



**Driving mobility**  
Expertly crafted solutions for cars and their people

## Credit Shortfall

# Cover for the shortfall if you owe more than you get

**Credit Shortfall** keeps bad things  
from getting worse.



**M-Sure helps settle the shortfall  
when your insured, financed car is  
stolen, hijacked or written off.**

**Your insurance company will pay your car's market value and not the full outstanding capital balance.**  
(Market value is the average between trade and retail value.) The Credit Shortfall policy will contribute to paying the shortfall amount between your insurance and the bank in the event of your car being written off or stolen.

# How do **you benefit** from Credit Shortfall?

## We ease your financial worries!

- ✓ You won't owe money on a car you no longer drive
- ✓ You will get a refund of an amount equal to your policy premium refund if there is no shortfall due at the time of a claim
- ✓ We will contribute towards your motor comprehensive excess up to a maximum of R6000
- ✓ We will pay a benefit in the event of your death or permanent total disability.

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**Affordable monthly payment options.** The financial institution that finances your car may be able to incorporate your policy premiums into your monthly car instalment



## Case in point - How does **Credit Shortfall benefit Sam?**

Sam buys a new car for R380 000. She gets finance from the bank and comprehensive motor insurance. Sam is a single mother and she is a bit worried about buying on credit. As a result she also takes out a Credit Shortfall policy from M-Sure.

One year later, Sam goes grocery shopping after work and when she wants to return to her car, she cannot find it in the parking lot. She is devastated as it seems her beautiful new car has been stolen.

Sam's insurer agrees to pay out R320 000 for her stolen car, stating depreciation as a reason. Due to interest on her finance agreement, Sam still owes the bank R365 000, creating a shortfall of R45 000! Luckily, M-Sure comes to the rescue with the Credit Shortfall policy and pays the outstanding R45 000 Sam still owes the bank. M-Sure also helps with the insurance excess, leaving Sam financially square and able to purchase a new car.

# Credit Shortfall FAQs

## What does Sam need to qualify for a Credit Shortfall policy?

Her car needs to be financed through a finance house and it needs a valid comprehensive car insurance policy covering the car for full market or retail value.

## When will Sam's Credit Shortfall cover come into effect?

M-Sure's Credit Shortfall will come into effect if Sam's car is stolen or hijacked and not recovered, or alternatively, written off in an accident. A shortfall amount is due to the finance company after her motor comprehensive insurance has paid out.

## What about the personal accident benefit of the policy?

Credit Shortfall will also cover up to R20 000 under the personal accident benefit in the event of Sam's accidental death or permanent total disability caused directly by an accident involving her car. All benefits will be reduced by 50% once she reaches the age of 70.

## What happens if there is no shortfall between the amount paid out by Sam's insurance and the amount she still owes the finance house on her car?

M-Sure will reimburse an amount equal to the premiums paid for the Credit Shortfall policy.

## What happens if Sam's insurance company rejects her claim?

If Sam's comprehensive motor insurer rejects her claim due to an unintentional failure to comply with a policy condition, M-Sure will take over the claim. If the vehicle can be repaired, M-Sure will pay for the reasonable repair costs. If the vehicle is a total loss (stolen and not recovered or written off) M-Sure will pay the market value or the sum insured, whichever is the less. (Market value is the average between trade and retail value.)

## What type of vehicles can be covered by Credit Shortfall?

We cover new or pre-owned commercial and private cars and light delivery vehicles as well as motorcycles, caravans and trailers. (See The **small print** for specific vehicle weights.)

## How do I claim?

For Credit Shortfall claims, contact M-Sure on 0860 927 726. You must advise us within 30 (thirty) days if the claim under the comprehensive motor insurance policy is rejected and within 60 (sixty) days of the motor claim being settled.

## Is there a cooling off period?

If the policy has a duration of 31 days or more, and if no benefit has yet been paid or claimed or an event insured against under the policy has not yet occurred, you have the right to cancel this policy within 14 days after the date of receipt of the policy document or from a reasonable date on which it can be deemed that you received the policy.

