

# BUSINESS INTERRUPTION SECTION

## DEFINED EVENTS

Loss following interruption of or interference with the business in consequence of damage occurring during the period of insurance at the premises in respect of which payment has been made or liability admitted under:

1. the Fire section of this policy;
2. the Buildings Combined section of this policy;
3. the Office Contents section of this policy;
4. any other material damage insurance covering the interest of the Insured;

but only if such payment or admission of liability is in respect of loss or damage to the insured property by one of the insured perils as listed hereunder (loss by such perils shall hereinafter be termed "Damage") and as defined in the Fire, Buildings Combined or Office Contents sections of this policy:

- Fire;
- Lightning or thunderbolt;
- Explosion;
- Earthquake;
- Weather and water;
- Impact;
- Leakage from any sprinkler, drencher system or fire extinguishing installation/appliance;
- Subsidence and landslide;
- Malicious damage;
- Riot and strike (other than RSA and Namibia);
- Power surge;
- Leakage of oils and chemicals.

Liability shall be deemed to have been admitted if such payment is precluded solely because the Insured is required to bear the first portion of the loss in the form of a First Amount Payable.

The Company will indemnify the Insured as set out in the wording below and based on the information contained in the schedule.

## DEFINITIONS

**Annual gross rentals:** Shall mean the Gross Rentals during the 12 months immediately before the date of the Damage but adjusted further as set out in memorandum 1 below.

**Annual revenue/fees:** Shall mean the Revenue/fees during the 12 months immediately before the date of the Damage but adjusted further as set out in memorandum 1 below.

**Annual turnover:** Shall mean the Turnover during the 12 months immediately before the date of the Damage but adjusted further as set out in memorandum 1 below.

**Gross rentals:** Shall mean the money paid or payable to the Insured by tenants in respect of rental of the premises and for services rendered.

**Gross profit (additions basis):** Shall mean the sum produced by adding to the Net Profit the amount of the Insured Standing Charges or, if there is no Net Profit, the amount of the Insured Standing Charges less such proportion of any net trading loss as the amount of the Insured Standing Charges bears to all the standing charges of the business.

**Gross profit (difference basis):** Shall mean the amount by which

1. the sum of the Turnover and the amount of the closing stock shall exceed
2. the sum of the amount of the opening stock and the amount of the Uninsured Costs.

The amount of the opening and closing stocks shall be arrived at in accordance with the Insured's normal accountancy methods, due provision being made for depreciation.

**Indemnity period:** Shall mean the period during which the results of the business shall be affected in consequence of the Damage beginning with the commencement of the Damage and ending not later than the number of months thereafter stated in the schedule.

**Insured standing charges:** Shall mean the charges of the items as specified in the schedule (the words and expressions used shall have the meaning usually given to them in the books of account of the Insured).

**Net profit:** Shall mean the net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the business of the Insured at the premises after due provision has been made for all standing and other charges including depreciation, but before the deduction of any taxation chargeable on profits.

**Rate of gross profit:** Shall mean the rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Damage but adjusted further as set out in memorandum 1 below.

**Rate of standing charges:** Shall mean the percentage that the Insured Standing Charges bears to the Turnover during the financial year immediately before the date of the Damage but adjusted further as set out in memorandum 1 below.

**Revenue/fees:** Shall mean the money paid or payable to the Insured for goods sold and for services rendered in the course of the business at the premises.

**Standard gross rentals:** Shall mean the Gross Rentals during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period but adjusted further as set out in memorandum 1 below.

**Standard revenue/fees:** Shall mean the Revenue/fees during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period but adjusted further as set out in memorandum 1 below.

**Standard turnover:** Shall mean the Turnover during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period but adjusted further as set out in memorandum 1 below.

**Standing charges only basis:** Shall mean the amount of those Insured Standing Charges that are incurred and remain payable but, if there is no Net Profit, the amount of the Insured Standing Charges less such proportion of any net trading loss as the amount of the Insured Standing Charges bears to all the standing charges of the business.

**Turnover:** Shall mean the money paid or payable to the Insured for goods sold and delivered and for services rendered in the course of the business at the premises.

**Uninsured costs:** Shall mean the costs of the items as specified in the schedule (the words and expressions used shall have the meaning usually attached to them in the books of account of the Insured).

