



CL-SCP9-C: FORMATIVE ASSESSMENT

Santam Commercial

Santam is an authorised financial services provider (licence number 3416)



TREATING CUSTOMERS FAIRLY

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 (TCF) 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.

FEEDBACK FROM ASSESSOR

Learner name:

Learner ID:

ADMINISTRATION DOCUMENTS

- Assessment contract Yes No
- Signed declaration Yes No
- NLRD Yes No
- CCFO Yes No
- Reflection Yes No
- Learner information Yes No
- Certified ID Yes No

FORMATIVE ASSESSMENT

	FORMATIVE	REDO	FORMATIVE	REDO	FORMATIVE
	REM 1	REM 1	REM 2	REM 2	REM 2
120108	/208	Act 1.1	/208	Act 1.1	/208
	%	Act 1.2	%	Act 1.2	%
		Act 1.3		Act 1.3	
		C/NYC		Act 1.4	
	Act 1.5		Act 1.5		
		Act 1.6		Act 1.6	
		Act 1.7		Act 1.7	
		Act 1.8		Act 1.8	
		Act 1.9		Act 1.9	
		Act 1.10		Act 1.10	
		Act 1.11		Act 1.11	
		Act 1.12		Act 1.12	
		Act 1.13		Act 1.13	
		Act 2.1		Act 2.1	
		Act 2.2		Act 2.2	
		Act 2.3		Act 2.3	
		Act 2.4		Act 2.4	
		Act 2.5		Act 2.5	
		Act 2.6		Act 2.6	
		Act 2.7		Act 2.7	
	Act 2.8		Act 2.8		
	Act 2.9		Act 2.9		
	Act 2.10		Act 2.10		

120108	Act 3.1		Act 3.1	
	Act 3.2		Act 3.2	
	Act 3.3		Act 3.3	
	Act 3.4		Act 3.4	
	Act 3.5		Act 3.5	
	Act 3.6		Act 3.6	
	Act 3.7		Act 3.7	
	Act 4.1		Act 4.1	
	Act 4.2		Act 4.2	
	Act 4.3		Act 4.3	
	Act 4.4		Act 4.4	
	Act 4.5		Act 4.5	
	Act 4.6		Act 4.6	
	Act 4.7		Act 4.7	
	Act 5.1		Act 5.1	
	Act 5.2		Act 5.2	
	Act 5.3		Act 5.3	
	Act 5.4		Act 5.4	
	Act 5.5		Act 5.5	
	Act 6.1		Act 6.1	
Act 6.2		Act 6.2		
Act 6.3		Act 6.3		
Act 6.4		Act 6.4		
Act 6.5		Act 6.5		
Act 6.6		Act 6.6		
Act 6.7		Act 6.7		
Act 6.8		Act 6.8		
Act 6.9		Act 6.9		

SUMMATIVE ASSESSMENT

Summative 1	
120108	/50
%	
	C / NYC

Summative 2	
120108	/44
%	
	C / NYC

OVERALL RESULTS

C / NYC

ASSESSOR DETAIL

	Form	REM 1	REM 2	SUMM	SUMM 2
Name					
Signature					
Number					
Date					
Comments					

MODERATOR DETAIL

Moderator name:

Moderator signature:

Moderator number:

Date of moderation:

Upheld/Overtured:

Comments:

ASSESSMENT AND LEARNER GUIDE EVIDENCE MATRIX

CL-SCP9-C Santam Commercial

UNIT STANDARD DETAILS		AC	AC Descriptor	FACILITATION METHOD	ASSESSMENT METHOD	LEARNER GUIDE	FORMATIVE ASSESSMENT	SUMMATIVE ASSESSMENT 1	SUMMATIVE ASSESSMENT 2
US	US Title								
120108	Apply technical knowledge and understanding of insurance in the event of machinery breakdown.	1	Explain Machinery Breakdown Insurance.	Classroom facilitation	Questioning/ Activities/ Observation/ Evaluation	Page 8, 9	Task 5: Activity 5.3	Q1, Q2	Assessment mapping
		2	The insurance needs of an entity are analyzed to determine the need for machinery breakdown insurance.	Classroom facilitation	Questioning/ Activities/ Observation/ Evaluation	Page 2, 5, 13	Task 5: Activity 5.1		Q1
		1	The difference between new replacement value and market value is explained with examples.	Classroom facilitation	Questioning/ Activities/ Observation/ Evaluation	Page 15	Task 1: Activity 1.5, 1.6, 1.11, 1.12, 1.13 Task 2: Activity 2.8, 2.9, 2.10 Task 3: Activity 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7	Q7	Q2, Q5
		2	The impact of the exchange rate on the value of a machine is explained with reference to loss of profit.	Classroom facilitation	Questioning/ Activities/ Observation/ Evaluation	Page 27, 28	Task 5: Activity 5.1, 5.2	Q3	

