



OFFICIAL MANAGING AGENT FOR THE ELISENHEIM HOME OWNERS ASSOCIATION

26 May 2015

Dear Member,

CIRCULAR 12 - HOME OWNERS INSURANCE – ELISENHEIM – PERSONAL BENEFIT FOR MEMBERS

We refer to the AGM meeting of the Elisenheim Home Owners that was held on 14 October 2014 when the Trustees accepted the quote to insure the assets from the Owners Association with Special Risk Acceptances Insurance Company (SRA).

The Trustees are mindful of the fact that the EOA should investigate possibilities to constantly reduce the costs whilst at the same time we continuously improve the Lifestyle of members on the Estate. With this in mind EON, EOA and SRA investigated the possibilities to provide specialized insurance on a collective basis for all home owners on the estate that wish to participate. The study investigated existing policies of owners that already live on the estate as well as other policies in Windhoek and compared the costs and benefits of these policies with the product that SRA can provide.

The study revealed that the rates negotiated with SRA will realize a benefit of N\$130-00 per month for a home valued at N\$1,200,000-00. The benefit will exponentially increase as the house value increase and has several benefits for members:

- There is a distinct financial benefit for members
- One policy number for all the houses will be used – making it easier for Banks and other stake holders to identify and recognize the policy
- Claims are centralized and dealt with efficiently
- All claims will be handled at a central point at EON's offices by their appointed In House Broker
- There is no cost for the administration of the insurance
- Cover Notes will be issued for houses before completion date meaning that home owners and mortgage holders can have peace of mind
- Insurance cover notes are handed to the conveyance attorneys and banks before the property is registered

Members should note that the participation in the scheme is **voluntary**

HOME OWNERS MUST HAVE THE PROPERTY INSURED

Home Owners Insurance is compulsory for owners that own a property that has a dwelling on the property and whereby a bank holds a mortgage on the property. Before an owner can take possession of

the new dwelling the bank requires that a cover note from the insurance company, or their representative, to confirm that the property is insured against fire and perils.

SRA PROFILE

SRA (Previously known as NASRA – Namibia Special Risk Acceptances) is an insurance company with a product that specifically caters for Body Corporate and Home Owners Association policies. We attach a profile document that better explains the profile and philosophy of the company – Appendix 12 .1 - SRA Profile.

We also attach the policy wording of the policy for your perusal and in summary we can inform you that the Policy covers many aspects that a normal home owner's policy does not cover:

Included Covers/Extensions - Special Risk Acceptances

	<u>Sum Insured</u>	<u>Included by Insurer A</u>	<u>Included by Insurer B</u>	<u>Included by Insurer C</u>
1) Loss of Rent - 20% of Sum Insured.	20% of Sum Insured.	Yes	Yes	Yes
2) Personal Legal Liability.	N\$ 2,000,000	Yes	Yes	Yes
3) Glass & Sanitary Ware (Not Limited).		Yes	Yes	Yes
4) Loss of Water.	N\$ 5,000 per event	Yes (2 x only)	Yes (2 x only)	Yes (1 x only)
5) Cost of Reletting.	N\$ 5,000 per event	No	No	No
6) Tenant Relocation Cost.	N\$ 5,000 per event	No	No	No
7) Building Awaiting Sale.	N\$ 5,000 per event	No	No	No
8) Litigation Cost.	N\$ 5,000 per event	No	No	No
9) Early Termination of Lease Agreement.	N\$ 5,000 per event	No	No	No
10) Theft by Tenants.	N\$ 5,000 per event	No	No	No
11) Special Circumstance Loss of Rental Income.	N\$ 2,500 per month Max	No	No	No
12) Protection and Preservation of Property.	N\$ 5,000 per event	No	No	No
13) Emergency Evacuation.	N\$ 5,000 per event	No	No	No
14) Decontamination, Pest & Vermin.	N\$ 5,000 per event	No	No	No
15) Loss of Interest Receivable or Payable.	N\$ 5,000 per event	No	No	No
16) Land and Water Clean-Up Costs.	N\$ 5,000 per event	No	No	No
17) Alterations & Additions.	N\$ 5,000 per event	No	No	No
18) Damage to Garden.	N\$ 5,000 per event	No	No	Yes

With regard to the aspects mentioned above the EOA resolved to support the initiative on the following basis:

1. A single policy is issued in the name of Elisenheim Home Owners – See policy schedule attached (Appendix 12.1)
2. Every property insured will be listed separately on the policy for the value that the property is insured
3. Existing home owners that have constructed a dwelling on their property will be contacted to enquire if they wish to make use of the insurance offered at beneficial rates to home owners
4. All new dwellings to be constructed from 1 January 2015 will automatically be included in the policy from the date of registration and/or completion by the developer
5. EOA will liaise:
 - a. With the DRC on an ongoing basis to follow progress on building contracts to determine completion

- b. With the owner to confirm who the mortgage holder will be
6. Cover notes will be issued:
 - a. Upon request from the Bank
 - b. To the mortgage holder before any mortgage is registered, making sure that insurance premiums are not duplicated (Paid by the member to the bank as well as to the Owners Association)
 - c. To the home owner to confirm that insurance cover is effective and to illustrate the monthly premium that will be collected
7. Policy documents will be provided to every insured home owner
8. From the date of registration/completion - the insurance premium will be collected by debit order from the member's bank account
9. All claims will be handled by the in house broker – Blue Umbrella Insurance Brokers CC - at EON Property Services

NEW HOME OWNER

New home owner for the purpose of this document is defined as an owner:

- That owns an erf on the Elisenheim Estate
- Has not yet finished building a dwelling on the erf and has not taken occupation of the dwelling on the property

The Policy from SRA automatically covers a completed property from the date that the DRC issues a clearance certificate to inform the EOA and the owner that the property complies with the conditions and building regulations of the DRC

Should a new home owner decide not to make use of the service, the home owner must inform the EOA in writing that they do not wish to make use of the service

EXISTING HOME OWNER

Existing home owner for the purpose of this document is defined as a home owner:

- That owns an erf on the Elisenheim Estate
- That has built and completed a dwelling on their erf
- That has insurance for fire & perils in place.

Existing home owners will be contacted by the in house broker – Blue Umbrella Insurance Brokers - from EON Property Services to provide them with a quote. Should the owner wish to make use of the service then we will give effect to the instructions received from the Home Owner.

EON Property Services
On behalf of Elisenheim Owners Association