

Contractors' All Risks Policy Wording

Whereas the Insured named in the Policy Schedule hereto has made to Guardrisk Insurance Company (Pty) Ltd (hereinafter called the “**Insurer**”) a written proposal together with any other statements made in writing by the Insured for the purpose of this Policy.

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

Now this Policy of Insurance witnesses that subject to the Insured having paid to the Insurer, the premium mentioned in the Policy Schedule and subject to the terms, exclusions, provisions and conditions contained herein or endorsed hereon, the Insurer will indemnify the Insured in the manner and to the extent hereinafter provided.

GENERAL CONDITIONS

This Policy and the Schedule shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule shall bear such meaning wherever it may appear. The expressed Conditions of the Contract shall mean the Conditions stipulated by the Principal and agreed by the Insured in connection with the Contract.

1 Material Change

The Insured shall immediately notify the Insurer in writing once they become aware of any material change in any risk insured by this Policy, in consideration of which the Insurer undertakes to continue the Insurance subject to such adjustments such change may necessitate.

2 Prevention of loss

The Insured, inclusive of directors, officers, managers and site officials responsible for the site, shall in all circumstances, take reasonable precautions for the prevention of loss or damage, ensure that only steady and competent employees are employed and comply with sound engineering practice; that the Insured property remains at all times under full and proper control of the Insured, and that all Acts of Parliament and any other by laws made by Statutory or Local Authority are duly observed and complied with. If any defects or conditions of working which render the risk more than usually hazardous be discovered, the Insured shall immediately notify the Insurer and take steps to remedy the said defects or conditions and shall take additional precautions as circumstances require.

3 Claims

In the event of any occurrence which might give rise to a claim under this Policy, the Insured shall:

3.1 immediately notify the Insurer by telephone as well as in writing and supply all such particulars and proofs of claim as may be required by the Insurer;

3.2 take all steps within their power to minimize the extent of the loss or damage;

3.3 preserve any damaged parts and make it available for inspection by the Insurer's representatives;

3.4 furnish all such information and documentary evidence to the Insurers as required;

3.5 the Insured shall not be entitled to abandon any property to the Insurer whether taken possession of by the Insurer or not

3.6 inform the police authorities in case of loss or damage due to theft or burglary (case number will be required).

3.7 send to the Insurers immediately on receipt any writ, summons or other proceedings which may be commenced against the Insured

The Insurer shall not in any case be liable for loss, damage or liability of which no notice has been received by the Insurer within 30 days of its occurrence.

Upon notification being given to the Insurers under this condition, the Insured may carry out the repairs or replacement of any minor damage; in all other cases a representative of the Insurers shall have the opportunity of inspecting the loss or damage before any repairs or alterations are effected.

4 Subrogation

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

5 Abandonment of claims

The Insurer shall in writing, disclaim liability for any claim for indemnity made by the Insured and if the Insured does not institute proceedings for an action or suit at law within six (6) months of the date of receipt of such written disclaimer, the Insurer shall be entitled to assume that the claim 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.

6 Arbitration

If any difference shall arise as to the amount to be paid under this Policy (liability being otherwise admitted), such difference shall be referred to arbitration in writing and in accordance with legislation in force at the time. If the parties cannot agree upon the appointment of an arbitrator, within a period of 10 calendar days from the date on which one or other of the parties notifies the other of a referral of such difference to arbitration, one or other of the parties may request meetings.

7 Breach

A breach of or other non-compliance with anything to be done or not done under this Insurance (whether express or implied) otherwise or according to laws, shall not invalidate the Policy or prejudice the Insured other than the particular Insured 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.

8 Fraud

If any claim (or any part thereof) under this Policy be in any respect fraudulent or if any fraudulent means or devices be used by the Insured or by anyone acting on behalf of the Insured to obtain any benefit under this Policy of Insurance, or if any loss, damage or liability be occasioned by the wilful act or with the conniving of the Insured, all benefits under this Policy of Insurance, vis a vis the Insurer and the party making the claim, shall be forfeited.

9 Misrepresentation and Non-Disclosure

The Policy shall be void from inception in the event of misrepresentation, misdescription or non-disclosure of any material, particular or fact.