UNIT STANDARD DETAILS				ASSESSMENT METHOD	FACILITATION METHOD	ASSESSMENT METHOD	LEARNER GUIDE	FORMATIVE ASSESSMENT	SUMMATIVE ASSESSMENT 1	SUMMATIVE ASSESSMENT 2
US	US Title	S0	S0 Descriptor							
		3	Analyze a policy wording to determine cover	1	A policy wording is analyzed to determine terms and conditions and cover.	Classroom facilitation	Questioning/ Activities/ Observation/ Evaluation	Page 20, 22, 24, 27	Activity mapping Task 1: Activity 1.3, 1.7, 1.10 Task 2: Activity 2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.7 Task 4: Activity 4.5, 4.6, 4.7 Task 5: Activity 5.3 Task 6: Activity 6.1, 6.2, 6.3, 6.6, 6.7,	Q8 Q3
				2	Exclusions to the policy are explained in terms of wear and tear and business interruption policy.	Classroom facilitation	Questioning/ Activities/ Observation/ Evaluation	Page 17	Task 1: Activity 1.1; 1.2; 1.4; 1.8 Task 4: Activity 4.2, 4.3, 4.4 Task 6: Activity 6.4, 6.5, 6.8, 6.9	Q9 Q4
		4	Compare business interruption and machinery breakdown insurance.	1	The concepts of profit in business interruption and profit in machinery breakdown insurance are explained with examples.	Classroom facilitation	Questioning/ Activities/ Observation/ Evaluation	Page 32, 36	Task 1: Activity 1.9	Q5
				2	The perils covered under business interruption and machinery breakdown insurance are compared and an indication is given of events that would activate each policy.	Classroom facilitation	Questioning/ Activities/ Observation/ Evaluation	Page 8, 9, 26	Task 4: Activity 4.1	Q4

UNIT STANDARD DETAILS					ASSESSMENT METHOD	LEARNER GUIDE	FORMATIVE ASSESSMENT	SUMMATIVE ASSESSMENT 1	SUMMATIVE ASSESSMENT 2			
US	US Title	SO	SO Descriptor	AC						AC Descriptor	FACILITATION METHOD	
				3	The concept of subrogation is explained with examples.	Classroom facilitation	Questioning/ Activities/ Observation/ Evaluation	Page 20	Activity mapping	Task 5: Activity 5.4	Assessment mapping	Q6
				4	Reasons why machinery breakdown claims require a technical report are explained with reference to subrogation.	Classroom facilitation	Questioning/ Activities/ Observation/ Evaluation	Page 20	Activity mapping	Task 5: Activity 5.5	Assessment mapping	Q6
					Collecting		Task 5: Activity 5.1					
CCFO's for US 120108					Communicating		Task 1: Activity 1.9					

LEARNER INFORMATION

Assessment contract

Qualification: CL-SCP9-C	
Candidate's name and surname:	
Facilitators name and surname:	
Venue of pre-assessment meeting:	
Candidate's ID number:	
Facilitators contact details:	
Date received:	
NQF level:	4
Credits:	3

Santam welcome you to the assessment process.

This document serves to familiarise and prepare you in the assessment(s) that you are about to embark in. It is a map that informs you of the steps involved in the assessment process and will allow you to prepare for your assessment(s), setting you at ease, and give you an opportunity for success.

STATEMENT/QUESTION	Yes/No	Initial
Were you welcomed and made to feel at ease?		
Were the purpose and objectives of the meeting explained?		
Were the assessment process and principles of good assessment explained to you? For example fairness, validity, authenticity, sufficiency, currency and reliability.		
Were any special assessment needs or barriers identified, discussed and eliminated?		
Were the role and the responsibilities of the learner, assessor, moderator and verifier been explained to you?		
Were you informed of: <ul style="list-style-type: none"> Your rights, The appeals process Re-assessment policies? <p>REMEMBER:</p> <ul style="list-style-type: none"> You have the right to appeal against any judgement given as a result of any assessment. (You must have valid reason for doing this). You have the right to an interpreter if you need one to perform this function. However if one of the learning assumptions for the standard is that you are competent within the language of assessment, you may not have an interpreter. You can ask that an impartial observer attend any assessment. This observer may not be involved in any part of the assessment. If you do not agree with the assessment, you have the right to have your assessment internally moderated. If you still do not agree with the result of the assessment you can ask that the ETQA (Education and Training Quality Assurance) perform an external moderation on the assessment. If any verification upholds the assessment findings you will be held liable for all the costs of the verifications. If any verification rules that you have been aggrieved as a result of the assessment, your provider will be liable for all costs of verification. 		

STATEMENT/QUESTION	Yes/No	Initial
<p>Was the importance of confidentiality in the process (assessment) explained?</p> <ul style="list-style-type: none"> • Each assessment application. • The outcomes. • Results and reviews will be treated as a confidential matter by the candidate, assessor and moderator. 		
Were you provided with a copy of the assessment contract?		
Were you informed of the various assessment instruments/tools to be used?		
<p>Please take note of the following:</p> <ul style="list-style-type: none"> • No tipex allowed. • No typing allowed. • Assignment must be completed in PEN not in pencil – only blue or black pen. • Attach all the necessary documents as requested by facilitator. 		
<p>Please take note of the following:</p> <p>You commit plagiarism when you present someone else's ideas – published or unpublished – as if they were your own. This is unacceptable and if you are found guilty of plagiarism you will not be able to continue with the course or obtain the credits applicable to this course.</p>		
<p>Do you understand the process?</p> <ul style="list-style-type: none"> • You need to complete your Formative Evaluation and post this to: • Santam: Learner Administration Department • Private Bag X226 • Pretoria 0001 • You need to do any remediation on your Formative evaluation within 60 days of receiving your results letter. • You need to write your Summative evaluation within 60 days of receiving your Competent Formative result letter/Notification of remediation on summative. <p>You will only be allowed two remediations on Formative and Summative assessments, where after you need to redo the course.</p>		

