

# Wheel and Tyre Policy Wording

Howdie



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## 1. Welcome

This short-term insurance policy is intended to give you peace of mind that you will be covered for the loss of or damage to your tyres and rims. We will pay a claim during the period of insurance on the following conditions:

- Your premiums are paid up to date.
- You give us all information that affects the risks insured under this policy.
- You comply with all the terms and conditions of this policy.
- No exclusion listed in your policy wording or policy schedule applies to the claim.

## 2. The parties to this policy

This policy is a legal contract between Hollard and the policyholder. Only the policyholder has rights under this policy.

- **The insurer**  
'We', 'us' and 'our' refer to The Hollard Insurance Company Limited (Hollard), registration number 1952/003004/06, a licensed Non-Life Insurer and an authorised Financial Services Provider.
  - Certain services and functions are performed by our service providers and administrators.
  - The words 'we', 'us' and 'our' include our service providers and administrators, even though they are not parties to this policy.
- **The policyholder**  
'You' and 'your' refer to the policyholder named in the policy schedule who is the owner of this policy.

## 3. Your policy is a legal contract

Your policy is a legal contract which includes the application for insurance, your policy schedule and the policy wording. You must read your policy wording and policy schedule together.

- Make sure you understand what you are covered for, what you are not covered for (referred to as exclusions), and what your responsibilities are.
- Any changes will only be in place once we have agreed to them and have sent you a new policy schedule and policy wording.
- This policy wording replaces all previous policy wordings.

## 4. Your policy wording

Your policy wording is this document which includes all the terms and conditions that apply to your cover.

## 5. Your policy schedule

Your policy schedule is a separate document issued with your policy wording and must be read together with your policy wording. It sets out specific details about the policyholder, vehicle, tyres, rims, premium, cover option selected and applicable limits. If you find any errors on your policy schedule, please contact your broker.

## 6. Rules on interpretation

- The policy will be governed by and interpreted in accordance with South African law in terms of the jurisdiction of the courts of South Africa, except for liability claims as required.
- The headings in the policy are for reference only and will not affect the meaning of the terms and conditions to which they relate.
- Days refer to ordinary calendar days, including weekends and public holidays.

**Examples:** We include examples in your policy to help you understand your cover, and to explain certain insurance principles. These examples are shown in boxes like this one, and do not form part of the legal contract.

## 7. Our correspondence with you

We will assume that you have read and received our correspondence if it was sent to you via your broker, or if it was sent directly to you on the email address you gave us as shown in the policy schedule. If we take legal action against you, the summons will be delivered to your physical address as shown in the policy schedule.

## 8. The privacy of your personal information

We care about the privacy, security and online safety of your personal information and we take our responsibility to protect this information very seriously. Below is a summary of how we deal with your personal information. For a more detailed explanation, please read our official Privacy Notice on our website.

- **Processing your personal information:** We have to collect and process some of your personal information in order to provide you with our products and services, and also as required by insurance, tax and other legislation.
- **Sharing your personal information:** We will share your personal information with other insurers, industry bodies, credit agencies and service providers. This includes information about your insurance, claims and premium payments. We do this to assess claims, prevent fraud and to conduct surveys.
- **Protecting your personal information:** We take every reasonable precaution to protect your personal information (including information about your activities) from theft, unauthorised access and disruption of service.

## 9. Report and prevent fraud

Fraud affects the insurance industry as a whole. It increases claims costs, which in turn increases premiums. Hollard is committed to prevent fraud and we have our own internal Anti-Fraud policy. Please report any suspicious or unethical activity anonymously on **0801 516 170** (toll free) on weekdays between 8am and 5pm or via email at **Hollard@tip-offs.com**.

## Additional information

### 1. About your broker

Hollard has approved the broker, a financial services provider, to market and sell its products. The broker must provide certain information about themselves as well as about the insurer (see 'We', 'us' and 'our' above). The broker will maintain your policy, communicate with you and be the contact point between yourself and Hollard for claims or policy changes. The broker will receive commission from Hollard. The commission amount is shown in your policy schedule. We may not cancel your policy merely by informing your broker. We must provide a notice to you as required by law.