## MEMORANDUM

1. Annual Gross Rentals, Annual Revenue, Annual Turnover, Rate of Gross Profit, Rate of Standing Charges, Standard Gross Rentals, Standard Revenue and Standard Turnover as defined shall be adjusted as necessary to provide for the trend of the business and for variations or other circumstances affecting the business either before or after the Damage or which would have affected the business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relative period after the Damage.
2. If the Damage occurs before the completion of the first year's trading of the business at the premises, the value of Annual Gross Rentals, Annual Revenue, Annual Turnover, Rate of Gross Profit, Rate of Standing Charges, Standard Gross Rentals, Standard Revenue and Standard Turnover shall be calculated by using values proportionate to the results obtained during the period between the commencement of the business and the date of Damage.
3. If, during the Indemnity Period, goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on their behalf, the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover, Revenue or Gross Rentals, during the Indemnity Period.
4. Applicable only to "Gross Profit additions basis" and/or "Standing Charges only basis": If any standing charges of the business are not insured under this section, then in computing the amount of increase of cost of working recoverable under either of these basis, that proportion only of the additional expenditure shall be brought into account which the sum of the Net Profit and the Insured Standing Charges bears to the sum of the Net Profit and all the standing charges. But if there is no Net Profit, that proportion only of the additional expenditure shall be brought into account which the Insured Standing Charges less any net trading loss bears to all the standing charges of the business less any net trading loss.

## SPECIFIC CONDITIONS

1. The insurance under this section shall cease if the business is wound up or carried on by a liquidator or judicial manager or is permanently discontinued, except with the written agreement of the Company.
2. On the happening of any Damage in consequence of which a claim may be made under this section, the Insured shall, in addition to complying with General conditions 6 and 7, with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimise or check any interruption of or interference with the business or to avoid or diminish the loss, and in the event of a claim being made under this section shall, not later than 30 days after the expiry of the Indemnity Period, or within such further time as the Company may in writing allow, at their own expense deliver to the Company in writing a statement setting forth particulars of their claim together with details of all other insurance covering the loss or any part of it or consequential loss of any kind resulting therefrom. No claim under this section shall be payable unless the terms of this specific condition have been complied with and, in the event of non-compliance therewith in any respect, any payment on account of the claim already made shall be repaid to the Company forthwith.

## SPECIFIC EXCLUSIONS

In consideration of a facility existing under:

1. the Fire, Buildings Combined and Office Contents sections in respect of Damage from power surge;
2. the Electronic Equipment section (in respect of Damage from theft on a first loss basis) as referred to in the Electronic equipment extension hereunder;
3. the Glass section as referred to in the Glass extension hereunder;
4. the Goods in Transit section as referred to in the Goods in transit extension hereunder
5. the Money section as referred to in the Money extension hereunder;
6. the Theft section as referred to in the Theft extension hereunder

for the Insured to elect to insure the insured property for an insured amount less than the full value thereof, the Company shall not be liable under this section for any extended interruption period purely because the Insured does not have the financial means or access to acquire the required funds to replace or repair the Damaged property that is not fully insured.

## **GROSS PROFIT - difference basis** (if stated as included in the schedule)

The insurance under this item is limited to loss of Gross Profit due to:

1. **reduction in Turnover;** and
2. **increase in cost of working;**

and the amount payable as indemnity hereunder shall be:

1. **in respect of reduction in Turnover**, the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall, in consequence of the Damage, fall short of the Standard Turnover;
2. **in respect of increase in cost of working**, the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided;

less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the business payable out of Gross Profit as may cease or be reduced in consequence of the Damage, provided that the amount payable shall be proportionately reduced if the insured amount in respect of Gross Profit is less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover where the maximum Indemnity Period is 12 months or less, or the appropriate multiple of the Annual Turnover where the maximum Indemnity Period exceeds 12 months.

## **GROSS PROFIT - additions basis** (if stated as included in the schedule)

The insurance under this item is limited to loss of Gross Profit due to:

1. **reduction in Turnover;** and
2. **increase in cost of working;**

and the amount payable as indemnity hereunder shall be:

1. **in respect of reduction in Turnover**, the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall, in consequence of the Damage, fall short of the Standard Turnover;
2. **in respect of increase in cost of working**, the additional expenditure (subject to the provisions of memorandum 4) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided;

less any sum saved during the Indemnity Period in respect of such of the Insured Standing Charges as may cease or be reduced in consequence of the Damage, provided that the amount payable shall be proportionately reduced if the insured amount in respect of Gross Profit is less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover where the maximum Indemnity Period is 12 months or less, or the appropriate multiple of the Annual Turnover where the maximum Indemnity Period exceeds 12 months.

