



THATCHERS ASSOCIATION OF SOUTH AFRICA DEKKERSVERENIGING VAN SUID-AFRIKA

Newsletter 2/2010
28 March 2010



John Smith
NATIONAL CHAIRMAN

NEWSLETTER

The new year started with many challenges and problems to be solved especially regarding the Thatch and Insurance Industries. The economic decline affected our Industry severely in the different areas and insurance premiums increased drastically to such an extent that premiums threatens to kill the Thatching Industry should drastic action not be taken. The alternative will be that tiling and galvanized roofing will replace thatch.

During 2009 Insurance Companies paid out heavy claims as a result of thatch roof fires and their underwriters pressed for higher premiums due to the increased risk. It is our considered opinion that wrong perceptions and a lack in understanding of the Thatching Industry exists and TASA should endeavour to clear up the matter with the Insurance Industry.

ACTIONS TAKEN BY TASA

• Insurance

- Messrs Abrie Visagie (Lucas Quality Thatchers and previous National Chairman), John Smith (Biggarsberg Thatchers and present National Chairman), Terry Wilson (Thatch-It) compiled a Training manual in collaboration with SANTAM Insurance Brokers for SANTAM Assessors.
- A TASA member, VEA Risk Consultants in affiliation with ETANA Insurance (which is part of the Hollard Group) did a workshop with TASA on the 18 March 2010 at which problems re insurance aspects related to thatch roofs were discussed.

The following decisions were taken:

- TASA is to compile a Training manual for Assessors in collaborations with the above companies. The purpose being to train Assessors to be knowledgeable and to establish uniformity in the Insurance Industry regarding claims related to thatch roofs.
- This was the first workshop of its kind between TASA and the above group of Insurance Companies and the intention is to expand on it.
- The above named Companies invited TASA to contribute and participate in their expo during the Indaba to be held in the Albert Luthuli Convention Centre in Durban from 8 to 11 May 2010. The purpose being to further the image, principles and activities of TASA.
- The Indaba is meant as a display for a wide variety of tourism products and attractions and draw interested parties from all over the world. More than 2000 lodges have displays. 80% of these lodges have thatched roofs.
- The names of Accredited members of TASA will be submitted to these Insurance Companies to avail themselves of the opportunity to do inspections on thatched roofs as well as the repairs undertaken.

- **TRAINING MANUAL FOR THATCH ROOF CONTRACTORS AS PART OF THE ACCREDITATION DOCUMENT**

A Training Manual for Thatch Roof Contractors must form part of the Accreditation document of TASA. The first phase has already been completed. The aim being to complete the manual by September 2010. The complete Accreditation process will then be in place.

- **CONSUMER PROTECTION BILL**

The primary purpose of the new Act is to prevent exploitation or harm on consumers and to promote the social well being of consumers. The Act seeks to create and promote an economic environment that supports and strengthens a culture of consumer rights and responsibilities, whilst through the measures adopted therein; it seeks to promote fair, efficient and transparent market place for consumers and business. The Consumer Protection Act will introduce general principles of consumer protection and serves as an overarching governing statement on consumer protection matters in South Africa.

- **SABS & SANS 10400**

This aspect has as yet not been finalized and is still continuing. However, positive and valuable progress has been made in the interest of the Thatching Industry. TASA do have representation on every SABS committee which may influence the Thatching Industry.

- **THE WOOD FOUNDATION**

TASA is a member of this Forum and Mr John Smith attended their AGM and EXCO Meeting on the 19 March 2010 in Johannesburg.

Associate membership has been allocated to Arch Wood Protection SA (Pty) Ltd in recognition for the valuable input and work done by Mr Gerard Busse at the TASA National Congress as well as sponsorships for the National Thatch Roof Construction and National Photo Competitions.

Mr John Smith presented a framed membership certificate to Mr Busse during the event.

TASA TO SWEEP ITS OWN DOORSTEP

- TASA members have to live up to its own Codes of Practice and Ethics as well as Acts, Laws and Regulations that are binding on the Association and its members. Defiance of these principles do not only undermine the name of TASA among its members but impact severely on the image and standing of the Association; Thatching Industry as a whole and in the eyes of all major players on the periphery to which TASA is related and dependant.

- TASA therefore has to act in co-operation with these peripheral Institutions in addressing problems experienced .

TASA's Accreditation will be meaningless when Specification requirements are not strictly complied with. No exceptions to the stipulations encompassed in the SANS 10407 may or can be allowed neither tolerated. A line has to be drawn.

