



CONTRACT WORKS INSURANCE

In consideration of the payment of the premium by or on behalf of the insured the insurer(s) specified in the schedule agree to indemnify the insured as provided hereinafter subject to the terms contained herein or attached hereto or as amended by endorsement hereon

Where more than one insurance company or insurer participates in this insurance the percentage share of each insurer will be expressed in the schedule of this policy and the liability of each such insurer individually shall be limited to the percentage share set against its name

- Territorial Limits the republic of South Africa and to the extent permitted by the relevant insurance acts Namibia Lesotho Swaziland Botswana Zimbabwe and Malawi.
- Contract Site any site(s) within the territorial limits where work in terms of the insured contract(s) is undertaken together with so much of the surrounding area as is required for the performance of such work
- The Insured When required in terms of the conditions of contract the insured shall include all or any of the following but only to the extent required by the contract
 - (a) the principal or employer
 - (b) the contractor and their sub-contractors
 - (c) to the extent required by any contract or agreement suppliers manufacturers hirers lessors or any other Company person or party engaged on the contract site but only to the extent of loss damage or liability originating at the contract site arising out of their performance of their contract site obligations.

Provided that the insurance by this policy shall not apply in respect of loss damage or liability arising from any professional activity or off site manufacture

Excluded Contracts (Applicable to annual policies only)

The Company shall not be liable in respect of loss of or damage to Contracts connected to underground working of any colliery or mine foul berthing stevedoring work at or about or connected with docks harbours piers wharfs jetties water-breaks or harbour or dock-side services reservoirs dams weirs canals water channels bridges or structures near water viaducts over water channels shafting tunneling-shaft equipping and any other works where a major wet/water or structural subsidence/landslip or geological hazard are known to exist or thatch risks and contracts with an initial period in excess of 24 months unless otherwise stated in the schedule.

SECTION 1 – MATERIAL DAMAGE

- The indemnity Accidental physical loss or damage to the property insured within the territorial limits
- Property insured
 - Permanent works and temporary works and all materials and other things intended for incorporation in the permanent or temporary works belonging to the insured or for which they are responsible or for which they are required to insure and pertaining to the insured contract
 - For the purposes of this insurance "temporary works" shall include to the extent that the value thereof is included in the estimated contract value constructional aids equipment structures property and works used or intended for use on t he insured contract but excluding
 - Property forming part of the permanent works
 - Self propelled wheeled or tracked plant, tools and equipment
 - Property which has no residual value (other than scrap value) on completion of the contract
 - Property which is removed from the site and intended for re-use on any other contract
- Employers property (surrounding property)
 - Property (other than contract works or construction plant and equipment used or intended for use on the insured contract) being worked upon which is the responsibility contractually or otherwise or in the care custody and control of the insured and arising from or in connection with the performance of the insured contract provided that this indemnity shall only apply to the extent that indemnity is not obtained under any other policy of insurance effected for the benefit of the insured
 - Limited of indemnity following an occurrence or series of occurrences R250 000 unless stated otherwise In the schedule



The insurance shall apply

During dismantling loading transit unloading and storage and the performance of the insured contract(s) at the contract site and other places as provided herein until completion of and transfer of risk in the whole of the permanent works under the insured contract(s) to the employer

For the purposes of this insurance completion of the contract(s) shall be deemed to occur only after the successful completion of testing and commissioning (limited to 30 days not necessarily consecutive) and the issuing of a certificate of completion or the taking into beneficial use by the employer

Should part(s) of the permanent works be taken into use for the benefit of the employer or a conditional certificate of handover be issued cover under this insurance shall cease in respect of such part(s) or in respect of conditional handover shall cease save for part(s) listed in conditional handover certificate except for as follows

During the maintenance or defects liability period (as may be described in the insured contract but limited to a maximum of 12 months unless agreed otherwise) pertaining to any part of the permanent works but only loss or damage manifesting itself during this period and

arising from a cause occurring prior to commencement of such period and

arising from any act or omission of the insured their servants agents suppliers or sub-contractors or in pursuance of their obligations under the conditions of contract

