Who pays for your labour ?

- *If you have a Defective Component Part??*

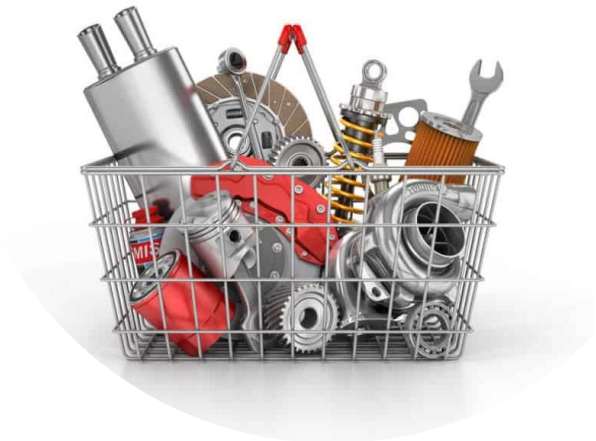
- As a member of **MIWA or ARA** you should check

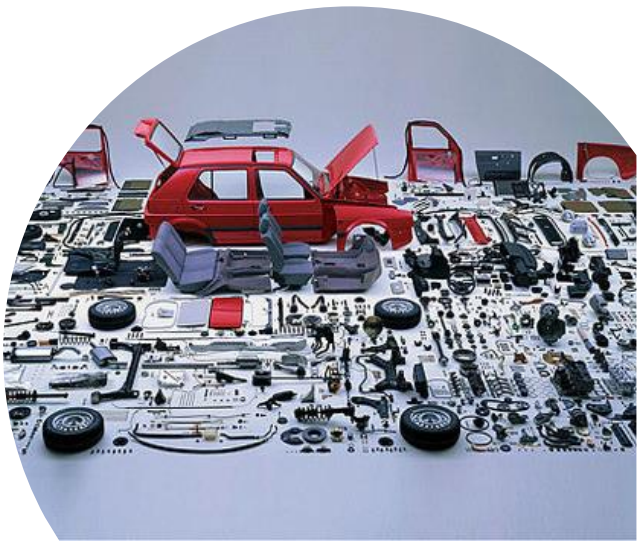
  if your **TEPA** Parts Supplier has the following:

iTOO “Defective Parts” insurance cover

- *A TEPA initiative on behalf of MIWA and ARA*







How to help the Workshops with Labour COSTS?



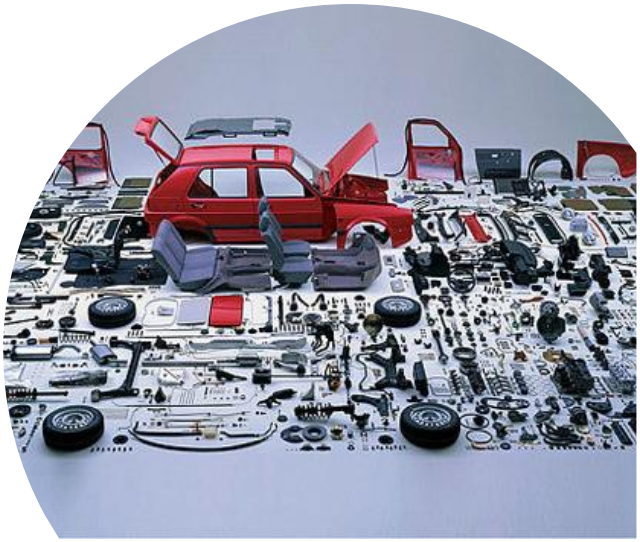
TEPA miwa ARA



- *If they have a Defective Component Part claim - ??*

- As a member of **TEPA** you can provide Labour Costs Insurance for defective parts to your workshop clients

iTOO “Defective Parts” insurance cover



- *A TEPA initiative on behalf of MIWA and ARA*

Only, R200 per month to cover Workshops with Labour COSTS?