- **The Thatching Industry needs roll models and leaders. TASA is therefore blessed to have people in positions that are prepared to look beyond personal interests and make adjustments to achieve Accreditation.**

- **It can't be overstated that a standard has to be set and maintained to make TASA Accreditation the sought after award highly regarded and recognized by Government Institutions, Banks, Insurance Companies Municipalities, Thatch Roof Contractors and the Public at large. As point of departure, the SANS 10407 must be strictly adhered to. With time, some points of concern will be sorted out. However, to align ourselves, we must hold each other by the hand and make the collective goals of TASA our main objective.**

Please note that as a result of:

- The training of Assessors re Insurance requirements;
- *The wide publicity of TASA as well as specification requirements;*

- *The involvement of Insurance Companies, Lodges, Municipalities and the General Public, the occurrence of illegal practices will be more exposed and eradicated.*

The Public Protection Bill and Getclosure action will lead to the involvement of Government and other Institutions where complaints re thatched roofs arise.

Members involved in malpractices, violating specification requirements and TASA’s Codes of Ethics and Practice embarrass TASA and its members. Such members cannot serve in managerial capacities. Their membership status also will be affected.

Members complying strictly with the requirements of TASA inclusive of Laws and Regulations will on the other hand have the benefits of Accreditation. Banks and Insurance Companies have already shown the importance and appreciation of Accreditation through enquiring about the status of contractors. The role of TASA is therefore indisputably relevant.

The Training Manual and Accreditation document is only available to TASA members. Lacking any such training facility in the RSA it will be in the interest of contractors to join TASA and to participate in the workshops where all facets of the principles and practices of the Thatching Industry will be discussed. Knowledge will be gained and experiences exchanged.

It must be emphasized that only Accredited members will be recommended as specialists to Banks, Insurance Companies, etc.

JAPANESE DELEGATION TO SOUTH AFRICA

A delegation of some Universities of Japan is at present visiting the country to get insight of the Thatch Industry as well as thatching methods. Messrs Abrie Visagie (thatch reed) and John Smith (thatch grass) will be the hosts on behalf of TASA.

TASA and its members display the image of the Thatching Industry in the RSA and this is proof of the standing of the Association internationally. We are reaping the benefit of the hard work and impact made by our managements at large during the past 4 years.

We are confident that doors will be opened and business opportunities will be created for our TASA members.



ANNUAL GENERAL MEETING & NATIONAL CONGRESS

The booking form for the fourth National Congress and AGM is attached. Please reply and book as soon as possible to enable us to finalise bookings for the event. Proof of bookings will only be made on receipt of payment.

Attached is the list of reservations already received.

NATIONAL COMPETITIONS

The floor plan of the lapa for the National Thatched Roof Construction Competition has been sent to you. Please grab this challenge and participate. The Lapa floor plan provides for creativity. Give your imagination free reigns.

Please note that it is ONLY the LAPA that has to be built. NOT the roof of the house.

We again look forward to the Photo competition submissions.

The following changes have been made:

Category:

Largest single thatched structure with drip line / shade area larger than 1 000 sq m)

Behind every big project hides an interesting story. The winning photo will include the story and logo of the Company and be published.

Most aesthetic thatched roof with drip line / shade area between 100 and 1 000 sq m.

Lapas and structures with drip line / shade area less than 100 sq m.

Funniest thatch photo or video

Requirements: The thatched roof must be completed. Photos can be submitted of the roof in progress eg. pole structure
Only two photos per category may be submitted.

Judgement will take place beforehand and will be done by the same panel that judged the National Thatched Roof Construction Competition (models)

REGIONAL MEETINGS

Regional meetings will take place during April 2010. One of the most important discussion points will be the election of the committee members. Contact your Regional Chairman for more information.

We trust that all our members will attend the AGM and National Congress. The venue selected allows for great partying and everlasting friendships.

King regards

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NATIONAL CHAIRMAN

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ABC guide to South Africa's draft Consumer Protection Bill

Here's a quick and easy guide to the main topics covered in the latest draft of the [Consumer Protection Bill](#).

1. What's all the fuss about? Why do we need a new bill anyway?

The bill aims to update old laws, combine existing and new laws under a meaningful umbrella, and put into law issues that were previously addressed only via common law. Up until now a lot of the law referring to consumers has been buried in other legislation that actually refers to totally different issues.

Ultimately the government wants to: improve protection for consumers against unfair business practices; increase fairness and equality among consumers; give consumers the information they need to make good choices and to know what their rights are; give consumers a better way to get compensation if things do go wrong; and enforce the new rules.

2. What does this mean for South African consumers?

On paper, if this bill is passed, South Africans will be among the best protected consumers in the world.

