

PETROSURE

Underwriting Managers (Pty) Ltd

Your Fuel & RMI Motor Traders Specialists



Company Profile



Petrosure Underwriting Managers (Pty) Ltd is an Authorised Financial Services Provider (FSP: 45316).
Underwriting Agency for Old Mutual Insure Limited (FSP: 12)

ABOUT US

Who We Are

In a world of uncertainty and unpredictability, Petrosure Underwriting Managers bring to our intermediaries and broker customers, cutting-edge, tailor-made risk management driven solutions to help navigate the treacherous terrain with peace of mind.

We are a specialist Underwriting Management Agency underwriting on behalf of Old Mutual Insure a BBBEE Level 1 insurer, with the sole focus on the Fuel and Motor retail Industries which is the life blood of the South African economy.

Established in 2013, Petrosure embraces the Liquid Fuels Charter and the Retail Motor Industry/Automotive sector eco system.



Our Philosophy and Mission Statement

To build strategic long term sustainable relationships with all industry stakeholders by providing competitively priced products and services whilst offering the best value proposition for our customers.

To exceed the exacting demands and challenges by providing a specialist multi-peril offering total solutions to the Liquid Fuels Industries (Fuel Retail & Wholesale Depots) and Retail Motor Industry (RMI) Automotive sector.



Our Vision

To be the preferred specialist services provider within our chosen niche industries by providing customer centricity solutions, leadership and quality products for our stakeholders.



OUR PRODUCTS

Herewith are some of the risks we underwrite but are not limited to:

Auto Glass	Motor Bike Dealerships
Auto Electrical	Motor Spares
Aircon	New Vehicle Dealer
Auto Shuttle Companies	Prop Shafts
Car Hire Companies	Petro Ports
Car washes	Panel beaters
Car Sound & Security Fitment	Radiator Repairs
Component Manufacturers	Service Centres
Drive Shafts	Spares Shop
Engine Rebuild/Engineering	Service/Fuel Stations
Engine Remanufacturers	Salvage Yards
Fitment Centre Batteries	Truck Stops
Fitment Centre Brakes	Trailer Manufacturing
Fitment Centre Exhausts	Tyre Dealer Companies
Fitment Centre Shocks	Towing and Breakdown Companies
Fitment Canopies	Vehicle Breakers
Fitment Centre Tyres	Vehicle Body Building
Fitment Centres	Vehicle Testing Companies
Fuel Injection	Vehicle Transporters
Fuel Retailers	Vehicle Manufacturers
Fuel Transporters	Vehicle Roadworthy
Motor Body Repairs	Windscreens & Auto Glass
Motorcycle Dealers	Workshop General Repairs
Motor Dealerships	Wholesale Fuel Depots

And many more within the following associations:



We are associated with:



ARA

ARA – AUTOMOTIVE REMANUFACTURERS ASSOCIATION

Vehicle cooling
Turbocharger and Braking systems
Automotive engineers
Rebuilding Engines
Repair and manufacture of engine components
Service and manufacturing of diesel fuel injection systems



MIWA – MOTOR INDUSTRY WORKSHOP ASSOCIATION

Automotive Services
General vehicle repairs
Auto Electrical workshops
Air conditioning and accessories
Transmission & Drivelines
Fitment Centres



TEPA

TEPA – TYRE, EQUIPMENT AND PARTS ASSOCIATION

Tyre Dealers
Garage/workshop Equipment
Tool Importers and Distributors
Auto Part wholesalers
Importers and distributors of the automotive aftermarket
After-market parts



SAMBRA

SAMBRA – SOUTH AFRICAN MOTOR BODY REPAIRERS ASSOCIATION

Equipment Suppliers and workshop paint



NADA

NADA – NATIONAL AUTOMOBILE DEALERS ASSOCIATION

Dealers of OEM's importers and distributors



SAVABA

SAVABA – SOUTH AFRICAN VEHICLE & BODY BUILDERS ASSOCIATION

Commercial vehicle body manufacturers
Trailers



VTA

VTA VEHICLE TESTING ASSOCIATION

Private Vehicle Testing Stations



SAPRA

SAPRA – SOUTH AFRICAN PETROLEUM RETAILERS ASSOCIATION

KEY BENEFITS OF PETROSURE OFFERING



Fire

Fuel leakage	R250,000
Water leakage extension	R50,000
Contamination of fuel	R250,000
Fatal injury extension	R50,000
Fuel contamination by water	R250,000
Damage to buildings following theft	R50,000
ATM/Safe bombing risks	Fully covered
Refrigerated stock extension	R150,000
Post trauma counselling	R25,000
Damage to gardens landscaping and playground & recreational equipment	R25,000
Fire extinguishing costs including refuel costs	R25,000
Subsidence and landslip to underground tanks	R250,000
Claims preparation costs	R100,000
Debris removal	R100,000
Power surge damage extension	R65,000
Shade netting	R75,000
Medical expenses	R25,000
Customers vehicles on premises	R350,000
Petrol pump and forecourt property damage due to impact damage by vehicles/other	R75,000
Damage to bollards, perimeter fence	R75,000