Make sure that you prepare yourself thoroughly for the assessment to avoid re-assessment. You will be allowed one free remediation where after a fee of R200.00 (VAT inclusive) will be payable for the second remediation. You will only be allowed two remediations, if you are found Not Yet Competent on your second remediation you will need to redo the course.

Should any remediation not be received within 60 days after you have received your result letter, you will be requested to re-attend the programme and your portfolio will be destroyed.

After you have been found Competent on your Formative Assessment, you will have 60 days to write your Summative evaluation (exam). If no summative evaluation (exam) is written within 60 days, you will be requested to re-attend the programme and your portfolio will be destroyed.

Should Santam not be able to contact you due to a change in contact details, the same rules will apply. Any deviation of the 60 days limitation (formative) or 60 days limitation (summative) will be dealt with by the assessment centre, and only if proof can be offered.

Please do not hesitate to contact us should you have any queries regarding the assessment process.

You will receive a SMS or e-mail once your portfolio is received. Thereafter you will receive a provisional results letter within 30 days.

Please remember that your provisional results are subject to internal moderation and these results may be overturned by the Moderator. Should this happen a new results letter will be issued.

Thereafter an INSETA verification will take place and only after they have approved the batch, a final statement of results be issued. This process is a lengthy process and is outside of our control but we will attempt to finalise your results as soon as possible.

Declaration of understanding (please indicate Yes or No)

I understand the importance of this meeting.	
I declare that the above mentioned points of the pre-assessment document were explained by the facilitator.	
I declare that I have received copies of the Unit Standards, assessment plan, assessment schedule and copies of the relevant policies and procedures pertaining to my assessment.	
I was given the opportunity to clarify any issues relating to the assessment process and my assessment plan.	
I have requested this assessment in accordance with my own free will and without duress.	
I HAVE READ THE ABOVE AND UNDERSTOOD THE CONTENTS THEREOF	

Candidates signature:		Date:
Facilitator name and surname:		Date:
Facilitator signature:		

LEARNER INFORMATION FORM

The information completed in this form is used to upload your records to the National Learner Record Database. Please ensure that the information is correct and legible. **NB:** Should any of your contact details change, please ensure that Santam is informed of this change so that we may be able to contact you in the event of results letter notifications etc.

Attach certified copies of certificates and qualifications and provide contactable references.

Surname:		
Full names:		
Maiden name:		
Title (<i>Mr/Mrs/Ms/Dr</i>):		
Date of birth:		
Identification number:		
Other identification (<i>if you do not have an ID</i>): Driver's license, temporary ID, birth certificate, passport:	Type of ID:	Number:
Marital status:		
Gender: (<i>Male/Female</i>)		
Population group: (<i>Black/Indian/Coloured/White</i>)		
Home address:		
Code:		
Postal address:		
Code:		
Province:		

Phone number(s):	Home:	
	Work:	
	Cell:	
Fax number:		
E-mail address:		
Other languages:		
Employment status: <i>(Employed or unemployed)</i>		
Are you a Santam employee or a intermediary?		
Nature of disability (if any): <i>(Please provide medical confirmation of condition)</i>		
Highest school qualification: <i>(Indicate grade/standard)</i>		
Please include certificates in your PoE:		
Other qualifications:		
Employment history:		
References:		

PLACE A CERTIFIED COPY OF YOUR
IDENTITY DOCUMENT HERE.

PLEASE MAKE SURE THAT IT IS CLEAR AND
THAT THE PHOTOGRAPH IS VISIBLE.

PLACE YOUR PROOF OF PAYMENT HERE.

Critical cross field outcomes rating

Please rate your skills according to the following scale and motivate your selection:

1 = Very poor 2 = Poor 3 = Average 4 = Good 5 = Excellent

1.	Identify and solve problems in which responses display that responsible decisions using critical and creative thinking.	1	2	3	4	5
2.	Work effectively with others as a member of a team.	1	2	3	4	5
3.	Organise and manage yourself and your activities responsibly and effectively.	1	2	3	4	5
4.	Collect, analyse, organise and critically evaluate performance.	1	2	3	4	5
5.	Communicate effectively using mathematical and language skills.	1	2	3	4	5
6.	Demonstrate an understanding of the world as a set of related systems by recognising that problem-solving contexts do not exist in isolation	1	2	3	4	5
7.	Contributing to the social and economic development of South African society at large.	1	2	3	4	5

Take at least three of above mentioned statements, and motivate why you gave yourself that specific mark.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

C	NYC	Assessor signature: _____
----------	------------	---------------------------

EVALUASIE/EVALUATION

Please complete the following evaluation:

	Baie swak <i>Very poor</i>	Swak <i>Poor</i>	Gemiddeld <i>Average</i>	Goed <i>Good</i>	Uitstekend <i>Excellent</i>	Opmerkings <i>Comments</i>
KURSUS/COURSE						
Kursusinhoud het my behoeftes aangespreek <i>Course contents addressed my needs</i>						
Verstaanbaar en logies uiteengesit <i>Comprehensive and logically organised</i>						
Tydsduur <i>Duration</i>						
KURSUSLEIER/TRAINER						
Kennis van onderwerp <i>Knowledge of the subject</i>						
Professionaliteit <i>Professionalism</i>						
Hantering van vrae <i>Response to questions</i>						
Vermoë om teorie met voorbeelde uit te beeld <i>Ability to link theory to practical examples</i>						
Effektiewe gebruik van tegnologie <i>Effective use of technology</i>						
Vorbereiding <i>Preparation</i>						
IMPAK/IMPACT						
My vaardighede/ kennis het verbeter <i>My skills/knowledge has improved</i>						
Kennis wat ek opgedoen het kan direk op my werk toegepas word <i>Knowledge gained are directly applicable to my job</i>						
Ek het 'n plan van aksie om hierdie kennis toe te pas <i>I have a plan of action to implement these skills in my job</i>						

DECLARATION OF AUTHENTICITY

Complete this form as proof that your assignment is your own work. This forms part of the validation process.

I, (full name)

..... (ID number)

declare that the content of these assignments are my own work and that everything was compiled/completed by me.

Please note that you may discuss the tasks in a group, but any assignments must at all times be completed on your own.

Learner's signature

Date

Witness signature

Date

INTRODUCTION TO FORMATIVE ASSESSMENT

This outcome-based course is based on the theoretical training as stated in SCP9 which you have already completed. The following section is relevant:

- Machinery Breakdown

This project was specifically compiled to align with the NQF outcome-based principles. It is a practical project, aimed at the application of the theoretical knowledge you have already acquired.

You have to complete this project within two (2) weeks, at your workplace. Once completing this project, and found Competent, you will be subjected to a summative evaluation. After the evaluation, you will be able to qualify for 3 credits of the following Unit Standards.

UNIT STANDARDS	CREDITS	UNIT STANDARD NUMBER
Apply technical knowledge and understanding of insurance in the event of machinery breakdown	3	120108

Objective

During this project, you will be evaluated by:

- The answering of general questions most commonly asked when applying for insurance;
- The evaluation of basic risks;
- Claims settlement calculations.

EVALUATION OF ASSESSMENT CL-SCP9-C

Evaluation of the assignments for the aforementioned project will take place as follows:

- The assignments will be evaluated on marks as indicated for each question. The pass mark for assignments is 70%.

US120108 Assessor feedback

TOTAL		/222
PERCENTAGE		

Assessment outcome

You have been deemed:

C	NYC
---	-----

Assessor detail

Assessor name and surname:

Assessor signature: Date:

Comments:

Moderator detail

Moderator name:

Moderator signature: Moderator number:

Date of moderation: Upheld/Overturned:

Comments:

Moderation outcome

UPHELD	OVERTURNED
--------	------------

TASK 1

Motivate your answers from start to finish with relevant facts to achieve full marks as indicated per activity.

Mr X would like clarity on the following aspects:

Activity 1.1

(US120108;S03;AC2)

If Section Machinery Breakdown is taken out, can the sum insured with regard to Section Fire be reduced accordingly? **(2)**

.....

.....

.....

.....

Activity 1.2

The compressor of refrigeration chamber 2 was replaced recently. The supplier gave a one year guarantee. Indicate how the warranty affects the cover in terms of Sub-section A Machinery breakdown and what the client should do in the event of a claim. **(2)**

.....

.....

.....

.....

Activity 1.3

(US120108;S03;AC1)

Is Section Machinery Breakdown only applicable to machinery on the premises or does it also provide cover for the compressor which is installed on the back of the refrigerator truck of ABC Packaging and Refrigeration chambers? **(1)**

.....

.....

.....

Activity 1.4

(US120108;S03;AC2)

Can Section Machinery Breakdown sub-section B Consequential Loss be taken out separately or should the compressors of the refrigeration chambers also be insured in terms of Section Machinery Breakdown sub-section A? **(2)**

.....

.....

.....

.....

Activity 1.5

(US120108;S02;AC1)

Explain the possible impact of depreciation when calculating indemnity. **(1)**

Activity 1.6

(US120108;S02;AC1)

Given that some of the compressors are already six years old, indicate what the sum insured should be? **(1)**

Activity 1.7

(US120108;S03;AC1)

Is it mandatory for Mr X to keep production and balance sheets if he is considering taking out Section Machinery Breakdown sub-section B Consequential Loss? **(2)**

Activity 1.8

(US120108;S03;AC2)

In terms of which section will we indemnify Mr X for the loss of profit should his refrigeration chambers be destroyed during a fire? *Motivate your answer.* **(2)**

Activity 1.9

(US120108;S04;AC1)

By taking out Section Business Interruption (Additions basis), Mr X had to provide us with the company's net profit as well as its fixed costs. Will this also apply in the event of Section Machinery Breakdown sub-section B Consequential Loss? Mention any other available options and the figures he should provide thereof. (3)

.....

