



RentMaster Rental Protection Insurance Policy (Group Scheme)

Guardrisk Insurance Co Ltd (The Insurer) agrees to accept, subject to its underwriting criteria, any Approved Landlord submitted to it by the Insured that applies for insurance cover as defined in this policy through The Insurer, subject to, and on the terms and conditions contained in this policy.

The Insurer undertakes to pay to the Insured the benefits insured under this policy in accordance with and subject to, the fulfilment and observances of the terms and conditions laid down herein.

The purpose of this policy is to enable a Property Manager / Agent (the Insured) to provide guarantees to his clients (the Landlords who have entered into Lease Agreements with Approved Tenants), that they will have guarantees against rental default on their immovable property and that the unpaid rental shall be covered by The Insurer as stipulated in the policy contract.

This policy, as amended from time to time and the numbered Certificate of Cover comprise the contract between the Insured and The Insurer. In the event of any conflict between the provisions of this policy and those of the Certificate of Cover or any administrative forms, declarations or documents, the provisions under this policy shall prevail.

General

The use of clause headings in this policy is for the sake of convenience only and does not affect the interpretation of this policy. References to the singular include the plural and *vice versa*, to the masculine gender the feminine gender and *vice versa*, to a natural person include a juristic person and *vice versa* and to the letting agent include the managing agent and *vice versa*.

Definitions

The following words and phrases shall have the meanings assigned to them wherever they appear in this Policy:

Insured	<i>means</i>	The Property Manager who has been accepted by The Insurer and who has effected the insurance cover to underwrite his guarantee to his clients (the Landlords) against rental defaults on their Identified Immovable Property which has been leased to the Approved Tenants.
Landlord	<i>means</i>	An Approved Landlord who is a client of the Insured, and who has entered into a Lease Agreement with an Approved Tenant which is named on the Application and Certificate of Cover
The Insurer	<i>means</i>	Guardrisk Insurance Company Limited. (Reg. No. 1992/001639/06)
Equillore	<i>means</i>	Equillore Lease Dispute Settlement Services (Pty) Ltd. (Reg. No 2001/027904/07)
The Property Manager	<i>means</i>	The Insured on the Certificate of Cover and the Entity that has effected the insurance cover to underwrite his guarantee to his clients (the landlords) against rental defaults on their Identified Immovable Property which has been leased to the Approved Tenants.
Rental Liability	<i>means</i>	The monthly contribution paid to the Landlord by the Approved Tenant in lieu of occupancy of the Landlord's Immovable Property.
Lease Agreement	<i>means</i>	An agreement of rental between the Landlord and the Approved Tenant who is leasing the Landlord's Identified Immovable Property.
Approved Tenant	<i>means</i>	Any proposed tenant that has been vetted and approved by the Landlord or his agent in terms of the agreed credit vetting criteria.
Lease Payment due date	<i>means</i>	The day of the month on which a rental payment is due as specified in the Lease Agreement.
Commencement of Insurance	<i>means</i>	The date an Approved Landlord's application for this insurance has been accepted by The Insurer in writing and on which date the cover has commenced.

Expiry of Insurance	<i>means</i>	The date on which the Lease Agreement has expired or the date on which the Insured cancels this insurance.
Period of Insurance	<i>means</i>	The number of months including part months, between the commencement and expiry dates of this insurance.
Days	<i>means</i>	Ordinary days including weekends and public holidays.
Certificate of Cover	<i>means</i>	The numbered certificate issued to the Insured as proof of cover in terms of this policy, which shall contain details of the Identified Immovable Property, the tenant and the monthly rental amount.
Minimum Tenant Vetting Standards	<i>means</i>	The minimum assessment criteria, as stipulated by Equillore and agreed by The Insurer, utilised to establish the credit-worthiness of the incoming tenant.
Sum Insured	<i>means</i>	The amount of the outstanding rental liability due by the Tenant to the Landlord in terms of a valid Lease Agreement, and any increase to the rental payment in terms of the Lease Agreement which has taken place from time to time, subject to the premium having been adjusted to accommodate such increase. The maximum liability under this policy shall be the lesser of the following; <ol style="list-style-type: none"> 1. Three (3) months rental or 2. the rental until such time as the Immovable Property has been re-let or 3. the rental until the lease expires.
Legal Costs	<i>Means</i>	Any expenses and fees charged by lawyers and or debt recovery agents in respect of services rendered to the Insurer in respect of the recovery of arrear rentals, and or in respect of eviction proceedings instituted against an Approved Tenant at the behest of the Insurer.
Residential Immovable Property	<i>means</i>	Fixed property which is let for residential purposes only. Premises with business rights are excluded from cover.

