GENLIB
SPECIALISED INSURANCE & INNOVATIVE SOLUTIONS
FOR BROKERS
FSP 35482

NEW FOR OLD VEHICLE COVER

INCEPTION VALUE POLICY (IVP)

Insurer: Renasa Insurance Company Limited   **FSP No**. 15491

This brochure is an informative document and is always superseded by the specific Policy Wording

PREMIUM & UNDERWRITING

The premium for this product is determined by a number of factors:

1) Sum insured
2) Type of vehicle
3) Additional optional extensions will carry an additional premium

INTRODUCTION

New for Old for all vehicles including Credit Shortfall

We all know that vehicles depreciate in value over time and that in the event of a **Total Loss** (accident, theft or hijack) it can be difficult to afford a suitable replacement vehicle.

Comprehensive insurance policies generally pay out the current *retail value* of your car, as at the time of a total loss. This implies that as your car ages, it *depreciates in value* and you will get less and less money over time.

This unique product will enable your clients to claim the value of their vehicle (at inception of the policy) as opposed to the current retail value of the vehicle at the time of a total loss.

Note that this policy is <u>in addition</u> to the client's comprehensive insurance policy.

IVP therefore provides cover against vehicle depreciation

- ✓ **for** all vehicles, of any age
- ✓ **used for** domestic, commercial and taxi purposes
- ✓ **whether** financed or not
- ✓ **with** credit shortfall included free of charge (for financed)
- ✓ **creating** increasing embedded benefits for clients over time
- ✓ **thus** encouraging client retention

POLICY REQUIREMENTS & CALCULATING OF PREMIUMS

Comprehensive Insurance Policy

- ✓ A valid Comprehensive Insurance Policy must be in place

    Inception Value Policy does not pay you:

- if your underlying comprehensive insurance is repudiated or rejected;

- if your underlying comprehensive policy is voided or cancelled;

- for any amounts payable by you in respect of the underlying comprehensive insurance and this insurance policy (including, but not limited to outstanding premiums and the excess amounts applicable).

To insure a vehicle

- ✓ A valid MM (Mead & McGrouther) Code
- ✓ A valid Retail Value

To claim

- ✓ An Agreement of Loss (AOL) from Comprehensive Insurance
- ✓ Deregistration Documents (from the Insured to the Insurer)
- ✓ Outstanding Finance Balance (for Financed Vehicles)

How are premiums calculated

- ✓ Curve off Depreciation
- ✓ Propensity to write-off
- ✓ Propensity for theft / hijack
- ✓ Value of the vehicle

SETTLEMENT EXAMPLES

CLAIM EXAMPLE 1

Client buys vehicle **Cash** and takes out Inception Value Policy (IVP)

Vehicle Purchase Date	01.01.2017
Retail Value @ Date of Purchase (IVP Sum Insured Value)	R 400 000
Date of Loss	01.01.2021
Retail Value @ Date of Loss	R 150 000
Bank Finance Outstanding Balance @ Date of Loss	N/A
Difference between Retail Value @ Date of Purchase & Retail Value @ Date of Loss	R 250 000
Comprehensive Policy settles Retail Value @ Loss Date	**R 150 000**
Comprehensive pays THE CLIENT	**R 150 000**
IVP settles the IVP Sum Insured Value @ Date of Purchase less Retail Value @ Loss Date	**R 250 000**
IVP pays THE CLIENT	**R 250 000**

CLAIM EXAMPLE 2

Client buys vehicle **Financed through Bank** and takes out Inception Value Policy (IVP)

Vehicle Purchase Date	01.01.2017
Retail Value @ Date of Purchase (IVP Sum Insured Value)	R 400 000
Date of Loss	01.01.2021
Retail Value @ Date of Loss	R 150 000
Bank Finance Outstanding Balance @ Date of Loss	R 200 000
Difference between Retail Value @ Date of Purchase & Retail Value @ Date of Loss	R 250 000
Comprehensive Policy settles Retail Value @ Loss Date	**R 150 000**
Comprehensive pays THE BANK	**R 150 000**
IVP settles the IVP Sum Insured Value @ Date of Purchase less Retail Value @ Loss Date	**R 250 000**
IVP pays THE BANK (any shortfall owed between settlement from Comprehensive Insurance & Outstanding Finance)	**R 50 000**
IVP pays THE CLIENT	**R 200 000**