.....

.....

.....

.....

Activity 1.10

(US120108;S03;AC1)

In the event of a claim in terms of Section Machinery Breakdown sub-section B Consequential Loss, will Santam in terms of the policy be able to make interim payments until the settlement amount has been finalised? (2)

.....

.....

.....

.....

Activity 1.11

(US120108;S02;AC1)

We received the following claim from Cape Fishery. The deep-freezer is insured for R10 000. According to the insured, the damage to the deep-freezer was caused by lightning. The following invoice from Z Repair Services is attached:

Z Repair Services	
Cape Fishery	
Removed burnt out sealed unit and installed open compressor	
Cause of damage – direct lightning damage.	
KTZ compressor	R3 000
5 horsepower motor	R2 000
Steel clamps	R 250
Copper pipes	R 500

Calculate the settlement amount for the claim and give an explanation for your answer. (3)

.....

.....

.....

.....

.....

.....

Activity 1.13

(US120108;S02;AC1)

According to regulations, XYZ Dairy has to clean its floor surface with water daily. During such a cleaning process, water ended up in the control box of one of the dairy's milk machines. It caused damage to all the functions on the control box. The machine is two years old. Excess of 5% of a claim with a minimum of R1 500 applies. The sum insured is R30 000, which is also the replacement value of the machine.

Calculate the settlement amount for the claim and explain your answer. (3)

.....

.....

.....

.....

.....

.....

TASK 2

Answer the following questions asked by a potential client.

Activity 2.1

(US120108;S03;AC1)

Explain the cover given under the Machinery breakdown sub-section A and indicate where in the policy wording this is stated. (4)

.....

.....

.....

.....

.....

.....

.....

.....

Activity 2.2

(US120108;S03;AC1)

In the event of a total loss or where it is financially not worth to repair, how will we indemnify the client? (3)

.....

.....

.....

.....

.....

.....

Activity 2.3

(US120108;S03;AC1)

An operator employed by the Insured was caught while sabotaging a machine. Will this damage be covered? **(3)**

.....

.....

.....

.....

.....

Activity 2.4

(US120108;S03;AC1)

An operator used a crane to load a heavy piece of metal onto a lathe at the premises of the Insured. The lathe is insured but not the crane. The brakes of the crane failed and the piece of steel fell onto the lathe and damaged it. Is the damage caused to the lathe covered? **(3)**

.....

.....

.....

Activity 2.5

(US120108;S03;AC1)

The crankshaft of a compressor broke. After careful investigation, we found that the machine had been making tapping sounds for some time before it broke. The insured was aware of this before arranging with Santam for a Machinery Breakdown policy. Determine if the damage will be covered and give a reason for your answer. **(3)**

.....

.....

.....

.....

.....

.....

Activity 2.6

(US120108;S03;AC1)

A 140 KW electric motor has been in use for eight years. One day the ball-bearings seized and broke the axis of the motor. After investigating the damage, we found that the original service procedures which were always followed were being neglected by the operator due to a change of employees. Is the damage caused to the axis and seized up ball-bearings covered? **(3)**

.....

.....

.....

.....

.....

Activity 2.7

(US120108;S03;AC1)

Two newly acquired lathe machines have already been assembled and are ready to be tested. Both are specified in terms of sub-section A Machinery Breakdown. A crane's steel bucket became loose and fell onto the lathes. Will the lathes be covered? **(3)**

.....

.....

.....

.....

.....

.....

Activity 2.8

(US120108;S02;AC1)

A six year old printing-press with a real value of R21 000 needs to be insured. The replacement value of a similar new printing-press is R30 000. It will cost a further R5 000 to assemble and install the printing-press. Determine the sum insured for the printing-press? **(4)**

.....

.....

.....

.....

.....

.....

Activity 2.9

(US120108;S02;AC1)

The insured's four year old transformer was damaged by an insured peril. Quotations for repair work amount to R5 000. The transformer is insured for R10 000. The cost of replacement with a similar transformer is R20 000 (including freight, customs duties and erection costs). The real value of the transformer is R4 000. What will the settlement amount be for the claim? Explain your answer in detail. **(8)**

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Activity 2.10

(US120108;S02;AC1)

A fire erupted on the insured's premises. In the process the insured's compressor insured in terms of Section Machinery Breakdown was damaged irreparable. The replacement value of the compressor is R20 000, which includes the amount of R250 for oil and R500 for rubber tyres. Determine the settlement amount for the claim and give supporting reasons for your answer. **(3)**

.....

.....

.....

.....

.....

.....

TASK 3

Activity 3.1

(US120108;S02;AC1)

Calculate the settlement amount for the following claim:

ABC Printers bought two second hand printing-presses because their existing printing-press could not handle the load of print work due to a new contract. The relevant printing-press, which is in a good condition, is already five years old and the insured bought it for R150 000. The replacement value of a new printing-press is R350 000. The expected life-span of such a printing-press is twenty years.

