



# Discovery Business Insurance

Plan Guide

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# Introduction

## ABOUT DISCOVERY

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### Our contract with you

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This Plan is a contract of insurance between you, the insured, and Discovery Insure and contains all the details of the cover provided. The Plan wording should be read in conjunction with the proposal form, closing instructions of any broker, any quotation and the Plan Schedule and any annexures, as well as any subsequent amendment by endorsement to the Plan issued by Discovery Insure.

Please note that only those sections shown as covered in your Plan Schedule are insured.

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### Basic insuring clause

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Subject to the terms, exceptions, conditions and other provisions of this Plan and in consideration of, and conditional upon, the prior payment of the premium by or on behalf of the insured and receipt thereof by or on behalf of Discovery Insure, Discovery Insure agrees to indemnify or compensate the insured by means of the following methods as chosen at the option of Discovery Insure, by:

- Payment to you or a third party
- Replacement
- Reinstatement
- Repair

In respect of the defined events occurring during the period of insurance and as otherwise provided under the sections of this Plan will be covered up to the sums insured, limits of indemnity, compensation and other amounts specified.

Specific terms, exceptions, conditions and provisions override general terms, exceptions, conditions and provisions.

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### General Insurance Code of Conduct

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The purpose of the code is to raise standards of practice and service in the general insurance industry.

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### The SAIA Code of Conduct

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Discovery is a member of the South African Insurance Association (SAIA).

The SAIA and its members are committed to actively contribute to the principles of sustainable insurance practices. This is to ensure that the South African short-term insurance industry remains relevant, inspires confidence among its stakeholders and offers products and solutions that are beneficial to both the economy and society at large. To support these goals, the SAIA Code of Conduct promotes high ethical standards and good business practices in the industry, as well as to give a clear indication of the self regulatory guidelines followed by members.

The objectives of the Code are to:

- 01** | Commit insurers to high standards of customer service
  - 02** | Assist in improving the image and reputation of the short-term insurance industry and to increase customer confidence
  - 03** | Promote sound, informed, professional and ethical relationships between insurers and insurers and their clients
  - 04** | Ensure effective resolution of complaints and disputes between insurers and their clients
  - 05** | Contribute to the sustainability of the insurance industry.
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### Duty of disclosure

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Every insured has a duty to disclose fully and truthfully any matter which is known or which they can reasonably be expected to know which is likely to affect the decision of Discovery Insure whether to provide insurance cover or not and, if so, on what terms and conditions. The duty of disclosure applies to you and to every person or organisation insured under this Plan. Failure to comply with the duty to disclose or to complete the risk assessment and / or to implement the risk mitigation measures or risk improvement requirements, will entitle Discovery Insure at its option to any of the following:

- To refuse to pay a claim
- To demand an additional premium
- To reduce any benefit otherwise payable in respect of a claim
- To cancel the Plan, class or section from the date of the non-disclosure.

If fraud is involved, this Plan will be voided as if it never existed.

## Risk philosophy

Discovery Insure risk engineers will visit your business where it is required by Discovery Insure to do so, and give you help and guidance on suitable risk-mitigating measures.

The risk assessment may, at our option, either be carried out:

- By you completing the Discovery Insure on line risk assessment tool, or
- Discovery Insure risk engineers may visit your business.

Discovery Insure may require you to complete a risk assessment, and complete risk improvement requirements as a condition of cover.

The risk engineer can also advise you on practical steps to protect the insured premises from fire, security breaches, potential liability exposures and other insured events of the Plan which the insured business may be exposed to.

## Definitions

Any words or expressions contained below will carry the same meaning wherever they appear in this Plan Guide, unless stated otherwise.

### accident or accidental

Any sudden or unexpected and unforeseen direct physical loss caused by or to the item insured by this Plan. Refer to the defined events as contained in each section to see how this applies.

### average

If the property insured is at the commencement of any damage to such property by any peril insured against collectively of greater value than the sum insured thereon, then the insured is their own insurer for the difference in value and must bear a rateable share of the loss accordingly. Every item separately insured is separately subject to this condition.

### building or buildings

All buildings and outbuildings on the site of the insured property constructed of brick, stone, concrete or metal on metal framework and roofed with slate, tiles, metal, concrete or asbestos unless otherwise stated in the Plan Schedule, including sporting and recreational structures, landlord's fixtures and fittings therein and thereon, walls (except dam walls), gates, posts, fences, and tarred or paved roads, driveways, paths or parking areas and for which you are legally responsible.

### business

The business activities described in the Plan Schedule.

### business hours

The period during which the premises are actually occupied by the insured and the insured's employees for the purpose of the business.

### computer equipment

Computer and other data processing equipment, including media and other items used in conjunction with such equipment or otherwise as described in the **Electronic equipment** section.

### damage

Physical loss, destruction or damage caused by or to the item insured by this Plan unless excluded.

### general endorsement

Wording which changes the terms of the Plan or features of the insurance cover. General endorsements form part of the Plan and are printed in the Plan Schedule.

### exceptions

Events, things or circumstances that are not covered by the Plan.

<b>financial service provider</b>	Any person who as a regular feature of the business of such person furnishes advice and renders any intermediary services in relation to the financial product who is licensed in terms of the Financial Advisory and Intermediary Services Act, 2002 (FAIS).	<b>retaining walls</b>	A wall which is a structure specifically designed and built in order to retain the lateral force of the earth, ground, rocks or other material or substance that the structure is holding back or supporting.
<b>indemnity</b>	To place the person fully or partially back into the same financial position they were in immediately prior to the loss or damage. Indemnity cannot be made if the insured has no insurable interest in the property lost or damaged at the time of the loss or damage.	<b>risk</b>	A possibility that a particular event may occur during the period for which the Planholder is insured.
<b>insurable interest</b>	The insured will in fact suffer an appreciable financial loss as a direct result of the loss or damage to property or the insured event.	<b>Plan Schedule</b>	The document that specifies details of the insured, the premises, the property insured and any excess, and any other details specifically relating to this insurance or the insured.
<b>indemnity period</b>	The period beginning with the date of the damage and lasting for the period during which loss is suffered or the business is affected as a result of the damage, but not longer than any indemnity period as shown in the Plan Schedule.	<b>schedule on cover</b>	The period beginning with the effective date and ending with the expiry date - both dates shown in the Plan Schedule, and any other period for which we accept payment for the renewal or extension of this Plan.
<b>Planholder</b>	The person or entity entitled to be provided with Plan benefits under the insurance Plan.	<b>sections on cover</b>	The operative sections which you have selected and for which cover is provided by this Plan that are operative.
<b>premises</b>	The premises at the addresses stated in the Plan Schedule occupied for the purposes of the insured business	<b>unattended vehicle</b>	Any vehicle left without the insured, an employee of the insured or a responsible adult authorised by the insured, in attendance.
<b>premium</b>	The amount the Planholder pays to Discovery Insure to cover the risk insured against.	<b>vacant or unoccupied</b>	A building or part thereof that have become vacant, unoccupied, empty or no longer used for a period of more than 30 consecutive days.
<b>representative</b>	Any person who renders a financial service to a client for or on behalf of a financial services provider in terms of the conditions of employment or any other mandatory agreement.		

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# General endorsement

## GENERAL EXCEPTIONS, CONDITIONS AND PROVISIONS

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### General exceptions

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#### 01 | War, riot and terrorism

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- A. This Plan 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 foregoing.
  - ii. War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war, including
  - iii. (a) War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war, including  
(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, tribal or other traditional leadership 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 1(A) (i), (ii), (iii), (iv), (v) or (vi) above.

If Discovery Insure alleges that, by reason of clause 1(A) (i), (ii), (iii), (iv), (v), (vi) or (vii) of this exception, loss or damage is not covered by this Plan, the burden of proving the contrary shall rest on the insured.

- B. This Plan 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 Plan applies.
- C. Notwithstanding any provision of this Plan including any exclusion, exception or extension or other provision not included herein which would otherwise override a general exception, this Plan does not cover loss of or damage to property or expense of whatsoever nature directly or indirectly caused by, arising out of or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any sequence to the loss, damage or expense.

For the purpose of this General exception 1(C) an act of terrorism includes, without limitation, the use of violence or force or the threat thereof whether as an act harmful to human life or not, by any person or group of persons, whether acting alone or on behalf of or in connection with any 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 Discovery Insure alleges that, by reason of clause 1(C) of this exception, loss or damage is not covered by this Plan, the burden of proving the contrary shall rest on the insured.

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#### 02 | Nuclear

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This Plan does not cover any liability, loss, damage, cost or expense whatsoever or any consequential loss directly or indirectly caused by or contributed to by or arising from the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

- i. Ionising, radiations or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the combustion or use of nuclear fuel
- ii. Nuclear material, nuclear fission or fusion, nuclear radiation

- iii. Nuclear explosives or any nuclear weapon or device
- iv. Nuclear waste in whatever form.

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

### 03 | Computer losses

General exception applicable to all sections of this Plan insuring damage to property or the consequences of damage to property or any liability. Notwithstanding any provision of this Plan including any exclusion, exception or extension or other provision not included herein which would otherwise override a general exception, this Plan 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.
- (d) 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
- (e) 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
- (f) To capture, save, retain or to process any information or code due to program errors, incorrect entry or the inadvertent cancellation or corruption of data and programs
- (g) 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 or disruptive code, media or program or interference.

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

### Special extension to General exception 3

A. Loss or destruction of or damage to the insured property by fire, explosion, lightning, earthquake or by the special perils referred to below or indemnified by the **Glass, Employer's liability, Personal Accident (Stated benefits, Group personal accident)** or **Motor** section is not excluded by this general exception.

- 01 |** 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 or tsunami 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) unless so described and specifically insured as a separate item
  - (e) In any structure not completely roofed unless so described and specifically insured as a separate item
  - (f) Being retaining walls unless so described and specifically insured as a separate item.
- 02 |** Aircraft and other aerial devices or articles dropped therefrom excluding damage caused by sonic shock waves.
- 03 |** Impact by animals, falling trees, aerials, satellite dishes or vehicles excluding damage to such animals, falling trees, aerials, satellite dishes or vehicles or property in or on such vehicles.

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

B. **General exception 3** also does not apply to consequential loss as insured by any business interruption indemnity provided by this Plan to the extent that such consequential loss results from damage to insured property by the perils referred to in **Special extension (A)** above.

- C. 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 losses general exception and this special extension.
- D. This special extension shall not apply to any public liability indemnity.

**04 | Asbestos**

Asbestos exclusion [applicable to the **Public liability** section, the **Employers liability** section, and **subsection D (Liability)** of the **Buildings combined** section]

Notwithstanding any provision of this Plan including any exclusion, exception or extension or other provision which would otherwise override a general exception, this Plan does not cover any actual or alleged legal liability, loss, damage, cost or expense whatsoever or any consequential loss directly or indirectly caused by, arising out of, resulting from, in consequence of, in any way involving, or to the extent contributed to by, the hazardous nature of asbestos in whatever form or quantity.

**05 | Sanctions exclusion**

Discovery Insure will not provide cover nor be liable to pay any claim or provide any benefit hereunder to the extent that the provisions of such cover, payment or benefit or the cover, payment or benefit due by any insurer or reinsurer of the applicable risk would expose that insurer or reinsurer to any sanction, prohibition or restriction under the United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

**06 | Detention, confiscation, nationalisation, requisition or forfeiture**

This Plan does not cover any detention, confiscation, nationalisation, requisition or forfeiture directly or indirectly by any state, government, provincial municipal, local or customs authority.

**07 | Fraudulent scheme, trick, device or false pretence**

This Plan does not cover loss caused by any fraudulent scheme, trick, device or false pretence practised on the insured (or any person having custody or control of the insured property) or any fraud or the dishonesty of any principal or agent of the insured except as for specifically provided for by the **Money** section and the **Fidelity guarantee** section of this Plan.

**General conditions**

**01 | Misrepresentation, misdescription and non-disclosure**

All benefits in terms of this Plan shall be voided or cancelled at the discretion of the insurer as a result of any misrepresentation, misdescription or non-disclosure in respect of any material item, section or subsection of the Plan, as the case may be, where the misrepresentation, misdescription or non disclosure has been made by the insured or anyone acting on behalf of the insured.

**02 | Fraud**

If any claim under this Plan is in any respect fraudulent or if any fraudulent means or devices are used by the insured or anyone acting on their behalf or with their knowledge or consent to obtain any benefit under this Plan or if any event is occasioned by the wilful act or with the connivance of the insured, the benefit afforded under this Plan in respect of any such claim shall be forfeited.

Fraud can be committed in one of the following ways:

- (a) If false or incorrect information is supplied in connection with an application for cover or in connection with any claim in terms of this Plan by the insured or anyone acting on behalf of the insured
- (b) If any claim or part thereof is any way fraudulent, or if fraudulent means or devices are used to get indemnity in terms of this Plan by the insured or anyone acting on behalf of the insured
- (c) If any fraudulent information and documentation, whether created by the insured or anyone acting on behalf of the insured or not or with the insureds involvement in support of such claim in terms of this Plan and whether or not the claim itself is fraudulent
- (d) If any fraudulent information and documentation, whether created by the insured or anyone acting on behalf of the insured or not or with the insureds involvement in support of such claim in terms of this Plan and whether or not the claim itself is fraudulent.

**03 | Cancellation**

This Plan or any section may be cancelled at any time by Discovery Insure giving 30 days' notice in writing (or such other period as may be mutually agreed) or by the insured giving immediate notice.



On cancellation by the insured, Discovery Insure shall be entitled to retain a reasonable percentage of the premium for the period the Plan or section has been in force. On cancellation by Discovery Insure, the insured shall be entitled to claim a pro rata proportion of the premium for the remainder of the period of insurance from the date of cancellation, subject to **General conditions 5**.

#### 04 | Continuation of cover

The premium is due in advance on or before the due date. If the premium is not paid at any given period; there will not be cover for the period for which premium was not paid. Discovery Insure may, at its option, cancel this Plan from midnight on the last day of the preceding period of insurance for which the premium was paid. The Plan will be reinstated if the insured can show that failure to make payment was due to an error on the part of the insured's bank or other independent paying agent. Due date will be date and frequency as stated in the Plan Schedule.

The insured will be billed for any premium due between the date the Plan starts and the next premium due date, at the start of the cover.

#### 05 | Adjustment of premium (declaration adjustment)

If the premium for any section of this Plan has been calculated on any estimated figures, the insured shall, after the expiry of each period of insurance, furnish Discovery Insure with such particulars and information as Discovery Insure may require for the purpose of recalculation of the premium for such period. Any difference shall be paid by or to the insured as the case may be on demand.

#### 06 | Prevention of loss

The insured shall take all reasonable steps and precautions to prevent accidents or losses and to avoid or mitigate any further loss after the happening of an insured loss.

#### 07 | Claims

- (a) On the happening of any event which may result in a claim under this Plan the insured shall, at their own expense comply with the claims procedures set out in the Plan:
- (i) Give notice thereof to Discovery Insure as soon as reasonably possible and provide particulars of any other insurance covering

- such events as are hereby insured
- (ii) As soon as practicable after the event inform the police of any claim involving theft or (if required by Discovery Insure) loss of property and take all practicable steps to discover the guilty party and to recover the stolen or lost property
- (iii) As soon as practicable after the event submit to Discovery Insure full details in writing of any claim
- (iv) Give Discovery Insure such proof, information, affidavits and sworn declarations as well as cooperation Discovery Insure may require and forward to Discovery Insure immediately any notice of claim or any communication, writ, summons or other legal process issued or commenced against the insured in connection with the event giving rise to the claim.
- (b) No claim (other than a claim under the **Business interruption, Fidelity, Personal accident** section or the **Personal accident** (assault) extension under the Money section, if applicable) shall be payable after the expiry of 24 months or such further time as Discovery Insure may allow from the happening of any event unless the claim is the subject of pending legal action or is a claim in respect of the insured's legal liability to a third party.
- (c) No claim shall be payable unless the insured claims payment by serving legal process on Discovery Insure within 12 months of the rejection of the claim in writing and pursues such proceedings to finality.
- (d) If, after the payment of a claim in terms of this Plan in respect of lost or stolen property, the property (the subject matter of the claim) or any part thereof is located, the insured shall render all assistance in the identification and physical recovery of such property if called on to do so by Discovery Insure, provided that the insured's reasonable expenses in rendering such assistance shall be reimbursed by Discovery Insure. Should the insured fail to render assistance in terms of this condition when called upon to do so, the insured shall immediately become liable to repay to Discovery Insure all amounts paid in respect of the claim.
- (e) If requested by Discovery Insure, the insured must, at Discovery Insure's expense:
- (i) Provide ongoing cooperation and assistance to Discovery Insure when so required
- (ii) Enforce any legal rights the insured or Discovery Insure may have against anyone who may be liable to the insured with regard to an insured event
- (iii) Execute any documents that Discovery Insure

deems necessary to secure its rights under this Plan

- (iv) Attend hearings and trials
- (v) Assist in effecting settlements if agreed to by Discovery Insure, in securing and giving evidence, obtaining the attendance of witnesses or prosecuting or defending lawsuits.

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#### **08 | Discovery Insure's rights after an event (subrogation rights)**

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- (a) On the happening of any event in respect of which a claim is or may be made under this Plan, Discovery Insure and every person authorised by them may, without thereby incurring any liability and without diminishing the right of Discovery Insure to rely upon any conditions of this Plan,
    - (i) Take, enter or keep possession of any damaged property and deal with it in any reasonable manner. This condition shall be evidence of the leave and licence of the insured to Discovery Insure to do so. The insured shall not be entitled to abandon any property to Discovery Insure whether taken possession of by Discovery Insure or not.
    - (ii) Take over and conduct in the name of the insured the defence or settlement of any claim and 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 and in the settlement of any claim. No admission, statement, offer, promise, payment or indemnity shall be made by the insured without the written consent of Discovery Insure.
  - (b) The insured shall, at the expense of Discovery Insure, do and permit to be done all such things as may be necessary or reasonably required by Discovery Insure for the purpose of enforcing any rights to which Discovery Insure shall be, or would become, subrogated upon indemnification of the insured whether such things shall be required before or after such indemnification.
  - (c) In respect of any section of this Plan under which an indemnity is provided for liability to third parties, Discovery Insure may, upon the happening of any event, pay to the insured the limit of indemnity provided in respect of such event or any lesser sum for which the claim or claims arising from such event can be settled and Discovery Insure shall thereafter not be under further liability in respect of such event.
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#### **09 | Reinstatement of cover after loss (not applicable to stock on a declaration basis nor to any section where it is stated to be not applicable)**

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In consideration of sums insured not being reduced where appropriate by the amount of any loss, the insured shall pay an additional premium calculated by Discovery Insure on the amount of the loss from the date thereof or from the date of reinstatement or replacement (whichever is latest) to expiry of the period of insurance.

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#### **10 | Breach of Plan**

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The provisions of this Plan shall apply individually to each of the risks insured and not collectively to them so that any breach of these provisions will render voidable only the section or sections in respect of the risk to which the breach applies.

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#### **11 | Observance of general conditions**

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The liability of Discovery Insure in respect of any claim made under this Plan shall be conditional on the observance and fulfilment of the general terms, exceptions, conditions and provisions of this Plan. The indemnity or benefit in respect of any claim made under this Plan precedent to liability being accepted, the insured must first comply with anything that is required by the Discovery Insure. This includes supplying, providing or doing anything that is required by the insurer to validate and substantiate your claim.

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#### **12 | No rights to other persons**

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Unless otherwise provided, nothing in this Plan shall give any rights to any person other than the insured. Any extension providing indemnity to any person other than the insured shall not give any rights of claim to such person, the intention being that the insured shall claim on behalf of such person. The receipt of the insured shall in every case be a full discharge to Discovery Insure.

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#### **13 | Other insurance**

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If, at the time of any event giving rise to a claim under this Plan, an insurance exists with any other insurers covering the insured against the defined events, Discovery Insure shall be liable to make good only a rateable proportion of the amount payable by or to the insured in respect of such event. If any such other insurance is subject to any condition of

average, this Plan, if not otherwise subject to any condition of average, shall be subject to average in like manner.

## 14 | Collective insurances

If this insurance is a collective insurance then the following amendment is made to general condition 7 (a) (iv) above:

‘Give the leading insurer on behalf of the insurers such proof, information and sworn declaration as the insurers may require and forward to the leading insurer immediately any notice of claim or any communication, writ, summons or other legal process issued or commenced against the insured in connection with the event giving rise to the claim.’

And **General condition 8** is substituted by the following:

### 08 | Discovery Insure's rights after an event (subrogation rights)

- (a) On the happening of any event in respect of which a claim is or may be made under this Plan the leading insurer and every person authorised by them may, without thereby incurring any liability and without diminishing the right of the insurers to rely upon any conditions of this Plan,
  - (i) Take, enter or keep possession of any damaged property and deal with it in any reasonable manner. This condition shall be evidence of the leave and licence of the insured to the lead insurer on behalf of all insurers to do so. The insured shall not be entitled to abandon any property to the insurers whether taken possession of by the leading insurer or not.
  - (ii) Take over and conduct in the name of the insured the defence or settlement of any claim and 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 and in the settlement of any claim.

No admission, statement, offer, promise, payment or indemnity shall be made by the insured without the written consent of the leading insurer.

- (b) The insured shall, at the expense of the insurers, do and permit to be done all such things as may be necessary or reasonably required by the insurers for the purpose of enforcing any rights to which the insurers shall be or would become subrogated upon

indemnification of the insured whether such things shall be required before or after such indemnification.

- (c) In respect of any section of this Plan under which an indemnity is provided for liability to third parties, the insurers may, in the case of any event, pay to the insured the limit of indemnity provided in respect of such event or any lesser sum for which the claim or claims arising from such event can be settled and the insurers shall thereafter not be under further liability in respect of such event.

## 15 | Jurisdiction

This Plan will be governed by the laws of the Republic of South Africa, whose courts shall have jurisdiction in any dispute arising hereunder.

## 16 | Territorial limits

The territorial limits of the cover afforded by this Plan are limited to events occurring in the Republic of South Africa, Namibia, Botswana, Zimbabwe, Lesotho, Swaziland, Mozambique and Malawi, unless otherwise stated in the specific section of this Plan.

## General provisions

### A | Claims preparation costs

The insurance provided by each section of this Plan is extended to include costs reasonably incurred by the insured in producing and certifying any particulars or details required by Discovery Insure in terms of **General condition 7** or to substantiate the amount of any claim, provided that the liability of Discovery Insure for such costs in respect of any one claim shall not exceed, in respect of a particular section, R50 000 or 10% of the sum insured or limit of indemnity on the item affected, whichever is the lesser amount, plus any amount stated in the Plan Schedule to each section against an item for additional claim preparation costs.

### B | Payments on account

In respect of any section where amounts recoverable from Discovery Insure are delayed pending finalisation of any claim, payments on account may be made to the insured, if required, at the discretion of Discovery Insure.

## C | First amount payable or excesses

Except where provided for specifically in any section, the amount payable or excesses under this Plan or section for each and every loss, damage or liability shall be reduced by the first amount payable or excesses shown in the **Excess annexure** or the amount as stated in the Plan Schedule for the applicable defined event.

## D | Members

Wherever the word 'director' is used, it is deemed to include 'member' if the insured is a close corporation.

## E | Liability under more than one section

Discovery Insure shall not be liable under more than one section of this Plan in respect of liability, loss or damage arising from the same happening in respect of the same liability, loss or damage.

## F | Meaning of words

The sections, schedules and any endorsements thereto and the Plan wording shall be read together and any word or expression to which a specific meaning has been given in any part thereof shall bear such meaning wherever it may appear.

## G | Holding covered

If Discovery Insure agrees to hold cover on a risk, they will not reject a claim on the basis that the premium has not been agreed.

## H | Plan Schedule sums insured blank

If, in a Plan Schedule, the sum insured, limit of indemnity or compensation is one of the following, this means the defined event or circumstance shown in the Plan Schedule is not insured by the Plan:

- (i) Left blank or has no monetary amount stipulated against it
- (ii) Reflected as nil or not applicable or not covered or no indemnity extended.

## I | Security firms

If an employee of a security firm employed by the insured under a contract causes loss or damage, Discovery Insure agrees, if in terms of the said

contract the insured may not claim against the said security firm, not to exercise their rights of recourse against the said security firm.

Discovery Insure shall not raise as a defence to any valid claim submitted under any section or subsection of this Plan that Discovery Insure's rights have been prejudiced by the terms of any contract entered into between the insured and any security provider relating to the protection of the insured property.

## J | Value-added tax

All monetary amounts stated in this Plan such as sums insured, limits of indemnity, and premiums are deemed to be inclusive of value-added tax (VAT).



# Property class

## FIRE SECTION

### Defined events

The basis of indemnity for damage by any insured perils to the whole or part of the property situated as stated in the Plan Schedule, which is owned by the insured or for which they are responsible, including alterations by the insured occupying the premises as tenants to the buildings and its structures.

It is understood and agreed that in respect of each of the perils included in this insurance:

- For the purposes thereof, any damage insured shall be deemed to have been caused by fire.
- All the exceptions and conditions applicable to this insurance shall apply as if they had been incorporated therein.

### This section covers the following perils:

- 01 | Fire
- 02 | Lightning or thunderbolt
- 03 | Explosion
- 04 | Special perils such as storm, wind, flood, water, hail or snow **excluding damage** to property:
  - (a) Arising from its undergoing any process necessarily involving the use or application of water

- (b) Not covered under the subsidence and landslip extension (limited cover)
- (c) To retaining walls unless so described and specifically insured as a separate item
- (d) Caused by tidal wave or tsunami originating from earthquake or volcanic eruption
- (e) In the underground workings of any mine
- (f) In the open (other than buildings, structures and plant designed to exist or operate in the open) unless so described and specifically insured as a separate item
- (g) In any structure not completely roofed unless so described and specifically insured as a separate item.

- 05 | Earthquake (whether arising from mining activities or otherwise) but excluding damage to property in the underground workings of any mine
- 06 | Aircraft and other aerial devices or articles dropped therefrom excluding damage caused by sonic shock waves
- 07 | Impact by animals, falling trees, aerials, satellite dishes or vehicles excluding damage to such animals, falling trees, aerials, satellite dishes or vehicles or property in or on such vehicles.

### Specific exceptions

- 01 | This section does not cover wear, tear or gradual

deterioration or depreciation or reduction or from the diminution in value, or damage caused or aggravated by the insured's failure to take all reasonable precautions for the maintenance and safety of the property insured and for the minimisation of any damage.

**02** | This section will cover earthquake damage to property in the underground workings of any mine only if added in the Plan Schedule as an additional peril but will not cover volcanic eruption or other convulsion of nature.

Any damage happening during the existence of abnormal conditions (whether physical or otherwise) which are occasioned by or through or in consequence, directly or indirectly, of any of the said occurrences shall be deemed to be damage which is not covered by this insurance, except to the extent that the insured shall prove that such damage happened independently of the existence of such abnormal conditions. In any action, suit or other proceedings where Discovery Insure alleges that, by reason of this exception, any damage is not covered by this insurance, the burden of proving the contrary shall be on the insured.

**03** | Unless specifically included, this insurance does not cover:

- (i) Damage to property occasioned by its undergoing any heating or drying process
- (ii) Damage to property which at the time thereof is insured by or would, but for the existence of this insurance, be insured by any marine plans, except in respect of any excess beyond the amount which would have been payable under the marine plans had this insurance not been effected
- (iii) Damage caused or aggravated by leakage or discharge from any sprinkler or drencher system in the buildings insured hereby or in buildings containing property insured hereby.

Automatic embedded clauses and extensions

**01** | Subsidence and landslip extension (limited cover)

Damage caused by subsidence or landslip provided that the insured shall bear the first portion of each and every claim up to an amount calculated at 1% percent of the sum insured on the property at the affected location with a maximum of R 100 000.

This extension does not cover:

- 1.1 Damage to drains, water courses, boundary walls, garden walls, retaining walls, gates, posts or fences unless specifically insured
- 1.2. Damage caused by or attributable to:
  - (a) Faulty design or construction of, or the removal or weakening of support to, any building situated at the insured premises
  - (b) Workmen engaged in making any structural alterations, additions or repairs to any building situated at the insured premises
  - (c) Excavation on or under land other than excavations in the course of mining operations
- 1.3. Consequential loss of any kind whatsoever except loss of rent when specifically insured under this section.

In any action, suit or other proceeding where Discovery Insure alleges that, by reason of the provisions of these exceptions, any damage is not covered by this insurance, the burden of proving the contrary shall be upon the insured.

**02** | Malicious damage extension

Damage directly occasioned by or through or in consequence of the deliberate or wilful or wanton act of any person committed with the intention of causing damage other than damage to:

- 2.1. Movable property which is
  - (a) Stolen
  - (b) Damaged in an attempt to remove it or part of it from any premises owned or occupied by the insured
- 2.2. Movable or immovable property which is damaged by thieves whilst breaking into or out of or attempting to break into or out of any premises owned or occupied by the insured
- 2.3. Immovable property owned or occupied by the insured occasioned by or through or in consequence of
  - (a) The removal or partial removal or any attempt thereof
  - (b) The demolition or partial demolition or any attempt thereof of the said immovable property or any part thereof with the intention of stealing any part thereof provided that this extension does not cover:
    - (i) Damage related to or caused by fire or explosion
    - (ii) Consequential or indirect damage of any kind or description whatsoever,

- other than loss of rent if specifically insured
- (iii) Damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation
- (iv) Damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority
- (v) Damage related to or caused by any occurrence referred to in **General exception 1 (A) (i), (ii), (iii), (iv), (v) or (vi)** of this Plan or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If Discovery Insure alleges that, by reason of **proviso (i), (ii),(iii), (iv) or (v)** loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

If any building insured or containing the insured property becomes unoccupied for 30 consecutive days, the insurance in respect of this extension is suspended as regards the property affected unless the insured, before the occurrence of any damage, obtains the written agreement of Discovery Insure to continue this extension.

During the period of the initial unoccupancy of 30 consecutive days, the insured shall become a co-insurer with Discovery Insure and shall bear a proportion of any damage equal to 20% of the claim before deduction of any first amount payable.

### Optional extensions (if stated in the Plan Schedule to be included)

#### 01 | Leakage extension

Damage caused by discharge or leakage from any sprinkler, drencher system or fire extinguishing installation or appliance.

If a first loss limit is shown against this additional peril in the Plan Schedule, the amount of such limit shall be the maximum liability of Discovery Insure in respect of any one event and, for the purposes of this extension only, the following shall be substituted for the average condition hereinbefore expressed:

If the property insured is, at the commencement of any damage to such property by discharge or leakage, collectively of greater value than the sum insured thereon against fire damage, then Discovery Insure shall be liable under this extension only for that proportion of the first loss limit as the sum insured against fire bears to the total value of such property and the insured shall be considered as being their own insurer for the difference and shall bear a rateable share of the loss accordingly. Every item, if more than one, to which this extension applies shall be separately subject to this clause.

In respect of this extension only, specific exception 3 (iii) to this section is deleted.

#### 02 | Loss of water by leakage

Discovery Insure will indemnify the insured for costs of water lost through leakage from pipes on the insured's property where the insured is responsible to pay the charge for such water subject to the following:

In the event of the quarterly reading of water consumption exceeding the average of the last previous four quarterly readings by 50% or more, Discovery Insure will indemnify the insured for the cost of such additional water consumed up to a limit of R5 000:

- (a) For not more than two separate incidents in any 12-month period of insurance
- (b) Is a condition precedent to liability under this extension that the insured must upon discovery of a leak (by physical evidence or on receipt of an abnormally high water account) take immediate steps to repair the pipes affected this extension does not cover the cost of remedial action including repairs to pipes affected.

Discovery Insure shall not be liable for claims as a result of leaking taps, geysers, toilet systems and swimming pools:

- (i) Whilst the property is unoccupied for a period in excess of 30 days
- (ii) Where the water level of a swimming pool has to be topped up as a result of a leaking inlet or outlet pipe.

#### 03 | Subsidence and landslip (extended cover)

- 3.1 This section is extended to include loss of or damage to the insured property caused by subsidence or landslip of the land supporting the said insured property or heave thereof provided that such loss or damage is not caused by or does not arise from:

- 3.1.1. Normal settlement, shrinkage or expansion of the insured property
- 3.1.2. Alterations, additions or repairs to the insured property
- 3.1.3. The compaction or infill
- 3.1.4. Defective or faulty design, materials or workmanship
- 3.1.5. Excavations other than mining operations
- 3.1.6. Contraction and or expansion of soil, clay or similar types or moist or damp
- 3.1.7. Removal or weakening of support to the insured property.
- 3.2. Discovery Insure will not be liable for:
  - 3.2.1. Loss of or damage to septic or conservancy tanks, drains, water courses unless the buildings are damaged at the same time by the same event
  - 3.2.2. Consequential loss whatsoever
  - 3.2.3. Damage existing at commencement of cover.
- 3.3. The insured will be responsible for the first 5% of the claim, minimum R 5 000, of each and every occurrence giving rise to a claim.
- 3.4. If required, the insured must give proof that the loss or damage being claimed for was caused by subsidence, landslip or heave.

**04 | Riot and strike extension**

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein, this section is extended to cover damage directly occasioned by or through or in consequence of:

- 4.1. Civil commotion, labour disturbances, riot, strike or lockout
- 4.2. The act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in (i) above, provided that this extension does not cover:
  - 4.2.1. Loss or damage occurring in the Republic of South Africa and Namibia
  - 4.2.2. Consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured
  - 4.2.3. Loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation

- 4.2.4. Loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority
- 4.2.5. Loss or damage related to or caused by any occurrence referred to in **General exception 1 (A) (ii), (iii), (iv), (v), (vi) or (vii)** of this Plan or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If Discovery Insure alleges that, by reason of **proviso 4.2.1, 4.2.2, 4.2.3, 4.2.4 or 4.2.5**, loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

The first amount payable under this extension for each and every loss shall be reduced by the first amount payable of 10% of the claim minimum R500.

**05 | Disposal of salvage clause**

Without diminishing the rights of Discovery Insure to rely on the provisions of the general conditions in the event of a loss, Discovery Insure agrees that it will not sell or otherwise dispose of any property which is the subject of a claim hereunder without the consent of the insured provided that the insured can establish to the satisfaction of Discovery Insure that to do so will prejudice their interests in which event Discovery Insure agrees to give the insured first option to repurchase such property at its fair intrinsic value or market value whichever is the greater.

The insured shall not be entitled under the provisions of this clause to abandon any property to Discovery Insure whether taken possession of by Discovery Insure or not.

**06 | Escalator clause**

During each period of insurance, the sums insured under columns one and three of this section shall be increased by that portion of the percentage specified in the Plan Schedule which the number of days since the commencement of such period bears to the whole of such period. Unless agreed otherwise, these provisions shall only apply to the sums insured in force at the commencement of the period of insurance.



At each renewal date, the insured shall notify Discovery Insure of the sums to be insured for the forthcoming period of insurance and the percentage increase required for such period. In default thereof, the provisions of this clause shall cease to apply.

The additional premium for this extension shall be 50% of the premium produced by applying the percentage specified to the annual premium for the sum insured to which this extension applies.

### 07 | Inflation contingency

Discovery Insure will pay the additional costs of reinstatement or replacement incurred between the time of the loss and actual reinstatement or replacement which are due to escalation in costs, provided always that:

- (a) The indemnity herein shall be without force or effect if the insured is unable or unwilling to reinstate or replace the property damaged on the same or other site
- (b) This extension is limited to the percentage specified in the Plan Schedule based on the replacement value at the time of loss.

### Embedded cover extension with option to buy-up (if stated in the Plan Schedule to be included)

#### 01 | Power surge extension

The insurance under this extension is extended to include damage to tangible insured property forming part of this section caused by power surge caused by the electricity supplying public authority. Provided that Discovery Insure's liability shall not exceed R25 000 plus any additional amount shown in the Plan Schedule in respect of any one event.

All such damage shall be subject to a first amount payable of 10% of claim with a minimum of R1 000.

This extension specifically excludes any consequential losses which may arise following an event.

### SPECIFIC CONDITION

#### Average

If the property insured is, at the commencement of any damage to such property by any peril insured against, collectively of greater value than the sum

insured thereon, then the insured is their own insurer for the difference in value and must bear a rateable share of the loss accordingly. Every item separately insured is separately subject to this condition.

### Stock declaration conditions (if stated in the Plan Schedule to be included)

In respect of stock and materials in trade insured under this section being subject to the stock declaration conditions, the premium is calculated on the percentage as stated in the Plan Schedule of the sum or sums insured thereon, subject to the following specific conditions:

- 01 | (a) The insured shall declare to Discovery Insure in writing the market value of their stock and materials in trade on the last day of each month or quarter (as stated in the Plan Schedule) and shall make such declaration within 30 days thereof, otherwise they shall be deemed to have declared the sum insured on such property as the market value thereof.  
(b) After each period of insurance, the premium shall be calculated on the average sum insured, namely the total of the values declared or deemed to have been declared, divided by the number of declarations due to have been made. If the resultant premium differs from the provisional premium, the difference shall be payable by or to the insured as the case may be, but the amount payable by Discovery Insure shall not exceed 50% of the provisional premium.
- 02 | Any claim hereunder shall be settled on the basis of the market value immediately anterior to the damage.
- 03 | If, after the occurrence of damage, it is found that the amount of the last declaration is less than the amount that ought to have been declared, then the amount which would have been recoverable by the insured shall be reduced in such proportion as the amount of the said declaration bears to the amount that ought to have been declared or to the sum insured, whichever is the lesser amount. The provisions of this condition shall, if applicable, operate cumulatively with the provisions of the specific condition relating to average.

- 04| In consideration of the insurance not being reduced by the amount of any loss, the insured shall pay additional premium on the amount of the loss from the date thereof to expiry of the period of insurance and such extra premium shall not be taken into account in, and shall be distinct from, the final adjustment premium.
- 05| The liability of Discovery Insure shall not exceed the sum insured and premium shall not be receivable on values in excess thereof.
- 06| The above specific conditions shall apply separately to each item of the specification to which these stock declaration conditions apply.

**CLAUSES AND EXTENSIONS**

**Rent clause (if insured under column two)**

Discovery Insure will pay the amount of rent receivable, rent payable or rental value (as the case may be) defined hereunder in the event of the premises stated in the Plan Schedule being rendered un-tenantable during the term specified therein in consequence of damage by a defined event.

