



# GUARANTEED LOANS INSURANCE FUND

POLICY DOCUMENT

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EFFECTIVE DATE: 1 DECEMBER 2025

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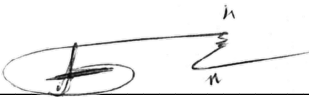
# GUARANTEED LOANS INSURANCE FUND POLICY

This Insurance Policy was created in terms of the Public Finance Management (Guaranteed Loans Insurance) Fund Order, 2022. This Insurance Policy, which comprises sections, is a contract of indemnity between the Fund (created in terms of the Fund Order) and you as a Policyholder, with respect to financial losses that you may suffer relating to Assets that has been acquired in terms of a loan advanced under the Government Employee Motor Vehicle and Residential Property Advance Scheme (GEMVAS).

The Fund shall insure you, subject to the Policy terms and conditions and any endorsements or warranties applicable hereto during the period of insurance for which it has accepted your premium.

The Certificate or Certificates of Insurance and the declaration(s) made by you are the basis of and form part of this policy.

Signed for the Fund

A handwritten signature in black ink, appearing to be 'Ronald O Ketshabe', written over a horizontal line. The signature is stylized with a large 'R' and 'K'.

Ronald O Ketshabe  
Managing Director

# COMPLAINTS PROCEDURE

The Complaints procedure serves to provide guidance around the lodging and handling of complaints with a view to ensuring that all member complaints are resolved in a fair and transparent manner. Complaints will be addressed and resolved within three (3) working days provided that all required information has been submitted to the Fund.

If a member is not satisfied with the way their claim has been handled, they must:

1. Immediately send a written complaint by email to [fundmanager@cibmpi.co.bw](mailto:fundmanager@cibmpi.co.bw) . Alternatively, the member can deliver the complaint letter, addressed to the Fund Manager to Chartered Insurance Brokers offices or by post to P O Box 26067 Game City, Gaborone. Verbal notification of complaints are also acceptable but must be followed by supporting documentation.
2. If your claim is not resolved within seventy-two (72) hours you may follow up with a phone call to the Fund Manager on 316 3881

# 1. GENERAL

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## 1.1. DEFINITIONS

- **ASSET** means the property of the policyholder, which is insured under this Policy. It may be a motor vehicle or a residential property.
- **Average clause/condition** means an insurance principle which penalizes for under-insurance. If the asset 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 rateable proportion of the loss.
- **Certificate of insurance** means a document issued by the fund, which is used to verify the existence of the insurance Policy.
- **Consequential loss** means any additional loss of damage that happens as a result of the Insured loss or damage.
- **Excess or first amount payable** means the first amount that you must pay before your claim can be settled.
- **Financial Institution** means a participating Bank where the member obtained the loan.
- **Fund** means Guaranteed Loans Insurance Fund, (GLIF).
- **Government** means Government of Botswana.
- **Insured Event** means a sudden unforeseen event resulting in damage, loss or liability to the insured property.
- **Interest** means the fee charged by the bank to the Policyholder for the use of borrowed money, usually expressed as an annual percentage of the principal.
- **Market Value** means the price for which an asset can be sold in a particular market.
- **Member/Policyholder** means a Government employee who has financed the purchase of his/her motor vehicle and/or residential property under the Government Employee Motor Vehicles and Residential Property **Advanced Scheme**.
- **Motor Vehicle means:**
  - A passenger vehicle with a carrying capacity not exceeding 10 persons.
  - Goods vehicle (with a gross mass not exceeding 3500 kg) listed in the **Certificate of Insurance**.
- **Permanent Secretary- Ministry of Finance, also referred to as the Accounting Officer** means the Public Officer responsible for the administration of the Fund.
- **Policy** means a legal contract of indemnity between the Fund (GLIF) and the Policyholder.
- **Public Service Act** means Public Service Act No.30 of 2008.
- **Scheme** refers to the Government Employees Motor Vehicle and Residential Property Advance Scheme (GEMVAS).
- **Subsidence** refers to the movement or gradual sinking of land supporting the private home below the house shrinks or swells due to the weather.
- **Sum Insured** means the maximum amount that the Fund can pay to the Policyholder on occurrence of an event.

- **Territorial Limits** include Botswana, Lesotho, Malawi, Namibia, South Africa, Mozambique, Kingdom of Eswatini, Zambia and Zimbabwe. There will be no cover outside of these countries.
- **We/Us/Our** means or shall bear reference to, the Guaranteed Loans Insurance Fund.
- **You/Your/Yours/Yourself** means, or shall bear reference to, the Policyholder named in the Certificate of Insurance.

## 1.2. HEADNOTES

Headnotes are for reference and do not affect the interpretation of the Policy

## 1.3. INTERPRETATION

The policy and certificate (s) of Insurance shall be read as one document. Any word or expression given a specific meaning shall bear such meaning whenever it appears.

## 1.4. OBSERVANCE OF POLICY TERMS AND CONDITIONS

The Fund's liability is conditional on the observance of the Policy terms and conditions by any person claiming indemnity or benefit.

## 1.5. PREVENTION OF LOSS

You must always take all reasonable precautions to prevent loss, damage and/or accidents and you may effect emergency repairs to your asset to prevent further damage.

## 1.6. FINANCIAL INTEREST

The financial interest of the Insured asset lies with the Government of Botswana until the loan is fully paid.

## 1.7. CLAIMS PROCEDURE AND REQUIREMENTS

- 1.7.1. If an event giving rise to or likely to give rise to a claim comes to your knowledge, you must notify the Fund within thirty (30) days of the event and as soon as possible, give;
  - 1.7.1.1. Particulars of any other Insurance covering the same event.
  - 1.7.1.2. Written details of the event.
  - 1.7.1.3. Such proof, information and sworn declarations as the Fund may require from time to time.
  - 1.7.1.4. Any document(s) or details of any communication received in connection with a claim.
- 1.7.2. You must notify the police within twenty-four (24) hours of any loss or theft of asset or any accident involving the asset.