10 Contribution

If at the time any claim is made under this Policy, there is any other insurance covering the same loss, damage or liability, the Insurer shall not be liable to pay more than the rateable portion of any such claim or such loss, damage or liability.

11 Cancellation

Unless otherwise agreed this Policy or any portion thereof may be cancelled by the Insurer 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 Insurer will redebit in the following month and should the outstanding premium not be paid, the Policy will be cancelled from the date that the first unpaid premium was due to be paid.

In the event of the Policy being cancelled or not renewed the Insured shall provide details of all contracts in progress at the date of expiry of the Policy and subject to the Insurer's agreement in writing, the Insured shall pay an agreed premium thereon, in which case cover will remain in force until such contracts are completed.

In the event the aforementioned details are not received on expiry and premium is not received within thirty (30) days of expiry, any agreed run-off cover provided in the terms of this Policy shall lapse with effect from the date of expiry of the Policy.

12 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 per section will be applied.

13 Turnover

The estimated total value of new works performed during the period of Insurance, including the value of all free issue materials supplied by or on behalf of the Principal and the cost of works performed by all sub-contractors.

14 Contract Value

The sums insured shall represent the estimated final value of the Contract, namely materials, freight charges, customs duties, dues and costs of construction, free issue materials and the value of services, materials, machines and labour supplied by the principal.

15 Premium Adjustment

Where the premium is based on estimates of contract values or turnover, the Insured shall as the case may be declare such final contract value (shall be the total value of work certified as executed, plus the value of any item supplied) at the completion of the Contract or declare the total value of contractual turnover achieved during the year of insurance whereupon the Insurer shall adjust the premium accordingly.

The minimum premium retention will not be less than 75% of the provisional premium.

16 Contract Site

The site(s) defined in the Insured Contract and within the Territorial Limits excluding all public areas.

17 Jurisdiction Clause

This Insurance Policy between the Insured and the Insurer is governed by the laws of the Republic of South Africa and the Courts of the Republic of South Africa shall have jurisdiction in all matters arising hereunder.

18 The Insurer's Rights after an Event

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 who shall take over and conduct in the name of the Insured, the defence 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 Insurer may reasonably require.

19 Schedule Sums Insured Blank

If, on the Policy Schedule, the sum insured, limit of indemnity is:

- a) left blank or has no monetary amount stipulated against it; or
- b) reflects as nil or not applicable or not covered or not extended;

this means the defined event or circumstance shown in the Schedule is/are not insured by the Policy.

20 Territorial Limits

The continent of Africa, to the extent permitted by the relevant insurance acts of such Country, excluding Democratic Republic of Congo; Somalia; Sudan and Eritrea

GENERAL EXCLUSIONS APPLICABLE TO ALL CLASSES UNLESS OTHERWISE STATED

1. War, Riot and Terrorism

(A) This Policy does not cover 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 afore-going; (This exclusion is not applicable for territories provided for under Exclusion 5 (ii) below)

(ii) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war;

(iii) (a) mutiny, military rising, military or usurped power, martial law or state of siege, or any other event or cause which determines the proclamation or maintenance of martial law or state of siege;

(b) insurrection, rebellion or revolution;

(iv) any act (whether on behalf of any organisation, 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 A (i), (ii), (iii), (iv), (v) or (vi) above.

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

(B) This Policy does not cover 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 and Compensation Act, 1976 (No. 85 of 1976) or any similar Act operative in any of the territories to which this Policy applies.

(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 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 organisation or government or any other person or body of persons, committed for political, religious, personal, ethnic 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 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. Nuclear Energy Risks

(A) World-Wide

This Policy shall exclude Nuclear Energy Risks whether such risks are written directly and/or by way of reinsurance and I or via Pools and I or Associations.

For all purposes of this Policy Nuclear Energy Risks shall mean all first party and I or third party insurances or reinsurances (other than Workers' Compensation and Employers' Liability) in respect of:

(I) All Property on the site of a nuclear power station. Nuclear Reactors, reactor buildings and plant and equipment therein on any site other than a nuclear power station.

(II) All Property, on any site (including but not limited to the sites referred to in (I) above) used or having been used for: a) the generation of nuclear energy or; b) the production, use or storage of nuclear material.