- (i) Rent receivable – the actual rent receivable by the insured at the time of the event in respect of the aforesaid premises or on such part of the same as may then be let.
- (ii) Rent payable – the actual rent payable by the insured to the owner or landlord of the said premises.
- (iii) Rental value – the actual rental value of the said premises.

The amount payable in terms of this clause shall be in the proportion which the amount insured bears to the actual rent receivable or rent payable or rental value of the premises as the case may be and if the premises are not untenable during the whole of the aforesaid term, Discovery Insure shall only be liable to pay such proportion of the amount payable as the period of time during which the premises may remain untenable bears to the whole term specified above, but the period shall not exceed the time which would be required to place the premises in a tenable condition.

**Designation of property clause**

For the purpose of determining where necessary the column under which any property is insured, Discovery Insure agrees to accept the designation under which such property has been entered in the insured's books.

**All other contents clause**

The term all other contents referred to in the definition of property under column three of the Plan Schedule includes, but is not restricted to personal effects, tools and pedal cycles, the property of the insured or directors or employees of the insured in so far as such property is not otherwise insured.

The benefit under this extension is limited to R7 500 for any one individual in respect of property lost or damaged whilst on the insured's premises.

**Limitations clause**

Discovery Insure's liability under column three of the Plan Schedule is restricted in respect of  
 (a) Money and stamps to a limit of R7 500  
 (b) Documents, manuscripts, business books, Plans, computer systems records and media, designs, patterns, models and moulds to the value of materials and sums expended in labour.

**Alterations and misdescription clause**

The insurance under this section shall not be prejudiced by any alteration or misdescription of occupancy whether due to the transfer of processes or machinery or by virtue of acquisition of additional premises, structural alterations or repairs to buildings, machinery or plant, provided that notice is given to Discovery Insure as soon as practicable after such event and the insured agrees to pay additional premium if required.

## Architectural and other professional fees clause

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The insurance under columns one and three of the Plan Schedule includes professional fees (for estimates, Plans, specifications, quantities, tenders and supervision) necessarily incurred in the reinstatement or replacement of the property insured following damage by a defined event, but in no case exceeding 20% of the amount payable in respect of such damage and provided that the total amount recoverable shall not exceed the sum insured on the property affected.

The amount payable in respect of such fees shall not include expenses incurred in connection with the preparation of the insured's claim.

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## Capital additions clause

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The insurance under this section covers alterations, additions and improvements (but not appreciation in value in excess of the sums insured) to the property other than stock and materials in trade for an amount not exceeding 20% of the sum insured thereon, it being understood that the insured undertakes to advise Discovery Insure each quarter of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

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## Cost of demolition and clearing and erection of hoardings clause

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The insurance under this section includes costs necessarily incurred by the insured in respect of the demolition of buildings and machinery and the removal of debris (including stock debris) and in providing, erecting and maintaining hoardings required during demolition, site clearing and building operations following damage to the property insured by a defined event, provided that the total amount recoverable shall not exceed the sum insured on the property affected.

Discovery Insure will not pay for any costs or expenses:

- 01 | Incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site
- 02 | Arising from pollution or contamination of property not insured by this Plan or section.

## Landscaping clause

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Discovery Insure will pay for loss or damage to landscaping including trees, shrubs, plants, lawn, rockwork and edging at the premises. Discovery Insure's liability shall be limited to R10 000 for each and every claim or series of claims arising from one event, provided that such loss or damage is caused by:

- 01 | Fire, explosion or as a result of firefighting operations
  - 02 | Any other emergency service operations
  - 03 | Impact by vehicles, aircraft or other aerial devices
  - 04 | Any deliberate of malicious acts.
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## Fire extinguishing charges clause

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Any costs relating to the extinguishing or fighting of fire shall be deemed to be damage to the insured property and shall be payable in addition to any other payment for which Discovery Insure may be liable in terms of this section provided the insured is legally liable for such costs and the insured property was in danger from the fire.

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## Mortgagee clause

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The interest of any mortgagee in the insurance under this section shall not be prejudiced by any act or omission on the part of the mortgagor without the mortgagee's knowledge. The mortgagee shall, however, inform Discovery Insure as soon as any such act or omission comes to his knowledge and shall be responsible for any additional premium payable from the date any increased hazard shall, in terms of this clause, be assumed by Discovery Insure.

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## Municipal plans scrutiny fee clause

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The insurance under column one of the Plan Schedule includes municipal plans scrutiny fee, provided that the total amount recoverable under any item shall not exceed the sum insured on the building affected.

## Public authorities' requirements clause

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The insurance under this section includes such additional cost of repairing or rebuilding the damaged property incurred solely by reason of the necessity to comply with building or other regulations under or framed in pursuance of any act of parliament or ordinance of any provincial, municipal or other local authority provided that

- 01** | The amount recoverable under this clause shall not include:
- (a) The cost incurred in complying with any of the aforesaid regulations
    - (i) In respect of damage occurring prior to granting of this clause
    - (ii) In respect of damage not insured under this section
    - (iii) Under which notice has been served upon the insured prior to the happening of the damage
    - (iv) In respect of undamaged property or undamaged portions of property other than foundations (unless foundations are specifically excluded from this insurance) of that portion damaged.
  - (b) The additional cost that would have been required to make good the property damaged to a condition equal to its condition when new had the necessity to comply with any of the aforesaid regulations not arisen.
  - (c) The amount of any rate, tax, duty, development or other charge or assessment arising from capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid regulations.
- 02** | The work of repairing or rebuilding must be commenced and carried out with reasonable despatch and may be carried out wholly or partially upon another site (if the aforesaid regulations so necessitate) subject to the liability of Discovery Insure under this clause not being thereby increased.
- 03** | If the liability of Discovery Insure under any item of this section apart from this clause shall be reduced by the application of any of the terms, exceptions and conditions of this section, then the liability of Discovery Insure under this clause in respect of any such item shall be reduced in like proportion.
- 04** | The total amount recoverable under any item of this section shall not exceed the sum insured thereby.
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## Railway and other subrogation clause

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The insured shall not be prejudiced by signing the **Transnet Cartage (Hazardous Premises) Indemnity** or other special agreements with Transnet administration regarding private sidings or similar agreements with other government bodies.

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## Reinstatement value conditions clause

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In the event of property other than stock being damaged, the basis upon which the amount payable is to be calculated shall be the cost of replacing or reinstating on the same site property of the same kind or type but not superior to nor more extensive than the insured property when new, provided that:

- 01** | The work of replacement or reinstatement (which may be carried out upon another site and in any manner suitable to requirements of the insured subject to the liability of Discovery Insure not being thereby increased) must be commenced and carried out with reasonable despatch, otherwise no payment, beyond the amount which would have been payable if these reinstatement value conditions had not been incorporated herein, shall be made.
- 02** | Until expenditure has been incurred by the insured in replacing or reinstating the property, Discovery Insure shall not be liable for any payment in excess of the amount which would have been payable if these conditions had not been incorporated herein.
- 03** | If, at the time of replacement or reinstatement, the sum representing the cost which would have been incurred in replacement or reinstatement if the whole of the insured property had been damaged, exceeds the sum insured thereon at the commencement of any damage to such property by a defined event, then the insured shall be considered as being their own insurer for the excess and shall bear a rateable proportion of the loss accordingly. Each item of this section (if more than one) to which these conditions apply shall be separately subject to this provision.

- 04** | These conditions shall be without force or effect if:
- (a) The insured fails to intimate to Discovery Insure within six months of the date of damage or such further time as Discovery Insure may in writing allow, his intention to replace or reinstate the property
  - (b) The insured is unable or unwilling to replace or reinstate the property on the same or another site.

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### Alternative replacement conditions (design capacity) clause

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In the event of property insured which has a measurable function, capacity or output being damaged by a defined event and it not being possible to replace or reinstate such property in terms of the reinstatement value conditions, then Discovery Insure will pay the cost of replacing such property with property the quality, capacity, function or output of which is as near as possible but not inferior to that of the original property provided that:

- 01** | **Proviso 1, 2, 3 and 4** of the reinstatement value conditions apply equally to this clause
- 02** | In applying the provisions of **proviso 3** of the reinstatement value conditions, the cost (as provided for in **proviso 3**) "which would have been incurred in replacement or reinstatement if the whole of the insured property had been damaged" will be increased by such amount payable under the alternative replacement clause which is in excess of that which would have been payable under the reinstatement value conditions clause, had it been possible to reinstate or replace the property in terms thereof.

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### Temporary removal clause

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Except in so far as it is otherwise insured the property insured is covered whilst temporarily removed elsewhere on the premises stated in the Plan Schedule or to any other premises including transit by road, rail or inland waterway anywhere within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi provided that:

- 01** | Unless such temporary removal is for the purpose of cleaning, renovation, repair or similar process, the liability of Discovery Insure shall not exceed 20% of the sum insured applicable to any item
- 02** | The amount payable under this clause shall not exceed the amount that would have been payable had the loss occurred on the part of the premises from which the property is temporarily removed.

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### Tenants clause

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Discovery Insure' s liability to the insured shall not be affected by any act or omission on the part of any owner of a building or any tenant (other than the insured) without the insured's knowledge. The insured shall, however, inform Discovery Insure as soon as such act or omission which is a contravention of any of the terms, exceptions or conditions of this section comes to their knowledge and will be responsible for any additional premium payable from the date any increased hazard shall be assumed by Discovery Insure.

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### Public supply connections clause

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This section is extended to cover accidental damage to water, sewerage, gas, electricity, and telecommunication connections, the property of the insured or for which they are legally responsible between the property insured and the public supply or mains.

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## BUILDINGS COMBINED SECTION

### Defined Events

- 01 | Damage by the insured perils described in **subsection A – property** to the buildings including all outbuildings thereto (constructed of brick, stone, concrete or metal on metal framework and roofed with slate, tiles, metal, concrete or asbestos unless otherwise stated in the Plan Schedule) permanent structures and installations and sporting and recreational structures, landlord’s fixtures and fittings or installations therein and thereon, walls (except dam walls), gates, posts, fences, and tarred or paved roads, driveways, paths or parking areas, swimming pools (except pools built above ground level and vinyl lined pools) and boreholes (including pumps and motors) the property of the insured or for which they are responsible, situate as stated in the Plan Schedule
- 02 | Public supply connections as provided for in **subsection B**
- 03 | Loss of rent as provided for in **subsection C**
- 04 | Legal liability as provided for in **subsection D**.

### Subsection A – Property

#### Insured perils

- 01 | Fire
- 02 | Lightning and thunderbolt
- 03 | Explosion
- 04 | Storm, wind, flood, water, hail or snow excluding damage
  - (a) Arising from its undergoing any process necessarily involving the use or application of water
  - (b) By wear and tear or gradual deterioration
  - (c) By loss or damage
    - (i) To retaining walls unless so described and specifically insured as a separate item

- (ii) Caused or aggravated by
  - Subsidence or landslip
  - The insured’s failure to take all reasonable precautions for the maintenance and safety of the property insured and for the minimisation of any destruction or damage.

- 05 | Earthquake (whether arising from mining activities or otherwise) but excluding damage to property in the underground workings of any mine
- 06 | Aircraft and other aerial devices or articles dropped therefrom
- 07 | Impact by animals, falling trees, aerials, satellite dishes or vehicles excluding damage to such animals, falling trees, aerials, satellite dishes, vehicles or property in or on such vehicles
- 08 | Theft (or any attempt thereat) from the building insured accompanied by forcible and violent entry into or exit from such building.

The cover provided for by this peril is limited to 25% of the buildings sum insured or amount as stated in the Plan Schedule.

If any building insured or containing the insured property becomes unoccupied for 30 consecutive days, this item is suspended as regards the property affected unless the insured before the occurrence of damage obtains the written agreement of Discovery Insure to continue this insurance. During the period of the initial unoccupancy of 30 consecutive days the insured shall become a co-insurer with Discovery Insure and shall bear a rateable proportion of any damage equal to 20% of the claim before deduction of any first amount payable.

The first amount payable under this extension for each and every loss shall be reduced by the first amount payable of 10% of the claim minimum R1 000.

- 09 | Accidental damage to wash basins, pedestals, sinks, cisterns and other fixed sanitary ware, but the amount payable will be reduced by R300 for each and every such damage.

## SPECIFIC CONDITION

### Average (not applicable to peril 9 mentioned above)

If the property insured is, at the commencement of any damage to such property by any peril insured against, collectively of greater value than the sum insured thereon, then the insured shall be considered as being their own insurer for the difference and shall bear a rateable share of the loss accordingly. Every item, if more than one, shall be separately subject to this condition.

### First loss average (applicable to insured peril 8 above)

In respect of the theft or theft by forcible entry only if the total value of the property insured is greater than the aforementioned sums, the insured will be considered as being their own insurer for the difference and Discovery Insure will be liable only for such proportion of the first loss sum insured as the aforementioned sums will bear to the total value not exceeding in all the total sum insured by each item.

### Subsection B – Public supply connections

Accidental damage to water, sewerage, gas, electricity and telecommunication connections the property of the insured or for which they are legally responsible, between the property insured and the public supply or mains.

### Subsection C – Rent

Loss of rent as a result of the property insured being so damaged by any of the perils specified as to be rendered untenable (including partially untenable) but only for the period necessary for reinstatement and for an amount not exceeding 25% of the sum insured applicable to buildings, plant and machinery. The basis of calculation shall be the rent payable by the insured as lessee of the buildings, plant and machinery immediately preceding the damage or if the insured are not the lessee of the buildings, plant and machinery, the rental equivalent they should have received as lessor for leasing all the buildings, plant and machinery to a single legal entity.

### Subsection D – Liability

Damages for which the insured shall become legally liable to pay consequent upon accidental death of or bodily injury to or illness of any person (hereinafter termed injury) or accidental loss of or physical damage to tangible property (hereinafter termed damage) occurring during the period of insurance in, on or about the property insured and arising from the insured's ownership thereof.

### The limit of indemnity

The amount payable inclusive of any legal costs recoverable from the insured by a claimant or any number of claimants and other costs and expenses incurred with Discovery Insure's consent for any one event or series of events with one original cause or source shall not exceed the amount of R1 million.

### Specific exceptions (applicable to subsection D)

Discovery Insure will not indemnify the insured under this subsection in respect of:

- 01 | Injury or damage sustained by
  - (a) Any member of the same household as the insured
  - (b) Any person employed by the insured under a contract of service or apprenticeship and arising directly from and in the course of such employment by the insured
  - (c) Any other person resulting from the ownership of or use by or on behalf of the insured of mechanically propelled vehicles (except pedal cycles and lawnmowers).
- 02 | Damage to property
  - (a) (i) Belonging to the insured
  - (ii) In the custody or control of the insured or any employee of the insured
  - (b) Caused by vibration or by the removal or weakening of or interference with support to any land, building or other structure.
- 03 | Liability assumed by agreement (other than under the insured's own conditions of contract), unless liability would have attached to the insured notwithstanding such agreement.
- 04 | (a) Liability in respect of injury, damage or loss of use of property directly or

indirectly caused by seepage, pollution or contamination provided always that this exception shall not apply where such seepage, pollution or contamination is caused by a sudden, unintended and unforeseen occurrence.

(b) The cost of removing, nullifying or cleaning up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unforeseen occurrence.

This exception shall not extend the Plan to cover any liability which would not have been insured under this Plan in the absence of this exception.

05 | Fines, penalties, punitive, exemplary or vindictive damages.

06 | (a) Damages in respect of judgments delivered or obtained in the first instance otherwise than by a court of competent jurisdiction within the Republic of South Africa, Namibia, Botswana, Lesotho and Swaziland

(b) Costs and expenses of litigation recovered by any claimant from the insured which are not incurred in and recoverable in the area described in 6 (a) above.

.....  
Memoranda to subsection D  
.....

01 | Where more than one insured is named in the Plan Schedule, Discovery Insure will indemnify each insured separately and not jointly and any liability arising between such insureds shall be treated as though separate policies had been issued to each, provided that the aggregate liability of Discovery Insure shall not exceed the limit of indemnity stated in the Plan Schedule.

02 | Provided that the aggregate liability of Discovery Insure is not increased beyond the limit of indemnity stated, Discovery Insure will also indemnify as though a separate Plan had been issued to each

(a) In the event of the death of the insured, any personal representative of the insured in respect of liability incurred by the insured

(b) Any partner or director or member or employee of the insured (if the insured so requests) against any claim for which the insured is entitled to indemnity under this insurance.

03 | Notwithstanding specific exception 3, if, in terms of a contract with a security firm engaged in the course of the insured's business (as owner of the premises specified in the Plan Schedule) to protect the insured's property at the premises stated in the Plan Schedule, the insured become legally liable for the acts or omissions of the employees of the security firm in the course of their employment at these premises, then this subsection includes such legal liability to the extent that indemnity would have been granted under this subsection had the said employees been under a contract of service to the insured and not the security firm, but not exceeding the limit of liability stated in the Plan Schedule for this subsection.

04 | If, at the time of an occurrence giving rise to a claim, the security firm is entitled to indemnity under any other Plan in respect of the same event, the insurers shall not be liable to make payment except in respect of any amount above the amount payable under such other Plan.

In respect of this subsection only, **General exception 1** is deleted and replaced by the following:

This subsection does not cover injury, damage or liability directly or indirectly caused by, related to or in consequence of war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, military or usurped power, insurrection, rebellion, revolution.

05 | If, at the time of any event giving rise to a claim under this subsection, indemnity is also provided under any other insurance, this subsection shall not be drawn into contribution with such other insurance except in respect of any excess over and above the amount payable by such other insurance.



## AUTOMATIC EMBEDDED CLAUSES AND EXTENSIONS

### Architectural and other professional fees clause

The insurance under **subsection A** includes professional fees (for estimates, Plans, specifications, quantities, tenders and supervision) necessarily incurred in the reinstatement or replacement of the property insured following damage by a defined event, but in no case exceeding 15% of the amount payable in respect of such damage and provided that the total amount recoverable shall not exceed the sum insured on the property affected. The amount payable in respect of such fees shall not include expenses incurred in connection with the preparation of the insured's claim.

### Capital additions clause

The insurance under this section covers alterations, additions and improvements (but not appreciation in value in excess of the sums insured) to the property for an amount not exceeding 20% of the sum insured thereon, it being understood that the insured undertakes to advise Discovery Insure each quarter of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

### Cost of demolition and clearing and erection of hoardings clause

The insurance under this section includes costs necessarily incurred by the insured in respect of the demolition of property insured and the removal of debris and in providing, erecting and maintaining hoardings required during demolition, site clearing and building operations following damage to the property insured by a defined event, provided that the total amount recoverable shall not exceed the sum insured on the property affected.

### Discovery Insure will not pay for any costs or expenses

- 01 | Incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site

- 02 | Arising from pollution or contamination of property not insured by this Plan or section.

### Fire extinguishing charges clause

Any costs relating to the extinguishing or fighting of fire shall be deemed to be damage to the insured property and shall be payable in addition to any other payment for which Discovery Insure may be liable in terms of this section provided the insured is legally liable for such costs and the property insured was in danger from the fire.

### Landscaping clause

Discovery Insure will pay for loss or damage to landscaping including trees, shrubs, plants, lawn, rockwork and edging at the premises. Discovery Insure's liability shall be limited to R10 000 for each and every claim or series of claims arising from one event provided that such loss or damage is caused by the following but excluding theft or attempt thereat:

- 01 | Fire, explosion or as a result of firefighting operations
- 02 | Any other emergency service operations
- 03 | Impact by vehicles, aircraft or other aerial devices
- 04 | Any deliberate or malicious acts.

### Malicious damage extension

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained herein, this section is extended to cover loss or damage directly occasioned by or through or in consequence of the deliberate or wilful or wanton act of any person committed with the intention of causing such loss or damage other than loss or damage to

- 01 | Movable property which is
  - (a) Stolen
  - (b) Damaged in an attempt to remove it or part of it from any premises owned or occupied by the insured
- 02 | Movable or immovable property which is damaged by thieves whilst breaking into or out of or attempting to break into or out of any premises owned or occupied by the insured

- 03** | Immovable property owned or occupied by the insured occasioned by or through or in consequence of
- (a) The removal or partial removal or any attempt thereof
  - (b) The demolition or partial demolition or any attempt thereof
- The said immovable property or any part thereof with the intention of stealing any part thereof provided that this extension does not cover
- (a) Loss or damage related to or caused by fire or explosion
  - (b) Consequential or indirect loss or damage of any kind or description whatsoever other than loss of rent if specifically insured
  - (c) Loss or damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation
  - (d) Loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority
  - (e) Loss or damage related to or caused by any occurrence referred to in **General exception 1 (A) (i), (ii), (iii), (iv), (v) or (vi)** of this Plan or the act of any lawfully established authority in controlling preventing, suppressing or in any other way dealing with any such occurrence.

If Discovery Insure alleges that, by reason of **proviso (a), (b), (c), (d) or (e)**, loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

If any building insured or containing the insured property becomes unoccupied for 30 consecutive days the insurance in respect of this extension is suspended as regards the property affected unless the insured, before the occurrence of any damage obtains the written agreement of Discovery Insure to continue this extension.

During the period of the initial unoccupancy of 30 consecutive days the insured shall become a co-insurer with Discovery Insure and shall bear a proportion of any damage equal to 20% before deduction of any first amount payable.

## Mortgagee clause

The interest of any mortgagee in the insurance under this section shall not be prejudiced by any act or omission on the part of the mortgagor without the mortgagee's knowledge. The mortgagee shall, however, inform Discovery Insure as soon as any such act or omission comes to his knowledge and shall be responsible for any additional premium payable from the date any increased hazard shall, in terms of this clause, be assumed by Discovery Insure.

## Municipal plans scrutiny fee clause

The insurance under this section includes municipal plans scrutiny fees, provided that the total amount recoverable under any item shall not exceed the sum insured on the property insured so affected.

## Public authorities' requirements clause

The insurance under this section includes such additional cost of repairing or rebuilding the damaged property incurred solely by reason of the necessity to comply with building or other regulations under, or framed in pursuance of, any Act of Parliament or ordinance of any provincial, municipal or other local authority, provided that:

- 01** | The amount recoverable under this clause shall not include
  - (a) The cost incurred in complying with any of the aforesaid regulations
    - (i) In respect of damage occurring prior to granting of this clause
    - (ii) In respect of damage not insured by this section
    - (iii) Under which notice has been served upon the insured prior to the happening of the damage
    - (iv) In respect of undamaged property or undamaged portions of property other than foundations (unless foundations are specifically excluded from this insurance) of that portion damaged
  - (b) The additional cost that would have been required to make good the property damaged to a condition equal to its condition when new had the necessity to comply with any of the aforesaid regulations not arisen

(c) The amount of any rate, tax, duty, development or other charge or assessment arising from capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid regulations.

**02** | The work of repairing or rebuilding must be commenced and carried out with reasonable despatch and may be carried out wholly or partially upon another site (if the aforesaid regulations so necessitate) subject to the liability of Discovery Insure under this clause not being thereby increased.

**03** | If the liability of Discovery Insure under any item of this section apart from this clause shall be reduced by the application of any of the terms, exceptions and conditions of this section, then the liability of Discovery Insure under this clause in respect of any such item shall be reduced in like proportion.

**04** | The total amount recoverable under any item of this section shall not exceed the sum insured thereby.

.....  
**Railway and other subrogation clause**  
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The insured shall not be prejudiced by signing the **Transnet Cartage (Hazardous Premises) Indemnity** or other special agreements with the Transnet administration regarding private sidings or similar agreements with other government bodies.

.....  
**Reinstatement value conditions**  
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In the event of the property being damaged, the basis upon which the amount payable is to be calculated shall be the cost of replacing or reinstating on the same site property of the same kind or type but not superior to or more extensive than the insured property when new, provided that:

**01** | The work of replacement or reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the insured subject to the liability of Discovery Insure not being thereby increased) must be commenced and carried out with reasonable despatch, otherwise no payment beyond the amount which would have been payable if these reinstatement value conditions had not been incorporated herein shall be made.

**02** | Until expenditure has been incurred by the insured in replacing or reinstating the property, Discovery Insure shall not be liable for any payment in excess of the amount which would have been payable if these conditions had not been incorporated herein.

**03** | If, at the time of replacement or reinstatement, the sum representing the cost which would have been incurred in replacement or reinstatement if the whole of the insured property had been damaged exceeds the sum insured thereon at the commencement of any damage to such property by a defined event, then the insured shall be considered as being their own insurer for the excess and shall bear a rateable proportion of the loss accordingly. Each item of this section (if more than one) to which these conditions apply shall be separately subject to this provision.

**04** | These conditions shall be without force or effect if

- (a) The insured fails to intimate to Discovery Insure within six months of the date of damage, or such further time as Discovery Insure may in writing allow, their intention to replace or reinstate the property
- (b) The insured is unable or unwilling to replace or reinstate the property on the same or another site.

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**Temporary removal clause**  
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Except in so far as otherwise insured, landlord's fixtures and fittings are covered while temporarily removed to any other premises including transit by road, rail or inland waterway anywhere within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi provided that the amount payable under this clause shall not exceed that which would have been payable had the loss occurred on the premises from which the property is temporarily removed.

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**Tenants' clause**  
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Discovery Insure's liability to the insured shall not be affected by any act or omission on the part of any tenant (other than the insured) without the insured's knowledge. The insured shall, however, inform Discovery Insure as soon as any such act or omission which is a contravention of any of the

terms, exceptions or conditions of this section comes to their knowledge and will be responsible for any additional premium payable from the date any increased hazard shall be assumed by Discovery Insure.

**OPTIONAL CLAUSES AND EXTENSIONS (IF STATED IN THE PLAN SCHEDULE TO BE INCLUDED)**

**Prevention of access extension to subsection C**

If property within a radius of 10 kilometres of the premises stated in the Plan Schedule is lost or damaged by a insured peril defined in **subsection A** during the period of insurance and this prevents or hinders the use of or access to the property insured by this section, Discovery Insure will pay any loss of rent the insured may incur as a result thereof up to an amount not exceeding 25% of the sum insured on the affected property. The loss of rent calculation will be based on the rent payable immediately preceding the loss or damage or its equivalent rental value.

**Subsidence and landslip extension to subsection A**

The following peril is added to the perils applicable to **subsection A – Property**:

Damage caused by subsidence or landslip provided that the insured shall bear the first portion of each and every claim up to an amount calculated at 1% of the sum insured on the property at the affected location with a maximum of R100 000.

For the purposes hereof, any damage insured shall be deemed to have been caused by insured perils provided that this extension does not cover:

- 01** | Damage to drains, water courses, boundary walls, garden walls, retaining walls, gates, posts or fences unless specifically insured
- 02** | Damage caused by or attributable to
  - (a) Faulty design or construction of, or the removal or weakening of support to, any building situated at the insured premises
  - (b) Workers engaged in making any structural alterations, additions or repairs to any building situated at the insured premises
  - (c) Excavation on or under land other than

excavations in the course of mining operations

- 03** | Consequential loss of any kind whatsoever except loss of rent to the extent insured by this section.

In any action suit or other proceeding where Discovery Insure alleges that, by reason of the provisions of this extension, any damage is not covered by this insurance, the burden of proving the contrary shall be upon the insured.

**Escalator clause extension**

During each period of insurance, the sums insured under **subsection A** of this section shall be increased by that portion of the percentage specified in the Plan Schedule which the number of days since the commencement of such period bears to the whole of such period. Unless agreed otherwise, these provisions shall only apply to the sums insured in force at the commencement of the period of insurance.

At each renewal date, the insured shall notify Discovery Insure of the sums to be insured for the forthcoming period of insurance and the percentage increase required for such period. In default thereof, the provisions of this clause shall cease to apply.

The additional premium for this extension shall be 50% of the premium produced by applying the percentage specified to the annual premium for the sum insured to which this extension applies.

**Inflation contingency extension**

Discovery Insure will pay the additional costs of reinstatement or replacement incurred between the time of the loss and actual reinstatement or replacement which are due to escalation in costs provided always that:

- (a) The indemnity herein shall be without force or effect if the insured is unable or unwilling to reinstate or replace the property damaged on the same or other site
- (b) This extension is limited to the percentage specified in the Plan Schedule based on the replacement value at the time of loss.

## Loss of water by leakage

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Discovery Insure will indemnify the insured for costs of water lost through leakage from pipes on the insured's property where the insured are responsible to pay the charge for such water subject to the following:

In the event of the quarterly reading of water consumption exceeding the average of the last previous four quarterly readings by 50% or more, Discovery Insure will indemnify the insured for the cost of such additional water consumed up to a limit of R5 000.

- (a) Up to R5 000 shall be payable for not more than two separate incidents in any 12-month period of insurance.
- (b) It shall be a condition precedent to liability under this extension that the insured shall upon discovery of a leak (by physical evidence or on receipt of an abnormally high water account) take immediate steps to repair the pipes affected.

This extension does not cover the cost of remedial action including repairs to pipes affected. Discovery Insure shall not be liable for claims as a result of leaking taps, geysers, toilet systems and swimming pools:

- 01** | Whilst the property is unoccupied for a period in excess of 30 days
  - 02** | Where the water level of a swimming pool has to be topped up as a result of a leaking inlet or outlet pipe.
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## Theft

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The words, "accompanied by forcible and violent entry or exit from the building", are deleted from insured **perils 8** in respect of fixtures and fittings.

The insurers' liability shall not exceed the amount stated in the Plan Schedule in respect of any one event.

The first amount payable under this extension for each and every loss shall be reduced by the first amount payable of 10% of the claim minimum R1 000.

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## Riot and strike extension

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Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein **subsections A, B and C** of this section are extended to cover loss or damage directly occasioned by or through or in consequence of:

- 01** | Civil commotion, labour disturbances, riot, strike or lockout
- 01** | The act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in (1) above provided that this extension does not cover:
  - (a) Loss or damage occurring in the Republic of South Africa and Namibia
  - (b) Consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured
  - (c) Loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation
  - (d) Loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority
  - (e) Loss or damage related to or caused by any occurrence referred to in **General exception 1 (A) (ii), (iii), (iv), (v) or (vi)** of this Plan or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If Discovery Insure alleges that, by reason of **proviso (a), (b), (c), (d) or (e)**, loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

The first amount payable under this extension for each and every loss shall be reduced by the first amount payable of 10% of the claim minimum R500.

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## EMBEDDED EXTENSION WITH BUY-UP OPTION (IF STATED IN THE PLAN SCHEDULE TO BE INCLUDED)

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### Power surge extension

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The insurance under this section is extended to include damage to tangible fixtures and fittings forming part of buildings insured under this section caused by power surge caused by electricity-supplying public authority. Provided that the insurer's liability shall not exceed R25 000 plus any additional amount shown in the Plan Schedule in respect of any one event.

All such damage shall be subject to a first amount payable of 10% of claim with a minimum of R1 000.

This extension specifically excludes any consequential losses which may arise following an event.

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## OFFICE CONTENTS SECTION

### Defined events

- 01** | Loss of or damage to the contents contained in the offices and consulting rooms situated as stated in the Plan Schedule (hereinafter called the office premises) by any of the perils specified in **subsection A** hereof (Contents) (other than documents as defined in **subsection C** (Documents) if insured thereunder and electronic data processing equipment) including landlord's fixtures and fittings the property of the insured or for which they are responsible and, unless otherwise stated in the Plan Schedule, to the extent that the same is not otherwise insured, property owned by any partner or director or employee of the insured up to an amount of R5 000 per person.
- 02** | Loss of or damage to the whole or part of the property insured under item C and defined in **subsection C** (Documents) and the consequences thereof insured under item D and as described in **subsection D** (Liability).
- 03** | Loss and expenditure described in **subsections B** (Rent) and **E** (Increase in Cost of Working).

### Definition

Electronic data processing equipment is limited to computers and all related hardware, peripherals and computer software and the information or data stored therein or thereon.

### Subsection A – Contents

#### This section covers the following perils:

- 01** | Fire
- 02** | Lightning or thunderbolt
- 03** | Explosion
- 04** | Storm, wind, flood, water, hail or snow excluding damage arising from its undergoing any process necessarily involving the use or application of water
- 05** | Earthquake (whether arising from mining activities or otherwise) but excluding loss of or damage to property in the underground workings of any mine

- 06** | Aircraft and other aerial devices or articles dropped therefrom
- 07** | Impact by animals, falling trees, aerials, satellite dishes or vehicles excluding damage to such animals, falling trees, aerials, satellite dishes or vehicles or property in or on such vehicles
- 08** | Accidental breakage of mirror glass, plate glass tops to furniture or fixed glass forming part of any article of furniture.

### Limitations clause

Discovery Insure's liability under this subsection is restricted in respect of documents, manuscripts, business books, plans, designs, patterns, models and moulds to the value of materials and sums expended in labour.

### Specific condition

#### Average (not applicable to peril 8 above nor to the theft or the theft by forcible entry extensions if on a first-loss basis)

If the property insured is, at the commencement of any loss or damage to such property by any peril insured against, collectively of greater value than the sum insured thereon, the insured shall be considered as being their own insurer for the difference and shall bear a rateable share of the loss or damage accordingly. Each item of the Plan Schedule covering such property shall be separately subject to this condition.

#### First-loss average (if stated in the Plan Schedule to be included)

In respect of the theft or theft by forcible entry extensions only, if, at the time of any loss or damage arising the total value of the property insured will be greater than the aforementioned sums, the insured will be considered as being their own insurer for the difference and Discovery Insure will be liable only for such proportion of the first loss sum insured as the aforementioned sums will bear to the total value not exceeding in all the total sum insured by each item.

#### Specific exceptions (applicable to subsection A)

**This subsection does not cover**

- (a) Property outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi
- (b) Designs, patterns, models or moulds (except to the extent that the said articles are insured in terms of **subsection A**), stock in trade, samples, motor vehicles and accessories therefor, money, securities, stamps, jewellery or precious stones
- (c) The first 10% of the indemnifiable amount or R500 whichever is the greater if the loss or damage is due to lightning strikes.

**Subsection B – Rent**

Loss of rent actually incurred by the insured in consequence of the office premises or portion thereof being so damaged by any of the perils specified in **subsection A** as to be rendered uninhabitable, but only in respect of the period necessary for reinstatement. The indemnity under this subsection shall not exceed 25% of the sum insured or value (whichever is the lower) of all contents of the office premises affected.

For the purpose of this subsection, the term ‘office premises’ shall be deemed to extend to any premises or portion thereof in the vicinity of the office premises, damage to which prevents or hinders access to the office premises.

**Subsection C – Documents**

Loss of or damage to documents normally kept at the office premises by any peril not specifically excluded.

**Definition**

The term ‘documents’ shall mean films, tapes, addressograph plates, books, records, maps, plans, drawings, abstracts, deeds, wills, mortgages, agreements, manuscripts, letters, certificates, documents and similar written, printed or otherwise inscribed papers and documents used by the insured in the business and owned by them or for which they are responsible excluding money, current postage or revenue stamps, cancelled and uncancelled coupons, securities, bearer bonds, cheques, drafts and any written order to pay a sum certain in money and any written evidence of indebtedness or obligation and all property carried

or held as samples or for sale or for delivery after sale and computer software and computer data carrying media unless otherwise stated in the Plan Schedule.

**Limitations clause**

Discovery Insure’s liability under this subsection is limited to all costs, charges and expenses incurred by the insured in replacing or restoring such documents.

**Specific exceptions (applicable to subsection C)**

**This subsection does not cover:**

- (a) Loss or damage caused by
  - (i) Electric or electronic or magnetic injury, disturbance or erasure of electronic or magnetic recordings except by lightning in which case the lightning loss or indemnifiable amount will be reduced by 10% of such amount or R1 000 whichever is the greater
  - (ii) Vermin or inherent defect or by processing, copying or other work upon the documents
  - (iii) The dishonesty of any principal, partner or director of the insured whether acting alone or in collusion with others. This exception shall not apply to any director who is also an employee of the insured and whom the insured has the right at all times to govern, control and direct in the performance of their work in the service of the insured and in the course of the business.
- (b) Wear and tear or gradual deterioration or depreciation or reduction or from the diminution in value, or damage caused or aggravated by the insured’s failure to take all reasonable precautions for the maintenance and safety of the property insured and for the minimisation of any damage.
- (c) Costs involved in reshooting films and videos and rerecording audio tapes.

**Subsection D – Legal liability for documents**

Legal liability as a direct consequence of loss of or damage to documents as defined in **subsection C** and in respect of which payment, reinstatement or repair has been made or liability admitted by Discovery Insure under **subsection C** unless such

payment, reinstatement, repair or liability has not been made or admitted solely because the insured is required to bear the first portion of the loss.

### Specific exception (applicable to subsection D)

This subsection does not cover liability assumed by the insured under any contract, undertaking or agreement where such liability would not have attached to the insured in the absence of such contract, undertaking or agreement.

### Memorandum

In respect of **subsection D** only, **General exception 1** is deleted and replaced by the following:

This subsection does not cover loss, damage, liability or expenditure directly or indirectly caused by, related to or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, military or usurped power.

### Subsection E – Increase in cost of working

Any additional expenditure not otherwise provided for in this section reasonably incurred by the insured for the purposes of maintaining the normal operation of the business in consequence of loss or damage in respect of which payment, reinstatement or repair has been made or liability therefor admitted by Discovery Insure under **subsections A or C**.

The indemnity under this subsection shall not exceed 25% of the sum insured on all contents of the office premises affected.

## AUTOMATIC EMBEDDED CLAUSES AND EXTENSIONS

### Alterations and misdescription clause

The insurance under this section shall not be prejudiced by any alteration or misdescription of occupancy whether due to the transfer of processes or machinery or by virtue of structural alterations, repairs to buildings, machinery or plant, provided that notice is given to Discovery Insure as soon as practicable after such event and the insured agrees to pay additional premium if required.

### Capital additions clause

The insurance under this section covers alterations, additions and improvements (but not appreciation in value in excess of the sums insured) to the property for an amount not exceeding 20% of the sum insured thereon, it being understood that the insured undertakes to advise Discovery Insure each quarter of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

### Landscaping clause

Discovery Insure will pay for loss or damage to landscaping including trees, shrubs, plants, lawn, rockwork and edging at the premises. Discovery Insure's liability shall be limited to R10 000 for each and every claim or series of claims arising from one event provided that such loss or damage is caused by the following but excluding theft of attempt thereat:

- 01 | Fire, explosion or as a result of firefighting operations
- 02 | Any other emergency service operations
- 03 | Impact by vehicles, aircraft or other aerial devices
- 04 | Any deliberate of malicious acts.