1. Insured Events and Benefits

- 1.1. It is recorded that the Insured has represented to the Insurer that the Insured has an insurable interest in the payment of rental by the Approved Tenants, by reason of the fact that the Insured has provided a guarantee to his clients (the Landlords) against rental defaults on their Identified Immovable Property which has been leased to Approved Tenants.
- 1.2. The Insured Events and Benefits in terms of this Policy are:
 - 1.2.1. Default by the Approved Tenant of the payment of their monthly rental to the Landlord shall render The Insurer liable to pay to the Insured a sum equal to the unpaid liability for monthly rental on the occurrence of such default subject to a sum insured period of 3 (three) months and subject to the terms and conditions under the Policy.
 - 1.2.2. Any legal costs incurred by the Insurer in respect of recovery of such arrear rental as was paid in terms of this policy by the Insurer to the Insured, shall be for the account of the Insurer.
 - 1.2.3. Any legal costs incurred by the Insurer in respect of the eviction of an Identified Approved Tenant shall be for the account of the Insurer.
 - 1.2.4. Insured event 1.2.1, 1.2.2 and 1.2.3 is applicable to an Approved Landlord in respect of an Identified Residential Property and an Identified Approved Tenant. Should an existing lease be insured under the policy, then the cover shall commence immediately provided the tenant is in good standing as determined by the terms applicable to approved tenants.

2. General Exceptions

- 2.1. This policy does not cover any loss of rental income, damage or liability, directly or indirectly caused by, related to or in consequence of:
 - 2.1.1. civil commotion, labour disturbances, riot, strike, lock-out or public disorder or any act or activity which is calculated or directed to bring about any of the aforesaid;
 - 2.1.2. war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war;
 - 2.1.3. mutiny, military rising, military or usurped power, martial law or state of siege, or any other event or cause which determines the proclamation or maintenance of martial law or state of siege;
 - 2.1.4. insurrection, rebellion or revolution;
 - 2.1.5. any act (whether on behalf of any organisation, body or person or group of persons) calculated or directed to overthrow or influence any State or Government or any provincial, local or tribal authority with force or by means of fear, terrorism or violence;
 - 2.1.6. any act which is calculated or directed to bring about loss or damage in order to further any political aim, objective or cause, or to bring about any social or economic change or in protest against any State or Government or any provincial, local or tribal authority or for the purpose of inspiring fear in the public or any section thereof;
 - 2.1.7. any attempt to perform any act referred to in clause 2.1.5. or 2.1.6 above;
 - 2.1.8. the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in clause 2.1.1 to 2.1.7 above;

- 2.2. This policy does not cover loss of income from damage caused directly or indirectly by or through or in consequence of any occurrence for which a fund has been established in terms of the War Damage Insurance and Compensation Act, 1976 (No. 85 of 1976) or any similar Act operative in any of the territories to which this policy applies.
- 2.3. Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision not included herein which would otherwise override a general exception, this policy does not cover loss of income or expense of whatsoever nature directly or indirectly caused by, arising out of or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any sequence to the loss, damage or expense.
- 2.4. For the purpose of this General exception 2.3. an act of terrorism includes, without limitation, the use of violence or force or the threat thereof whether as an act harmful to human life or not, by any person or group of persons, whether acting alone or on behalf of or in connection with any organisation or government or any other person or body of persons, committed for political, religious, personal or ideological reasons or purposes including any act committed with the intention to influence any government or for the purpose of inspiring fear in the public or any section thereof.
- 2.5. This policy does not cover loss of whatsoever a nature resulting or arising therefrom or any consequential loss, or any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:
 - 2.5.1. Ionising radiations or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel, or from nuclear weapons material. For the purpose of this exception only, combustion shall include any self-sustaining process of nuclear fission.
 - 2.5.2. Loss due to destruction of or damage to the rented property by fire, explosion, lightning, earthquake or by the special perils referred to below:
 - a. storm, wind, water, hail or snow;
 - b. caused by tidal wave originating from earthquake or volcanic eruption;
 - 2.5.3. Aircraft and other aerial devices or articles dropped there from;
 - 2.5.4. Impact by animals, trees, aerals, satellite dishes or vehicles.
- 2.6. If the Insurer alleges that, by reason of clause 2.1 to 2.5 of this exception, loss or damage is not covered by this policy, the burden of proving the contrary shall rest on the insured.