- Contact HRS Insurance to sign-up as an accredited TEPA member to this exclusive marketing opportunity
- Contact:
  - Nic Havenga on 079 568 4718 or
  - Steve Pickstock on 072 389 8484
- T's & C's apply

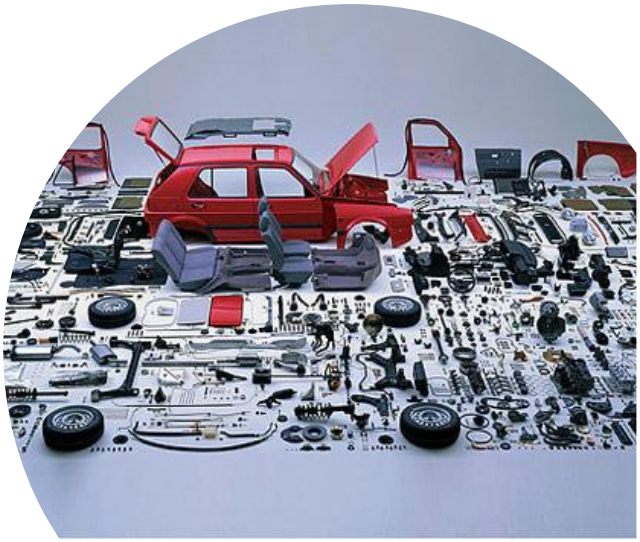
iTOO "Defective Parts" insurance cover

- *A TEPA initiative on behalf of MIWA and ARA*



TEPA miwa ARA





Defective Parts

Labour Costs Insurance

RMI

TEPA

miwa

ARA

HRS HOLISTIC RISK SERVICES

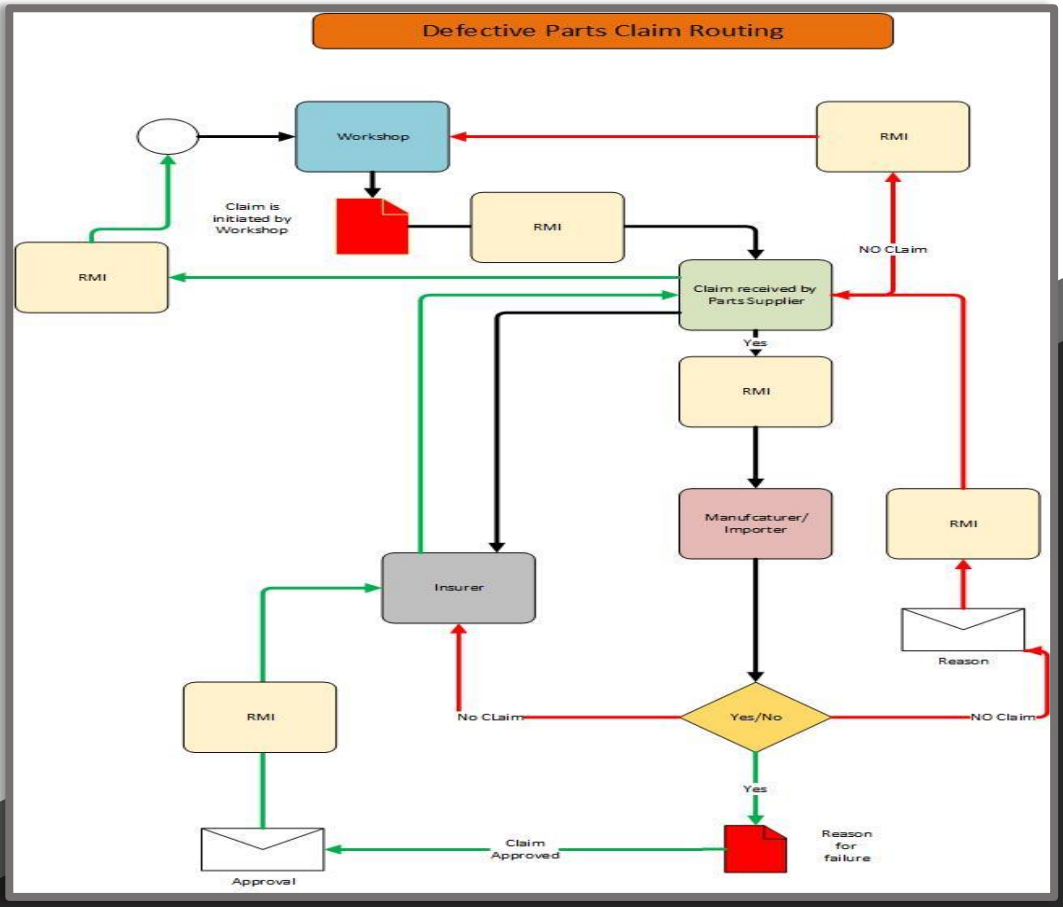
iTOO In association with Hollard.