What will the sum insured be for the printing-press? (1)

(a)	R100 000	
(b)	R150 000	
(c)	R350 000	

Give the reasons for your answer. (1) **(2)**

.....

.....

.....

Activity 3.2

(US120108;S02;AC1)

If the sum insured amount for the printing press is R100 000, what will the settlement amount be in terms of a total loss? Give the reasons for your answer. **(14)**

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Activity 3.3

(US120108;S02;AC1)

If the sum insured for the printing press is R150 000, what will the settlement amount be in terms of a total loss? Give the reasons for your answer. (14)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Activity 3.4

(US120108;S02;AC1)

If the sum insured for the printing press is R350 000, what will the settlement amount be in terms of a total loss? Give the reasons for your answer. **(9)**

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Activity 3.5

(US120108;S02;AC1)

If the sum insured for the printing press is R150 000 and the damage is only R50 000, what will the settlement amount be? Give the reasons for your answer. **(15)**

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Activity 3.6

(US120108;S02;AC1)

If the sum insured for the printing press is R350 000 and the damage is R100 000, what will the settlement amount be? Give the reasons for your answer. (14)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Activity 3.7

(US120108;S02;AC1)

If the sum insured for the printing press is R350 000 and the damage is R30 000, what will the settlement amount be? Give the reasons for your answer. (9)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

TASK 4

The following questions refer to Machinery Breakdown sub-section B Consequential loss.

Activity 4.1

(US120108;S04;AC2)

The insured has a canning factory in Paarl. The cement floor under one of the machines started to crack due to vibrations caused by the machine over a period of time. It took 18 working days to repair the floor properly. During this time, the machine could not be used. The machine as well as the foundation and masonry are described in the list under the heading "List of machinery and plant" under sub-section A. The no claim period is 48 hours.

The insured is now claiming R1 500 per working day in respect of the loss of profit in terms of this section of his policy, because the machine could not operate for the relevant period. What will the settlement amount be for the claim? Give reasons for your answer.

- (a) R27 000
- (b) R24 000
- (c) Nil (5)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Activity 4.2

(US120108;S03;AC2)

The insured's machine, which is insured in terms of Section Machinery Breakdown sub-section A, is out of order due to an earthquake and he will not be able to use it for a month. Is there a valid claim for his loss of profits in terms of Section Machinery Breakdown sub-section B Consequential Loss of his policy? Motivate and explain your answer. (3)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Activity 4.3

(US120108;S03;AC2)

Due to wear and tear of the insured machine some of its parts had to be replaced. After successful replacement of the parts, the machine was reassembled. When it was turned on, the machine seized. After further investigation, it was determined that the machine was not assembled correctly and that it was the reason for the rupture.

The insured is claiming R35 000 for the loss of profit because the machine was out of order for three weeks. Will the claim in terms of this section be acknowledged? Clearly motivate your answer. **(3)**

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Activity 4.4

(US120108;S03;AC2)

Mr X has a business which manufactures a variety of cardboard containers. One of the machines used to manufacture the tap used for the bag-in-box broke. The extent of the damage was of such a nature that the machine had to be replaced. However, average applied and the claim could not be settled for the full amount.

The settlement amount was R30 000, but the insured is now claiming a further amount of R60 000, as he does not have the necessary capital to replace the machine immediately. What will the settlement amount be for the claim? Motivate your answer.

- (a) R30 000
- (b) R60 000
- (c) R90 000
- (d) Nil **(3)**

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Activity 4.5

(US120108;S03;AC1)

Which one of the following statements is correct?

- (a) When calculating the turnover during the indemnity period, only the money paid or payable at the insured's premises will be taken into account.
- (b) When calculating the turnover during the indemnity period, the money paid or payable at the insured's premises, as well as the money paid or payable from any premises benefiting the insured's business, will be taken into account. **(3)**

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Activity 4.6

(US120108;S03;AC1)

The insured machine broke and the claim was acknowledged by the company. Since it will take months to finalise the settlement of the claim, the assessor instructed that an interim monthly payment be made to the insured, on condition that the insured has to keep all the necessary proof and hand it over to the company (the insured complies with all other conditions).

Give reasons why you would agree or not agree with the assessor's recommendation. **(3)**

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Activity 4.7

(US120108;S03;AC1)

Mr X is the owner of a very successful business. He insured the gross profit of his business for R5 000 000. During the year, a claim occurred and was settled for R750 000. At the end of the insurance period the insured declared that his gross profit was R2 250 000.

Refer to the Deposit premium clause and calculate the part of the premium that will be returned to the insured? (The tariff is 0,05%). (5)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

TASK 5

General information of the risk

ABC Packaging and Refrigeration Chambers are located at 1 Dorp Street, Musina. The refrigeration chambers are mainly used by local farmers and the community for the export of frozen food to the rest of Africa. The food consists mainly of meat, vegetables and dairy products and is stored in separate refrigeration chambers until the necessary authorisation for export has been granted.

According to its contract, ABC Packaging and Refrigeration Chambers is responsible for any damage to the products, including damage as a result of the breakdown of the compressors of the refrigeration chambers. Therefore, it is of utmost importance that the refrigeration chambers are in working order. This is not only because they are contractually responsible for the deterioration of stock, but also because they are not able to operate when the refrigeration chambers are out of order. In fact, the packaging plant forms an integral part of the refrigeration business, since it entails mainly the repackaging of frozen food before it is being transported elsewhere.