### Fire extinguishing charges clause

Any costs relating to the extinguishing or fighting of fire shall be deemed to be damage to the insured property and shall be payable in addition to any other payment for which Discovery Insure may be liable in terms of this section, provided the insured is legally liable for such costs and the insured property was in danger from the fire.

### Locks and keys clause

In addition to the limit of indemnity stated in the Plan Schedule, Discovery Insure will indemnify the insured in respect of the cost of replacing locks and keys to any insured office premises following upon the disappearance of any key to such premises or following upon the insured having reason to believe that any unauthorised person may be in possession of a duplicate of such key provided that:



- (i) Discovery Insure's liability shall not exceed R3 000 in respect of any one event
- (ii) Discovery Insure shall not be liable for the first R250 of each and every event.

or (vi) of this Plan or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

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### Malicious damage extension

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Subject otherwise to the terms, conditions, exceptions and warranties contained therein, **subsections A, B and C** are extended to cover damage directly occasioned by or through or in consequence of the deliberate or wilful or wanton act of any person committed with the intention of causing such damage, other than damage to:

- 01 |** Movable property which is
  - (a) Stolen
  - (b) Damaged in an attempt to remove it or part of it from any premises owned or occupied by the insured
- 02 |** Movable or immovable property which is damaged by thieves whilst breaking into or out of or attempting to break into or out of any premises owned or occupied by the insured
- 03 |** Immovable property owned or occupied by the insured occasioned by or through or in consequence of
  - (a) The removal or partial removal or any attempt thereof of
  - (b) The demolition or partial demolition or any attempt thereof of the said immovable property or any part thereof with the intention of stealing any part thereof provided that this extension does not cover
    - (a) Damage related to or caused by fire or explosion
    - (b) Consequential or indirect loss or damage of any kind or description whatsoever other than loss of rent if specifically insured
    - (c) Damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation
    - (d) Damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority
    - (e) Damage related to or caused by any occurrence referred to in **General exception 1 (A) (i), (ii), (iii), (iv), (v),**

If Discovery Insure alleges that, by reason of **proviso (a), (b), (c), (d) or (e)**, loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

If any building insured or containing the insured property becomes unoccupied for 30 consecutive days, the insurance in respect of this extension is suspended as regards the property affected unless the insured, before the occurrence of any damage, obtains the written agreement of Discovery Insure to continue this extension.

During the period of the initial un-occupancy of 30 consecutive days, the insured shall become a co-insurer with Discovery Insure and shall bear a proportion of any damage equal to 20% of the claim before deduction of any first amount payable.

.....

### New and additional premises clause

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If the insured occupies offices or consulting rooms other than those situated as stated in the Plan Schedule in the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi, the insurance by this section shall apply as though such offices or consulting rooms were office premises within the meaning of this section provided that:

- (i) The insured shall, within a reasonable time of taking occupation, advise Discovery Insure thereof and pay additional premium calculated pro rata from the time of taking occupation until the end of the then current period of insurance
  - (ii) This clause shall not apply to any loss if and so far as the same is otherwise insured.
- .....

### Removal of debris clause

.....

The insurance under this section is extended to include such reasonable costs and expenses as may be necessarily incurred by the insured in respect of the removal of debris following loss of or damage to the insured property by any peril hereby insured against, provided that the liability of Discovery Insure for such loss or damage and costs and expenses shall not exceed in the aggregate the sum expressed in the Plan Schedule

to be insured on the property affected.

Discovery Insure will not pay for any costs or expenses:

- 01 | Incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site
- 02 | Arising from pollution or contamination of property not insured by this Plan or section.

### Temporary removal clause

Except in respect of the personal property of any partner, director or employee of the insured, loss of or damage to the insured property by any peril hereby insured against while such property is temporarily contained in any building in the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi shall be deemed to be loss or damage happening while such property is contained in the office premises.

### Temporary repairs and measures after loss clause

The insurance under this section is extended to include all reasonable costs and expenses incurred by the insured in effecting such temporary repairs and by taking such temporary measures as may be reasonably necessary after loss of or damage to the insured property by any peril hereby insured against, provided that the liability of Discovery Insure for such loss or damage and costs and expenses shall not exceed in the aggregate the sum expressed in the Plan Schedule to be insured on the property affected.

### Tenants' clause

Discovery Insure's liability to the insured shall not be affected by any act or omission on the part of any owner of a building or any tenant (other than the insured) without the insured's knowledge. The insured shall, however, inform Discovery Insure as soon as any such act or omission which is a contravention of any of the terms, exceptions or conditions of this section comes to their knowledge and will be responsible for any additional premium payable from the date any increased hazard shall be assumed by Discovery Insure.

## OPTIONAL CLAUSES AND EXTENSIONS (IF STATED IN THE PLAN SCHEDULE TO BE INCLUDED)

### Theft extension

The following peril is added to the perils applicable to **subsection A** contents:

#### (a) Theft by forcible entry extension

Theft accompanied by forcible and violent entry into or exit from the offices and consulting rooms or any attempt thereat or as a result of theft (or any attempt thereat) following violence or threat of violence provided that:

- (i) Discovery Insure will not be liable under this extension for theft or attempted theft by any principal, partner, director or employee of the insured
- (ii) The amount payable will be reduced by the first amount payable shown in the Plan Schedule for this extension
- (iii) The maximum amount payable will not exceed the sum insured shown in the Plan Schedule for this extension less its first amount payable.

The first amount payable under this extension for each and every loss shall be reduced by the first amount payable of 5% of the sum insured minimum R1 000.

### Theft extension

The following peril is added to the perils applicable to **subsection A** contents:

#### (b) Non-forcible or non-violent theft extension

The following peril is added to the perils applicable to **subsection A** contents:

Theft or any attempt thereat other than by any principal, partner, director or employee of the insured provided that:

- (i) The maximum amount payable will not exceed the sum insured shown in the Plan Schedule for this extension less its first amount payable.
- (ii) The amount payable under this extension for each and every claim in respect of non-forcible or non-violent theft from the premises, shall be reduced by 10% of the sum insured minimum R1 500.

## Riot and strike extension

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Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein, **subsections A, B and C** of this section are extended to cover loss or damage directly occasioned by or through or in consequence of:

- (a) Civil commotion, labour disturbances, riot, strike or lockout
- (b) The act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in (a) above provided that this extension does not cover:
  - (i) Loss or damage occurring in the Republic of South Africa and Namibia
  - (ii) Consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured
  - (iii) Loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation
  - (iv) Loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority
  - (v) Loss or damage related to or caused by any occurrence referred to in **General exception 1 (A) (ii), (iii), (iv), (v) or (vi)** of this Plan or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If Discovery Insure alleges that, by reason of **proviso (i), (ii), (iii), (iv) or (v)**, loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

The first amount payable under this extension for each and every loss shall be reduced by the first amount payable of 10% of the claim minimum R500.

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## Embedded extension with buy-up limit cover option (if stated in the Plan Schedule to be included)

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### Power surge extension

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The insurance under this extension is extended to include damage to insured property forming part of this section caused by power surge. Provided that Discovery Insure's liability shall not exceed R25 000 plus any additional amount shown in the Plan Schedule in respect of any one event.

All such damage shall be subject to a first amount payable of 10% of claim with a minimum of R1 000.

This extension specifically excludes any consequential losses which may arise following an event.

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## SPECIFIC CONDITION

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### Replacement value condition

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The basis upon which the amount payable for a claim in respect of contents is calculated shall be either the replacement of the contents by similar property in a condition equal to but not better or more extensive than its condition when new or the repair of the contents to a condition substantially the same as but not better than its condition when new provided that if, at the time of replacement or repair, the sum representing the cost which would have been incurred in replacement if the whole of the contents had been lost, destroyed or damaged beyond repair exceeds the sum insured thereon at the time of the loss or damage, then the insured shall be considered as being their own insurer for the difference and shall bear a rateable proportion of the loss accordingly.

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## 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:

- (i) The **Fire** section of this Plan
- (ii) The **Buildings combined** section of this Plan
- (iii) The **Office contents** section of this Plan
- (iv) Any other material damage insurance covering the interest of the insured
- (v) The **Accidental damage** section of this Plan provided that:
  - (a) The provision under any item of the **Accidental damage** 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
  - (b) Discovery Insure shall not pay more than the sum insured stated in the Plan Schedule of the **Accidental damage** section for both this section and the **Accidental damage** section combined but only in respect of perils insured under the fire section hereof (hereinafter termed damage).

Liability shall be deemed to have been admitted if such payment, reinstatement or repair is precluded solely because the insured is required to bear the first portion of the loss.

### Item 1: Gross profit (difference basis)

The insurance under this item is limited to loss of gross profit due to

- (a) Reduction in turnover and
- (b) Increase in cost of working.

The amount payable as indemnity hereunder shall be:

- (a) 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
- (b) 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 sum insured 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.

### Item 1: Gross profit (additions basis)

The insurance under this item is limited to loss of gross profit due to both:

- (a) Reduction in turnover
- (b) Increase in cost of working.

The amount payable as indemnity hereunder shall be:

- (a) 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
- (b) 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 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 sum insured 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.

**Memo:** If any standing charges of the business are not insured under this section, then in computing the amount recoverable hereunder as increase in cost of working, 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.

### Item 2 : Gross rentals

The insurance under this item is limited to:

- (a) Loss of gross rentals and
- (b) Increase in cost of working.

The amount payable as indemnity hereunder shall be:

- (a) 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
- (b) 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 sum insured 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.

### Item 3: Revenue

The insurance under this item is limited to:

- (a) Loss of revenue and
- (b) Increase in cost of working.

The amount payable as indemnity hereunder shall be:

- (a) In respect of loss of revenue the amount by which the revenue during the indemnity period shall, in consequence of the damage, fall short of the standard revenue
- (b) 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 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 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 as may cease or be reduced in consequence of the damage, provided that the amount payable shall be proportionately reduced if the sum insured in respect of revenue is less than the annual revenue where the maximum indemnity period is 12 months or less, or the appropriate multiple of the annual revenue where the maximum indemnity period exceeds 12 months.

### Item 4: Additional increase in cost of working

The insurance under this item is limited to reasonable additional expenditure (not recoverable under other items) incurred with the consent of Discovery Insure during the indemnity period in consequence of the damage for the purpose of maintaining the normal operation of the business.

### Item 5: Wages (number-of-weeks basis)

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.

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 sum insured 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.

**Item 6: Fines and penalties for breach of contract**

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.

**Definitions**

<b>Indemnity period</b>	The period beginning with the commencement of the damage and ending not later than the number of months thereafter stated in the Plan Schedule during which the results of the business shall be affected in consequence of the damage.
<b>Turnover</b>	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.
<b>Revenue</b>	Money paid or payable to the insured for goods sold and for services rendered in the course of the business at the premises.
<b>Gross rentals</b>	Money paid or payable to the insured by tenants in respect of rental of the premises and for services rendered.

<b>Gross profit (difference basis)</b>	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.
<b>Uninsured costs</b>	As specified in the Plan Schedule (the words and expressions used shall have the meaning usually attached to them in the books and accounts of the insured).
<b>Gross profit (additions basis)</b>	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.
<b>Net profit</b>	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.
<b>Insured standing charges</b>	As specified in the Plan Schedule (the words and expressions used shall have the meaning usually given to them in the books of account of the insured).

Standard turnover Standard revenue Standard gross rentals	The turnover (revenue) (gross rentals) during that period in the 12 months immediately before the date of the damage which corresponds with the indemnity period	<p>to which such adjustments shall be made as may be 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.</p> <p><b>Note</b> If the damage occurs before the completion of the first year's trading of the business at the premises, the value of bracketed terms 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.</p>
Annual turnover, Annual revenue Annual gross rentals	The turnover (revenue) (gross rentals) during the 12 months immediately before the date of the damage	
Rate of gross profit	The rate of gross profit earned on the turnover during the financial year immediately before the date of the damage	

**Memo:** 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.

### Specific conditions

- 01 |** 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 Discovery Insure.
- 02 |** 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 5 and 6**, 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 Discovery Insure may in writing allow, at their own expense deliver to Discovery Insure 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 Discovery Insure forthwith.

### AUTOMATIC EMBEDDED CLAUSES AND EXTENSIONS

#### 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 Discovery Insure 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.

## Departmental clause

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If the business is conducted in departments or branches, the independent trading results of which are ascertainable, the provisions under **Items 1** (Gross profit), **2** (Gross rentals) or **3** (Revenue) 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 sum insured 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) 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.

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## Deposit premium clause

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In consideration of the premium by **Items 1, 2 or 3** being provisional in that it is calculated on the percentage as stated in the Plan Schedule of the sum insured, the premium is subject to adjustment on expiry of each period of insurance as follows:

In the event of the gross profit, gross rentals, revenue earned (increased proportionately if the number of months referred to in the definition of indemnity period exceeds twelve) during the financial year most nearly concurrent with any period of insurance being less or greater than the percentage as stated in the Plan Schedule of the sum insured thereon, a pro rata return or additional premium not exceeding thirty-three and one third of a percent (33,3%) 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.

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## Interdependency clause

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It is hereby expressly declared and agreed that if damage to any of the joint insured's premises or property should result in another of the insured suffering a reduction in turnover or increase in cost of working then such loss is deemed to be covered by this Plan notwithstanding that no material damage was sustained by the latter premises or property.

## Output (alternative basis) clause

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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:

- (a) Only the meaning of output or the meaning of turnover shall be operative in connection with any one event resulting in interruption
- (b) If the meaning of output be used
  - (i) The accumulated stocks clause shall be inoperative
  - (ii) The memo at the end of 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.

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## Salvage sale clause

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If the insured shall hold a salvage sale during the indemnity period clause (a) of **Item 1** (Gross profit) shall, for the purposes of such claim, read as follows:

- (a) 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 for the period 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 during the period of the salvage sale.

## Extensions to other premises

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Loss as insured by this section resulting from interruption of or interference with the business in consequence of damage (as defined herein) 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.



**(a) Storage, transit and vehicle**

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 premises occupied by the insured.

**(b) Contract sites**

Any situation not occupied by the insured where the insured is carrying out a contract.

**(c) Prevention of access**

Property within a 15-kilometre radius of the insured's premises, 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.

The amount payable under this extension in respect of each item (other than claims preparation costs) is limited to 75% of the sum insured for the particular item.

**(d) Additional premises**

In the event of the insured occupying or having property at any newly added premises 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 Discovery Insure as soon as reasonably practicable and to adjustment of the premium if necessary.

**The geographical limits**

Extensions to other premises as provided for in respect of the extensions to (d) additional premises is confined to the Republic of South Africa and Namibia.

**Optional clauses and extensions – (if stated in the Plan Schedule to be included)**

**Extensions to other premises**

Loss as insured by this section resulting from interruption of or interference with the business in consequence of damage (as defined herein) 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.

**(a) Specified suppliers or sub-contractors**

The premises of the suppliers and sub-contractors specified in the Plan Schedule. The amount payable under this extension in respect of each item (other than claims preparation costs) is limited to 75% of the stated limits for the particular item.

**(b) Unspecified suppliers**

The premises of any other of the insured's suppliers, manufacturers or processors of components, goods or materials, but excluding the premises of any public supply undertaking from which the insured obtains electricity, gas or water.

The amount payable under this extension in respect of each item (other than claims preparation costs) is limited to 25% of the stated limit for the particular item.

**(c) Prevention of access: Extended cover**

Property within a 15-kilometre radius of the premises, 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.

The amount payable under this extension in respect of each item (other than claims preparation costs) is limited to 75% of the sum insured for the particular item.

For the purpose of this extension 'insured premises' shall mean:

- Specified suppliers or sub-contractors premises stated in the Plan Schedule as being insured by **Extension (a)**
- Unspecified suppliers premises but only if **Extension (b)** is stated as being included in the Plan Schedule;
- Property of the insured in storage as insured by **Extension (c)**
- Contract sites as insured by **Extension (d)**
- Additional premises as insured by **Extension (g)**
- Customers premises stated in the Plan Schedule as being insured by **Extension (h)**

- Public utilities premises as stated in **Extension (i)** but only if **Extension (i)** or the public utilities extended cover extension is stated as being included in the Plan Schedule
- Public telecommunications premises as stated in **Extension (j)** but only if **Extension (j)** or the public telecommunications extended cover extension is stated as being included in the Plan Schedule.

.....

**(d) Customers**

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The premises of the customers specified in the Plan Schedule. The amount payable under this extension in respect of each item (other than claims preparation costs) is limited to 75% of the stated limits for the particular item.

.....

**(e) Public utilities: Insured perils only**

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Property at electricity generating stations, substations or transmission networks, gasworks including the related gas distribution network, water purification plants, pumping stations, aqueducts and pipelines 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.

The amount payable under this extension in respect of each item (other than claims preparation costs) is limited to 75% of the sum insured for the particular item.

.....

**(f) Public telecommunications: Insured perils only**

.....

- (i) Property at the premises of any public authority which is empowered by law to supply a telecommunications facility to the insured
- (ii) The transmission facilities network of the public authority mentioned in (i) above.

The amount payable under this extension in respect of each item (other than claims preparation costs) is limited to 75% of the sum insured for the particular item.

**(g) Public telecommunications: Extended cover**

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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:

- (i) Drought
- (ii) A fault on any part of the premises belonging to the insured
- (iii) 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
- (iv) Any event described in **General exception 1 and 2**, but cover provided under the **Malicious damage** extension in the underlying Plan is not excluded.

If the failure of the facility is due to its mechanical or electrical or electronic breakdown, there shall be no liability under this extension unless the interruption or interference with the business of the insured extends beyond 24 hours.

The amount payable under this extension in respect of each item (other than claims preparation costs) is limited to 75% of the sum insured for the particular item.

.....

**(h) Public utilities: Extended cover**

.....

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 section does not cover loss resulting from damage directly or indirectly caused by:

- (i) Drought
- (ii) Pollution of water
- (iii) Shortage of fuel or water
- (iv) A fault on any part of the installation belonging to the premises

(v) 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

(vi) Any event described in General exception 1 and 2, but cover provided by the Malicious damage extension in the underlying material damage section of this Plan is not excluded.

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.

The amount payable under this extension in respect of each item (other than claims preparation costs) is limited to 75% of the sum insured.

#### The geographical limits of extensions to other premises

Points (b), (c), (d), (e) and (f) of the optional clauses and extensions to other premises and the extended covers for public telecommunications and public utilities are confined to the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi.

Extensions to other premises as provided for in respect of the extensions to other premises is confined to the Republic of South Africa and Namibia.

#### SPECIFIC OPTIONAL EXTENSION (IF STATED IN THE PLAN SCHEDULE TO BE INCLUDED)

##### Material damage waiver proviso theft, electronic equipment and motor sections extension

Liability will not be excluded in respect of interruptions or interference within the business in consequence of destruction or damage solely because no payment has been made nor liability admitted owing to the operation of a proviso in such insurance excluding liability for losses below a specified amount.

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 theft (as insured under the **Theft** section of this Plan), electronic equipment (as insured under the **Electronic equipment** section of this Plan) and specified motor (as insured under the **Motor** section of this Plan) will not affect the cover under this **Business interruption** section and the indemnity will be payable up to the limit as stated in this section of the Plan.

## ACCIDENTAL DAMAGE SECTION

### Defined events (i)

Any sudden or unexpected and unforeseen physical loss of or damage to the insured property at or about the premises excluding property which is otherwise insured or for which insurance is available and described (whether incorporated in this Plan or not) in terms of any section listed in the index of this Plan not otherwise excluded if so listed (other than Portable possessions and machinery breakdown).

### Defined events (ii) (if included in the Plan Schedule)

Any sudden or unexpected and unforeseen accidental physical loss of or damage to the insured property caused by discharge or leakage from tanks, pipes or apparatus of chemicals, oils, liquids, fluids, gases or fumes (including loss of such chemicals, oils, liquids, fluids, gases or fumes) other than loss or damage resulting from wear and tear or other gradually operating causes of the tanks, pipes or apparatus not otherwise excluded. Specific exception f (i) and (ii) are hereby deleted.

The amounts payable for all sudden or unexpected and unforeseen accidental physical loss or damage arising out of one original cause or source as insured under **Defined events (i)** or **Defined events (ii)** shall not exceed the sum stated and notwithstanding **General condition 13** and **General provision E**, this section does not cover and cannot be called into contribution for any defined event for which more specific insurance has been arranged.

### Definition

#### Insured property

Any tangible property belonging to the insured or held in trust or on commission for which they are responsible excluding the following unless stated in the Plan Schedule to be insured:

- (a) Current coin (including Krugerrands and similar coins), bank and currency notes, travellers and other cheques, money and postal orders, current unused postage, revenue and holiday pay stamps, credit card vouchers, cellular phone pre-paid SIM cards, and other certificates, documents or instruments of a negotiable nature

- (b) Furs, jewellery, bullion, precious and semi-precious metals and stones, curiosities, rare books, antiques and works of art
- (c) Property in transit by air, inland waterway or sea
- (d) Railway locomotives, rolling stock and other railway property, aircraft, watercraft, mechanically or electrically propelled vehicles, motor cycles, mobile plant, caravans and trailers
- (e) Standing or felled trees, crops, animals, land (including topsoil, backfill, drainage and culverts), driveways, pavements, roads, runways, dams, reservoirs, canals, pipelines (external to the premises), tunnels, cables (external to the premises), cableways, bridges, docks, jetties, wharves, piers, excavations, property below the ground or explosives
- (f) Electronic data-processing equipment and external data media (punch cards, tape disks and the like) and the information they contain
- (g) Property in the course of construction, erection or dismantling including materials or supplies related thereto
- (h) Property in the possession of customers under lease, rental, credit or suspensive sale agreements
- (i) Glass, china, earthenware, marble and other fragile or brittle objects.

### Memoranda

#### Average (if stated in the schedule to be included)

If, on the occurrence of an insured event, the value of the insured property is greater than the sum insured thereon the insured shall be considered his own insurer for the difference and shall bear a rateable proportion of the loss accordingly.

Each item, if more than one, shall be separately subject to this memorandum.

## Specific exceptions

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Discovery Insure shall not be liable for:

- (a) Any peril excluded or circumstance precluded from any other insurance available from Discovery Insure at inception hereof or for any excess payable by the insured under such insurance, or for any reduction of amount payable under any claim due to the application of average
  - (b) More than the individual value of any item forming part of a pair, set or collection without regard to any special value such item may have as part of such pair, set or collection
  - (c) Unexplained disappearance or shortage only revealed during or after an inventory or errors or omissions in receipts, payments or accounting, or misfiling or misplacing of information
  - (d) Loss of or damage to insured property caused by:
    - (i) Any fraudulent scheme, trick, device or false pretence practised on the insured (or any person having custody or control of the insured property) or fraud or the dishonesty of any principal or agent of the insured
    - (ii) Overheating, implosion, cracking, fracturing, weld failure, nipple leakage or other failure. This exception applies only to vessels, pipes, tubes or similar apparatus
    - (iii) Breakdown, electrical, electronic and mechanical derangement
    - (iv) Altering, bleaching, cleaning, dyeing, manufacture, repair, restoring, servicing, renovating, testing or any other work thereon
    - (v) Fault or defect in its design, formula, specification, drawing, plan, materials, workmanship or professional advice, normal maintenance, gradual deterioration, depreciation, corrosion, rust, oxidation or other chemical action or reaction, frost, change in temperature, expansion or humidity, fermentation or germination, dampness, dryness, wet or dry rot, shrinkage, evaporation, loss of weight, contamination, pollution, change in colour, flavour, texture or finish or its own wear and tear
    - (vi) Denting, chipping, scratching or cracking not affecting the operation of the item
    - (vii) Termites, moths, insects, vermin, inherent vice, fumes, flaws, latent defect, fluctuations in atmospheric or climatic conditions or the action of light
  - (e) Settlement or bedding down, ground heave or cracking of structures or the removal or weakening of support to any insured property
  - (f) (i) Loss of or damage to chemicals, oils, liquids, fluids, gases or fumes due to leakage or discharge from its container
    - (ii) Loss or damage resulting from leakage or discharge of chemicals, oils, fluids, gases or fumes
  - (g) Failure of and the deliberate withholding and lack of supplies of water, steam, gas, electricity, fuel or refrigerant
  - (h) Collapse of plant and machinery, buildings and structures (other than shelving or storage platforms).
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## AUTOMATIC EMBEDDED CLAUSES AND EXTENSIONS

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### Restricted cover clause

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The insurance in respect of documents, manuscripts, business books, plans, designs, patterns, models, moulds and computer system records is limited to the value of the materials and the cost of labour for recreating and excludes any expenses in connection with the production of any information contained therein or the value of such information to the insured.

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### Additional costs clause

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In respect of buildings, plant and machinery insured, the sum insured includes:

- (a) Any costs incurred, due to the necessity to comply with building or other regulations of any public authority, in repair or reinstatement following an insured event, provided that such costs do not include:
  - (i) Anything for which notice had been served on the insured prior to the insured event
  - (ii) Anything connected with undamaged property or undamaged portions of property
  - (iii) Rates, taxes, duties, development and other charges payable under the said regulations due to capital appreciation of the insured property
- (b) Fees for the examination of municipal or other plans

(c) Costs incurred in the necessary demolition, removal of debris (including undamaged contents) and the erection and maintenance of hoardings during demolition and rebuilding

(d) The professional fees of architects, quantity surveyors and other consultants.

The sum insured on all insured property includes:

(e) Charges levied by any authorised fire brigade for their services.

However, Discovery Insure shall not be liable under (a), (b) or (d) unless the lost or damaged property is replaced or reinstated without undue delay nor under (d) for any expenses in connection with the preparation of the insured's claim.

Further, Discovery Insure shall not be liable under (c) for any costs or expenses:

- (i) Incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site
- (ii) Arising from pollution or contamination of property not insured by this Plan or section.

### Mortgagees clause

From the date of notification, Discovery Insure accepts the interest of a mortgagee or others with an insurable interest in the insured property and will not prejudice such interest due to the act or omission of the mortgagor without the mortgagee's knowledge, provided that the mortgagee advises Discovery Insure as soon as such act or omission comes to his knowledge and agrees to be responsible for any additional premium resulting from Discovery Insure assuming any increased hazard.

### Railway and other subrogation clause

The insured shall not be prejudiced by signing the **Transnet Cartage (Hazardous Premises) Indemnity** or other special agreements with Transnet administration regarding private sidings or similar agreements with other government bodies.

### Tenants' clause

The insured shall not be prejudiced by the act of any tenant in premises they own or in which they are a co-tenant or of the owner of any premises of which they are a tenant, provided that Discovery Insure is notified as soon as they become aware of such act

and they pay any additional premium resulting from Discovery Insure assuming any additional hazard.

### 01 | Excluded property

The property listed in the Plan Schedule is added to the excluded property in the definition of insured property.

### 02 | Reinstatement

The basis upon which the amount payable is to be calculated following an insured event to buildings, plant and machinery shall be the cost of replacing or reinstating on the same site property of the same kind or type but not superior to nor more extensive than such insured property when new, provided that:

- (a) The work of replacement or reinstatement (which may be carried out on another site and in any manner suitable to requirements of the insured subject to the liability of Discovery Insure not being thereby increased) must be commenced and carried out with reasonable despatch otherwise no payment beyond the amount that would have been payable if this memorandum had not been incorporated in this section shall be made.
- (b) Discovery Insure shall not be liable for any payment beyond the amount that would have been payable if this memorandum had not been incorporated in this section, until expenditure has been incurred by the insured in replacing or reinstating the lost or damaged insured property.
- (c) If, at the time of replacement or reinstatement, the sum representing the cost which would have been incurred in replacement or reinstatement if the whole of the insured property had been lost or damaged exceeds the sum insured thereon on the occurrence of an insured event, the insured shall be considered his own insurer for the difference and shall bear a rateable share of loss accordingly. Each item, if more than one, to which this memorandum applies shall be separately subject to this provision.
- (d) This memorandum shall not apply if:
  - (i) The insured fail to intimate to Discovery Insure within six months of the insured event or such further time as Discovery Insure may allow in writing their intention to replace or reinstate the lost or damaged insured property
  - (ii) The insured are unable or unwilling to replace or reinstate the lost or damaged insured property on the same or another site.

## ACCOUNTS RECEIVABLE SECTION

### Defined events

Accidental loss of or damage to (hereinafter termed 'damage') to the insured's books of account or other business books or records at the premises or at the residence of any director, partner or employee or the premises of any accountant of the insured, in consequence whereof the insured is unable to trace or establish the outstanding debit balances in whole or part due to it provided that the liability of Discovery Insure shall not exceed the sums insured stated in the Plan Schedule and that the basis of indemnity will be as set out in the specification which forms part of this section.

If, because of imminent danger of their destruction, such books of account or other business books or records are removed to a place of safety, the insurance hereunder shall apply if such books or records are destroyed, damaged or lost as aforesaid during such removal or while so located or being returned to the premises, provided the insured shall notify Discovery Insure in writing of such removal within 30 days thereafter.

Discovery Insure will also pay all reasonable collection costs and expenses incurred by the insured in excess of normal collection costs and expenses made necessary because of such damage.

### Definitions

#### Outstanding debit balances

The total declared in the statement last given under the provisions of the following memorandum adjusted for:

- (a) Bad debts
- (b) Amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the damage) to customers' accounts in the period between the date to which said last statement relates and the date of the damage  
and
- (c) Any abnormal condition of trade which had or could have had a material effect on the business so that the figures thus adjusted shall represent as nearly as reasonably practicable those which would have been obtained at the date of the damage had the damage not occurred.

### Specific exceptions

Discovery Insure will not pay for:

- (a) Loss resulting from loss or damage to the books of account or other business books or records caused by
  - (i) Wear and tear or gradual deterioration or moths or vermin
  - (ii) Detention, seizure or confiscation by any lawfully constituted authority
  - (iii) Electrical or electronic or magnetic injury, disturbances or erasure unless the insured maintains the duplicate records referred to in the **Duplicate records** clause of this section
- (b) Loss caused by fraud or dishonesty of any principal, director, partner or employee of the insured.

### Specification

The insurance under this section is limited to the loss sustained by the insured in respect of outstanding debit balances directly due to the damage and the amount payable shall not exceed:

- (a) The difference between:
  - (i) The outstanding debit balances and
  - (ii) The total of the amounts received or traced in respect thereof  
plus
  - (iii) The additional expenditure incurred in tracing and establishing customers' debit balances after the damage

provided that, if the sum insured under this item is less than the outstanding debit balances, the amount payable shall be proportionately reduced.

### Clauses and memoranda

#### Declarations

The insured shall, within 60 days of the end of each month or other agreed period, provide Discovery Insure a signed statement showing the total amount outstanding in customers' accounts as set out in the insured's accounts as at the end of the said month.

## Duplicate records

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The insured shall maintain duplicates of their books of account or other business books or records containing details of outstanding balances and such duplicates shall be stored at different premises from the originals.

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## Protections

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The insured's books of account, or other business books or records containing details of outstanding balances, must be kept in a fire-resistant safe, cabinet or strong room outside business hours unless they are being worked on or are required for immediate reference.

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## AUTOMATIC EMBEDDED CLAUSES AND EXTENSIONS

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### Accountant's clause

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Any particulars or details contained in the insured's books of account or other business books or records which may be required by Discovery Insure 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.

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### OPTIONAL EXTENSIONS (IF STATED IN THE PLAN SCHEDULE TO BE INCLUDED)

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#### Transit extension

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The insurance under this section includes loss as defined to the insured's books of account or other business books or records whilst in transit to or from the premises or residence of any director, partner, employee or accountant of the insured.

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#### Riot and strike extension

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Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein, this section is extended to cover loss or damage directly occasioned by or through or in consequence of:

- (i) Civil commotion, labour disturbances, riot, strike or lockout
- (ii) The act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in (i) above provided that this extension does not cover:
  - (a) Loss or damage occurring in the Republic of South Africa and Namibia
  - (b) Consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured
  - (c) Loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation
  - (d) Loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority
  - (e) Loss or damage related to or caused by any occurrence referred to in **General exception 1 (A) (ii), (iii), (iv), (v) or (vi)** of this Plan or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If Discovery Insure alleges that, by reason of **provisos (a), (b), (c), (d) or (e)**, loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

The first amount payable under this extension for each and every loss shall be reduced by the first amount payable of 10% of the claim minimum R500.

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# Accident class

## THEFT SECTION

### Defined events

Loss of or damage to all contents (the property of the insured or for which they are responsible) of any insured building at the insured premises described in the Plan Schedule as a result of theft accompanied by forcible and violent entry into or exit from such building or any attempt thereat or as a result of theft, or any attempt thereat, following violence or threat of violence.

### Specific exceptions

Discovery Insure shall not be liable for:

- 01 | Loss or damage which can be insured under a fire plan except in the case of explosion caused in an attempt to effect entry
- 02 | Loss or damage insurable under a glass insurance plan
- 03 | Property more specifically insured or, unless specified in the Plan Schedule, cash, bank and currency notes, cheques, postal orders, money orders, current negotiable stamps and documents or certificates of a negotiable nature
- 04 | Loss or damage in which any principal, partner, director or any member of the insured's

household or any of the insured's employees is concerned as principal or accessory.

### Limit of indemnity

The liability of the insurers for all damage arising from any occurrence or from all occurrences of a series consequent upon or attributable to one source or original cause shall not exceed the limit of indemnity stated in the Plan Schedule provided that the Discovery Insure's liability in respect of documents, manuscripts, business books, computer systems records and media, Plans, designs, patterns, models and moulds is restricted to the value of materials and sums reasonably expended in labour.

### Specific conditions

This section shall be voidable if the nature of the risk is materially altered without the prior written consent of Discovery Insure.

### Burglar alarm requirement

In respect of any premises stated in the Plan Schedule to be subject to this condition, a burglar alarm shall be installed and it is a condition

precedent to the liability of Discovery Insure and warranted that:

- (a) The burglar alarm installed at the premises shall be made fully operative whenever the protected buildings are not open for business unless a principal, partner, director or employee of the insured is in the protected buildings
- (b) Discovery Insure shall not be liable for loss of or damage to the property following the use of the keys, the keypad code or remote control of the burglar alarm or any duplicate thereof belonging to the insured unless such keys, keypad code or remote control were obtained by violence or threat of violence to any person or such keys, keypad code or remote control were obtained by theft
- (c) Unless specifically stated to the contrary, all buildings on the premises are to be protected by the alarm
- (d) Where the control panel has an event log the arming and disarming of the alarm shall be logged and after the occurrence of a claim, Discovery Insure will be entitled to request full information of the relevant log
- (e) Such alarm shall be maintained in proper working order but the insured will be deemed to have discharged their liability if they have maintained their obligations under a maintenance contract with the installation or service company of the alarm system.

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### Automatic embedded extensions

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- 01 |** The insurance under this section extends to cover loss of or damage to the property insured
  - (a) Caused or accompanied by:
    - (i) A thief or thieves being concealed on the insured premises before close of business
    - (ii) Entry to and exit from the premises being effected by use of a skeleton key or other similar device (excluding a duplicate key) provided that the insured shall establish to the satisfaction of Discovery Insure that such a skeleton key or device was used
  - (b) Whilst in a building at any additional premises used by the insured provided that:
    - (i) Such additional premises are advised to Discovery Insure within 30 days from

the time the risk attaches to Discovery Insure

- (ii) An additional premium, if any, is paid
- (iii) Discovery Insure's liability in respect of this extension shall not exceed 50% of the highest amount stated in the Plan Schedule applicable to any one premises.

**02 |** In addition to the limit of indemnity stated in the Plan Schedule:

- (a) The insurance under this section includes:
  - (i) Damage to the buildings (including landlord's fixtures and fittings) at the insured premises in the course of theft or any attempt thereat
  - (ii) Loss of buildings, landlord's fixtures and fittings at the insured premises as a result of theft accompanied by forcible and violent entry into or exit from such building or any attempt thereat or as a result of theft, or any attempt thereat, following violence or threat of violence
- (b) Discovery Insure will reimburse the insured all reasonable costs and expenses in effecting such temporary repairs and in taking such temporary measures as may be reasonably necessary after loss or damage giving rise to a claim under this section provided that Discovery Insure's liability shall not exceed the greater of R5 000 and the amount stated in the Plan Schedule in respect of any one event.

**03 |** In addition to the limit of indemnity stated in the Plan Schedule, Discovery Insure will indemnify the insured in respect of the cost of replacing locks and keys to any insured premises following upon the disappearance of any key to such premises or following upon the insured having reason to believe that any unauthorised person may be in possession of a duplicate of such key provided that:

- (a) Discovery Insure's liability shall not exceed R5 000 in respect of any one event
- (b) Discovery Insure shall not be liable for the first R500 of each and every event.

**04 |** The term all contents includes personal effects, tools and pedal cycles which are the property of the insured or any principal, partner, director or employee of the insured in so far as such property is not otherwise insured up to an amount of R5 000 in the case of any one person.

## MONEY SECTION

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### Defined events

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Loss of or damage to money (as defined) occurring within the territorial limits as stated in **General condition 16** except if otherwise specified provided that the liability of Discovery Insure for all loss or damage arising from all occurrences of a series consequent upon or attributable to one source or original cause shall not exceed the specific limitations stated in the Plan Schedule.

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### Definitions

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**Money** means cash, bank and currency notes, cheques, postal orders, money orders, current negotiable postage, revenue and holiday stamps, credit card vouchers and documents, certificates or other instruments of a negotiable nature, the property of the insured or for which they are responsible.

**Receptacle** means any safe, strong room, strongbox, till, cash register, cash box or other receptacle for money or any franking machine.

**Clothing** means clothing and personal effects not otherwise insured belonging to the insured or to any principal, partner, director or employee of the insured.

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### Specific exceptions

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Discovery Insure shall not be liable for loss of or damage to money:

- 01 |** Arising from dishonesty of any principal, partner, director or person or persons in the employ of the insured not discovered within 14 working days of the occurrence thereof
- 02 |** Arising from shortage due to error or omission
- 03 |** Arising from the use of keys to any safe or strong room unless the keys
  - (a) Are obtained by violence or threats of violence to any person
  - (b) Are used by the key holder or some other person with the collusion of the key holder and the insured can prove to the satisfaction of Discovery Insure that the key holder or such other person had used the keys to open the safe or strong room

**04 |** In an unlocked safe or strong room whilst the portion of the premises containing such safe or strong room is unattended but this exception will not apply if it can be shown to the satisfaction of Discovery Insure that the key holder to the safe or strong room deliberately left it unlocked with the intention of allowing the money to be stolen

**05 |** Not contained in a locked safe or strong room whilst the portion of the premises containing such money is unattended but this exception will not apply if it can be shown to the satisfaction of Discovery Insure that the persons responsible for the money deliberately left it outside the safe or strong room with the intention of allowing it to be stolen

**06 |** In any vehicle being used by the insured unless a principal, partner, director or employee of the insured is actually in such vehicle or, if not in such vehicle, is within five metres of it in a position from which the vehicle is clearly visible. This exception shall not apply following an accident involving such vehicle rendering the said person incapacitated.

