



GENLIB

SPECIALISED INSURANCE & INNOVATIVE SOLUTIONS
FOR BROKERS
FSP 35482

PASSENGER LIABILITY & PERSONAL ACCIDENT (PAX & PA)

Insurer: Western National Insurance Company Ltd. **FSP No.** 9465

This brochure is an informative document and is always superseded by the specific Policy Wording

PREMIUM & UNDERWRITING

The premium for this product is determined by a number of factors:

- 1) Limit of indemnity
- 2) Type of vehicle: Sedan/SUV (≤ 9 seats), Minibus (10-19 seats), Bus (20 + seats)
- 3) Territorial limits (RSA only or Cross-Border)
- 4) Number of vehicles (10 + vehicles qualify for fleet discount)

PASSENGER LIABILITY

Overview

Passenger Liability Insurance is a commercial insurance policy which protects a business in instances where it may be legally liable in terms of the law for their alleged wrongful act, resulting in injury or death of passengers, transported in a vehicle or bus, for a fare paying trip. The insured can elect the limit of indemnity they require.

Factors that might influence the limit of cover can include, amongst others, the number of people that the vehicle can carry and the countries where the client's transport business travels to.

Cover Provided

The Insurer will indemnify the Insured in the event of an incident occurring during the Period of Insurance caused by or through or in connection with any Insured Vehicle against the Insured's legal liability to pay damages and claimants' costs in connection therewith in respect of injury to any persons carried in or upon or entering or getting onto or alighting from any vehicle.

WHY PASSENGER LIABILITY MATTERS

1. RAF Instability & Systemic Risk

The Road Accident Fund (RAF) was designed to protect South African road users - but the system is under extreme pressure.

Court backlogs, audit disputes and unfunded liabilities now exceeding hundreds of billions of rand have created chronic delays in settlements and uncertainty around future reforms. When passengers aren't compensated, it's the operator who faces the reputational fallout, the administrative burden and, potentially, renewed legal exposure if common-law rights are ever reinstated or challenged in court.

Passenger Liability cover acts as a **stability buffer** - protecting operators from the financial and operational shock of a system in distress.

Key Reasons This Matters

- **RAF liquidity risk:** The Fund's liabilities exceed R300 billion, with consistent reports of delayed and partial payments.

- **Legal unpredictability:** Although the proposed **Road Accident Benefit Scheme (RABS)** does not itself restore common-law rights, any successful constitutional challenge to the RAF Act, or an interim gap before a replacement scheme takes effect, could expose operators directly to claims. Continuous Passenger Liability cover protects you through that uncertainty.
- **Reputational protection:** Even when RAF delays are beyond the operator's control, passengers and partners still look to the operator for support. Having Passenger Liability cover shows responsibility and helps maintain confidence while official claims are pending.
- **Defence readiness:** If litigation shifts toward operators, your policy includes legal defence and settlement cover, ensuring you're never exposed without representation.

2. When the RAF Doesn't Apply

Not every road incident falls within the RAF's safety net.

The RAF covers only accidents that meet very specific statutory criteria - leaving numerous real-world situations outside its scope. When passengers suffer trauma on private property, or when secondary emotional shock arises from witnessing an accident, the Fund has no duty to compensate. In such cases, the operator can still be sued directly for damages and is responsible for costly defence and settlement expenses.

Passenger Liability cover closes these legal gaps, ensuring operators aren't left exposed when the RAF declines or disclaims responsibility.

Key Reasons This Matters

- **Private-property incidents:** Injuries in depots, parking areas, loading bays or private estates fall outside the RAF Act and must be defended by the operator.
- **Emotional-shock claims:** South African courts recognise claims for secondary emotional trauma (e.g. *Swartbooi v RAF*) - often discovered only months after an incident.
- **Hidden defence costs:** Even when the claim has no legal merit, the operator bears investigation and attorney costs unless insured.
- **Predictable protection:** Passenger Liability ensures immediate legal defence and financial backing for exposures the RAF won't entertain.

3. Foreign & Cross-Border Exposure

When your passengers or routes cross borders, so do your risks.