## **GROSS RENTALS** (if stated as included in the schedule)

The insurance under this item is limited to:

1. **loss of Gross Rentals;** and
2. **increase in cost of working;**

and the amount payable as indemnity hereunder shall be

1. **in respect of loss of Gross Rentals**, the amount by which the Gross Rentals during the Indemnity Period shall in consequence of the Damage fall short of the Standard Gross Rentals;
2. **in respect of increase in cost of working**, the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Gross Rentals which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the amount of the loss of Gross Rentals thereby avoided;

less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the business payable out of Gross Rentals as may cease or be reduced in consequence of the Damage, provided that the amount payable shall be proportionately reduced if the insured amount in respect of Gross Rentals is less than the Annual Gross Rentals where the maximum Indemnity Period is 12 months or less, or the appropriate multiple of the Annual Gross Rentals where the maximum Indemnity Period exceeds 12 months.

## **REVENUE/FEES** (if stated as included in the schedule)

The insurance under this item is limited to:

1. **loss of Revenue/fees;** and
2. **increase in cost of working;**

and the amount payable as indemnity hereunder shall be

1. **in respect of loss of Revenue/fees**, the amount by which the Revenue/fees during the Indemnity Period shall, in consequence of the Damage, fall short of the Standard Revenue/fees;
2. **in respect of increase in cost of working**, the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Revenue/fees which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the amount of loss of Revenue/fees thereby avoided;

less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the business payable out of Revenue/fees as may cease or be reduced in consequence of the Damage, provided that the amount payable shall be proportionately reduced if the insured amount in respect of Revenue/fees is less than the Annual Revenue/fees where the maximum Indemnity Period is 12 months or less, or the appropriate multiple of the Annual Revenue/fees where the maximum Indemnity Period exceeds 12 months.

## **STANDING CHARGES ONLY BASIS** (if stated as included in the schedule)

The insurance under this item is limited to the loss incurred by the Insured in respect of the payment of Insured Standing Charges due to:

1. **reduction in Turnover**; and
2. **increase in cost of working**;

and the amount payable as indemnity hereunder shall be

1. **in respect of reduction in Turnover**, the sum produced by applying the Rate of Standing Charges to the amount by which the Turnover during the Indemnity Period shall, in consequence of the Damage, fall short of the Standard Turnover;
2. **in respect of increase in cost of working**, the additional expenditure (subject to the provisions of memorandum 4) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the sum produced by applying the Rate of Standing Charges to the amount of the reduction thereby avoided;

less any sum saved during the Indemnity Period in respect of such of the Insured Standing Charges as may cease or be reduced in consequence of the Damage, provided that the amount payable shall be proportionately reduced if the insured amount in respect of the Insured Standing Charges is less than the sum produced by applying the Rate of Standing Charges to the Annual Turnover where the maximum Indemnity Period is 12 months or less, or the appropriate multiple of the Annual Turnover where the maximum Indemnity Period exceeds 12 months.

## **ADDITIONAL INCREASE IN COST OF WORKING** (if stated as included in the schedule)

The insurance under this item is limited to reasonable additional expenditure (not recoverable under other items) incurred with the consent of the Company during the Indemnity Period in consequence of the Damage for the purpose of maintaining the normal operation of the business.

## **WAGES** (if stated as included in the schedule)

The insurance under this item is limited to the loss incurred by the Insured by the payment of wages for a period beginning with the occurrence of the Damage and ending not later thereafter than the specified number of weeks in the schedule next to the term "Wages indemnity period (weeks)".

The amount payable as indemnity under this item will be the actual amount which the Insured shall pay as wages for such period to employees whose services cannot, in consequence of the Damage, be utilised by the Insured at all and an equitable part of the wages paid for such period to employees whose services cannot, in consequence of the Damage, be utilised by the Insured to the full, provided that if the insured amount by this item is less than the aggregate amount of the wages that would have been paid during the specified number of weeks immediately following the Damage had the Damage not occurred, the amount payable will be proportionately reduced.

## **FINES AND PENALTIES** (if stated as included in the schedule)

The insurance under this item is limited to fines or penalties for breach of contract and the amount payable as indemnity hereunder shall be such sum as the Insured shall be legally liable to pay and shall pay in discharge of fines or penalties incurred solely in consequence of Damage for non-completion or late completion of orders.

## **CLAUSES AND EXTENSIONS**

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover

under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) subject to any insured amounts or first amounts payable stated in the schedule under each extension.

### **Accidental damage** (if stated as included in the schedule)

The following defined event is added:

“Loss following interruption or interference with the business in consequence of damage occurring during the period of insurance at the premises in respect of which payment has been made or liability admitted under defined event 1 of the Accidental Damage section of this policy (also to be termed Damage) provided that:

1. the provision under any item of this section that the payment will be reduced proportionately if the amount insured by the item is not adequate, is deleted in respect of this defined event;
2. the Company shall not pay more than the insured amount stated in the schedule of the Accidental Damage section for both this section and the Accidental Damage section combined.”