**Specific exceptions (3), (4), (5) and (6)** do not apply up to an amount of R5 000 and such losses shall not be reduced by any first amount payable.

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## EXTENSIONS

### Automatic embedded extensions

#### 01 | Receptacles and clothing

In addition to any payment in respect of a defined event, Discovery Insure will indemnify the insured in respect of receptacles and clothing (as defined) lost or damaged as a result of theft of money or attempted theft of money, provided that Discovery Insure's liability under this extension in respect of clothing shall not exceed R5 000, and in respect of receptacles, the amount stated in the Plan Schedule or R5 000, whichever is the greater.

#### 02 | Locks and keys

In addition to any payment in respect of a defined event, Discovery Insure will indemnify the insured in respect of the cost of replacing locks and keys to any receptacle at the insured premises following upon the disappearance of any key to such receptacle or following upon the insured having reason to believe that any unauthorised person may be in possession of a duplicate of such key provided that:

- (i) Discovery Insure's liability shall not exceed R5 000 in respect of any one event
- (ii) Discovery Insure shall not be liable for the first R500 of each and every event.

#### 03 | Skeleton keys

The insurance under this section extends to cover loss of or damage to the property insured caused or accompanied by entry to receptacles by use of a skeleton key or other similar device (excluding a duplicate key) provided that the insured shall establish to the satisfaction of Discovery Insure that a skeleton key or device was used.

#### 04 | Collectors, rounds-men and petrol attendants

In addition to any payment in respect of a defined event, Discovery Insure will indemnify the insured in respect of money whilst in the custody of employees engaged in the collection of moneys (for example, collectors, rounds-men or petrol attendants) whilst on duty in the course and scope of their business up to an amount of R1 000 or the amount stated in the Plan Schedule.

The first amount payable under this extension for each and every loss shall be reduced by the first amount payable of 10% of the claim, minimum R250.

### Optional extensions (if stated in the Plan Schedule to be included)

#### 01 | Riot and strike extension (if stated in the Plan Schedule to be included)

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein, this section is extended to cover loss or damage directly occasioned by or through or in consequence of:

- (i) Civil commotion, labour disturbances, riot, strike or lockout
- (ii) The act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with, any occurrence referred to in (i) above provided that this extension does not cover:
  - (a) Loss or damage occurring in the Republic of South Africa and Namibia
  - (b) Consequential or indirect loss or damage of any kind or description whatsoever
  - (c) Loss or damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation
  - (d) Loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority
  - (e) Loss or damage related to or caused by any occurrence referred to in **General exception 1 (A),(ii),(iii),(iv),(v) or (vi)** of this Plan or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with such occurrence.

If Discovery Insure alleges that, by reason of **provisos (a), (b), (c), (d) or (e)**, loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

The first amount payable under this extension for each and every loss shall be reduced by the first amount payable of 10% of the claim minimum R500.

## 02 | Credit cards

The insurers will indemnify the insured in respect of any credit, debt, store, store value pre-funded, charge or cash card issued in the name of the insured, against liability consequent upon loss of and subsequent unauthorised use by persons of any such card anywhere in the world, provided that:

- (a) The insurers will not indemnify the insured for any losses arising after the issuer of such card has accepted liability
- (b) The insured must comply with the terms and conditions of issue of such card in so far as they relate to the loss or theft of the card
- (c) The insured must report the loss of the card to the issuer of the card immediately the loss occurs or is discovered
- (d) The insurers' liability in respect of any one card shall be limited to R5 000 in respect of any one event
- (e) Discovery Insure shall not be liable for the first R500 of each and every event.

## 03 | Personal accident (assault) extension

The term 'defined events' in the money section shall be deemed to include bodily injury caused by accidental, violent external and visible means as a result of theft, or any attempt thereat, to the insured or to any principal, partner, director or employee of the insured (hereinafter in this extension referred to as such person) while such person is acting in the course of his duties in the insured's employ.

Discovery Insure will pay to the insured, on behalf of such person or his estate, the sum or sums stated in the Plan Schedule in the event of bodily injury to such person resulting within 24 calendar months in

<b>01   Death</b>	The capital sum	
<b>02   Permanent disability</b>	The percentage of the capital sum specified	
		<b>% of capital sum</b>
(a)	Loss by physical separation at or above the wrist or ankle of one or more limbs	100%
(b)	Permanent and total loss of:	
	Whole eye	100%
	Sight of eye	100%

	Sight of eye except perception of light	75%
(c)	Permanent and total loss of hearing:	
	Both ears	100%
	One ear	25%
(d)	Permanent and total loss of speech	100%
(e)	Injuries resulting in permanent total disability from following usual occupation or any other occupation for which such person is fitted by knowledge or training	100%
(f)	Loss of four fingers	70%
(g)	Loss of thumb (one or both phalanges)	25%
(h)	Loss of index finger (one, two or three phalanges)	10%
(i)	Loss of middle finger (one, two or three phalanges)	8%
(j)	Loss of ring finger	5%
(k)	Loss of little finger	4%
(l)	Loss of metacarpals – first, second, third, fourth or fifth (additional)	3%
(m)	Loss of toes:	
	All on one foot	30%
	Great, both phalanges	5%
(n)	Great, one phalanx	2%
	More than one toe lost, each foot	2%

**03 |** In the case of total and absolute incapacity from following usual business or occupation, the weekly sum specified in the Plan Schedule shall be payable.

### Memoranda (applicable to permanent disablement benefits)

- a. Where the injury is not specified Discovery Insure will pay such sum as in its opinion is consistent with the above provisions
- b. Permanent total loss of use of part of the body shall be considered as loss of such part
- c. 100% shall be the maximum percentage of compensation payable for disability resulting from an accident or series of accidents arising from one cause in respect of any such person provided that:

- (i) Discovery Insure shall not be liable to pay in respect of any one such person more than the capital sum plus the sums specified under **Items 3 and 4**
- (ii) The sum specified under **Item 3** shall be payable only for the duration of the incapacity of such person and shall not be payable for more than 104 weeks and such payment shall cease as soon as the injury causing the incapacity has healed as far as is reasonably possible notwithstanding that permanent disability may remain
- (iii) Compensation payable under **Item 4** shall be reduced by an amount equal to the compensation received or receivable under any worker's compensation enactment in respect of any treatment for which compensation is payable under **Item 4**
- (iv) This extension shall not apply to any such person under 15 or over 70 years of age
- (v) After suffering bodily injury for which benefit may be payable under this extension, such person shall submit to medical examination and undergo any treatment specified. Discovery Insure shall not be liable to make any payment unless this proviso is complied with to its satisfaction
- (vi) **General exception 2 and General Conditions 9 and 13** do not apply to this extension
- (vii) In respect of this extension only **General exception 1** is deleted and replaced by the following:

This extension does not cover death or bodily injury directly or indirectly caused by or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution or military or usurped power.

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### Extensions to the personal accident (assault) extension

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- (a) **Exposure**  
Bodily injury shall be deemed to include injury caused by starvation, thirst and exposure to the elements directly or indirectly resulting from the insured person being the victim of theft or any attempt thereat.
- (b) **Disappearance**  
In the event of disappearance of any insured person in circumstances which satisfy the insurers that the insured person has sustained injury to which this personal accident (assault) extension applies, and that such injury has resulted in the death of such person, the insurers

will, for the purpose of the insurance afforded by this extension, presume the death, provided that if, after the insurers shall have made payment hereunder in respect of such person's presumed death, such person is found to be alive, the payment shall forthwith be refunded by the insured to the insurers, subject to the insured being able to recover such payment from the persons to whom it was paid.

- (c) **Search and rescue**  
The insurers will, in addition, pay reasonable official search and rescue costs incurred as a result of, or in order to prevent, bodily injury to any insured person following theft, attempted theft or hijack, provided that:
  - (i) Insurers will not be liable if such person is found in circumstances which are unlikely to result in bodily injury
  - (ii) The maximum liability of the insurers under this extension in respect of any one such person is limited to the capital sum.

.....

### Memoranda

.....

- 01** | Loss of or damage to money as insured under this section arising from dishonesty of any principal, partner, director or person in the employ of the insured (such person), as defined under this section, shall be subject to the following compulsory **First amount payable** clause:

The amount payable hereunder in respect of an event involving any such person or any number of such persons acting in collusion shall be reduced by an amount equal to 10% of the claim subject to a minimum of R2 500.

- 02** | Discovery Insure shall not be liable under this section of the Plan in respect of loss or damage arising from any event in respect of which a claim is payable, or would be payable but for any first amount payable or co-insured clause under the fidelity section of the Plan or any other fidelity insurance.

.....

### WARRANTY

.....

Money (as defined) in excess of R30 000, whilst being conveyed, will be carried by a professional security company specialising in the conveyance of money and other valuables. In the event of a loss where a security firm has not been employed to convey money Discovery Insure's liability will be limited to R30 000.

## SPECIAL CONDITIONS APPLICABLE TO CHEQUES

### First amount payable applicable to theft of cheques

Any loss or series of losses attributable to one original event which is payable under this section and which results from the theft of any cheque or cheques shall be reduced by a first amount payable of 20% of the loss indemnifiable by this section unless:

- 01 | Cheques drawn by the insured
  - (a) The cheque has been drawn and crossed exactly in accordance with the undermentioned **Recommended procedure for drawing and crossing of cheques** or any other superior method approved by Discovery Insure and the printed portion of the cheque (as opposed to the written or typed portion) has been printed by the bank itself or a printer licensed to print cheques by the Automatic Clearing Bureau
  - or
  - (b) The cheque has been dispatched to the payee by certified post or any post where the security is equal or superior to certified post.
- 02 | Cheques drawn by someone other than the insured and which were received by the insured by post or directly by the cashier
  - (a) Such cheque has been crossed and marked 'not negotiable' and marked 'not transferable' immediately on receipt thereof by the insured and
  - (b) The insured is able to identify the drawer and amount of the cheque from their records.
- 03 | Cheques of which the insured is the true owner which were drawn by someone other than the insured and posted to the insured but not received
  - (a) The cheque has been drawn and crossed exactly in accordance with the undermentioned **Recommended procedure for drawing and crossing of cheques** or any other superior method approved by Discovery Insure
  - or
  - (b) The cheque was dispatched to the insured by certified post or any post where security is equal or superior to certified post

or

- (c) The invoice of the insured (to which the payment by cheque relates) contains a message (approved by Discovery Insure) recommending or requiring that the cheque be drawn in accordance with the undermentioned **Recommended procedure for drawing and crossing of cheques**.

## RECOMMENDED PROCEDURE FOR DRAWING AND CROSSING OF CHEQUES AND PRINTING OF BLANK CHEQUES

### A. Drawing and crossing of cheques

One of the safest methods of drawing and crossing a cheque which is acceptable to banks is as noted hereunder. This method is recommended by Discovery Insure.

- 01 | Delete the preprinted words 'or bearer'. This limits the possibility of the drawee bank paying out to a bearer who might not be entitled to payment.
- 02 | If instead of 'or bearer' your cheque has preprinted on it 'or order' these words must also be deleted.
- 03 | Write on the face of the cheque the words 'not transferable'.
- 04 | Cross the cheque by drawing two parallel lines across the cheque.
- 05 | Write the words 'not negotiable' between the two parallel lines referred to in 4 above.
- 06 | Ensure that the payee is accurately, properly and fully described. For example where the payee is a company, its full name should be used: RH Jones (Pty) Ltd not just RH Jones.  
  
Where the bank account number or CC number of the payee is known this should be included after the name of the payee, for example, "RH Jones (Pty) Ltd, Co no: 69/123456" or "RH Jones (Pty) Ltd ABC Bank account no: 123456789".  
  
Whilst highly recommended it is not compulsory to use the bank account number of the payee.
- 07 | In drawing the cheque no spaces should be left which would allow anyone to add extra words or figures.
- 08 | An example of this method of drawing a cheque is attached as **Annexure A**.

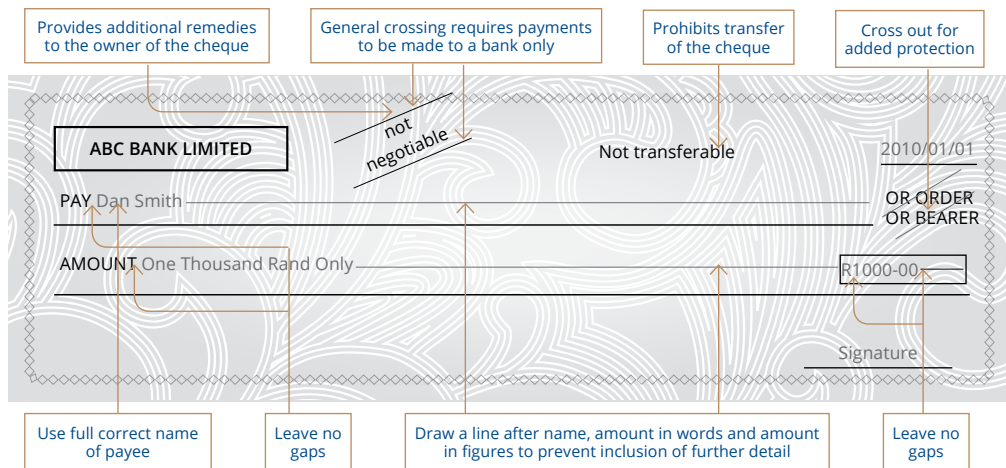
- 09 | On the front of the cheque the wording listed in **Annexure B** (last page of this section) should be printed. Please ensure that space is left on the rear of the cheque for bank stamps and endorsements.
- 10 | All the markings on a cheque should be legible and clearly visible. Persons drawing cheques should not use abbreviated or different versions of the terminology used in the example. The words 'not negotiable' and a crossing using a rubber stamp containing a rectangle rather than two parallel lines are worthless.
- 11 | The method used to complete cheques should be one which makes an ink impression on the paper, like handwriting, a typewriter or a dot matrix printer. The ribbon used on the printer or typewriter should be of the type which impregnates the paper with ink. Do not use:
  - (i) Old ribbons
  - (ii) Laser printers which do not make an impression into the paper
  - (iii) The reverse printing technique
  - (iv) correctable type ribbons.

## B. Printing of blank cheques

Blank cheques should only be printed by the Bank itself or a printer licensed by the Automatic Clearing Bureau. These printers know the recommended requirements of banks and should only use approved:

- (i) Security paper (CBS1 or superior)
- (ii) Security designs
- (iii) Special security inks compatible with the security paper or design
- (iv) Methods which make it difficult for anyone to make a supply of blank cheques by photocopying the originals.

## Annexure A – recommended cheque



## Annexure B – recommended cheque

Warning to be printed on bottom left front of cheque – leave enough space for bank stamps etc.

### WARNING

To person encashing this cheque or receiving it in exchange for any consideration.

Where a cheque has been stolen from or lost by the true owner, you may be liable to reimburse him for his loss if you encash such cheque or receive it in exchange for any consideration (Section 81 of the Bills of Exchange Act, 1964)

**NB This cheque is crossed and marked "not negotiable" and "not transferable"**



## GLASS SECTION

### Defined events

Loss of or damage to internal and external glass (including mirrors), signwriting and treatment thereon at the insured premises as stated in the Plan Schedule, the property of the insured or for which they are responsible. Following loss of or damage to glass Discovery Insure will also indemnify the insured for:

- 01 | The cost of such boarding up as may be reasonably necessary
- 02 | Damage to shop fronts, frames, window displays (including fixtures and fittings), burglar alarm strips, wires and vibrators as a direct result of such loss or damage
- 03 | The cost of removal and reinstallation of fixtures and fittings necessary for the replacement of the glass
- 04 | The cost of employment of a watchman service prior to replacement of glass or boarding up or the repair of the burglar alarm system, unless payable under any other insurance arranged by the insured provided that the liability of Discovery Insure shall not exceed:
  - (i) For the replacement of glass, signwriting and treatment – the sum insured as stated in the Plan Schedule applicable to the premises at which loss or damage occurs
  - (ii) For all other costs and expenses provided for by this section and resulting from one occurrence or series of occurrences attributable to one source or original cause – in the aggregate the sum of R5 000.

### Specific exceptions

Discovery Insure shall not be liable for:

- 01 | Loss or damage which is insured by, or would, but for the existence of this section, be insured by any fire insurance, except in respect of any excess beyond the amount which would have been payable under such fire insurance had the insurance under this section not been effected, but this specific exception shall not apply to loss or damage for which the insured is responsible as tenant and not as owner

- 02 | Glass forming part of stock in trade
- 03 | Glass which, at inception of this insurance, is cracked or broken unless cover has been agreed by the Discovery Insure
- 04 | Defacement or damage other than fracture through the entire thickness of the glass or any laminate thereof.

### Automatic embedded exceptions

#### Special replacement

If, following loss or damage insured hereunder, the insured is obliged in terms of the National Building Regulations or similar legislation to replace the damaged glass with glass of a superior quality, then Discovery Insure shall be liable for the increased cost of such replacement including (but not limited to) frames therefor, provided that if the cost of so replacing the whole of the insured property (inclusive of other items insured) is greater than the sum insured thereon at the time of the loss or damage, then the insured shall be considered as being his own insurer for the difference and shall bear a rateable proportion of the loss or damage accordingly.

#### Optional extension (if stated in the Plan Schedule to be included)

##### Riot and strike extension

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein, this section is extended to cover loss or damage directly occasioned by or through or in consequence of:

- (i) Civil commotion, labour disturbances, riot, strike or lockout
- (ii) The act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in (i) above

provided that this extension does not cover:

- (a) Loss or damage occurring in the Republic of South Africa or Namibia

- (b) Consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured
- (c) Loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation
- (d) Loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority
- (e) Loss or damage related to or caused by any occurrence referred to in **General exception 1 (A) (ii), (iii), (iv), (v) or (vi)** of this Plan or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If Discovery Insure alleges that by reason of **provisos (a), (b), (c), (d) or (e)**, loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

This extension shall only apply to loss or damage for which the insured is responsible as tenant and not as owner.

The first amount payable under this extension for each and every loss shall be reduced by the first amount payable of 10% of the claim minimum R500.

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## GOODS IN TRANSIT SECTION

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### Defined events

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Loss of or damage to the whole or part of the property described in the Plan Schedule, owned by the insured or for which they are responsible, in the course of transit by the means of conveyance or other means incidental thereto and caused by any accident or misfortune not otherwise excluded provided that:

- (i) The insured shall be responsible for the first amount payable stated in the Plan Schedule in respect of each and every defined event except a claim resulting from fire, lightning or explosion
  - (ii) The liability of Discovery Insure for all loss or damage arising from any one defined event shall not exceed the limit of indemnity stated in the Plan Schedule.
- 

### Restricted cover

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- (i) Fire, explosion, collision, derailment and overturning limitation (if stated in the Plan Schedule to be the basis of cover).

The insurance under this section is limited to loss or damage arising from fire, explosion, collision, overturning or derailment of the means of conveyance described in the Plan Schedule.

- (ii) Fire, explosion, collision, derailment, overturning and theft limitation (if stated in the Plan Schedule to be the basis of cover).

The insurance under this section is limited to loss or damage arising from, theft or any attempt thereat following, fire, explosion, collision, hijacking or the overturning or derailment of the means of conveyance described in the Plan Schedule.

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### Specific exceptions

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#### Discovery Insure shall not be liable for

- 01 |** Loss or damage resulting from or caused by:

- (a) Theft from any unattended vehicle in the custody or control of the insured or any principal, partner, director or employee of the insured unless the property is contained in a completely closed and securely locked vehicle or the vehicle itself is housed in a securely locked building and

entry to or exit from such locked vehicle or building is accompanied by forcible and violent entry to or exit from

- (b) Inherent vice or defect, vermin, insects, damp, mildew or rust
- (c) The dishonesty of any principal, partner, director or employee of the insured whether acting alone or in collusion with others
- (d) Detention, confiscation or requisition by customs or other officials or authorities
- (e) Arising whilst in transit by sea or inland transit incidental thereto
- (f) Breakdown of refrigeration equipment

- 02 |** Wear and tear or gradual deterioration (including the gradual action of light or climatic or atmospheric conditions) unless following an accident or misfortune not otherwise excluded

- 03 |** Mechanical, electronic or electrical breakdown, failure, breakage or derangement of the insured property unless following an accident or misfortune not otherwise excluded

- 04 |** Loss of or damage to:

- (a) Cash, bank and currency notes, coins, bonds, coupons, stamps, negotiable instruments, title deeds, manuscripts or securities of any kind
- (b) Property outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi
- (c) Property otherwise insured or which would, but for the existence of this section, be insured by any other insurance except in respect of any excess beyond the amount which would have been payable under such other insurance, had the insurance under this section not been effected

- 05 |** Consequential loss of any kind, delay, loss of market, depreciation or changes brought about by natural causes.
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### Memoranda

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- 01 |** Transit shall be deemed to commence from the time of moving the property described in the Plan Schedule at the consignor's premises

(including carrying to any conveyance and loading thereon), continue with transportation to the consignee (including temporary storage not exceeding 96 hours in the course of the journey) and end when off-loaded and delivered at any building or place of storage at the consignee's premises.

- 02 |** If any consignee shall refuse to accept property consigned, transit shall be deemed to continue and the insurance in respect of such property shall continue in force until the property is delivered at the premises of the consignor by any means of conveyance, provided that the insured shall take all reasonable steps to ensure that the property is returned as soon as is reasonably possible.
- 03 |** Where the means of conveyance is by specified vehicle, the insurance under this section shall apply to property on any vehicle temporarily used in place thereof while a specified vehicle is undergoing repair or servicing, which replacement vehicle is not the property of the insured or leased or hired by them under a lease or suspensive sale agreement.
- 04 |** In the event of breakdown of the means of conveyance during transit or if, for any reason beyond the insured's control, the property is endangered, nothing contained herein shall debar the utilisation of any other form of transport to assist completion of the transit and the insurance afforded shall not be affected thereby.

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### Automatic embedded extensions

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#### **01 | Fire extinguishing charges extension**

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If the property described in the Plan Schedule is lost or damaged by fire in the course of a transit insured by this section Discovery Insure will in addition to indemnifying the insured for such loss or damage pay for the cost of extinguishing or attempting to extinguish such fire provided that the maximum amount payable under this extension shall not exceed the limit of indemnity shown in the Plan Schedule opposite this clause plus (if applicable) the increased fire extinguishing charges extension limit, in respect of any one defined event.

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#### Optional extensions (if stated in the Plan Schedule to be included)

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#### **01 | Debris removal extension**

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The insurance under this section includes costs necessarily incurred by the insured in respect of the clearing up and removal of debris following damage to the means of conveyance or to the property thereon, subject to a limit R2 000 or the limit stated in the Plan Schedule, whichever is the greater, in respect of any one defined event.

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#### **02 | Riot and strike extension**

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Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein, this section is extended to cover loss or damage directly occasioned by or through or in consequence of:

- (i) Civil commotion, labour disturbances, riot, strike or lockout
- (ii) The act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in (i) above

provided that this extension does not cover:

- (a) Loss or damage occurring in the Republic of South Africa and Namibia
- (b) Consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured
- (c) Loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation
- (d) Loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority
- (e) Loss or damage related to or caused by any occurrence referred to in **General exception 1 (A) (ii), (iii), (iv), (v) or (vi)** of this Plan or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If Discovery Insure alleges that, by reason of **provisos (a), (b), (c), (d) or (e)**, loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

The first amount payable under this extension for each and every loss shall be reduced by the first amount payable of 10% of the claim minimum R500.

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## PORTABLE POSSESSIONS SECTION

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### Defined events

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The basis of indemnity for the physical loss or destruction of or damage to the whole or part of the portable property described in the Plan Schedule while anywhere in the world by any accident or misfortune not otherwise excluded. The base of indemnity will be the current replacement value of a similar new property limited to the amount shown in the Plan Schedule provided that the insured shall be responsible for the first amount payable stated in the Plan Schedule in respect of each and every event.

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### Specific exceptions

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Discovery Insure shall not be liable for:

- 01 |** Loss of or damage to portable property resulting from or caused by
  - (a) Theft from any unattended vehicle in the custody or control of the insured or any principal, partner, director or employee of the insured unless the property is contained in a completely closed and securely locked vehicle or the vehicle itself is housed in a securely locked building and entry to or exit from such locked vehicle or building is accompanied by forcible and violent entry or exit
  - (b) Cleaning, repair, dyeing, bleaching, alteration or restoration process
  - (c) Inherent vice or latent defect, defective design, Plan or specification, or the use of faulty materials, vermin, insects, damp, mildew or rust
  - (d) The dishonesty of any principal, partner, director or employee of the insured whether acting alone or in collusion with others
- 02 |** Wear and tear or gradual deterioration (including the gradual action of light or climatic or atmospheric conditions), or depreciation or from the diminution of value or unless following an accident or misfortune not otherwise excluded
- 03 |** Mechanical, electronic or electrical breakdown, failure, breakage or derangement unless caused by an accident or misfortune not otherwise excluded or for which is more

specifically insured elsewhere in this product

- 04 |** Loss of or damage to cash, bank and currency notes, coins, bonds, coupons, stamps, negotiable instruments, title deeds, manuscripts or securities of any kind
  - 05 |** Loss of or damage to goods consigned under a bill of lading for which is more specifically insured elsewhere in this product.
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### Specific conditions

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#### Average

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If the total value of portable property insured which is not separately and individually specified is, at the time of the happening of any loss or damage to such property, of greater value than the sum insured thereon, the insured shall be considered as being his own insurer for the difference and shall bear a rateable share of the amount of the loss or damage. Each item of the Plan Schedule covering such property shall be separately subject to this condition.

#### Replacement value condition

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The basis upon which the amount payable is to be calculated shall be either the replacement of the property by similar property in a condition equal to, but not better nor more extensive than, its condition when new

Or

The repair of the property to a condition substantially the same as, but not better than, its condition when new.

Provided that if, at the time of replacement or repair, the sum representing the cost which would have been incurred in replacement if the whole of the property had been lost, destroyed or damaged beyond repair exceeds the sum insured thereon at the commencement of the loss or damage, then the insured shall be considered as being their own insurer for the difference and shall bear a rateable proportion of the loss accordingly.

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**Optional extensions (is stated in the Plan Schedule to be included)**  
.....

**Increase in cost of working extension**  
.....

The insurance under this item is limited to expenditure not otherwise recoverable under this section, necessarily and reasonably incurred as a result of loss of or damage to property for which payment is made or liability therefore is admitted under this section, for the purpose of maintaining the normal operation of the business.

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**Non-forcible and violent entry into vehicle extension**  
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**Specific exception 1(a)** shall not apply to goods in the cab or boot of the vehicle where the insured maintains that the vehicle was locked but no evidence of forcible and violent entry or exit from the vehicle exists, provided that:

- 01 |** The theft is immediately reported to the police and the police case number is supplied to Discovery Insure
  - 02 |** This extension shall only apply to property that is separately and individually specified in the Plan Schedule
  - 03 |** After the deduction of the first amounts payable specified in the Plan Schedule, the liability of Discovery Insure is limited to R20 000 or the amount stated in the Plan Schedule in respect of any one event.
- .....

**Riot and strike extension**  
.....

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein, this section is extended to cover loss or damage directly occasioned by or through or in consequence of:

- (i) Civil commotion, labour disturbances, riot, strike or lockout
- (ii) The act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in (i) above.

The above will apply, provided that this extension does not cover:

- (a) Loss or damage occurring in the Republic of South Africa or Namibia
- (b) Consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured

- (c) Loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation
- (d) Loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority
- (e) Loss or damage related to or caused by any occurrence referred to in **General exception 1 (A) (ii), (iii), (iv), (v) or (vi)** of this Plan or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If Discovery Insure alleges that, by reason of **provisos (a), (b), (c), (d) or (e)**, loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

The first amount payable under this extension for each and every loss shall be reduced by the first amount payable of 10% of the claim minimum R500.

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## FIDELITY GUARANTEE SECTION

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### Defined events

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- 01 | Loss of money and other property belonging to the insured or for which they are responsible, stolen by an insured employee during the currency of this section.
- 02 | Direct financial loss sustained by the insured as a result of fraud or dishonesty of an insured employee all of which occurs during the currency of this section which results in dishonest personal financial gain for the employee concerned, other than gain by an employee in the form of salary, salary increases, fees, commissions, bonuses, or other emoluments or promotions.

The above shall apply, provided that:

- 2.1 | a) Discovery Insure is not liable for any losses which occurred more than 24 months prior to Discovery
  - b) Any losses are discovered not later than 12 months after the termination of one of the following:
    - (i) This section
    - (ii) This section in respect of any insured employee concerned in a loss
    - (iii) The employment of the insured employee or the last of the insured employees concerned in a loss whichever occurs first.
- 2.2 | a) **BLANKET BASIS** – the liability of Discovery Insure for all losses shall not exceed the sum insured stated in the Plan Schedule whether involving any one employee or any number of employees acting in collusion or independently of each other.
  - b) **NAMED OR POSITION BASIS** – the liability of Discovery Insure for all losses involving any employee shall not exceed the sum insured stated opposite their name in the Plan Schedule or, if they are unnamed, the sum insured stated opposite the position held by them in the business as stated in the Plan Schedule.
- 2.3 | Renewal of this insurance from period to period or any extension of any period of insurance shall not have the effect of accumulating or increasing the liability of Discovery Insure beyond the sum insured stated in the Plan Schedule. If the period of insurance is less than 12 months, Discovery Insure's liability is limited to the sum stated in the Plan Schedule during any 12-month period of insurance calculated from inception or renewal.
- 2.4 | The term, "dishonest personal financial gain", shall not include gain by an employee in the form of salary, salary increases, fees, commissions, bonuses, promotions or other emoluments.
- 03 | Loss sustained by the insured of money or other property belonging to the insured or for which they are responsible directly caused by **Theft by computer fraud** provided that:
  - a) Renewal of this insurance from period to period or any extension of any period of insurance shall not have the effect of accumulating or increasing the liability of Discovery Insure beyond the sum insured stated in the Plan Schedule. If the period of insurance is less than 12 months, Discovery Insure's liability is limited to the sum insured stated in the Plan Schedule for any 12-month period calculated from inception or renewal
  - b) The liability of Discovery Insure for all losses shall not exceed the sum insured stated in the Plan Schedule whether involving any one employee or third party or any number of employees or third parties acting in collusion or independently of each other and the limit of indemnity is the total aggregate amount of the indemnity for which Discovery Insure shall be liable during any one period of insurance for all legal persons and events insured under this Plan and payment of the total sum insured in any one period of the insurance by way of indemnity to one or more of such insured persons shall discharge Discovery Insure's liability in respect of all insured persons and events under this Plan for that period of insurance
  - c) Where indemnity is provided to the insured in terms of any insurance superseded by this Plan the liability of Discovery Insure shall be limited to only that proportion of the loss which is not payable in terms of the superseded Plan
  - d) All acts committed by any one person or in which such person is involved or implicated will be considered one event.

.....  
**Definition**  
.....

The word 'employee' shall mean:

- (a) Any person while employed under a contract of employment with the insured
- (b) Any person while hired or seconded from any other party into the service of the insured
- (c) Students, volunteers or persons employed on youth training or work experience schemes.

The above also encompasses those whom the insured has the right at all times to govern, control and direct in the performance of their work in the course of the business of the insured and who, if this section is on a named and position basis, is described in the Plan Schedule by name and by the position held by the employee in the business.

.....  
**Unidentifiable employees**  
.....

If a loss is alleged to have been caused by the fraud or dishonesty of any of the employees and the insured shall be unable to designate the specific employee or employees causing the loss, the insured's claim in respect of such loss shall not be invalidated by their inability so to do provided the insured is able to furnish evidence to prove to the reasonable satisfaction of Discovery Insure that the loss was in fact due to the fraud or dishonesty of an employee acting alone or in collusion with others.

.....  
**Specific exceptions**  
.....

- 01 |** Discovery Insure shall not be liable for:
  - (a) Loss resulting from or contributed to by any defined event by
    - (i) Any partner in or of the insured to the extent that such partner would benefit by indemnity granted under this Plan
    - (ii) Any principal, director or member of the insured unless such director or member is also an employee
    - (iii) Any employee from the time the insured shall become aware that such employee has committed any fraud or dishonesty
  - (b) Any consequential losses of any kind following losses referred to under defined events.
- 02 |** This section does not cover any company or other legal entity acquired during the period of insurance.
- 03 |** Discovery Insure shall not be liable for any defined event if it results from the dishonest:

- (a) Manipulation of
- (b) Input into
- (c) Suppression of input into
- (d) Destruction of
- (e) Alteration of

any computer program, system, data or software by any insured employee who is employed in the insured's electronic data-processing department or area.

This exception does not apply to insured employees who are employed in the electronic data-processing department or area of any non-networked micro or personal computer.

- 04 |** Discovery Insure shall only be liable to the extent of the participation or shareholding of any uninvolved partners, principals, directors or members for an insured event in which any partner, principal, director or member of the insured is or has been directly involved.

This specific exception only applies to partnerships, proprietary companies or close corporations.

.....  
**Specific conditions**  
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- 01 |** The insured shall institute and maintain and continue to employ in every material manner all such systems of check and control, accounting and clerical procedures and methods of conducting his business as has been represented to Discovery Insure but the insured may:
  - (a) Change the remuneration and conditions of service of any employee
  - (b) In respect of any employee who is described in the Plan Schedule by name, change his duties and position
  - (c) In respect of any employee who is described in the Plan Schedule only by the position held by him, remove such employee and place in his position any other person who falls within the definition of employee
  - (d) Make such other changes as are approved beforehand in writing by the insured's auditors.
- 02 |** If the insured shall sustain any loss to which this section applies which exceeds the amount payable hereunder in respect of such loss, the insured shall be entitled to all recoveries (except from suretyship, insurance, reinsurance, security or indemnity taken or effected by Discovery Insure or for the amount of any first amount payable) by whomsoever



made on account of such loss until fully reimbursed, less the actual cost of effecting the same, and any remainder shall be applied to the reimbursement of Discovery Insure and the insured to the extent of his coinsurance in terms of the compulsory first amount payable clause.

## Memoranda

- 01** | In the event of the discovery of any loss resulting from a defined event, the insured may, notwithstanding anything to the contrary contained in paragraph (ii) of **General condition 8**, refrain from reporting the matter to the police but shall do so immediately should Discovery Insure or legislation of the relevant country require such action to be taken.
- 02** | Non-disclosure of his own fraud or dishonesty or that of others with whom they are in collusion by the person signing any proposal form or giving renewal or other instructions shall not prejudice any claim under this section.
- 03** | **General exceptions 1, 2 and 9** do not apply to this section.
- 04** | If the sum insured shall be increased at any time, such increased amount shall apply only to defined events committed after the date of such increase.

## Automatic embedded clauses and extensions

### 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 Discovery Insure 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.

### Extended cover for past employees extension

Any person who ceases to be an employee shall, for the purposes of this section, be considered as being an employee for a period of 30 days after they in fact ceased to be an employee.

## Other insurances

It is a condition of this section that other than:

- (a) A money plan
- (b) A plan declared to Discovery Insure at inception or renewal or at the time a claim is submitted
- (c) A fidelity pension fund plan which is not in excess of this section
- (d) This Plan

no other insurance is in force during the currency of this section to insure against the risks insured hereunder.

## Compulsory first amount payable

The amount payable under this section in respect of a defined event involving one employee or any number of employees acting in collusion shall be reduced by an amount equal to 10% of the claim subject to a minimum of R2 500. This amount shall be borne in full by the insured and remain uninsured.

## Computer losses first amount payable

The percentage shown in the compulsory first amount payable clause is increased from 10% to 20% if the defined event results from the dishonest

- (i) Manipulation of
- (ii) Input into
- (iii) Suppression of input into
- (iv) Destruction of
- (v) Alteration of

any non-networked micro/personal computer program, system, data or software by any insured employee whose duties involve the managing, supervision, design, creation or alteration of computer systems or programs.

## First amount payable for losses discovered more than 12 months after they were committed

If any defined event is discovered more than 12 months after

- 01** | It was committed
- 02** | The first event in a series of events committed by one person or a number of persons acting in collusion then the percentages contained in the first amount payable clause are increased as follows:

First amount payable clause	First amount payable increased to percentage shown below	
	If losses are discovered more than 12 months after being committed but not more than 24 months thereafter	If this Plan has been extended to cover that part of losses discovered more than 24 months after being committed but not more than 36 months thereafter
<b>Compulsory</b>	From 10% to 15%	From 10% to 20%
<b>Computer losses</b>	From 20% to 30%	From 20% to 35%

Notwithstanding the above, the insured may opt to claim only for that part of the loss which was discovered in a lesser period, in which case the first amount payable applicable for the corresponding lesser period will apply.

**Voluntary first amount payable clause (if stated in the Plan Schedule to be included)**

In addition to the amount payable by the insured under the compulsory first amount payable clause, the insured shall be responsible for the difference between such amount and the amount stated in the Plan Schedule as the voluntary first amount payable provided such voluntary amount exceeds the compulsory amount.

**Optional extensions (if stated in the Plan Schedule to be included)**

**Retroactive cover extension – no previous insurance in force**

This section will also apply to defined events as insured herein which occurred up to 12 months prior to inception of this section but not more than 24 months prior to discovery, provided the events are discovered within the shorter period of 12 months of the termination of the employment of the employee concerned or within 12 months of the expiry of this section.

**Superseded insurances extension**

This section will apply to defined events insured herein which occurred during the currency of any insurance superseded by this section and specified in the Plan Schedule provided that:

- 01 | This extension is restricted to losses which would have been payable by the superseded insurance but which are not claimable because of the expiry of the period of time

allowed by the superseded insurance for the discovery of the defined events

- 02 | The defined events are discovered within the shorter period of 12 months of the termination of the employment of the employee concerned or within 12 months of the expiry of this section
- 03 | The amount payable under this extension shall not exceed the amount insured by this section or the amount insured by the superseded insurance whichever is the lesser
- 04 | In the event of the defined events involving one employee or any number of employees occurring during both the currency of this section and that of the superseded Plan, the maximum amount payable shall not exceed the amount insured by this section at the time of discovery of the defined events
- 05 | This extension will not apply to defined events which occurred more than the number of years stated in the Plan Schedule before inception of this section
- 06 | Discovery Insure is not liable for any loss which occurred more than the period as stated in the Plan Schedule prior to discovery.

