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## **SECTION 4. MOTOR**

### **DEFINITIONS**

For this section

1. you/your/yours/yourself means the person in whose name this policy is issued and members of his family normally resident with him.
2. vehicle means.
  - 2.1 a passenger vehicle with a carrying capacity not exceeding 10 persons.
  - 2.2 a goods vehicle (with a gross mass not exceeding 3 500 kg) listed in the schedule (but excluding baby vehicle seats and vehicle seat covers) belonging to the policyholder.

### **1 SPECIFIC CONDITION**

#### **1. 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.

### **2 COVER PROVIDED**

#### **1. INDEMNITY TO YOU**

Loss or damage to the vehicle

- 1.1 If the vehicle or any part of it, including accessories, is lost or damaged, we will at our discretion, indemnify you either by making a cash payment or incurring the cost of repair or replacement of the damaged vehicle subject to Average. If you declare on the claim form that 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 of the owners referred to in the agreement will be a complete discharge to us for the repayment.
- 1.2 We may choose to repair your vehicle with recycled or used parts where appropriate. Parts used may not have been made by the vehicle's manufacturer but will be of a similar standard. If any lost or damaged parts are no longer available, we will pay an amount equal to the cost shown in the manufacturer's latest price guide, together with reasonable fitting costs.
- 1.3 If your vehicle is damaged, we will use one of our recommended repairers to repair it. If you choose not to use them, we will not pay more than what our recommended repairer would have charged, and we may choose to settle the claim by a cash payment.

1.4 The maximum amount payable by us will be

1.4.1 the limit of indemnity as stated in the schedule or the reasonable market value of the vehicle at the time of loss or damage whichever is the lower, as assessed/estimated by an accredited valuer, or the current purchase price of a new vehicle or similar model or the limit of indemnity shown in the schedule whichever is the lower if within 6 months of the first registration the vehicle is

1.4.1.1 stolen and not recovered.

1.4.1.2 damaged and the assessed cost of repairs exceeds 70% of the current new retail price including tax.

## **2. PROTECTION AND REPAIR**

If an insured loss or damage occurs

2.1 we will pay you not more than P5 000 for the protection, storage and removal of the vehicle to the Botswana Insurance Company Accident and 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 Lesotho, Namibia, Swaziland, South Africa and Zimbabwe.

2.2 you may authorise repairs to the vehicle up to P2 500 without our consent provided a detailed quotation is immediately given to us if the claim is payable under this policy.

## **3. 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, Lesotho, Namibia, Swaziland South Africa and Zimbabwe.

## **4. MEDICAL EXPENSES**

If any occupant of the insured vehicle sustains bodily injury as a direct result of an accident, we will pay the medical expenses in connection with the injury less amounts recoverable from medical aid or in terms of any compulsory occupational illness or disability act or workman's compensation legislation. The total amount paid in respect of medical expenses shall not exceed P10 000.

## **5. WINDSCREEN**

We will pay a maximum of P10 000 for breakage to window glass and for any scratching of bodywork resulting solely and directly from such breakage of the vehicle without alteration of the claim-free group or deduction of the first amount payable but you will pay the first 20%, minimum P200, of every claim.

## **6. LIABILITY TO THIRDPARTIES**

6.1 In the event of an accident caused by or in connection with the vehicle or attached trailer, caravan, vehicle or goods vehicle with a gross mass not exceeding 3 500 kg being towed (other than for reward) we will indemnify you against all sums including claimant's costs and expenses for which you become legally liable for

