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GREATER TZANEEN MUNICIPALITY



INSURANCE MANAGEMENT POLICY

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1. PREAMBLE

Whereas it is required of the Municipal Manager to take all reasonable steps to ensure that the Council has and implements crucial policies for effective financial and risk management.

And whereas the safeguarding of assets and the protection of Council against liabilities is important and forms part of a proper assets management system as prescribed by Section 63 of the Municipal Finance Management Act 56 of 2003, and needs annual revision in terms of Section 24(2)(c)(v) of the same Act.

Therefore, the Municipal Council of the Greater Tzaneen Municipality adopts the following Policy for Insurance Management.

2. DEFINITIONS AND ABBREVIATIONS

CFO:	Chief Financial Officer
MFMA:	Municipal Finance Management Act (No 56 of 2003)
MM:	Municipal Manager (i.e. Accounting Officer)
MSA:	Municipal Systems Act (No. 32 of 2000)
INSURANCE:	Is a contract (policy) in which the municipality receives financial protection or reimbursement against losses from an insurance company. Risk is transferred when the risk is shared amongst different parties, so one party does not carry the full loss should an event occur. Insurance involves a transfer of risk.
EXCESS:	Means the first amount payable in the event of each claim.
PERSONAL EFFECTS:	Means staff personal property including wallets, cash, handbags, sunglasses, clothes, shoes, reading glasses and mobile phones.
BURGLARY:	Means the criminal offense of breaking and entering a buildings or other premises illegally for the purpose of committing a crime.

FORCIBLE AND VIOLENT: Means an act that would cause physical damage.

There must be both forcible (turning a key or pushing open a door) AND violent actions (entry by the use of any force accompanied by a violent physical act).

PUBLIC LIABILITY CLAIMS: Means third party claims for bodily injury and property damage arising out of the municipality's operations.

3. **OBJECTIVE OF THE INSURANCE POLICY**

The objective of this policy is to ensure that Greater Tzaneen Municipality's assets, councillors and employees are insured adequately and economically at all times.

This document indicates the Policy of Greater Tzaneen Municipality for insuring Municipal assets, its employees and Councillors against Public Liability Claims and other losses.

In general, the object of this policy is to ensure sound and sustainable financial management within Greater Tzaneen Municipality.

4. **POLICY FRAMEWORK**

4.1 **Legislative Requirements**

Section 63 of the MFMA, Asset and liability management, states that:

“(1) The accounting officer of a municipality is responsible for the management of—

a) the assets of the municipality, including the safeguarding and the maintenance of those assets; and

b) the liabilities of the municipality.

2) The accounting officer must for the purposes of subsection (1) take all reasonable steps to ensure—

a) that the municipality has and maintains a management, accounting and information system that accounts for the assets and liabilities of the municipality.

- b) *that the municipality's assets and liabilities are valued in accordance with standards of generally recognised accounting practice; and*
- c) *that the municipality has and maintains a system of internal control of assets and liabilities, including an asset and liabilities register, as may be prescribed."*

4.2 **Relationship with other Policies**

This policy, once effective, needs to be read in conjunction with other relevant adopted policies of the municipality, including the following, but not limited to–

- a) Delegation of Powers (Delegations register)
- b) SCM Policy.
- c) Asset Management Policy; and
- d) Risk Management Policy.

5. **RESPONSIBILITIES**

5.1 **The CFO or His/Her Delegated Official(s) – Division Financial Services and Reporting**

The Chief Financial Officer delegates this/her authority to the Manager Financial Services and Reporting, who will be responsible to implementing this policy. The Manager, Financial Services and Reporting:

- a) Shall (at least every three years, before the lapsing of the tender that was previously awarded) call for tenders for the insurance of municipal assets, Councillors, employees and third parties.
- b) Shall, in accordance with this policy, effect such insurance through the service of an Insurance Company/Insurance Broker appointed by the municipality through the competitive prescribed SCM process.
- c) Shall ensure that the insurance period will not exceed three years and will be from 1 July to 30 June of the following year and shall be renewable on an annual basis if a one-year insurance period has been decided on, depending on previous performance (and in line with the tender processes followed).
- d) Shall pay the monthly/annual premiums in advance.