**Reduction or reinstatement of insured amount clause**

The payment by Discovery Insure of any loss involving one employee or any number of employees shall not reduce Discovery Insure's liability in respect of the remaining insured employees provided that:

- 01 | The maximum amount payable by Discovery Insure for all insured employees shall not exceed double the sum insured shown in the Plan Schedule
- 02 | The insured pays additional premium calculated in terms of the following formula:

Annual premium in force at time  
of discovery of loss



Amount of claim payment  
Sum insured at time of discovery of loss

The additional premium shall be payable in full and may not be reduced due to the period between the date of discovery of loss and the expiry date being less than 12 months.

### Costs of recovery extension

If the insured shall sustain any loss to which this section applies which exceeds the sum insured hereunder, Discovery Insure will, in addition to the sum insured, pay to the insured costs and expenses not exceeding the amount stated in the Plan Schedule necessarily incurred with the consent of Discovery Insure (which consent shall not be unreasonably withheld) for the recovery or attempted recovery from the employee in respect of whose dishonest or fraudulent acts the claim is made, of that part of the loss which exceeds the sum insured hereunder. All amounts recovered by the insured in excess of the said part of the loss shall be for the benefit of Discovery Insure and the insured to the extent of his coinsurance in terms of the compulsory first amount payable clause.

### Computer losses extension

The insured having completed a satisfactory questionnaire, **Specific exception 3** and the **Computer losses first amount payable** clause are deleted.

### Expenses incurred in reinstating office records

This Plan is extended to include costs, charges and expenses reasonably incurred by the insured in replacing and restoring any computer files data media documents manuscripts business books Plans designs specifications or programs destroyed damaged or lost as a result of loss insured by this Plan provided that the liability of Discovery Insure shall not exceed the amount stated in the Plan Schedule.

### Extortion extension

If so stated in the Plan Schedule, the defined events shall include loss due to the taking by extortion from the insured of money and other property

by intentionally and unlawfully subjecting the insured or any director member partner trustee or employee of the insured or a relative of any such person to any threat of physical harm which induces such person to submit to the taking provided that the person threatened has made every reasonable attempt to report the threat to an associate and to the law enforcement authorities at the earliest reasonable opportunity. Provided that this extension shall not entitle the insured to an indemnity in respect of any loss which is insured or which would be insurable in terms of a theft, money, motor, marine or transit insurance plan or any other more specific insurance covering money or goods. The liability of Discovery Insure shall not exceed the amount stated in the Plan Schedule.

The first amount payable under this extension for each and every loss shall be reduced by the first amount payable of 12.5% of the limit of indemnity stated in the Plan Schedule.

### Extension for losses discovered more than 24 months after being committed but not more than 36 months thereafter

- 01** | In consideration of the payment of an additional premium, **proviso 2.1 a)** of the defined events is restated to read:
- 2.1** | a) Discovery Insure is not liable for any losses which occurred more than 36 months prior to discovery.
- 02** | If this Plan section includes the superseded insurance extension, the period referred to in **proviso 6** thereof is 36 months.

### Extension granted on receipt of a satisfactory systems audit in respect of losses discovered more than 24 months after being committed

In consideration of the accounting firm named in the Plan Schedule having conducted a satisfactory audit of the insured's systems of:

- Control
- Fraud dishonesty and theft detection

and subject to the insured implementing and maintaining all the recommendations contained in such audit:

01 | Proviso 2.1 a) of the defined events (*which limits cover to that part of losses discovered within 24 months*) and proviso 6 of the superseded insurance extension clause (*if applicable*) are deleted

02 | If any defined event is discovered more than 12 months after it was committed, the percentages contained in the undernoted first amount payable clauses are increased as follows:

First amount payable clause	First amount payable increased to percentage shown below if losses are discovered more than 12 months after being committed
Compulsory	From 10% to 12.5%
Computer losses	From 20% to 25%

Notwithstanding the above, the insured may opt to claim only for that part of the loss which was discovered within 12 months, in which case the first amount payable applicable for that period will apply.

03 | The first amount payable clause for losses discovered more than 12 months after they were committed is deleted.

## ELECTRONIC EQUIPMENT SECTION

### SUBSECTION A – MATERIAL DAMAGE

#### Defined events

Accidental physical destruction or loss of or damage to the whole or part of the property insured described in the Plan Schedule from any cause not hereinafter excluded while:

- (a) At work or at rest anywhere within that part of the building occupied by the insured at the insured premises described in the Plan Schedule
- (b) Incidentally in transit including loading and unloading or whilst temporarily stored at any premises en route
- (c) Temporarily removed from that part of the building occupied by the insured at the insured premises described in the Plan Schedule to any other building.

#### Exceptions to subsection A

Discovery Insure will not be liable to indemnify the insured irrespective of the original cause in respect of

- 01 |** The first amount payable as stated in the Plan Schedule in respect of **subsection A**, of each and every event giving rise to a claim. Where more than one item of property insured suffers physical loss or damage in any one event, the first amount payable shall be the highest single amount applicable to such property insured.
- 02 |** Derangement unless accompanied by physical damage otherwise covered by this section.
- 03 |** Loss or damage recoverable in terms of any maintenance and leasing agreement effected by or on behalf of the insured covering the insured equipment.
- 04 |** Faults or defects known to the insured (or their responsible employees) at the time this insurance was arranged or during the currency of the insurance and not disclosed to Discovery Insure or any consequences thereof.
- 05 |** Wastage of material or the like or wearing out of any part of the property insured caused by or naturally resulting from ordinary usage or working or other gradual deterioration, development of poor contacts or scratching

of painted or polished surfaces of a cosmetic nature.

- 06 |** Parts having a short life such as (but not limited to) bulbs, valves, contacts, X-ray tubes, cathode ray tubes, thermionic emission tubes, fuses and sacrificial buffer circuits. If such parts are damaged as a result of physical loss or damage as provided for by this subsection to other parts of the property insured, Discovery Insure shall indemnify the insured for the residual value prior to the loss of such exchangeable parts.
- 07 |** The cost of reproducing data and programs whether recorded on cards, tapes, disks or otherwise unless specifically provided for in **subsection B** hereof
- 08 |** Loss of use of the property or other consequential loss, damage or liability of whatsoever nature other than losses specifically provided for herein.
- 09 |** (a) Loss by theft or by disappearance of the property insured unless accompanied by forcible and violent entry into or exit (or any attempt thereat) from that part of the building occupied by the insured at the insured premises described in the Plan Schedule or as a result of theft or any attempt thereat, following violence or threat of violence  
(b) Loss of the property insured by theft during transit or whilst temporarily removed from the insured premises unless identifiable by the insured with a specific incident which has been immediately reported to the police and Discovery Insure.
- 10 |** Discovery Insure shall not indemnify the insured for the theft of the property insured from any motor vehicle where the property insured has been:
  - (a) Left in the motor vehicle overnight unless the vehicle is housed in a securely locked building and entry to such vehicle or building is accompanied by forcible and violent entry or exit
  - (b) Contained in a compartment of the motor vehicle and is visible to passers-by  
provided that (a) and (b) above shall not apply to theft of the property insured where the transport vehicle
    - (i) Has been hijacked or

- (ii) Has been involved in a road accident or sustains a breakdown and, due to circumstances beyond the control of the vehicle crew or driver, the property insured is of necessity left unprotected.

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### Basis of indemnification

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The indemnity by this subsection subject always to the sums insured contained in the Plan Schedule or any specific limit of liability contained in this subsection, shall be as hereinafter provided and as appropriate including dismantling, re-erection, transportation, removal of damaged property insured (but less the value of the remains) and, where applicable, importation duties and value-added tax (VAT).

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#### 01 | Partial Loss

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If the property insured suffers damage that can be repaired, the basis of indemnification shall be the restoration expenses reasonably and necessarily incurred to restore the damaged property to working order provided that:

- (a) The value of damaged parts which can be used will be deducted.
  - (b) The costs of any alteration, addition, improvement or overhaul carried out at the time of repair are not recoverable under this subsection.
  - (c) If, without the consent of Discovery Insure, temporary repairs are carried out by the insured in the interests of safety or to minimise further loss or damage to the property insured, the cost of such temporary repairs will be borne by Discovery Insure. In the event that the temporary repairs aggravate the loss or cause additional loss or damage to the property insured, any additional costs so incurred or consequence arising therefrom will be for the account of the insured.
  - (d) Where the damage is restricted to a part or parts of an insured item, Discovery Insure shall not be liable for an amount greater than the value of such part or parts which are lost or damaged allowed for within the sum insured.
- .....

#### 02 | Total loss

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- (A) In cases where the property insured is totally lost or destroyed, the basis of indemnification shall

be the cost of replacing or reinstating on the same site new property of equal performance and capacity or, if such be impossible, its replacement by new property having the nearest equivalent performance and capacity to the property lost or damaged provided always that:

- i. The work of replacement or reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the insured, subject to the liability of Discovery Insure not being thereby increased) must be commenced and carried out with reasonable dispatch otherwise no payment exceeding the market value of the property insured immediately before the damage shall be made
  - ii. Until expenditure has been incurred by the insured in replacing or reinstating the property insured, Discovery Insure shall not be liable for any payment in excess of the amount which would have been payable if these conditions had not been incorporated herein
  - iii. These conditions shall be without force or effect if:
    - (a) The insured fails to intimate to Discovery Insure within 6 months of the date upon which the damage occurred (or such further time as Discovery Insure may in writing allow) his intention to replace or reinstate the property insured
    - (b) The insured is unable or unwilling to replace or reinstate the property insured on the same or another site
  - iv. At the sole option of Discovery Insure, following commercial and technical appraisal by a representative of Discovery Insure, the period referred to in the definition of new property may be extended (on an annual basis from renewal date) subject always to such extension of period being admitted by memorandum to this section.
- .....

### Definition of new property insured

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- (A) New property shall mean property purchased no more than 7 years (or such extended period as may be approved by Discovery Insure in writing) prior to the defined event, it being expressly agreed that in applying this definition upgrades and enhancements will be taken into account in arriving at an indemnifiable amount and the age of the property insured.

(B) In respect of property insured not provided for in (A) above, the basis of indemnification shall be the market value of the property insured immediately before the loss or damage. At the option of Discovery Insure, the property insured shall be regarded as totally destroyed if the repair costs as defined in (1) above equal or exceed its market value immediately before the damage.

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**Definition of market value**

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The current day purchase price of second-hand or used property of equal performance and capacity to the property lost or damaged and of substantially similar condition. Where no similar property is available, market value shall be calculated by deducting from the current new replacement value of the nearest equivalent property, an amount representing

- (i) 20% for the first year after the date of purchase and
  - (ii) 10% per year for each succeeding year
- subject always to a minimum indemnity of 40% of the current new replacement value of the nearest equivalent property.

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**Average**

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In respect of (1) and (2) above, if at the time of repair, replacement or reinstatement, the sum representing the cost which would have been incurred in repair, replacement or reinstatement if the whole of the property insured had been lost or damaged exceeds the sum insured thereon at the time of any loss of or damage to such property, then the insured shall be considered as being their own insurer for the difference and shall bear a rateable proportion of the loss or damage accordingly. Each item of this section (if more than one) to which these conditions apply shall be separately subject to this provision.

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**Limit of liability**

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The amount of liability shall not exceed, in respect of any of the items specified in the Plan Schedule, the sums insured set opposite thereto respectively and, in addition thereto, the following:

**(a) Architectural and other professional fees**

Professional fees necessarily and reasonably incurred in the repair or reinstatement of property following indemnifiable loss or damage, provided that the amount payable in respect of such fees does not exceed 15% of the total amount of the claim, but shall not include expenses incurred in connection with the preparation of the insured's claim.

**(b) Clearance costs**

Costs necessarily and reasonably incurred by the insured in respect of demolition or dismantling of property and/ or removal of debris and in providing, erecting and maintaining hoardings and other similar structures required during demolition, dismantling, debris removal and reconstruction following indemnifiable loss of or damage to such property, provided that the total amount recoverable does not exceed 15% of the total amount of the claim.

**(c) Express delivery and overtime**

Extra charges for express delivery, airfreight, overtime, Sunday and holiday rates of wages payable in respect of the necessary and reasonable additional costs incurred by the insured for effecting repairs or replacement approved by Discovery Insure, limited to 50% of the amount which the repair or replacement would have cost had these additional costs not been incurred.

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**Automatic embedded clauses and extensions**

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**Power surge or lightning strikes excesses**

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All loss or damage to the property insured by power surges or lightning strikes will be subject to an additional first amount payable of 10% of the net amount payable for the items so damaged subject to a minimum of R1 000 per occurrence. However, should the property insured be appropriately protected by suitable safeguards against electrical supply fluctuations, then this additional first amount payable will be waived.

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**Fire brigade charges**

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If any public authority empowered to do so shall charge the insured with any costs arising from their activities in dealing with the consequences of an insured peril having operated, such costs will be

deemed to be damage to the property insured and will be payable in addition to any other payment for which Discovery Insure may be liable in terms of this insurance.

### Tenants

This insurance will not be invalidated by any act or neglect on the part of a tenant of the insured (where the insured owns the building) or another tenant or the owner of the building (where the insured is a tenant) provided that the insured notifies Discovery Insure as soon as such act or neglect comes to their knowledge and pays on demand the appropriate additional premium.

### Hire purchase or finance agreements

Where Discovery Insure has knowledge of the property insured or any individual item thereof being the subject of a suspensive sale or similar agreement, payment hereunder shall be made to the owner described therein whose receipt shall be a full and final discharge to Discovery Insure in respect of loss or damage indemnifiable by this subsection of the section.

### Optional extension (if stated in the Plan Schedule to be included)

#### non-forcible and violent entry into vehicle extension

**Subsection A** – Exception 10(a) shall not apply to goods in the cab or boot of the vehicle where the insured maintains that the vehicle was locked but no evidence of forcible and violent entry or exit from the vehicle exists, provided that:

- a) The police case number is supplied to Discovery Insure
- b) This extension shall only apply to property that is separately and individually specified in the Plan Schedule
- c) After the deduction of the first amounts payable specified in the Plan Schedule, the liability of Discovery Insure is further restricted to the lesser of 50% of the claim or R10 000 in respect of any one event.

## SUBSECTION B – SEQUENTIAL LOSS

### Defined events

The insurance provided by this subsection (if stated in the Plan Schedule) shall be subject to the limits of indemnity stated in the Plan Schedule and shall include:

#### 01 | Increased cost of working

The insurance under this item is limited to the additional expenditure necessarily and reasonably incurred by the insured during the indemnity period in consequence of the accident for the sole purpose of avoiding or diminishing the interruption of or interference with the normal business of the insured less any sum saved during the indemnity period in respect of such of the charges and expenses of the business as may cease or be reduced in consequence of the accident.

The indemnity by this item shall not apply directly or indirectly to

- (a) The cover provided for in item (2) of this subsection
- (b) The intrinsic value (including reinstatement value) of the property insured by **subsection A** of this section.

#### 02 | Reinstatement of data or programs

Costs and expenses necessarily and reasonably incurred by the insured for the reconstitution or recompilation of data and programs recorded on or stored in data-carrying media which are lost as a result of accidental erasure (which shall be limited to the events defined in the indemnity clause to **subsection A** of this section) or by theft or by the deliberate, wilful or wanton intention of causing the cancellation or corruption of data or programs as provided for in **subsection A** of this section provided that:

- a. The indemnity shall not extend to nor include such costs incurred due to program errors, incorrect entry or the inadvertent cancellation or corruption of data and programs
- b. In respect of each and every event or series of events arising out of or in connection with one original cause or source indemnifiable by this item, the insured shall bear the amount stated in the Plan Schedule as the first amount payable



- c. Where the insured elects to insure programs (software), a Plan Schedule of such programs shall be lodged with Discovery Insure at the commencement of each period of insurance.

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## Definitions

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### Indemnity period

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The period during which the results of the business shall be affected in consequence of the accident beginning after the expiry of the number of hours, days or months detailed in the Plan Schedule as the time excess after the occurrence of the accident and ending not later than the expiry of the period detailed in the Plan Schedule as the indemnity period after such occurrence.

The time excess shall not apply to loss or damage directly caused by fire, storm (excluding lightning), subsidence, wind or the collapse of buildings.

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### Accident

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- 01 |** Physical loss of or damage to the property insured described in the Plan Schedule from any cause as provided for under **subsection A** of this section, liability under which subsection shall, except for the provisions relating to the first amount payable or the maintenance or lease agreements, be a condition precedent to liability hereunder (applicable to increased cost of working only).
- 02 |** Failure of the public supply of electricity at the terminal ends of the service feeders in the premises from any accidental cause other than
  - a. The deliberate act of the insured or any supply authority
  - b. Drought or shortage of fuel at any electricity utility.

### Special conditions applicable to failure of the public supply of electricity

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- (a) The liability of Discovery Insure shall not exceed the sum insured by this subsection.
- (b) The indemnity period shall commence 12 hours after the failure and end not later than 30 days after such failure.

### The limit of liability

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The liability of Discovery Insure shall not exceed the amounts specified in the Plan Schedule (relating to **subsection B**) in respect of any one accident or series of accidents arising out of or in connection with any one event.

In the event of the payment by Discovery Insure of any sum or sums in discharge of Discovery Insure's liability in terms of this subsection, the sums insured shall automatically be reinstated for the remainder of the current period of insurance.

The insured shall pay to Discovery Insure the additional premium required by Discovery Insure calculated pro rata from the day of the accident to the end of the period of insurance.

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### Specific exceptions to subsection B

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Unless specifically provided for:

#### 01 | Fines and penalties

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Discovery Insure shall not be liable to indemnify the insured in respect of fines or penalties for breach of contract for late or non-completion of orders or any penalties of whatsoever nature.

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#### 02 | Loss of profit

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Discovery Insure shall not be liable to indemnify the insured in respect of loss of profit or consequential loss of whatsoever nature unless specifically provided for herein.

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### Automatic embedded clauses and extensions

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#### Reinstatement

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Notwithstanding anything to the contrary contained in this subsection, it is hereby declared and agreed that, in the event of any interruption, following loss or damage, being aggravated by:

- (a) The insured being unable or unwilling to replace or reinstate property destroyed or damaged, or failing to carry out such replacement or reinstatement within a reasonable time, or
- (b) Additions, alterations or improvements being

effected to the property insured on the occasion of its repair.

Discovery Insure's liability under this section shall be solely in respect of the business interruption which would have arisen in the absence of (a) and (b).

### Optional extensions (if stated in the Plan Schedule to be included)

#### Telecommunication access lines

Subject to the limits specified in the Plan Schedule, consequential loss as provided for under defined events (1) and (2) of **subsection B** arising from accidental failure of the telecommunication access lines is included, provided always that the insurance under this extension shall be subject to the special conditions below.

#### Special conditions applicable to telecommunication access lines:

- (a) The liability of Discovery Insure shall not exceed the sum insured by this subsection.
- (b) The indemnity period shall commence 12 hours after the failure and end not later than 30 days after such failure.
- (c) The insurance provided does not cover loss occasioned by the deliberate act of any telecommunication authority or by the exercise of such telecommunication authority of its power to withhold or restrict access to its lines.

#### General memoranda

##### Memo 1 – Capital additions and currency fluctuations

The indemnity by this section shall include:

- (a) Additional equipment or programs purchased by the insured of a similar nature to that specified in the Plan Schedule, provided that, in respect of loss or damage due to electrical, mechanical or electronic breakdown or explosion, the insurance shall only commence after satisfactory completion of installation, commissioning or testing and put into use at the insured's premises
- (b) Provision for devaluation or revaluation of the

currency of the Republic of South Africa against that of the country of origin of the property insured and other inflationary trends, which may result in the escalation of the sum insured (representing the installed new replacement value) of the property insured

provided that the increase shall not exceed, by more than 25%, the total sum insured for **subsection A** specified in the Plan Schedule, it being agreed that the insured will advise Discovery Insure of such alterations after the expiry of each period of insurance and pay the appropriate premium thereon but not exceeding 50% of the difference.

##### Memo 2 – Prevention of access

If, during the indemnity period, the business at the premises is interrupted or interfered with in consequence of the insured being prevented from having access to the property insured situated at the premises caused by damage to property within a 15-kilometre radius of the insured premises as described in the Plan Schedule by fire, lightning, explosion, storm, tempest, flood, water inundation, earthquake or impact by vehicles, Discovery Insure shall indemnify the insured for loss resulting from such interruption or interference in accordance with the provisions contained herein provided that:

- (i) The insured is not entitled to indemnity as provided for in this extension under any other Plan or section of this Plan
- (ii) This section shall not be brought into contribution with any other Plan or section of this Plan bearing a like extension.

##### Memo 3 – Territorial limits

The territorial limits in respect of laptops, note books and palm-top computers, as well as all other portable computer equipment temporarily located outside of the premises specified in this section shall be deemed to be worldwide.

##### Special exception (applicable to subsections A and B)

##### Computer viruses, Trojan viruses and computer worms

Discovery Insure shall not indemnify the insured for loss or damage of whatsoever nature arising directly

or indirectly out of or in connection with the action of any computer virus, Trojan virus or computer worm or other similar destructive malware.

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### Optional extensions (if stated in the Plan Schedule to be included)

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#### Incompatibility cover

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Notwithstanding anything to the contrary contained in the Plan, the indemnity by **subsections A and B** of this section shall indemnify the insured for costs incurred in respect of:

- (a) Modifications or alterations to the property insured directly consequent upon indemnifiable loss or damage to ensure the operating integrity of the electronic system
- (b) Replacement or upgrading of legal programs to achieve compatibility with the modified or altered electronic system
- (c) The restoration of previously captured data which has become inaccessible due to the modifications to or alterations of the electronic system or in consequence of the replacement or upgrading of legal programs provided always that:

- 01** | The costs provided for in (a), (b) and (c) above shall be necessarily and reasonably incurred to maintain normal working conditions
  - 02** | Such additional costs shall be incurred as a direct consequence of indemnifiable loss or damage in terms of **subsections A or B** (item 2) of this section
  - 03** | The cover afforded hereunder shall be restricted to:
    - a. Parts or components of the electronic system which are not indemnifiable under **subsection A** hereof
    - b. Programs or data reinstated not indemnifiable under item (2) of **subsection B** hereof
  - 04** | The indemnity by this extension shall, in respect of any one event, be limited in the aggregate to 20% of the applicable total sum insured under **subsection A** (the limit of indemnity) and **subsection B** (item (2)) or R25 000, whichever is the lesser.
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# Liability class

## PUBLIC LIABILITY SECTION

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### Defined events

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Discovery Insure will indemnify the insured as provided for in the insuring subsections and elected extensions against their legal liability to pay compensation (including claimants' costs, fees and expenses) for and arising out of injury, damage or loss in accordance with the law of any country but not in respect of any judgement, award, payment or settlement made within countries which operate under the laws of the United States of America or Canada or to any order made anywhere in the world to enforce such judgement, award or settlement either in whole or in part.

The indemnity provided herein applies only to claims first made against the insured during the period of insurance and arising out of the business specified in the Plan Schedule.

For the purpose of determining the indemnity granted:

- 01 | Injury** means death, bodily injury, illness or disease; and injury may also include nervous shock, mental anguish or mental illness or mental injury of or to any person.
- 02 | Damage** means loss of possession or control of or actual damage to tangible property or interference with servitude or right of access

or other infringement of real or personal rights to the use of property.

- 03 | Defective workmanship** means any defect, error, omission or negligence in relation to any work produced or done on a product.
- 04 | Pollution** means the emission, discharge, dispersal, disposal, seepage, release or escape of any liquid, solid, gaseous or thermal irritant, contaminant or pollutant into or upon land, the atmosphere or any watercourse or body of water or the generation of smells, noises, vibrations, light, electricity, radiation, changes in temperature or any other sensory phenomena, but not fire or explosion.
- 05 | Product** means any tangible property after it has left the custody or control of the insured which has been designed, specified, formulated, manufactured, constructed, installed, sold, supplied, distributed, treated, serviced, altered or repaired by or on behalf of the insured (including packaging, containers, labelling, instructions or advice, provided in connection therewith), but shall not mean food and drink supplied by or on behalf of the insured primarily to the insured's employees as a staff benefit.
- 06 | Negligent advice** means incorrect or inadequate advice or information of a

technical nature given in the promotion of the insured's products or services but not where such advice or information:

- (a) Is given in exchange for a fee or similar consideration, or
- (b) Is an essential part of a revenue-earning activity of the insured.

**07 | Vehicle** means any land vehicle or trailer (including any machinery or apparatus attached thereto), whether or not subject to vehicle registration, or whether or not self-propelled, including locomotives and rolling stock.

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### Indemnity limits

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Discovery Insure's total liability to pay compensation, claimants' costs, fees and expenses and defence costs shall not exceed the indemnity limits stated in the Plan Schedule. The indemnity limit shall be the maximum amount of Discovery Insure's liability in respect of all claims arising out of one original cause. Where the indemnity limit is stated to be "in the annual aggregate", Discovery Insure's liability for all claims arising in any one period of insurance shall be limited to the stated amount, irrespective of the number of events giving rise to such claims.

In the event of any one originating cause giving rise to a claim or series of claims which form the subject of indemnity by more than one subsection of this Plan, each subsection shall apply separately and be subject to its own separate limit of liability, provided always that the total amount of the company's liability shall be limited to the greatest indemnity limit of availability under any one of the subsections affording indemnity for the claim or series of claims. All limits stated are payable in excess of the first amount payable applicable to the relevant claim.

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### Special memorandum

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#### Acquisitions and new business

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The indemnity granted by this Plan extends to any company formed and acquired by the insured during the period of insurance for a period of 30 days of such formation or acquisition

Provided always that:

**01 |** The retroactive date in respect of such new company shall be deemed to be the date of formation or the date when a newly

acquired company first purchased liability insurance of the type hereby insured on a "claims made" basis, subject to a declaration from the newly acquired company's previous management of no known or reported claims or circumstances likely to give rise to a claim at date of acquisition. In the event of no such declaration, the retroactive date shall be the date of acquisition

**02 |** The insured's business activity remains unchanged to that declared

**03 |** The annual turnover of all newly formed and acquired companies does not exceed 5% of the estimated annual turnover of the insured as advised to the company at inception hereof

**04 |** The insured shall advise Discovery Insure of such formations and acquisitions before the expiry of 30 days thereof and Discovery Insure reserves the right to amend the terms of this insurance accordingly.

Subject otherwise to the terms, exclusions, exceptions, conditions and limitations of the Plan.

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### Subsection A – General liability (broadform basis)

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#### Subsection A – Indemnity

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The insured is indemnified by this subsection in respect of injury, damage or loss, but not against claims for and arising out of:

- (a) Pollution liability (see **subsection B**)
- (b) Products and defective workmanship liability (see **subsection C**)
- (c) Negligent advice (see **subsection D**)

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#### Subsection A – Exclusions

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This subsection does not cover liability for claims arising out of:

- 01 |** The ownership, possession or use by or on behalf of the insured of any vehicle, other than claims:
  - (a) Caused by the use of:
    - (i) Any tool or plant forming part of or attached to or used in connection with any vehicle
    - (ii) Any vehicle as a tool of trade

- (iii) A trailer which is not attached to nor has accidentally become detached from a motor vehicle
  - (b) Arising beyond the limits of any carriageway or thoroughfare caused by the loading or unloading of any vehicle
  - (c) For damage to any bridge, weighbridge, road or anything beneath caused by the weight of any vehicle or of the load carried thereon
  - (d) Arising out of any vehicle temporarily in the insured's custody or control for the purpose of parking
  - (e) Arising out of the possession or use by the insured of any vehicle belonging to any rail service provider or any government or quasi-government department, provincial administration, municipality or similar body while on any premises permanently occupied by the insured
  - (f) Which form the subject of extensions covering employers' liability
  - (g) Arising out of damage to premises occupied (but not owned) by the insured.
- 02 |** Liability which is the subject of statutory or similar legislation controlling the possession or use of motor vehicles or trailers and in respect of which liability:
- (a) The insured is compelled to effect insurance or otherwise furnish security, or
  - (b) The state or other governmental authority has accepted responsibility.
- 03 |** The ownership, possession or use by or on behalf of the insured of any aircraft (including a drone), or watercraft or hovercraft (other than watercraft not exceeding five metres in length and then only while on inland waterways).
- 04 |** Damage to property owned, leased or hired by or under hire purchase or on loan to the insured or otherwise in the insured's care, custody or control other than:
- (a) Premises (or the contents thereof) temporarily occupied by the insured for work therein or other property temporarily in the insured's possession for work thereon (but no indemnity is granted for damage to the part of the property on which the insured is working and which arises out of such work)

- (b) Employees' and visitors' clothing and personal effects
  - (c) Premises tenanted by the insured, to the extent that the insured would be held liable in the absence of any specific agreement
  - (d) Property belonging to any rail service provider or any government or quasi-government department, provincial administration, municipality or similar body while on any premises permanently occupied by the insured.
- 05 |** The ownership, hire, leasing or operation of any airport, airstrip or helicopter pad by or on behalf of the insured, other than airstrips and helicopter pads which are not equipped with control tower operation.

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**Subsection B – Pollution liability (broadform basis)**

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**Subsection B – Indemnity**

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The insured is indemnified by this subsection against claims for injury, damage or loss arising out of pollution, but only to the extent that it can be proved that such pollution:

- 01 |** Was the direct result of a sudden, specific and indemnifiable event occurring during the period of insurance
  - 02 |** Was not the direct result of the insured failing to take reasonable precautions to prevent such pollution.
- .....

**Subsection B – Exclusions**

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This subsection is subject to the exclusions to **subsection A** insofar as they can apply, and also does not cover liability for claims arising out of or in connection with any product.

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**Subsection C – Products liability or defective workmanship liability (broadform basis) (if stated in the Plan Schedule to be included)**

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**Subsection C – Indemnity**

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The insured is indemnified by this subsection against claims for injury or damage arising out of

or in connection with any product, or defective workmanship or pollution resulting therefrom, subject always to the provisions of **subsection B** – indemnity.

### Subsection C – Exclusions

This subsection does not cover liability for claims:

- 01 | For costs incurred in the repair, reconditioning, modification or replacement of any product or part thereof which is or is alleged to be defective
- 02 | For costs arising out of the recall of any product or any part thereof
- 03 | Arising out of the failure of any product or part thereof to fulfil its intended function or to perform as specified, warranted or guaranteed unless such failure shall result in injury and damage
- 04 | Arising out of any product which with the insured’s knowledge is intended for incorporation into the structure, machinery or controls of any aircraft including any drone
- 05 | Arising out of negligent advice in respect of defective workmanship
- 06 | For the cost of rectifying or recalling defective work
- 07 | Arising from inefficacy of such work or because the work did not produce the result anticipated or claimed
- 08 | Arising prior to the handing over of such work
- 09 | Arising from any work on any aircraft or part thereof.

Subsection D – Negligent advice (broadform basis) (if stated in the Plan Schedule to be included)

### Subsection D – Indemnity

The insured is indemnified for their legal liability to pay a third party arising out of incorrect or inadequate negligent advice given in the course of the business.

### Subsection D – Exclusions

This subsection does not cover liability for claims arising out of:

- 01 | Negligent advice given in respect of any product unless the insured shall have effected cover under **subsection C** of this Plan
- 02 | Financial services and cost estimates given by or on behalf of the insured
- 03 | The insolvency of the insured
- 04 | Defamation or crimen injuria.

### Specific conditions (applicable to subsections A to D)

Conditions 1 to 5 are precedent to Discovery Insure’s liability to provide indemnity under this Plan.

- 01 | The insured shall give written notice to Discovery Insure as set out in **General condition 7**, but in any event no later than the last day of the period of insurance, of any claim made against the insured (or any specific event or circumstance that may give rise to a claim being made against the insured) and which forms the subject of indemnity under this Plan and shall give all such additional information as Discovery Insure may require. Every claim, writ, summons or process and all documents relating to the claim event or circumstance shall be forwarded to Discovery Insure immediately after they are received by the insured.
- 02 | Notwithstanding **Specific condition 1**, in the event of cancellation or non-renewal of the Plan, the insured may report an event in terms of **General condition 6** to Discovery Insure for up to 15 days after cancellation or non-renewal, provided:
  - a. Such event occurred subsequent to the retroactive date and prior to the termination of the period of insurance
  - b. Any subsequent claim first made in writing against the insured as a result of such event shall be treated as if it has first been made on the last day preceding cancellation or non-renewal
  - c. No insurance in substitution hereof has been purchased by or on behalf of the insured.
- 03 | No admission, offer, promise or payment shall be made or given by or on behalf of the insured without the written consent of Discovery Insure, which shall be entitled to take over and conduct in the name of the insured the defence or settlement of any claim

or to prosecute in the name of the insured for its own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any claim and the insured shall give all such information and assistance as Discovery Insure may reasonably require.

- 04 | The insured shall give notice as soon as reasonably practicable of any fact, event or circumstance which materially changes the information supplied to Discovery Insure at the time when this Plan was effected, and the company may amend the terms of this Plan according to the materiality of such change.
- 05 | Discovery Insure may at any time pay to the insured in connection with any claim or series of claims under this Plan to which an indemnity limit applies the amount of such limit (after deduction of any sums already paid) or any lesser amount for which such claims can be settled and upon such payment being made Discovery Insure shall relinquish the conduct and control of and be under no further liability in connection with such claims.
- 06 | The interpretation of the terms and exceptions of this Plan (and any phrase or word contained therein) shall be interpreted in accordance with the law of the Republic of South Africa.
- 07 | Where the premium is provisionally based on the insured's estimates, the insured shall keep accurate records and after expiry of the period of insurance declare as soon as possible such details as the company requires. The premium shall then be adjusted and any difference paid by or allowed to the insured as the case may be subject to any minimum premium that may apply.

.....  
**Specific exceptions (applicable to subsections A to D and extensions of this section)**  
.....

This section does not cover liability:

- 01 | For any claims where the insured was aware, before inception of this Plan, of the circumstances or event which gave rise to the claim.
- 02 | Occurring prior to the applicable retroactive date stated in the Plan Schedule.

- 03 | Arising out of the deliberate, conscious or intentional disregard by the insured's technical or administrative management of the need to take all reasonable steps to prevent claims.
- 04 | Arising out of injury to any persons under a contract of employment with the insured where such injury arises out of the execution of such contract.
- 05 | Arising out of liquidated damages clauses, penalty clauses or performance warranties except to the extent that it can be proved that liability would have attached in the absence of such clauses or warranties.
- 06 | For the applicable first amount payable in respect of each claim or series of claims arising out of one originating cause. The provisions of this clause shall apply to claims arising from damage only and shall also apply to defence costs incurred by the insured.
- 07 | Which forms the subject of insurance by any other plan or plans and this Plan shall not be drawn into contribution with such other insurance.
- 08 | For any claims arising out of any design, formula (other than design or formula of a product), specification or advice of a professional nature given by or on behalf of the insured in exchange for a fee.
- 09 | For claims arising out of or which may arise out of or in connection with magnetic and electrical fields.
- 10 | Arising out of any wrongful act committed by any director and officer of the insured.

For the purposes of this insurance "wrongful act" shall mean any actual or alleged breach of duty, breach of trust, neglect, error, omission, misstatement, misleading statement, mistreatment, breach of fiduciary obligation, libel, slander, wrongful trading, breach of warranty of authority or other legal liability on the part of any director or officer, jointly or severally, which arises solely by reason of the conduct of their duties or their capacity as directors and officers.

.....  
**Extended reporting option (applicable to subsections A to D) (may only be exercised by the insured in the event of non-renewal)**  
.....

In the event of non-renewal of this section of this Plan, at the option of the insured, any claim first



made against the insured arising from any claim or circumstance of which notice is required to be given in terms of **Specific condition 1**, Discovery Insure agrees that notice given within 36 months (hereinafter referred to as the extended reporting period) immediately following the expiry of this insurance shall be deemed to have been made on the last day preceding the expiry.

The above will apply provided that:

- 01** | This option may only be exercised in the event of Discovery Insure cancelling or refusing to renew this Plan
- 02** | The insured has not obtained insurance equal in scope and cover to this Plan as expiring providing indemnity in respect of such claim
- 03** | Discovery Insure shall only be liable for an insured event which occurred after the retroactive date but prior to the expiry of the period of insurance
- 04** | If the claimant is a minor, this extended reporting period will continue until the expiry of 12 months after the attainment of majority by the claimant
- 05** | The total amount payable by Discovery Insure for claims made or reported events during the extended reporting period shall not have the effect of increasing the indemnity limit applicable on the last day preceding the non-renewal
- 06** | This option must be exercised by the insured in writing within 15 days of cancellation or non-renewal and the required premium paid within 30 days of demand
- 07** | Once exercised, the option cannot be cancelled by either the insured or Discovery Insure.

**African territories (applicable to subsections A to D)**

In respect of the insured's operations in Africa outside of the Republic of South Africa, the indemnity provided by this section is limited to the difference between the scope of cover or the difference between the limit of indemnity provided by any insurer in the territory in which the operation is situated and the indemnity available in terms of this section.

Where this section responds in excess of indemnity provided in terms of such locally purchased liability insurance:

- 01** | The indemnity payable hereunder shall be only up to but not exceeding such further amount as would provide the maximum indemnity in terms of this section
- 02** | Any decision of the underlying insurer to accept a claim ex gratia (or without prejudice) shall not be binding on Discovery Insure
- 03** | No action or decision of the underlying insurer which prejudices Discovery Insure in the conduct or settlement of any claim under this section shall be binding on Discovery Insure
- 04** | If no insurance of the class insured in terms of this section is purchased locally, this section shall act as primary insurance, subject to the first amount payable stipulated in the Plan Schedule, provided that such cover will only apply:
  - 01** | To claims made against the insured during the period of Insurance
  - 02** | In respect of liability arising from any injury, damage or event giving rise to pure financial loss (as provided for in coverage providing for loss not related to physical damage to property) occurring or alleged to have occurred on or after the applicable retroactive date stated in the Plan Schedule.