- 1.7.3. No admission, statement, offer, promise, payment or indemnity may be made by you without the Fund's written consent.
- 1.7.4. The Fund may take over and conduct the defence or settlement of any claim and have the right to use your name for this purpose.
- 1.7.5. You must give all information and assistance required by the Fund to obtain indemnity from the other parties.
- 1.7.6. You must notify the Fund immediately when you become aware of any impending prosecution or inquest, in respect of any event which may give rise to a claim.
- 1.7.7. If the Fund repudiates liability for any claim made under this policy, it will be relieved of liability unless the Fund's decision is challenged in writing within ninety (90) days of repudiation.
- 1.7.8. In the event of misuse of the loan availed under the Scheme, the Fund is at liberty to not honor any claims under this.
- 1.7.9. There shall be no payment for claims where you did not comply with the agreement under the Guaranteed Loans Insurance Fund Policy.

## **1.8. MORE THAN ONE POLICY**

If the loss, damage, or liability is covered by any other Insurance, the Fund will not pay more than its rate-able proportion.

## **1.9. REINSTATEMENT OF SUM INSURED (HOMEOWNERS)**

The sum insured will not be reduced by the amount of any claim. The Fund may request you to pay the premium on the amount of the claim from the date of loss or damage to the expiry of the period of insurance.

## **1.10. CANCELLATION AND/OR AMENDMENT**

- 1.10.1. The Fund may cancel this Policy by giving thirty (30) days' notice in writing provided that the insured property is no longer a subject of a GEMVAS loan.
- 1.10.2. You may cancel this Policy or any section of it by giving the Fund immediate notice in writing provided that the insured property is no longer a subject of a GEMVAS loan.
- 1.10.3. The Fund may change the terms, conditions and exclusions of this Policy by giving you thirty (30) days' notice.
- 1.10.4. We will give you this notice through the daily news and other media, email, fax or post to your last known address or contact details.

## **1.11. CHANGE IN CIRCUMSTANCES**

The Fund may repudiate your claim if the risk is materially altered without its consent or in the event of any material mis-description, misrepresentation, or non-disclosure.

## 1.12. JURISDICTION

Issues affecting this Policy, including its interpretation and disputes arising out of it shall be interpreted and disputes arising out of it shall be interpreted in accordance with the Laws of Botswana. The parties to this Policy shall be subject to the jurisdiction of the courts of the Republic of Botswana.

## 1.13. DEATH, INJURY, DISABILITY OR ILLNESS

- 1.13.1. In the event of you being incapacitated as a result of accidental bodily injury and thereby prevented from carrying out your usual employment with the Government of Botswana, for a period exceeding six (6) months from the date of accident which caused such incapacity, the Fund shall pay the monthly repayments including interest, excluding arrears and related charges together with the monthly premiums. Such payments by the Fund will commence on the seventh (7<sup>th</sup>) month of incapacity and continue until a determination is made by the Medical Board.
- 1.13.2. In the event of your death, the Fund will settle the outstanding amount which is due to any Financial Institution in respect of the motor vehicle or residential property described in the Certificate of Insurance.
- 1.13.3. In the event of your death, the Fund will pay P20, 000 to your nominated beneficiary for funeral expenses.
- 1.13.4. In the event that your death is due to an accident or chronic illness, the Fund will pay up to P10, 000 for counselling services for your immediate family.
- 1.13.5. Where you are retired on medical grounds by the Government on the advice of the Medical Board, as per the guidelines provided in the Public Service Act and you are certified suffering from permanent disability affecting your livelihood and earning capacity, the Fund shall settle the outstanding debts incurred under the schemes, subject to the Policy being active at the time of loss.
- 1.13.6. Where you are retired on medical grounds by the Government on the advice of the Medical Board, as per the guidelines provided in the Public Service Act and you are certified suffering from partial disability affecting your livelihood and earning capacity, the Fund shall settle the outstanding debts incurred under the Scheme subject to the Policy being active at the time of loss, up to the extent as determined by the Permanent Secretary.
- 1.13.7. Where you are retired on medical grounds by the Government on the advice of the Medical Board, as per the guidelines provided in the Public Service Act, the Fund will pay up to P10,000 for counselling services for you and/or your immediate family.
- 1.13.8. In the event of you being permanently disabled as a result of accidental bodily injury, the Fund shall settle outstanding loan(s), guaranteed by the Government of Botswana excluding arrears and interest on arrears that arose prior to the incident.
- 1.13.9. In the event of you being partially disabled as a result of accidental bodily injury the Fund may, depending on the determination of the Medical Board and/or Permanent Secretary, settle outstanding loan(s) guaranteed by the Government excluding arrears and interest on arrears that arose prior to the incident, up to the extent as determined by the Permanent Secretary.

- 1.13.10. In the event of you being partially or permanently disabled as a result of accidental bodily injury, the Fund will pay up to P10,000 for counselling services for you and/or your immediate family.

## 1.14. GENERAL EXCLUSIONS

The Fund will not be liable for;

- 1.14.1. Any claim which is fraudulent.
- 1.14.2. Consequential or indirect loss or damage of any kind or description whatsoever, except as specifically provided.
- 1.14.3. Loss and/or damage caused by or resulting from wear and tear, gradual deterioration, and depreciation in any form. Loss or damage caused by your own domestic pets is also not covered.
- 1.14.4. Loss and/or damage or bodily injury deliberately caused by you or any person acting in collusion with you.
- 1.14.5. Any claim arising out of contractual liability.
- 1.14.6. Loss of or any damage to the asset or bodily injury related to or caused by;
- 1.14.6.1. Civil commotion, labour disturbances, riot, strike or lock-out or public disorder or any act or activity which is calculated or directed to bring about any of the above.
- 1.14.6.2. War, invasion, act of foreign enemy, hostilities or warlike operations (whether be declared or not) or civil war.
- 1.14.6.3. 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, insurrection, rebellion, or revolution.
- 1.14.6.4. Any act (whether on behalf of any organization, body or person, or group of persons) calculated or directed to overthrow or influence any State or Government, or any District, local or tribal authority with force, or by means of fear, terrorism or violence.
- 1.14.6.5. Any act which is calculated or directed to bring about destruction or damage or bodily injury 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 District, local or tribal authority or for the purpose of inspiring fear in the public or any section thereof.
- 1.14.6.6. Any attempt to perform any act referred to in exclusions 1.14.6.4 and 1.14.6.5.
- 1.14.6.7. The act of any lawfully established authority in controlling, preventing and suppressing or in any other way dealing with any occurrence referred to in exclusions 1.14.6.1, 1.14.6.2, 1.14.6.3, 1.14.6.4, 1.14.6.5 or 1.14.6.6.
- 1.14.6.8. If the Fund alleges that by reason of exclusions 1.14.6.1, 1.14.6.2, 1.14.6.4, 1.14.6.5, 1.14.6.6 or 1.14.6.7, loss or damage or bodily injury is not covered by this Policy, the burden of proving the contrary will set on you.