Many neighbouring African countries have no equivalent of South Africa's Road Accident Fund, and foreign nationals injured here can sue under their own country's laws. Even if an incident occurs locally, claims can still be filed abroad - especially where the operator has attachable assets, is served while abroad, or agreed to a foreign jurisdiction in a contract. Judgments from those courts can later be enforced in South Africa, exposing operators to enormous financial and legal consequences.

Passenger Liability cover provides peace of mind across borders - extending protection and defence costs throughout Southern and Central Africa (territories south of the equator), excluding the United States and Canada.

Key Reasons This Matters

- **No RAF abroad:** Countries such as Zimbabwe, Zambia, Mozambique and Tanzania have no central accident-compensation scheme; operators face full common-law liability.
- **Foreign-court exposure:** Tourists and corporates may litigate in their home countries, where legal costs and awards can be far higher.

- **Enforceable judgments:** Foreign rulings meeting the [Jones v Krok test](#) can be recognised by South African courts.
- **Comprehensive defence:** Your policy includes legal defence and settlement costs for covered territories, ensuring continuous protection across your routes.

4. Litigation, Defence & Investigation Costs

Even when a claim has no merit, it can still cost you dearly.

Operators are often named in legal actions following an accident - sometimes simply because they own the vehicle or operate the route. Whether or not the claim succeeds, you're forced to respond, appoint attorneys, and commission investigations to protect your business. Legal fees, expert reports and court appearances can escalate rapidly, draining resources and time.

Passenger Liability cover provides immediate legal representation and investigation funding, ensuring that you're never alone in managing a legal dispute.

Key Reasons This Matters

- **Cost of defence:** Litigation expenses often exceed the value of the alleged claim itself.
- **Frivolous or mistaken summonses:** Even baseless claims must be formally defended to achieve dismissal - at your cost unless insured.
- **Expert investigation:** The policy supports accident reconstruction, witness statements and attorney reporting - all essential to defend your reputation and prevent unjust outcomes.
- **Business continuity:** Legal support allows operators to focus on running their fleets, while the insurer manages the claim professionally and efficiently.

5. Everyday Incidents & Unexpected Injuries

Not every injury involves driver negligence - but it can still become your problem.

Even the safest operators face accidents that seem minor at first but lead to costly claims later. A passenger may slip on wet bus steps, a seat may collapse, or an overhead compartment may come loose. These incidents often fall outside standard motor policies and the RAF's liability framework - yet they still trigger claims against the operator.

Passenger Liability cover protects you against these every day, unexpected risks - ensuring your business remains financially and reputationally secure even when no one was "at fault."

Key Reasons This Matters

- **Common real-world scenarios:** Injuries from slips, spills, broken fittings or falling objects happen frequently in passenger vehicles.
- **Hidden liability:** Even when negligence isn't clear, operators are often drawn into claims as the "deep pocket" defendant.
- **Comprehensive protection:** The policy responds to injuries "in, on, or while entering or alighting from" the vehicle - not just those caused by a collision.
- **Peace of mind:** Covers the grey areas where accidents happen but blame doesn't.

6. Limited Scope of RAF Compensation

The RAF doesn't cover everything - and even valid claims are reduced by strict limits.

While the Road Accident Fund provides a social safety net, it only compensates specific categories of loss, and even then, payments are subject to caps, contributory negligence deductions, and proof of loss. Passengers can't claim for all the hardship they experience - and if they were even partially

responsible, their award is reduced. The result is frustration, delays, and residual liability risk that often lands back at the operator's door.

Passenger Liability insurance fills those gaps, ensuring broader and faster financial protection for both passengers and operators.

Key Reasons This Matters

- **Restricted coverage:** The RAF only pays for medical costs, loss of earnings, and limited general damages under strict thresholds.
- **Shared fault deductions:** If a passenger was partly negligent (e.g., not wearing a seatbelt), their payout is reduced proportionally.
- **Non-recoverable losses:** RAF doesn't cover property damage, inconvenience, or secondary costs - leaving gaps your policy can close.
- **Operator goodwill:** Having Passenger Liability ensures passengers are looked after even when statutory compensation falls short - preserving trust and continuity.
- **Even if the proposed Road Accident Benefit Scheme (RABS) replaces the RAF:** Passenger Liability cover will still be essential. RABS offers defined, no-fault social benefits and, like the RAF, excludes broader common-law claims for full damages. It still wouldn't address foreign or cross-border exposures (including foreign-court litigation and enforcement in SA), incidents on private property, or secondary emotional-shock claims. In practice, operators will continue to face legal, reputational, and contractual risks that fall outside any statutory scheme - making Passenger Liability the practical safeguard that bridges the gaps left by statutory benefits.