The premises consist of a detached building. The construction is standard (tin roof and brick walls). The insured has three refrigeration chambers which are applied as follows:

- Refrigeration chamber 1: Fruit and vegetables
- Refrigeration chamber 2: Meat products
- Refrigeration chamber 3: Dairy products

Each refrigeration chamber has a separate compressor. (When referring to a compressor, it includes all pipes, fans and other relevant accessories.) The insured does not have a maintenance contract in place because he is of the opinion that due to the involvement of the personnel they will immediately notice if something is wrong.



A general type of refrigeration chamber is in use.



Modus operandi (see attached site layout for more clarity)

All types of food are received in the reception area where it will be inspected before it will be stored in the relevant refrigeration chambers. The dispatch of the types of food (to the relevant store) occurs via the same area where it was initially inspected. The insured alleges that by using this method, he is able to prevent deteriorated food from entering or leaving his premises.

Details of the refrigeration chambers are as follows:

REFRIGERATION CHAMBER	SIZE	TYPE OF COMPRESSOR AS WELL AS MODEL AND SERIAL NUMBER	REPLACEMENT VALUE OF COMPRESSORS	AGE	MARKET VALUE
1	60m ²	AEG Model C100 Serial number: 11223344	R30 000	2 years and 6 months	R22 500
2	60m ²	AEG Model C100 Serial number: 55667788	R30 000	3 months	R30 000
3	80m ²	AEG 202 Serial number: 123456789	R40 000	5 years	R20 000

Excess on the various compressors is 5% of the claim with a minimum of R1 000 per compressor.

As the compressors would have to be imported (which usually takes about three months) it could also take the usual six weeks to install it after arrival in the country. According to the client it will take him a further two months to start operating after an incident (claim).

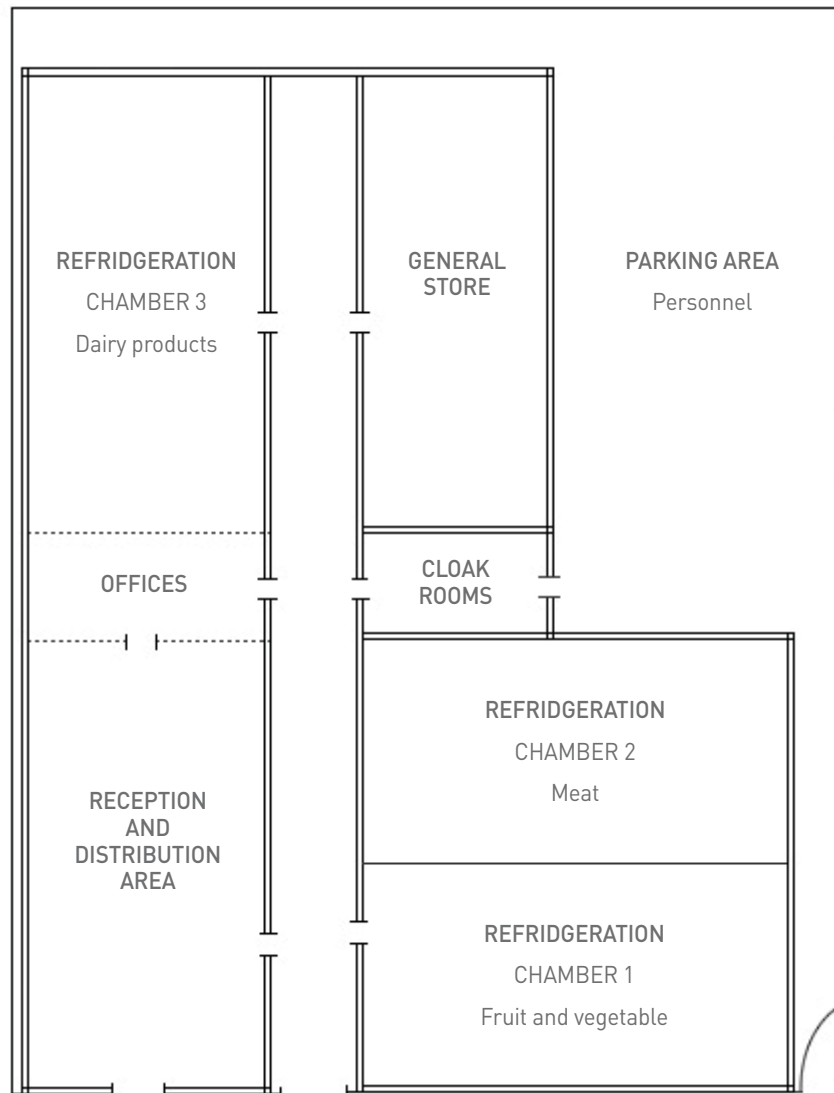
Site layout

Physical address: 1 Dorp Street, Musina, Limpopo.