(III) Any other Property eligible for insurance by the relevant local Nuclear Insurance Pool and/or Association but only to the extent of the requirements of that local Pool and I or Association.

(IV) The supply of goods and services to any of the sites, described in (I) to (III), above unless such insurances or reinsurances shall exclude the perils of irradiation and contamination by Nuclear Material.

3. Nuclear

This policy does not cover legal liability, loss (including consequential loss), damage, cost or expense caused directly by any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss: Nuclear material, nuclear fission or fusion, nuclear radiation, nuclear waste from the use of nuclear fuels or nuclear explosives or any nuclear weapon.

Definitions:

"Nuclear material" as defined in NMA 1975 (a) , "Nuclear fission" means a nuclear reaction in which a heavy nucleus splits spontaneously or on impact with another particle with the release of energy, "Nuclear fusion" means a nuclear reaction in which atomic nuclei of low atomic number fuse to form a heavier nucleus with the release of energy. "Nuclear radiation" means the absorption of the electromagnetic radiation by a nucleus having a magnetic moment when in an external magnetic field, "Nuclear waste" means "radioactive products or waste" as defined in NMA 1975 (a) , "Nuclear fuels" means a substance that will sustain a fission chain reaction so that it can be used as a source of nuclear energy, "Nuclear explosives" means an explosive involving the release of energy by nuclear fission or fusion or both. "Nuclear weapon" means a nuclear device designed, used, or usable for inflicting bodily harm or property damage

4. Nuclear, Chemical, Biological Terrorism

It is agreed that, regardless of any contributory cause(s), this policy does not cover any claim(s) in any way caused or contributed to by an act of terrorism involving the use or release or the threat thereof of any nuclear weapon or device or chemical or biological agent.

For the purpose of this exclusion an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or ethnic purposes or reasons including the intention to influence any government and/or to put the public, or any section of the public, in fear.

If the Insurer allege that by reason of this exclusion any claim is not covered by this policy the burden of proving the contrary shall be upon the reassured.

5. Radioactive

Unless specifically agreed for an insured loss involving nuclear material under determined circumstances, this policy does not cover loss, damage cost or expense of whatsoever nature directly or indirectly caused, resulting from or in connection with nuclear energy or radioactivity of any kind including but not limited to any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

a) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel.

b) the radioactive, toxic, explosive or other hazardous or contamination properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof.

c) any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes

e) any chemical, biological, bio-chemical or electromagnetic weapon.

6. Computer Loss

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 the 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;

ii) 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 which causes the loss of data or the inability to capture save retain or correctly to process such data in regard to or in connection with any such date or;

iii) to capture save retain or to process any information or code due to programme errors, incorrect entry or the inadvertent cancellation or corruption of data and or programmes;

iv) to capture save retain or to 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 code, media or programme 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 the property of the Insured or not.

Special Extension to the above General Exclusion

A. Loss or destruction of or damage to the insured property by fire, explosion, lightning, earthquake or by the special perils referred to in B below or indemnified by the Glass, Employer's Liability, Stated Benefits, Group Personal Accident or Motor section is not excluded by this General Exclusion.

B. The special perils that are not excluded for the purpose of this special extension are damage caused by:

- 1. storm, wind, water, hail or snow excluding damage to property
 - a) arising from its undergoing any process necessarily involving the use or application of water;
 - b) caused by tidal wave originating from earthquake or volcanic eruption;
 - c) in the underground workings of any mine;
 - d) in the open (other than buildings structures and plant designed to exist or operate in the open);
 - e) any structure not completely roofed;
 - f) being retaining walls;

- 2. Aircraft and other aerial devices or articles dropped therefrom;

Unless so described and specifically insured as a separate item

3. Impact by animals, trees, aerials, satellite dishes or vehicles excluding damage to such animals, trees, aerials, satellite dishes or vehicles or property in or on such vehicles.

These special perils do not cover wear and tear or gradual deterioration.

C. The above General Exclusion also does not apply to consequential loss as insured by any Business Interruption indemnity provided by this policy to the extent that such consequential loss results from damage to insured property by the perils referred to in A above.