3. Specific Restrictions on Liability

No benefits are payable for insured events arising directly or indirectly from, or traceable to:

- 3.1. Escalations in the Lease Agreement, which come into effect after a claim has been lodged.
- 3.2. Any rental arrears that arose prior to the commencement of insurance, or after the termination of insurance.
- 3.3. Vacancy as a result of the expiry of a Lease Agreement.
- 3.4. Rental loss where a new tenant cannot take vacant occupation because the immovable property concerned cannot be let as a result of:
 - 3.4.1. renovations being performed,
 - 3.4.2. the property not being in good repair or in a lettable condition,

3.4.3. any other reason which has the effect of making it impossible to place the property in a letting pool and to offer a prospective tenant immediate occupation.

In exercising judgement respect of all of the above The Insurer's opinion and or assessment shall be final.

- 3.5. Where a defaulting tenant vacates the property, and the property requires repairs to put it in a lettable condition, the Landlord shall be obliged to place the property in a lettable condition. In exercising judgement in respect of whether or not the property is in a lettable condition The Insurer's opinion and or assessment shall be final. The date from which indemnity commences in terms of this policy shall be when such repairs are completed.
- 3.6. Loss of rental income as a result of the property being rendered uninhabitable, as a result of any one more of the perils referred to in clause 2 above.
- 3.7. Rental continuance where the Landlord or the Insured has reached a compromise with the tenant with regard to the payment of rental other than in accordance with the Lease Agreement.
- 3.8. Rental continuance where the property is seized or attached in lieu of a debt of the Landlord, or any other case where the tenant is lawfully entitled to withhold rental payments to the Landlord.
- 3.9. Any other claim where the primary use of the property is other than residential.

4. Premiums

4.1 No Premium no cover

The insurance contract is conditional upon payment of the first premium by the Insured or on his/her behalf and receipt thereof by The Insurer. Premiums are due and payable monthly in advance.

4.2 Grace Period

- 4.2.1 A period of 30 (thirty) days grace is allowed for the payment of each premium. During this time, all benefits will remain in force. If any event occurs during the period of grace that results in a claim, the unpaid premium will be deducted from the amount paid out.
- 4.2.2 Should there be no further payments received after the 30 (thirty) day grace period the policy will lapse and all cover will be terminated.

5. Conditions that are applicable to all aspects of the policy

5.1 Misrepresentation, Misdescription or Non-Disclosure

Misrepresentation, misdescription or non-disclosure of any material fact or circumstances in connection with this policy, a claim in terms of this policy or the application for this policy shall render this policy voidable. In the event that a benefit is paid to the Insured as a result of any misrepresentation, misdescription or non-disclosure or fraudulent action by the Insured, the Insured shall be obliged to repay or return the benefit the Insured has received under this policy and The Insurer shall be entitled to take legal action against the Insured to recover the benefit or any costs involved.

5.2 Policy and Premium Amendments

- 5.2.1. The Insurer will from time to time, review the level of contributions in relation to the benefits, and will advise the Insured of any changes that may be necessary by giving the Insured 30 (thirty) days written notice.
- 5.2.2 The Insurer may amend this Policy by way of endorsement signed by The Insurer and sent to the Insured, provided that any amendment will not affect the extent of cover already provided in terms of a policy, which has been issued.

5.3 Change in details supplied

Should there be any changes to the original details supplied by the Insured at the time of application of the policy and/or specified in the Certificate of Cover the Insured must notify Equillore in writing within 30 (thirty) days of such change occurring.