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- 6.1.1 death or bodily injury to any person
  - 6.1.2 damage to property.
  - 6.2 We will pay costs and expenses incurred with our written consent.
  - 6.3 We may arrange for
    - 6.3.1 representation at any inquiry into death
    - 6.3.2 the defense of criminal proceedings arising from any act related to an indemnifiable event.
  - 6.4 In terms of liability to third parties 6.1 and 6.2 we will
    - 6.4.1 indemnify any person who is driving or using the vehicle with your permission provided such person
      - 6.4.1.1 is not entitled to indemnity under any other policy
      - 6.4.1.2 as though he were you is subject to the terms of the policy as far as they can apply
      - 6.4.1.3 has not been refused any motor vehicle insurance
    - 6.4.2 indemnify you while driving a vehicle or goods vehicle with a gross mass not exceeding 3 500kg excluding damage thereto not
      - 6.4.2.1 owned by you
      - 6.4.2.2 being purchased leased or hired by you under a credit or similar agreement

## **7. AUDIO EQUIPMENT**

Cover in respect of radio tape players, compact disc players and ancillary equipment is limited to P500 where no proof is provided that the said equipment was fitted to the vehicle when it was originally purchased or P3 000 where such proof is supplied.

Any claim under this extension will be subject to the relevant policy excess.

## **8. LOSS OF KEYS**

We will indemnify the insured for costs reasonably incurred following the loss of or damage to keys for the vehicle up to a limit of P5,000.00

## **9. GREY IMPORTS**

- 9.1 These will be defined as “imported new or second hand 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.
- 9.2 The sum insured of such vehicles shall be the sum of the purchase price, duties levied, delivery costs and other related costs.
- 9.3 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.
- 9.4 An inspection of the vehicle shall be carried out by one of our employees, selected panel of motor assessors or an agent approved by BIC.
- 9.5 Prices for parts for such vehicles will be limited to the cost of a part of a similar or nearest to a SADC assembled model.

## **3 SPECIAL EXCLUSIONS**

### **1. LOSS OR DAMAGE TO THE VEHICLE**

We will not be liable for

- 1.1 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.
- 1.2 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.
- 1.3 Claims where the driver/Insured failed, without reasonable cause in the opinion of the Insurer, to remain on the scene of the accident.
- 1.4 depreciation, wear and tear, mechanical or electrical breakdown failure or breakage
- 1.5 damage to the engine or tyres unless some other part of the vehicle is damaged at the same time.
- 1.6 damage to suspension systems due to inequalities of the road, potholes or other surfaces or impact with such inequalities
- 1.7 loss or damage resulting from incorrectly maintaining or fueling your car or from the use of substandard fuel, lubricants or parts;

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## **2. LIABILITY TO THIRD PARTIES**

We will not be liable for

- 2.1 death of or bodily injury to
  - 2.1.1 a member of your family normally resident with you
  - 2.1.2 any person being carried in the trailer or caravan referred to in 6.1 above
  - 2.1.3 an employee, other than a domestic servant, of yours or your family who is killed or injured in the course of such employment
  - 2.1.4 passengers when riding on or alighting from the open load portion of an LDV or the pillion seat of a motor-cycle or quadbike
- 2.2 damage to property
  - 2.2.1 belonging to or held in trust by or in the custody or control of you or your family
  - 2.2.2 being carried in the trailer or caravan referred to in 6.1 above
- 2.3 so much of any compensation provided or insurable in terms of any motor vehicle insurance legislation
- 2.4 more than P2 500 000 including all costs and expenses for any one accident or series of accidents arising out of one event.

## **3. GENERAL**

- 3.1 We will not be liable for loss, damage, injury or liability caused, sustained or incurred
  - 3.1.1 outside the territorial limits of the Republic of Botswana, Lesotho, Namibia, Malawi, Swaziland, South Africa and Zimbabwe except for loss or damage to the vehicle while in transit by water between ports in the territorial limits
  - 3.1.2 while the vehicle is being driven or used
    - 3.1.2.1 other than in accordance with description of use.
    - 3.1.2.2 by you (or any person with your consent) unless licensed to drive the vehicle in terms of legislation applying to the territory in which the vehicle is being used and the licence is valid has not expired. This exclusion will not apply if the vehicle is being driven by you (or any person with your consent) while learning to drive and legislation relating to learner drivers is being obeyed.