3. That sounds great, but what does it really mean for the person in the street?

A number of things. Here is a summary of the main topics the bill covers:

3.1 Consumers will be guaranteed equal access to markets.

3.2 Consumers' privacy will be protected.

3.3 Consumers will have a right to choose.

3.4 Fair disclosure of information to customers.

3.5 Fair and responsible marketing.

3.6 Customers will be entitled to honest and fair dealing.

3.7 Terms and conditions need to be fair, just and reasonable.

3.8 Consumers should expect fair value, good quality and safe products.

3.9 Suppliers need to be accountable to customers

3.10 Finally, consumers have a right to be heard and receive compensation if they are unfairly treated.

We'll discuss these issues in more detail in the [second part of this article](#).

Who is responsible for all this happening?

This is a Department of Trade and Industry (dti) initiative. If the bill is passed, a National Consumer Commission and Tribunal will be set up to oversee and enforce the new laws. The government has earmarked R 51.3 million rand in 2009/2010 to fund the bill.

The main topics the bill covers in more detail.

1.1 Consumers will be guaranteed equal access to markets. This means that suppliers must make goods and services available to everyone at the same price and quality, and also under the same terms and conditions. Of course there are exceptions, such as not selling alcohol to minors or being able to give children reduced price tickets. These exceptions are all clearly laid out.

1.2 Consumers' privacy will be protected. The bill will lay out strict rules regarding direct marketing and the way it is carried out. Customers will be able to ask any marketer to stop marketing to them, and the bill may even put the groundwork in place to pre-emptively opt out of any direct marketing.

1.3 Consumers will have a right to choose. This affects a number of issues including:

- Not forcing customers to buy bundled services
- How customers can exit fixed term contracts

- Customers must sign off estimates for repairs and services before work commences
- Customers get five days to change their mind about a purchase
- What are fair cancellation fees if a customer cancels an advanced booking
- Products that are bought by mail order or from a sample must correspond with the original.

1.4 Fair disclosure of information to customers. This includes clear descriptions in plain language of products and services, clear pricing information, commissions charged by intermediaries, and even good identification when a supplier needs to go to a customer's home.

1.5 Fair and responsible marketing. In addition to the opt-out rules surrounding direct marketing, suppliers may not use misleading or fraudulent marketing tactics. The following marketing practices will be illegal:

bait marketing – where a non-existent special offers lures customers into the shop; negative options – where customers have to ask NOT to be sold something, for example, not to be sent the book of the month from a book club else they will be charged for it; referral selling – when customers are encouraged to buy products or services based on potential future rebates or commissions. And fair practices will be set in place for direct marketing, loyalty campaigns and competitions.

1.6 Customers will be entitled to honest and fair dealing. This includes issues such as overselling and overbooking of services. The bill will outline what compensation customers can claim, for instance if they miss a flight and subsequently miss a hotel or car booking. In addition force and other unfair tactics to get someone to buy something are banned.

1.7 Terms and conditions need to be fair, just and reasonable. The bill explains what this means, and also makes clear that supplier liabilities need to be highlighted.

1.8 Consumers should expect fair value, good quality and safe products. For the first time a law will make clear where liability lies, and also guide issues such as product recalls.

1.9 Suppliers' accountability to customers sets out rules on how lay-buys should be offered. It also says that pre-paid vouchers and credits need to be valid for five years.

1.10 Finally, consumers have a right to be heard and receive compensation if they are unfairly treated. The bill outlines the procedures for doing this. Complaint and compensation methods need to be accessible and the consumer should not be victimised.

This is where **getclosure!** steps in. We fully support the South African government's focus on increasing consumer activism to enhance market and price competition. Especially close to our hearts is helping consumers to be informed of their rights, and then to exercise them. Not only do we provide consumers with a quick, easy and effective way to complain and comment on services, but we also advise them on routes to take should they not reach a happy outcome with the supplier. In addition we also make a host of consumer rights news and information available to South Africans.

getclosure! is an independent online complaints management portal that helps South African consumers and businesses to effectively and discreetly resolve customer complaints. The **getclosure!** service delivers complaints to the most appropriate person in an organisation to be resolved, saving consumers the hassle of repeatedly calling a customer department (and putting up with hours of irritating hold music).

And the good news for suppliers is that the **getclosure!** service can be used as a plug-and-play customer service facility. This means suppliers can easily comply with government requirements to offer an accessible, easy-to-use complaints service. The service is fully customisable, with full reporting on correspondence and time to resolution as well as integration with suppliers' existing processes. In addition, suppliers can show their commitment to customer service by displaying a **getclosure!** seal on their web sites.

- **CONSUMER PROTECTION BILL**

The impact of the Consumer Protection Act on Insurance

THE ACT

The Consumer Protection Act (“CPA”) not only has socio-economic consequences, but more specifically, impacts on the insurance industry in a major way.