1.14.7. Loss or damage caused directly or indirectly;

- 1.14.7.1. By or through or in consequence of any occurrence for which an Insurance Fund has been established by the Government of Botswana or in any of the territorial limits referred to in this Policy.
- 1.14.7.2. By or rising from radio-activity or the use, existence or escape of any nuclear fuel, nuclear material or nuclear waste.

## 2. HOMEOWNERS - BUILDINGS

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### 2.1. DEFINITIONS

For this section:

Dwelling means your private residence and its domestic outbuildings, landlord's fixtures and fittings, water, sewerage, gas, electricity and telephone connections, paths and driveways constructed of brick, concrete, pavers, asphalt or stone (not gravel), walls, gates and fences (excluding hedges), swimming pools including fixed filtration plant, water pumping machinery (not automatic pool cleaners), tennis courts, sauna and spa baths belonging to you and situated at your risk address shown in the Certificate of Insurance.

### 2.2. INDEMNITY TO YOU

Following loss of or destruction or damage to the dwelling arising from or caused by an Insured event,

- 2.2.1. The Fund will by payment or at its choice by reinstatement or repair indemnify you. If at the time of the destruction or damage, the value of the dwelling including the cost of demolition and professional fees amount to more than the sum insured, you will be your own Insurer for the difference and will bear a rate-able proportion of the loss.
- 2.2.2. You may choose within six (6) months of the date of destruction or damage to reinstate the dwelling on the same site (or another site in the same premises subject to the Fund's liability not being increased); as near as possible to its pre-damage or pre-destruction condition,
  - 2.2.2.1. The reinstatement must be started and finished within twelve (12) months otherwise the Fund will settle in terms of 2.2.1.
  - 2.2.2.2. The Fund will not be liable for the cost which will not be payable in terms of 2.2.1 until the cost has been incurred by you.
  - 2.2.2.3. If at the time of reinstatement, the cost including the cost of demolition and professional fees which would have been incurred in reinstating the dwelling had it been totally destroyed, exceeds the sum Insured of the dwelling at the time of destruction or damage, you will be your own Insurer for the difference and will bear a rate-able proportion or reinstatement.

## **2.3. INSURED EVENTS**

- 2.3.1. Fire, Lightning, explosion and earthquake.
- 2.3.2. Deliberate, willful or wanton acts.
- 2.3.3. Storm, wind, water, hail or snow excluding destruction or damage;
  - 2.3.3.1. Caused by movement of land supporting the dwelling even if such movement is caused by storm or flood. This exclusion will not apply to the removal of land supporting the dwelling by flowing surface water.
- 2.3.4. Bursting, leaking or overflowing of water apparatus or fixed oil-fired heating apparatus, including damages to the said apparatus that is not caused by gradual deterioration.
- 2.3.5. Theft or attempted theft provided there is forcible and violent entry or exit.
- 2.3.6. Impact by animals, falling trees, or objects.
- 2.3.7. Breakage or collapse of radio or television aerials or masts.

## **2.4. BREAKAGE OF GLASS AND SANITARYWARE**

In the event of accidental breakage in the Dwelling (except when it is vacant) of;

- 2.4.1. fixed glass,

fixed sanitary ware, excluding chipping, scratching or disfigurement, the Fund will pay for and/or have the option to repair or replace it. You will be responsible for payment of the first P250.00 of each claim.

## **2.5. RENT**

If the private residence becomes uninhabitable as a result of any Insured loss, destruction or damage, the Fund will pay up to 25% of the sum Insured of the dwelling. The amount payable will be based on the period necessary for reinstatement and

- 2.5.1. The annual rental value of the unfurnished dwelling if it was your permanent residence.
- 2.5.2. The annual rental value of the unfurnished dwelling if it was rented at the time of loss, destruction or damage.

## **2.6. WATER-PUMPING MACHINERY**

If fixed filtration plant or water pumping machinery (not automatic pool cleaners) in domestic use is accidentally destroyed or damaged (not due to wear and tear) the Fund will pay for or have an option to repair or replace it. You will be responsible for the first P1, 000.00 of every claim and the Fund will not pay more than P7, 500.00.

## **2.7. PUBLIC SUPPLY OR MAINS CONNECTION**

In the event of accidental destruction or damage to water, sewerage, gas, electricity, or telephone connections belonging to you for which you are responsible between your dwelling and the public supply the Fund will pay for or have an option to repair them.

## **2.8. PUBLIC AUTHORITIES' REQUIREMENTS**

The Fund will pay costs necessarily incurred in repairing or rebuilding in accordance with the requirements of public authorities, following destruction or damage to the dwelling by an Insured event, subject to the adequacy of the sum Insured.

## **2.9. FIRE BRIGADE CHARGES**

If authorities charge you with the cost of fire extinguishing following fire damage to the dwelling, the Fund will indemnify you.

## **2.10. EMERGENCY ACCOMODATION**

2.10.1. If the dwelling is uninhabitable following an insured peril, The Fund will indemnify you against the reasonable cost of emergency accommodation provided that the cost of emergency accommodation is for a maximum of 5 nights and the cost does not exceed P10, 000.00.

