FORMATIVE ASSESSMENT

SMK123: Formative Assessment 5
Unit Standard: 120115

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Santam recognises the importance of ensuring fair treatment to customers throughout the customer relationship life cycle. We believe that the principles of Treating Customers Fairly are already embedded in the Santam culture through our brand promise of “Insurance good and proper”. All business decisions are made in full regard of the fair treatment of customers, and we believe that all clients must realise value in their insurance purchase. This training material is designed and developed in accordance with those TCF principles and is intended to provide the learner with sufficient knowledge and understanding in order for he/she to appropriately, effectively and fairly advise the customer.
### US120115 ASSESSOR FEEDBACK

<table>
<thead>
<tr>
<th>TOTAL</th>
<th>78</th>
</tr>
</thead>
<tbody>
<tr>
<td>PERCENTAGE</td>
<td>/78</td>
</tr>
</tbody>
</table>

### OVERALL RESULTS

| C | NYC |

### ASSESSOR DETAIL

Assessor name and surname:  
Assessor signature:  
Date:  
Comments:  

### MODERATOR DETAIL

Moderator name and surname:  
Moderator signature:  
Date:  
Comments:  

### UPHELD | OVERTURN
INTRODUCTION

Below is the current schedule of Mr. X – the owner of Segers Superette and Take Aways. The policy is now due for renewal, and you visit Mr. X at his premises to discuss the new terms and conditions. Mr. X also has some questions that he wants you to answer.

Study the schedule, and then answer the questions, relating to the risk.

SA VERSEKERINGSMAATSKAPPY/INSURANCE COMPANY

Mr X
110 Durban Road
Durbanville
7550

Policy number: 123456789
Segers Superette & Take Aways

Dear Sir

It is our pleasure to include with this a copy of your policy.

Yours sincerely

[Signature]

Head of Underwriting
# SCHEDULE

<table>
<thead>
<tr>
<th>Insurer:</th>
<th>SA Insurance Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product:</td>
<td>Santam Commercial</td>
</tr>
<tr>
<td>Insured:</td>
<td>Segers Superette &amp; Take Aways</td>
</tr>
<tr>
<td></td>
<td>110 Durban Road</td>
</tr>
<tr>
<td></td>
<td>Durbanville</td>
</tr>
<tr>
<td></td>
<td>7550</td>
</tr>
<tr>
<td>Business:</td>
<td>Café and Take Aways</td>
</tr>
<tr>
<td>Agency:</td>
<td>XYZ Brokers</td>
</tr>
<tr>
<td>Agency number:</td>
<td>00001</td>
</tr>
<tr>
<td>Manner of payment:</td>
<td>Monthly debit order in advance</td>
</tr>
<tr>
<td>Institution:</td>
<td>Absa</td>
</tr>
<tr>
<td>Date of payment:</td>
<td>1st day of the month</td>
</tr>
<tr>
<td>Insured period:</td>
<td>1 January 2004 to 31 January 2004</td>
</tr>
</tbody>
</table>

Any consecutive period of one calendar month to which the company agrees to renew the policy or any section of it.

Office: Durbanville

Signed at Durbanville on 3 January 2004.

On behalf of the insurer.
# SCHEDULE SUMMARY

**SA VERSEKERINGSMAATSKAPPY INSURANCE COMPANY**

<table>
<thead>
<tr>
<th>EFFECTIVE SECTIONS</th>
<th>ADDITIONAL/REFUND PREMIUM</th>
<th>RENEWAL PREMIUM</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Monthly</td>
<td>Annually</td>
</tr>
<tr>
<td>Fire</td>
<td>0,00</td>
<td>R670,00</td>
</tr>
<tr>
<td>Theft</td>
<td>0,00</td>
<td>R333,33</td>
</tr>
<tr>
<td>Money</td>
<td>0,00</td>
<td>R 33,33</td>
</tr>
<tr>
<td>Glass</td>
<td>0,00</td>
<td>R 20,00</td>
</tr>
<tr>
<td>Public Liability</td>
<td>0,00</td>
<td>R166,67</td>
</tr>
<tr>
<td>Broker’s fee</td>
<td>R 15,00</td>
<td>R 180,00</td>
</tr>
<tr>
<td>Total premium (14% VAT included)</td>
<td>0,00</td>
<td>R738,33</td>
</tr>
</tbody>
</table>

After inception of cover, this schedule will become a tax invoice for the payment of the amount due (VAT number: 1234).

