

TERMS AND CONDITIONS OF MEMBERSHIP

1. GENERAL INFORMATION

- 1.1. The relevant parties to this Policy are:
- 1.1.1. Abacus Insurance Limited ("Abacus Insurance") (registration number 2007/035136/06/06), a registered short-term insurer and the underwriter of Smart Cover sold to PEP Customers (the "Cover");
- 1.1.2. iSmart (Proprietary) Limited (registration number 2004/024118/07), an authorised Financial Services Provider (FSP Number: 45337) that sells the Cover on behalf of Abacus Insurance.
- 1.1.3. Pepkor Trading (Proprietary) Limited (registration number 1958/003362/07) an authorised Financial Services Provider (FSP Number: 3247) that collect premiums on behalf of Abacus Insurance.
- 1.1.4. Pay At Services (Proprietary) Limited (registration number 2006/027951/07) an authorised Financial Services Provider (FSP Number: 29423) that collect cash premiums on behalf of Abacus Insurance.

2. EXPLANATION OF WORDS

- 2.1. "Policyholder" - The person in whose name an insurance Policy is written.
- 2.2. "Premium Payer" - The person paying the premium.
- 2.3. "Network Provider" - Means the seller of cellular contracts;
- 2.4. "ARC" or "Authorised Repair Centre" - any repair outlet authorised by either the Administrator or the Network Provider to effect repairs to the Cellular Phone or Gadget;
- 2.5. "Contract Period" - Means the period, including any period of renewal, during which the contract with the network remains in force or effect;
- 2.6. "Gadget" - Means the Cellular Phone, Tablet or handheld devices;
- 2.7. "You / Yours" - Means the person, that has applied for insurance and the Insurer has agreed to provide that person, entity with the cover;
- 2.8. "Insurer" - Means Abacus Insurance Limited ("Abacus Insurance") (registration number 2007/035136/06);
- 2.9. "Intermediary" - Means the broker at which the policy was sold to the client in exchange for a commission from the Insurer.
- 2.10. "MSISDN" - Means the Mobile Station International Subscriber Directory Number allocated to you by your Network Provider;
- 2.11. "Unlawful Usage" - Means the charges debited to your account by the Network Provider arising from unauthorised use of your SIM Card which results in the loss of airtime or data following theft or loss thereof.

3. THE POLICY

3.1. What is covered?

- 3.1.1. The Insurer agrees to cover the theft of or loss of, or damage to Your Gadget.
- 3.1.2. The Insurer shall, at its own discretion, either arrange for:
- 3.1.2.1. the repair of the Gadget by an ARC, or
- 3.1.2.2. a replacement Gadget of similar specification and/or value will be supplied to you subject to the availability of such Gadget, or should the Insurer assess and determine that damage to the Gadget is beyond economic repair, or a voucher equivalent to the repair or replacement value of the Gadget.

3.2. Limit of Indemnity

- 3.2.1. The amount payable by the Insurer for either Loss or Damage shall not exceed the sum stated in the Policy Schedule.

3.3. Excesses

- 3.3.1. For your first claim you will pay 10% of the replacement value of the Gadget for each and every loss resulting in replacement or repair of the Gadget.
- 3.3.2. In the event of a further loss within 12 months of a previous claim also necessitating replacement or repair of the Gadget, you will pay 30% of the replacement value.
- 3.3.3. In the event of three or more losses within 12 months of previous claims, necessitating replacement or repair of the Gadget, you will pay 50% of the replacement value.
- 3.3.4. In addition to the aforementioned amounts, You shall be liable for additional excess payments should the loss occur:

- 3.3.4.1. within 30 days of inception of this Insurance – 50% of the replacement value
- 3.3.4.2. after 30 days but within 90 days of inception of this Insurance – 30% of the replacement value

3.4. Specific Exclusions

- The Insurer shall not be liable for:
- 3.4.1. The cost of repairing or replacing any damaged external casings or cosmetic fittings;
- 3.4.2. Theft of the Gadget from the person of the user unless involving force or the threat thereof;
- 3.4.3. Consequential loss or consequential damage of any description;
- 3.4.4. The cost of repairs and/or maintenance carried out by anyone other than an ARC;
- 3.4.5. Repair or replacement arising as a result of negligent use or wilful abuse or misuse;
- 3.4.6. Any amount recoverable under any guarantee, warranty or other insurance;

4. EXCLUSIONS, CONDITIONS, UPGRADES, REPLACEMENTS AND LIMIT OF COVER

4.1 General Exclusions (Applies to all Sections)

- 4.1.1. This insurance does not cover any loss, damage or liability, directly or indirectly caused by, related to or in consequence of loss or damage resulting from political or non-political riot, strike or civil commotion, public disorder, war, terrorism or public violence or which is insurable by SASRIA (South Africa Special Risks Insurance Association).
- 4.1.2. Notwithstanding any provision of this insurance including any exclusion, exception or extension or other provision not included herein which would otherwise override a general exception, this insurance does not cover loss of or damage to property 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.
- 4.1.3. For the purpose of this General Exclusion 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, 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. If the Insurer alleges that, by reason of this clause of this exception, loss or damage is not covered by this insurance, the burden of proving the contrary shall rest on you.