D. This Special Extension will not insure any loss destruction, damage or consequential loss if it would not have been insured in the absence of this Computer Loss General Exclusion and this Special Extension.

E. This Special Extension shall not apply to any Public Liability Indemnity.

7. Asbestos

This Policy shall not apply to, and does not cover, any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses 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.

8. Communicable Disease

1. Notwithstanding any provision to the contrary within this policy, this policy excludes 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.

9. Cyber loss

1. Notwithstanding any provision to the contrary within this policy or any endorsement thereto, this policy excludes all loss, damage, liability, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with:

1.1 any loss of, alteration of, or damage to or a reduction in the functionality, availability or operation of a Computer System, unless subject to the provisions of paragraph 2;

1.2 any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data.

2. Subject to the other terms, conditions and exclusions contained in this policy, this policy will cover physical damage to property insured under the original policies

3. and any Time Element Loss directly resulting therefrom where such physical damage is directly occasioned by any of the following perils: theft, fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, tsunami, flood, freeze or weight of snow

Definitions

1. Computer System means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility.

2. Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

3. Time Element Loss means business interruption, contingent business interruption or any other consequential losses.

10. Sanctions

No Insurer/ reinsurer shall be deemed to provide cover and no insurer / reinsurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that insurer / reinsurer or any member of the reinsurer's group to any sanction, prohibition or restriction under the trade or economic sanctions, laws or regulations of any jurisdiction applicable to that insurer / reinsurer or any member of the reinsurer's group.

11. Grid Failure or Interruption

Notwithstanding any provision of this policy, including any exclusion, exception, extension, insuring provision, or any provision which would otherwise override this general exclusion, this policy does not cover any loss, damage, claim, cost, expense or other sum of any nature, including any consequential

losses in terms of any section of this policy, that is directly or indirectly caused by, attributable to, in consequence of, resulting from, arising out of, following, or in any way in connection with an Electricity Grid Interruption

Electricity Grid Failure or Interruption means an interruption or suspension of the electricity supply from the national, regional, municipal, local or private grid of South Africa concurrently for whatsoever reason, whether due to damage, an inability and/or failure (whether partial or total) of the utility supplier to generate, transmit or distribute electricity, or otherwise

12. Wilful Act

The wilful act or omission or gross negligence of any director or officer of the Insured, manager or responsible site official of the Insured.

13. Confiscation, nationalization and abandonment.

Section 1 – Material Damage

The Basis of Indemnity

The Insurer hereby agrees with the Insured that if at any time during the period of Insurance under full control of the property or any part thereof entered in the Policy Schedule shall suffer any accidental unforeseen and sudden physical loss or damage from any cause, other than those specifically excluded, in a manner necessitating repair or replacement, the Insurer will indemnify the Insured in respect of such loss or damage as hereinafter provided by payment in cash, replacement, reinstatement or repair (at their own option) up to an amount not exceeding in respect of each loss or damage the sums insured specified in the Policy Schedule.

Property Insured

Permanent 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 the insured contract but excluding:

1. Property forming part of the permanent works;
2. Self-propelled, wheeled or tracked plant, tools and equipment;
3. Property which has no residual value (other than scrap value) on completion of the Contract; and
4. Property which is removed from the site and intended for re-use on any other contract.

Period of Insurance

The Period of Insurance means the period from the inception date of this Policy, to the Policy expiration date as set out in the Schedule to this Policy, or upon the earlier termination of this Policy in accordance with its terms.

Insurer's liability relative to each Insured Contract shall commence notwithstanding any date to the contrary specified in the Schedule directly upon commencement of the works, relative to each Insured Contract.

The Insurer's liability expires: on Practical Completion of the Contract Works or when the works or any part thereof is taken into use or is taken over by the Employer, relative to the Insured Contract in question.

Insured Contracts awarded with a commencement date before the inception date stated on the Policy Schedule are specifically excluded, unless otherwise agreed with the Insurer in writing.

Excluded Contracts

Refer to Policy Schedule

Unless agreed to in writing and endorsed in the Policy Schedule.