Additional costs defined events

For the provision of hoarding, shoring propping covering and protection of property extinguishing and fighting of fire recovery demolishing and removal of property and disposal of wreckage detritus debris water and other matter restoring the contract site regaining access to the contract site or the works and restoring normal working conditions complying with the requirements of the insured contract or any statutory body professional fees removing property to suitable premises for repair delivering repaired or replacement property to the situation where the loss or damage occurred or to premises as directed by the insured establishment supervision and overhead charges. This extension shall be limited to R250 000 any one event unless otherwise stated in the schedule

Expediting measures express delivery (including airfreight) customs dues and charges overtime and holiday rates of wages limited to 50% of the amount which the repair or replacement would have cost had these additional costs not been incurred.

Additional costs no damage to works

All costs necessarily or reasonably incurred by the insured in respect of the removal of debris detritus and water providing erecting and maintaining any hoarding required during demolition site clearing or reconstruction or in protecting the property insured against further loss or damage regaining access to the works or in restoring working conditions following the operation of any peril cause or occurrence within the territorial limits not excluded by the exceptions and notwithstanding that no physical loss or damage to property insured has occurred. This extension shall only apply at the contract site(s) and the area(s) immediately adjacent and be limited to R250 000 any one event unless otherwise stated in the Schedule.

Claims preparation costs

Costs and expenses incurred in producing or certifying any particulars or details required by the Company or to investigate or substantiate the amount of any claim under this insurance. The liability of insurers in respect of any one claim shall not exceed R50000 unless stated otherwise stated in the Schedule

Contract escalation re-valuation, devaluation in the contract price occurring during the period of the contract and during any period of repair up to an amount not exceeding 30% of the original contract price.

Open Trench Warranty

The Company will indemnify the Insured for any loss damage or liability due to the flooding or silting of pipes trenches or shafts only to a maximum length of open trench partially or completely excavated of 1000 metres any one loss event unless otherwise noted provided the pipes immediately after laying have been secured in such a manner by backfilling and compacting that they cannot be displaced if the trench is flooded and the tested parts of the lines have been completely backfilled and compacted after pressure test.

Roadworks Warranty

It is hereby warranted the maximum area of road with unprimed base course layer at any one time shall not exceed 1000 linear metres and the maximum area of road with layerworks other than base course under construction at any one time shall not exceed 1000 linear metres unless otherwise noted.

Damage to the road under construction caused by or aggravated by traffic is excluded.

The liability of the insurer(s) following any one occurrence or series of occurrences attributable to one original cause giving rise to a claim under this insurance shall not exceed the estimated contract price or the limits stated in the schedule

This insurance shall not be reduced by the amount of any claim paid or payable by the insurer(s) subject to the insured paying on demand additional premium on the amount of such claim



Exceptions to Section 1

The Company will not be liable for:

- 1 To any item of used or second hand machinery plant or equipment due to explosion its own mechanical or electrical breakdown
- 2 Consequential loss of any kind or description whatsoever other than as provided elsewhere in this insurance
- 3 Loss of any property insured by disappearance or by shortage or theft where such loss is revealed only by the taking of an inventory or periodic stocktaking
- 4 Loss or damage to and the costs necessary to replace repair or rectify
 - i) property insured which is in a defective condition due to a defect in design plan specification materials or workmanship of such property insured or any part thereof
 - ii) property insured lost or damaged to enable the replacement repair or rectification of the property insured excluded by (i) above. Exclusion (i) above shall not apply to other property insured which is free of the defective condition but is damaged as a consequence thereof.