### 2. About Hollard

Hollard is a licensed Non-life insurer and an authorised Financial Services Provider. Hollard is a public unlisted company and has Professional Indemnity insurance and Fidelity Guarantee insurance in place. Hollard receives your premium and is responsible for your claims. You can contact us on the below contact details:

**Postal address:**

PO Box 87419  
Houghton  
2041

**Hollard Head Office:**

Tel: 011 351 5000  
Web: [www.hollard.co.za](http://www.hollard.co.za)

**Physical address:**

Hollard Villa Arcadia  
22 Oxford Road  
Parktown  
2193

**Compliance department:** [compliance@hollard.co.za](mailto:compliance@hollard.co.za)

## What we cover

### 1. Key terms to understand

<b>Period of insurance</b>	Any period for which you have paid the premium.
<b>Policy start date</b>	The date on which your cover under this policy first starts, as shown in your policy schedule.
<b>Policy review date</b>	The date on which we will review your policy every year, as shown in the policy schedule.
<b>Policy year</b>	Each 12-month period starting from your policy start date and each subsequent policy review date.
<b>Premium</b>	The premium due as shown in the policy schedule.
<b>Premium collection date</b>	<p>The date on which you must pay the premium.</p> <ul style="list-style-type: none"> <li><b>Monthly premiums:</b> The day shown in the policy schedule on which we will debit your bank account.</li> <li><b>Annual premiums:</b> The date each year on which you must pay the full annual premium, or on which we will debit your bank account if premium is paid via debit order.</li> </ul>
<b>Rim</b>	The rims fitted to your vehicle as shown in your policy schedule. The term 'rim' includes both rims and mag wheels.
<b>Tyre</b>	The tyres fitted to your vehicle as shown in your policy schedule. This includes the spare wheel even if it is a space-saver or temporary wheel shown in your policy schedule.
<b>You</b>	Reference to "you" and "your" includes the premium payer. This is the person who has agreed to pay the premium to us, as shown in the policy schedule.

### 2. What we cover under this policy

- You are covered for unexpected and unforeseen damage to your tyres and rims on a private or public road in South Africa. If the tyre cannot be repaired, then we will pay for it to be replaced, and we will also pay for wheel balancing and alignment.
- The following cover option tiers are available for selection:

Tier	Monthly premium	Maximum amount per tyre	Maximum amount per rim	Maximum claim limit per annum per vehicle
1	R30	R5 000	R2 000	R10 000 per vehicle
2	R50	R10 000	R10 000	R20 000 per vehicle
3	R80	R20 000	R15 000	R40 000 per vehicle
4	R150	R20 000	R40 000	R100 000

**IMPORTANT:** When selecting your cover option please be mindful of what it would cost to replace all four of your vehicle's tyres and rims. Remember to include the cost of wheel alignment and balancing. Your selected option is shown in your policy schedule.

- We will never pay more than:
  - The maximum limits per tyre as shown in your policy schedule.
  - Two tyres and two rims per claim.
  - Two claims per a 12-month consecutive period.

If the maximum limit is not enough to cover the full replacement cost, you will have to pay the difference.

### 3. Conditions for cover

- We will only cover your tyres and rims while you are driving within the borders of South Africa on tarred private or public roads only. We do not cover your tyres and rims while you are driving on untarred private or public roads as well as off-road trails.
- **The vehicle that your tyres and rims are fitted to is any of the following passenger vehicles:** 4x4 vehicle, 4x2 vehicle, minibus, SUV (sport utility vehicle), light delivery vehicle (LDV) or a motorised caravan with a gross vehicle mass of not more than 3 500kg.
- The tyres and rims must be fitted to the vehicle that is shown in your policy schedule (including the spare wheel).
- The tyres must be within the legal tread limit as determined by the National Road Traffic Act, according to which:
  - The tyre's pattern must be clearly visible across the full surface of the tyre, and the tyre must have a tread depth of at least 1mm.
  - If the tyre has a tread depth indicator, the tread may not be level with the tread depth indicator.