- e) Shall pay premiums over to the Insurers/Brokers during the year, should circumstances change during the year when amendments, additions or deletions are made to the insurance portfolio.
- f) Shall immediately notify the Council's Insurer/Broker of any claim by or against the Council or against its insurers.
- g) Shall assess all public liability claims under the excess amount as indicated in the Insurer's schedules. Public Liability claims should only be settled when the municipality could reasonably be seen to have acted negligently which resulted in the loss to the third party and when there is reasonable prospect of the municipality being found legally responsible for third party damages.
- h) Shall ensure that sufficient funding is available to cover insurance related expenditures.
- i) Shall report to Council monthly on the status of existing claims against the municipality and its Insurers.
- j) Shall ensure that all claims and applications are dealt with diligently within a reasonable time.
- k) Shall finalise all claims and applications submitted to the Division and ensuring that all the required technical, financial and legal aspects of each claim and application are dealt with when these are being finalised; and
- l) Shall request the updating of the Asset Register in accordance with the outcome of each insurance claim.
- m) Shall recommend the payment of excess amounts, the settlement of claims below excess, settlement of claims not covered by the Insurers, and all other insurance related expenditure.

5.2 The Directors and Managers of Departments

- a) Shall before 31 May of each year verify or update the schedule of insurable risks and insurable assets under their control (and any other information deemed necessary)
- b) Shall notify the CFO (or delegated official) without delay of any new insurable risk or of any alteration in an existing insurable risk which has arisen in connection with his/her department.
- c) Shall ensure that the CFO (or delegated official) is notified immediately of any occurrence or event giving rise or likely to give rise to a claim by or against the Council or against its Insurers. Failure to report incidences of loss might lead to the affected employee being held liable for the losses to Council.

- d) Shall ensure that all documents / information (for example any required forms, reports, quotations, photos) for the completion of the claim is forwarded to the CFO (or delegated official) for submission to Council's insurance brokers.
- e) Shall within 7 working days of submitting a claim to the CFO (or delegated official), submit a departmental report to the CFO (or delegated official) in order to finalise the claim.
- f) Shall report each claim against Council for investigation and the outcome reported to the CFO (or delegated official) and where necessary disciplinary steps and/or recovery be perused against any employee who is found, in terms of the investigation, to have acted negligently; and
- g) Shall advise all staff of their obligations to ensure the security of private property brought to the workplace to minimise the risk of loss and inconvenience to staff.

5.3 **The Employees of Greater Tzaneen Municipality**

- a) Shall avoid storing private property at the workplace for extended periods of time, especially over weekends and during vacation periods.
- b) Shall insure personal property against loss or damage, particularly if it is of significant value in their personal capacity.
- c) Shall report all losses, damages or any potential claims to the Insurance Division, their Departmental Managers, and the Health & Safety Practitioner.
- d) Shall take all reasonable steps to ensure that municipal assets are kept safe and assist the Municipal Manager to implement processes to safeguard assets and prevent losses to Council of all assets under their control.

6. **PROPERTY INSURED**

6.1 **Asset Schedule**

The Director of a Department shall before April of each year submit a schedule setting out the assets held by that department, the risks requiring to be insured and any other information deems necessary to the Manager

Financial Services and Reporting which shall in accordance with such schedules and subject to the Council's official policy on the insurance of risk and liabilities, effect such insurance as the Council's interests required through the service of an insurance broker appointed by the Council.

6.2 **Damages and Risk to be Specifically included in Short-Term Insurance Policy**

- Houses under rental and selling schemes administrated by the Council.
- Important official documentation such as building plans and erf records.
- All property as contained in the asset's schedules.
- Additional risk because of the lack of burglar proofing and alarms at the Greater Tzaneen Civic Centre Main offices.
- Contractors all risk for high-risk construction as identified by the relevant Directors of departments from time to time.
- Selected movable items utilised in high-risk areas with a value more than R5 000.
- Full theft cover at all insured property.
- All money on the premises or in transit to a maximum at any stage at any premises of R1 000 000 in cash.
- Fidelity insurance based on all positions higher than post level six and including all Councillors.
- Comprehensive motor own damage and third-party liability on a motor fleet basis including specifically mentioned high valued vehicles with an accumulated excess arrangement of R200 000.
- Goods in transit up to R200 000 per single load.
- Stated benefits (workmen's' compensation) insurance on 24-hour basis for Officials in terms of Section 77 of the MFMA.
- Electronic equipment on the mainframe computer, document imaging system and networks.
- Aerodrome owner's liability insurance.