7. Required by Law & Industry Partners

Passenger Liability insurance isn't just good risk management - it's a legal and commercial requirement.

To operate legally in South Africa, passenger-transport businesses must hold valid Passenger Liability cover as part of their licence accreditation. Regulatory bodies, tour brokers, and corporate travel partners all demand proof of insurance before contracting services. Without it, operators risk licence delays, lost contracts, and reputational damage.

Having an active policy not only ensures compliance but signals professionalism and reliability to every stakeholder in your value chain.

Key Reasons This Matters

- **Statutory compliance:** Required under the National Land Transport Act 2009 (Section 62 (f)) and reinforced by provincial regulatory entities.
- **Licence approval:** Proof of cover is compulsory for operating-licence applications and renewals through the NPTR and Department of Transport.
- **Tender eligibility:** Tour brokers, travel companies, and government departments routinely require valid Passenger Liability confirmation before awarding contracts.
- **Professional credibility:** Demonstrates accountability, proper governance, and commitment to passenger safety - key factors in retaining and winning business.

8. Enhancing Trust & Business Continuity

In the transport industry, trust is everything - and it's built long before a claim ever happens.

When accidents occur, passengers, brokers, and partners look to the operator for reassurance and accountability. An uninsured or poorly managed incident can damage reputation, disrupt operations, and jeopardise valuable contracts overnight. Passenger Liability insurance reinforces your company's

credibility by showing that you're proactive, compliant, and financially prepared to handle any eventuality.

It's more than protection - it's a statement of integrity and continuity.

Key Reasons This Matters

- **Brand reputation:** Demonstrates responsibility and care for passengers and the public - a powerful trust signal in any tender or partnership.
- **Crisis readiness:** Having insurance in place allows for swift, confident communication after an incident, preserving client confidence and preventing reputational fallout.
- **Operational stability:** Claims are handled by professionals, allowing your business to stay focused on service delivery.
- **Stakeholder confidence:** Tour brokers, insurers, and regulators prefer working with operators who take liability and risk seriously - it shows reliability and governance maturity.

9. Built-In Passenger Care & Personal Accident Benefits

Beyond liability, true care means looking after your passengers when it matters most.

Accidents don't only create legal exposure - they create human disruption. Passengers may be stranded, distressed, or injured, and swift assistance reflects directly on your company's professionalism. **Genlib's Passenger Liability policy** goes further than traditional cover by including Personal Accident protection and an automatic Passenger Care Benefit - offering tangible support when it's needed most.

This combination transforms an insurance policy into a practical care solution - protecting both your passengers and your brand.

Key Reasons This Matters

- **Immediate welfare:** The Passenger Care Benefit pays for meals and overnight accommodation following a covered accident (up to R300 for meals and R500–R1,200 for accommodation, depending on vehicle type).
- **Personal Accident cover:** Includes up to R200,000 death benefit and R30,000 funeral cover, payable regardless of RAF liability.
- **Passenger reassurance:** Demonstrates compassion and professionalism - passengers remember how they were treated after an incident.
- **Competitive differentiation:** No other form of insurance provides this blend of liability protection, personal benefits, and passenger-care continuity in one product.



EXCLUSIONS

- Bodily injury to any person in the employ of the Insured arising from and in the course and scope of such employment or being a member of the same household as the Insured.
- Any claim arising out of any judgement, award or settlement made within countries which operate under the laws of the United States of America or Canada (or any order made anywhere in the world to enforce such judgement, award or settlement either in whole or in part).

PERSONAL ACCIDENT

If, during the Period of Insurance, any Insured Person sustains Bodily Injury by Accident whilst being carried in or upon or entering or getting onto or alighting from a Specified Vehicle which directly and independently of all other causes results, within twenty four months of the Accident, in Death, Permanent Disability or Hospitalisation as specified under Circumstances set out in the Schedule to this policy, the Insurers agree to pay to the Insured on behalf of any Insured Person or his Estate the compensation stated in the Schedule.

