupon** may be issued, providing:

- 15.1 The annual Plant Risks Sasria rate must be used and pro-rated for the period of hire-in;
- 15.2 a minimum of R50-00 applies to the pro-rata Sasria premium;
- 15.3 An underlying Policy must be issued to allow the Sasria Construction Coupon to follow the terms of the cover.
- 15.4 Short-term Plant Hire Sasria Construction Coupons may not be issued where the Insured has an annual Plant All Risk Policy adjusted on Hire-in fees.

## 16. PLANT COUPONS MONTHLY PREMIUMS

Agents may provide monthly premium facilities, providing that the Plant is covered in terms of a separate Sasria Coupon.

## 17. PLANT DECLARATION OF FEES

Where Contractors hire-in Contractors’ aides for any period and declare to the Agent annually the value of fees paid to the Owner, a Sasria **Construction Coupon** may be issued, providing:

- a) The term ‘sum insured’ on the schedule of the **Construction Coupon** is replaced with the term ‘fees’;
- b) The fees premium is to be applied to the estimated fees to be paid to the owner of the aides;
- c) At the expiry of the Period of Insurance the first premium is adjusted.
- d) The following endorsement is added to the Construction Coupon.

**(Not a printed document)**

Endorsement attaching to and forming part of Coupon/Policy No \_\_\_\_\_ in the name of \_\_\_\_\_

It is hereby declared that notwithstanding anything contained herein to the contrary, Item No. 2 of the Schedule (Construction Plant) shall be subject to the following Special Conditions:

“The premium in respect of Item No. 2 of the Schedule is provisional only and is subject to adjustment in like manner to any adjustment to the premium under the Nominated Insurer’s Policy”.

Subject otherwise to the Terms, Exceptions and Conditions of this Coupon Policy.

Signed on behalf of **Sasria SOC Limited**

Countersigned at \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_

For: Agent

## 18. PLANT AGREED VALUE

Sasria have agreed that the basis of indemnification for the Insured’s own Construction Plant may be amended from market value to an Agreed Value basis, providing that:

- a) The Underlying Policy has been issued on an Agreed Value basis with the basis of indemnity on the Underlying Policy noting this fact;
- b) The sum insured of the Sasria **Construction Coupon** (Item 2) is for the Agreed Value, as stated on the underlying Policy;
- c) The premium is calculated on the correct Sum Insured, being the Agreed Value;
- d) The following endorsement is attached to the Coupon.



**ENDORSEMENT 357 B (Printed Document)**

**'AGREED VALUE' (CONSTRUCTION PLANT)**  
 Endorsement attaching to and forming part of

Sasria Coupon Policy No \_\_\_\_\_

In the name of \_\_\_\_\_

It is hereby declared and agreed that in respect of ITEM NO. 2 CONSTRUCTION PLANT where the Nominated Insurer's policy is on an agreed value basis.

The basis of indemnity shall be:

- (i) in the event of partial loss, the reasonable cost of repair or reinstatement of the plant damaged
- (ii) in the event of total loss, the agreed value for the applicable item of plant.

Special Condition 4 of the Coupon/Policy is deleted in respect of any Construction Plant Insured on an Agreed Value Basis.

Countersigned at \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_

\_\_\_\_\_

For: Agent

**19. DECLARATIONS, ADJUSTMENTS AND ENDORSEMENTS**

**Construction Coupons** may be endorsed by the use of the following endorsement to correspond with endorsements to the underlying Policy.

In respect of declarations the Agent must only use the following endorsement.

At the expiry of the Period of Insurance the Sasria **Construction Coupon** must be adjusted in the same manner as the underlying Policy, using the following Endorsement:

**ANNEXURE 8 (Printed Document)**

**ENDORSEMENT (CONTRACT WORKS)**

COUPON	NUMBER	YEAR
CW		

**Endorsement attaching to and forming part of the undernoted Coupon Policy for Special Risks Insurance for Contract Works and/or Construction Plant following an endorsement to the Nominated Insurer's Policy.**

Sasria \_\_\_\_\_ Coupon \_\_\_\_\_ Number: \_  
 Agent: \_\_\_\_\_  
 Broker: \_\_\_\_\_