- Public liability for bodily injury or damage to an amount of R2-million per event and a total annual coverage of R100-million.
- Employer's liability of R2-million.

6.3 **Property, Damages and Risk to be excluded from Councils External Insurance**

All property owned by or leased to the Council, property held by the Council in trust and/or commission and/or custody and/or under Council's control and/or for which the Council is responsible must be insured except for the following which are specifically excluded:

- property more specifically insured by any other firm arrangement.
- dam walls, dam contents, canals, reservoirs and reservoir contents.
- pavilions, sport stadiums, spectator stands, outdoor sports playing or recreational surfaces, athletic tracks.
- assets with an inferior or low value.
- loose assets falling within the excess payment of the applicable insurance policy.
- explosives and ammunition.
- bullion.
- precious stones.
- jewellery other than the Mayor's regalia.
- trophies and indexed museum items.
- electrical and communication transmission and distribution lines including cabling and their support structures, other than on or within 150 meters of any insured premises.
- water piping as well as stormwater piping including their supporting structures, other than on or within 150 meters of insured property.
- sewerage piping including their supporting structures other than on or within 150 meters of insured property.

- driveways, pavements, outdoor parking surfaces.
- roads, road and railway bridges, road and rail tunnels, manhole covers.
- aircraft runways and aprons.
- land, topsoil, backfill, drainage or culverts.
- accounts receivable.
- saving certificates and the like.
- property in possession of customers (library books, etc.).
- trees, shrubs, and plants.
- monuments and statues.
- graves and tombstones.
- growing timber, growing crops and livestock.

7. REPORTING OF RISKS, CLAIMS AND DAMAGES

It shall be the duty of the Director of a department to notify the Manager Financial Services and Reporting without delay of any new insurable risk or of any alteration in an existing insurable risk which has arisen in connection with his department.

On the occurrence of any event giving rise or likely to give rise to a claim by or against the Council or against its insurers, the Director of the department concerned shall notify the Manager Financial Services and Reporting of that event which shall immediately notify the Council's Insurer/ Broker thereof.

The Manager Financial Services shall keep a register in which particulars of the insurance held by the Council shall be entered and he shall be responsible for the payment of all premiums and shall ensure that claims that arise under such policies are instituted.

MOTOR CLAIMS

- All vehicles must be maintained in a roadworthy condition.
- All employees who drive vehicles of the GREATER TZANEEN MUNICIPALITY must be in possession of a valid and relevant driver's license required in terms of the licensing laws relating to the relevant territories.
- Accidents where no injuries are involved must be reported to the Police within 24 hours. Where injuries are sustained, do not leave the scene of the accident without Police clearance. The GTM Traffic Department must be called out to the scene immediately. Prior to making any further statements refer to Council's Insurance Office first.
- Any demands (whether written or verbal) from any source must be notified to Council's Insurance Office immediately.
- If a Summons or Subpoena is received, Council's Insurance Broker must be notified immediately by the quickest possible method (telephone, e-mail or fax) and if possible, the document(s) must be hand delivered to Council's Insurance Broker.
- Following the initial report of a claim, it is necessary to follow up this notification in writing
- If any driver's license is endorsed, suspended or cancelled or if the driver shall be charged or be convicted of negligent, reckless or improper driving or driving under the influence of alcohol or drugs, notification must be sent to the Insurers immediately you become aware of such fact, otherwise the cover under the policy will be forfeited.

