

Insurance

The following regulations guide building insurance issues on Highlands Wilderness:

The purpose of these regulations is to inform all owners, especially owners who has already completed, or is in process of building their house, on issues relating to:

- the legal liability regarding buildings/house insurance as per Sectional title Act 95 of 1986,
- the risk of “other insurance”, where a building is insured at more than one Insurer,
- the proposed procedure with regards to the rules of building insurance, as well as recovery of monthly premiums.

Legal Liability

To understand all issues relating to the insurances of buildings, under the sectional title scheme, legal opinion, as well as feedback from various Insurers, was attained, to ensure the Body Corporate (hereafter referred to as BC) act in terms of legal requirements and implement a practical process.

The sectional title scheme, considering all required rules applicable, is perhaps not the best scheme for Highlands, but this is what we have to manage. As a result of the lay-out of stands on Highlands, the management of the insurance portfolio is problematic, but one we have to accept and deal with.

In terms of the Sectional title Act 95 van 1986, the legal entity (BC) is responsible for the insurance of all “buildings” in the scheme. “Building” includes all permanent structures as indicated per Title plan.

There are no alternatives around the functions and responsibilities. It is thus our intentions to include all “buildings” in a single Highlands Insurance portfolio.

Risk of “Other Insurance”

Owners must take note of the insurance term -“OTHER INSURANCE”. The following wording in most insurance policies relates to instances where a “building” is insured by both the BC, as well as owner:

OTHER INSURANCE:

“If, at the time of any event giving rise to a claim under this policy, an insurance exists with any other insurers covering the insured against the defined events, the company shall be liable to make good only a rateable proportion of the amount payable by or to the insured in respect of such event. If any such other insurance is subject to any condition of average, this policy, if not already subject to any condition of average, shall be subject to average in like manner.” It would be senseless to have double premiums on insurance. An Insurer may refuse to refund premiums already paid. We are thus of the opinion that you will have to cancel your current insurance and proceed to apply for insurance within the Highlands Insurance portfolio.



Highlands Process

As indicated above all buildings must be insured within the Highlands Insurance portfolio. It is important to note that:

- insurance premiums are paid in advance;
- your monthly insurance premiums will be recovered from the BC,
- whom, on their turn will recover these premiums on, top of your monthly Operating levies from you, the owner.

General

Although this change will be time consuming, as well as frustrating, we appreciate your cooperation.