# The small print

- ✓ Cover provided in the Republic of South Africa, Namibia, Botswana, Lesotho, Kingdom of Eswatini (Swaziland), Mozambique, Zimbabwe and Malawi.
- ✓ Your vehicle needs to be financed through a bank or finance house.
- ✓ In order to qualify for this policy, you must have a valid comprehensive motor insurance policy.
- ✓ Maximum sum insured: R1 500 000.

## Eligible vehicles:

- **Private type vehicles:** Private motor cars, light delivery vehicles, with a maximum Gross Vehicle Mass (GVM) of 3 500 kg and caravans, motorcycles, and trailers with a carrying capacity of a maximum of 750 kg
- **Taxis:** Vehicles with a maximum GVM of 3 500 kg, used for the carriage of passengers for reward and/or for social, domestic and pleasure purposes
- **Commercial vehicles:** Vehicles with a GVM of more than 1 500 kg and up to a maximum of 8 700 kg, and trailers with a carrying capacity of a maximum of 750 kg.

## Scenario events

<b>Motor insurer accepts claim</b>	
Shortfall	●
No shortfall – refund of premiums	
<b>Motor insurer rejects claim</b>	
Reasonable repair cost	● ●
Claim if written off or stolen	
Towing and storage	
<b>Accidental death or permanent total disability</b>	● ● ●

- The shortfall between the amount paid out by your motor insurer and the amount you owe the bank, including an amount towards your excess
- Refund you the premiums that you paid towards your Credit Shortfall policy if there was no shortfall
- ● If your claim was rejected (due to unintentional violation of a policy condition) under your motor insurance, we will take over the claim from your comprehensive motor insurer
- ● For the reasonable repair cost,
- ● The market value or sum insured, whichever is lesser, minus the excesses for the claim
- ● An additional pay-out towards towing and storage
- ● ● Compensation in the event of your accidental death or permanent total disability

# Exclusions

- Any legal costs which you owe to the finance company or any other amount deducted from your claim by your motor insurer
- Any losses as a result of your intentional non-compliance with your motor comprehensive policy terms and conditions
- Damage to tyres
- Unauthorised use of car
- Loss or damage to sound equipment or non-standard fittings or accessories
- Loss or damage to someone else's property or death of or injury to passengers or to other people
- Wear and tear, mechanical, electrical or electronic breakdowns, failure, breakages or depreciation and any resultant non-accident damage
- Loss or damage due to the operation of any tool or plant that forms part of the car
- Any liability arising from a contract, unless you would have had the same liability had you not entered into the contract
- Where the car is being used for racing, rallies, hiring, carrying of explosives, driving instruction for reward or if it is designed to carry more than 23 (twenty three) persons including the driver
- Where the driver does not have a current, valid and unendorsed driver's licence (as defined by South African Law)
- Where the load the car is carrying is greater than the carrying capacity for which the car is designed
- Any losses which should be covered under your comprehensive motor insurance policy
- Any losses where the car has been confiscated, commandeered, requisitioned or repossessed by any legal process
- Any consequential or indirect loss or damage of any kind or description whatsoever.

## You are not covered for

- Any arrears under the finance contract, any extra finance charges, any insurance premiums, motor warranty premiums, any service agreements or maintenance plans that are refundable to you by your finance company
- If the driver of the vehicle is under the influence of alcohol or drugs or the alcohol content of the driver's blood exceeds the legal limit
- Participation in any defence force, police service or correctional service activities
- Breaking the rules of road traffic regulations (National Road Traffic Act 93 of 1996).

## Note

This document serves as a summary of the policy wording, however the policy wording needs to be read in conjunction with this document to establish the full terms, conditions, limitations and exclusions that are applicable.

## Enquire about our other expertly crafted solutions

**Service Plan:** Takes care of your car's specified services

**Warranty:** Solutions to unexpected mechanical breakdown or electrical failures

**Interior & Exterior Protection:** Keep your car beautiful inside and out

**Deposit Cover:** Cover that gives you cash for a replacement vehicle deposit

**Credit Life:** Cover for your car debt when you are no longer able to pay

M-Sure Financial Services (Pty) Ltd (Company Registration Number 2002/022941/07 & FSP Licence 21799), an Authorised Financial Services Provider, the administrator. The specific insurer will be confirmed at quote stage. As with all our expertly crafted solutions, terms, conditions, and limitations apply - visit our website for more information.