## Your responsibilities

### 1. You must give us all material information

- You must tell us if any material information changes within **21 days from the change**. For example, you must notify your broker if you change your tyres, rims or your vehicle.
- If any of your information is incomplete or incorrect at any time, our decision was based on incorrect information. This means we may not have agreed to cover or continue to cover your tyres and rims with your current premium, limits or conditions.
  - We may cancel your policy from the date that you gave us incorrect information, or since there was a change in the risk that you did not tell us about. If we cancel, you lose your right to claim and we will refund the premiums we received after the cancellation date, less the claims amount we may have paid.
  - If we do not cancel your cover, we may then increase your premium or apply an exclusion.

### 2. You must be honest

All dealings about this policy must be done honestly and in good faith. If you are involved in fraudulent behaviour, we will cancel your policy from the date of the fraud. You will lose your right to claim and we will not pay back any premiums we have received. We may also take legal steps to recover any expenses from you.

### 3. You must maintain your tyres and rims and prevent loss or damage

- You must maintain your tyres and rims and take all reasonable steps to prevent loss or damage, and to minimise the cost of a claim.

#### For example:

- You must make sure that your tyres are inflated at the correct pressure and rotated regularly as stipulated by the tyre manufacturer.
- Any modifications to your vehicle must be done by an accredited vehicle specialist.

- After an insured event you must take reasonable steps to protect your tyres and rims from further loss or damage. For example, do not continue to drive with a flat tyre as this may cause further damage to the tyre.

### 4. You must have an insurable interest

In order for an insurance policy to be valid, you must have an insurable interest in your vehicle throughout the period of insurance. Having an insurable interest in an item, means that any loss or damage to the item will cause a financial loss to you. If your insurable interest in your vehicle changes, you must tell us.

## 5. You must keep to the terms and conditions

You must comply with all the rules, terms, conditions, your responsibilities and the claims process shown in your policy wording and policy schedule.

## 6. Obey the law

- You must comply with the law at all times, including any by-laws and regulations relevant to your vehicle.
- Do not use your vehicle in connection with any criminal offence. We may reject a claim and we may ask you to pay back any benefits that we may have paid for that claim and any costs we may have incurred relating to that claim.

## 7. You may not transfer your rights to another person

This policy does not give any rights to any other person or entity other than the policyholder. You may not transfer your rights to benefits payable under this policy to another person or entity. This is known in law as a cession. If you transfer your rights to another person or entity, we will not recognise that contract. We will continue our contract with you as if you had not contracted with someone else.

## When and how to pay your premium

Your premiums – whether paid monthly or annually – must reach us on time. All premiums are payable in advance, before your policy starts. Premiums must be paid in South African rands only.

### 1. Monthly premiums

If you chose to pay your premium monthly your choice is shown in your policy schedule. Your premium is due on your chosen premium collection date, but your cover runs for a calendar month.

**For example:** A full month's premium collected on any day in May means you are covered from 1 May to 31 May.

#### 1.1 Your first debit order

Depending on when your policy is activated, your first debit order might not be in time for our debit order run. Note that if your first debit order fails, this policy will not start and you will not be covered.

- **When your policy start date is on the 1st of the month**
  - If your policy is activated in time for our debit order run, we will debit your account on your chosen debit order day with one month's premium for cover from your policy start date until the last day of that month.
  - If your policy is not activated in time for our debit order run, there are two options available:
    - We can debit your account on your chosen debit order day in the following month with two full months' premium. This will cover you from your policy start date until the last day of the following month (double debit).
    - You can ask us to do an interim debit order to collect the first month's premium and then we will only collect one month's premium on your chosen debit order day in the following month.
- **When your policy start date is not on the 1st of the month**
  - If your policy is activated in time for our debit order run, we will debit your account on your chosen debit order day with a pro-rata premium for cover from your policy start date until the last day of that month.
  - If your policy is not activated in time for our debit order run, there are two options available:
    - We can debit your account on your chosen debit order day in the following month with the pro-rata premium plus one month's full premium. This will cover you from your policy start date until the last day of the following month.
    - You can ask us to do an interim debit order to collect the pro-rata premium and then we will only collect one month's premium on your chosen debit order day in the following month.