For the purpose of the Policy and not merely this exclusion the property insured shall not be regarded as lost or damaged solely by virtue of the existence of any defect in design plan specification materials or workmanship in the property insured or any part thereof
 - iii) re-design improvement betterment or alteration on the occasion of repair replacement or reinstatement of loss or damage
- 5 Loss or damage due to total cessation of work and abandonment of the insured contract for a period exceeding 90 consecutive days
- 6 The cost of replacing or rectifying normal wasting wearing away or wearing out gradual deterioration and normal up-keep or making good. This exception shall not apply to other loss or damage resulting from such events
- 7 The cost of continuous dewatering to maintain working conditions following ingress into the property insured of normally expected inflow of water from naturally occurring underground sources
- 8 Loss or damage to property insured arising during the continuation of any marine or air transport or whilst in storage thereafter unless the property has been examined for damage and found to be in good order before onward shipment or storage. Should loss or damage to property insured due to a peril insured against being discovered after cover under an applicable marine insurance policy has terminated and it is not possible to ascertain whether the cause of such loss or damage happened prior to the marine venture or subsequently then it is understood and agreed that insurer(s) shall only contribute 50% of the properly adjusted claim
- 9 To refractory linings after the first application of heat
- 10 Loss or damage due to acts of the Insured or of his competent and authorized agent or representative which are contrary to the recognized rules of engineering or to any legislation or regulations issued by any authority
- 11 Loss occasioned by or through or in consequence of the destruction of or damage to the Property Insured by order of any lawfully constituted authority

SECTION 2 - PUBLIC LIABILITY

The Indemnity

All amounts which the insured is or may become legally liable to pay as compensation or damages or costs and expenses arising out of or in connection with:

- a) accidental death of or bodily injury to or illness or disease of any person
- b) accidental physical loss of or damage to tangible property occurring as a result of an accident at the situation of the contract and arising out of the performance of an insured contract

All costs and expenses incurred with the consent of the insurer(s) in connection with the defense settlement or investigation of any claim under this insurance

Limit of indemnity

The limit of insurer(s) liability inclusive of any claimants costs recoverable from the insured and all other costs and expenses incurred with its consent shall not exceed for any one event or series of events arising from one cause the amount stated in the schedule

Exceptions to section 2

The Insurer(s) will not indemnify the insured for

- 1 the amount stated in the schedule as the deductible
- 2
 - a) death or bodily injury including illness to any person employed by the insured under a contract of service or apprenticeship if death or bodily injury arises out of or in course of such employment
 - b) any sums payable by the insured under legislation relating to occupational death bodily injury or illness
- 3 Loss of or damage to property
 - a) belonging to or in the care custody or control of the insured or any servant or agent of the insured
 - b) which forms part of or should form part of the contract works
 - c) being that part of any property on which the insured or any servant or agent of the insured has been working if the loss or damage results directly from such work

For the purpose of this exception the terms "care custody or control" does not apply to property of employees or visitors vehicles including their contents and accessories not hired or lent to the insured using the contract site for parking and property not hired by or lent to the insured for which the insured has agreed to provide storage facilities
- 4 Legal liability
 - a) arising out of or in connection with the ownership possession or use by or on behalf of the insured of any mechanically propelled vehicle or trailer but this exclusion shall not apply to mechanical plant while in operation as a tool of trade the loading or unloading of such vehicle or trailer
 - b) arising by or through or in connection with the ownership possession or use by or on behalf of the Insured of any aircraft or watercraft
 - c) for damages or penalties for delay or detention or in connection with guarantees of performance or efficiency
 - d) for any part of the insured property designed by or any error or omission in any specification drawn by the insured
 - e) arising from or connected with any professional advice remedial or other treatment (other than first aid) given by the insured or any person acting for or on behalf of the insured
 - f) caused by or in connection with the intentional removal or weakening of or interference with the support to any land structures building or other property. This exception shall not apply to liability arising out of shock or vibration or negligence of the contractor
- 5 Liability assumed by the insured by agreement if liability would not have attached in the absence of such agreement but this exception shall not apply to
 - a) the insured contract or sub contract agreements
 - b) any other specific agreement which has been advised to and accepted by the insurer(s) in writing
- 6 The cost of doing and redoing or making good faulty material workmanship plan design or specification of the insured property
- 7 liability in respect of death injury damage or loss of use of property directly or indirectly caused by seepage pollution or contaminating substances unless the seepage pollution or contamination is caused by a sudden unintended and unforeseen occurrence
- 8 the cost of removing nullifying or cleaning up seepage polluting or contaminating substances unless the seepage polluting is caused by a sudden unintended unforeseen occurrence
- 9 such sums as the Insured shall become legally liable to pay as damages consequent upon the accidental loss of or damage to existing underground cables or pipes of any kind unless prior to the commencement by the Insured of the works the exact location position function and importance of all such cables sewers or pipes has been established and furnished to the Insured in writing under the hand of the relevant authority owner person or body concerned.
- 10 Liability for punitive exemplary or vindictive damages fines or penalties awarded in any court
- 11 Any legal liability loss damage cost or expense whatsoever or any consequential loss directly or indirectly caused by arising out of resulting from in consequence of in any way involving or to the extent contributed to by the hazardous nature of asbestos in whatever form or quantity