Escalation

Contract escalation, re-valuation, devaluation in the contract price occurring during the period of Insurance and during any period of repair up to a combined limit of 20% of the awarded contract value unless otherwise agreed with the Insurer and reflected in the Policy Schedule.

Basis of Loss Settlement

In the event of any physical loss or damage, the basis of any settlement under this Policy shall be:

1. in the case of a partial loss – the cost of repairs necessary to restore the property to the condition immediately before the occurrence of the damage less salvage; or
2. in the case of a total loss – the actual value of the property immediately before the occurrence of the loss less salvage, however, only to the extent the costs claimed had to be borne by the Insured and to the extent they are included in the sums insured and provided always, that the provisions and conditions have been complied with.

Extra charges, incurred in connection with the loss, for overtime, night work, work on public holidays, express and air freight, fire brigade charges, removal of debris shall not be reimbursed, unless provided for in the Policy Schedule.

The Insurer will make payments only after being satisfied by production of the necessary bills and documents that the necessary repairs have been effected or replacement has taken place, as the case may be. All damage which can be repaired shall be repaired, but if the cost of repairing any damage equals or exceeds the value of the property immediately before the occurrence of the damage, the settlement shall be made on the basis provided for in 2) above.

The cost of any provisional repairs will be borne by the Insurers, if such repairs constitute part of the final repairs and do not increase the total repair expenses.

The cost of any alterations, additions and/or improvements, shall not be recoverable under this Policy.

Exceptions Applicable to Section 1

The Insurer will not be liable for:

- 1 Loss or damage to any property insured due to its own electrical or mechanical breakdown or explosion ;
- 2 Any machinery, aircraft, locomotive, waterborne vessel, plant or tools and equipment;
- 3 Indirect and/or consequential loss of any kind or description whatsoever, other than as provided elsewhere in the policy;
- 4 Loss of any property insured by disappearance or by shortage or theft, where such loss is revealed not only by the taking of an inventory or periodic stocktaking, and/or the date and time of the loss cannot be determined
- 5 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 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 or any part thereof.

- iii) Re-design, improvement, betterment or alteration on the occasion of repair, replacement or reinstatement of physical loss or damage;
- 6 Loss or damage due to total cessation of work and abandonment of the insured contract for a period exceeding 45 consecutive days;
 - 7 The cost of replacing or rectifying normal wasting wearing away or wearing out, gradual deterioration and normal up-keep or making good;
 - 8 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;
 - 9 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 shall only contribute 50% of the properly adjusted claim;
 - 10 Loss or damage to refractory linings;
 - 11 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;
 - 12 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;
 - 13 The amount stated in the Schedule as the deductible.

Section 2 – Contractors Third Party Liability

The Indemnity

The Insurer will indemnify the Insured up to the limit of indemnity stated on the Policy Schedule for which the Insured will become legally liable to pay as compensation, damages or costs and expenses arising out of or in connection with:

- a) accidental death of or bodily injury to or illness to third parties;
- b) accidental physical loss of or damage to tangible property belonging to any third party occurring as a result of an accident at the situation of the contract site and arising out of the performance of an insured contract undertaken by the Insured in terms of this Policy occurring within the terms and limits during the period of Insurance inclusive of the maintenance period as specified in the Schedule but limited to whilst on the contract site;
- c) All costs and expenses incurred with the consent of the Insurer in connection with the defence settlement or investigation of any claim under this Insurance.

Limit of indemnity

The liability of the Insurer following anyone occurrence or series of occurrences attributable to one original cause giving rise to a claim under this Insurance, shall not exceed the limits of indemnity stated in the Schedule.

Exceptions Applicable to Sections 2

The Insurer will not be liable for:

- 1 The amount stated in the Schedule as the deductible.
- 2 Death or bodily injury including illness to any person employed by the Insured or any other Company under a contract or service or apprenticeship if death or bodily injury arises out of or in course of such employment or is in connection with the work performed;
- 3 Any sums payable by the Insured under legislation relating to occupational death, bodily, injury or illness.
- 4 Loss of or damage to property
 - a) Belonging to or held in the care, custody or control of the Contractor(s), the Principal or any other Company connected with the contract works, or of an employee or workman of one of the aforesaid.
 - 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” do not apply to property of employees or visitors vehicles including their contents and accessories parked within a designated parking area 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.