**Subsection E – Employment practices liability (claims-made basis) (if stated in the Plan Schedule to be included)**

**Defined events**

Loss arising from any claim first made during the period of insurance for any actual or alleged unfair labour practice occurring on or after the retroactive date stated in the Plan Schedule and which is reported to Discovery Insure in accordance with the terms, conditions, provisions and exceptions of this section actual or alleged:

- (a) Wrongful, unfair or constructive dismissal, discharge or termination of employment
- (b) Breach of oral or written or implied contract of employment
- (c) Employment-related misrepresentation, or unlawful discrimination
- (d) Workplace harassment of any kind (whether sexual or otherwise), including the alleged creation or permission of a harassing workplace environment

- (e) Wrongful failure to employ or promote
- (f) Wrongful deprivation of career opportunities, wrongful discipline, failure to grant contract or negligent employee evaluation, failure to provide accurate references
- (g) Employment-related invasion of privacy or defamation
- (h) Wrongful infliction of emotional distress, or retaliation
- (i) Breach of duty, whether arising under statutory law or common law or otherwise.

Provided that prior to dismissing or taking any other disciplinary action against an employee, the insured must consult a service provider and the insured must follow any advice or instruction offered by the service provider in respect of such proposed dismissal or disciplinary action committed by or on your behalf in connection with the employment by Discovery Insure of any current, former or prospective employee.

## Definitions

### CCMA

CCMA stands for the Commission for Conciliation, Mediation and Arbitration, any bargaining council, the Labour Court or the Labour Appeal Court.

### Employee

- (a) Any person where an employment relationship with the insured has been established by a competent court or the CCMA.
- (b) Any person who works for or renders services to the insured, where the nature of their relationship with the insured materially resembles that of an employment relationship. This includes but is not limited to a part-time, seasonal, volunteer, temporary and leased employee as well as any individual employed in a supervisory, managerial or non-executive director position.
- (c) Any other person claiming rights against the insured in terms of the applicable labour legislation, but only to the extent of disproving that their claim falls within the ambit of labour legislation.
- (d) Any other person who is an independent contractor to Discovery Insure, but only to the extent that Discovery Insure agrees in writing

in advance of any unfair labour practice to indemnify such person. Any such indemnity shall be in addition to any indemnity otherwise available to the independent contractor or any affiliate of the independent contractor.

### Loss

- (a) Damages, judgments and costs awarded against the insured by the CCMA
- (b) Settlements entered into with Discovery Insure's prior written consent, which will not be withheld unreasonably
- (c) Costs and expenses as defined above.

Loss shall not include the following:

- (i) Taxes, levies, fines or penalties
- (ii) Punitive, exemplary, aggravated or multiplied damages other than if awarded by the CCMA in connection with a claim for unfair dismissal or arising from a claim for defamation
- (iii) Any obligation arising from any law or regulation in any jurisdiction in respect of workers' compensation, disability benefits, termination for operational reasons, unemployment benefits or compensation, unemployment insurance, retirement benefits, social security benefits or compensation, or any similar law or regulation
- (iv) Any employment-related benefits, allowances, stock options, deferred compensation, changing of company policy, affirmative action, education or sensitivity training or any other type of compensation other than salaries, bonuses and wages
- (v) Any liability or costs incurred by the insured to modify any building or property in order to make such building or property more accessible or accommodating to any disabled persons.

### Independent contractor

Any natural person who renders service to the insured who is not an employee of the insured but is included as a defendant in a claim brought against the insured.

## Service provider

.....  
An employers' organisation or suitably skilled labour professional who is authorised to represent the insured at the CCMA.  
.....

## Subsidiary

- .....
- (a) Any branch, division or other internal structure of the insured, except any pension fund or scheme established for the insured's own directors, officers or employees
  - (b) Any company in respect of which the insured (either directly or indirectly through one or more of its subsidiary companies):
    - (i) Controls the composition of the board of directors
    - (ii) Controls more than 50% of the voting power
    - (iii) Holds more than 50% of the issued share capital
  - (c) Any company in respect of which Discovery Insure has given prior written consent to its coverage as a subsidiary company under this section.
- .....

## Takeover or merger

.....  
Takeover or merger means any transaction whereby another company acquires control over the assets or management of the insured or whereby the assets of the insured become vested in or under the control of another company including a transfer of whole or any part of a business, trade or undertaking that is transferred as a going concern.  
.....

## Unfair labour practice

- .....
- (a) Unfair discrimination against any employee in any employment policy or practice on any one or more grounds of race, gender, sex, pregnancy, ethnic or social origin, colour, sexual orientation, age, disability, religion, HIV status, conscience, belief, political opinion, culture, language, marital status or family responsibility
  - (b) Sexual harassment, including unwelcome sexual advances, requests for sexual favours and any unwelcome verbal, visual or physical contact of a sexual nature which:
    - (i) Is explicitly or implicitly made a condition or term of employment

- (ii) When rejected or opposed by a person becomes a basis for decisions regarding the person's employment

- (c) Defamation which relates to a person's job skills, job performance, qualifications for employment, professional reputation, disciplinary history or termination of employment
- (d) Unfair dismissal, discharge or termination of employment or refusal to hire any prospective employee
- (e) Adverse change in the terms and conditions of a person's employment in retaliation for that person's exercise of his or her rights under law, or support of the rights of another.

Related, continuous, repeated or causally connected unfair labour practices shall for the purpose of this section constitute a single unfair labour practice.

The first amount payable under this extension for each and every loss shall be reduced by the first amount payable of R2 500 or the first amount payable as stated in the Plan Schedule.

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## Specific exceptions (applicable to subsection E)

.....  
Discovery Insure shall not pay any loss:

- 01** | For actual or alleged bodily injury, sickness, disease or death of any person or actual or alleged damage to or destruction of tangible property, including loss of use thereof
- 02** | Arising from or in any way involving any actual dishonest, wilful, fraudulent or malicious act of the insured
- 03** | For any actual or alleged breach of any professional services or duty by an employee in the course of the insured's activities
- 04** | Brought about by, or contributed to by, or consequent upon, any circumstances which may reasonably give rise to a claim that the insured was aware of prior to the inception of the section
- 05** | For any actual or alleged entitlement to insurance or other benefits under any workers compensation, unemployment compensation, disability, retirement or social security laws, rules and regulations
- 06** | Arising out of industrial disputes or negotiations, trade union activities or trade union membership, except for costs and expenses incurred in obtaining an interdict in the case of an unprotected strike action

- 07 | Which constitutes the cost of compliance with any obligation to adapt premises or working methods to the needs of a person with a disability or to meet statutory health and safety standards or similar provisions of any statutory, civil or common law, other than costs and expenses
- 08 | For breach of minimum wage regulations or non-payment of statutory maternity or sick pay or similar provision
- 09 | Which constitutes compensation in respect of a notice period, or is determined to be owing under an express written contract of employment or pursuant to an express written obligation to make payments in the event of termination of employment
- 10 | Relating to a retrenchment or termination for operational reasons or a breach of the terms of Section 189 of the Labour Relations Act 1995
- 11 | Arising out of an unfair labour practice committed by the insured during or subsequent to a takeover or merger
- 12 | Arising out of the transfer of contract of employment from the insured to another entity.

For the purpose of determining the applicability of the above exceptions, the conduct of the insured or any employee shall not be imputed to any other employee.

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### Specific conditions (applicable to subsections E)

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- 01 | The insured shall notify Discovery Insure as soon as reasonably possible, but in any event within 30 days of becoming aware of any circumstances which may reasonably be expected to give rise to a claim. If such notice is given during the period of insurance, then any subsequent claim arising out of, based upon or attributable to the notified circumstances shall be deemed to have been made at the time of such notice to Discovery Insure.
- 02 | The insured shall give Discovery Insure all such information and cooperation, including access to documentation and witnesses, as Discovery Insure may reasonably require and shall make every reasonable effort to keep secret the existence of this section.

- 03 | The insured shall not admit liability for or attempt to settle any claim or incur any costs and expenses without the written consent of Discovery Insure, who shall be entitled at any time to take over and conduct in the name of the insured the defence or settlement of any claim or to prosecute in the name of the insured for its own benefit any claim for payment, indemnity or damages or otherwise against any third party. In any event no action shall be taken which might prejudice Discovery Insure.
- 04 | The insured shall not be required to contest any legal proceedings unless counsel (to be mutually agreed upon) shall advise that such proceedings ought to be contested having regard to the prospect of success and other relevant circumstances.
- 05 | Discovery Insure shall not settle any claim without the consent of the insured. If, however, the insured shall refuse to consent to any settlement recommended by Discovery Insure and shall elect to contest or continue any legal proceedings in connection with such claim, then Discovery Insure's liability for the claim shall not exceed the amount by which the claim could have been so settled inclusive of costs and expenses incurred with their consent up to the date of such refusal, and then only up to the limit of indemnity stated in the Plan Schedule.
- 06 | Discovery Insure shall be entitled to nominate an attorney and, if appropriate, counsel of their choice to represent the insured.
- 07 | This section (and any phrase or word contained therein) shall be interpreted in accordance with the law of the Republic of South Africa.
- 08 | This section covers unfair labour practices taking place or claims made anywhere in the world, excluding the United States of America and Canada.
- 09 | The titles and headings to the various paragraphs and sections in this section, including endorsements attached, are included solely for ease of reference and do not in any way limit, expand or otherwise affect the provisions of such paragraphs and sections to which they relate.
- 10 | No change in, modification of, or assignment of interest under this section shall be effective except when made by written endorsement signed by an authorised representative of

Discovery Insure.

- 11 | If at the time of any claim under this section, insurance exists with any other insurer covering the insured against loss as defined, Discovery Insure shall be liable to make good only a rateable proportion of the amount payable by or to the insured in respect of such loss. If any such other insurance is subject to any condition of average, this section shall be subject to average in like manner.
- 12 | The insured shall, at the expense of Discovery Insure, do and permit to be done all such things as may be necessary or reasonably required by Discovery Insure for the purpose of enforcing any rights to which Discovery Insure shall be, or would become, subrogated upon indemnification of the insured whether such things shall be required before or after such indemnification.
- 13 | This section may be cancelled at any time by Discovery Insure giving 30 days' notice in writing to the insured, or by the insured giving immediate notice. The insured shall be entitled to a refund of premium for the unexpired period of insurance.
- 14 | In the event of a takeover or merger of the insured, cover is limited to unfair labour practice committed by the insured unrelated to such takeover or merger.
- 15 | Discovery Insure's total aggregate liability for loss arising out of claims made against the insured related to one period of insurance shall not exceed the limit of indemnity stated in the Plan Schedule. Costs and expenses are included in the limit of indemnity and are not additional thereto.

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**Subsection F – Social media and multimedia liability (non-cyber-related events) (if stated in the Plan Schedule to be included)**

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Discovery Insure agrees to indemnify the insured for all damages and defence costs which the insured shall become legally obliged to pay as a result of any claim first made against the insured and notified to Discovery Insure in writing, in accordance with this Plan, which arises out of a claim by a third party against the insured solely in the performance of or failure to perform social media or multimedia activities arising from any actual or alleged wrongful acts.

For the purpose of this cover, social media or multimedia liability is defined as the publication or broadcast of any digital media content and shall mean:

- (a) Any harm to the reputation or character of any person or organisation, defamation, product disparagement of trade reputation or trade libel
- (b) Invasion, unintentional infringement of copyright, or interference with the right to privacy or right of publicity, including public disclosure of private facts, including those of an employee, intrusion, or commercial appropriation of name or likeness
- (c) Plagiarism, piracy or misappropriation or theft of ideas or information in connection with any social media or multimedia activities
- (d) Infringement of domain name, title or slogan, or the dilution or infringement of trademark or trade name
- (e) Liability arising out of any negligence in connection with the Insured's release of any digital, social media or multimedia content
- (f) Unfair competition, but only if alleged in conjunction with (a) to (e) above.

Provided that the above actual or alleged wrongful acts occurred on or after the retroactive date.

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**Specific insurances**

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The indemnity provided by this Plan does not cover liability for claims arising out of dishonesty of the directors, principals or employees of the insured or theft or fraud by any other person, nor does this Plan provide indemnity for any liability arising out of the activities of operations domiciled in the United States of America or Canada.

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**Extensions (applicable only to the extent indicated in the Plan Schedule)**

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It is understood and agreed that this Plan extends to include the following, subject to the limits and first amounts payable specified in the Plan Schedule and subject to the terms, conditions and exceptions of the Plan insofar as they can apply and provided that the total liability of Discovery Insure is not increased beyond that which would have applied in the absence of such extensions.

## Statutory defence costs

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Discovery Insure will indemnify the insured against legal costs, fees and expenses incurred with the consent of Discovery Insure in the defence of any criminal action brought against the insured as a result of the alleged contravention of any statute governing the conduct of the business other than any statutes governing the ownership, possession, use or licensing of motor vehicles, aircraft or watercraft, the relevant labour laws as promulgated in the Republic of South Africa from time to time, or the Companies 2008 and as read in conjunction with the Criminal Procedure Act No. 1977), provided always that:

- 01 |** No indemnity shall be granted for fines or penalties
- 02 |** In the case of an appeal, Discovery Insure shall not indemnify the insured unless a senior counsel (to be agreed to by Discovery Insure) shall advise that such appeal should be likely to succeed
- 03 |** The total liability of Discovery Insure under this extension shall not exceed the indemnity limit in respect of all claims made against the insured during the period of insurance.

## Wrongful arrest

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Discovery Insure will indemnify the insured in respect of claims arising out of wrongful arrest (as hereinafter defined) committed or alleged (other than by the insured) to have been committed by the insured in the course of the business, provided always that:

- 01 |** For the purposes of this extension, the term "wrongful arrest" shall mean:
  - (a) Assault and battery committed or alleged to have been committed at the time of making or attempting to make an arrest or in resisting an overt attempt to escape by a person under arrest before such person has been or could be placed in the custody of the police or a law enforcement officer
  - (b) Defamation, crimen injuria, false imprisonment or malicious prosecution either committed or alleged to have been committed directly in connection with an arrest or arising out of the investigation of acts of shoplifting or theft.
- 02 |** No indemnity shall be granted in respect of claims:

- (a) Made against the insured by any person or persons other than those being or having been or alleged to have been arrested or under arrest, or their personal representatives
- (b) Arising out of unfair labour practice as contemplated within the meaning of the relevant labour laws as promulgated in the Republic of South Africa from time to time.

- 03 |** The total liability of Discovery Insure under this extension shall not exceed the indemnity limit in respect of all claims made against the insured during the period of insurance.

## Defamation

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Discovery Insure will indemnify the insured in respect of claims arising out of defamatory statements, whether written or verbal, made by the insured, provided always that:

- 01 |** No indemnity shall be granted in respect of claims:
  - (a) Which form the subject of the wrongful arrest extension
  - (b) Arising out of any publication in any journal, magazine or newspaper or on radio or television.
- 02 |** The total liability of Discovery Insure under this extension shall not exceed the indemnity limit in respect of all claims made against the insured during the period of insurance.

## Subsection G – Crisis and reputational management cover – non-cyber-related events

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### Definition

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### Reputational crisis

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A reputational crisis is defined as one of the following:

- 01 |** Any unplanned event or series of events that can cause death or injury to the insured's employees or the public
- 02 |** Any unplanned event or series of events that can disrupt operations, cause physical or environmental damage, shut down an organisation

- 03 | Any unplanned event or series of events which threaten the organisation's financial standing, public image and reputation.

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### Reputational risk

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A reputational risk is defined as a threat or danger to the good name or standing of a business or entity:

- 01 | Directly as the result of the actions of the company itself
- 02 | Indirectly due to the actions of an employee or employees
- 03 | Indirectly through other third parties, such as joint venture partners, customers or suppliers.

Reputational crisis and reputational risk are hereafter collectively referred to as reputational harm.

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### Indemnity

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We will indemnify you for the reasonable fees, costs and expenses associated with providing of the appropriate professional services in managing the effects of reputational harm directly resulting from any one of the insured events mentioned below. The event or incident must be sudden and unforeseen, resulting in one of the following:

- 01 | Threats of an extraordinary and considerable magnitude to the business continuity or the investment of a business
- 02 | Threats of direct financial loss which results in:
  - 2.1 | Product boycott
  - 2.2 | Asset value reduction
  - 2.3 | Brand devaluation or threat to the profitability of the business.

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### Insured events

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An insured event and can be triggered in one of the following ways:

- 01 | **Behavioural failing** (personal or corporate) caused by or to employees, customers, shareholders or business owners from one of the following:
  - 1.1 | Allegations of illegal activities
  - 1.2 | Unethical or negligent behaviours

- 1.3 | Inappropriate statements or behaviours.

- 02 | **Operational failings** causing harm or damage from one of the following:

- 2.1 | Products or services supplied by the insured
- 2.2 | Interruption in the insured's ability to supply products or services.

- 03 | **Corporate issues** resulting from one of the following:

- 3.1 | Death, injury or illness of staff
- 3.2 | Major complaints of customer dissatisfaction
- 3.3 | Leaking of personal or confidential information
- 3.4 | Breach of corporate governance
- 3.5 | Legal action against the company or senior employee
- 3.6 | Investigations or inquiries.

- 04 | **Technological failures** resulting in data loss and systems breakdown, excluding those covered under the **Cyber insurance** section of this Plan.

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### Conditions

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- 01 | We will provide you with a professional crisis and reputational management service provider for the following only:
  - 1.1 | Fees for professional crisis management and communication services
  - 1.2 | Media spend and production costs including print, media and broadcast
  - 1.3 | Legal fees incurred in reviewing crisis communication
  - 1.4 | Other crisis response and campaign costs such as research, events, social, media and directly associated activities
  - 1.5 | Actual and reasonable costs of an expert or public relations firm providing crisis media management or corrective advertising campaign immediately after the time and date of the event, to mitigate the potential impact on the insured's brand and reputation during the period of insurance
  - 1.6 | Any reasonable fees, costs and expenses necessarily incurred for

an expert approved and provided by Discovery Insure to establish the origin, mitigate, or assess the amount of costs and expenses sustained, of the insured event.

- 02 | If two or more insured events occur within 14 days of their respective occurrences, such insured events will be deemed as one insured event occurring at the date of the first insured event.
- 03 | The service provider will apportion your cover and direct the spend in respect of consultations with the insured until such time as the crisis has been averted or the limit of indemnity has been reached, whichever occurs first.
- 04 | The incident must be reported to Discovery Insure within four hours of the insured event occurring, which gives rise to a valid claim in terms of the Plan.

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### Limit of indemnity

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The liability of the insurers for all claims arising from an insured event consequent upon or attributable to one source or original cause shall not exceed the limit of indemnity stated in the Plan Schedule. The indemnity limit shall be the maximum amount of Discovery Insure's liability in respect of all claims arising out of one original cause. Where the indemnity limit is stated to be in the annual aggregate, Discovery Insure's liability for all claims arising in any one period of insurance shall be limited to the stated amount irrespective of the number of events giving rise to such claims.

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### Exclusions

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Discovery Insure will not be liable to indemnify the insured in respect of:

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#### 01 | War and terrorism

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This subsection only, **General exception 1** is deleted and replaced by the following:

Notwithstanding any provision to the contrary within this Plan or any endorsement thereto it is agreed that this Plan excludes loss, damage, cost or expenses of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause

or event contributing concurrently or in any other sequence to the loss:

- 1.1 | War, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power

- 1.2 | Any act of terrorism.

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 the threat thereof, of any person or groups of persons, whether acting alone or on behalf of or in connection with any organisation (or governments, committed for political, religious, ideological or similar purposes including the intention to influence any government and to put the public, or any section of the public, in fear.

This specific exception also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to 1.1 and 1.2 above.

If Discovery Insure alleges that by reason of this exclusion any loss, damage, cost or expense is not covered by this insurance, the burden of proving the contrary shall be upon the insured.

In the event that any portion of this exception is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

- 02 | Any insured event that occurred before the inception date of cover of this section.
- 03 | Any insured event caused by a computer-malicious act or computer malware in the event that the Planholder is not covered under a **Cyber insurance** section.
- 04 | Any consequential loss whatsoever.

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### Clauses

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#### 01 | Notification extension clause

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Should the insured notify Discovery Insure during the period of insurance in accordance with **Specific condition 1** of any specific event or circumstances which Discovery Insure accepts may give rise to a claim or claims which form the subject of indemnity



by this Plan, then acceptance of such notification means that company will deal with such claim or claims which may later arise as if they had first been made against the insured during the period of insurance.

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## 02 | Indemnity to others

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The indemnity granted extends to:

- 2.1 | Any party who enters into an agreement with the insured for any purpose of the business, but only to the extent required by such agreement to grant such indemnity and subject to **subsection A** – exclusion 4 (c) and **Specific exception 5**
- 2.2 | Officials of the insured in their business capacity arising out of the performance of the business or in their private capacity arising out of their temporary engagement of the insured's employees
- 2.3 | The officers, committee and members of the insured's canteen, social, sports, medical, firefighting and welfare organisation in their respective capacities as such
- 2.4 | Any visiting sports team or member thereof in respect of the activities of any sports club formed by the insured for the benefit of their employees
- 2.5 | The personal representatives of the estate of any person who would otherwise be indemnified by this Plan, but only in respect of liability incurred by such person

Provided always that all such persons or parties shall observe, fulfil and be subject to the terms, conditions and exceptions of this Plan as though they were the insured.

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## 03 | Cross liabilities

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Each person or party indemnified is separately indemnified in respect of claims made against any of them by any other, subject to company's total liability not exceeding the stated indemnity limits.

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## 04 | Defence costs

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Discovery Insure will pay all costs, fees and expenses incurred with its prior consent in the investigation defence or settlement of any claim made against the insured and the costs of representation at any

inquest, inquiry or other proceedings in respect of matters which have a direct relevance to any claim made or which might be made against the insured, provided such claim or claims are the subject to indemnity by this Plan. Such costs, fees and expenses are called defence costs.

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## 05 | Continuous exposure clause

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In the event of any injury or damage arising from continuous or continual inhalation, ingestion or application of any substance where the insured and Discovery Insure cannot agree when the injury or damage occurred:

- 5.1 | Injury shall be deemed to have occurred when the claimant first consulted a qualified medical practitioner in respect of such injury
- 5.2 | Damage shall be deemed to have occurred when it first became evident to the claimant, even if the cause was unknown.

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## 06 | Retrenchments extension (if stated in the Plan Schedule to be included)

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**Specific exception 10** is deleted.

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## 07 | Mergers and takeovers extension (if stated in the Plan Schedule to be included)

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**Special exception 11** is deleted. In the event of a takeover or merger of the insured, the period of insurance shall mean the period stated in the Plan Schedule, plus 180 days thereafter.

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## CYBER INSURANCE SECTION

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### Defined events

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Discovery Insure will only indemnify the insured for any loss or damage directly caused by the insured events as per the cover definition provision hereunder but subject to the limits of liability and excesses, conditions and exclusions applicable to this section.

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### Definitions

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Any definitions in the singular include the plural and vice versa.

- 01 | Claim** means any reasonable demand or assertion by a third party against the insured for compensation, money due, property, damages or enforcement of a right before an administrative, arbitration, civil, commercial or criminal court.
- 02 | Cloud computing** means any computer network-based services (including, but not limited to, servers, storage and applications) being delivered by a third party's computers and devices over the internet and being provided by virtual server hardware and simulated by software running on one or more real machines.
- 03 | Computer backup** means the physical copying of a data files to electronic media that allows for the data to be stored in another location and to be restored to a computer system.
- 04 | Computer malicious act** means any wrongful act carried out with the intention to cause harm or to get illegitimate access to data, computer systems or computer networks through the use of any computer system or computer network.
- 05 | Computer malware** means any hostile or intrusive software (including, but not limited to, computer viruses, spyware, computer worms, Trojan horse viruses, rootkits, ransomware, key loggers, dialers, adware, malicious browser helper objects (BHOs) and rogue security software) designed to infiltrate and disrupt computer operations, gather sensitive information or gain access to computer systems without consent.
- 06 | Computer network** means a group of computer systems and other computing hardware devices connected via a form of communications technology, allowing the networked computing devices to exchange data and other resources, along data connections, including the internet, intranet and virtual private networks.
- 07 | Computer systems** means the information technology and communications systems as well as any item or element of hardware and infrastructure, software or equipment that is or may be used for the purpose of creating, accessing, processing, protecting, monitoring, storing, retrieving, displaying or transmitting data.
- 08 | Computer virus** means an intrusive or hostile software or piece of code that can create replicas of itself when embedded in other software or in zones within the system, or that can broadcast copies or parts of itself on other computer systems.
- 09 | Confidential information** means any commercially sensitive business and trade secrets of any kind and any form not available in the public domain, whether marked or stamped confidential or not.
- 10 | Costs of legal defense** means any costs, expenses and fees for experts, lawyers, investigations, court appearances, surveys, examination and procedures that are necessary for the insured's civil, commercial, administrative and criminal defense. This does not include the insured's general expenses, such as salaries and overheads, and will be indemnified only within the limit of liability of each section and the annual aggregate limit as stated in the Plan Schedule, and subject to the excess.
- 11 | Customer** means any natural person or corporate body purchasing goods or services from the insured.
- 12 | Cyber terrorism** means any act or series of acts or threat thereof of any person or group of persons, whether acting alone or on behalf of or in connection with any organisation through the use of computer systems, to destruct, disrupt or subvert any computer system, computer network, infrastructure, the internet, the intranet, telecommunications and its content, with the intention to cause harm or committed for religious, ideological or political purposes, including but not limited to

the influencing of any government and to put the public or a section of the public in fear.

- 13 | Damage to or loss of confidential information or Damage to or loss of personally identifiable information** means any introduction, corruption, creation, modification, alteration or deletion of confidential information or personally identifiable information respectively on computer systems.
- 14 | Damage to or loss of data** means any introduction, corruption, creation, modification, alteration or deletion of data, which, when processed by the insured's computer system, may lead to an impaired, corrupted or abnormal functioning of the computer systems and the interruption or disruption of processing operations.
- 15 | Data** means any readable information, irrespective of the way it is used or rendered (text, figures, voice or images), including software, transmitted or stored in a digital format outside the random access memory (RAM) and owned or operated by the insured. The term data includes digital archives.
- 16 | Data protection legislation** means any law imposing data security and security breach notification obligations on entities that own, possess or license personally identifiable information as a consequence of an actual or potential breach.
- 17 | Excesses** means the waiting period and the excesses as stated in the Plan Schedule.
- 18 | Denial of service attack** means any malicious attack leading to a total or partial deprivation, disruption and unavailability of computer systems and network facilities, including related software being altered or destroyed, by deluging and thus overloading computer systems with an incoming stream of requests, including distributed denial-of-service (DDoS) attacks, in which a multitude of compromised systems are used to coordinate a simultaneous attack.
- 19 | Disaster recovery plan** means all sets of documents, instructions, and procedures that are required by the insured to enable continuation of essential business operations during and after an insured event, and that are appropriate to prevent or mitigate the interruption of the insured's business and to re-establish full functioning as swiftly and smoothly as possible.
- 20 | Digital archives** means any controlled and trusted digital long-term repository that uses certain processes, policies, electronic media and software for the long-term storage and preservation of data and that provides for protection, security, authenticity and availability of the data and that defines and controls access to the data.
- 21 | Electronic media** means any IT devices (including, but not limited to, external drives, CD-ROMs, DVD-ROMs, magnetic tapes or disks, USB sticks) that are used in data processing to record and store data.
- 22 | Employee** means any natural person that performs services or provides labour in the service and on the premises of the insured under an express or implied employment contract, under which the insured or its legal representatives have the right to control the details of work performance. This includes external staff hired by the insured in order to provide IT Services working within the operational structure and under the functional authority of the insured. **Employee** does not include legal representatives.
- 23 | Experts** means any person with a high degree of skill in or knowledge of a certain subject, including but not limited to IT specialists, lawyers, consultants or auditors.
- 24 | Hardware** means the physical components of any computer system or device that are used to store, process, read, amend or control data, including electronic media, mobile telecommunication devices used to transmit and store data.
- 25 | Human error** means any negligent or inadvertent IT operating error, including an error in the choice of software to be used, a set-up error, or any inappropriate one-off operation carried out by the insured's employee.
- 26 | Incident response plan** means any incident or emergency plan to address, manage, handle and mitigate the aftermath of an IT security breach or attack.
- 27 | Information media** means any print media such as journals, information letters, magazines, books and literary works in all formats, brochures and publications of all kinds, advertising media, including packaging, photographs and digital print-outs.
- 28 | Infrastructure** means any telephone

equipment, air conditioning, uninterrupted power supply installations, standalone generators, frequency inverter units, transformers and any other facilities that are used for maintaining the functioning of the electronic facilities that support the computer systems and data in operation.

- 29 | Insured's computer systems** means the computer systems under the control and management of the insured that are owned, licensed or hired by the insured.
- 30 | Insured event** means any event defined in each subsection of this **Cyber insurance** section.
- 31 | Intellectual property** means any right protecting intangible property, such as products of human intelligence and creation, patents, ideas, trademarks, copyrights, manufacturing secrets and trade secrets.
- 32 | Internet** means the worldwide public data network, World Wide Web (WWW), that allows the transmission of data, including intranets and virtual private networks.
- 33 | Intranet** means a person or legal entity's local or restricted internal data network, connected to its business and intended for the sole use of its employees and certain (business) partners.
- 34 | IT services** means any provision of services offered by an IT service provider that is based on the use of information technology and data processing.
- 35 | IT service provider** means any company that provides IT services for the insured under a written contract.
- 36 | Legal representative** means any past, present or future officer, director, member of the senior management of the insured and any other person of the insured's staff with a high degree of responsibility and decision-making authority who has the right to represent and act on the insured's behalf.
- 37 | Limits of liability** means as stated in the Plan Schedule.
- 38 | Maximum excess** means as stated in the Plan Schedule.
- 39 | Outsourcing provider** means any IT service provider that is assigned by the insured by written contract to offer functions or services of management, maintenance and development for the benefit of the insured on a computer system that is controlled and managed by the IT service provider.
- 40 | Outsourced computer systems** means the computer systems under the control and management of the outsourcing provider that are owned, licenced or hired by the outsourcing provider or insured.
- 41 | Party or Parties** means Discovery Insure and insured.
- 42 | Penetration test** means a method of measuring, evaluating and enhancing established security measures on computer systems by simulating a computer malicious act or a denial of service resulting from simulated external and internal threats, involving a detailed analysis of the system for any potential vulnerabilities and performed by the insured or by an IT service provider.
- 43 | Personally identifiable information** means any personal information that can be used directly or indirectly, on its own or in connection with other information, to identify, contact or locate a single person, or to identify an individual in context (including, but not limited to, any paternal surname, South African identity number, social security number, medical information or protected information related to health, driving licence number, tax code, credit or debit card number, address or telephone number, individual account reference, and any other personal identification) as defined by the data protection legislation, whatever the format and medium thereof.
- 44 | Plan** means this document.
- 45 | Period of insurance** means as stated in the Plan Schedule.
- 46 | Programming error** means an error that occurs during the development or encoding of a software or operating system that would, once in operation, result in a material malfunction of the computer systems, an interruption of operation and an incorrect result.
- 47 | Security token** means any tangible device for access and identity verification that is used to authorise access to computer systems through a personal identification number (PIN).
- 48 | Software** means any digital standard, customised or individual developed program, or application held or run by a computer

system that comprises a set of instructions that are capable, when incorporated in a machine readable medium, of causing a machine with information processing capabilities to indicate, perform or achieve a particular function, task or result.

- 49 | **Regulatory procedure** means any course of action relating to formal laws or statutes imposed by regulatory authorities
- 50 | **Regulatory authority** means a protection authority, government organisation or statutory body in any jurisdiction, authorised to enforce statutory obligations in relation to the processing or control of personally identifiable information in accordance with the data protection legislation.
- 51 | **Theft** means any computer malicious act of illegitimately copying or obtaining, for example, confidential information, data or personally identifiable information, from computer systems.
- 52 | **Third party** means any person or corporation other than the insured, the insured's legal representatives, or any employee of the insured.
- 53 | **War** means any state of hostile conflict (whether declared or not) that is carried on by force of arms and violence to resolve a matter of dispute between two or more states or nations, including acts of war such as invasion, insurrection, revolution or military coup.

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### Special condition

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In respect of this section only, **General exception 3** (computer losses) is deleted.

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### Cover definition

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#### 01 | First-party cover

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Discovery Insure will only indemnify the insured for any loss or damage directly caused by the insured events:

- 1.1 | Subsection 1 – Loss or theft of data
- 1.2 | Subsection 2 – Privacy breach protection
- 1.3 | Subsection 3 – Cyber extortion
- 1.4 | Subsection 4 – Payment Card Industry Data Security Standard (PCI DSS) coverage
- 1.5 | Subsection 7 – Crisis and reputational risks (if

stated in the Plan Schedule to be included)

- 1.6 | Subsection 8 – Business interruption (if stated in the Plan Schedule to be included).

- 02 | If such occur and is discovered by the insured within the period of insurance or occur and was not known or should not have been known by the insured before the period of insurance and is discovered by the insured within the period of insurance, and such insured event has been reported by the insured to Discovery Insure within the period of insurance or any extended reporting period.

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#### 02 | Third-party cover

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Discovery Insure will only indemnify the insured for any loss or damage directly caused by the insured events:

- 2.1 | Subsection 5 – Confidentiality breach liability
- 2.2 | Subsection 6 – Privacy breach liability
- 2.3 | Subsection 9 – Media liability (if stated in the Plan Schedule to be included).

If such occur and is discovered by the insured within the period of insurance or occur and was not known or should not have been known by the insured before the period of insurance and is discovered by the insured within the period of insurance, and such insured event has been reported by the insured to Discovery Insure within the period of insurance or any extended reporting period, and the claim is made within the period of insurance.

Any insured event that occurs in the course of IT services contracted to, managed and controlled by, outsourcing providers on their outsourced computer systems, will be covered as if the insured event had occurred on the insured's computer systems.

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## COVER SECTIONS

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### First-party cover

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#### 01 | Subsection 1- Loss or theft of data

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##### 1.1 | Insured event

- 1.1.1 | Damage to or loss of data on the insured's computer systems directly caused by a computer malicious act, computer malware or human error
- 1.1.2 | Theft of data on the insured's computer systems
- 1.1.3 | Denial of service attack targeting the insured's computer systems.

A series of such insured events within 30 days will be deemed as one insured event.

##### 1.2 | Indemnity

###### 1.2.1 | Costs of restoration and recreation of data

- 1.2.1.1 | Discovery Insure will only indemnify the insured for any reasonable costs and expenses necessarily incurred by the insured:
  - (a) To regain, restore or recreate the damaged, lost or destroyed software
  - (b) To acquire replacement licences for software whose physical protection system has been damaged, lost or destroyed
  - (c) To search for and collect data available on computer backups, electronic media or any other information media, including the original source or documentation upon which the data was based, or to re-enter data manually or by any other suitable means, in order to regain, restore or recreate the damaged, lost or destroyed or data
  - (d) To replace purchased data that was damaged, lost or destroyed, with compensation limited to the initial purchase value.
- 1.2.1.2 | If the insured event affects software that is no longer available, obsolete or unsupported and the applicable

computer backups have equally been damaged, lost or destroyed, the cover will be extended, within the limits of the Plan Schedule, to the study, analysis and set-up costs incurred to adapt a software to the equivalent functions.

- 1.2.1.3 | Discovery Insure's duty to indemnify the insured for any reasonable and necessary costs to regain, restore or recreate data, will apply until the date Discovery Insure (or its expert) determines that the data cannot reasonably be economically replaced, restored or recreated.

- 1.2.1.4 | The insurer will bear the cost of the least onerous method of achieving the stated aims.

###### 1.2.2 | Computer malware decontamination costs

Discovery Insure will only indemnify the insured for any reasonable costs and expenses necessarily incurred by the insured to decontaminate, clean and restore data, computer backups and electronic media (including the costs to restore the insured's computer systems affected by computer malware).

###### 1.2.3 | Additional IT-related costs

Discovery Insure will only indemnify the insured for any reasonable costs and expenses necessarily incurred by the insured for the sole purpose of avoiding, mitigating or diminishing Discovery Insure's indemnity, resulting from the following measures or actions taken by the insured: the use of outside IT equipment and devices hired in or leased by the insured; the deployment of other work methods or other production methods; the use of an additional IT service provider; the deployment of additional employees (associated labour costs only); the effort to restart the operations on the insured's computer systems. Such additional costs will not, however, exceed the amount of the loss thereby avoided.

#### 1.2.4 | Crisis management

Discovery Insure will only indemnify the insured for any reasonable costs and expenses necessarily incurred for a professional crisis management incurred by the insured resulting from the use of an expert and the operation of an in-house crisis management centre, which may be run by employees who may require overtime wages, for the first 30 days after the occurrence of the insured event.

#### 1.2.5 | Expert fees

Discovery Insure will only indemnify the insured for any reasonable fees, costs and expenses necessarily incurred for an expert appointed by the insured and provided by Discovery Insure to establish the origin, mitigate, or assess the amount of costs and expenses sustained, of the insured event.

#### 1.2.6 | Costs of restoration of access control system

Discovery Insure will only indemnify the insured for any reasonable costs and expenses necessarily incurred by the insured to restore the access control system of the insured's computer system, restore the secured perimeter around the insured's computer system to the state prior to the insured event, collect any revoked security token or any authentication device, and create new and update identification and passwords.

### 1.3 | Exclusions

Discovery Insure will not indemnify the insured for any loss or damage resulting from any upgrade, redesign or reconfiguration of the insured's computer systems or data to a condition beyond what existed prior to the insured event.

### 1.4 | Definitions

The following definitions apply to this section:

**Access control system** means any rules, rights and privileges required for legitimate access to the insured's computer systems.

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## 02 | Subsection 2 – Privacy breach protection

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## 2.2 | Insured event

**2.2.1 |** Damage to or loss of personally identifiable information on the insured's computer system directly caused by a computer malicious act, computer malware or human error

**2.2.2 |** Theft of personally identifiable information in the care, custody and control of the insured either on electronic media, information media or the insured's computer systems

**2.2.3 |** Disclosure of personally identifiable information in the care, custody and control of the insured either on electronic media, information media or the insured's computer systems, to unauthorised third parties.

**2.2.4 |** A series of such insured events within 30 days will be deemed as one insured event.

## 2.3 | Indemnity

### 2.3.1 | Costs of investigations and inquiries

Discovery Insure will only indemnify the insured for any reasonable costs and expenses necessarily incurred by the insured to appoint experts to identify the origin and circumstances of the insured event provided that insofar as regulatory procedures are available that they are part of regulatory procedure relating to the protection of personally identifiable information or part of an effort to avoid or mitigate such regulatory procedure.