### **Accountants clause**

Any particulars or details contained in the Insured's books of account or other business books or documents which may be required by the Company under this section for the purpose of investigating or verifying any claim hereunder, may be produced and certified by the Insured's auditors or professional accountants, and their certificate shall be prima facie evidence of the particulars and details to which it relates.

### **Accumulated stocks clause**

In adjusting any loss, account shall be taken and an equitable allowance made if any shortage in Turnover or Revenue due to the Damage is postponed by reason of the Turnover or Revenue being temporarily maintained from accumulated stocks.

### **Anchor tenants** (if stated as included in the schedule)

Loss as insured by this section resulting from interruption of or interference with the business in consequence of Damage (as within defined) at the premises of those anchor tenants stated in the schedule in the same complex as that occupied by the Insured and which results in a cessation or diminution of trade due to the temporary falling away of custom, shall be deemed to be loss resulting from Damage to the Insured's property at the premises.

### **Departmental clause**

If the business is conducted in departments or branches, the independent trading results of which are ascertainable, the provisions under items Gross Profit, Gross Rentals, Revenue/Fees or Standing Charges only basis relating to reduction in Turnover/ Gross Rentals/ Revenue and increase in cost of working, shall apply separately to each department or branch affected by the Damage, except that if the insured amount by the relative item is less than the aggregate of the Annual Gross Rentals, Annual Revenue, sums produced by applying the Rate of Gross Profit / Rate of Standing Charges for each department or branch, whether or not affected by the Damage, to the relative Annual Turnover thereof (proportionately increased if the number of months referred to in the definition of Indemnity Period exceeds 12), the amount payable shall be proportionately reduced.

### **Deposit premium clause** (only applicable if the words “Deposit premium (%)” and a percentage amount are reflected in the schedule under the items mentioned below)

In consideration of the premium by the items Gross Profit, Gross Rentals, Revenue/Fees or Standing Charges only basis being provisional in that it is calculated on the percentage (as stated in the schedule)

of the insured amount, the premium is subject to adjustment on expiry of each period of insurance (or after twelve consecutive months from the inception date or anniversary date if this policy is paid by monthly debit order) as follows:

In the event of the Gross Profit/ Gross Rentals/ Revenue/Fees earned or Standing Charges incurred (increased proportionately if the number of months referred to in the definition of Indemnity Period exceeds 12) during the financial year most nearly concurrent with any period of insurance (or the equivalent twelve consecutive months from the inception date or anniversary date if this policy is paid monthly by debit order) being less or greater than the percentage (as stated in the schedule) of the insured amount thereon, a pro rata return or additional premium not exceeding 33⅓ per cent of the provisional premium paid for such period of insurance will be made in respect of the difference.

In the event of a claim being made under this section, the amount paid or payable thereon shall be regarded as actually earned.

### **Electronic equipment** (if stated as included in the schedule)

In respect of this extension only the defined events of this section are restated to read:

“Loss following interruption of or interference with the business in consequence of damage occurring during the period of insurance in respect of which payment has been made or liability admitted under the Electronic Equipment section of this policy (such damage under the Electronic Equipment section shall also in this section be termed “Damage”) and liability shall be deemed to have been admitted under the Electronic Equipment section if such payment is precluded solely because the Insured is required to bear the first portion of the loss in the form of a First Amount Payable.”

The Company will indemnify the Insured under this extension as set out in the remainder of the wording of this section and based on the information contained in the schedule.

### **Glass** (if stated as included in the schedule)

In respect of this extension only the defined events of this section are restated to read:

“Loss following interruption of or interference with the business in consequence of damage occurring during the period of insurance in respect of which payment has been made or liability admitted under the Glass section of this policy (such damage under the Glass section shall also in this section be termed “Damage”) and liability shall be deemed to have been admitted under the Glass section if such payment is precluded solely because the Insured is required to bear the first portion of the loss in the form of a First Amount Payable.”

The Company will indemnify the Insured under this extension as set out in the remainder of the wording of this section and based on the information contained in the schedule.

### **Goods in transit** (if stated as included in the schedule)

In respect of this extension only the defined events of this section are restated to read:

“Loss following interruption of or interference with the business in consequence of damage occurring during the period of insurance in respect of which payment has been made or liability admitted under the Goods in Transit section of this policy (such damage under the Goods in Transit section shall also in this section be termed “Damage”) and liability shall be deemed to have been admitted under the Goods in Transit section if such payment is precluded solely because the Insured is required to bear the first portion of the loss in the form of a First Amount Payable.”