PROCEDURES

When involved in an accident the following procedures must be followed:

YOU MUST

- Bring vehicle to a standstill
- Help the injured if necessary
- Determine the damages
- In case been asked, you must provide the following:
 - Your name
 - Council's address
 - Vehicle registration number
- Accident must be reported telephonically or by hand radio to your Departmental Supervisor
- ***The traffic department must be informed immediately***
- Obtain third party's name, address, vehicle make, model, registration number and eyewitnesses names and addresses
- Accident must be reported within 24 hours with your identity document. Obtain case number and officer's name.
- Determine third party's damages
- Obtain names and addresses of passengers in third party vehicle. Determine whether third party driver is under the influence and if so, bring it to the attention of the officer.

DO NOT:

- Take any intoxicating liquor or medicine when reporting an accident
- Acknowledge liability whether verbally or in written form.

- Left the scene of accident unless taken away by ambulance before the Traffic Police was on the scene to determine what happened and to get all details from yourself and the third party.

- **REMOVAL OF VEHICLE**

In case somebody is injured or dead in an urban area:-

- Report to the Police and the Traffic Department immediately and do not leave the scene unless taken away by ambulance.

Do not remove vehicle if:

- If the position is not clearly marked
- Where nobody is injured, you may remove vehicle before reporting the accident to the police
- Where the position of the vehicle is clearly marked it may be removed to make the scene safer.

LIABILITY CLAIMS

The following must be adhered to regardless of the severity of the damage or injuries at the time of the occurrence:

The incident, regardless of whether it might or might not give rise to a claim, must be reported to Council's Insurance Office.

Do not admit liability under any circumstances, either verbally or in writing to any third party.

Under no circumstances offer any form of compensation.

Where possible obtain the names and addresses of, and statement from, all witnesses and as much information from the third party as possible and ascertain the extent of the damage/injuries.

Contact the Traffic Department immediately.

Any demands, whether written or verbal, from any source must be referred to Council's Insurance Broker immediately, unanswered.

REPAIRERS AND INSURANCE PROCEDURES

Report accident immediately to Council's Departmental Insurance Supervisor in order that it can be reported to Council's Insurance Broker and obtains the latter's claim number.

- Obtain two quotations
- Do not authorize repair unless granted by the Insurance Broker

MOTOR CLAIMS – OWN VEHICLE – DAMAGE / THEFT

- Report the accident to Council's Insurance Broker by telephone, e-mail or fax.
- Obtain a minimum of 2 quotations from any reputable Panel beater of your choice and, once obtained, advise Council's Insurance Broker telephonically who will advise you if an assessor will be appointed.
- Complete and send a Motor Accident Claim Form, to Council's Insurance Broker as soon as possible, enclosing the repairers' quotations together with a photocopy of the driver's license and personal details from the identity document.
- **Under NO circumstances are repairs to be authorized without reference from Council's Insurance Broker.**
- In the event of a vehicle being confirmed a "write-off" attends to the cancellation of the registration immediately, and forward the original cancellation documents to Council's Insurance Broker
- In the event of the vehicle being stolen attend to the cancellation of registration and forward the original cancellation of registration certificate and keys to Council's Insurance Broker as soon as possible but in any event within 21 days.

NOTES:

- A comprehensive Driver's Statement is essential for recovery action.
- Names and addresses of any independent witnesses will assist in a recovery action.

MOTOR CLAIMS – OTHER PARTIES' VEHICLES AND PROPERTY

- Report the accident to Council's Insurance Broker by e-mail, telephone or fax, even if there is no damage to your vehicle.
- Under NO circumstances must liability be admitted to anyone. An admission breaches policy conditions and Insurers may exercise their rights and decline to meet any claim.
- Any demands, whether written or verbal from any source, must be referred to Council's Insurance Broker immediately, unanswered.
- Despite the information supplied in paragraph a, complete and send a Motor Accident Claim Form, in the case of a Motor Class claim, to Council's Insurance Broker as soon as possible, together with a photocopy of the driver's license, and personal details from the identity document.

NOTE:

A comprehensive Driver's Statement is essential to determine liability. Names and addresses of witnesses will assist in this process.