### 1.2 **One month grace period on subsequent debit orders**

From the second month of cover, we allow a one-month grace period (extra time) for you to pay your premium. We will not pay any valid claims that happen during the grace period, unless you pay the outstanding premium within the grace period.

### 1.3 **Working days only**

If your debit order date falls on a Sunday or public holiday, we will debit your bank account on the first working day before or after the Sunday or public holiday.

### 1.4 **Rejected and stopped debit orders**

- If a debit order is rejected because of insufficient funds, we will debit your bank account with two months' premium on your next debit order date.
  - If that collection is successful, your policy will continue.
  - If that collection is not successful, your policy will end at midnight of the last day of the calendar month for which premium was received.
- If you stop a debit order directly with your bank we will not attempt another collection. Your policy will end at midnight of the last day of the calendar month for which premium was received.

### 1.5 **Changes to your policy**

If you make a change to your policy which affects your monthly premium, the following applies:

- **Changes effective on the first of the month:** We will amend your monthly debit order with the new premium.
- **Changes effective on any other day of the month:** Because your cover runs for a calendar month, it means that there will be a pro-rata premium due to amend your cover from the effective date of the change until the last day of the month. We will amend your monthly debit order with the new premium and we will deal with the pro-rata portion as follows:
  - **Reduction of your monthly premium:** If the change reduces your monthly premium, we will reduce your next debit order with the portion of the premium we owe you for cover until the last day of the month (the pro-rata premium).
  - **Increases to your monthly premium:** If the change increases your monthly premium, we will increase your next debit order with the portion of the premium you owe us for cover until the last day of the month (the pro-rata premium).

### 1.6 **If cover ends**

If your cover ends during the period of insurance, we will pay back that portion of the monthly premium which relates to the period after the date the cover ended. We have the right to keep a small portion of any premium we refund to you, to cover our costs. We will not pay back any premium if we cancel your cover because of fraud.

## 2. **Annual premiums**

If you chose to pay your premium annually your choice is shown in your policy schedule.

### 2.1 **Period of insurance**

Your cover is in place for 12 months after your policy start date and each subsequent policy review date once you have paid your premium.

### 2.2 **Payment via EFT or direct deposit**

If you chose to pay your annual premium via electronic fund transfer or direct deposit, then your broker will provide you with our banking details. We allow a one-month grace period (extra time) from your policy start date and each policy review date for you to pay your annual premium.

- **Policy start date:** If your first annual premium is not received within one month after your policy start date, this policy will not start and you will not be covered.
- **Policy review date:** If any following annual premiums are not received within one month after your policy review date, your policy will end on the last day of the previous period of insurance.
- **Claims during the grace period:** We will not pay any valid claims that happen during the grace period of one month, unless you pay the outstanding premium within the grace period.



### 2.3 Payment via debit order

If you chose to pay your annual premium via debit order, then your premium is due on your chosen premium collection date. We will debit your bank account every year on your premium collection date.

- **Working days only:** If your debit order date falls on a Sunday or public holiday, we will debit your bank account on the first working day before or after the Sunday or public holiday.
- **Rejected debit orders:** If a debit order is rejected because of insufficient funds, we will debit your bank account again after a one-month grace period.
  - If that collection is successful, your policy will continue.
  - If that collection is not successful, your policy will end on the last day of the previous period of insurance, unless it was your first debit order in which case your policy will not start.
  - We will not pay any valid claims that happen during the one-month grace period, unless you pay the outstanding premium within the grace period.
- **Stopped debit orders:** If you stop a debit order directly with your bank we will not attempt another collection. Your policy will end at midnight of the last day of the previous period of insurance.