The Company will indemnify the Insured under this extension as set out in the remainder of the wording of this section and based on the information contained in the schedule.

### **Loss of trade** (if stated as included in the schedule)

Loss as insured by this section resulting from interruption of or interference with the business in consequence of Damage (as within defined) to property forming part of, or contained in, the complex of which the Insured's premises forms part, which results in a cessation or diminution of trade to the Insured's business due to temporary falling away of potential custom whether the premises or property



of the Insured therein shall be damaged or not, shall be deemed to be loss resulting from Damage to the Insured's property at the premises.

### **Money** (if stated as included in the schedule)

In respect of this extension only the defined events of this section are restated to read:

"Loss following interruption of or interference with the business in consequence of damage occurring during the period of insurance in respect of which payment has been made or liability admitted under the Money section of this policy (such damage under the Money section shall also in this section be termed "Damage") and liability shall be deemed to have been admitted under the Money section if such payment is precluded solely because the Insured is required to bear the first portion of the loss in the form of a First Amount Payable."

The Company will indemnify the Insured under this extension as set out in the remainder of the wording of this section and based on the information contained in the schedule.

### **Output (alternative basis) clause**

At the option of the Insured, the term "output" may be substituted for the term "Turnover" and, for the purposes of this section, output shall mean the sale or transfer value, as shown in the Insured's books, of goods manufactured or processed by the Insured at the premises, provided that:

1. only the meaning of output or the meaning of Turnover shall be operative in connection with any one event resulting in interruption;
2. if the meaning of output be used
  - 2.1 then the accumulated stocks clause shall be inoperative;
  - 2.2 then memorandum 3 directly after the definitions shall read:

"If, during the Indemnity Period, goods shall be manufactured or processed other than at the premises for the benefit of the business either by the Insured or by others on behalf of the Insured, the sale or transfer of such goods shall be brought into account in arriving at the output during the Indemnity Period."

### **Salvage sale clause**

If the Insured shall hold a salvage sale during the Indemnity Period the second point 1 of the Gross Profit item shall, for the purposes of such claim, read as follows:

1. **in respect of reduction in Turnover** the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period (less the Turnover of the salvage sale) shall, in consequence of the Damage, fall short of the Standard Turnover, from which sum shall be deducted the Gross Profit actually earned from the salvage sale.

### **Theft** (if stated in the schedule to be included)

In respect of this extension only the defined events of this section are restated to read:

"Loss following interruption of or interference with the business in consequence of damage occurring during the period of insurance in respect of which payment has been made or liability admitted under the Theft section of this policy (such damage under the Theft section shall also in this section be termed "Damage") and liability shall be deemed to have been admitted under the Theft section if such payment is precluded solely because the Insured is required to bear the first portion of the loss in the form of a First Amount Payable."

The Company will indemnify the Insured under this extension as set out in the remainder of the wording of this section and based on the information contained in the schedule.

### **Extensions to other premises**

Loss as insured by this section resulting from interruption of or interference with the business in

consequence of Damage (as within defined) at the undernoted situations or to property as undernoted shall be deemed to be loss resulting from Damage to property used by the Insured at the premises, provided that Extensions to other premises do not apply to the Electronic equipment extension, Glass extension, Money extension or Theft extension.

- **Additional premises**

In the event of the Insured occupying or having property at any newly added premises within the Republic of South Africa or Namibia for the purpose of the business during the currency of this section, such newly added premises shall be deemed to be included in those specified here subject to notification to the Company as soon as reasonably practicable and to adjustment of the premium, if necessary.

- **Contract sites**

Any situation within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique not in the occupation of the Insured where the Insured is carrying out a contract.

- **Prevention of access** (if stated as included in the schedule)

Property within the radius stated in the schedule of the **Insured's premises** (provided such property is still within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique), destruction of or Damage to which shall prevent or hinder the use of the premises or access thereto, whether the premises or property of the Insured therein shall be damaged or not.

- **Prevention of access – extended cover** (if stated as included in the schedule)

Property within the radius stated in the schedule of the **premises** (provided such property is still within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique), destruction of or Damage to which shall prevent or hinder the use of the premises or access thereto, whether the premises or property of the Insured therein shall be damaged or not.