- 5 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 on site 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, worked upon or use by or on behalf of the Insured of any aircraft or watercraft, rolling stock and vehicles licensed for road use;
 - c. For contractual damages or penalties for delay (including liquidated damages) 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 vibration and/or the intentional removal or weakening of or interference with the support to any land structures building or other property.
- 6 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; or
 - b. Any other specific agreement which has been advised to and accepted by the Insurer in writing.
- 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, up to a limit of R 100 000;
- 8 The cost of removing nullifying or cleaning up seepage polluting or contaminating substances;
- 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, provided that the Insurer shall not be liable to indemnify the Insured against any and all liability for indirect and consequential loss or damage arising pursuant to the said accidental loss of or damage to existing underground cables or pipes of any kind.

Endorsements, Extensions and Limits Applicable to Section 1

(unless otherwise specified in the Policy Schedule)

Maintenance Period

This insurance shall be extended to include cover, for accidental physical loss or damage pertaining to any part of the permanent works for the maintenance period specified hereunder:

1. Caused by the insured contractor(s) in the course of the operations carried out for the purpose of complying with the obligations under the maintenance provisions of the contract,
2. Occurring during the maintenance period provided such loss or damage was caused on the site during the construction period before the certificate of completion for the lost or damaged section was issued.

Up to a maximum period of 12 Months; unless otherwise stated in the Policy Schedule.

Claims Preparation Costs

It is hereby declared and agreed that otherwise subject to the terms, exclusion, provisions and conditions contained in the Policy or endorsed thereon, the Insurer shall extend the Policy to include costs and expenses incurred in producing or certifying any particulars or details required by the Insurer or to investigate, and/or substantiate the amount of any claim under this Insurance.

This extension shall be limited to R 50 000 any one event unless otherwise stated on the Policy Schedule.

Surrounding Property

It is hereby declared and agreed that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurer shall extend the Policy to include 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.

This extension shall be limited to R 150 000 any one event unless otherwise stated in the Policy Schedule.

Additional Costs – Defined Event

It is hereby declared and agreed that subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurer shall extend the Policy to include 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 the premises as directed by the Insured establishment of supervision and overhead charges.

This extension shall be limited to R 150 000 any one event unless otherwise stated on the Policy 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

It is hereby declared and agreed that subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurer shall extend the Policy to include 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 be limited to R 150 000 any one event unless otherwise stated in the Policy Schedule.

Electrical Cables Wiring Accessories and Copper

It is hereby declared and agreed that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Insurer shall indemnify the Insured for theft, attempted theft or loss / damage caused by malicious intent, of electrical cables, wiring accessories and copper.

No cover for un-installed Cables and Fittings left on Site during any periods of absence unless stored in a properly locked storage facility that is under the supervision of a security guard. Proper records shall be kept of Cable taken into stock and Cable drawn for installation. The storage area and the area immediately surrounding the storage area shall be cleared of grass and other inflammable materials.

Immediately after Cables have been laid in the trenches the trench shall be back-filled and compacted and shall not be left open overnight, theft of these cables will be limited as per below. In the event of this not having been done the Theft of installed Cables shall not be indemnified by this Policy.

Cover shall be limited to R 50 000 any one event unless otherwise stated in the Policy Schedule.

Where specified by manufacturers/suppliers Cable ends not sealed to prevent the ingress of moisture will not be covered under this policy.

Inland Transit

It is hereby declared and agreed that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Contract Works Section of this Policy shall be extended to cover loss of or damage to the insured property whilst in transit to the contract site within the territorial limits but other than on waterways or by air within the territorial limits.

Cover shall be limited to R 150 000 per conveyance unless otherwise stated in the Policy Schedule.

Off-Site and Site Central Storage

It is hereby declared and agreed that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Contract Works Section of the Policy shall be extended to cover loss of or damage to property insured (except property being manufactured, processed or stored at the manufacturer's, distributor's or supplier's premises) in off-site storage within the territorial limits.

Cover shall be limited to R 150 000 any one event unless otherwise stated in the Policy Schedule.