### 2.3.2 | Costs of managing statutory requirements

Discovery Insure will only indemnify the insured for any reasonable fees, costs and expenses necessarily incurred by the insured (1) to appoint experts to manage the procedures of and interactions with regulatory authorities and (2) for any actions required by regulatory procedure to protect personally identifiable information.

### 2.3.3 | Costs of legal defence

Discovery Insure will only indemnify the insured for any reasonable costs and expenses necessarily incurred in respect of costs of legal defence incurred by the insured when a regulatory authority conducts a regulatory procedure against

the insured due to a breach of personally identifiable information.

**2.3.4 | Notification and communication costs**

Discovery Insure will only indemnify the insured for any reasonable and necessary costs incurred by the insured to notify and communicate with individuals in accordance with data protection legislation about a breach of their personally identifiable information.

**2.3.5 | Crisis management**

Discovery Insure will only indemnify the insured for any reasonable and necessary professional crisis management costs incurred by the insured for services (including, but not limited to, the use of experts and the operation of an in-house crisis management centre, which may be run by employees who may require overtime wages) during the first 30 days after the insured event.

**2.3.6 | Regulatory fines**

Discovery Insure will only indemnify the insured for any lawfully insurable fines and penalties imposed by a regulatory authority on the insured for its failure to comply with data protection legislation. Indemnity will not apply to any such fines or penalties that may be imposed in connection with any injunctive relief.

**2.4 | Exclusions 21 and 22 of this section will not apply.**

**03 | Subsection 3 – Cyber extortion**

**3.1 | Insured event**

Discovery Insure will only indemnify the insured for any actual, credible, imminent and verifiable cyber extortion to the extent insurable by law, subject to set industry guidelines in an attempt to minimise the extortion or resolve the incident whereby the extortionist threatens:

- 3.1.1 |** Disclosure of data in the insured’s care, custody and control, either on electronic media, information media or the insured’s computer systems, to unauthorised third parties
- 3.1.2 |** Damage to or loss of data on the insured’s computer systems directly caused by a computer malicious act or

computer malware

- 3.1.3 |** Theft of data in the insured’s care, custody and control, either on electronic media or the insured’s computer systems

- 3.1.4 |** Denial of service attack targeting the insured’s computer systems.

**3.2 | Indemnity**

Subject to Discovery Insure’s prior written consent, any reasonable and necessary:

- 3.2.1 |** Expenses incurred by the insured to pay cyber extortion ransom to an extortionist to terminate a cyber extortion or to consult an expert about dealing with an ongoing cyber extortion
- 3.2.2 |** Reward to an informant for any relevant information that contributes to the arrest and conviction of an actual extortionist
- 3.2.3 |** Interest on a loan as contracted by the insured with a bank or financial institution in order to pay cyber extortion ransom to an extortionist
- 3.2.4 |** Travel and accommodation for the expert during the negotiation of cyber extortion ransom
- 3.2.5 |** Replacement of cyber extortion ransom due to any destruction, disappearance, confiscation or stealing of any cyber extortion ransom during its transport or delivery, provided such is carried out by a person authorised by the parties and has not been caused by the negligent behaviour or misconduct of the authorised person.

The insured must, however, notify the police or other responsible law enforcement authorities of the cyber extortion if requested by Discovery Insure or allow Discovery Insure (or their representative) to do so; and the insured must make sure that this cyber extortion insurance is kept confidential, otherwise Discovery Insure may deny coverage and cancel the insurance provided by this section with immediate effect from the date such has entered the public domain or was revealed to a third party.

**3.3 | Exclusions**

Discovery Insure will not be liable to indemnify the insured irrespective of the original cause in respect of any loss or damage resulting from the following:

- 3.3.1 |** The involvement of the police, any



government entity or public authority to the extent that only costs associated with the investigations involving the police, any government entity or public authority are covered

- 3.3.2 | Any cyber extortion committed by any local or foreign government entity or public authority
- 3.3.3 | Any wilful, deliberate, malicious, fraudulent, dishonest act committed by the insured's officers, shareholders, employees and any other person authorised to deliver the cyber extortion ransom
- 3.3.4 | Any illegal activities were the result of the extortion
- 3.3.5 | Any illegal software-hacking software that does not fall in part with the client's business scope.

Exclusion 30 of this section will not apply to this Subsection 3 – Cyber extortion.

#### 3.4 | Definitions

The following definitions apply to this section:

**Cyber extortion** means any unlawful and intentional threats by an extortionist against data on the insured's computer systems or against the insured's computer systems in order to extract a cyber extortion ransom from the insured.

**Cyber extortion ransom** means any sum of money, in cash or otherwise, funds, property, goods, products and services that the insured is forced to pay or hands to the extortionist.

**Extortionist** means any third party committing or being an accessory to a cyber extortion.

**Informant** means a person who secretly provides information about criminal activity to law enforcement authorities.

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## 04 | Subsection 4 – Payment Card Industry Data Security Standard (PCI DSS)

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### 4.1 | Insured event

For the purposes of this subsection, an insured event shall mean at least one of the following cyber incidents:

- 4.1.1 | Damage to or loss of personally identifiable information or data in the care, custody and control of the insured on the insured's computer systems directly caused by:

- 4.1.1.1 | A computer malicious act, computer malware or a human error occurring on the insured's computer systems

- 4.1.2 | Theft of personally identifiable information or data which are in the care, custody and control of the insured either on electronic media or on the insured's computer systems

- 4.1.3 | Disclosure of personally identifiable information or data in the care, custody and control of the insured either on electronic media or on the insured's computer systems to unauthorised third parties.

A series of such insured events within 30 days will be deemed as one insured event which leads to an actual or potential assessment of the insured's compliance with PCI DSS which the insured has to adhere to in order to be entitled to a PCI DSS certification. Such an assessment has to be required by the competent PCI body.

### 4.2 | Indemnity

The insurer shall indemnify the insured for the following loss or damages directly caused by an insured event as defined:

- 4.2.1 | Any reasonable and necessary costs and expenses paid by the insured to a qualified security assessor to conduct forensic investigation in order to identify the origin and the circumstances of an insured event as defined.

- 4.2.2 | Any reasonable and necessary costs and expenses paid by the insured to a qualified security assessor for assessment and preparation of the report of PCI DSS compliance.

- 4.2.3 | Any reasonable and necessary costs and expenses paid by the insured to receive a new PCI DSS certification after the insured has met all requirements stipulated in the report of the qualified security assessor as set forth in 4.2.2 of this subsection at its own expenses.

- 4.2.4 | Any additional reasonable and necessary costs and expenses paid by the insured with the written consent of the insurer for the reissuance of credit cards originally emitted by the insured.

### 4.3 | Definitions

The following definitions apply to this section:

**4.3.1 | Credit card** means credit cards, debit cards, store card, charge cards, cash cards, stored value cards and prefunded cards.

**4.3.2 | PCI DSS** means any generally accepted and published Data Security Standards (DSS) for the Payment Card Industry (PCI), including but not limited to:

**4.3.2.1 |** Installing and maintaining a firewall configuration to protect cardholder data

**4.3.2.2 |** Not using vendor-supplied defaults for system passwords and other security parameters

**4.3.2.3 |** Protection of stored cardholder data

**4.3.2.4 |** Encrypted transmission of cardholder data across open, public networks

**4.3.2.5 |** Use and regular updates of anti-malware or anti-virus software

**4.3.2.6 |** Development and maintenance of secure systems and applications

**4.3.2.7 |** Restricting access to cardholder data by business need-to-know

**4.3.2.8 |** Assignment of a unique ID to each person with computer access

**4.3.2.9 |** Restricting physical access to cardholder data

**4.3.2.10 |** Tracking and monitoring all access to network resources and cardholder data

**4.3.2.11 |** Regular testing of the security of the computer systems and processes

**4.3.2.12 |** Maintaining a Plan that addresses information security.

**4.3.3 | Qualified security assessor** is any expert who has been certified by the PCI DSS council to audit merchants for PCI DSS compliance.

#### **4.4 | Precondition**

In addition to the insured's obligations as set forth in the **General conditions**, the insurer is only obliged to indemnify the insured in accordance with this subsection if the insured fully complies with the following condition at the moment when an insured event has occurred.

The insured shall possess a valid PCI DSS certification delivered by a qualified security assessor.

#### **4.5 | Exclusions**

The **General exclusions** shall apply to this subsection, except for **General exclusion 22** with regard to the breach of any applicable data protection legislation.

#### **Third-party cover**

### **05 | Subsection 5 – Confidentiality breach liability**

#### **5.1 | Insured event**

Any claim due to:

**5.1.1 |** Damage to or loss of confidential information on the insured's computer system directly caused by a computer malicious act, computer malware or human error

**5.1.2 |** Theft of confidential information in the care, custody and control of the insured, either on electronic media, information media or the insured's computer systems

**5.1.3 |** Disclosure of confidential information in the care, custody and control of the insured, either on electronic media, information media or the insured's computer systems, to unauthorised third parties.

#### **5.2 | Indemnity**

**5.2.1 |** The insured's legal liability, whether agreed by the parties, awarded by the information regulator, arbitration or by litigation, and any reasonable costs and expenses necessarily incurred in respect of the costs of legal defence (including, but not limited to, investigation and settlement).

**5.2.2 |** Discovery Insure will only be liable for costs of legal defence until it is determined that there is no cover and will not be liable for any further costs of legal defence after such determination.

**5.2.3 |** If the parties agree to allocate costs of legal defence, then Discovery Insure will advance, on a current basis, costs of legal defence allocated to the covered loss or damage. If the parties cannot agree an allocation, no presumption will exist and Discovery Insure will advance,

on a current basis, costs of legal defence which discovery insure believes to be covered under this plan until a different allocation is determined.

### 5.3 | Exclusions

Any claim arising out of, based upon or attributable to the following are excluded from indemnity:

- 5.3.1 | Actual or alleged inaccurate, inadequate or incomplete description of the price of goods, products or services and any cost guarantees, cost representations or contract price estimates, the authenticity of any goods, products or services, or the failure of any goods or services to conform with any represented quality or performance standards
- 5.3.2 | Errors made in any financial data that the insured publicises, including but not limited to the insured's annual report and accounts and any communications to the stock market
- 5.3.3 | The fact that the insured has omitted to remove publications from an internet site following a complaint or notice from a third party, in relation to the publication
- 5.3.4 | Any publication made on any website, on which content can be published by any person without registration, or any website or content that is not directly controlled by the insured
- 5.3.5 | Discounts, service credits, rebates, price reductions, coupons, prizes, awards or other contractual or non-contractual incentives, promotions or inducements offered to the insured's customers or clients
- 5.3.6 | Downtime, interest payments, bank overdraft charges and indemnities for late execution.

**Exclusion 28** of this section will not apply. However the infringement of patent rights always remains excluded.

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## 06 | Subsection 6 – Privacy breach liability

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### 6.1 | Insured event

Any claim due to:

- 6.1.1 | Damage to or loss of personally identifiable information on the insured's computer systems directly caused by a computer malicious act, computer

malware or human error which leads to an unauthorised third party gaining access to the personally identifiable information

- 6.1.2 | Theft of personally identifiable information in the care, custody and control of the insured, either on electronic media, information media or the insured's computer systems
- 6.1.3 | Disclosure of personally identifiable information in the care, custody and control of the insured, either on electronic media, information media or the insured's computer systems, to unauthorised third parties.

### 6.2 | Indemnity

- 6.2.1 | The insured's legal liability, whether agreed by the parties, awarded by the information regulator, arbitration or by litigation, and any reasonable and necessary costs of legal defence (including, but not limited to, investigation and settlement).
- 6.2.2 | Discovery Insure will only be liable for costs of legal defence until it is determined that there is no cover and will not be liable for any further costs of legal defence after such determination.
- 6.2.3 | If the parties agree to allocate costs of legal defence, then Discovery Insure will advance, on a current basis, costs of legal defence allocated to the covered loss or damage. If the parties cannot agree an allocation, no presumption will exist and Discovery Insure will advance, on a current basis, costs of legal defence which Discovery Insure believes to be covered under this Plan until a different allocation is determined.

### 6.3 | Exclusions

Any claim arising out of, based upon or attributable to the following are excluded from indemnity:

- 6.3.1 | Actual or alleged inaccurate, inadequate, or incomplete description of the price of goods, products, or services and any cost guarantees, cost representations, or contract price estimates, the authenticity of any goods, products or services, or the failure of any goods or services to conform with any represented quality or performance standards

- 6.3.2** | Errors made in any financial data that the insured publicises, including but not limited to the insured's annual report and accounts as well as any communications to the stock market
- 6.3.3** | The insured's omission to remove from an internet site under its control any publications or content about which the insured has received a complaint or notice from a third party
- 6.3.4** | Any publication made on any website that is not under the direct control of the insured and on which content can be published by any person without registration
- 6.3.5** | Discounts, service credits, rebates, price reductions, coupons, prizes, awards or other contractual or non-contractual incentives, promotions or inducements offered to the insured's customers or clients
- 6.3.6** | Downtime, interest payments, bank overdraft charges and indemnities for late execution.

Exclusions 22 of this section will not apply.

## Optional coverages

### First-party cover

#### **07 | Subsection 7 – Crisis and reputational risks (if stated in the Plan Schedule to be included)**

##### **7.1 | Insured event**

Reputational crisis and reputational risk can occur through a number of ways and we will indemnify you for such reputational crisis or reputational risk that occurs.

An adverse media report which leads to a negative customer perception of the insured about:

- 7.1.1** | Damage to or loss of data on the insured's computer systems directly caused by a computer malicious act, computer malware or human error
- 7.1.2** | Theft of data on the insured's computer systems
- 7.1.3** | Denial of service targeting the insured's computer systems

##### **7.2 | Indemnity**

Actual and reasonable costs of an expert or public relations firm providing a crisis media management or advertising campaign immediately (but no later than 14 days) after the time and date the adverse media is first published, to mitigate the potential impact on the insured's brand and reputation during the period of insurance. If two or more insured events occur within 14 days of their respective occurrences, such insured events will be deemed as one insured event and occur at the date of the first insured event.

#### **08 | Subsection 8 – Business interruption (if stated in the Plan Schedule to be included)**

##### **8.1 | Insured event**

For the purposes of this section, an insured event shall mean the interruption or interference of business activities insured as set forth in the Plan Schedule caused by an insured event as defined in any of the following sections if covered under this Plan:

- 8.1.1** | Subsection 1 – Loss or theft of data insurance
- 8.1.2** | Subsection 2 – Privacy breach protection
- 8.1.3** | Subsection 4 – Payment card industry data security standards
- 8.1.4** | Subsection 5 – Confidentiality breach liability
- 8.1.5** | Subsection 6 – Privacy breach liability
- 8.1.6** | A series of such insured events within 30 days will be deemed as one insured event.

##### **8.2 | Indemnity**

The insurer shall indemnify the insured for the loss of gross profit directly caused by an insured event as defined in the insured event of this subsection pursuant to the following basis of settlement.

- 8.2.1** | Basis of settlement
  - 8.2.1.1** | The loss of gross profit due to the reduction in turnover and due to the increased cost of working payable by the insurer as indemnity thereunder shall be:

- 8.2.1.1.1 | In respect of reduction in turnover, the amount produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period falls short of the standard turnover
  - 8.2.1.1.2 | In respect of increased cost of working, the additional expenditure necessarily 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 insured event, but not exceeding the sum produced by applying the rate of gross profit to the amount of the reduction thereby avoided
  - 8.2.1.1.3 | Less any sum saved during the indemnity period in respect of such of the charges and expenses of the business activities insured payable out of gross profit as may cease or be reduced in consequence of the insured event
  - 8.2.1.1.4 | Less the amount of the closing stock that exceeds the amount of the opening stock.
  - 8.2.2 | In adjusting any loss, account shall be taken and allowance made if any shortage in turnover due to the insured event is postponed by reason of the turnover being temporarily maintained from accumulation stocks of finished goods.
  - 8.2.3 | The insurer will indemnify the insured only for loss of gross profit suffered during the indemnity period.
  - 8.2.4 | If during the indemnity period goods could be sold or services could be rendered elsewhere for the benefit of the business activities insured, either by the insured or by the others on the insured's behalf, the money paid or payable in respect of such sales or services shall be brought into account in arriving at the reduction in turnover during the indemnity period.
  - 8.2.5 | In respect of each and every insured event, the insurer shall not be liable either (i) for the amount obtained by multiplying the average hourly value of the loss of gross profit sustained during the indemnity period by the number of hours specified in the Plan Schedule as the waiting period or (ii) for the amount of any monetary deductible specified in the Plan Schedule, whichever is higher.
  - 8.2.6 | The loss adjustment for the indemnification as set forth in this subsection shall be conducted by an accountant.
- The insurer shall indemnify the insured for reasonable and necessary costs of the accountant in addition to the loss determined in clause 8.2.1 to clause 8.2.5, however only within the limit of liability and the annual aggregate limit as set forth in the Plan Schedule, and subject to the deductibles.
- 8.3 | Definitions**
- With regard to the calculation of the indemnity in accordance with clause 8.2.1. The following definitions shall apply:
- 8.3.1 | **Accountant** means an expert with a high degree of professional technical knowledge in accounting, who is involved in the claims process in order to conduct the loss assessment for any loss arising out of this subsection.
  - 8.3.2 | **Closing stock** means the insured's remaining inventory for the business activities insured at the end of the indemnity period, including finished products, raw materials and partially finished products and goods excluding the amount of the specified working expenses.
  - 8.3.3 | **Gross profit** means the amount by which the value of the turnover and the value of the closing stock exceeds the value of the opening stock. The value of the opening stock and closing stock shall be calculated in accordance with the insured's normal accounting methods, but depreciation has to be taken into account.
  - 8.3.4 | **Increased cost of working** means the increased cost of working as set forth in 8.2.1.1.2 of this subsection.
  - 8.3.5 | **Indemnity period** means the period commencing at the date of the insured

event as defined in clause 2 and ending not later than the number of months specified in the Plan Schedule or when the insured's computer system is restored or could have been repaired or restored with reasonable speed to the same condition, functionality and level of service that existed prior to the insured event as defined, whichever is the earlier.

- 8.3.6 | Opening stock** means the insured's inventory for the business activities insured at the beginning of the indemnity period, including finished products, raw materials and partially finished products and goods excluding the amount of the specified working expenses.
- 8.3.7 | Turnover** means the money (less discounts, if any allowed) paid or payable to the insured for goods sold and delivered and for services rendered in course of the business activities insured as set forth in the Plan Schedule excluding specified working expenses.
- 8.3.8 | Rate of gross profit** means the rate of gross profit as set forth in the Plan Schedule or, if not defined in the Plan Schedule, the rate of gross profit earned on the turnover during the financial year immediately before the date of the insured event to which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or other circumstances affecting the business, either before or after the insured event or which would have affected the business activities insured as defined in the Plan Schedule had the insured event not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the insured event would have been obtained during the relative period after the insured event.
- 8.3.9 | Reduction in turnover** means the reduction in turnover as set forth in 8.2.1.1.1. Of this subsection.
- 8.3.10 | Specified working expenses** means any costs of packaging, carriage, freight, intermediate storage, turnover tax and any other tax, insofar as such costs have an impact on the turnover.

- 8.3.11 | Standard turnover** means the standard turnover as set forth in the Plan Schedule or, if not defined in the Plan Schedule, the turnover during that period in the 12 months immediately before the date of the insured event which corresponds with the indemnity period to which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or other circumstances which have affected the turnover during that period in the 12 months immediately before the date of the insured event, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which would have been obtained in the normal course of the insured's business.

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## Optional coverages

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### Third-party cover

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## 09 | Subsection 9 – Media liability (if stated in the Plan Schedule to be included)

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### 9.1 | Definitions

The following definitions apply to this section:

**Multimedia activities** means the publication or broadcasting of any digital media content that is recorded and played, displayed or accessed by information content processing electronic media.

### 9.2 | Insured event

Any claim due to the following alleged or actual wrongful acts, solely in the insured's performance of or failure to perform multimedia activities on the insured's computer systems:

- 9.2.1 |** Defamation (including, but not limited to, disparagement) of trade reputation or the character of any individual person or organisation
- 9.2.2 |** Infringement of copyright, title, slogan, trademark, trade name, trade dress, mark, service mark, service name or domain name
- 9.2.3 |** Infringement or interference of privacy rights

**9.2.4** | Unfair competition in conjunction with any of the acts in 7.1.1 and 7.1.2.

### **9.3** | Indemnity

**9.3.1** | The insured's legal liability, whether agreed by the parties, awarded by arbitration or by litigation, and any reasonable and necessary costs of legal defence (including, but not limited to, investigation and settlement).

**9.3.2** | Discovery Insure will only be liable for costs of legal defence until it is determined that there is no cover and will not be liable for any further costs of legal defence after such determination.

**9.3.3** | If the parties agree to allocate costs of legal defence, then Discovery Insure will advance, on a current basis, costs of legal defence allocated to the covered loss or damage. If the parties cannot agree an allocation, no presumption will exist and Discovery Insure will advance, on a current basis, costs of legal defence which Discovery Insure believes to be covered under this Plan until a different allocation is determined.

### **9.4** | Exclusions

Any loss or damages resulting from any claim arising out of, based on, attributable to, caused by and resulting from the following are excluded from indemnity:

**9.4.1** | Actual or alleged inaccurate, inadequate, or incomplete description of the price of goods, products or services and any cost guarantees, cost representations or contract price estimates, the authenticity of any goods, products or services, or the failure of any goods or services to conform with any represented quality or performance standards

**9.4.2** | Errors made in any financial data that the insured publicises (including, but not limited to, the insured's annual report and accounts and any communications to the stock market)

**9.4.3** | A breach of personally identifiable information

**9.4.4** | The fact that the insured has omitted to remove publications from an internet site following a complaint or notice from a third party, in relation to the publication

**9.4.5** | A publication made on any website, on which content can be published by any person without registration or any website or content that is not directly controlled by the insured

**9.4.6** | An insured event which occurred and was known or should have known by the insured prior to the period of insurance

**9.4.7** | Discounts, service credits, rebates, price reductions, coupons, prizes, awards or other contractual or non-contractual incentives, promotions or inducements offered to the insured's customers or clients

**9.4.8** | Indirect losses such as loss of enjoyment, downtime, loss of profit or interest payments, loss of customers or loss of market, bank overdraft charges and indemnities for late execution, foregone earnings and loss of sales

**9.4.9** | Competition law

**9.4.10** | That does not reflect loss or damages suffered by the third party directly caused by an insured event such as reimbursement of service or product or contractual penalties

**9.4.11** | Deliberate disparagement and hate speech

**9.4.12** | It was found that the Planholder acted in their personal capacity.

**Exclusion 28** of this section will not apply. However the infringement of patent rights always remain excluded. This claims condition is substituted for **General condition 6** in respect of this section.

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## Claims conditions

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### **01** | Notification

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The insured must give Discovery Insure, and their experts in accordance with any incident response plan, immediate written notice if there is an insured event or circumstance that that may give rise to an insured event.

### **02** | Insured's obligations

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The insured (or its agent) must:

**2.1** | Give Discovery Insure and their experts

written proof of any loss or damage (including, but not limited to, all circumstances leading up to the insured event and any resulting loss or damage)

- 2.2 | Take all reasonable and necessary measures to minimise the loss or damage
- 2.3 | Make sure all rights are properly preserved and exercised
- 2.4 | Do and permit to be done all such things as may be practicable to establish the cause and extent of the loss or damage
- 2.5 | Preserve any hardware, software and data and make such available to Discovery Insure and their experts, agent or representative for inspection for as long as they deem necessary
- 2.6 | Provide any information and documentary evidence that Discovery Insure and their experts may require together with a statutory declaration of the truth of the claim, if required
- 2.7 | At its own expense, cooperate with and support at all times and in any way required by Discovery Insure and their experts, agents or representatives appointed
- 2.8 | Comply with any reasonable recommendations made by Discovery Insure and their experts
- 2.9 | Bear, at its own expense, any costs and expenses incurred of proving any loss or damage (including, but not limited to, costs associated with the preparation of such proof of loss) unless otherwise specified within the sections.

### 03 | Third-party claims

If a claim is made, the insured must:

- 3.1 | Not admit any liability, not make any payment, not make or accept any offer of settlement (in full or in part) and not prejudice any conduct, defence or settlement of the insured event without Discovery Insure's prior written consent
- 3.2 | Assist Discovery Insure in investigating, defending and settling the claim
- 3.3 | If requested by Discovery Insure, use a lawyer who is appointed by Discovery Insure, or replace its own lawyer therewith and give said lawyer power of attorney, provide them with all required information and entrust them

with the conduct of the proceedings

- 3.4 | Pay the applicable excesses, if requested by Discovery Insure, to a third party in order to comply with the provisions of any settlement agreed by Discovery Insure
- 3.5 | Grant to Discovery Insure, if requested, all necessary rights and authorities to take over any settlement negotiations with or court proceedings against a third party.

### 04 | Cooperation

If requested by Discovery Insure, the insured must, at Discovery Insure's expense:

- 4.1 | Provide ongoing cooperation and assistance to Discovery Insure when so required
- 4.2 | Enforce any legal rights the insured or Discovery Insure may have against anyone who may be liable to the insured with regard to an insured event
- 4.3 | Execute any documents that Discovery Insure deems necessary to secure its rights under this section
- 4.4 | Attend hearings and trials
- 4.5 | Assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses or prosecuting or defending lawsuits.

### Conditions

These conditions are in addition to or substituted for any similar conditions in the **General conditions** of this Plan.

#### 01 | Reasonable precautions

The insured must at its own expense take and comply with all Discovery Insure's reasonable and necessary precautions and recommendations to prevent any loss or damage covered, or any liability arising, under this Plan, and the insured must comply with all relevant statutory requirements and manufacturers' recommendations.

#### 02 | Excesses and limits of liability

- 2.1 | Discovery Insure will be liable only for amounts above the excesses, which will apply



separately for each insured event and are subject to the maximum excesses.

- 2.2 | Discovery Insure's liability will be subject to the limits of liability.
- 2.3 | If Discovery Insure has directly indemnified any third party, the insured must immediately reimburse Discovery Insure for the amount of the applicable excess.

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### 03 | Inspection and audit

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- 3.1 | Discovery Insure or their experts, agent or representative may, at any reasonable time, inspect the insured's premises, insured's computer systems, insured's computer networks and any outsourcing provider.
- 3.2 | Discovery Insure or their experts, agent or a representative may, at any reasonable time and within one year after the final cancellation of the Plan Schedule, audit the insured's books and records.
- 3.3 | The insured must provide all relevant details and information that may be required for any inspection and audit.
- 3.4 | An expert appointed by Discovery Insure may conduct inspections and audits:
  - 3.4.1 | Within 30 days of inception of the Plan
  - 3.4.2 | That are deemed necessary to ensure regular assessments
  - 3.4.3 | After an insured event to ensure that the threat was removed.

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### 04 | Conditions precedent

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It is a condition precedent to Discovery Insure's liability that the insured must:

- 4.1 | Back up its data at least once weekly
- 4.2 | Protect the insured's computer systems by installing a professional anti-malware software, which must be permanently activated and automatically updated
- 4.3 | Adequately protect the insured's computer systems and its computer network from any computer malicious act or computer malware by keeping the protection mechanisms up-to-date (including, but not limited to, password settings, system configurations and firewalls)
- 4.4 | Observe and fulfill the terms and conditions of this section, and on the truth of its statements in the proposal and in the Plan Schedule.

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### 05 | Subrogation

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- 5.1 | If any payment is made under this section, Discovery Insure will be subrogated to the extent of such payment up to all the insured's rights of recovery from any third party.
- 5.2 | The insured must execute all papers required and do all that may be necessary to secure such rights.
- 5.3 | The insured must not prejudice Discovery Insure's subrogation rights, otherwise Discovery Insure will not be liable to pay indemnity for the insured event.
- 5.4 | Any monies recovered will be applied first to any expenses necessary to obtain the recovery, second to any payments made by Discovery Insure, and third to any other payments made by the parties.

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### 06 | Material change in risk

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- 6.1 | The insured must notify Discovery Insure, as soon as reasonably practicable, of any material change in risk of which it is aware or ought reasonably to be aware and must take, at its own expense, any additional precautions that may be necessary to prevent loss or damage therefrom.
- 6.2 | Discovery Insure will not be liable for any loss or damage resulting from a material change in risk unless it has agreed to that material change in risk and received additional premium.

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### 07 | Merger and acquisition

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The insured must give Discovery Insure written notice within 30 days of its merging with, or acquiring the majority of stock of, another business entity during the period of insurance and must pay Discovery Insure additional premium based on the additional exposure from the date of the merger or acquisition to the end of the period of insurance.

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### 08 | Confidentiality

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The insured must not disclose the existence of this section unless required by law or with Discovery Insure's prior written consent.

## 09 | Assignment

The insured must not to transfer any legal rights or interests in this section without Discovery Insure's prior written consent.

## 10 | Amendment

Any amendment of this section must be agreed by the parties in writing and in a form that is intended as an endorsement to this section.

## 11 | Laws, rules or regulations

If any of the provisions of this section conflict with the laws, rules or regulations of any jurisdiction in which this section applies, this section must be amended by the parties to conform to such laws, rules or regulations.

## 12 | Severability

If any provision of this section is unenforceable, all other provisions will not be affected and the parties will replace the unenforceable provision with an enforceable provision as close as possible to the objective of the agreement, taking into account the parties' economic interests.

## 13 | Third party rights

Any third party who is not a party to this section has no right to enforce any part of this section but this does not affect any rights or remedy of a third party which otherwise exists.

## 14 | Law and jurisdiction

This section will be governed by the laws of Republic of South Africa, and subject to the Dispute Resolution Conditions, the courts of the Republic of South Africa will have exclusive jurisdiction in any dispute arising out of or in connection with this section.

## Exclusions

In addition to or in substitution of any similar provision in the General exceptions any loss or damage resulting from the following are excluded

from indemnity, unless otherwise stated in the section:

- 01 | Acts of Terrorism as defined under the **General exception 1(C)**. However, computer viruses, hacking and denial of service attacks are not regarded as acts of terrorism, provided that no terrorist organisation claims responsibility for such attack
- 02 | Any judgment, award, payment or settlement made within countries which operate under the laws of the United States of America or Canada or any order made anywhere in the world to enforce such judgment, award or settlement either in whole or in part
- 03 | Chemical, biological, biochemical or electromagnetic weapon
- 04 | Removal of dioxin or polychlorinated biphenyls
- 05 | Discharge, dispersal, seepage, migration, release or escape of hazardous substances, contaminants or pollutants, however arising
- 06 | Fire, lightning, electromagnetic discharge, explosion, windstorm, hailstorm, flood, water damage, freezing, falling objects, weight of snow, ice or sleet, volcanic action, earth movement, sinkhole, smoke, aircraft or vehicles
- 07 | Seizure, confiscation, requisition, destruction or damaging of the insured's computer system or data either by application of any customs or quarantine rule or by order of any rightful or de facto government or any civil or military authority
- 08 | Use of illegal or unlicensed software
- 09 | Fault, defect, error or omission in design, Plan, specification, material or workmanship of the insured's computer systems
- 10 | Programming errors
- 11 | Wear and tear, drop in performance or the ageing of electronic equipment and other property used by the insured as a result of normal operation or progressive deterioration and which is usually covered or may be covered by a full maintenance agreement
- 12 | Malicious, reckless or intentional misbehaviour, misconduct or fraud, whether by omission or commission of the insured or the outsourcing provider
- 13 | Product recall

- 14 | Regulatory sanction imposed by a regulatory body or by a legally constituted authority for which Discovery Insure has been prohibited from indemnifying the insured by such regulatory body, authority or by the law
  - 15 | Order, instruction or directive in respect of which the insured has not taken reasonable measures to avoid its imposition or has not cooperated reasonably with such regulatory body or other authority during any investigations conducted into any incidents or discussions relating to any incident
  - 16 | Fines, punitive damages, guarantees of performance or efficiency, or any penalties of whatever nature
  - 17 | Enforcement of any governmental law, ordinance, regulation or rule regulating or restricting the construction, installation, repair, replacement, demolition, occupancy, operation or other use of the insured's computer system or the computer system of the outsourcing provider
  - 18 | Financial market or trading losses
  - 19 | Debt, insolvency, commercial failure, failure to provide bond or security, financial default of the insured or any third party
  - 20 | Scheduled downtime, planned outages or idle period of computer systems or parts of computer systems (including, but not limited to, when production, operation, service or delivery or receipt of goods would cease, would not have taken place or would have been prevented whether or not an insured event occurred)
  - 21 | Suspension, cancellation or lapse of any lease, contract, licence or orders by customers of the insured, the insured or the outsourcing provider
  - 22 | Bodily injury, psychological harm, emotional distress, anguish, trauma, illness, an ailment or death suffered by a person
  - 23 | Theft, violation, disclosure or infringement of any intellectual property
  - 24 | Claims made by or on behalf of: any legal entity with effective control over the insured; any subsidiary of the insured; any legal entity over which the insured or its subsidiaries have effective control; any person holding a majority shareholding interest in the insured; any entity in which the insured has accepted a financial interest, irrespective of amount; or any partnership or joint-venture where the insured is involved
  - 25 | Other than as provided for under **Subsection 3** – Cyber extortion ransom and extortion monies demanded
  - 26 | Failure or interruption caused by whatsoever reason of access to a third party infrastructure or service provider, including telecommunications, internet service, satellite, cable, electricity, gas, water or other utility service providers
  - 27 | IT service that an outsourcing provider has itself subcontracted to a third party
  - 28 | Any human error conducted by an outsourcing provider
  - 29 | Espionage
  - 30 | Contractual liability insofar exceeding legal liability but for the contract
  - 31 | Any criminal activities that may have resulted in an insured event
  - 32 | Content which Discovery Insure deems illegal
  - 33 | If it was found that the Planholder acted in their personal capacity
  - 34 | Insured's customers handsets, laptops or any tools of trade
  - 35 | Any device or handset that are deemed as private property and not associated with the business
  - 36 | Failure to comply with any inspection/ assessment that is deemed necessary to evaluate the risk
  - 37 | Hacking software or any deemed software that may harm any individual or business and does not fall within the scope of the client's business.
-

## PERSONAL ACCIDENT SECTIONS

### Defined events

Bodily injury caused by accidental, violent, external and visible means to any principal, partner, director or employee of the insured (hereinafter in this section referred to as an insured life) specified in the table.

Discovery Insure will pay to the insured, on behalf of an insured life or their estate, the compensation stated in the table in the event of accidental bodily injury to any insured life directly and independently of all other causes resulting within 24 calendar months in death or disability as specified in the table under the heading circumstances.

### Basis of indemnification

**01 | Group personal accident** (if stated in the table below to be included)

Indemnification will be based on a nominated amount (fixed amount) per life or per exposure.

**02 | Stated benefits** (if stated in the table below to be included)

Indemnification will be based on actual earnings calculated at:

- a. The total wages (weekly amounts)
- b. The total wage book.

### Business limitation (if stated in the Plan Schedule to be applicable)

**01 |** This section applies only in respect of accidental bodily injury to such person arising from and in the course of his employment in the business.

**02 |** Business hours plus commuting extension (if stated in the table below to be included)

This section applies in respect of accidental bodily injury to the insured arising from and in the course and scope of their employment with the insured including travelling to and from work.

### Table of disability benefits

Permanent disability shall mean	% of compensation
(a) Loss by physical separation at or above the wrist or ankle of one or more limbs	100%
(b) Permanent and total loss of	
Whole eye	100%
Sight of eye	100%
Sight of eye except perception of light	75%
(c) Permanent and total loss of hearing	
Both ears	100%
One ear	25%
(d) Permanent and total loss of speech	100%
(e) Injuries resulting in permanent total disability from following usual occupation or any other occupation for which a person is fitted by knowledge or training	100%
(f) Loss of four fingers	70%
(g) Loss of thumb (one or both phalanges)	25%
(h) Loss of index finger (one, two or three phalanges)	10%
(i) Loss of any other finger (one, two or three phalanges) – each finger	6%
(j) Loss of metacarpals – first, second, third, fourth or fifth (additional)	5%
(k) Loss of toes:	
All on one foot	30%
Great, both phalanges	5%
Other than great, if more than one toe lost, each	5%
(l) Permanent disfigurement resulting from accidental external burns to the combined surface area of the	
(l.1) head, neck and hands	
Provided the total area affected exceeds 20% of the total area of the head, neck and hands	A percentage of compensation in direct proportion to the area affected
(l.2) remaining parts of the body other than the head, neck and hands	
All other areas of the body, provided the total affected area exceeds 10% of the total area of the body	A percentage of compensation in direct proportion to the area affected but subject to a maximum of 50%

Discovery Insure shall not pay under any subitem of this extension unless the disfigurement exceeds 10% of the parts of the body referred to for the subitem under which a claim is lodged.

Compensation payable hereunder is a percentage of the compensation in direct proportion to the area affected. The benefits payable in terms of (I.1) and (I.2) above will apply independently and be cumulative, but the overall liability of Discovery Insure for permanent disfigurement resulting from an accident or series of accidents arising from one cause for any one insured person will be limited to 50% of the amount payable for permanent total disability. Compensation will not be payable under this extension in addition to compensation payable for the same bodily injury under the Plan Schedule of permanent disability benefits.

.....  
**Memoranda**  
.....

- (i) Where the injury is not specified, Discovery Insure will pay such sum as, in their opinion, is consistent with the above provisions.
- (ii) Permanent total loss of use of part of the body shall be treated as loss of such part.
- (iii) 100% shall be the maximum percentage of compensation payable for permanent disability resulting from an accident or series of accidents arising from one cause in respect of any one insured life.
- (iv) If a claim for loss of part of the body is payable under definitions (a) to (k), compensation under definition (l) shall not be payable in respect of the same part of the body, unless the percentage of compensation due under (l) is greater than the percentage of compensation payable under (a) to (k).

**Temporary total disability** shall mean total and absolute incapacity from following usual business or occupation.

**Medical expenses** shall mean all costs and expenses necessarily incurred for artificial aids, prostheses, medical, surgical, dental, nursing home or hospital treatment (including costs and expenses incurred in emergency transportation or freeing such an insured life if trapped or bringing an insured life to a place of safety) as a result of bodily injury and incurred within 24 months of the defined event.

**Annual earnings** means the annual rate of wage, salary and cost of living allowance being paid or allowed by the insured to an insured life at the time of accidental bodily injury, plus overtime, house rents, food allowances, commissions and other considerations of a constant character paid or allowed by the insured to an insured life during the 12 months immediately preceding the date of accidental bodily injury.