### 2.4 Changes to your policy

If you make a change to your policy during the period of insurance which affects your annual premium, the following applies:

- **Reduction to your annual premium:** If the change reduces your annual premium, we will pay back the portion of the premium we owe you.
- **Increases to your annual premium:** If the change increases your annual premium, you must pay a pro-rata premium. This pro-rata premium will cover you from the effective date of the change, until your next policy review date. You must pay the pro-rata premium within one month after the effective date of the change.

### 2.5 If cover ends

If your cover ends during the period of insurance, we will pay back that portion of the annual premium which relates to the period after the date the cover ended. We have the right to keep a small portion of any premium we refund to you, to cover our costs. We will not pay back any premium if we cancel your policy because of fraud.

## When policy conditions change

We will tell you at least 31 days before the effective date of any changes we make as set out below. We will send you an updated policy schedule, policy wording and an explanation of the changes.

### 1. We will review your policy every year

- We will not change the limits – you are responsible to make sure the limits of your chosen cover option are sufficient to cover your tyre and rim insurance needs.
- **Premium changes:** When we review your premium, we consider a number of different factors, like environmental changes and inflation.
- **Automatic renewal:** Unless you tell us that you want to make changes to our renewal terms, we will automatically renew your policy on the terms shown in the updated policy schedule and policy wording.

### 2. We may also make changes to your policy at any time

We may change the terms and conditions of this policy at any time, and not just on your policy review date. A change might affect the limits, your premium and excesses. If legislation changes, this policy will be considered to be aligned with the change, until such time as the policy wording is updated.

### 3. We may make changes to your policy

- We may change the terms and conditions of this policy at any time and not just at the policy review date. A change might affect the limits, premium and excesses.
- If legislation changes, this policy will be aligned with the change, until such time as the policy wording is updated.

#### 4. You may make changes to your policy

- Any changes may affect your premium. If you ask us to make any changes to your policy they will be effective from the date agreed to by us.
- If we agree to change some policy requirements, it does not mean that we have agreed generally to change all the requirements.

## Claiming under this policy

### 1. How to claim for your tyres or rims

- Take your vehicle to a recognised tyre retailer.
- Find out from the recognized tyre retailer whether the tyre can be repaired. If the tyre can be repaired then there is no claim under this policy. If the tyre cannot be repaired, and needs to be replaced, then continue with the steps below.
- Take pictures of the damaged tyre or rim, clearly showing the damaged area, the sides of the tyres and the tread surface of the tyre.
- Request an invoice detailing the following:
  - Vehicle details.
  - Tyre and rims details as applicable.
  - The remaining tyre tread left (in millimetres) of the damaged tyre.
  - Confirmation that the tyre was irreparable.
- Pay the tyre retailer directly and send us the pictures, a copy of the invoice and proof of payment within 31 days of the event taking place.

**IMPORTANT:** If there was malicious damage to your tyres or rims you must report it to the police within 24 hours and you must give us the police case number.

### 2. If your claim is valid

- **What we will pay**  
We will pay for the cost of replacing your tyres or rims (including alignment and balancing) up to a maximum of the amounts shown in your policy schedule. The amount we will pay depends on the remaining depth of the damaged tyre, as shown in the table below. You will have to pay the difference in the form of an excess between the cost of a new tyre and the amount that we will pay.

**IMPORTANT:** A minimum excess amount of 10% will always be payable in the event of a claim for a tyre or rim.

Remaining tread depth of the damaged tyre	Tread depth of a new tyre				
	7mm	8mm	9mm	10mm	11mm
11mm					90.9%
10mm				90.0%	81.8%
9mm			88.9%	80.0%	72.7%
8mm		87.5%	77.8%	70.0%	63.6%
7mm	85.7%	75.0%	66.7%	60.0%	54.5%
6mm	71.4%	62.5%	55.6%	50.0%	45.5%
5mm	57.1%	50.0%	44.4%	40.0%	36.4%
4mm	42.9%	37.5%	33.3%	30.0%	27.3%
3mm	28.6%	25.0%	22.2%	20.0%	18.2%
2mm	14.3%	12.5%	11.1%	10.0%	9.1%

### 3. Claim conditions

The following conditions apply to tyre and rims claims under this policy:

- **Waiting period**  
You may not claim for a tyre or rim during the first 30 days after the policy start date.
- **Salvage**  
In the event of a valid claim, you may not keep the damaged tyre or rim, it will become our property.