The Insurer shall not indemnify the Insured for loss or damage caused by the failure to take the following measures:

1. ensuring that the storage area is enclosed, locked, 24hr security guards linked to armed response and protected against fire, as appropriate for the particular location or type of property stored, that the site is fenced with access control; and/or
2. theft or attempt threat there at must be accompanied by forcible and/or violent entry or exit;
3. positioning and designing the storage units in such a way as to prevent damage by accumulating water or flooding.

Road Sections Limitation

It is hereby declared and agreed that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Contract Works Section of the Policy shall be extended to cover loss of or damage to portions of not completed road, which has not been primed or sealed by application of bitumen, caused indirectly by rain, inundation or flood. The Insurer's liability shall be limited in respect of the aggregate length of the portions of not completed road at any one time.

Should the length of all portions of not completed road at the time of the Loss be in excess of the aggregate length limit, then the indemnity shall be reduced by the percentage which that limit bears to the total length of all portions of not completed road at the time of the Loss.

A road portion is deemed to be not completed until the asphalt or concrete course has been laid. It is understood that road shall include all types of roads including but not limited to motorways and highways.

The Insurer shall not be liable for any loss or damage due to or exacerbated by road traffic, whether by construction vehicles or public/private vehicles.

Cover shall be limited to 250 meters per section, 100 meters between sections and 1 kilometer in the aggregate unless otherwise stated on the Policy Schedule.

Open Trench Limitation

It is hereby declared and agreed that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Contract Works Section of the Policy shall be extended to cover loss of or damage to the earthworks of a trench excavated by the Insured and/or bedding material or services located in the trench which has not been completely backfilled and which is thus exposed for a length not exceeding the limit reflected on the Schedule, the Insurers shall be liable for actual costs to rectify damage to the open trench per occurrence subject always to the aggregate limit if applicable.

Cover shall be limited to 250 meters per section, 100 meters between sections and 1 kilometer in the aggregate unless otherwise stated in the Policy Schedule.

Theft and Malicious Damage Limitation

It is agreed and understood that Insurer's liability in respect of theft of materials from site where the materials cannot be secured is subject to the Insured taking reasonable precautions to prevent the theft of or malicious damage to such materials. Reasonable precautions shall include the provision of qualified security personnel on site, regular patrols and delivering only such materials to site as will be incorporated into the works during the day.

No cover for loss or damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation.

Provided that the liability of the Insurer shall not exceed the sum of R50,000 any one occurrence unless stated otherwise in the policy schedule.

Safety Measures with Respect to Precipitation, Flood and Inundation

Flood Return Period : 20 Years

Special conditions concerning safety measures with respect to precipitation, flood and inundation:

It is agreed and understood that otherwise subject to terms, exclusions provisions and conditions contained in the Policy or endorsed thereon, the Insurers shall only indemnify the Insured for loss, damage or liability caused directly or indirectly by precipitation, flood or inundation if adequate safety measures have been taken in designing and executing the project involve.

For the purposes of the Endorsement adequate safety measures shall mean that, at all times throughout the policy period, allowance is made for precipitation, flood and inundation up to a return period of 20 years for the location insured on the basis of the statistics prepared by the meteorological agencies.

Loss, damage or liability resulting from the Insured's not immediately removing obstruction (e.g. sand, trees) from watercourses within the construction site, whether carrying water or not, in order to maintain free water flow shall not be indemnifiable.

Piling Condition:

It is agreed and understood that otherwise subject to terms, exclusions, provisions contained in the Policy or endorsed thereon, the Insurers shall not indemnify in respect of expenses incurred

1. For replacing piles or retaining wall elements
2. Which have become misplaced or misaligned or jammed during their construction.
3. Which are lost or abandoned or damage during driving or extraction, or
4. Which have become obstructed by jammed or damaged piling equipment or casings.
5. For rectifying disconnected or declutched sheet piles
6. For rectifying any leakage or infiltration of material of any kind
7. For filling voids
8. As a result of any piles or foundation elements having failed to pass a load bearing test or otherwise not having reached their designed load bearing capacity,
9. For reinstating profiles or dimensions.

This endorsement shall not apply to loss or damage caused by natural hazards. The burden of proving that such loss or damage is covered shall be upon the Insured.