For the purpose of this extension “**premises**” shall mean:

1. The premises of those specified suppliers/sub-contractors in the “Specified suppliers/sub-contractors” extension, but only if such extension is stated as included in the schedule;
2. The premises of unspecified suppliers, but only if the “Unspecified suppliers” extension is stated as included in the schedule;
3. Property of the Insured in storage as insured by the “Storage, transit and vehicles” extension;
4. Contract sites as insured by the “Contract sites” extension;
5. The premises of those specified customers in the “Specified customers” extension, but only if such extension is stated as included in the schedule;
6. The premises of unspecified customers, but only if the “Unspecified customers” extension is stated as included in the schedule;
7. Public Utilities premises but only if the “Public utilities - insured perils” or “Public Utilities – extended cover” extensions are stated as included in the schedule;
8. Public telecommunications premises but only if the “Public telecommunications - insured perils” or “Public telecommunications - extended cover” extensions are stated as included in the schedule.

- **Public telecommunications – insured perils** (if stated as included the schedule)

1. Property at the premises of any public authority which is empowered by law to supply a telecommunications facility to the Insured;
2. The transmission facilities network of the public authority mentioned in 1 above.

provided the property described above is within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique.

- **Public utilities – insured perils** (if stated in the schedule to be included)

Property at electricity generating stations, sub-stations or transmission networks, gasworks including the related gas distribution network, water purification plants, pumping stations, aqueducts and pipelines (provided such property it is still within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique) of an authority empowered by law to supply water, gas or electricity for consumption by the public and which results in an interruption of water, gas or electricity to the premises of the Insured.

- **Specified customers** (if stated as included in the schedule)

The premises of the customers specified in the schedule subject to the dependency factor(s) and insured amount(s) stated in the schedule per customer.

- **Specified suppliers** (if stated as included in the schedule)

The premises of the suppliers and sub-contractors specified in the schedule subject to the dependency factor(s) and insured amount(s) stated in the schedule per supplier/sub-contractor.

- **Storage, transit and vehicles**

Property of the Insured whilst stored or whilst in transit by air, road, rail or inland waterway or being motor vehicles of the Insured elsewhere than at the premises in the occupation of the Insured provided such property it is still within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique.

- **Unspecified customers** (if stated as included in the schedule)

The premises of any of the Insured's direct customers not specified under the specified customers extension provided such premises is within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique and subject to the dependency factor and insured amount stated in the schedule which shall be the maximum per customer.

- **Unspecified suppliers** (if stated as included in the schedule)

The premises of any of the Insured's direct suppliers, manufacturers or processors of components, goods or materials not specified under the specified suppliers/sub-contractors extension provided such premises is within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique and subject to the dependency factor and insured amount stated in the schedule which shall be the maximum per supplier. For the purposes of this extension, the premises of any public supply undertaking from which the Insured obtains electricity, gas or water shall not be considered a supplier and shall not be included in the cover provided.

### **Public telecommunications – extended cover** (if stated as included in the schedule)

Loss as insured resulting from interruption of or interference with the business in consequence of the failure of the public telecommunication facilities to the premises of the Insured shall be deemed to have resulted from Damage (as defined herein) provided this extension does not cover loss resulting from Damage directly or indirectly caused by:

1. drought;
2. a fault on any part of the installation at the premises belonging to the Insured;
3. a decision by any authority to legally withhold the telecommunication facility from the Insured unless such decision is directly attributable to Damage to property of such authority;
4. any event described in the General exclusions of the General section but cover as provided for under the Malicious Damage peril of this policy is not excluded;

5. any event to Public telecommunication facilities situated outside of the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique.

In respect of interruption of or interference with the business arising from mechanical or electrical or electronic breakdown, there shall be no liability under this extension for interruption of or interference with the business unless such interruption or interference extends beyond 24 hours from commencement thereof.

### **Public utilities – extended cover** (if stated in the schedule to be included)

Loss as insured resulting from interruption of or interference with the business in consequence of total or partial failure of the public supply of water, gas or electricity to the premises of the Insured shall be deemed to have resulted from Damage (as defined herein) provided that this extension does not cover loss resulting from Damage directly or indirectly caused by:

1. drought;
2. pollution of water;
3. shortage of fuel or water;
4. a fault on any part of the installation at the premises belonging to the Insured;
5. the exercise of an authority empowered by law to supply water, gas or electricity of its power to withhold or restrict supply unless such withholding or restriction is directly attributable to Damage to property of such authority;
6. any event described in the General exclusions of the General section but cover provided by the Malicious Damage peril of this policy is not excluded;
7. any event to Public Utilities situated outside of the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique.

In respect of interruption of or interference with the business arising from mechanical or electrical or electronic breakdown, there shall be no liability under this extension for interruption of or interference with the business unless such interruption or interference extends beyond 24 hours from commencement thereof.