## What we do not cover – exclusions

We do not cover any claims for loss or damage directly caused by, or related to, any of these exclusions.

1. **Abuse or misuse of your vehicle:** We do not cover loss or damage to your tyres if you abuse or misuse your vehicle, such as participating in a drag-race.
2. **Any of the following causes of damage to your tyres or rims:**
  - Fire, scorching, charring, melting or burning.
  - Malicious damage.
  - Mechanical failure of your vehicle.
  - Cosmetic or chemical reasons.
  - Defective design, workmanship or materials.
3. **Consequential loss:** We do not cover consequential loss. For example, if your tyre is damaged on the way to the airport, we will cover you for the damaged tyre, but we will not pay for any loss you may suffer because you missed your flight.
4. **Damage not caused directly by a road hazard:** There is no cover for tyres and rims that are not damaged by a road hazard on a public or private road. For example, if you swerve for a pothole and hit the curb damaging your tyres and rims there is no cover under this policy.
5. **Losses covered by another policy:** We do not cover damage to your tyres or rims that you can claim for under any other insurance policy.
6. **Loss or damage to your tyres or rims while driving on an untarred private or public road:** We do not cover loss or damage to your tyres or rims while driving on an untarred private or public road.
7. **Lost or stolen tyres or rims:** We do not cover tyres or rims that have been lost or stolen.
8. **Off-road vehicle activities:** We do not cover your tyres or rims if you are using your vehicle for any off-road activities designed for 4X4 vehicles such as driving on 4X4 trails or routes.
9. **Repairable tyres:** We do not pay towards the replacement of tyres that can be safely repaired in the opinion of a recognised tyre retailer.
10. **Retreaded tyres:** We do not cover retreaded tyres.
11. **There is no cover for tyres and rims fitted to fleet vehicles, buses, caravans, or vehicles that are used for commercial purposes or as a tool of trade. For example:**
  - Using your vehicle as a courier or delivery vehicle.
  - Renting out your vehicle for use by others.
  - Using your vehicle to carry passengers for reward, such as a taxi or limousine (excluding lift clubs).
  - Using your vehicle to carry out your trade, such as plumbers, electricians, builders, garden services, farmers, etc.
12. **Vehicle accident damage:** We do not cover tyres and rims that are damaged because the vehicle was in an accident, you must then claim under your motor vehicle insurance cover.
13. **Wear and tear:** We do not cover wear and tear. This is the gradual deterioration of your tyres that is caused by normal driving of your vehicle, or by exposure to sunlight and weather conditions.

## How to complain

We hope that you never have reason to complain, but if you do, there are a couple of options available to you. While you may contact the Ombudsman for Short-term Insurance at any time or take legal action against us within 270 days of a claims decision, we would encourage you to please contact your broker first, and follow the five-step process below.



## Ending cover under this policy

### 1. When cover for a tyre or rim ends

Cover for a tyre or rim ends when any of the following applies:

- You sell or replace the tyre or rim and don't inform us of the details of the replacement tyre or rim.
- The tread depth of the tyre is less than the legal tread limit as determined by the National Road Traffic Act.

### 2. When your policy ends

Your entire policy ends when any of the following events happen:

- You do not pay the premiums due under this policy as explained under the **When and how to pay your premiums** section.
- You no longer have an insurable interest in your vehicle.
- You sell your vehicle.
- We cancel this policy as explained in the sections **Your responsibilities: You must give us all material information** and **You must be honest**.
- We cancel the policy by giving you at least 31 days' written notice.
- You ask us to cancel the policy, which you may do at any time.

**Howdie Insurance Administrators (Pty) Ltd**  
is an authorised Financial Services Provider.  
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**Howdie**

**Hollard.**

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a Licensed Non-Life Insurer and an authorised Financial Services Provider