

Hollard Insure –Claims Management Directive – Tracking Device Requirements - Relaxed

Personal lines and Commercial lines (excluding Agriculture policies)

(a) To qualify for theft and hijacking cover, the vehicles listed below must have **one tracking and recovery device fitted. It can be either a **radio frequency** or an **early-warning** tracking and recovery device:**

- Toyota Etios (all models and years)
- Toyota Hilux (all models manufactured from 2006 to 2015)
- Toyota Fortuner (all models manufactured from 2006 to 2015)
- Nissan NP200 (all models and years)
- VW Polo (all models manufactured from 2010 onwards)
- Ford Ranger (all models manufactured from 2012 onwards)

(b) To qualify for theft and hijacking cover, the vehicles listed below must have **two tracking and recovery devices fitted. These can be any combination of **radio frequency** and/or **early-warning** tracking and recovery device(s):**

- Toyota Hilux (all models manufactured from 2016 onwards)
- Toyota Fortuner (all models manufactured from 2016 onwards)
- Toyota Prado (all models manufactured from 2018 onwards)
- Toyota Land Cruiser 200 (all models manufactured from 2017 onwards)
- Lexus (all models manufactured from 2018 onwards)

The requirements stated in (a) and (b) above apply to vehicles that predominately reside in the provinces of Gauteng and KwaZulu-Natal.

If a policyholder's vehicle, listed in (a) and (b) above, was on cover before **1 August 2023**, these requirements would be applicable from **1 August 2023** – meaning that if these requirements are not met, the vehicle will not be covered for theft or hijacking after **1 August 2023**.

If a policyholder's vehicle, listed in (a) and (b) above, was placed on cover on or after **1 August 2023**, they will have a **14-day** grace period from the cover start date to comply with these requirements. If they do not comply within the **14** days, the vehicle will not be covered for theft or hijacking.

Important:

(c) We will not pay a claim for theft or hijacking in the following instances:

- If neither of the tracking devices is a radio frequency or an early warning tracking device which includes vehicle recovery (unless otherwise agreed by Hollard).
- If the tracking device(s) is not in working order at the time of the incident.
- If the policyholder's contract with the tracking company was not active at the time of the incident.
- If the policyholder did not comply with the terms and conditions of the contract with the tracking company.

If the policyholder did not report the theft or hijacking to the tracking company immediately after the incident. (Provided that the driver was not incapacitated or taken along with the vehicle during the incident.)

Please note that certain tracking devices need their early-warning features to be activated via an

application (app) whenever the vehicle is left unattended. If the vehicle is stolen and the policyholder complied with the conditions stated in (c) above, but there is no proof of activation, an **additional excess of 5%** (five percent) of the claim will apply.

Commercial lines – All products

Requirements for vehicles with a sum insured of R500 000 and over:

It is also important to note that all other vehicles not mentioned in (a) and (b) above; excluding vehicles used as game viewers, farm vehicles and coaches, with a sum insured of R500 000 and over (actual retail value as per M&M) must be fitted with either **two radio frequency** devices or **one early warning** tracking and recovery system and also comply with the requirements stated in (c) above. If the insured vehicle is stolen or hijacked, and the claim is valid in all other aspects with the exception that the required tracking device was not fitted and operational at the time of loss, an **additional first amount payable of 5%** (five percent) of the claim will apply.

What guidelines must be followed for tracking devices in insurance claims?

For the high-risk vehicles indicated in (a) and (b) above theft and hijack claims are subject to the policyholder **ALWAYS** providing the certificate of installation upon claim registration that confirms the installation of the required specified tracking device(s) prior to the loss.

The Hollard Loss Verification Division (LVD) team must be appointed on all vehicle theft/hijacking claims via SPM or investigations@hollard.co.za. The Hollard LVD team will obtain the below documents and information from the tracking company:

- The activation report confirming the activation date of the unit and the time of loss.
- The relevant device(s) activity logs which is linked to the incident description/chain of events provided by the policyholder – numerous merits are considered in this review by the LVD team. For instance, if logs contain sparse activity details during the period in which the loss occurred, consideration is applied on whether the unit was jammed or found in the vehicle and destroyed – engagements/studies will be carried out along with the tracking company.
- Confirmation of whether the tracking device(s) is a radio frequency or early warning system, as well as whether or not the tracking device(s) includes vehicle recovery services by or through the tracking company.
- Each claim will be considered on its own merits and material facts.

The LVD team will provide their recommendation on whether to settle or reject the claim, in accordance with the policy terms and conditions.

Although the claims notification requirement is detailed in the policy wording, Hollard Insure prefers to be notified within 48 hours from the time of the theft or hijacking of the vehicle, if possible. This allows us to notify our network of stolen and recovery agents to be on the lookout for the vehicle. We have noted a higher recovery ratio for vehicles reported within 48 (forty-eight) hours from the time of the loss compared to longer periods.

ALWAYS REFER TO THE SPECIFIC POLICY WORDING, POLICY SCHEDULE AND ENDORSEMENT ISSUED AND HANDLE EACH CLAIM BASED ON ITS OWN MERITS.

Frequently asked questions

If the early-warning functionality of the tracking device must be activated via an app when the vehicle is left unattended, what happens if the vehicle is driven by someone other than the regular driver, who does not have access to the tracking device app and the vehicle is subsequently stolen?

The claim will be settled subject to an additional excess of 5% (five percent) of the claim if the early warning device was not activated prior to the loss and on condition the claim is valid in all other respects, including the fact that the following requirements were also met:

- compliance with the underwriting requirements as to whether one or two tracking devices were required
- submission of tracking device(s) installation certificate(s)
- confirmation that the tracking device(s) was in a working order at the time of the incident
- evidence of contacting the relevant tracking company or companies to report the loss upon discovery, either via tag, app, or telephone call depending on the type of tracking device

and, as is evidenced by the LVD teams' recommendation following the validation of the above requirements, the tracking company activity log report, consideration of the claim merits and materiality to the loss.

What if the tracking company is unable to verify whether the tracking device was activated at the time of the loss?

The LVD team will peruse the tracking company activity log report to validate if the tracking device was armed at the time of the loss. For example, if the policyholder left the vehicle unattended at 10h00 and discovered the loss at 11h00, then the tracking company will be able to confirm if the tracking device was armed between 10h00 and 11h00.

What if the policy requires the vehicle to have a tracking device, but it was not installed, and there is a theft of an accessory, for example a tow bar, or an attempted theft where a door lock is broken but the vehicle was not stolen?

The tracking device is not material to the loss in this example as it is a requirement for theft/hijacking of the vehicle and not for theft from the vehicle. Vehicle tracking device(s) cannot prevent theft from vehicles and/or damage to the vehicle, hence, the claim will be honoured subject to the policy terms and conditions.

How will the policyholder know if their current tracking device is an early-warning or dormant tracking device?

The policyholder should ask their tracking company to verify whether the tracking device fitted complies with the early-warning requirement and if the device is **ALWAYS armed**. To simplify, the policyholder should enquire whether the tracking company will contact them when there is unauthorised movement of or

tampering with the vehicle or if the policyholder must contact the tracking company to report the vehicle stolen. If the current unit does not meet the requirement(s) as set out in the policy schedule, then the policyholder should upgrade or ensure that the correct unit is fitted to meet the requirement. If the policyholder receives updates from the tracking company via an app or SMS (short message system), then the device is in working order.

What grace periods do policyholders have to meet the tracking device requirements?

For new policies and any new vehicles that are required to have tracking devices installed, have a 14-day grace period.