## **2.11. COST OF DEMOLITION AND PROFESIONAL FEES**

2.11.1. Following loss to the dwelling by an insured event, we will pay the costs necessarily incurred by you with Fund's written consent:

2.11.1.1. in demolishing the dwelling, removing debris from the site and erecting hoardings required for building operations.

2.11.1.2. for architects', quantity surveyors' and consulting engineers' fees.

2.11.1.3. for local authorities' scrutiny fees following loss of or destruction or damage to the dwelling by an insured event.

## **2.12. SECURITY GUARDS**

Following loss or damage caused by an insured event, the Fund will indemnify you for reasonable costs of up to P5, 000.00 incurred in employing a security guard.

## **2.13. RIOT AND STRIKE**

Notwithstanding anything to the contrary contained in exclusion 1.14.6:

- 2.13.1. The Fund will cover loss or damage to property or bodily injury directly occasioned by or through or in consequence of:
  - 2.13.1.1. civil commotion, labour disturbances, riot, strike or lockout
  - 2.13.1.2. the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in 2.13.1.1 above
- 2.13.2. This extension does not cover loss or damage to property or bodily injury
  - 2.13.2.1. resulting from total or partial cessation of work, or the retarding or cessation of any process or operation
  - 2.13.2.2. occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority
  - 2.13.2.3. related to or caused by any occurrence referred to in exclusion 1.14.6.2, 1.14.6.3, 1.14.6.4, 1.14.6.5 or 1.14.6.6 or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

## **2.14. ACCIDENTAL DAMAGE TO MACHINERY**

The Fund will at its option by payment, repair or replacement indemnify you for accidental to fixed machinery.

The Fund will not be liable for:

- 2.14.1. The first P1, 500.00 of each and every claim.
- 2.14.2. More than P15, 000.00 in total for any one claim.
- 2.14.3. Loss, destruction or damage caused by or resulting from wear and tear, depreciation, rust, mildew, moth, vermin, insects, or any gradual operating cause, processes of dyeing, cleaning or renovating, the action of light or atmospheric conditions, confiscation or detention by any process of law, or lack of reasonable maintenance.
- 2.14.4. Consequential loss of any nature.

## **2.15. TREE REMOVAL**

Following an insured event, the Fund will indemnify you up to P5, 000.00 for the reasonable costs of removing any fallen trees from your dwelling.

## **2.16. KEYS, LOCKS AND REMOTE-CONTROL UNITS**

The Fund will pay for reasonable costs incurred up to P2, 500.00 for:

- 2.16.1. Replacement and/or repairing of keys, locks or remote-control units for the dwelling following any one incident of loss, theft or destruction.
- 2.16.2. You will be responsible for the first P500.00.

## **2.17. GARDEN AND WATER FEATURES**

The Fund will indemnify you for costs not exceeding P10,000.00 reasonably and necessarily incurred by you in your capacity as owner of the private residence for the replacement of trees, shrubs, lawns, plants, water features and fixed sprinkler installations situated in the grounds of the dwelling following damage caused by fire, fire-fighting or other emergency services operations, explosion, impact by vehicles or aircraft or other aerial devices, deliberate or malicious acts, excluding theft or attempted theft.

## **2.18. LOSS OF WATER**

The Fund will compensate you for amounts that you owe local authorities for water that has been lost due to leaking pipe, provided:

- 2.18.1. Local authorities calculate the amounts.
- 2.18.2. The reading is at least 50% more than the average reading for the four (4) readings preceding it.
- 2.18.3. When the leak is discovered either by physical evidence or on receipt of an unusually high water bill, you have taken immediate steps to trace and repair the leaking pipes.
- 2.18.4. Losses are limited to a maximum of P5, 000.00 in a calendar year.
- 2.18.5. You shall be liable for the first P500.00 of each claim.

## **2.19. TRAUMA COUNSELLING**

The Fund will indemnify you for costs not exceeding P10, 000.00 for counselling services for you and/or your family following a traumatic insured event.

## **2.20. CLAUSES**

### **2.20.1. MORTGAGE**

- 2.20.1.1. The interest of the mortgages and/or guarantor;
- 2.20.1.2. Ranks prior to your interest.
- 2.20.1.3. Is limited to the amount owing to the mortgagee by you on the residential property loan account in respect of the insured dwelling.

**2.20.2. TENANTS**

This Insurance will not be invalidated by any act or omission of a tenant of yours provided you notify the Fund as soon as such act or omission comes to your knowledge.

**2.20.3. CAPITAL ADDITIONS**

The insurance under this section is extended to cover alterations, additions and improvements to the property for an amount not exceeding 15% of the sum insured, it being understood that the insured will carry out a valuation of the property and update the sum insured within 6 months of effecting those alterations, additions and/or improvements.

**2.20.4. SUBSIDENCE AND LANDSLIP**

2.20.4.1. The Fund will indemnify you for damage to the dwelling caused by subsidence or heave of the land supporting the dwelling or landslip, provided such destruction or damage is not caused by or does not arise from;

- (i) Excavations other than mixing excavations.
- (ii) Alternations, additions or repairs to the dwelling.
- (iii) The compaction of infill.
- (iv) Defective design, materials, or workmanship.
- (v) Normal settlement, shrinkage, or expansion of the dwelling.

2.20.4.2. The Fund will not be liable for destruction or damage to;

- (i) solid floor slabs or any other part of the dwelling resulting from the movement of such slabs, unless the foundations supporting the external walls of the private residence or domestic outbuildings are damaged by the same cause at the same time.
- (ii) swimming pools, tennis courts, patios, terraces, driveways, paths, septic or
- (iii) conservancy tanks, drains, water courses, walls, gates, posts, and fences.