Office Contents

Power surge damage extension	R25,000
Medical expenses extension	R15,000
Fire extinguishing costs including refueling	R25,000
Gas Installation warranty	

Business All Risks

Reinstatement of data extension	R10,000
Incompatibility cover	R10,000
Software parts & accessories extension	R10,000
Unspecified Tools/Item limit	R1,500
Claims preparation costs	R100,000

Glass

Special reinstatement	
Night watchman extension	R10,000
All glass bullet proof	
Medical expenses	R15,000



KEY BENEFITS OF PETROSURE OFFERING CONT.



Theft

Goods not meant to be in the open	R15,000
Buildings increased limit	R50,000
Malicious damage to contents	R50,000
Watchman extension/cost of boarding	R10,000
Cellphone cards/cigarettes limits	R30,000
Access cards & sound equipment extension	R15,000
Fatal injury	R15,000
Medical expenses extension	R15,000
Theft of batteries & accessories from generators and compressors	R20,000
Loss of or damage to buildings locks/keys	R15,000

Money

Automatic over for cash in transit cover	
Bilking cover where customers leave before paying for their fuel	R15,000
Credit card fraud/customers absconding without payment	R15,000
Receptable/safe limit	R30,000
Personal accident/assault extension	R50,000
Locks and keys	R15,000
Clothing and personal effects	R15,000
Fatal injury and medical expenses	R25,000
ATM/safe bombing cover	
Death in service for employees	R25,000
VirtualaAirtime for the device and airtime	R15,000
Post trauma counselling	R15,000
Malicious damage	R50,000
Cash/till limits combined	R15,000
Petrol attendants	R2,500
Additional claims preparation costs	R100,000

Electronic Equipment

Reinstatement of data	R25,000
Increased cost of working	R25,000
Incompatibility cover	R10,000
Transit and away from the premises	R10,000
Telkom access lines	
Failure of electricity supply	
Additional claims preparation costs	



Other

Petrosure Roadside assist
Car hire

FUEL RETAILERS GUARANTEE

This product is supplied by Universal Acceptances.

The fuel guarantee basically means that the retailer can use the insurance company as a guarantor when purchasing fuel.

Due to the nature of the fuel business and the high cost of holding stock, cash flow is one of the keys to success of your business.

Retailers can provide a Guarantee without the traditional cash collateral requirements. The business needs to generate enough revenue to meet daily, weekly and monthly expenses, and at the same time maintain stock levels to ensure uninterrupted trading in accordance with the fuel companies' requirements. The retailer thus needs sufficient working capital to meet the demands of large fuel payments. To do this, the retailer either takes out a large loan or provides an adequate overdraft facility. The need for a bank guarantee is over and above these requirements.

Without a guarantee, the retailer effectively trades on a 'hard cash' basis. Revenue needs to be in the account prior to payment for fuel, and delivery is only scheduled subsequent to payment. This working capital required is costly.

In the event of a bank guarantee being issued, the retailer can enjoy the benefits of ACB payment for fuel, after delivery. This adds several days deposits to the bank account improving cash flow considerable, but the bank guarantee is also costly to the retailer in terms of opportunity costs of having such funds available in the business.

In today's industry where guarantee values requested are reaching more than R 1million, it makes more sense to use the insurance guarantee, as opposed to tying up excessive cash in providing a bank guarantee. With the introduction of an insurance type product, the fuel guarantee alleviates the need for a cash on demand guarantee and allows the service station owner to utilise his or her capital where it is best required in the business.

Having more capital in the business can improve the cash flows further and reduce any loan risks or trading risks.

Typically, the cover kicks in when the debit order is unpaid, and the fuel company cannot collect the amount due by the retailer. It may also cover rental, lubricants or trade receivables bought on credit

Also note the following guidelines, tips and considerations applicable to fuel guarantee insurance.