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- 3.1.2.3 by you while under the influence of intoxicating liquor or drugs or while the concentration of alcohol in your blood exceeds the statutory limit
  - 3.1.2.4 by any person, under the influence of intoxicating liquor or drugs or while the concentration of intoxicating liquor or drugs in the driver's blood exceeds the statutory limit
  - 3.1.2.5 is not safe to drive or it is in a condition which does not comply with the provisions and regulations of The Road Traffic Ordinances of the Republic of Botswana or any similar legislation which applies to the territorial limits referred to in special exclusions 3.1, of this section.
- 3.2 We will not be liable for any claim or liability arising out of contract.
  - 3.3 We will not be liable for the theft of any vehicle(s) described in the Schedule unless an immobiliser approved by us is installed in the vehicle(s) and is activated at the time of the theft or attempt thereat. Proof to substantiate the installation of such immobiliser must be supplied to us at the inception of the policy.
  - 3.4 We will not be liable for the theft of any radio tape player, compact disc player and/or ancillary audio equipment of any vehicle(s) described in the Schedule unless an alarm approved by us is installed in the vehicle(s) and is activated at the time of the theft or attempt thereat. Proof to substantiate the installation of such alarm must be supplied to us at the inception of the policy.
  - 3.5 We will not be liable for any claim if the carrying or load capacity of the vehicle has been exceeded at the time of loss or accident.

#### **4. DESCRIPTION OF USE**

- 4.1 Where the Class of Use is shown in the schedule as Class 0 the vehicle may only be used for Class 0 social, domestic, pleasure, emergency travel to and from work, emergency business and professional purposes EXCLUDING hiring, carriage of passengers for hire or carriage of 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. 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 only for its maintenance or repair.
- 4.2 Where the Class of Use is shown in the schedule as Class 1 the vehicle may only be used for Class 1 social, domestic, pleasure, business and professional purposes EXCLUDING hiring, carriage of passengers for hire or carriage of 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. 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 only for its maintenance or repair.
- 4.3 Where the Class of Use is shown in the schedule as Class 2 the vehicle may only be used for Class 2 social, domestic, pleasure, business and professional purposes EXCLUDING hiring, carriage of passengers for hire or carriage of fare paying passengers, racing, speed or other contests, rallies or trials.

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**5. TRAFFIC OFFENCES**

You shall notify us in writing immediately you know of

- 5.1 the endorsement, suspension or cancellation of any driving licence issued to you or your authorised driver
- 5.2 any driver of the vehicle being charged or convicted of reckless, negligent, or inconsiderate driving.

**6. CARE OF VEHICLE**

You shall take all reasonable steps to protect and maintain the vehicle in accordance with the roadworthy requirements of any legislation applying within the territorial limits. We will have access to examine the vehicle or any part of it at any time.

**7. RIGHTS OF OTHERS**

The provision of cover for persons other than you does not give them the right to claim. You may claim for them and your receipt will discharge us.

**8. INDEMNITY TO OTHERS**

If more than one person is entitled to indemnity by this section any limitation applies to the total amount of indemnity and you will receive priority.

**9. REPLACEMENT/IMPORTED PARTS**

In the event of loss or damage to the motor vehicle and/or its accessories for which the Company shall be liable necessitating the supply of a part not obtainable from the stocks held in the country in which the motor vehicle is held for repair or in the event we exercise our option to pay in cash the amount of the loss or damage our liability in respect of any such part shall be limited to

- a) i) the price quoted in the latest catalogue or price list issued by the manufacturers or their agents for the country in which the motor vehicle is held for repairs provided it does not exceed the Pula equivalent of a price list obtained by us from a local dealer or reputable source less betterment
  - or
- ii) if no such catalogue or price list exists, the Pula equivalent of a price list obtained by us from a local dealer or reputable source less betterment and
- b) the reasonable cost of fitting such part or parts as determined by us guided by the trend in the local market for parts of a similar vehicle