Why is this now available?

- 2019 MIWA approached TEPA to intervene with a compensation for labour costs
- 2019 TEPA engaged with HRS Insurance to find a solution.
- 2020 ITOO Insurance agreed to underwrite the policy.
    - **Based on certain criteria**
        - Both parties are RMI members
        - Both parties respect the findings of the panel
        - The cover is limited to set hours of work (flat rates – Haynes Pro)
        - The cover is limited to a standard “Cost” of Labour (negotiated annually – RMI, ITOO)
        - The RMI MIWA/ARA Workshop will invoice the RMI TEPA (Parts) Member for the Labour costs.
        - There is a need for an immediate uptake of the policy by at least 450 members.
        - Members are determined by RMI member number only.
- The cost of cover is R200 per Month to be carried by the Spares Dealer.
- Potential exists for this to be a sponsored product by suppliers as well.

What is a Defective Part

- Defective Parts are those that have failed during a warranty period, other than for:
  - Fitment errors
  - Poor Workmanship
  - Incorrect parts supplied
  - Any form of goodwill concession
  - Non-adherence to the fitting instructions
  - Non-compliance with warranty provisions
  - Unqualified fitment staff.
  - Abuse of the component parts before, during or after fitment
  - Driver/user abuse of the Component Parts.
  - Use during any form of Motorsport or competitive type of driving



Labour RATES and Hours to Charge for?

- The Purpose of the policy is to reimburse for “Costs” incurred for Labour only
- MIWA have agreed to a fixed rate of R220 per hour of labour costs
- MIWA have agreed to be bound by the Haynes Pro flat Rate Manual for the determination of hours
- The invoices issued by the workshops will be vetted for accuracy prior to settlement by ITOO.
- The Final settlememt will be subject to an “Agreement of Loss” document being agreed to
- The “AOL” will be authorized by the most senior person in the RMI TEPA (Parts) Member business.

Who determines a component part is defective?

- Once a Component part is deemed to have failed by the Workshop
  - The Component Part will be returned to the RMI TEPA (Parts) member source of the part.
  - The RMI TEPA (Parts) member will inform ITOO and TEPA of the pending claim
  - The TEPA (Parts) member will then refer the Claim to the RMI TEPA (Manufaturer/Importer) for evaluation
  - The RMI TEPA (Manufaturer/Importer) will then investigate and evaluate the Component Part/s

- Should the Component Part be declared defective by the manufacturer/Importer (brand owner in South Africa)
  - The Manufacturer/Importer will provide a written confirmation of the defect of the part to the RMI TEPA (Parts) member
  - The RMI TEPA (Parts) member will submit the defective parts report directly to ITOO and to TEPA
  - The Labour costs will be re-imbursed by ITOO directly to the RMI TEPA (Parts) Member as the Insured
  - The RMI TEPA (Parts) member will then pay the RMI MIWA/ARA Workshop Invoice cost of Labour Invoice issued by the Workshop (at agreed rates)

- Should the Component Part not be declared as a Defective part!
  - The component parts will be returned to the RMI TEPA (Parts) Member
  - The RMI TEPA (Parts) Member will return the component parts to the RMI MIWA/ARA Workshop
  - The Claim will be declared as finalized/closed

iTOO™

In association with Hollard.

Labour Repair Costs

Hollard.

Underwritten by The Hollard Insurance Co. Ltd,
an authorised Financial Services Provider

www.itoo.co.za

ITOO is an Authorised Financial Services Provider. FSP number 47230

Policy Schedule

Please find listed hereunder our terms for the proposed insured. These terms are subject to any pertinent underwriting information that ITOO may become aware of prior to the inception date.

Policy Number	SPL/SLFGQ/	
Type of Document	New Business Policy	
Insured		
Insured Vat Number		
Company Registration Number		
Postal Address		
Insured Business Description	Labour Repair Costs - 1st return	
Intermediary	HRS Insurance (PTY) LTD	
Insurer	The Hollard Insurance Company Limited (Reg No 1952/003004/06) A Licensed Financial Service Provider (FAIS license No 17698)	22 Oxford Road, Parktown, Johannesburg, Gauteng, 2000 Tel: (011) 351-5000 Email: liabs@itoo.co.za
Retroactive Date(s)	Inception	
Type of Contract	Monthly	