MOTOR CLAIMS – INJURIES

Accidents involving actual or suspected injuries to any person must be notified to the Councils Insurance Broker immediately. The notification must be followed up with a completed RAF Report Form incorporating a driver's statement as well as a completed Motor Accident Report Form in cases where passengers are involved.

It is most important to note that the RAF/Insurers can in certain circumstances exercise rights of recourse or impose a fine against either Council's company or the driver. Certain circumstances which can enable rights of recourse

against your Company or the driver are:-

If a vehicle was driven by an incorrectly licensed or unlicensed driver;

If the vehicle was driven by someone under the influence of intoxicating liquor or drugs and such intoxication was the sole cause of the accident;

- If false information is given to the RAF/Insurers about the accident;
- If the Insurer was not informed of an accident within 14 days, and this causes material prejudice to the Road Accident Fund.

GROUP PERSONAL ACCIDENTS / STATED BENEFITS CLAIMS

- All accidents which may result in injuries (including death) must be reported to Council's Insurance Broker immediately by e-mail, telephone or fax.
- If the injured person is a workman in terms of the Workmen's Compensation Act, the accident must also be reported to the Workmen's Compensation Commissioner by the Occupational Health and Safety Officer .
- Submit all relevant documents to Council's Insurance Broker within seven (7) days.

PUBLIC TRANSPORT : PASSENGER LIABILITY

The following must be adhered to Departments or Council makes use of Public or other transport to transport officials / councilors to or from functions.

- The bus company or taxi operator transporting the passengers must accept responsibility in writing with regard to the safety of the passengers.
- The bus company or taxi operator must have the necessary insurance in place
- If the driver of the vehicle is not an employee of the municipality the liability shifts further to the company supplying the vehicle and driver
- A letter stating that the municipality does not accept responsibility of any kind in case of an accident resulting in any liability claims, must be signed by any person boarding the bus or taxi every time the board the vehicle

8. RISK MANAGEMENT

The Municipal Manager must ensure that an evaluation of all potential events that might adversely affect the finances of a municipality is performed. The potential loss of income and extra expenses that a municipality might incur must be the consideration factor when the risk identification exercise is performed.

Even though risk is managed, and preventative measures taken to minimise risk, it is acknowledged that not all risks can be eliminated and therefore Council accepts the fact that insurance remains the ultimate solution to risk management. It must however be viewed as the last resort.

The table below provides a list of risks (but not limited to) that must be transferred to another party in the form of insurance. Risks not listed have been retained either due to the cost of control or due to the inability to obtain insurance cover.

Combined Cover (Including homeowners): Damage or loss to all built structures, including outbuildings thereof, the owner's loose and fixed fittings therein and thereon, boundary and other walls, gates, poles, fences, public access points, purification plants, reservoirs and sewerage plants.

Business All Risk: Damage to the whole or part of the property described in the Specification, the property of the Insured or for which they are responsible, while anywhere in the world by any accident or misfortune not otherwise excluded.

Burglary/Theft: Damage to contents, the property of the insured or for which they are responsible, of any building at the insured premises, as a result of theft accompanied by forcible and violent entry into or exit from such building or any portion thereof or any attempt threat or as a result of theft (or any attempt threat) following violence or threat of violence against persons lawfully on the premises.

Money: Loss or damage to money (as defined). This includes money not contained in a locked safe or strong room in the custody of any authorized employee while away from the premises or at the premises outside normal working hours and also any other time from the premises.

Fidelity Guarantee: Loss of money and/or other property stolen by an employee, direct financial loss sustained as a result of fraud or dishonesty of an employee, which results in dishonest personal financial gain for the employee concerned. The term "dishonest personal financial gain" shall not include gain by an employee in the form of salary, salary increases, fees, commissions, bonuses, promotions or other remuneration.

Glass: Damage to internal and external glass (including mirrors), signwriting and treatment thereon at the insured premises, the property of the Insured or for which they are responsible.

Goods in Transit: Damage to the whole or part of the property owned by the Municipality or for which they are responsible, in the course of transit by air, rail or road or other means incidental thereto and caused by any accident or misfortune not otherwise excluded.