OPTION 1	COMMUTER BUSES
Death Limit (Motor Vehicle accident)	R 20,000
Hospital Days Limit (Motor Vehicle accident)	R4,396.91 per insured person per day limited to a maximum of 30 days (not necessarily consecutive).
Permanent Total Disability (Motor Vehicle accident)	R 70,000
Territorial Limits	Whilst traveling in the specified insured vehicle within the RSA
Basis of Cover	24-hour, 7 day a week basis applies
Time Exclusions	Hospitalisation: 48 Hours (Unless an Insured Person sustains Bodily Injury in an Accident and undergoes Emergency Surgery or an Emergency Invasive Procedure as a direct result thereof, then the excess does not apply)
Accumulation Limit *	R 3,000,000 per policy, per annum

OPTION 2	TOURIST BUSES, SCHOOLS, LIMOUSINES, SHUTTLES, METER TAXIS
Death Limit (Motor Vehicle accident)	R 200,000
Ages 0 to 5 (incl. 5)	Maximum R 10,000
From 6 to 13 (incl. 13)	Maximum R 30,000
Hospital Days Limit (Motor Vehicle accident)	R4,396.91 per insured person per day limited to a maximum of 30 days (not necessarily consecutive).
Permanent Total Disability (Motor vehicle accident)	R 200,000
Territorial Limits	Whilst traveling in the specified insured vehicle within the RSA
Basis of Cover	24-hour, 7 day a week basis applies
Time Exclusions	Hospitalisation: 48 Hours (Unless an Insured Person sustains Bodily Injury in an Accident and undergoes Emergency Surgery or an Emergency Invasive Procedure as a direct result thereof, then the excess does not apply)
Accumulation Limit *	R 5,000,000 per policy, per annum

* **Accumulation Limit** means the amount stated in the Schedule which represents the **maximum liability** for **all claims** under any and all benefits from all Insured Persons arising from the same (**accident, event or occurrence** or series of related accidents, events or occurrences) AND/OR (location), and if at any time the total value of unpaid claims would, if paid, result in the Accumulation Limit being exceeded (even if the Sum Insured is not) then the individual benefits attributable to those outstanding claims shall be reduced pro rata as necessary to ensure that the Accumulation Limit is not exceeded.

The Funeral Benefit covers funeral costs and is included in the Death Benefit. The Funeral Benefit may be paid out without the Claimant being the Representative or Executor of the Deceased Estate. The Funeral costs payable is limited to the amount indicated in the Schedule as the Death Benefit but not greater than R30,000 (Thirty Thousand Rand).

The benefit limit, as defined in the Policy Schedule, less Funeral Expenses (if already paid).

Assets of the deceased may only be dealt with by a person authorised by a Master of the High Court in South Africa.



EXTENSIONS

The following extensions are included (please see Policy Wording for full description):

- ✓ Life support
- ✓ Life support equipment
- ✓ Trauma counselling
- ✓ Mobility
- ✓ Permanent disfigurement
- ✓ Rehabilitation Costs
- ✓ Repatriation



EXCLUSIONS

The Insurers shall not be liable to pay Compensation for bodily injury in respect of any Passenger or Driver where:

- ✗ caused by suicide, or intentional self-injury or exposure to obvious risk of injury (unless in an attempt to save human life)
- ✗ caused solely by an existing medical condition, physical defect or other infirmity
- ✗ the claimant is over 70 years of age (unless otherwise provided herein)
- ✗ participating in any riot or civil commotion or public disorder
- ✗ suffering from venereal disease or Acquired Immune Deficiency Syndrome (AIDS) or AIDS related complex (ARC) howsoever this syndrome has been acquired or may be named

- ✗ participating in motor sport or informal competition of any description involving a Specified Vehicle.
- ✗ the Insurers shall not be liable to pay Compensation for bodily injury in respect of any Driver as a result of the influence of alcohol whilst driving a Specified Vehicle where the concentration of alcohol in the specimen of blood taken from the Driver exceeds the legal limit or as a result of the influence of drugs or narcotics upon the Driver unless administered by a member of the medical profession (other than himself) or unless prescribed by and taken in accordance with the instructions of a member of the medical profession (other than himself)
- ✗ Claims made against one passenger against another passenger

Guidance Note: General documents required to process a PA claim

The following documents are required for a Claim; however, it is noted that the Insurer may require additional information and/or documents.