CONSTRUCTION:

WALLS: Brick

ROOF: Tin



Activity 5.1

[US120108;S01;AC2]

[US120108;S02;AC2]

Describe in your own words how you will underwrite the risk based on the information available to meet the needs of the client by referring to the following:

- Signs of good management
- Action on deteriorated food
- Employees to inform the manager if something goes wrong – acceptable?
- Imported machines
- Time excess
- Indemnity period on Consequential loss (7)

Activity 5.4

(US120108;S04;AC3)

Explain the concept of subrogation as it applies to Machinery Breakdown and give any two examples of where it would apply. (3)

.....

.....

.....

.....

.....

.....

.....

Activity 5.5

(US120108;S04;AC4)

Highlight the importance of using a technical report in the event of claims. (3)

.....

.....

.....

.....

.....

.....

.....

TASK 6

Motivate your answers from start to finish with relevant facts to achieve full marks per activity.

Activity 6.1

(US120108;S03;AC1)

As observed on the site layout in Activity 5, the insured also has a general storeroom. He is planning to convert it at a later stage into a refrigeration chamber. Discuss whether or not he has to notify us beforehand to enjoy cover in terms of Section Machinery Breakdown? (2)

.....

.....

.....

.....

.....

.....

.....

Activity 6.2

(US120108;S03;AC1)

Mr X undertakes the systematic replacement of the compressors of the other two refrigeration chambers. Will he enjoy cover immediately after installation? **(2)**

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Activity 6.3

(US120108;S03;AC1)

During the replacement of the compressors (refer to activity 2) it is possible that the existing compressors will have to be moved. Does the Section Machinery Breakdown provide for damage caused to the compressors during this installation process? **(2)**

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Activity 6.4

(US120108;S03;AC2)

ABC Packaging and Refrigeration Chambers are contractually responsible for deterioration of types of food while it is on its premises. He would like to know if he will enjoy cover for this in terms of Section Machinery Breakdown. **(2)**

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Activity 6.5

(US120108;S03;AC2)

Will he enjoy cover in terms of sub-section B Consequential Loss should one of his clients hold him liable for the loss of income due to a compressor which had accidentally stopped working. As a result the contents of this refrigeration chamber have deteriorated in such a manner that it is no longer suitable for export? **(2)**

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Activity 6.6

(US120108;S03;AC1)

Mr X would like to know if the sum insured in terms of sub-section B Consequential Loss will be reinstated automatically after a claim or is it necessary for him to require this specifically.

Indicate if he will also be able to increase the sum insured in the above-mentioned event? **(2)**

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Activity 6.7

(US120108;S03;AC1)

Mr X alleges that his business is risky. Will Santam pay back a part of his premium should his gross profit in a specific year be considerably less than what he had originally declared? (Refer to sub-section B Consequential Loss). **(2)**

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Activity 6.8

(US120108;S03;AC2)

Explain if Santam will pay in terms of sub-section B Consequential Loss for any improvements or modifications carried out during the time of interruption? **(2)**

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

Activity 6.9

(US120108;S03;AC2)

In terms of sub-section B Consequential Loss, is Santam entitled to the repudiation of a claim when ABC Packaging and Refrigeration Chambers appointed new personnel who did not meet the recommendations of the manufacturers, resulting in damages to the compressors of the refrigeration chambers? **(2)**

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

120108 ASSESSOR FEEDBACK

Task 1		Task 2		Task 3	
Activity 1.1	2	Activity 2.1	4	Activity 3.1	2
Activity 1.2	2	Activity 2.2	3	Activity 3.2	14
Activity 1.3	1	Activity 2.3	3	Activity 3.3	14
Activity 1.4	2	Activity 2.4	2	Activity 3.4	9
Activity 1.5	1	Activity 2.5	3	Activity 3.5	15
Activity 1.6	1	Activity 2.6	3	Activity 3.6	14
Activity 1.7	2	Activity 2.7	3	Activity 3.7	9
Activity 1.8	2	Activity 2.8	4		
Activity 1.9	3	Activity 2.9	8		
Activity 1.10	2	Activity 2.10	3		
Activity 1.11	3				
Activity 1.12	11				
Activity 1.13	3				
SUB-TOTAL	35	SUB-TOTAL	36	SUB-TOTAL	77
Task 4		Task 5		Task 6	
Activity 4.1	5	Activity 5.1	7	Activity 6.1	2
Activity 4.2	3	Activity 5.2	3	Activity 6.2	2
Activity 4.3	3	Activity 5.3	1	Activity 6.3	2
Activity 4.4	3	Activity 5.4	3	Activity 6.4	2
Activity 4.5	3	Activity 5.5	3	Activity 6.5	2
Activity 4.6	3			Activity 6.6	2
Activity 4.7	5			Activity 6.7	2
				Activity 6.8	2
				Activity 6.9	2
SUB-TOTAL	25	SUB-TOTAL	17	SUB-TOTAL	18
				TOTAL MARKS	208

TOTAL		/208
PERCENTAGE		

C	NYC
---	-----

DOCUMENT PROPERTIES

Designed for: Santam staff and Intermediaries
Description: CL-SCP9-C – Formative assessment
Version: Version 1.2
Last updated: 28 April 2021
Author: Leadership and Development – Technical Skills

