

# MANDENI MUNICIPALITY



## INSURANCE POLICY

2025-2026

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## **MANDENI MUNICIPALITY** **INSURANCE POLICY**

### **1. INTRODUCTION**

As trustees of public funds, the Council must ensure that the assets of the Council are adequately insured at all times. The insurance should in addition cover Councillors, employees and third parties

This insurance policy is aimed at ensuring that all assets, Councillors, employees and third parties are insured economically and adequately at all times.

### **2. RESPONSIBILITY FOR INSURANCE**

The Chief Financial Officer shall every three years either call for tenders or quotations, at the discretion of the Municipal Manager, for the insurance of Council's assets, Councillors, employees and third parties.

Only quotes from reputable insurance companies or insurance brokers shall be considered.

On scrutinising the quotes the Municipal Manager in consultation with the Chief Financial Officer shall decide on whom the successful insurance company/insurance broker will be.

The insurance period will be from 1 July to 30 June of the following year and shall be renewable, dependant on previous performance, for a maximum period of three years.

Premiums shall be paid either monthly or annually in advance at the discretion of the Municipal Manager.

Should circumstances change during the year amendments, additions or deletions should be made to the insurance portfolio with the Insurance Company/Insurance Broker.

### **3. ASSETS TO BE INSURED**

When considering the insurance of assets all movable and immovable assets should be considered. All assets to be insured should be covered against fire, accident or loss of any nature.

Separate cover for riot, strike and public disorder damage should be taken out at the discretion of the Municipal Manager in consultation with the Chief Financial Officer and the relevant departmental head.

Any other insurance cover should be at the discretion of the Municipal Manager.

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The departmental head of each department in consultation with the Chief Financial Officer shall annually prior to the 1 July agree on which assets owned by, leased to or under the control of the Council are to be insured. Assets that are insured should be insured at replacement value or Cost whichever the municipal manager considers appropriate. Should it be considered necessary a valuer should be used to arrive at a replacement value for each asset.

The following assets and risks should , after consideration of risk and excess by the Municipal Manager, be insured:-

- Vehicles and equipment.
- Mobile plant and Fixed plant
- Buildings.
- Reticulation above the ground – Water and sewerage (excluding reservoirs)
- Cash on hand up to a value to be determined by the Municipal Manager in consultation with the Chief Financial Officer.
- Personal property of Councillors and employees whilst on Council business.
- Computer equipment and data..
- Mayoral and Deputy Mayoral chains.
- Fidelity guarantee.
- Machinery breakdown (motors, pumps, sewer fall out stations, etc.) excluding normal wear and tear.
- Contractors all risks – Where a contractor is unable to supply Council with a valid insurance certificate Council must ensure that the contractor is covered for all risks and the insurance premium for such cover may be deducted from the contract price.

The nature and extent of cover for the assets to be determined by the Municipal Manager in consultation with the Chief Financial Officer and relevant Head of Department

The following assets should not be insured:-

- Underground reticulation such as pipes (excluding reservoirs)

Other assets not mentioned above:-

- The decision whether to insure an asset or not should be at the discretion of the Municipal Manager in consultation with the Chief Financial Officer and the relevant departmental head.

For those assets that are not being insured, self insurance could be considered, at a rate to be determined by the Municipal Manager in consultation with the Chief Financial Officer.

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Assets controlled by the Local Municipalities:-

- The Chief Financial Officer should ensure that the assets are insured by either Mandeni Municipality, the local municipality or any other service provider.

#### **4. INSURANCE OF COUNCILLORS AND EMPLOYEES**

##### **Unemployment Insurance**

The Council is to pay all employer contributions in respect of employees in terms of the Unemployment Insurance Act of 2002.

##### **Group Life Insurance**

The Council is to cover all permanent employees in terms of Staff Policy and the Council is to pay all employer contributions to the Group Life Insurer/Provident Fund.

##### **Councillors**

The Council is to cover all Councillors for 24 hour cover in respect of death or bodily injury caused by accident and Council is to pay all premiums to the Insurer. On receipt of a report from the Municipal Manager , Council to decide on the extent and amount of cover for political office-bearers

##### **Workman's Compensation**

The Council is to pay all employer contributions in respect of employees in terms of the Compensation for Occupational Injuries and Diseases Act of 1993 as amended.

##### **Employees**

All employees including contract employees who are on the payroll of the Council are to be provided with 24 hour cover in respect of death or bodily injury caused by accident and Council is to pay all premiums to the Insurer. The amount of cover is to be determined by the Municipal Manager in consultation with the Chief Financial Officer.

#### **5. LEGAL LIABILITY**

Third parties are to be covered for death, bodily injury or illness and/or loss of or damage to property for any one occurrence up to a maximum limit to be determined by the Municipal Manager in consultation with the Chief Financial Officer for the following risks:-

- General Public Liability.
  - Products Liability/Defective Workmanship.
  - Wrongful Arrest and Defamation.
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- Legal Defence Costs.
- Employer's Liability.
- Professional Liability.
- Spread of Fire.
- Motor Liability.

## **6. EXCESSES**

### **Limits**

On an annual basis the excess limits should be assessed as part of the adjudication of the insurance quotations received from the Insurance Companies/Insurance Brokers. The excess limits should be at the discretion of the Municipal Manager in consultation with the Chief Financial Officer.

### **Payment of excesses by employees**

Where in the opinion of the departmental head and the Municipal Manager an employee's negligence led to the damage to or loss of an asset the excess payable may be claimed from the employee concerned in terms of the Disciplinary Procedure.

## **7. CLAIMS**

A departmental head must notify the Chief Financial Officer immediately after any occurrence of damage to, or loss of, any asset of the municipality.

A departmental head must thereafter complete the appropriate claim form and supply an estimate of the cost to repair such damage or loss. Where applicable i.e. theft, vehicle accident, etc. the matter must be reported to the South African Police Services and a case number obtained.

A departmental head must in the same manner inform the Chief Financial Officer of any injuries to or damage sustained by any employee or a third party that could lead to a claim against the municipality

The Chief Financial Officer must immediately notify the Insurance Company/Insurance Broker of any claims. This must be followed up by the submission of the prescribed claim form to the Insurance Company/Insurance Broker. On a monthly basis the Chief Financial Officer should follow up on all outstanding claims and note the progress in the insurance register.

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## **8. RECORD KEEPING**

The Chief Financial Officer must:

- Keep a record of all insurance policies of the municipality.
- Ensure payment of all premiums in respect of all insurances on or before the due date.
- Ensure that all claims arising from the different insurance policies are completed and submitted timeously.
- Keep an insurance claims register with progress on each claim.

## **9. REVISION OF THIS POLICY**

This policy should remain in operation until it is deemed necessary, by the Municipal Manager, to revise it.

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The Council of the Mandeni Municipality adopted this insurance policy at its meeting  
[Resolution No:.....]

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SG KHUZWAYO  
**Municipal Manager**

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