4.2. Specific Conditions

- 4.2.1. In the event of the Gadget being lost, stolen or damaged, You must immediately notify your Network Provider to initiate the temporary deactivation of MSISDN number related to such SIM Card.
- 4.2.2. In the event of the Gadget being lost or stolen, You must report the loss or theft of the Gadget to the Network Provider within 24 hours and complete a blacklisting form. Once an ITC Reference Number has been allocated, You must report the loss or theft to the nearest police station and obtain a Police Case Number failing which no claim will be considered by the Insurer.
- 4.2.3. It is to be specifically noted no Police Case Number will be provided without an ITC reference number.

4.3. Upgrades and Replacements

- 4.3.1. You shall be solely responsible for ensuring that the Insurer is informed of any changes to the Gadget as a result of any upgrade or replacement of the aforesaid by the Network Provider or one of its ARC
- 4.3.2. No Gadget will be covered which is not specified on the Policy Schedule

4.4. Limit of Cover

- 4.4.1. Cover shall be provided for any Gadget up to the original purchase value.

5. PREMIUMS

- 5.1. Premiums become due, owing and payable by Yourself on the date specified by You, the client, and is listed in Your policy schedule. The premium is due on a monthly basis.
- 5.2. Premium payments may be made via Debit Orders or cash payments at any Pay@ till points.
- 5.3. In respect of Debit Order payment, please note it is Your responsibility to ensure there are sufficient funds available for the debit as You will be responsible for any additional bank charges should this debit be unsuccessful.

- 5.4. In the event You have a claim during the period of insurance in respect of which the debit order has been unpaid, You must first settle the outstanding premium before the claim can be processed, alternatively, this premium shall be deducted from any payment due to You;
- 5.5. This insurance will be automatically cancelled when a total of two months premiums of insurance are not paid and the Insurer shall make no further request for premiums from you;
- 5.6. In the event the Insurer does not receive the first premium payable this Insurance will be void from inception.
- 5.7. The Insurance is automatically renewed for a month every time You pay the premium.

6. NO CLAIMS BONUS BENEFIT

- 6.1. In the event, You have not submitted a claim in a 24 month cycle from date of inception of this Contract and on receipt of 24 consecutive paid premiums, You become eligible for a No Claims Bonus to the value of 2 monthly premiums.
- 6.2. The reimbursement of such No Claim Bonus will be the first two months premium after the 24 months period will be borne by the Insurer.

7. PROCEDURES

7.1. BANK DEBIT ORDER PROCEDURE

- 7.1.1. The debit order will be collected on the date selected by the Policyholder on the Policy.
- 7.1.2. The Cover will only start after payment of the first Premium.
- 7.1.3. The Policy Holder's choice of debit order date is limited to 30 days from the acceptance of the Cover offering.

7.2. PREMIUM PAYER/POLICYHOLDER

- 7.2.1. The Policy allows for the Premium Payer to be the Policyholder or any other payer.

7.3. LAPSE RULE

- 7.3.1. The Policy will cancel/lapse if two premiums are outstanding.

7.4. REINSTATEMENT

- 7.4.1. The Policy cannot be reinstated after lapsing.
- 7.4.2. In the event that you wish to continue with Smart Cover Gadget Insurance for PEP Customers, a new policy will be issued.

7.5. COOLING-OFF PERIOD/RIGHT TO CANCEL

- 7.5.1. The Policyholder can cancel the Policy within the first 30 days. After Abacus Insurance has accepted the Policyholder's application for insurance cover, that Policyholder may decide to instruct Abacus Insurance to cancel the Policy. The Policy Holder must submit this instruction in writing to Abacus Insurance within 30 (thirty) days of receipt of the Membership Certificate.