It is further noted that procedures and requirements in law may change from time to time and therefore this document is limited to providing general guidance and does not constitute advice of any nature.

A. Permanent Disability Benefit

The Patient must obtain, at his own expense, a **Medical Certificate** from a duly qualified and registered Medical Practitioner.

B. Hospitalisation Benefit

The Patient must provide a copy of the **Hospital Invoice**.

C. Death Benefit

◆ FUNERAL BENEFIT

- The Funeral Benefit covers funeral costs and is included in the Death Benefit.
- The Funeral costs payable is limited to the amount indicated in the Schedule as the Death Benefit but not greater than R30,000 (Thirty Thousand Rand).
- The Funeral costs may be claimed up to a maximum of 7 days after the funeral.
- **N.B.** The Funeral Benefit may be paid out without the Claimant being the Master's appointed Representative or Executor of the Deceased Estate.

DOCUMENT TYPE REQUIRED FOR EACH OF THE DIFFERENT PAYOUT TYPES	PAID TO INSURED	PAID TO A CLAIMANT OF DECEASED	PAID TO SERVICE PROVIDERS OF FUNERAL COSTS
Death Certificate	Required	Required	Required
AOL signed by the Insured	Required	Required	Required
Affidavit & Third-Party Release (signed Commission of Oaths)	Not required	Required	Not required
ID (signed Commissioner of Oaths)	Not required	Required	Not required
Invoices	Not required	Not required	Required

➤ Examples of how pay-outs to service providers of funeral costs are calculated

Option 1 (R15,000 Death Limit)	Total Funeral Costs	Amount Paid	Notes
Hearse	R 14 000	R 14 000	Paid in full
Liquor	R 9 000	R 1 000	Portion paid
Funeral Parlour	R 40 000	R -	N/A
Total	R 63 000	R 15 000	
Total Death Limit	R 15 000		
Total Funeral Benefit Available	R 15 000		
Total Death Benefit Balance	Nil		

Option 2 (R150,000 Death Limit)	Total Funeral Costs	Amount Paid	Notes
Hearse	R 14 000	R 14 000	Paid in full
Liquor	R 9 000	R 9 000	Paid in full
Funeral Parlour	R 40 000	R 7 000	Portion paid
Total	R 63 000	R 30 000	
Total Death Limit	R 150 000		
Total Funeral Benefit Available	R 30 000		
Total Death Benefit Balance	R 120 000		

◆ **DEATH BENEFIT - DECEASED ESTATES GUIDE**

- **The benefit limit, as defined in the Policy Schedule, less Funeral Expenses (if already paid).**
- **N.B. If paid to the Insured, only the Death Certificate is required, along with a signed AOL.**
- **N.B. If to be paid to third-party, please note all of the following:**

Where a deceased left an asset / assets in the Republic, whether or not he or she was ordinarily resident in the Republic, no person may deal with the South African assets unless authorised thereto by a Master of the High Court in South Africa (section 13(1) of the Administration of Estates Act 66 of 1965 (the Act)).

This means that a person who has received a Letter of Executorship in a country other than the Republic of South Africa will not be entitled to deal with the assets of the estate within the Republic until they are authorised by a Master in the Republic. The Master gives this authority either by issuing Letters of Representative (Deceased Estate Value Below R250,000) or Letters of Executorship (Deceased Estate Value Above R250,000) or by signing and sealing Letters issued by some other State."

Therefore, whether the Deceased Estate involves a South African National or a Foreign National, a Claimant must be appointed as Representative or Executor, validated by the Master of the High Court.

For Foreign Nationals, all the documentation provided in the country outside of South Africa in order to obtain their Executorship should be provided to the Master in South Africa.