**2.20.5. ADDITIONAL COVER**

2.20.5.1. Where the building is under construction or being renovated, the policy is extended to cover;

- (i) theft or attempted theft of materials on site provided that there is violent or forcible entry or exit. An excess of 10% of claim, minimum P10,000.00 applies
- (ii) professional fees incurred for Architects, Quantity Surveyors, Consulting Engineers, legal or other professional fees in connection with the replacement or reinstatement of the building provided that the fees do not exceed 15% of the value upon completion.

- (iii) damage, theft or hijacking of materials in transit to site. Cover is restricted to Botswana roads only. An excess of 10% of claim, minimum P10, 000.00 applies.

## 2.21. EXCLUSIONS

The Fund will not be liable for:

- 2.21.1. Claims for dwellings that have not been completed within a period of twelve (12) months from the date of the Policy cover.
- 2.21.2. The first P5, 000.00 of every claim arising from a deliberate or wilful or wanton act (including theft) after the dwelling has been vacant for more than sixty (60) consecutive days.
- 2.21.3. Any first amount payable as may be introduced by the Fund from time to time.
- 2.21.4. Loss or damage caused by movement of the land to driveways, boundary walls, garden or retaining walls, gates, conservatory tanks, drains or water courses.
- 2.21.5. Loss or damage as a result of faulty design or defect of the building, the removal or weakening of support to any building, any alterations, additions, or repairs to the building, normal settlement, shrinkage, or expansion of the building.
- 2.21.6. Loss or damage caused by any excavations.

## 3. MOTOR

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### 3.1. OWN DAMAGE

The Fund shall indemnify you against accidental loss or damage to any motor vehicle (and its accessories and spare parts whilst thereon provided they have been declared) described in the Certificate of Insurance.

### 3.2. EXCEPTIONS

The Fund will not be liable to pay for:

- 3.2.1. consequential loss from any cause whatsoever, depreciation, wear and tear, mechanical or electrical breakdown failure or breakage;
- 3.2.2. damage to tyres and rims by application of brakes or by road punctures, cuts or bursts;
- 3.2.3. damage to or seizing up of the engine or any other part or parts due to loss of water, oil or other lubricants by any cause whatsoever;
- 3.2.4. more than two thousand Pula (P2,000.00), after application of excess, in respect of loss or damage to fitted audio equipment unless otherwise specified

### 3.3. INDEMNITY

- 3.3.1. The Fund may at its option repair, reinstate or replace such motor vehicle or any part thereof or its accessories or spare parts or may pay in cash the amount of the loss or damage. If the motor vehicle is declared a total loss or beyond economical repair the Fund shall have the right to the disposal of the salvage. If to the Fund's knowledge the motor vehicle is the subject of a guaranteed loan or similar agreement, such payment shall be made to the Financial Institution described therein whose receipt shall be a full and final discharge to the Fund in respect of such loss or damage.
- 3.3.2. The motor vehicle value stated in the Certificate of Insurance shall be the maximum amount payable by the Fund in respect of such accidental loss or damage but shall not exceed the reasonable retail value of such motor vehicle and its accessories and spare parts at the same time of such loss or damage. However, should the outstanding balance due to any Financial Institution be greater than the market value, then the Fund shall pay the outstanding balance in full to the Financial Institution excluding arrears and excess amount payable.
- 3.3.3. If such motor vehicle is disabled by reason of accidental loss or damage, the Fund shall bear the reasonable cost of protection and removal to the nearest repairers. The Fund shall also pay the reasonable cost of delivery to you after repair of such loss or damage, not exceeding the reasonable cost of transport to the address in Botswana.

### 3.4. LIABILITY TO THIRD PARTIES

The Fund shall indemnify you in the event of an accident caused by or through or in connection with any motor vehicle described in the Certificate of Insurance; or trailer attached thereto but excluding damage to such trailer or any disabled motor vehicle being towed, against all sums including claimant's costs and expenses which you shall become legally liable to pay in respect of:

- 3.4.1. death or bodily injury to any person not being a member of your household nor being conveyed in the trailer or disabled motor vehicle referred to above but excluding death of or bodily injury to any person in your employment.
- 3.4.2. damage to the asset other than the asset belonging to you or held in trust by you or in your custody or control or being conveyed in the trailer or disabled motor vehicle referred to above.

The Fund shall pay all costs and expenses incurred with its written consent.

The Fund will be entitled, at its discretion, to arrange for representation at any inquest or inquiry in respect of any death which may be the subject of indemnity under this section or for defending in any Court of law, any criminal proceedings in respect of any act or relating to any event which may be the subject of indemnity under this section.

In terms of and subject to the limitation of and for the purpose of this section,

- 3.4.3. the Fund shall indemnify any person who is driving or using the insured motor vehicle on your order or with your consent or permission provided;
  - 3.4.3.1. that such person is not entitled to indemnity under any other Policy;
  - 3.4.3.2. that such person shall, as though he/ she were you, observe, fulfil and be subject to the terms, exceptions and conditions of the Policy in so far as they can apply;
  - 3.4.3.3. that such person has not been refused any motor vehicle insurance or continuance thereof by any Insurance company or underwriter;
  - 3.4.3.4. that the Fund's liability under the section does not exceed two million five hundred thousand pula (P2,500,000.00) in respect of any one accident or series of accidents due to or arising out of any one event or occurrence.

The Fund shall not be liable for any compensation or claim that falls within the scope of the Botswana Motor Vehicle Accident Fund Act No. 6 of 1998, or any other Motor Vehicle Fund Act of any country within territorial limits, including amendments to the said Acts as and when they are enacted.

However, if the Motor Vehicle Accident Fund of that country does not compensate for loss, the Fund shall compensate for the loss subject to the provisions of this Policy.

### 3.5. MEDICAL EXPENSES

If you or your driver or any occupant of any motor vehicle described in the Certificate of Insurance shall in direct connection with such motor vehicle sustain any bodily injury by violent accidental external and visible means, the Fund shall pay the medical expenses in connection with such injury up to the sum of ten thousand Pula (P10, 000.00) per principal member and five thousand Pula (P5, 000.00) in respect of any other person injured. The total claim shall not exceed forty thousand Pula (P40, 000.00) per motor vehicle.