**Prescription date:** 1 January 2014  
**Policy number:** 123456789  
**Insured:** Segers Superette & Take Aways  
**Effective date:** 01/01/2014

**ENDORSEMENTS APPLICABLE TO MONTHLY POLICY**  
* (Endorsements attached to policy and which form part of it)

<table>
<thead>
<tr>
<th>Section</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>001 Adjustment of premium clause</td>
</tr>
<tr>
<td>Fire</td>
<td>N.A.</td>
</tr>
<tr>
<td>Theft</td>
<td>N.A.</td>
</tr>
<tr>
<td>Money</td>
<td>N.A.</td>
</tr>
<tr>
<td>Glass</td>
<td>N.A.</td>
</tr>
<tr>
<td>Public Liability</td>
<td>112 Extension: Products liability</td>
</tr>
<tr>
<td></td>
<td>113 Extension: Wrongful arrest and defamation</td>
</tr>
</tbody>
</table>

**GENERAL PROVISION**

If, in the schedule of this policy, the sum insured, limit of indemnity or compensation is:

- left blank or has no monetary amount stipulated against it;
- reflected as nil or not applicable or not covered or no indemnity extended;

it means the defined event or circumstance shown in the schedule is not covered by the policy.
SA VERSEKERINGSMAATSKAPPY INSURANCE COMPANY

SECTION FIRE

Policy number: 123456789  
Insured: Segers Superette & Take Aways

Transaction number: Effective date: 01/01/14

<table>
<thead>
<tr>
<th>STAND NO.</th>
<th>DETAILS OF PREMISES/ITEM DESCRIPTION</th>
<th>SUM INSURED/INDEMNITY LIMIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>110 Durban Road, Durbanville</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Building</td>
<td>R1 500 000</td>
</tr>
<tr>
<td></td>
<td>Stock in trade</td>
<td>R  200 000</td>
</tr>
<tr>
<td></td>
<td>Equipment</td>
<td>R  300 000</td>
</tr>
<tr>
<td></td>
<td>Signage</td>
<td>R   10 000</td>
</tr>
</tbody>
</table>

Construction: Standard  
Occupation: Café and Take Aways

OPTIONAL EXTENSIONS APPLICABLE

Extension: Earthquake  
Extension: Special perils  
Extension: Malicious damage  
Extension: Leakage  
Extension: Escalator clause

MEMORANDUMS

N.A.

OPTIONAL EXTENSIONS NOT APPLICABLE

Extension: Riot and strike  
Extension: Subsidence and landslip  
Clause: Stock declaration conditions  
Clause: Disposal of salvage
### SECTION THEFT

<table>
<thead>
<tr>
<th>STAND NO.</th>
<th>DETAILS OF PREMISES/ITEM DESCRIPTION</th>
<th>SUM INSURED/INDEMNITY LIMIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>110 Durban Road, Durbanville</td>
<td>R50 000</td>
</tr>
<tr>
<td></td>
<td>First loss cover</td>
<td></td>
</tr>
</tbody>
</table>

**Excess:** 10% of claim min R500

**Construction:** Standard

**OPTIONAL EXTENSIONS APPLICABLE**
- Keys and locks: R2 500

**MEMORANDUMS**
- Memo 1: Limit on tobacco and cigarettes: R10 000.
- Memo 2: Condition 2: Burglar alarm [siren type].

**OPTIONAL EXTENSIONS NOT APPLICABLE**
- Buildings – Increased limit

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### SECTION GLASS

<table>
<thead>
<tr>
<th>STAND NO.</th>
<th>DETAILS OF PREMISES/ITEM DESCRIPTION</th>
<th>SUM INSURED/INDEMNITY LIMIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>110 Durban Road, Durbanville</td>
<td>R3 000</td>
</tr>
<tr>
<td></td>
<td>Limit</td>
<td></td>
</tr>
</tbody>
</table>

**Excess:** 10% of claim min R250

**OPTIONAL EXTENSIONS APPLICABLE**
- Special replacement

**MEMORANDUMS**
- N.A.

**OPTIONAL EXTENSIONS NOT APPLICABLE**
- Riot and strike extension
SECTION MONEY

Policy number: 123456789  
Insured: Segers Superette & Take Aways  
Transaction number:  
Effective date: 01/01/14

<table>
<thead>
<tr>
<th>STAND NO.</th>
<th>DETAILS OF PREMISES/ITEM DESCRIPTION</th>
<th>SUM INSURED/INDEMNITY LIMIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>110 Durban Road, Durbanville</td>
<td></td>
</tr>
</tbody>
</table>