**The Insured**

Name: \_\_\_\_\_  
(and/or others provided for in the Agents Insurer's Policy)

Company Registration Number: \_\_\_\_\_

Holding Company Name: \_\_\_\_\_

VAT Registration No \_\_\_\_\_

**Legal Address:**

Street \_\_\_\_\_ name \_\_\_\_\_ and \_\_\_\_\_ number \_

Risk City \_\_\_\_\_

Postal Code \_\_\_\_\_

**Risk Address 1:**

**Risk Address 2:**

Street name and number: \_\_\_\_\_ Street \_\_\_\_\_ name \_\_\_\_\_ and \_\_\_\_\_ number: \_

\_\_\_\_\_ Risk City: \_\_\_\_\_

\_\_\_\_\_ Risk \_\_\_\_\_ City: \_\_\_\_\_

Postal Code: \_\_\_\_\_ Postal Code: \_\_\_\_\_

**Risk Address 3:**

**Risk Address 4:**

Street name and number: \_\_\_\_\_ Street \_\_\_\_\_ name \_\_\_\_\_ and \_\_\_\_\_ number: \_

\_\_\_\_\_ Risk City: \_\_\_\_\_

\_\_\_\_\_ Risk \_\_\_\_\_ City: \_\_\_\_\_

Postal Code: \_\_\_\_\_ Postal Code: \_\_\_\_\_



**Risk Address 5:**

Street name and number:

\_\_\_\_\_ Risk City: \_\_\_\_\_

Postal Code:

\_\_\_\_\_

**SPECIFIC CONTRACT INSURANCE**

As from \_\_\_\_\_ sum(s) insured change(s) to:

Item 1 - Contract works and materials R

\_\_\_\_\_ (Subject to escalation as provided for in the Nominated Insurer's policy)

Item 2 - Construction Plant R

\_\_\_\_\_

Period of Insurance now effective until 24h00 on \_\_\_\_\_ and any subsequent period required to complete the Insured Contract.

Final premium adjustment

**ANNUAL INSURANCE**

Premium adjusted for period ended \_\_\_\_\_

**Contract Works**

Additional Premium R \_\_\_\_\_  
 Refund Premium R \_\_\_\_\_

**Construction Plant (Fees)**

Additional Premium R \_\_\_\_\_  
 Refund Premium R \_\_\_\_\_

(The premiums include value added tax at the standard rate)

Amendments to estimates can be catered for on the Sasria **Construction Coupon**, where necessary, by the use of the same endorsement.

**NOTE:** Any Magnitude Discount applying at the inception of the cover must also be used for the purpose of all premium adjustments at the end of the contract period, even if the contract value results in a higher Magnitude Discount applying.



## 20. PREMIUM RATES

### 20.1 Construction risks Rate

Contract Works / Construction Plant	CW				
Contract Works					
a) On Works		0.011326%	R50 - Domestic R500 - All Other	0.001133%	R50

#### Minimum Premium

The following minimum premiums apply: **R50.00 pm or R500.00 pa**

#### Domestic risk contracts

(The term Domestic refers to residential property, irrespective of whether when the Insured is a private individual taking the cover or a contractor, excluding commercial developer)

**Other contract risks R50.00 pm or R500.00 pa**

Should the total Sasria Coupon premium exceed R1 000 000-00 and the period of the specific contract concerned exceed 12 calendar months the premium must be sub-divided into the various calendar years of account.

### 20.2 Instalment premium

Consideration (on application) will be given to "Instalment" premiums in those cases where the Sasria premium exceeds R50, 000 in respect of all Construction Risks.

The number of instalments permitted will depend on the duration of the contract and the premium involved.

### 20.3 Construction plant:-

#### Annual

Construction Plant					
a) On Value		0.113256%	R500	0.011326%	R50
b) On Fees (C.P.H.A. Contracts)		0.383760%		0.038376%	

#### Minimum Premiums:

Annual - R500.00

Monthly - R50.00

### 20.4 Loss limit discounts (Applicable to Specific Contract Coupons only)

If the value of the contract exceeds R500 million a Loss Limit discount is available providing that a separate Construction Coupon is issued for the contract concerned.

Refer to the **Discount Section** of these Regulations.