### 3.6. APPLICATION OF THE LIMITS OF INDEMNITY

In the event of any accident involving indemnity to more than one person, any limitation by the terms of this Policy, of the amount of any indemnity, shall apply to the aggregate amount of indemnity to all persons indemnified and such indemnity shall apply in priority to the insured.

### 3.7. GENERAL EXCEPTIONS

The Fund shall not be liable in respect of:

- 3.7.1. any accident, injury, loss, damage and/liability caused, sustained or incurred outside the Republic of Botswana, Lesotho, Malawi, Namibia, Republic of South Africa, the Kingdom of Eswatini, Zambia, Mozambique and Zimbabwe. The Fund shall however indemnify you in terms of Section 1 of this Policy, against loss of or damage to any motor vehicle described in the Certificate of Insurance whilst in transit by sea between any ports in the aforementioned territories, including loading and unloading incidental to the transit;
- 3.7.2. any accident, injury, loss, damage, and/ liability caused, sustained or incurred whilst any motor vehicle in respect of or in connection with which Insurance is granted under this Policy is;
  - 3.7.2.1. being used other than in accordance with the Description of Use clause contained in the Policy;
  - 3.7.2.2. being driven by you or by any person, unless duly and fully licensed to drive such motor vehicle, in terms of the legislation applying to any territory within the territorial limits to which this Policy applies; provided that if such a license be subject to renewal, the renewal has been granted and the holder is not disqualified from holding or obtaining such a license; provided also that this exception shall not apply whilst you or any such person is driving such motor vehicle whilst learning to drive if at such time he is complying with the laws and regulations in force relating to learner drivers;
  - 3.7.2.3. being driven by you or any other person while;
    - (i) under the influence of intoxicating drugs or alcohol or,
    - (ii) the concentration of alcohol in the blood or the alcohol content measured anyhow exceeds the permitted statutory limit imposed by any law in force.

- (iii) if called upon to provide specimen or sample to the Police refuses to submit such;
- (iv) when supposed to offer assistance to the Police for the accident investigation, leaves the scene of accident.

3.7.2.4. in a condition which does not comply with the provision and regulations of the Road Traffic Act of the Republic of Botswana (for the time being in force) or any similar legislation which applies to the territorial limits referred to in General Exception 3.7.1.

3.7.3. any claim arising out of any contractual liability.

3.7.4. any loss, damage and/ or liability directly or indirectly, proximately or remotely occasioned by, contributed to or traceable to, or arising out of or in connection with volcanic eruption, war, invasion, the act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular uprising, military uprising, insurrection, rebellion, revolution, military or usurped power, or any act of any person acting on behalf of or in connection with an organisation with activities directed towards the overthrow by force of the Government de jure or de facto or to the influencing of it by terrorism or violence.

In the event of any claim under the Policy, you shall prove that the loss, damage and/or liability arose independently of and was in no way connected with or occasioned by or contributed to or traceable to any of the said occurrences or any consequence thereof. In the absence of such proof, the Fund shall not be liable to make any payment in respect of such claim.

3.7.5. This Policy does not cover.

3.7.5.1. loss, destruction of or damage to any asset whatsoever or any loss or expenses whatsoever resulting or arising from any consequential loss.

3.7.5.2. any legal liability of whatsoever nature directly or indirectly caused by or arising from or in consequence of or contributed to by nuclear weapons material or by ionizing, radiation or contamination by radioactivity from any nuclear fuel which includes any self- sustaining process of nuclear fission.

## **3.8. MEMORANDA**

### **3.8.1. JURISDICTION CLAUSE**

The Fund shall not be liable under this Policy in respect of;

3.8.1.1. compensation for damages in respect of judgments not in the first instance delivered by or obtained from Court of competent jurisdiction within territorial limits;

3.8.1.2. costs and expenses of litigation which are not incurred in and recoverable in the Republic of Botswana.

### 3.8.2. **REPLACEMENT PARTS CLAUSE**

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

- 3.8.2.1. the price quoted in the latest catalogue or price list issued by the manufacturer or his agent for the country in which the motor vehicle is held for repair, or
- 3.8.2.2. if no such catalogue or price list exists, the price list of the manufacturer plus the reasonable cost of transportation, except by air, to the country in which the motor vehicle is held for repair and the amount of the relative import duty and the reasonable cost of fitting such parts,

Provided that the transport costs do not exceed 5% of the motor vehicle sum insured.

### 3.8.3. **ACCESSORIES**

The Fund shall only be liable for accessories that have been specified in the application form and the Certificate of Insurance, where specific disclosure of such accessories and their values is provided.

### 3.8.4. **DESCRIPTION OF USE**

Use for social, domestic and pleasure purposes and for purposes of your business or that of your authorized driver including travelling to and from work.

This Policy does not cover hire of the motor vehicle, carriage of passengers for hire or carriage of fare paying passengers, driving instruction for reward, racing speed or other contest, rallies, trials, carriage of explosives or carriage of any load or passengers exceeding the capacity for which it is constructed or licensed to carry or use for any purpose in connection with the motor trade. The indemnity to the insured in connection with any motor vehicle described in the Certificate of Insurance shall operate while such motor vehicle is in the custody or control of a member of the motor trade for the purpose of its overhaul, up keep or repair.

## 3.9. **EXTENSIONS TO INSURANCE PROVIDED**

### 3.9.1. **BREACH OF CONDITIONS**

In the event of the breach by you of Policy conditions resulting in repudiation of a claim where the motor vehicle is a constructive total loss, the Fund shall indemnify any Financial Institution up to the limit of the outstanding loan for the motor vehicle described in the Certificate of Insurance.

Where any such payment is made, the Fund shall have the right to institute proceedings against you for the amount disbursed.

### 3.9.2. **CREDIT SHORTFALL**

If any motor vehicle comprehensively insured under this Policy is damaged, and the assessed cost of repairs exceeds the percentage of the reasonable retail value determined by the Fund to declare the motor vehicle to be beyond economical repair, the Fund shall indemnify the Government of Botswana and/or any Financial Institution the difference between the reasonable retail value and the outstanding balance of the loan under a valid credit agreement subject to the total payment not exceeding the limit of indemnity, less the first amount payable and arrears.