1. Money which is not kept in a locked safe or strongroom
   (i) While it is on the insured premises, after the insured’s trading hours;  
        R3 000
   (ii) While it is in the dwelling of the insured, a partner, director or employee of the insured;  
        R3 000
   (iii) While it is on the insured premises, in the safekeeping of one or more of the petrol attendants; and  
         R ....................
   (iv) While
         (a) It is in the safekeeping of one or more collectors or delivery people;  
             R ....................
         (b) It is in the safekeeping of a partner, director or employee of the insured who is on a business trip any place in the world and away from the insured premises.  
             R3 000

2. Money kept in a locked safe or strongroom in a building on the insured’s premises after the insured’s trading hours.
   (i) With regard to the safe or strongroom as described below:  
         ................................................................. R ....................
   (ii) With regard to any safe or strongroom which is not specified in 2(i) above, the limit in relation to the grading of such a safe or strongroom will be determined as follows:

   - No SABS grading  
     R 5 000
   - SABS category 1 grading  
     R 10 000
   - SABS category 2 grading  
     R 20 000
   - SABS category 2 grading HD grading D3  
     R 40 000
   - SABS category 2 grading ADM grading  
     R 100 000
   - SABS category 2 grading ADM grading D3  
     R 125 000
   - SABS category 3 grading  
     R 175 000
   - SABS category 4 grading  
     R 350 000
   - SABS category 5 grading  
     R 500 000
3. With regard to any other loss of or damage to money during the period described below, the indemnity limit for money related to the specified insured premises will read as follows:

Main limit:

- During December or any mentioned period  
  - R 5 000
- any other period  
  - R 5 000

With regard to the loss of crossed cheques, crossed bills or crossed postal orders.

[The indemnity limit below is payable above the indemnity limit shown in 1, 2 and 3.]

<table>
<thead>
<tr>
<th>Details</th>
<th>Indemnity limit/Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clothing</td>
<td>R3 000</td>
</tr>
<tr>
<td>Containers</td>
<td>R2 000</td>
</tr>
<tr>
<td>Keys and locks</td>
<td>R3 000</td>
</tr>
<tr>
<td></td>
<td>R100 000</td>
</tr>
</tbody>
</table>

**OPTIONAL EXTENSIONS APPLICABLE**

Personal accident (assault) extension

- Capital sum  
  - R10 000
- Weekly sum  
  - R 100
- Medical costs  
  - R 1 000
- Number of persons  
  - 3

**MEMORANDUMS**

Excess: 5% of claim min R500

**OPTIONAL EXTENSIONS NOT APPLICABLE**

Riot and strike extension
## SECTION PUBLIC LIABILITY

Policy number: 123456789  
Insured: Segers Superette & Take Aways  
Transaction number:  
Effective date: 01/01/14

<table>
<thead>
<tr>
<th>STAND NO.</th>
<th>DETAILS OF PREMISES/ITEM DESCRIPTION</th>
<th>INDEMNITY LIMIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>110 Durban Road, Durbanville</td>
<td>R2 000 000</td>
</tr>
</tbody>
</table>

Claims made basis

**Excess:** 5% of claim min R1 000/maximum R25 000  
Retrospective date: 01/01/2010

### OPTIONAL EXTENSIONS APPLICABLE

- **Products liability**  
  - Products: Take aways and baked products  
  - R500 00

- **Legal defence costs**  
  - R 10 000

- **Wrongful arrest and defamation**  
  - per event: R 50 000
  - per annual insurance period: R100 000

### MEMORANDUMS

Excess with regard to products liability: 10% of claim min R2 000 and with a maximum of R25 000
ACTIVITY 1

(US120115;S01;AC1)

Mr X firstly wants to know why his building is covered under the Fire Section and not the Buildings Combined section.

1.1 Explain the difference between the Fire Section and the Buildings combined section. [5]

1.2 Confirm if Mr X has been insured on the correct section. [1]

1.1 ...............................................................................................................................................................................
.............................................................................................................................................................................
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1.2 ...............................................................................................................................................................................
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ACTIVITY 2

(US120115;S01;AC2)

Explain under which section(s) the following assets are covered, and name two perils covered under the section.