Cable and Trenching Clause:

It is hereby declared and agreed that the insurance by Section 1 of this Policy is subject to the following:

1. The open trench limit specified in the Basis of Indemnification Clause shall be limited to 250 meters per section, 100 meters between sections and 1 kilometer in the aggregate unless otherwise stated in the Policy Schedule.
2. Immediately after Cables have been laid in the trenches the trench shall be back-filled and compacted and shall not be left open overnight or during any other periods when unattended by personnel. In the event of this not having been done the Theft of installed Cables shall not be indemnified by this Policy.
3. Un-installed Cables and Fittings shall not be left on Site during any periods of absence unless stored in a properly locked storage facility that is under the supervision of a security guard. Proper records shall be kept of Cable taken into stock and Cable drawn for installation. The storage area and the area immediately surrounding the storage area shall be cleared of grass and other inflammable materials.

Where specified by manufacturers/suppliers Cable ends shall be sealed to prevent the ingress of moisture

Pipe Laying

The pipes, immediately after laying, have been secured in such a manner by backfilling that they cannot be displaced if the trench is flooded.

The pipes, immediately after laying, have been closed to prevent water, silt or the like from penetrating.

The trenches of tested pipe sections have been backfilled immediately upon completion of the pressure test.

Incomplete pipe sections to be closed off and sealed when work stops at the end of each day or for longer periods.

Cover shall be limited to 250 meters per section and 1 kilometer in the aggregate unless otherwise stated in the Policy Schedule.

Endorsements, Extensions and Limits Applicable to Section 2

(unless otherwise specified in the Policy Schedule)

Spread of Fire

It is hereby declared and agreed that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Third Party Liability Section of the Policy shall be extended to cover loss of or damage as a result of spread of fire arising directly out of the performance of the works provided that such indemnity shall be limited to loss or damage to buildings, property, cultivated land and domestic animals and livestock only during the execution of the contract works. This cover is not in addition to the Policy Limit of Indemnity for Section 2 and applies for every occurrence which has a common cause irrespective of the number of individual claims.

Cover shall be limited to R 250 000 any one event unless otherwise stated in the Policy Schedule.

Blasting Conditions (must be referred, cover not included)

It is hereby declared and agreed that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Third Party Liability Section of the Policy shall be extended to cover loss of or damage as a result of blasting, provided the Insured complies with the following:

1. The Insured shall prior to the commencement of any blasting operation record by photographic evidence, all existing defects in any property in the vicinity of the blasting location which may be affected and such record or evidence shall be dated and witnessed by the owner or tenant of such property or a responsible third party;
2. Any existing defects found shall be monitored by the insured at least every 24hrs (twenty-four hours) and in the event of any detrimental effects evidenced, operations shall be ceased, and the Insurer shall be notified immediately. Operations shall not commence without the written approval of the Insurer;
3. The insured complies with the provisions of the Explosives Act 15 of 2003 or any subsequent amendment or updated / replacement legislation and all other relevant and applicable legislation and laws (including SANS and best practices);
4. Protection mats are to be used during all blasting operations;

Vibration, Removal or Weakening of Support (must be referred, cover not included)

It is hereby declared and agreed that otherwise subject to the terms, exclusions, provisions and conditions contained in the Policy or endorsed thereon, the Third Party Liability Section of the Policy shall be extended to cover loss of or damage caused by vibration or by the removal or weakening of support.

Provided always that:

1. The Insurer shall indemnify the Insured in respect of liability for loss or damage to any property or land or building only if such loss or damage results in the total or partial collapse;
2. The Insurer shall indemnify the Insured in respect of liability for loss or damage to any property or land or building only if prior to the commencement of construction its condition is sound and the necessary loss prevention measures have been taken;
3. If required, the Insured, before commencement of construction and at his own expense, prepares a report on the condition of any endangered property or land or building.

The Insurer shall not indemnify the Insured in respect of liability for:

1. loss or damage which is foreseeable having regard to the nature of the construction work or the manner of its execution;
2. superficial damage which neither impairs the stability of the property, land or buildings nor endangers their users; and/or
3. the costs of loss prevention or minimization measures which become necessary during the period of insurance.

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.