### 3.9.3. **PROTECTION AND REPAIR**

If an insured event occurs:

3.9.3.1. The Fund will pay no more than five thousand Pula P5, 000 for the protection, storage and removal of the vehicle to nearest repair in Gaborone in respect of vehicles 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, the Kingdom of Eswatini, South Africa and Zimbabwe.

### 3.9.4. **DELIVERY AFTER REPAIR**

3.9.4.1. After a repair, the Fund will pay up to a maximum of five thousand Pula P5,000 for the delivery of your vehicle to your address in the territorial limits of Botswana, Lesotho, Namibia, the Kingdom of Eswatini, South Africa, Zimbabwe, Malawi, Zambia, and Mozambique.

3.9.4.2. Cover in Zambia and Mozambique is restricted to own damage only. Cover granted under this policy is subject to the jurisdiction of the courts of the Republic of Botswana.

### 3.9.5. **WINDSCREEN**

The Fund will pay up to a maximum of thirty thousand Pula P30, 000.00 for the breakage to window glass and for any scratching of bodywork solely and directly from such breakage.

### 3.9.6. **ABSCONDANCE**

3.9.6.1. Absconding shall be deemed to have occurred when the whereabouts of the Insured is unknown to the Government of Botswana. The Insured is declared to have absconded if the Government of Botswana is unable to locate him or her within 180 days. In the event of abscondence, the Fund shall indemnify the Government of Botswana and/or any Financial Institution against default by you up to the outstanding balance of the loan but not including arrears and related charges.

3.9.6.2. This extension does not guarantee repayment of the loan and/ or interest and/ or charges nor provide any indemnity against your insolvency, nor your failure to make alternative credit arrangement on leaving the Botswana Government service, nor any other lapse in your obligations unaccompanied by a fraudulent act.

3.9.6.3. In the event of any payment made by the Fund under this extension, the Government of Botswana shall render all assistance that may be reasonably required to the Fund.

### 3.9.7. THEFT

- 3.9.7.1. The Fund shall not be liable in respect of loss or damage due to theft or attempted theft of the motor vehicle described in the Certificate of Insurance, unless such motor vehicle is fitted with an alarm and immobilizer, proof of which has been received by the Fund prior to such theft, and which was activated at the time of such theft or attempted theft.
- 3.9.7.2. The Fund shall not be liable for loss of or damage to audio equipment fitted to the motor vehicle described in the Certificate of Insurance resulting from theft, or any attempted theft, of such audio equipment unless the motor vehicle has been fitted with an alarm, which was activated at the time of such theft or attempted theft.
- 3.9.7.3. Separate CD shuttles and chargers must be securely mounted out of sight in the motor vehicle and the motor vehicle and boot locked at all times when the motor vehicle is unoccupied. There shall be no cover under the Policy for CD shuttles and chargers that are mounted elsewhere than as specified.

### 3.10. FIRST AMOUNT PAYABLE

Notwithstanding anything contained herein to the contrary, the insured will be responsible for the first amount payable (excess) listed below in the event of a claim:

3.10.1. Basic excess: 5% of claim with minimums as follows;

Insured Value	Minimum Excess
Up to P50, 000.00	P1, 000.00
P50, 001 to P100, 000.00	P1, 500.00
P100, 001 to P150, 000.00	P2, 000.00
P151, 000 to P200, 000.00	P2, 500.00
P201, 000 to P250, 000.00	P3, 000.00
P251, 000 to P300, 000.00	P3, 500.00
301, 000 to P350, 000.00	P4, 000.00
P351, 000 to P400, 000.00	P4, 500.00
P401, 000 to P450, 000.00	P5, 000.00
P451, 000 to P500, 000.00	P5, 500.00
over P500, 000.00	Excess will increase by P500.00 for each P50, 000.00 insured value

3.10.2. Learner Driver additional P 1, 000.00

3.10.3. Driver under 30 years or over 75 years of age 0.5% of claim, minimum P500.00

3.10.4. Driver's license less than 3 years 0.5% of claim, minimum P500.00

3.10.5. Previous claims in the past 12 months 0.5% of claim, minimum P500.00

3.10.6. Single motor road accidents P250.00

*The excesses as per items 3.11.1 to 3.11.6 listed above are cumulative.*

3.10.7. theft or hijack

3.10.7.1. in respect of losses occurring in Botswana 7.5% of claim

- 3.10.7.2. in respect of losses occurring outside Botswana 10% of claim
- 3.10.8. Windscreen or glass 20% of claim minimum P250.00
- 3.10.9. Motor vehicle radios
  - 3.10.9.1. Motor vehicle radios (specified) 10% of claim, minimum P250.00
  - 3.10.9.2. Motor vehicle radios (not specified) 25% of claim, minimum P350.00
  - 3.10.9.3. Where you are able to produce the security face plate following theft of the motor vehicle radio Flat P250.00
- 3.10.10. Loss of keys 20% of claim, minimum P150.00
- 3.10.11. Motorcycles 5% of claim, minimum P500.00