#### **4 OPTIONAL EXTENSIONS**

##### **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 of 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
- 1.4 other refundable due to you

##### **2. EXTENSION OF TERRITORIAL LIMITS TO ZAMBIA AND MOZAMBIQUE**

The territorial limits of this policy are extended to include Zambia and Mozambique if stated in the schedule. We will indemnify you in terms of the terms and conditions of this policy, but you will be responsible for:

- 2.1 in addition to the standard first amount payable, the first P3 000 of any loss or damage to any vehicle(s) described in the schedule and its spare parts and accessories while thereon occurring in either Zambia or Mozambique.
- 2.2 the repatriation and transportation costs of the vehicle(s) to the nearest border post within The Republic of Botswana.
- 2.3 in the event that the vehicle(s) is/are stolen or hijacked in either Zambia or Mozambique you shall be responsible for the first 15% of the claim with a minimum of P15 000



**5 WHERE INDICATED IN THE SCHEDULE COVER FOR A PARTICULAR VEHICLE IS SUBJECT TO ONE OR MORE OF THE FOLLOWING CLAUSES.**

**1. DELETION OF BASIC FIRST AMOUNT PAYABLE (EXCESS WAIVER)**

Item 1.1 of first amount payable is deleted. (Basic excess)

**2. THIRD PARTY (3RD PARTY)**

**The following are deleted**

INDEMNITY TO YOU  
Loss or damage to the vehicle  
Protection and repair  
Delivery after repair  
Medical expenses  
Windscreen/glass damage

**3. THIRD PARTY, FIRE AND THEFT (3RD PARTY, FIRE AND THEFT)**

**INDEMNITY TO YOU**

**Loss or damage to the vehicle is restated**

**1. INDEMNITY TO YOU**

Loss or damage to the vehicle

If the vehicle is stolen, damaged by fire, lightning, explosion, theft or attempted theft

- 1.1 We will by payment or at our choice by repair or replacement indemnify you. If you declare on the claim form that the vehicle is subject to 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 of the owners referred to in the agreement will be a complete discharge to us for the repayment
- 1.2 We may choose to repair your vehicle with recycled or used parts where appropriate. Parts used may not have been made by the vehicle's manufacturer but will be of a similar standard. If any lost or damaged parts are no longer available, we will pay an amount equal to the cost shown in the manufacturer's latest price guide, together with reasonable fitting costs
- 1.3 If your vehicle is damaged, we will use one of our recommended repairers to repair it. If you choose not to use them, we will not pay more than what our recommended repairer would have charged and we may choose to settle the claim by a cash payment.
- 1.4 The maximum amount payable by us will be the limit of indemnity stated in the schedule or the reasonable market value of the vehicle at the time of the loss or damage whichever is the lower.

**6 SPECIAL EXCLUSIONS is restated**

**1. LOSS OR DAMAGE TO THE VEHICLE**

We will not be liable for

- 1.1 any type of radio and other sound reproduction equipment
- 1.2 depreciation, wear and tear, mechanical or electrical breakdown failure or breakage
- 1.3 damage to the engine or tyres unless some other part of the vehicle is damaged at the same time.

**7 The following are deleted**

Medical expenses  
Windscreen

**8 SPECIAL CONDITIONS**

**FIRST AMOUNT**

**PAYABLE**

In the event of loss or damage to the vehicle you will be responsible for the first amount listed below which will be calculated separately for each vehicle.

If we have already paid any amount that is your responsibility in terms of this condition you will immediately repay us that amount.