The Fuel Company normally stipulate the value of the guarantee required. This is usually approximately 2 (two) full deliveries value and dependent on the tank capacity and sell-off volume of the business. The guarantee can also be used to increase existing guarantees, or replace the entire guarantee. No assets are normally required as collateral security- unsecured. Payment for fuel via ACB debit instead of pre-payment- cash flow benefit monthly premium. Premium written off against taxable income. If you are a new retailer, it reduces your capital requirements as the bank guarantee investment is removed from overall set up cost. Existing bank guarantees can be replaced in order to free up assets. Existing bank guarantees can be topped up- if insufficient. Retailers trading on pre- payment basis can easily move onto ACB without impact to their cash assets base.

Opportunity cost.

In summary

Retailers can free up cash or assets for use in the business as working capital. Premiums are an operating expense of the business and thus tax deductible. Retailers can free up cash tied in existing guarantees. May also cover rental, lubricants or trade receivables bought on credit.



PUBLIC LIABILITY

FORECOURT NEGLIGENCE EXTENSION



Limit R1 000,000

This cover specifically covers all Forecourt related negligent acts by insured's petrol attendants/employees which includes but is not limited to:

- Incorrect dispensing of fuel i.e petrol into a diesel vehicle and vice versa.
- Failure to properly close radiator, oil and bonnet after service leading to damages.
- Failure to remove petrol pump from dispensed vehicle leading to damages.
- Car hire for the third party whilst vehicle is being repaired. Limit **R30,000**
- Custody and Control.
- Environmental Fuel spillage clean up on premises above ground. **R150,000**
- Car wash extension. **R100,000**
- Special defective workmanship for vehicle damage whilst being worked on prior to being handed over to customer. **R125,000**

ENVIRONMENTAL IMPAIRMENT LIABILITY



This product is supplied by EnviroSure

Whether you operate a dealer owned or fuel owned site, because of the expensive and costly nature of environmental issues caused by leakage of fuel, oil or other chemicals, legislation was passed to ensure that every business has cover for environmental liability cover. This is usually costly and can get into millions. Without this type of cover a business can be sued and be liquidated.

FORECOURT SOLUTION

Extension to the service station/garage

Forecourt Clean up cover following environmental incidents. **R150,000**



UNDERGROUND STORAGE TANKS



This product is supplied by EnviroSure

This cover is designed to protect dealer owned and fuel company operated sites from extensive pollution and rehabilitation costs that result from environmental incidents. This cover includes clean-up costs to unforeseen pollution incidents as well as HazCall 24, a 24 -hour emergency call centre. The Department of Minerals and Energy requires that operators of service stations/depots must satisfy "Proof of Financial Provision for Rehabilitation" fuel retail license requirements.

ABOVE GROUND STORAGE TANKS

Management of pollution and contamination risks are very critical for compliance requirements for the fuel/depot operators. EnviroSure' On Site Environmental Impairment (OSEI) insurance provides cover for environmental incidents that come from the above ground storage of fuels and other depot risks.

The OSEI insurance will cover fuel depots and other similar facilities against pollution risks from above ground storage tanks, warehousing, loading and offloading and yard storage and many more.

Access to HazCall 24, a 24 -hour emergency call centre, is also included.



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MOTOR TRADE INSURANCE COVER



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Underwriting Managers for Old Mutual Insure License Number: 12

Motor Trade insurance is the general name for the type of insurance policy offered to people working within the automotive industry. This includes buying and selling vehicles for profit (Motor Dealerships. New and second-hand), fixing vehicles (Workshops & Mobile Mechanics), cleaning vehicles (Valeters), vehicle spare parts and component traders, moving vehicles (vehicle Transporters) Panelbeaters, Fitment Centres be it Tyre, Windscreens, Alarms, Tracking Devices, Wheel Alignment centres, exhausts fitment or recovering them if they've broken down (Vehicle Recovery Agents /Towing Companies).

Essentially, Motor Trade insurance allows men and women who work in the motor trade to do their jobs, knowing they can be protected against a variety of different things that could happen, which without having the right cover in place, could put the future of their business into jeopardy. Motor Trade insurance is designed to protect people in the automotive industry from loss or damage relating to their business.

It can mean anything from providing insurance for car salesmen to people who valet cars. It is fundamentally an insurance product for anyone that works with vehicles of various types, it doesn't matter whether the business is big or small such as a mobile mechanic, or a large forecourt selling cars, vans or motorbikes. It combines a number of protections under a single umbrella, including cover such as public liability insurance, employers' liability insurance, property insurance, and road risk insurance. Motor Trade policies are designed with auto traders in mind, with a range of coverage options available to protect your business assets and customer base.