1. Equipment. [3]
2. Theft of money. [3]
3. Burglary where stock was stolen. [3]
4. Breakage of windows of the shop. [3]
5. Money payable to someone that got food poisoning. [3]

1. .............................................................................................................................................................................
.............................................................................................................................................................................
.............................................................................................................................................................................

15
ACTIVITY 3

(US120115;SO1;AC3)

Explain to Mr X how the sum insureds for the following items/sections are determined. Also indicate if Average is applicable or not.

1. Fire section: Building
   (2)

2. Fire section: Stock
   (2)

3. Fire section: Equipment
   (2)

4. Theft section
   (2)

5. Sum Insured on Money
   (2)
ACTIVITY 4

(US120115;SO2;AC1)
(US120115;SO2;AC2)
(US120115;SO2;AC3)
(US120115;SO2;AC4)

Discuss where to insure stock, liability and loss of profit, and explain why they are covered differently.

ACTIVITY 5

(US120115;SO3;AC1)

Considering the processes involved when operating a take-away business.

(a) Classify if such a fire risk is high/medium/low? [1]
(b) Give reasons for your answers. [4]
ACTIVITY 6

(US120115;SO3;AC2)

Mr X informs you that he wants to start fetching his own stock, as the delivery is sometimes late and causes him to lose money if he can’t provide his customers with what they want. This would include stock for his Superette as well as the Take Away business.

He heard of Goods in Transit cover, but not sure if this is what he would need.

Explain to Mr X which two risks/commodities could be seen as high risks when insuring Goods in Transit [2], and give a reason for your answer. [1]

Also explain to Mr X whether he would need the cover or not, and which cover is available. [5]
ACTIVITY 7

(US120115;S04;AC1)
(US120115;S04;AC2)
(US120115;S04;AC3)
(US120115;S04;AC4)

Refer to Mr X current schedule and explain the following:

1. What sections does Mr X currently have, and what standard perils are covered under each of the sections?

(10)

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2. State two exclusions applicable to two of the sections as answered in Question 1.  
(Remember to name the section as heading, followed by the answer).  
....................................................................................................................................................................................
....................................................................................................................................................................................
....................................................................................................................................................................................
....................................................................................................................................................................................
....................................................................................................................................................................................
....................................................................................................................................................................................
(4)

3. State two optional covers applicable to two of the sections as answered in Question 1.  
(Remember to name the section as heading, followed by the answer).  
....................................................................................................................................................................................
....................................................................................................................................................................................
....................................................................................................................................................................................
....................................................................................................................................................................................
....................................................................................................................................................................................
....................................................................................................................................................................................
(4)

4. What are the specific terms and conditions applicable to:
   (a) Glass section regarding type of glass we will insure?          (2)  
   (b) Theft section regarding burglar alarms?                    (2)  
   (c) Money section regarding money taken on a business trip?    (2)

   (a) ............................................................................................................................................................................
   ............................................................................................................................................................................
   ............................................................................................................................................................................
   ............................................................................................................................................................................

   (b) ............................................................................................................................................................................
   ............................................................................................................................................................................
   ............................................................................................................................................................................
   ............................................................................................................................................................................

   (c) ............................................................................................................................................................................
   ............................................................................................................................................................................
   ............................................................................................................................................................................
   ............................................................................................................................................................................

(6)

Total marks: 78
## US120115 ASSESSOR FEEDBACK

<table>
<thead>
<tr>
<th>Activity Number</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity 1</td>
<td>6</td>
</tr>
<tr>
<td>Activity 2</td>
<td>15</td>
</tr>
<tr>
<td>Activity 3</td>
<td>14</td>
</tr>
<tr>
<td>Activity 4</td>
<td>6</td>
</tr>
<tr>
<td>Activity 5</td>
<td>5</td>
</tr>
<tr>
<td>Activity 6</td>
<td>8</td>
</tr>
<tr>
<td>Activity 7</td>
<td>24</td>
</tr>
<tr>
<td><strong>Total Marks</strong></td>
<td><strong>78</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total</th>
<th>/78</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>NYC</td>
</tr>
</tbody>
</table>

### ASSESSOR DETAIL

Assessor name and surname: 

Assessor signature: 

Date: 

Comments: 

### MODERATOR DETAIL

Moderator name and surname: 

Moderator signature: 

Date: 

Comments: 

### UPHELD | OVERTURN
DOCUMENT PROPERTIES

Designed for: Santam staff and Intermediaries

Description: SMK123 – Formative Assessment

Version: Version 2.1

Last updated: 1 August 2016

Author: Blended Design and Development Services