The following documents must be submitted to the Master of the High Court by Claimants in order for them to apply and be approved by the Master of the High Court as a Representative or Executor of the Estate. **This application is the responsibility of the family of the deceased.**

Submission must be made in the Province in which the deceased resided.

The Deceased Estate value must include the full value of the Death Benefit of the Policy (e.g. R15,000 or R150,000). (Below forms available from Genlib).



DECEASED ESTATE VALUE <u>BELOW</u> R250,000		DECEASED ESTATE VALUE <u>ABOVE</u> R250,000	
NO WILL (INTESTATE)		NO WILL (INTESTATE)	
• Form J294 Death Notice		• Form J294 Death Notice	
• Form J192 Affidavit (Particulars of Next-of-Kin)		• Form J192 Affidavit (Particulars of Next-of-Kin)	
• Form J243 Inventory		• Form J243 Inventory	
• Nomination Form To Act As Executor Or Master's Representative		• Nomination Form To Act As Executor Or Master's Representative	
• Form J155 Acceptance of Master's Directions		• Form J190 (x2) Acceptance of Trust as Executor	
• Affidavit / Declaration		• Affidavit / Declaration	
WITH WILL		WITH WILL (providing it provides for Executors – if not, then follow guideline for No Will)	
• Form J294 Death Notice		• Form J294 Death Notice	
• Form J243 Inventory		• Form J243 Inventory	
• Form J155 Acceptance of Master's Directions		• Form J190 (x2) Acceptance of Trust as Executor	
• Affidavit / Declaration		• Affidavit / Declaration	
Master will issue LOA (Letter of Authority) Form J170 . Person referred to as a Master's Representative (not an Executor)		Master will issue LOE (Letter of Executorship) Form J238 . Person referred to as an Executor	

Note:

- If the Will makes provision for Assets in the Foreign Country only, but the deceased also left Assets in SA (e.g. this Insurance pay-out), then the SA Assets devolves Intestate (i.e. No Will).
- If the Will makes provision for Assets in both the Foreign Country and SA, then the court of the First instance (i.e. where reporting of the Estate first takes place, whether in Foreign Country or SA), that court will keep the Original Will. If this occurs in the Foreign Country, a Claimant must obtain a Signed & Sealed copy of the Will and Letter of Authority or Executorship (both courts will accept same).

DOCUMENT TYPES TO BE SUBMITTED FOR FINAL CLAIM	DECEASED ESTATE VALUE <u>BELOW</u> R250,000	DECEASED ESTATE VALUE <u>ABOVE</u> R250,000
Death Certificate	Required	Required
AOL signed by Insured	Required	Required

ID (signed Commissioner of Oaths)	Required	Required
LOA (Letter of Authority) Form J170	Required	Not required
LOE (Letter of Executorship) Form J238	Not required	Required



AUTOMATIC EXTENSION: PASSENGER CARE BENEFIT

In consideration of premium paid and subject to the terms contained in this extension and this policy; the Insurer will pay a lump-sum benefit up to the amount as stated in the schedule to the Insured, per Insured Person involved in an Accident as defined in this extension of cover.

Definitions:

Accident: "Accident" means collision / roll-over / fire / explosion involving the Insured Vehicle.

Insured Vehicle: "Insured Vehicle" means the vehicle stated in the schedule to be insured.

Driver: "Driver" means the person duly authorized and licensed to drive the Insured Vehicle.

Insured Person: "Insured Person" means any person carried for payment and or reward of any kind, including the Driver of an Insured Vehicle.

Benefit Trigger:

Benefit pays only if **all** of the below are met:

- 1) The Insured Vehicle is involved in an accident
- 2) Proof of the accident is confirmed with a SAPS/Traffic case number
- 3) Cover is limited to any Insured Person at the time of the accident
- 4) Fully completed Claims Form with accompanying invoices or receipts for proof of purchases

Benefit Limits:

Vehicle Types: Commuter Buses, Schools, Limousines, Shuttles, Meter Taxis

Meals & Refreshments: Up to a maximum of R300 per passenger

Overnight Accommodation: Up to a maximum of R500 per passenger

Vehicle Types: Tourist Buses

Meals & Refreshments: Up to a maximum of R300 per passenger

Overnight Accommodation: Up to a maximum of R1,200 per passenger