**9 FIRST AMOUNT PAYABLE - ALL CLAIMS**

In the event of a claim, the Insured shall be his/her own insurer for the following amounts where applicable:

a) Private type motor vehicle cars, micro buses and LDVs under 3500 kg gross vehicle mass:

**Local Vehicles Excess Structure**

Retail Value from P40,000 to P100,000	5% of claim minimum P2,500.00
Retail Value from P100,001 to P150,000	5% of claim minimum P3,000.00
Retail Value from P150,001 to P250,000	5% of claim minimum P3,500.00
Retail Value from P250,001 to P500,000	5% of claim minimum P4,000.00
Retail Value from P500,001 to P650,000	5% of claim minimum P5,000.00
Retail Value above P650,001	5% of claim minimum P7,500.00

**Grey Imports & Selected Locals**

Retail Value from P40,000 to P100,000	7.5% of claim minimum P3,000.00
Retail Value from P100,001 to P200,000	7.5% of claim minimum P3,500.00
Retail Value from P200,001 to P300,000	7.5% of claim minimum P4,000.00
Retail Value from P300,001 to P400,000	7.5% of claim minimum P4,500.00
Retail Value from P400,001 to P500,000	7.5% of claim minimum P5,000.00
Retail Value from P500,001 to P600,000	7.5% of claim minimum P5,500.00
Retail Value from P600,001 and above	7.5% of claim minimum P7,500.00

b) Windscreen excess: Private type motor vehicle – 20% of claim minimum P200.00

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Punitive excesses will apply as follows:

1. Where the driver is under 25 or over 75 years of age P2,000.00
2. Where the driver has held a valid driver's licence for less than 3 Years P2,000.00
3. Where the vehicle is hijacked within Botswana -10% of claim min P10,000.00
4. Where the vehicle is hijacked or stolen outside Botswana - 15% of claim min P15,000.00
5. Where accident is due to unauthorized use P3,000.00
6. Single vehicle accident P2,000.00 (Including collisions with animals/objects, hit-and-run and collisions with unidentified third-party vehicles)
7. When the accident happens between 12am and 4am – P2,000.00

*NB: Items 1 to 7 above shall be cumulative where applicable.*

**All vehicles above P500,000.00 must be fitted with an anti-theft tracking device.**

## **THINGS TO NOTE**

### **10 What to do in the event of an accident**

If you are involved in an accident, you must always:

1. Report to the police
2. Get into a safe position.
3. Never admit liability.
4. Exchange names, addresses and phone numbers with everyone involved.
5. Exchange registration numbers & make/model of vehicle.
6. Take pictures of the vehicles, the registration number of the vehicles and any passengers.
7. If safe to do so also try to take pictures of the accident scene.
8. If there are any witnesses get their names, mobile number, and their address.
9. If any party is injured, notify the police at the scene of the accident.
10. Do not leave the accident scene before the police arrive.
11. Report to BIC within 24 hours after the accident
12. Submit all required documents to BIC within 14 days.

### **11 Paying by instalments**

If you opt for an annual policy paid in monthly instalments, you are eligible to pay in regular instalments by direct debit. The total premium we charge is higher when you pay in instalments than when you pay one sum annually.

### **12 Your responsibilities when paying by instalments.**

When paying by instalments:

- i. you must be an authorised signatory on the account nominated for your direct debit payments.
- ii. you must ensure that your nominated account can accept direct debits and has sufficient funds to meet each payment at each due date.
- iii. your financial institution may also apply its own fees (including dishonour fees). Those fees are your responsibility.

**13 Important things to remember when paying by instalments.**

- i.** When you first commence your direct debit payments, or when you change your account details, it may take up to 14 days for us to first debit your account.
- ii.** Where your debit day falls on a weekend or a nationally declared public holiday, we will debit your account on the business day before the weekend or public holiday.
- iii.** Monthly policies will renew automatically at policy anniversary, maintaining the same sum insured(s) as the previous insurance period unless otherwise instructed by you the policy holder.
- iv.** If you believe that we may have incorrectly debited your account, please call us on 3600500
- v.** If we decide to make a write-off payment or replace your vehicle under your policy, we will require you to first pay us the total unpaid balance of your premium, administration costs or any other debt with BIC as we have agreed to cover your vehicle under the terms of the policy for the full period of cover but for the month or months for which premium has not been paid. In the case of a write-off payment, we will deduct your administration costs or any other debt with BIC from the payment.