Quotation Details Option 1

Section Name	Limit of Indemnity	Basis of Limit	Deductible	Basis of Deductible
Labour Costs	R10 000.00 per incident but R2 000 000 in the Aggregate	Each and Every Event Limit	R350.00	Each and Every Claim
Total Annual Premium (VAT Inclusive)			R 200.00 per month per dealership (Inclusive of 15% VAT)	

Policy Wording	Labour Repair Costs - ITOO
Standard Risk Conditions	Geographical Limits - Worldwide excluding USA and Canada and DRC

Standard Policy Conditions	1. The above quoted premiums are merely indications and are subject to a fully completed ITOO proposal form, and a full loss history for the Insured, which will be required prior to inception of the policy 2. Standard tariffs to apply and adhered to 3. Coverage only in respect of first return of defective parts – under warranty. 4. Bulk placement 5. Premiums are VAT Inclusive 6. Limits are VAT Inclusive 7. Currency of premiums and limits are in ZAR 8. Intermediary Commission: 20.00% included in quoted premium 9. Deductibles have no VAT consequence 10. Quotation valid for 30 days from date issued

Labour Repair Costs Wording

Labour Costs means the reasonable cost of labour to refit and rework the replacement part under warranty but only costs associated with the first return of faulty parts.

Labour Costs:

The Insurers will indemnify the Insured in respect of all sums for which the Insured shall become legally liable to pay compensation costs (Insured repair costs) arising out of Labour costs associated with the replacement part of a defective warranty claim.

Specific Exclusions:

This policy does not cover liability for or arising out of;

a) The cost of repair, replacement or reconditioning of any Product or part thereof. This exclusion shall however not apply to the Labour Costs as defined above.
b) Costs incurred by the Insured in the recall of any defective product or part thereof;
c) Claims arising from the failure of any Product or any part thereof to fulfil its intended function or to perform as specified warranted or guaranteed and this exclusion shall apply to consequential Injury or Damage. This exclusion shall however not apply to the Labour Costs as defined above.
d) Advice, design, specification or information of a technical nature.
e) Any defect in any product of which the Insured was aware prior to inception of this Policy
f) Liability arising out of injury or Damage in the USA or Canada or DRC caused by or though or in connection with any goods or products sold or supplied by or to the order of the Insured, if such goods or Products have, to the Insured's knowledge, been exported to the USA/Canada or DRC.

Absolute Exclusion - infectious disease / epidemic / pandemic

Notwithstanding anything to the contrary within this Policy, the insurer shall not be liable to make any payment under this Policy whatsoever in connection with, arising out of, based upon or attributable to:

- any infectious or communicable virus, bacteria, disease;
- any declared or classified epidemic or pandemic, whether such declaration or classification takes place before or after the commencement of the Policy; and/or
- any mutation or variation of any such infectious or communicable virus, bacteria or disease, epidemic or pandemic.

PROPOSAL FORM
Labour Costs Liability

iTOO
in association with Hollard.

Please answer **ALL** questions completely.
Should any question or part thereof not be applicable, please state "N/A".
Should insufficient space be provided, please continue on your company letterhead.

1. Name of Insured _____
2. Physical address _____ Postal code _____
   _____
3. Company reg. number
4. VAT number
5. Insured's website
6. Describe **ALL** business activities _____
7. Number of premises, situation of premises and activities undertaken from such premises

No. of premises	Situation of premises

8. Does the Insured have public/products liability insurance? Yes ☐ No ☐
   If Yes, please provide full details

_____
_____

Cover Required

Limit	
Labour Costs Liability	**R10 000 Max per claim**
Deductible	**R350 per claim**

Privacy

In order to provide you with insurance, we have to process 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 provide insurance services, prevent fraud, assess claims and conduct surveys. We will treat your personal information with caution and have put reasonable security measures in place to protect it. By signing this application for insurance, you agree to the processing and sharing of your personal information.

Declaration

I/We, the undersigned, declare that the statements set forth in this proposal form together with any other information supplied are true and correct and that I/we have not misstated or suppressed any material facts.

I/We agree that this proposal form together with any other information supplied by me/us shall form the basis upon which the contract of insurance is concluded and shall be incorporated therein.

I/We further undertake that in the event that the information provided changes between the date of this application and inception of cover, I/We will notify iTOO of such changes as soon as reasonably possible.

Name (duly authorised) _____ Designation _____

Signature _____ Date Y Y M M D D