5.4 Termination of Cover

The cover provided by this policy will cease on the earlier of:

- 5.4.1 The Insured cancelling his/her cover under this policy;
- 5.4.2 Non-payment of any premium within 30 (thirty) days of the premium due date;

5.5 30 Day Money Back Review Period

Where no claim has been instituted or where no right has accrued to the Insured to institute a claim or receive any benefit in terms of this policy, the Insured may, within 30 (thirty) days from the date of application for this policy cancel the policy upon written notification to Equillore.

All premiums paid by the Insured or on their behalf during this 30 (thirty) day review period shall be refunded to the Insured.

5.6. Cancellation of Cover

The Insured may cancel this policy at any time by giving thirty (30) days notice in writing to Equillore at their last known address.

Such cancellation shall commence on the date of posting such notice. If a premium has been paid for any period beyond the date of cancellation of this policy, the relevant portion thereof shall be refunded to the Insured.

5.7 Rejection of Liability and Time Bar

If The Insurer declines liability for a claim made in terms of this policy, representation may be made to The Insurer within 90 (ninety) days of the date of the rejection letter. Thereafter, action must be instituted against The Insurer for the enforcement of the claim by way of service of summons against The Insurer within 90 (ninety) days, failing which all benefits in respect of such claim shall be forfeited and no liability can arise in terms of such claim.

5.8 Fraud

If any claim in terms of this policy is in any respect fraudulent or if any fraudulent means or devices are used by the insured or anyone acting on his/her behalf to obtain any benefit in terms of this policy or if any loss, damage or liability is occasioned by any wilful act on the part of the Insured or with his/her connivance, all benefits and premiums paid in terms of this Policy shall be forfeited.

5.9 The Insurer's Liability

- 5.9.1 Despite what this policy says elsewhere, The Insurer will not be liable to any payment unless the premium has been received and the applicable documentation, data and satisfactory proof of a claim, as required by The Insurer has been provided to The Insurer at the Insured's expense.
- 5.9.2 Payment by The Insurer of the benefits provided for in this policy to the Landlord for liability under the Lease Agreement, will be a full and effective discharge by The Insurer of its liability and obligations in terms of this policy.
- 5.9.3 The Insurer shall at its own discretion institute legal proceedings against the Approved Tenant for the recovery of any amounts paid to the Insured as benefits in terms of this Policy. Other than in respect of such proceedings, the Insurer shall not be liable to the Insured for any legal costs for the recovery of any amounts due to the Insured.
- 5.9.4 The Insurer shall at its own discretion institute legal proceedings against the Approved Tenant to have the said Tenant evicted from the Approved Immovable Property, provided that the Insurer shall be obliged to institute such proceedings where the said Tenant remains in the said Property after the Insured has exhausted all benefits due to it in terms of clause 1.2.1.

5.10 Currency and Law

- 5.10.1 All amounts stated in this policy are in the currency of the Republic of South Africa.
- 5.10.2 Any question of law arising in terms of this policy will be decided according to the laws of the Republic of South Africa.

5.11 Right of Inspection

Any Landlord has the right to inspect this policy, free of charge, including the terms and conditions at all reasonable times upon making the necessary arrangements with Equillore or The Insurer.

5.12 Legal Requirements

Despite what this policy says elsewhere, The Insurer has the right to do all things that, in its opinion, are necessary or appropriate to comply with the provisions or requirements of any legislation or any regulatory authorities.

5.13 Collective Insurances

Where more than one insurance company or insurer participates in this insurance, the expression "company" shall be amended to "insurers" wherever it appears in this policy. In this event, the percentage share of each insurer will be as expressed in the Certificate of Cover of this policy and the liability of each such insurer individually shall be limited to the percentage share set against its name.

5.14 Limitation of Eligibility

This policy covers only residential immovable property.

If any Certificate of Cover has been issued purporting to effect insurance cover for any person or entity that is not eligible for such insurance, such insurance shall be void *ab initio* and the premiums paid shall be refunded at The Insurer's discretion.