ABOUT MOTOR TRADE INSURANCE COVER

A Road Risk insurance policy (Motor Traders Internal & External) can cover the person to drive any vehicle, in their possession, for either personal use or for motor trader purposes, including any customer cars, where driving is required to carry out their work. For theft of stock or vehicles in their care, custody and control, insured will need theft of motor vehicles on the Theft section of the policy.

A Motor Traders' policy should apply to any vehicle in which the trader has an interest, as owner or otherwise e.g.



01. VEHICLES BELONGING TO THE TRADER

- Used as transport in their own business
- Held for sale

There will be a good deal of interchange between these sub divisions, and with the exception of specialised vehicles used for breakdown and recovery purposes, these vehicles are (stock in trade). The trader has full insurable interest as owner.



02. VEHICLES BELONGING TO CUSTOMERS

- Held for sale
- Stored or parked
- Undergoing service, repair or overhaul

These vehicles are "goods held in trust or on commission for which the insured is responsible".

The trader has an insurable interest as bailee (so far as loss of or damage to the vehicles is concerned) and as user (in respect of 3rd party liabilities arising out of their use). Apart from the usual risks associated with vehicles in use, the Motor Trader is exposed to liability arising from damage to vehicles on his premises because of the nature of his business. This situation is catered for means of 2 forms of cover, the external (road risks) and the internal (premises risk).

LIABILITY FOR CUSTOMERS VEHICLES

When a vehicle is put into the hands of a Motor Trader by a customer to be sold, for work to be done to it, or for storage, a contract is entered into between the owner and the Motor Trader. The contract may be in writing, it may be verbal, or it may only be implied. The Motor Trader will usually endeavour to limit his liability at law in respect of vehicles entrusted to him and most motorists are familiar with the notice "vehicles stored and riven at owner's risk" which is displayed at most garages.

The Motor Trader's liability at law to make good damage to a customer's vehicle depends upon his liability as bailee and the extent to which that liability has been modified by the terms of the contract between the trader and his customers. The trader can disclaim all liability for damages to vehicles in his custody, but the practical value of such a disclaimer depends on his ability to prove that it was known to and accepted by the customer.

4 MOTOR TRADE INSURANCE COVER

Then again, it is generally held that the trader is not able to escape liability for damage to customer's property resulting from fraud or gross negligence on his own part or that of his employees. Another consideration is the fact that the traders may wish to accept full responsibility for making good any damage- irrespective of legal liability - to retain the goodwill of the customer.

Motor Traders cover protects the business or Motor Trader by offering varying levels of cover:



This is the most basic level of insurance cover you can get as a Motor Trader, as it only offers a basic level of protection. If you hit a third party, your insurer would cover the costs of their vehicle, but not the one you are driving.



This covers Motor Traders to drive their own cars and vehicles belonging to customers on the road, plus they will also be covered for fire, theft, loss and damage to any vehicles under their control. In the event of a fault accident any third-party injuries, damages and claims will be covered under the Third Party, Fire and Theft Motor Trade insurance policy.



This includes everything mentioned, but also covers accidental damage, whether that's to vehicles the Motor Trader owns or to customers' cars in their possession.

DOES COMPREHENSIVE MOTOR TRADE INSURANCE COVER EVERYTHING?



Even though Comprehensive cover is the highest level of Road Risk Motor Trade insurance policy, it still doesn't cover everything your business might need. When you take out a Comprehensive Motor Trade Road Risk insurance policy you will only be taking out cover for the main vehicle and any others you add onto the policy e.g. customer vehicles you are in temporary possession of.

As a Motor Trader, you may want to look at additional Motor Trade insurance products or classes that can further protect your business, to cover all of the different elements your business needs. Every Motor Trade business is different, which is why there isn't a one-size-fits-all type of Motor Trade insurance policy, and each business needs to be reviewed separately in order to create the most appropriate insurance policy for them.



COMBINED MOTOR TRADE INSURANCE

While you can take out Comprehensive Motor Trade Road Risk insurance to cover the vehicles, if you are looking for a policy that covers other aspects of your business such as any buildings and contents, any stock, products or services you offer, then you should look at a Combined Traders insurance policy. This type of policy can be tailored to your motor trade business so that you can insure everything in your business that needs covering. Most traders will find that their Combined policy differs from their colleagues' in the industry as it is based on their individual business.

A Combined policy can cover:

- | | |
|---|-------------------------|
| • The Specific business premises you operate from | • Business interruption |
| • Stock of vehicles | • Carriage of vehicles |
| • Money kept on site | • Public liability |
| • General stock stored at the premises | • Employers' liability |
| • Machinery, plant and all other contents | • Product liability |
| • Portable tools | |



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