- 12 a) compensation for damages in respect of judgments delivered or obtained in the first instance otherwise than by a Court of competent jurisdiction within the area which on 1 January 1976 constituted South Africa Namibia Botswana Lesotho and Swaziland
- b) costs and expenses of litigation recovered by any claimant from the Insured which are not incurred in and recoverable in the area described in (a) above

Memoranda

Cross Liabilities

Where the insured comprises more than one person this insurance shall apply to each such insured person separately and not jointly and as if a separate policy had been issued in respect of each of such insured persons

Joint Insured

- a) any person or body (including any owner of plant or other property hired by or on loan to the insured) with whom the insured enters into agreement for the purpose of the contract but only to the extent that is a requirement of such agreement
- b) any officer or employee of the insured in respect of liability for which the insured would have been entitled to indemnity if the claim had been made against the insured
- c) the personal representatives of the insured and any person or party treated as the insured in respect of liability incurred by the insured or by such person or party

Provided always that all persons and parties so treated as the insured shall as though they were the insured observe fulfill and be subject to the terms exceptions and conditions so far as they can apply.

GENERAL PROVISIONS

1 The deductibles

Unless otherwise agreed the deductibles detailed in the schedule shall be applicable in respect of each and every occurrence or series of occurrences arising out of or in connection with any one event at any one site giving rise to loss or damage or liability insured by this policy

It is agreed that in the event of an occurrence where one or more of the deductibles could be reasonably applied then only the largest applicable deductible will be applied

2 Non-contribution (Annual policies)

This policy is not to be called into contribution and is only to pay any claim hereon to the extent of and liability loss or damage against which the insured is not indemnified by a more specific insurance if any effected for the contract

3 Premium adjustment

Where the premium is based on estimates of contract values or contractual turnover the insured shall as the case may be declare the final contract value at completion of the contract or declare the total contractual turnover achieved during the period of insurance. The premium shall thereupon be adjusted and the difference paid by or allowed to the insured as the case may be. Provided always that the maximum refund to the Insured shall not exceed 40% of the provisional premium.

Final contract value shall be the total amount of works certified as executed plus the value of any free issue materials supplied.

Contractual turnover shall be the total value of work undertaken by the Insured plus the value of any free issue materials supplied.

4 Cancellation (applicable to annual policies only)

Unless otherwise agreed this policy or any portion thereof may be cancelled by the insurer(s) or the insured by giving 30 days notice in writing to the other party

Provided that:

- a) as a result of payment having been stopped by the Insured this policy will be cancelled from the date that the premium was due to be paid.
- b) for any reason other than described in (a) above the Company will debit in the following month and should the outstanding premium not be paid when debited, the policy will be cancelled from the date that the first unpaid premium was due to be paid

GENERAL EXCEPTIONS

This insurance shall not provide indemnity in respect of:

- 1 (a) Loss of or damage to property related to or caused by:
- i) Civil commotion labour disturbances riot strike lockout or public disorder or any act or activity which is calculated or directed to bring about any of the above
 - ii) war invasion act of foreign enemy hostilities or warlike operations (whether war be declared or not) or civil war
 - iii) a) mutiny military uprising military or usurped power martial law or state of siege or any other event or cause which determined the proclamation or maintenance of martial law or state of siege
b) insurrection, rebellion or revolution
 - iv) any act (whether on behalf of any organization body or person or group of persons) calculated or directed to overthrow or influence any state or government or any provincial local or tribal authority with force or by means of fear terrorism or violence
 - v) any act which is calculated or directed to bring about loss or damage in order to further any political aim objective or cause or to bring about any social or economic change or in protest against any state or government or any provincial local or tribal authority or for the purpose of inspiring fear in the public or any section thereof
 - vi) any attempt to perform any act referred to in clause (iv) or (v) above
 - vii) the act of any lawfully established authority in controlling preventing suppressing or in any other way dealing with any occurrence referred to in clause (i) (ii) (iii) (iv) (v) or (vi) above

If the company allege that by reason of clause (i) (ii) (iii) (iv) (v) (vi), or (vii) of this exception loss or damage is not covered by this insurance the burden of proving the contrary shall rest on the insured

- (b) loss or damage caused directly or indirectly by or through or in consequence of any occurrence for which a fund has been established in terms of the war damage insurance compensation act 1976 (No 85 of 1976)
- (c) Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision not included herein which would otherwise override a general exception this policy does not cover loss of or damage to property or expense of whatsoever nature directly or indirectly caused by arising out of or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any sequence to the loss damage or expense

For the purpose of this general exception 1 (c) an act of terrorism includes without limitation the use of violence or force or the threat thereof whether as an act harmful to human life or not by any person or group of persons whether acting alone or on behalf of or in connection with any organization or government or any other person or body of persons committed for political religious personal or ideological reasons or purposes including any act committed with the intention to influence any government or for the purpose of inspiring fear in the public or any section thereof

If the company alleges that by reason of clause 1 (c) of this exception loss or damage is not covered by this policy the burden of proving the contrary shall rest on the insured

- 2 Loss or damage or destruction to any property whatsoever or any loss or expense whatsoever arising there from or any consequential loss and any legal liability of whatsoever nature
- i) directly or indirectly caused by or contributed to by ionizing radiations or contamination by radioactivity from nuclear fuel or from nuclear waste from the combustion of nuclear fuel
 - ii) nuclear material nuclear fission or fusion nuclear radiation
 - iii) nuclear explosives or any nuclear weapon
 - iv) nuclear waste in whatever form

regardless of any other cause or event contributing concurrently or in any other sequence to the loss

For the purpose of this exception only, combustion shall include any self-sustaining process of nuclear fission

3 Computer Losses

Notwithstanding any provision of this policy including any special exclusion or extension or other provision not included herein which would otherwise override a general exclusion this policy does not cover

- a) loss or destruction of or damage to any property whatsoever (including a computer) or any loss or expense whatsoever resulting or arising therefrom
- b) any legal liability of whatsoever nature
- c) any consequential loss

directly or indirectly caused by or contributed to by or consisting of or arising from incapacity or failure of any computer correctly or at all

- i) to treat any date as the correct date or true calendar date or correctly or appropriately to recognise manipulate interpret process store receive or to respond to any data or information or to carry out any command or instruction in regard to or in connection with any such date or to capture save retain or to process any information or code as a result of the operation of any command which has been programmed into any computer being a command that causes the loss of data or the inability to capture save retain or correctly process such data in regard to or in connection with any such date or
- ii) to capture save retain or process any information or code due to program errors incorrect entry or the inadvertent cancellation or corruption of data and or programs
- iii) to capture save retain or process any data as a result of the action of any computer virus or other corrupting harmful or otherwise unauthorised code or instruction including any Trojan horse time or logic bomb or worm or any other destructive or disruptive code media or program or interference

A computer includes any computer data processing equipment microchip integrated circuit or similar device In computer or non-computer equipment or any computer software tools operating system or any computer hardware or peripherals and the information or data electronically or otherwise stored in or on any of the above whether your property or not

4 Sanctions

This policy does not provide cover and no insurer is liable to pay any claim or provide any benefit under this policy to the extent that:

- 1. such cover, payment or benefit would expose the insurer;
- 2. any reinsurer is not obliged to or refuses to provide cover, make a payment or provide a benefit under a reinsurance policy reinsuring the obligations under this policy because the reinsurer is exposed

to any sanctions, prohibition, penalty or restriction imposed by the United Nations or any trade or economic or other sanctions, prohibition, penalty or restrictions, laws or regulations of the European Union, United Kingdom or United States of America or any other international body or country entitled to impose any such provision on the insurer or reinsurer.