5.15 Appointment of Managing Agent

The Insurer may from time to time appoint a managing agent to administer all aspects of this policy on its behalf. Such agent shall:

- 5.15.1 Have all powers to ensure compliance with the terms of this agreement, and to exercise such rights and make such determinations as are available to the Insurer in terms of this agreement.
- 5.15.2 In respect of the conditions referred to in clause 10, enter into a separate and more detailed agreement with the Landlord, setting out the requirements that the Landlord, or the managing agent on his behalf, will have to comply with. Compliance with these requirements shall be considered conditions precedent to The Insurer's liability under this policy. If the Insured and/or Landlord does not abide by these conditions, The Insurer may at its own discretion suspend payment of any claim until these conditions have been met, or reject the claim and recover any amounts already paid to the Landlord and/or managing agent.
- 5.15.3 The Insurer has for the time being appointed Equillore as its managing agent. If this appointment changes, the Landlord shall be notified thereof in writing, and the newly appointed agent shall thereafter assume all the rights and powers currently enjoyed by Equillore.

5.16 Risk Management

- 5.16.1 The Insurer shall be entitled to implement any reasonable processes it deems necessary to manage its risk with regard to this policy.
- 5.16.2 The Insured shall provide such information as may be required by The Insurer to effect these risk management measures.
- 5.16.3 Where any late payment fee is due in terms of the Lease Agreement between the Landlord and the tenants in respect of Landlord properties, such fees shall be applied towards managing the late payments, and in a manner to be directed by Equillore.

5.17 Cession of Tenant Policy

- 5.17.1 It shall be a condition of the policy that the tenant shall at the commencement of the lease, have paid a rental deposit equal to or more than one month's rental;
- 5.17.2 The landlord hereby cedes (in securitatem debiti) to the Insurer all rights to the tenant deposit, subject to the terms and conditions of the Rental Act. The Insurer shall be entitled to recover any claims paid in terms of this policy against such rental deposit.

6. Claims Notification

Every claim should be delivered to Equillore at the following address:

PO Box 16410
Vlaeberg
8018
Tel:
Fax: (012) 422 4176

The Insurer will at all times have the right to inspect all documentation relating to the policy and will communicate to the Insured any problems regarding the documentation.

7. How to report a claim and when to do so

A claim shall be deemed to have occurred after a rental payment in respect of a Landlord's Lease Agreement has been due for more than seven days;

On the happening of any event, which may result in a claim in terms of this policy the Insured or Executor shall, at their own expense:

Submit to Equillore full details in writing of any claim, as soon as reasonably possible up to a maximum of 30 (thirty) days of the event giving rise to a claim;

Furnish The Insurer with such proof, information, sworn declarations/affidavits, and/or documentation of whatsoever nature, which The Insurer may require to process the claim;

Please note that original documentation will accepted, copies of documentation need to be certified and fax copies are not acceptable;

If at any time The Insurer is of the opinion that the correct claims procedures are not being implemented, or that other claim related problems may have arisen, then The Insurer may at its sole and absolute discretion request that all future claims be forwarded to The Insurer's own claims assessors.

Please ensure that you read the claim form carefully for any additional requirements. At any stage, The Insurer may require additional information to process the claim.

Complaints Procedure for the Insured's Benefit

We undertake to settle all valid claims as quickly as possible. However, it is in the public's interest to verify the validity of any claims and to investigate the appropriate aspects thereof. As such there may be instances where a delay could occur.

If you have any complaints about this policy or you are in any way unhappy with the service you have received, please ask to speak to the manager of that particular department.

If the matter cannot be resolved this way, then please contact:

The Compliance Officer – Policies
Guardrisk Insurance Company Limited
PO Box 87419
Houghton
2041

Telephone: +27 (11) 669-1000

Fax: +27 (11) 669-1931

Website: www.guardrisk.com

The function of the Compliance Officer is to ensure that legislative requirements are met, in particular those related to disclosure as described in the Policy Holder Protection Rules, and to facilitate the resolution of disputes arising between the parties involved in the insurance contract. Service complaints will be forwarded to senior management for further attention.

If your enquiry or your dispute is not satisfactory resolved, you may contact:

The Ombudsman for Short Term Insurance
PO Box 35655
BRAAMFONTEIN
2017

Tel: (011) 726 8900

Fax: (011) 726 5501

If you are still dissatisfied, or you feel that this policy does not comply with the applicable legislation, you can seek assistance from:

The Financial Services Board
PO Box 35655
MENLO PARK
0102

Fax: (012) 347 0221

Compliance with this procedure does not affect your rights.