8. PROCEDURE AT CLAIMS STAGE

- 8.1. The claims procedure must be carefully followed in order to avoid a delay in the payment of benefits.
 - 8.1.1. In addition to 3.3 above, Claims for lost, stolen or damaged devices must be lodged with the administrator within 30 days of the incident.
 - 8.1.2. A claims form must be completed and emailed to the details below together with the required documentation as stipulated on the claim form.
 - 8.1.3. Claims will be processed provided that all required documentation has been provided to the administrator.
 - 8.1.4. Approved claims will only be paid to you upon receipt of excess paid to the administrator.
 - 8.1.5. Approved claims will be reimbursed in a manner to be determined at the discretion of the administrator.
 - 8.1.6. In the event of 3 claims for any one calendar year, the insurer reserves the right to review your policy.
 - 8.1.7. Abacus Insurance reserves the right to cancel the benefit if there is any evidence of, or attempted submission of, a fictional claim, fraud or misrepresentation.

9. COMPLAINTS PROCEDURE

- 9.1. Should you have any complaints, please contact Abacus Insurance and have the following information ready:
 - Policy Number;
 - Identity Number; and
 - Nature of Enquiry.
- 9.2. Complaints which are not resolved to your satisfaction may be referred to Abacus Insurance directly marked for the attention of the Complaints Department via the contact details herein.
- 9.3. If your complaint is not resolved within 30 (thirty) days, you may refer it

to the Ombudsman for Short-term Insurance or the Registrar of Short-term Insurance.

10. TERMINATION OF BENEFITS

10.1. Cancellation

- 10.1.1. The Insurer shall be entitled to cancel this insurance by giving 30 (thirty) days written notice to yourself.
- 10.1.2. You shall be entitled to cancel this insurance by giving 30 days written notice to the insurer.

10.2. Cover Termination

- 10.2.1. This insurance shall be deemed to have been cancelled in the event of:
 - 10.2.1.1. Your death;
 - The Insurer has not received Your premiums as specified in Your policy schedule, unless as detailed in terms of the Premium Payment Condition above.

10.3. Mitigation of Loss

- 10.3.1. You shall take all reasonable steps and precautions to safeguard the Gadget, including but not limited to, ensuring that the Gadget is:
 - 10.3.1.1. A safeguarded whilst charging;
 - not left exposed in a public place, place of recreation, office, mall or social occasion where it is vulnerable to easy removal or damage;
 - 10.3.2. Safeguarded and locked away when not in use;
 - 10.3.3. Not given or lent to another party without Your express written authorisation;
 - 10.3.4. used only for the purposes set out in the Insurer's acceptance of Your application for this insurance cover and that all security measures are adhered to; for this insurance cover and that all security measures are adhered to;
 - 10.3.5. Not handled by infants or toddlers;
 - 10.3.6. Not visible whilst driving or in a stationary motor vehicle;
 - 10.3.7. Used and maintained in accordance with the manufacturer's directions;
 - 10.3.8. Not deliberately or negligently immersed in any liquid, powder, or soil.

10.4. Other Insurance

- 10.4.1. If at the time of any claim there shall be any other insurance providing the same cover as per this insurance, the Insurer shall not be liable to pay or contribute more than their rateable proportion of indemnity.

10.5. No Rights to Other Persons

- 10.5.1. Nothing in this insurance shall give rights to any person other than You, unless the written consent of the Insurer has been obtained.

10.6. Claim Recovery

- 10.6.1. If, after the payment of a claim, the whereabouts of the stolen Gadget is identified, You shall render all reasonable assistance in effecting the recovery of the same.

11. REPLACEMENT

- 11.1. If this Policy is being purchased to replace another Policy that has been cancelled or which will be cancelled in the near future, the Policyholder should be aware that it may change the extent of their applicable cover. The Policyholder must contact their Financial Advisor in order to be informed of the consequences of the changes.

12. CONTACT DETAILS

ABACUS INSURANCE

Head Office:	Telephone Number:	0800 777 444
	Facsimile Number:	010 211 1090
Customer Care:	Telephone Number:	0800 777 444
	Facsimile Number:	010 211 1090
	Email Address:	customercare@abacus-insurance.co.za
Claims:	Telephone Number:	0800 777 444
	Facsimile Number:	010 211 1090
	Email Address:	claims@abacus-insurance.co.za
Complaints:	Telephone Number:	0800 777 444
	Facsimile Number:	010 211 1090
	Email Address:	complaints@abacus-insurance.co.za
Short-term Insurance Ombudsman:	Telephone Number:	0860 662 837
	Facsimile Number:	021 674 0951
	Email Address:	info@ombud.co.za
	Postal Address:	Private Bag X45, Claremont, 7735
Registrar of Short-term Insurance:	Telephone Number:	0800 110 443
	Facsimile Number:	012 346 6941
	Email Address:	info@fsb.co.za
	Telephone Number:	0800 110 443