5 Communicable disease exclusion

- 1. Notwithstanding any provision of this policy, including any special exclusion or extension or other provision not included herein which would otherwise override a general exclusion, this policy does not cover any loss, damage, liability, claim, cost or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease regardless of any other cause or event contributing concurrently or in any other sequence thereto.
- 2. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
 - 2.1 the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
 - 2.2 the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 - 2.3 the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

2 Material Change

The insured agrees to notify the company immediately they become aware of any material change in any risk insured by this policy in consideration of which the company undertakes to continue the insurance subject to such adjustments such change may necessitate

3 Prevention of loss

The Insured shall take all reasonable precautions in the selection of labour and for the safety of the Property Insured and shall at all times maintain in efficient condition all plant machinery and equipment used in connection with the Contract. The Insured shall also take all reasonable precautions to prevent accidents and shall ensure that all plant machinery and equipment requiring inspection under any statute or order shall be so inspected

4 Claims

On the happening of any event giving rise or likely give rise to a claim under this insurance coming to the knowledge of the insured the insured shall

- a) give notice thereof to the insurer(s) as soon as reasonably possible and give such additional information as the insurer(s) may reasonably require
- b) take all steps within its power to minimize the extent of the loss or damage and in the event of property lost stole or willfully damage inform the police
- c) preserve any damaged parts or things which might prove necessary or useful by way of evidence in connection with the claim
- d) not be entitled to abandon any property to the insurer(s) whether taken possession of by the insurer(s) or not

5 Insurer(s) rights after claim

No admission offer promise payment or indemnity shall be made or given by or on behalf of the insured without the consent of the insurer(s) who shall take over and conduct in the name of the insured the defense settlement of any claim or to prosecute in the name of the insured for their own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings or in settlement of any claim and the insured shall give such information and assistance as the insurers may reasonably require

6 Enforcing of rights

The insured shall at the expense of the insurer(s) do or permit to be done such acts and things as may be necessary and reasonably required by the insurer(s) for the purpose of enforcing any rights or remedies against or obtaining relief or indemnity from other parties to which the insurer(s) shall or would become entitled or subrogated under this insurance whether such acts and things shall be or become necessary and reasonably required before or after indemnification by the insurer(s)

7 Abandonment of claims

If the insurer(s) shall in writing disclaim liability for any claim for indemnity made by the insured and the insured does not institute proceedings for an action or suit at law within twelve months of the date of receipt of such written disclaimer the insurer(s) shall be entitled to assume that has been abandoned and shall not thereafter be liable to make any payment whatsoever in connection therewith. This condition shall not apply to claims made against the insured by third parties

8 Arbitration

If any difference shall arise as to the amount to be paid under this insurance (liability being otherwise admitted) such difference shall be referred to arbitration in accordance with the statutory provisions in force at the time. Where any difference is by this provision to be referred to arbitration the making of an award shall be a condition precedent to any rights of action against the insurer(s) or insured

9 Breach

A breach of or other non-compliance with anything to be done or not done under this insurance (whether expressed or implied) shall not invalidate the insurance or prejudice an insured person other than the particular insured person guilty of such breach or non-compliance and then only to the extent that such breach or non-compliance was to the prejudice of the insurer(s)

10 Fraud

If a claim (or any part thereof) made by any insured party shall be in any respect be fraudulent then such claim shall not be recoverable by the person making the claim

11. The due observance and fulfillment of the terms conditions and endorsements of this Policy by the Insured in so far as they relate to anything to be done or complied with by him and the truth of the statements and answers in the Proposal shall be conditions precedent to any liability on the Company to make any payment under this Policy