## 4. SPECIFIC CONDITIONS

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- 4.1. At any time after the happening of an event giving rise to a claim or series of claims under 3.4 of this Policy, the Fund may pay to you the full amount of your liability under the section and relinquish the conduct of any defense, settlement or proceedings and it shall not be responsible for any damage alleged to have been caused to you in consequence of any alleged action or its omission with such defense, settlement or proceedings or of its relinquishing such conduct nor shall it be liable for any costs or expenses whatsoever incurred by you or any claimant or other persons after it shall have relinquished such conduct.
- 4.2. If during the currency of this Policy your driving license or that of your authorized driver is endorsed, suspended or cancelled or if he/she or you be charged or convicted of negligent or improper driving, you shall notify the Fund in writing immediately you have knowledge of such fact.
- 4.3. You shall take all reasonable steps to safeguard from loss or damage and maintain in an efficient and road worthy condition any motor vehicle described in the Certificate of Insurance and the Fund shall have at all times free access to examine such motor vehicle.
- 4.4. Unless otherwise expressly stated by endorsement hereon, nothing contained herein shall give any rights against the Fund to any person other than you. Furthermore, the Fund shall not be bound by any passing of your interest, other than by death or operation of law. The extension of the Fund's liability in respect of any person other than you shall give no right to claim hereunder to such person, the intention being that you shall in all cases claim for and on behalf of such person and the receipt by you in any case shall absolutely discharge all liability hereunder.
- 4.5. In the event of the Fund having paid a total loss claim, all payments received for the sale of the salvage shall be for the Fund's benefit, irrespective of whether the motor vehicle is a total loss or is damaged beyond economical repair.
- 4.6. The percentage of the motor vehicle to be declared beyond economical repair shall be determined by the Fund from time to time.

## 5. ADDITIONAL COVERS

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### 5.1. LOSS OF INCOME

If you lose your income due to redundancy or dismissal, the Fund will pay you up to six (6) months instalments of the outstanding balance for the motor vehicle or residential property during the period when there is no income. The Fund will not be liable to pay in respect of;

- 5.1.1. Non-renewal of contract.
- 5.1.2. Employees dismissed due to fraud.
- 5.1.3. Where the employee was found to have been dismissed legally.

### 5.2. TRAUMA COUNSELLING

If you are a victim of a violent act of theft, or attempted theft of a motor vehicle, hold up or hijacking and or a theft or an attempted theft in the house which necessitates professional counselling, the Fund will pay compensation up to ten thousand Pula (P10, 000.00) any one claim, subject to a referral by a medical practitioner.

### 5.3. PERSONAL ACCIDENT COVER

If you, and/or any other occupant of the insured motor vehicle or residential property shall sustain, in direct connection with such insured motor vehicle or residential property, any bodily injury caused by violent, accidental, external and visible means, the Fund will pay the sum of twenty thousand Pula (P20,000.00) per occupant provided that such injury shall solely and independently of any other cause (except medical or surgical treatment consequent upon such injury) within twelve (12) calendar months of the accident result in:-

- 5.3.1. death twenty thousand Pula (P20,000.00)
- 5.3.2. total and irrecoverable loss of sight of one or both eyes twenty thousand Pula (P20,000.00)
- 5.3.3. total loss by physical severance at or above the wrist or ankle of one or more limbs twenty thousand Pula (P20,000.00)
- 5.3.4. permanent or total loss of hearing of one or both ears twenty thousand Pula (P20,000.00)
- 5.3.5. permanent and total loss of speech twenty thousand Pula (P20,000.00)
- 5.3.6. injury resulting in permanent and total incapacity from following usual occupation or any other occupation for which such person is fitted by knowledge or training
- 5.3.7. the maximum payable in respect of any one (1) accident shall not exceed eighty thousand Pula (P80,000.00) in total for anyone (1) vehicle.

A determination will be made by the Fund for all other injuries sustained in direct connection with the insured motor vehicle or residential property.

#### **5.4. EMERGENCY HOTEL EXPENSES**

In the event of loss or damage to the motor vehicle following a covered event, occurring more than fifty (50) km from your residence the Fund will pay emergency hotel expenses necessarily incurred by you up to two thousand Pula (P2, 000.00) per day, maximum two (2) nights and a maximum benefit of eight thousand Pula (P8,000.00) in any twelve (12) months period of Insurance.

#### **5.5. ROADSIDE ASSISTANCE**

Below is a list of benefits available under this cover;

- 5.5.1. 991 Emergency 24-hour Help line
- 5.5.2. Mechanical Breakdown Assistance- mechanical assistance up to a 50km radius, beyond this, a charge of P9.50 per kilometre is applicable.
- 5.5.3. Towing Services- covers the first 50km, beyond that there will be a charge of P9.50 per kilometre.
- 5.5.4. Vehicle Locksmiths- Covered within a 50km radius, beyond 50km the charge will be P9.50 per kilometre. Applies in instances where keys are locked inside a motor vehicle and there shall be no replacement of any parts.
- 5.5.5. Flat Tyre Assistance- Tyre changing assistance within a 50km radius, beyond 50km they will be a charge P9.50 per kilometre. It does not involve provision of spare tyres or cover costs for a new tyre.
- 5.5.6. Flat Battery Assistance-Free jumpstart services will be provided, together with battery replacement services, however the member will be directly responsible for the battery costs. Applicable within a radius of 50km, but beyond that a charge of P9.50 per kilometre will be levied.
- 5.5.7. Out of Fuel Assistance- the service provider will bring and supply fuel up to a maximum of 10 litres and you will be directly responsible for this cost. The service is free within a radius of 50 km, beyond 50km the charge will be P9.50 per kilometre.
- 5.5.8. Reciprocal Benefit-The members will receive similar service if they require them whilst across the border (South Africa, Zimbabwe and Namibia).

The above covers (5.1 to 5.5) accumulate an additional monthly premium of P125.00.

# 6. ADDED BENEFIT

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## 6.1. LOYALTY BONUS

Criteria

To qualify for loyalty bonus;

6.1.1. You must have been in the Fund for five (5) consecutive years.

6.1.2. You will receive cash back bonus payment of 2.5% of total premiums at every five (5) years anniversary

## 6.2. OTHER BENEFITS

6.2.1. The Fund will cover 50% of the valuation fees for all properties guaranteed by the Government of Botswana. Valuation fees will be guided by the Real Estate Council list of fees.

6.2.2. The Fund will pay 100% of cancellation fees, for all members who would have settled their loans. Once the loan is fully repaid, the member will seek their own conveyancer' services and submit receipt to the Fund Manager. The cancellation fees will be guided by the Deeds Registry (Conveyancers and Notaries Public, Fees and Charges) Regulations and any other legal instrument relating to conveyancers and notaries services.



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