Public Liability: Damages which the insured shall be legally liable to pay consequent upon accidental death of or bodily injury to or illness of any person, or accidental loss of or physical damage to tangible property Cover for claims against the Greater Tzaneen Municipality from a 3rd party for

damage to the 3rd party's property and/or to the 3rd party himself caused by any structure related or in control of Greater Tzaneen Municipality, for example, if bodily injury or any damage to a 3rd party's property, caused by accidental, violent, external and visible means to a 3rd party.

Employers Liability: Damages for which the municipality shall become liable to pay consequent upon death of, or bodily injury to, or illness of any person employed under a contract of service or apprenticeship with the municipality, or any councillor or any person on the business of the council whether on a voluntary basis or otherwise, which occurred in the course of and in connection with such person's employment by the municipality within the territorial limits and which results in a claim or claims first being made against the municipality in writing.

Group Personal Accident: Bodily injury caused by accidental, violent, external, and visible means to any principal, partner, director, councillor or employee of the municipality or any person on the business of the council whether on a voluntary basis or otherwise, as specified. The Insurers will pay to the Insured, on behalf of the Insured person or his estate, the compensation stated in the schedule in the event of accidental bodily injury to any such person directly and independently of all other causes resulting within 24 calendar months in death or disability as specified.

Motor Fleet & 3rd Party motor liability: Loss of or damage to any vehicles as indicated to the insurers and its accessories and spare parts whilst thereon. In addition, if such vehicle is disabled by reason of any loss or damage insured hereby, the insurers will pay the reasonable cost of protection and removal to the nearest repairers and the municipality may give instructions for repairs to be executed without the previous consent of the insurers to the extent of but not exceeding a specified amount, provided that a detailed estimate is first obtained and immediately forwarded to the insurers.

Electronic Equipment: Physical loss or damage to the property insured described in the schedule from any cause not herein after excluded whilst (i) at work or at least anywhere within the municipality's premises as specified; (ii) in transit, including loading and unloading or whilst temporarily stored at any premises en-route; (iii) temporarily removed from the premises to any other location.

HIV/Aids: Insured person diagnosed as being HIV positive after accidental injury while executing duties in the service of Council.

Directors and Officers Liability: Legal Liability if any director or municipal official is prosecuted in his/her private capacity due to council activities or council decision making.

Councillors Special Risk Insurance: As per the Government Gazette No 40519 dated 21 December 2016.

Insurance cover provided to a councillor by the municipality, which covers the loss of or damage to a councillor's personal fixed or moveable property and assets, excluding property used by such councillor for business purposes, as well as life and disability cover, for any loss or damage caused by riot, civil unrest, strike, or public disorder.

9. INSURANCE KEY MANAGEMENT PRINCIPLES

9.1 Municipal Assets

- a) Material movable and immovable assets (in value and substance) shall be insured at least against destruction, fire and theft, and all municipal buildings shall be insured at least against fire and allied perils.
- b) All insured assets shall be handled in terms of the municipality's Insurance Policy as agreed with the Insurance Brokers.
- c) Separate cover for riot, strike and public disorder damage shall be taken out at the discretion of the Municipal Manager in consultation with the CFO and the relevant Director.
- d) Any other insurance cover shall be at the discretion of the Municipal Manager in consultation with the CFO and Directors.
- e) The decision whether to ensure an asset or not shall be at the discretion of the Municipal Manager in consultation with the CFO and the relevant Director.

9.2 Staff Property

- a) Applications by staff members for reimbursement of the loss of or damage to staff property at work shall not be considered by the municipality. Liability will not be accepted by the municipality for loss or damage to an employee's personal effects which are used or stored on premises owned or used by the municipality.
- b) It is expected that employees, in their own interests, will ensure that any valuable items of jewellery (including wrist watches) worn on duty, and/or personal equipment are adequately insured against loss or theft on their personal insurance policies.

- c) The carrying of unreasonably large amounts of cash, credit cards or other easily stolen and rapidly convertible items should be avoided during working hours as far as is practicable.
- d) No compensation will be paid by the municipality for loss or damage to any employee's personal assets (e.g. Private cellular phone, Private Vehicle, Private Laptop, Handbags, Cash, etc.)