In evaluating the provisions of the CPA, it is necessary to take notice of the malpractices it seeks to address.

PURPOSE OF THE ACT

The CPA is aimed at establishing a uniform national benchmark for improved standards of consumer protection and at promoting historically disadvantaged market participants’ rights.

The CPA will come into operation in October 2010. In the meantime, suppliers such as insurers have an opportunity redraft their agreements and to offer the required insurance to the suppliers of goods and services.

APPLICATION OF THE ACT

The CPA applies to any goods or services nationally promoted or supplied.

“Services” include services provided by insurance companies but the Short-term Insurance Act and Long-term Insurance Act (“the Insurance Acts”) are excluded from the CPA’s ambit, subject to these Insurance Acts being in line with the consumer protection measures stipulated in the CPA by April 2011.

There are two aspects of the insurance industry that will be affected by the CPA. The first is the relationship between the insurer and the policyholder in which event the insurer would be the supplier and the policyholder the consumer; and the second is the relationship between the policyholder and the third party, in which event the policyholder would be the supplier and the third party the consumer.

IMPORTANT PROVISIONS: SERVICES

The more important insurance services affected by the CPA:

- A policy would be interpreted in favour of the consumer, in the event of ambiguity allowing for more than one reasonable interpretation. This reflects the existing law, but is now an unalterable right.
- Any exclusion within the insurance contract would be measured against whether a reasonable person in the position of the consumer would have expected such exclusion, taking into account the contract’s contents, the manner in which it was presented and the circumstances around concluding it. Policy exclusions may have to be drawn to the consumer’s attention.
- Insurers will not be allowed to take advantage of the fact that the consumer is unable to understand the terms of the contract being concluded with it as a result of either physical or mental disability, illiteracy, ignorance or inability to understand the language of the contract.
- Terms of the policy may be ruled as unfair, unjust or unreasonable if they are excessively one sided, contain terms so adverse to the insured as to be inequitable, or if the consumer was misled by the insurance company.
- The terms of the contract must be in writing and in plain language.
- Exclusions may still be utilised but the exclusions need to be in writing and in plain language, conspicuously presented to the insured allowing the latter a full opportunity to understand their terms.

IMPORTANT PROVISIONS: GOODS

The CPA’s provisions in respect of consumer protection for goods sold and delivered are manifold and focus will be placed on key provisions:

- A consumer may insist on quality service, failing which the supplier may be ordered to remedy any defect or to refund a reasonable portion of the price paid for the goods. “*Quality service*” includes timeous performance and completion of services by the supplier, services performed on a generally expected level of quality and goods that are defect-free.
- Any replaced and repaired goods are also subject to an implied warranty of quality, i.e. defect-free.
- A supplier needs to warn a consumer of potential risks if the goods are of an unusual character or nature or if the risks cannot be reasonably expected or could result in injury or death.
- The producer, importer, distributor or retailer of any goods is liable, without proof of negligence, for any harm which may be caused as a result of the supply of unsafe goods, product failure, defect or hazard or inadequate instructions or warnings accompanying such goods.
- The usual policy covering liability to the public contains a number of possible extensions, including product liability. It covers an insured in respect of events caused by goods or products sold or supplied by an insured in connection with its business.
- But the extension dealing with liability for defective workmanship specifically excludes cover for the costs of rectifying or recalling defective work and for defective design.
- Therefore, the possibility is apparent that an insured could be liable in terms of the CPA to a third party, although it may not be covered by insurance for such increased exposure.
- Insurers will have to devise broader cover but they will need to charge sufficient premiums. Commercial suppliers of goods and services should take notice that they may not be covered for all extended grounds of liability in terms of the CPA and they will have to pay more for the additional cover.
- The introduction of the CPA may also put an end to the age-old debate as to whether the standard exception dealing with “liability assumed by agreement” excludes liability to an insured in the event, for example, of the insured warranting goods sold and delivered, irrespective of fault on its part. The CPA introduces extended liability that would attach to the insured “notwithstanding such agreement” with a third party. Therefore, liability also assumed by the agreement may very well be covered.

CONCLUSION

Insurers will eventually have to align their services with the CPA. They should begin now by reconsidering their insurance contracts and advising their insureds to word indemnity terms and/or disclaimers so that they are in line with the provisions of the CPA. Furthermore, in respect of the supply of goods, insurers are encouraged to make their insureds aware of the extended exposure faced in respect of goods sold and delivered. Insurers should consider widening the net of their policy wordings on product liability (subject to higher premiums) for such extended liability exposure of their insureds. Policyholders should take note of their increased exposure towards third parties and should make provision for the additional insurance they will need.