## **ADDITIONAL EXTENSIONS FOR GUESTHOUSES AND LODGES**

The following additional extensions apply only to that part of the risk that relates to the guesthouse and/or lodge on the insured Premises if insured under this section:

### **Auxiliary power failure** (if stated as included in the schedule)

Loss as insured by this section resulting from interruption of or interference with the business in consequence of the failure of the auxiliary power plant to operate in the event of the failure of the main electricity supply grid from which the Insured normally receive their power shall be deemed to have resulted from Damage (as within defined) provided that this extension does not cover loss resulting from Damage directly or indirectly caused by:

1. lack of maintenance or failure to test such equipment on a weekly basis;
2. normal wear and tear or gradual deterioration;
3. a shortage of fuel or the incorrect supply of fuel;
4. a flat battery or battery failure at the time of starting the equipment.

### **Cancellation of bookings** (if stated as included in the schedule)

This section is extended to cover the loss of the value of deposits received for the reservation or booking of accommodation in consequence of returning such deposit/s following curtailment of the

relevant booking due to a cause listed below provided that such deposits cannot be recovered from any other source by or on behalf of the person/s cancelling or curtailing:

1. Accidental injury, illness or death of:
  - 1.1 the person for whom the accommodation was booked or any person with whom he/she has arranged to travel;
  - 1.2 a close relative, fiancé or close business colleague of the guest.
2. Pregnancy of the guest's spouse;
3. Compulsory quarantine or jury in a court of law applying to the guest or any person with whom he has arranged to travel;
4. The permanent residence of the guest being lost or damaged by fire, storm, wind, water, hail, snow, earthquake or theft or any attempt thereat, necessitating his/her return home;
5. Any official requirement by a lawfully established authority for the guest to attend emergency duty in military, medical or public service;

provided that the Company shall not be liable for claims where at the time that the booking was made:

1. the guest was aware of any medical condition or set of circumstances which could reasonably be expected to give rise to the booking being cancelled or curtailed;
2. any person whose condition gives rise to the claim was receiving or who was on a waiting list for or had knowledge of the need for in-patient treatment at a hospital or nursing home;
3. any person whose condition gives rise to a claim was travelling against the advice of a medical practitioner;
4. any person whose condition gives rise to a claim was travelling for purposes of obtaining medical treatment abroad;
5. Any person whose condition gives rise to a claim was, during the 12 months prior, suffering from any chronic and/or recurring illness of a serious nature which had necessitated consultation or treatment.

### **Contingent Business Interruption (CBI)** (if stated as included in the schedule)

Damage (as within defined) is deemed to include loss following the interruption of or the interference with the business as a result of:

1. murder, suicide, armed robbery or malicious activities at the Insured's premises;
2. food or drink poisoning at the Insured's premises;
3. closure of the premises due to noxious fumes within the radius stated in the schedule of the Insured's premises, on the order of the competent local, municipal, regional or government authority responsible for the area;
4. adverse weather conditions within the radius stated in the schedule of the Insured's premises, of sufficient intensity and/or strength with the potential to cause damage to property or injury to persons;
5. pollution of any sea, beach, waterway, dam or river within the radius stated in the schedule of the Insured's premises;
6. shark or wild animal attack within the radius stated in the schedule of the Insured's premises;
7. bombing within the radius stated in the schedule of the Insured's premises;
8. closure of the premises due to vermin, pest or defective sanitary arrangements at the Insured's premises on the order of the competent local, municipal, regional or government authority responsible for the area;
9. contagious or infectious notifiable disease within the radius stated in the schedule of the Insured's premises provided that the municipal, regional, local or government authority responsible for the area has declared a notifiable medical condition or communicable disease to exist within the area and/or has imposed quarantine regulations and/or has acted to restrict access to the area in terms of any local, municipal, regional or national law, by-law or regulation pertaining to public health and

safety;

10. summons of the Insured or the Insured's directors, partners or employees to appear as a witness in court proceedings.

For the purposes of this extension:

1. "Indemnity Period" shall mean the period commencing with the occurrence of 1, 2, 4, 5, 6, 7 or 10 above or for 3, 8 and 9 the date on which restrictions on the premises were applied and ending not later than the number of months reflected in the schedule against "Indemnity Period" for this extension;
2. "Insured's premises" shall mean those locations listed in the schedule as the Insured's premises and shall not include the premises of any premises under the "extension to other premises" extension or any other extension notwithstanding that this insurance may otherwise be extended to include such premises;
3. "contagious or infectious notifiable disease" shall mean illness sustained to any person resulting from any human infectious or human contagious disease, an outbreak of which the municipal, regional, local or government authority has stipulated shall be notified to them excluding Acquired Immune Deficiency Syndrome (AIDS) or AIDS related condition.