9.3 **Public Liability**

- a) Third parties are to be covered for death, bodily injury or illness and/or loss of or damage to property up to a maximum limit to be determined by the CFO in consultation with the Municipal Manager.
- b) All public liability claims under the excess amount shall be considered by Management and a recommendation made to the Municipal Manager on whether payment should be made or not. Only the Municipal Manager may approve payments in this regard.
- c) Following a potential claim, insurers or the Municipality have the right to examine the property damaged and this must not be disposed of. Once a claim has been settled, salvage generally becomes the property of the Municipality, and must continue to be protected until removed from the property.
- d) Public Liability claims under the excess amount should only be settled when the municipality could reasonably be seen to have acted negligently which resulted in the loss to the third party and when there is reasonable prospect of the municipality being found legally responsible for third party property damage or bodily injury. Settling claims where this is not the case would set bad legal precedence which the municipality would not be able to sustain financially into the future.

9.3.1 PUBLIC LIABILITY CLAIMS

The insurance must cover all sums which the Municipality shall become legally liable to pay as damages consequent upon

(a) Injury

(b) Damage

which occurred during or in connection with the business as reflected in the Specifications and which results in a claim or claims first being made against the Municipality in writing during the period of insurance.

9.3.2 THE LIMITS OF INDEMNITY

The amount ensured must be inclusive of any legal costs recoverable from the Municipality by a claimant or any number of claimants and all other costs and expenses incurred with the Insurers consent for any one event or series of events with one original cause or source shall not exceed the limit of indemnity stated in the Specifications.

9.3.3 TERRITORIAL LIMITS

Anywhere in the world but not in connection with

- (i) any business carried on by the Municipality at or from premises outside or
- (ii) any contract for the performance of work outside South Africa.

9.4 EMPLOYERS LIABILITY

9.4.1 EMPLOYERS LIABILITY CLAIMS

The Employers liability insurance must cover damages which the Municipality shall become legally liable to pay consequent upon death of or bodily injury to or illness of any person employed under a contract of service or apprenticeship with the Municipality which occurred during and in connection with such person's employment at the Municipality.

9.4.2 LIMIT OF INDEMNITY

The amount insured must be inclusive of any legal costs recoverable from the Municipality by a claimant or any number of claimants and all other costs and expenses incurred with the Insurers' consent for any one event or series of events with one original cause or source shall not exceed the limit of indemnity stated in the Specifications.

9.4.3 TERRITORIAL LIMITS

Anywhere in the world but not in connection with

- (i) any business carried on by the Municipality at or from premises outside or
- (ii) any contract for the performance of work outside South Africa.

9.5 MOTOR LIABILITIES

9.5.1 MOTOR LIABILITY CLAIMS

The Municipality must be ensured for any accident occurring during the period of insurance caused by or through or in connection with any vehicle described in the Specification or in connection with the loading and/or unloading of such vehicles against all sums including claimant's costs and expenses which the Municipality and/or any passenger shall become legally liable to pay in respect of

- (i) death of or bodily injury to any person but excluding death of or bodily injury to any person in the employ of the Municipality arising from and in the course of such employment.
- (ii) loss of or damage to property other than property belonging to the Municipality or being conveyed by, loaded onto, or unloaded from such vehicle.

9.4 **Limits**

limits are incorporated in the 3-year contract with the insurance broker appointed, therefore the excess limits will be in accordance with the contract.

9.5 **Failure to report an incident.**

Where in the opinion of the relevant Director and the Municipal Manager an employee's negligence led to the damage to, or loss of property Disciplinary Procedures may be conducted.

10. **APPOINTMENT OF INSURANCE BROKERS**

The appointment of an insurance broker must be performed in terms of the municipality's Supply Chain Management Policy. Call for bids to appoint an insurance broker will be done every three years. Section 33 of the MFMA will be applicable if the duration exceeds 3 years.

11. **ADMINISTRATION OF POLICY**

This policy will be administrated by the Chief Financial Officer that will be the Policy holder.