The cover granted by this extension does not include any costs arising from cleaning repair recall or checking the Insured's premises.

### **Liquor licence** (if stated as included in the schedule)

Loss as insured by the section resulting from interruption of or interference with the business in consequence of a licence granted in respect of the premises for the sale of retail of excisable liquors becoming suspended or forfeited at any time during the period of insurance under the provisions of the appropriate legislation governing such licences or refused renewal after due application for such renewal to the appropriate authority if such suspension, forfeiture or refused renewal being occasioned by reasons beyond the control of the Insured provided that:

1. if the Insured shall be entitled to obtain payment of compensation under the provisions of any act of parliament in respect of the refusal to renew the licence no claim shall arise under this section;
2. in the event of death, bankruptcy, incapacity, desertion of the premises or conviction for any offence where such conviction affects the character or reputation of the convicted person with respect to his honesty, moral standing or sobriety of the tenant, manager, occupier or licensee the Insured shall where practicable and at the request of the Company procure a suitable person to replace him and one to whom the justice will transfer the licence or grant the licence by way of renewal;
3. if the forfeiture of or refusal to renew the licence be occasioned wholly or partly by or through the misconduct or procurement or connivance or neglect or omission of the Insured or by any omission of the Insured to take any step necessary for keeping the licence in force no claim shall arise under this section unless the Insured or any other claimant hereunder shall prove to the reasonable satisfaction of the Company that such matter was beyond his or their power or control;
4. if the refused renewal, suspension or forfeiture of the licence arises directly or indirectly from any scheme of town or country planning improvement or redevelopment compulsory purchase or from an amendment of the law affecting the grant, surrender, refusal to renew, suspension or forfeiture of licences no claim shall arise under this section;
5. the Insured shall on becoming aware of any:
  - 5.1 complaint against the premises or the control thereof;
  - 5.2 proceedings against or conviction of the licensee, manager, tenant or occupier of the premises for any breach of licensing law or any matter whatsoever whereby the character or reputation of the person concerned is affected or called into question with regard to his honesty, moral standing or sobriety;
  - 5.3 transfer or proposed transfer of the licence;
  - 5.4 alteration in the purpose for which the premises are used;

5.5 objection to renewal or other circumstances which may endanger the licence or renewal thereof

immediately give notice thereof in writing to the Company and supply such additional information and give such assistance as the Company may reasonably require.

### **Loss of attraction of key tourist attractions** (if stated as included in the schedule)

Loss as insured by this section resulting from interruption of or interference with the business in consequence of Damage (as herein defined) at the premises of those key tourist attraction/s listed in the schedule shall be deemed to be loss resulting from Damage (as defined herein) to property used by the Insured at the premises.

### **Loss of game** (if stated as included in the schedule)

Loss as insured by the section resulting from interruption of or interference with the business in consequence of the death of game by a bush fire or wild fire shall be deemed to have resulted from Damage (as within defined) provided that such events are confined to events happening in the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique.

### **Rail, road and air services** (if stated as included in the schedule)

Loss as insured by this section resulting from interruption of or interference with the business in consequence of Damage (as herein defined) at the under noted situations and to under noted property shall be deemed to be loss from Damage (as herein defined) to property used by the Insured at the premises:

1. at the premises and property of any rail service;
2. at the premises and property of any airport or terminal facility including aircraft;
3. at the premises of any shipping terminal or cargo loading facility;
4. to any road, tunnel, bridge or service accessory relating thereto;
5. to any road vehicle belonging to a customer of the Insured or a road transportation service.

Provided that:

1. such Damage has not been brought about by the direct or indirect action of any party which shall include any strikes, labour disturbances, malicious damage or intent thereof or political interference;
2. should such interruption or interference arise from mechanical or electrical or electronic breakdown there shall be no liability under this extension for interruption or interference with the business unless such interruption or interference extends beyond 24 hours from commencement thereof;
3. such Damage is restricted to only those premises situated, or property within the confines of the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique.

### **Ventilation failure** (if stated as included in the schedule)

Loss as insured by the section resulting from interruption of or interference with the business in consequence of the failure of any ventilation system which controls the cooling or heating requirements of the Insured's premises shall be deemed to have resulted from Damage (as within defined) provided that should such interruption or interference arise from mechanical or electrical or electronic breakdown there shall be no cover under this extension.