**Average weekly earnings** means one fifty-second (1/52) part of annual earnings of the insured.

In respect of casual workers with less than 12 consecutive month's service with Discovery Insure, prior to the date of loss, the one fifty-second (1/52) part will be calculated by applying the total of all earnings received from Discovery Insure divided by the total number of consecutive weeks' service.

**Accident** means a sudden, fortuitous and unexpected event occurring at an identifiable place and time, which independently of any other cause results in bodily injury as defined.

**Bodily injury** means traumatic physical bodily injury caused by an accident and will be deemed to include bodily injury caused by starvation, thirst and exposure to the elements as a result of an accidental occurrence.

**Loss** used in reference to limb, hand, thumb, fingers, foot or toes means the loss by physical severance or total and permanent loss of use of such member.

**Permanent total disability** means bodily injury resulting in total and absolute disablement preventing the insured from following the usual occupation, or any other occupation for which they are suited by education or training, for 24 consecutive months and which, at the expiry of that period, is beyond hope of improvement.

**Permanent partial disability** means bodily injury which causes a permanent disability but not causing inability to work.

**Temporary total disability** means bodily injury temporarily and totally preventing the insured from engaging in or giving attention to their usual occupation.

**Temporary partial disability** means bodily injury temporarily preventing the insured from engaging in or giving attention to their usual occupation on a 100% full time basis.

.....  
**Specific exceptions**  
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Discovery Insure shall not be liable to pay compensation for death or disability in respect of an insured life:

- (a) While they are travelling by air other than as a passenger and not as a member of the crew or for the purpose of any trade or technical operation therein or thereon
- (b) By their suicide or intentional self-injury caused by an insured life's suicide, attempted suicide or intentional self-injury or deliberate exposure to obvious risk or injury (unless in an attempt to save human life)

- (c) Caused solely by an existing physical defect or other infirmity of an insured life as a result of:
  - (i) The influence of alcohol, drugs or narcotics upon an insured life unless administered by a member of the medical profession (other than themselves) or unless prescribed by and taken in accordance with the instructions of a member of the medical profession (other than themselves)
  - (ii) Driving a motor vehicle and having more than the legal limit of alcohol in their blood
- (d) As a result of their participation in any riot, strike, public disorder or civil commotion or act of terrorism or as a result of deliberately committing a criminal offence
- (e) In the case of females, directly or indirectly resulting from or prolonged or accelerated by or attributable to pregnancy, childbirth, abortion, miscarriage, obstetrical procedures or any sequelae thereof
- (f) Whose death or disability is directly or indirectly caused by, arising or resulting from or traceable to any physical defect or infirmity which existed prior to the accident, provided that if the disability of the insured is merely aggravated by such pre-existing conditions, Discovery Insure may in its discretion pay an amount which it considers would have been payable but for such aggravation
- (g) While they are, or as a result of their, engagement in:
  - (i) Motor cycling, motor quadracycling or motor tricycling (whether as a driver or passenger) other than on the business of the insured
  - (ii) Racing of any kind involving the use of any power-driven
    - (a) Vehicle
    - (b) Vessel
    - (c) Craft
  - (iii) Mountaineering necessitating the use of ropes, winter sports involving snow or ice, polo on horseback, steeplechasing, professional football, while participating in sport as a professional player or hang-gliding
- (h) Whose death or disability is directly or indirectly attributable to human immunodeficiency virus (HIV and any HIV-related illness) or acquired immune deficiency syndrome (AIDS) including derivatives or variations thereof howsoever caused. The onus of proof will always be upon you to show that death or disability of an insured did not arise through or was not caused by AIDS or HIV
- (i) Whose occupation involves underground mining or tunnelling or involving the use or handling of explosives or explosive devices.

## Warranty

It is hereby warranted that to the best of the insured's knowledge and belief, all insureds are at the inception of each period of insurance in good health and are not suffering from any physical or mental defect or infirmity which might give rise to a claim under this Plan.

## Extensions

### 01 | Exposure

Bodily injury shall be deemed to include injury caused by starvation, thirst and exposure to the elements, directly or indirectly resulting from mishap.

### 02 | Disappearance

In the event of the disappearance of any insured life in circumstances which satisfy Discovery Insure that they have sustained injury to which this section applies, and that such injury has resulted in the death of an insured life, Discovery Insure will, for the purposes of the insurance afforded by this section, presume his death provided that if, after Discovery Insure shall have made payment hereunder in respect of an insured life's presumed death, they are found to be alive, such payment shall forthwith be refunded by the insured to Discovery Insure.

### 03 | Disfigurement

The benefits payable in terms of i) and ii) above will apply independently and be cumulative, but the overall liability of Discovery Insure for permanent disfigurement resulting from an accident or series of accidents arising from one cause for any one insured will be limited to 50% of the amount payable for permanent total disability. Compensation will not be payable under this extension in addition to compensation payable for the same bodily injury under the Plan Schedule of permanent disability benefits.

### 04 | Life-support machinery

Notwithstanding anything contained in the defined events, the 24-month period stated therein shall not include any period or periods where the death of an insured life is delayed solely by the use, for periods of not less than three consecutive days, of life-support machinery, equipment or apparatus.

## 05 | Terrorism

This Plan is extended to cover accidental death or disability of an insured arising from acts of terrorism as defined in General exception 1; provided that insurers will not be liable to pay any compensation for death or disablement arising from:

- a) The performance by an insured life of obligations in terms of the Defense Act, 2002 or the South African Police Service Act, 1995 at a place from which military or police actions are carried out
- b) Consequent upon such person's engagement in military or police actions against an enemy of the Republic, combating terrorism as defined in the Defense Act, or operations in defense of the Republic as defined in the Defense Act, 1957.

## Special extensions

Subject to an insured suffering accidental bodily injury which is the subject of a valid claim hereunder the following extensions are applicable:

### 01 | Interment costs (applicable in addition to an insured death benefit)

Interment expenses necessarily incurred in preparing and interring or cremating a deceased insured, including the cost of stonework and urns, up to a limit of R10 000.

### 02 | Body transportation costs (applicable in addition to an insured death benefit)

If death takes place at a place further than 100 kilometers from that in which the deceased insured normally resided, Discovery Insure will pay the reasonable and necessary costs, up to a limit of R10 000 of returning the body to their normal place of residence for burial.

### 03 | Repatriation costs (applicable to insured benefits other than death benefit)

In the event of serious accidental bodily injury to an insured, Discovery Insure will pay the reasonable and necessary costs in the repatriation of the insured to their normal place of residence, subject to the prior consent of Discovery Insure being obtained. Which consent will not be unreasonably withheld. A limit of R10 000 will apply to each insured and a maximum limit of R50 000 per Plan in any one 12-month period of insurance.

### 04 | Relocation costs

In the event that it is necessary to replace as employee a deceased or permanently disabled insured, Discovery Insure will indemnify the

insured for the following costs not exceeding R10 000 incurred by the insured in relation to any one person who is required to move more than 100 kilometers:

- i) Relocation costs for an insured life with, family, furniture and pets
- ii) 75% of the actual loss caused following the forced sale of an insured life's private dwelling subject to such loss being determined by an impartial valuator appointed and paid by Discovery Insure.

### 05 | Emergency transportation costs

In the event of bodily injury sustained at the insured's place of work Discovery Insure will indemnify the insured for reasonable, necessary costs of emergency transportation to the nearest suitable medical facilities immediately following such accident, subject to a limit of R10 000.

### 06 | Rehabilitation costs

In the event that the insured can demonstrate, to the reasonable satisfaction of Discovery Insure, that an insured has suffered permanent disability such that they cannot continue to be employed in the occupation in which they were employed at the time of the accident but may be retained by the insured, or by any registered training center, Discovery Insure will contribute 80% of such retraining costs up to a maximum liability of R10 000 per person.

### 07 | Mobility costs

In the event that the insured suffers permanent disability of such a nature that they needs, and can operate, a self-powered, climbing wheelchair and their motor vehicle with the controls suitably adjusted, then Discovery Insure will indemnify the insured for 95% of the costs of one such wheelchair and suitable adjustments, including wheelchair-loading equipment and alterations to the insured's residence if necessary, up to a maximum liability of R10 000 per person.

### 08 | Hijacking, abduction, kidnapping or piracy

In the event of the unlawful seizure or wrongful exercise of control of any aircraft or conveyance (including the crew thereof) in which the insured is travelling, or the abduction or kidnapping of the insured, the cover in terms of the temporary total disability section of this Plan will continue in force for the duration of such event or 12 months from the date of such event, whichever is less period.

If temporary total disability is insured, Discovery

Insure will regard the hijacking, abduction, piracy or kidnapping of an insured as a claim for temporary total disability, provided that:

- 8.1 |** Discovery Insure's liability is limited to the period of hijacking, abduction, piracy or kidnapping or eight weeks, whichever is less
- 8.2 |** No compensation will be payable if any member of the insured's immediate family is involved in the hijacking, abduction or kidnapping as a principal or accessory
- 8.3 |** The maximum liability per event is R20 000 and R100 000 per Plan in any 12-month period of insurance.

**09 | Serious illness** (if stated in the Plan Schedule to be included)

If an insured life is first diagnosed as suffering from any of the serious illnesses defined below during the period of insurance, insurers will pay to the insured, on behalf of the insured or their estate, the amount stated in the Plan Schedule.

**9.1 | Specific condition**

Each of the specified illnesses must be diagnosed by a registered medical practitioner and must be supported by acceptable clinical, radiological, histological and laboratory evidence.

**9.2 | Specific exceptions**

**9.2.1 |** No benefit shall be payable under this extension in respect of:

- (a) Any claim arising directly or indirectly from a condition for which the insured was being treated or of which they were aware at the inception of this extension
- (b) Any insured who dies as a result of any serious illness which is only discovered or diagnosed after the death of such insured
- (c) Any insured who is under 18 years or has reached the age of 60 years at the date of diagnosis
- (d) AIDS or infection with human immunodeficiency virus (HIV)
- (e) Any insured who dies within 30 days of the diagnosis of a serious illness.

**9.2.2 |** If there is a claim under this extension, insurers will not be liable for any further claim in respect of:

- (a) The serious illness which resulted in the said claim
- (b) Any other serious illness diagnosed in the same year of insurance as the said claim.

## Serious illnesses defined

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Should the insured person be diagnosed during the period of insurance as suffering from a serious illness, as defined below, symptoms of which were not present in the insured person up to 12 weeks before inception of this extension to the Plan, Discovery Business Insure will pay the compensation as stated in the table up to a maximum amount of R300 000 per insured person.

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### **01 | Cancer**

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The insured suffers from the presence of one or more tumours classified as malignant and characterised by the uncontrolled growth and spread of malignant cells and with invasion of normal tissue. Hodgkin's disease and leukaemia are included in this definition, but excluding all skin tumours and carcinoma of cervix in situ including melanoma-in-situ.

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### **02 | Coronary artery surgery**

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The insured suffers from definite coronary artery disease that is diagnosed via accepted angiograph testing and as a direct result undergoes actual surgery to all or part of the diseased coronary arteries, but excludes percutaneous angioplasty and any intra-arterial procedures not necessitating thoracotomy.

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### **03 | Heart attack**

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The insured suffers from an ischaemic event to the myocardium (heart muscle) that results in the death of part of the myocardium manifested by typical chest pain, new changes to the electrocardiogram and elevation of the cardiac enzymes.

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### **04 | Stroke**

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The insured suffers from a cerebrovascular incident or inoperable brain tumour resulting in neurological sequelae of a permanent nature. This definition includes infarction of brain tissue, intercranial and subarachnoid haemorrhage and embolisation from an extracranial source.

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### **04 | Kidney failure**

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The insured suffers from end stage renal failure presenting as chronic irreversible failure of both kidneys to function, as a result of which regular renal dialysis is instituted.



**06 | Major organ transplant**

Which shall mean the actual undergoing as a recipient of a transplant of the heart, liver, pancreas, bone marrow or at least one of the kidneys or lungs.

**07 | Paraplegia**

The insured suffers the total and irreversible loss of either both legs or both arms, but excluding paraplegia caused by accidental, violent, external and visible means.

**08 | Multiple sclerosis**

Which is a disease characterised by demyelination in the brain and spinal cord. The diagnosis must be unequivocal and made by a consulting neurologist. There must be more than one episode of well-defined neurological deficit with persisting neurological abnormalities and with at least 25% impairment of function. Diagnosis should be supported by confirmatory neurological investigations e.g. lumbar puncture, evoked visual responses, evoked auditory responses, MRI (magnetic resonance imaging) evidence of lesions in the central nervous system

**09 | Blindness**

The total and irreversible loss of vision in both eyes but excluding blindness caused by accidental, violent, external and visible means.

**10 | Heart valve surgery**

The first occurrence of open or endoscopic heart valve surgery, performed to replace or repair one or more heart valves, as a consequence of defects that cannot be repaired by intra-arterial catheter procedures alone. The surgery must be performed after a recommendation by a consultant cardiologist.

**11 | Motor neuron disease**

The unequivocal diagnosis of motor neuron disease, certified by a consultant neurologist, with significant persistent progressive neurological deficit resulting in a permanent inability to perform at least three of six of the activities of daily living:

- a) Bathing: the ability to shower or bathe
- b) Dressing: the ability to put on or take off clothing

- c) Toileting: the ability to use the toilet to maintain personal hygiene
- d) Mobility: the ability to get in and out of bed and a chair
- e) Feeding: the ability to get food from a plate into the mouth
- f) Continence: the ability to control bowel and bladder function.

**12 | Alzheimer’s disease**

The deterioration or loss of intellectual capacity or abnormal behaviour arising from Alzheimer’s disease or irreversible organic disorders (excluding neurosis and any psychiatric illness) resulting in significant reduction in mental and social functioning and requiring the eventual supervision of the insured. The diagnosis must be clinically confirmed by an appropriate consultant and confirmed by the insurers medical consultants.

**Provisos**

It is declared and agreed that:

- 01 |** Discovery Insure shall not be liable to pay, for death or disability resulting from an accident or series of accidents arising from one cause in respect of any one insured life, more than the compensation payable for death or permanent disability (whichever is the higher) plus any compensation payable for temporary total disability and medical expenses
- 02 |** The compensation specified for temporary total disability shall be payable for not more than the number of weeks stated in the table and such payment shall cease as soon as the injury causing the incapacity has healed as far as is reasonably possible, notwithstanding that permanent disability may remain
- 03 |** Unless otherwise provided herein, this section shall not apply to any insured life under 15 or over 70 years of age
- 04 |** Any compensation payable by Discovery Insure for any period of temporary total disability or for medical expenses shall be reduced by an amount equal to the compensation received or receivable by or on behalf of an insured life under any worker’s compensation enactment for temporary disability for the same or a lesser period or in respect of medical expenses
- 05 |** After suffering accidental bodily injury for which compensation may be payable under this

section, such person shall, when reasonably required by Discovery Insure so to do, submit to medical examination and undergo any treatment specified. Discovery Insure shall not be liable to make any payment unless this proviso is complied with to its satisfaction

**06 |** **General conditions 2 and 8** do not apply to this section

**07 |** In respect of this section only, **General exception 1** is deleted and replaced by the following:

This section does not cover death or injury directly or indirectly caused by, related to or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, military or usurped power.

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## EMPLOYERS' LIABILITY SECTION

### Defined events

Damages which the insured shall become legally liable to pay consequent upon death of or bodily injury to or illness of any person employed under a contract of employment with the insured, which occurred in the course of and in connection with such person's employment by the insured within the territorial limits and on or after the retroactive date shown in the Plan Schedule, and which results in a claim or claims first being made against the insured in writing during the period of insurance.

### The limit of indemnity

The amount payable, inclusive of any legal costs recoverable from the insured by a claimant or any number of claimants, and all other costs and expenses incurred with Discovery Insure's consent for any one event or series of events with one original cause or source, shall not exceed the limit of indemnity stated in the Plan Schedule.

### Territorial limits

There is no indemnity in connection with

- (i) Any business carried on by the insured at or from premises outside
- or
- (ii) Any contract for the performance of work outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Mozambique, Zimbabwe and Malawi.

### Specific exceptions

This section does not cover

- (a) Liability assumed by the insured under any contract, undertaking or agreement where such liability would not have attached to the insured notwithstanding such contract, undertaking or agreement
- (b) Liability for disease or impairment attributable to a gradually operating cause which does not arise from a sudden and identifiable accident or event
- (c) Fines, penalties, punitive, exemplary or vindictive damages
- (d) (i) Damages in respect of judgements delivered

or obtained in the first instance otherwise than by a court of competent jurisdiction within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Mozambique, Zimbabwe and Malawi

- (ii) Costs and expenses of litigation recovered by any claimant from the insured which are not incurred in and recoverable in the area described in (d) (i) above
- (e) Any claim arising from an event known to the insured:
  - (i) Which is not reported to Discovery Insure in terms of **General condition 6**
  - (ii) Prior to inception of this section
- (f) Any claim (in the event of cancellation or non-renewal of this section) not first made in writing against the insured within the 48-month period (or extended period in respect of minors) as specified in **Specific condition 2**.

### Specific conditions

- 01** | Any claim first made in writing against the insured as a result of a defined event reported in terms of **General condition 7** (hereinafter termed "reported event") shall be treated as if it had first been made against the insured on the same day that the insured reported the event to Discovery Insure.
- 02** | In the event of cancellation or non-renewal of the Plan.
  - (a) Any claim resulting from a reported event, first made in writing against the insured during the 48 months immediately following cancellation or non-renewal shall be treated as having been made against the insured on the same day that the insured reported the event. If the claimant is a minor, the period of 48 months will be extended until the expiry of 12 months after the attainment of majority by the claimant.
  - (b) The insured may report an event in terms of **General condition 7** to Discovery Insure for up to 15 days after cancellation or non-renewal, provided that
    - (i) Such event occurred during the period of insurance
    - (ii) Any subsequent claim first made in writing against the insured as a result of such event shall be treated as if it had first been made on the last day preceding cancellation or non-

renewal and is subject to the 48 month period specified in 2(a) above.

**03 |** Any series of claims made against the insured by one or more than one claimant during any period of insurance consequent upon one event or series of events with one original cause or source shall be treated as if they all had first been made against the insured:

(a) On the date that the event was reported by the insured in terms of **General condition 7**

or

(b) If the insured was not aware of any event which could have given rise to a claim, on the date that the first claim of the series was first made in writing against the insured.

## Extensions

### Extended reporting option

At the option of the insured and subject to payment of an additional premium to be determined and subject to all the terms, exceptions and conditions of this section, Discovery Insure agrees to extend the period during which the insured may report an event in terms of **General condition 7** for a period to be agreed, but in no circumstances exceeding 36 months (hereinafter referred to as extended reporting period) provided that:

- (a) This option may only be exercised in the event of Discovery Insure cancelling or refusing to renew this section
- (b) This option must be exercised by the insured in writing within 30 days of cancellation or non-renewal
- (c) Once exercised, the option cannot be cancelled by either the insured or Discovery Insure
- (d) The insured has not obtained insurance equal in scope and cover to this section as expiring
- (e) Discovery Insure shall only be liable for a defined event which occurred after the retroactive date but prior to date of cancellation or non-renewal
- (f) Claims first made against the insured or any reported events by the insured during the extended reporting period shall be treated as if they were first made or reported on the last day preceding the cancellation or non-renewal
- (g) The total amount payable by Discovery Insure for claims made or reported events during the extended reporting period shall not have the effect of increasing the limit of indemnity applicable as on the last day preceding the

cancellation or non-renewal

- (h) Any claim made, following a reported event during the extended reporting period, which is first made against the insured in writing more than 48 months after the last day preceding cancellation or non-renewal, shall not be subject to indemnification by this extension. If the claimant is a minor, the period of 48 months is extended until the expiry of 12 months after the attainment of majority by the claimant.

## Principals

Where a principal and the insured are liable for the same damages and where any contract or agreement between a principal and the insured so requires, Discovery Insure will, notwithstanding the aforementioned **Specific exception (a)** above, indemnify the principal in like manner to the insured but only so far as concerns the liability of the principal to an employee as aforementioned for death or bodily injury to or illness of such person resulting from the negligence of the insured or the insured's employees provided that:

- (a) In the event of a claim in terms of this extension, the insured shall endeavour to arrange with the principal for the conduct and control of all claims to be vested in Discovery Insure
- (b) The principal shall, as though they were the insured fulfil and be subject to the terms, exceptions and conditions (both general and specific) of this Plan in so far as they can apply
- (c) The liability of Discovery Insure is not hereby increased.

## Employee to employee extension (if stated in the Plan Schedule to be included)

The indemnity granted shall extend at the insured's option subject to the agreement of Discovery Insure (which agreement shall not be unreasonably withheld) to any employee of the insured in respect of his liability to any other employee whilst acting within the scope of his employment by the insured.

Provided always that:

- 01 |** If at the time of any occurrence or claim there is, or but for the existence of this extension there would be, any other insurance or indemnity, in favour of or effected by or on behalf of such employee, applicable to such occurrence or claim, Discovery Insure shall not

be liable to indemnify the employee in terms of this extension

**02 |** Such employee shall as if they were the insured, observe, fulfil and be subject to the terms, exclusions and conditions of the Plan insofar as they can apply.

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## Memorandum

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In respect of this section only, **General exception 1** is deleted and replaced by the following:

This section does not cover death, injury, illness or liability directly or indirectly caused by, related to, or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, military or usurped power.

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# Motor class

## MOTOR SECTION

### Subsection A loss or damage

#### Defined events

Loss of or damage to any vehicle described in the Plan Schedule and its accessories and spare parts whilst thereon. If such vehicle is disabled by reason of any damage insured hereby, the insurers will pay the reasonable cost of protection and removal to the nearest repairers.

The insured may give instructions for repairs to be executed without the previous consent of the insurers to the extent of but not exceeding the sum of R5 000 provided that a detailed estimate is first obtained and immediately forwarded to the insurers. The insurers will also pay the reasonable cost of delivery to the insured after repair of such damage not exceeding the reasonable cost of transport to the permanent address of the insured in the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique provided that:

**01 |** The limit of indemnity for each type of vehicle is as stated in the Plan Schedule and shall be the maximum amount payable by Discovery Insure in respect of such loss or damage, but shall not exceed the reasonable retail value (VAT included) of the vehicle and its

accessories and spare parts at the time of such loss or damage.

**02 |** Discovery Insure may, at its own option, repair, reinstate or replace such vehicle or any part thereof and its accessories and spare parts or may pay in cash the amount of the loss or damage not exceeding the reasonable retail value of such vehicle and its accessories and spare parts at the time of such loss or damage.

**03 |** If, to the knowledge of Discovery Insure, the vehicle is the subject of a suspensive sale or similar agreement, such payment shall be made to the owner described therein whose receipt shall be a full and final discharge to Discovery Insure in respect of such loss or damage.

**04 |** In respect of each and every occurrence giving rise to a claim under this subsection, the insured shall be responsible for the first amounts payable stated in the Plan Schedule (according to the type of vehicle) of any expenditure (or any less expenditure which may be incurred) for which provision is made under this subsection (including any payment in respect of costs, expenses and fees), and of any expenditure by Discovery Insure in the exercise of any discretion it may have under this insurance.

If the expenditure incurred by Discovery Insure shall include any first amount payable for which the insured is responsible, such amount shall be paid by the insured to Discovery Insure forthwith.

- 05 |** Discovery Insure shall not be liable for more than the amount stated in the Plan Schedule (after deduction of the first amounts payable) in respect of the theft or attempted theft of CD players, radios, tape players and similar equipment or telephones not supplied by the manufacturers of the vehicle when new.

### Exceptions to subsection A

Discovery Insure shall not be liable to pay for:

- (a) Consequential loss as a result of any cause whatsoever, depreciation in value whether arising from repairs following a defined event or otherwise, wear and tear, mechanical, electronic or electrical breakdowns, failures or breakages
- (b) Damage to tyres by application of brakes or by road punctures, cuts or bursts
- (c) Damage to springs/shock absorbers due to inequalities of the road or other surface or to impact with such inequalities
- (d) Detention, confiscation or requisition by customs or other officials or authorities.

### Definitions

#### **01 | Occurrence**

The term occurrence shall mean an occurrence or series of occurrences arising from one cause in connection with any one vehicle in respect of which indemnity is provided by this insurance.

#### **02 | Vehicle**

The term vehicle shall mean:

- (a) Private or business motor cars (including station wagons, utility vehicles, double-cabs, estate cars and the like or similar vehicles designed to seat not more than nine persons including the driver)
- (b) Commercial vehicles and special type vehicles as described in the Plan Schedule
- (c) Motor cycles (including motor scooters and three-wheeled vehicles)

(d) Buses (including any vehicle used for business purposes and designed to seat more than nine persons, including the driver)

(e) Trailers, i.e. any vehicle without means of self-propulsion designed to be drawn by a self-propelled vehicle, but excluding any parts or accessories not permanently fitted thereto any such vehicle being owned by or hired or leased to the insured, including any such vehicle temporarily operated by the insured as replacement for any vehicle out of use for the purpose of overhaul, upkeep and repair provided that the insurer's maximum liability shall not exceed the lesser of the market value of the replacement vehicle or the limit of indemnity of the replaced vehicle as stated in the Plan Schedule.

#### **03 | No claim rebate provisions (applicable to specified vehicle basis)**

The Plan Schedule reflects the claim-free group of each vehicle. These are awarded based on the number of claims made or arising for the particular vehicle during the preceding periods of insurance. The renewal premium is then based on the revised claim-free group according to the following explanation:

Claim-free groups range from 0 to 6 for vehicle definitions (a) and (c) with 6 having the lowest and 0 having the highest premium. For vehicle definitions (b) and (d) the claim-free group range from 0 to 4.

As an example a claim-free group 3 would be awarded to a vehicle that has been claim free for the preceding 3 years and a 6 for a vehicle that has been claim free for the preceding 6 years.

Each claim made or arising in a period of insurance will result in the claim-free group reducing by 2 at the next renewal. As an example, if a vehicle with a claim-free group 5 has a claim during the period of insurance this will result in a claim-free group 3 at the next renewal. If the same vehicle with a claim-free group 5 has 2 claims during the period of insurance the claim-free group will reduce to 1 at the next renewal.

#### Specific condition

#### Driving licence

If, during the currency of this section, any driving licence in favour of the insured or their authorised

driver is endorsed, suspended or cancelled, or if they shall be charged or convicted of negligent, reckless or improper driving, notification shall be sent in writing to Discovery Insure immediately the insured has knowledge of such fact.

## Memoranda

### 01 | Optional limitations

**1.1** | Third-party only limitation (if stated in the Plan Schedule to be applicable)

**Subsections A and C** and the no-claim rebate provisions are cancelled.

**1.2** | Third party, fire and theft only limitation (if stated in the Plan Schedule to be applicable)

The liability of Discovery Insure under **subsection A** is restricted solely to loss or damage resulting from fire, self-ignition, lightning or explosion or by theft or any attempt thereat. Further, **subsection C** and the no-claim rebate provisions are cancelled.

### 02 | Premium adjustment clause

If this section is issued on a non-specified vehicle basis, the insured shall submit to Discovery Insure at the end of each period of insurance a declaration of the total number of vehicles owned, hired or leased at such expiry date. Discovery Insure shall, upon receipt of this declaration, make a premium adjustment of 50% of the annual rate per vehicle applied to the difference in the number of vehicles at inception or renewal and the number declared.

### 03 | War clause

In respect of **subsections B and C** only, General exception 1 is deleted and replaced by the following:

This section does not cover war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, military or usurped power.

### 04 | Description of use clause

Use for social, domestic and pleasure purposes and use for the business or occupation of the insured excluding hiring, carriage of passengers for hire or

carriage of fare-paying passengers, racing, speed or other contests, rallies, trials, carriage of explosives or carriage of any load or passengers exceeding the capacity for which it is constructed or licensed to carry or use for any purpose in connection with the motor trade. The indemnity to the insured in connection with any vehicle shall operate while such vehicle is in the custody or control of a member of the motor trade for the purpose of its overhaul, upkeep or repair.

## Subsection B – Liability to third parties

### Defined events

Any accident caused by or through or in connection with any vehicle described in the Plan Schedule or in connection with the loading and unloading of such vehicle in respect of which the insured and any passenger becomes legally liable to pay all sums including claimant's costs and expenses in respect of:

- (i) Death of or bodily injury to any person, but excluding death of or bodily injury to any person in the employ of the insured arising from and in the course of such employment or being a member of the same household as the insured
- (ii) Damage to property other than property belonging to the insured or held in trust by or in the custody or control of the insured or being conveyed by, loaded onto or unloaded from such vehicle.

Discovery Insure will also, in terms of and subject to the limitations of and for the purposes of this subsection,

**01** | Pay all costs and expenses incurred with their written consent, and shall be entitled at their discretion to arrange for representation at any inquest or inquiry in respect of any death which may be the subject of indemnity under this subsection, or for defending in any magistrate's court any criminal proceedings in respect of any act causing or relating to any event which may be the subject of indemnity under this subsection, provided that the total of Discovery Insure's liability under both this extension and **subsection B** shall not exceed the limit of indemnity stated to apply to **subsection B**.

**02** | Indemnify any person who is driving or using such vehicle on the insured's order or with the insured's permission provided that:



- (a) Such person shall, as though they were the insured, observe, fulfil and be subject to the terms, exceptions and conditions of this insurance in so far as they can apply
- (b) Such person driving such vehicle has not been refused any motor insurance or continuance thereof by any insurer
- (c) Indemnity shall not apply in respect of claims made by any member of the same household as such person
- (d) Such person is not entitled to indemnity under any other Plan except in respect of any amount not recoverable thereunder.

**03 |** Indemnify the insured while personally driving or using any private type motor car not belonging to him and not leased or hired to him under a lease or suspensive sale agreement, provided the insured is an individual and has insured hereunder a vehicle described under definition (a) or (b) and provided Discovery Insure shall not be liable for damage to the vehicle being driven or used.

**04 |** Indemnify the insured in respect of liability arising from the towing by a vehicle (other than for reward) of any other vehicle or trailer (including liability in connection with the towed vehicle or trailer), provided Discovery Insure shall not be liable for damage to the towed vehicle or trailer or to property therein or thereon.

**Exceptions to subsection B**

Discovery Insure shall not be liable under this subsection in respect of:

- (a) So much of any compensation or claim as falls within the scope of any compulsory motor vehicle insurance enactment.

This exception shall apply notwithstanding that no insurance under such enactment is in force or has been effected.

- (b) Death of or injury to any person being carried in or upon or entering or getting onto or alighting from a vehicle described in definition (b), (c), (d) or (e) at the time of the occurrence of the event from which any claim arises (except any person being carried in or upon or entering or getting onto or alighting from a permanently enclosed passenger-carrying compartment of a commercial vehicle with a carrying capacity not exceeding 1 500 kg).

- (c) Liability arising from the operation, demonstration or use (for purposes other than maintenance or repair of the vehicle) of any tool or plant forming part of or attached to or used in connection with a vehicle or anything manufactured by or contained in any such tool or plant. This exclusion shall not apply to forklift trucks.

**Limits of indemnity**

Unless otherwise stated, the liability of Discovery Insure under this subsection in respect of any one occurrence shall not exceed the limits of indemnity as stated in the Plan Schedule.

**Subsection C – Emergency treatment and evacuation**

**Defined events**

If an occupant in the specified part of a vehicle described below, in direct connection with such vehicle, sustains bodily injury by violent, accidental, external and visible means, Discovery Insure will pay to the insured the costs incurred for emergency medical treatment and emergency medical evacuation or transport as a result of such injury up to R2 000 per injured occupant but not exceeding R25 000 in total for all occupants injured as a result of an occurrence or series of occurrences arising out of one event.

The amount payable under this subsection shall be reduced by any amount recoverable under any worker’s compensation enactment or similar legislation.

The term medical expenses includes any costs incurred to free such injured occupant from such vehicle or to bring such injured occupant to a place where medical treatment can be given.

<b>Defined vehicle but only if it is insured under subsection A of this section</b>	<b>Specified part of vehicle in which the injury must occur</b>
<b>01  </b> Any private type motor car or motorised caravan	Anywhere inside the vehicle
<b>02  </b> Any other type of insured vehicle other than a bus or taxi	The permanently enclosed passenger-carrying compartment

## Optional extensions

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### 01 | The Vitality Drive for Business programme (if stated in the Plan Schedule to be included)

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#### 1.1 | This section describes certain aspects of the Vitality Drive for Business programme

The terms and conditions of Vitality Drive programme, including those on [www.discovery.co.za](http://www.discovery.co.za), form part of the Plan and are legally binding. The insured accept that the terms and conditions apply to the insured and all drivers registered on the Business Vitality Drive programme.

**1.2 |** This is a driver behaviour programme that Discovery Business Insure offers, designed to help the insured to understand how safe the insured is on the road and to guide the insured on how to improve safety on the road.

**1.3 |** This is optional for Discovery Business Insurance Planholders to join. An additional monthly premium is payable for the Vitality Drive for Business programme. If the insured has chosen the Vitality Drive for Business programme, the terms and conditions of this benefit will apply to the insured.

#### 1.4 | Premium refund

**1.4.1 |** The Planholders who take up the Vitality Drive for Business programme automatically qualify for rewards, based on their driving behavior. In essence, all rewards are considered a refund of premiums, but they make different forms, e.g.:

**1.4.1.1 |** Rewards based on driving behaviour of all the drivers and cars on the Plan and premium rewards to the company, based on driving behaviour of all the drivers and cars on Vitality Drive for Business, as well as the company's overall motor loss ratio

**1.4.1.2 |** Weekly driver Active Rewards for driving well.

**1.4.2 |** Driver behaviour will be determined by Discovery Insure's Vitality Drive algorithms (Vitality Drive points), measuring various aspects of driving, such as:

**1.4.2.1 |** Acceleration

**1.4.1.2 |** Braking

**1.4.1.3 |** Cornering

**1.4.1.4 |** Speed, distance

**1.4.1.5 |** Night time driving

**1.4.1.6 |** Cellphone use.

**1.4.3 |** Rewards thresholds will be determined by taking into account driving risk and set at levels to reward improvements in driver behaviour.

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## 02 | Conditions

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The insured needs to select Vitality Drive for Business and pay the premium. The insured will be required to install a Discovery-approved telematics device. Rewards rules will include, Vitality Drive points and rewards limits. Rewards partners are stipulated by the programme, which may change from time to time.

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## 03 | Vitality Drive points

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Vitality Drive points are the mechanism that Discovery Insure uses to measure the driving behaviour and to determine the status on the Vitality Drive for Business programme.

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## Automatic embedded clauses and extensions

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### 01 | Waiver of subrogation rights

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For the purposes of this section, Discovery Insure waives all rights of subrogation or action which they may have or acquire against any other person to whom the indemnity hereunder applies, and each such person shall observe, fulfil and be subject to the terms, exceptions and conditions (both general and specific) of this insurance in so far as they can apply.

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### 02 | Principals

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Notwithstanding **Specific exception 2** of this section, the indemnity under **subsection B** extends to indemnify, to the extent required by the conditions of any contract of the Building Industries Federation

of South Africa, and in connection with any liability arising from the performance of such contract, any principal named in such contract entered into by the insured for the purposes of the business, provided that the liability of Discovery Insure shall not exceed the limit of indemnity stated in the Plan Schedule.

### 03 | Cross-liabilities

Where more than one insured is named in the Plan Schedule, Discovery Insure will indemnify each insured separately and not jointly, and any liability arising between such insureds shall be treated as though separate policies had been issued to each, provided that the aggregate liability of Discovery Insure shall not exceed the limit of indemnity stated in the Plan Schedule.

### 04 | Windscreen extension (applicable to private type vehicles insured under definition (a))

The provisions of this section relating to first amount payable and no-claim rebate shall not apply to any payment for damage to windscreen glass, side or rear glass forming part of any vehicle provided that:

- 4.1 | No other damage has been caused to the vehicle giving rise to a claim under the Plan
- 4.2 | The insured shall be responsible for the first amount payable (applicable to glass) stated in the Plan Schedule of each and every loss.

### 05 | Loss of keys extension

Discovery Insure will indemnify the insured in respect of costs (not exceeding R25 000) of replacing locks and keys, including the remote alarm controller and, if necessary, the reprogramming of any coded alarm system of any insured vehicle, following upon the disappearance of any key or alarm controller of such vehicle or following upon the insured having reason to believe that any unauthorised person may be in possession of a duplicate of such key or alarm controller, provided that:

- 5.1 | Discovery Insure's liability shall not exceed, in respect of any one event, the amount stated in the Plan Schedule
- 5.2 | Such amount shall be reduced by the first amount payable of R250.

The provisions of this section relating to first amount payable and no-claim rebate shall not apply to this extension.

### 06 | Fire extinguishing charges extension

Any costs (not exceeding R25 000) relating to the extinguishing or fighting of fire shall be deemed to be damage to the insured property and shall be payable in addition to any other payment for which Discovery Insure may be liable in terms of this section, provided the insured is legally liable for such costs and the insured property was in danger from the fire.

### 07 | Wreckage removal extension

The cover provided under subsection A of this section is extended to include costs and expenses (not exceeding R25 000) incurred by the insured in respect of the clearing up and removal of debris and wreckage of any insured vehicle following damage to such vehicle by a defined event, provided that, in addition to the limit of indemnity under subsection A of this section, the limit of Discovery Insure's liability under this extension shall not exceed, in respect of any one occurrence, the limit stated in the Plan Schedule to apply to this extension.

## Optional extensions to motor section (if stated in the Plan Schedule to be included)

### 01 | Contingent liability extension

The indemnity under subsection B includes claims made against:

- 1.1 | The insured in the event of an accident arising in the course of the business and caused by or through or in connection with any motor vehicle not the property of or provided by the insured, while being used by any partner or director or employee of the insured (hereinafter in this extension referred to as such person)
- 1.2 | Any such person in the event of an accident arising in the course of the business and caused by or through or in connection with any motor vehicle not belonging to him or to the insured or leased or hired by either of them, but only in so far as such person has

not been refused any motor insurance or continuance thereof by any insurer provided that:

- 1.2.1 | All the words in 1.2 of the exceptions to **subsection B** are deleted
- 1.2.2 | Discovery Insure shall not be liable for loss of or damage to any motor vehicle being used for the purposes and in the manner described in 1.1 and 1.2 above
- 1.2.3 | The payment by the insured of subsidies or travelling allowances to such person for the use of his own vehicle for official purposes of the insured, including the carriage of persons for such purposes, is allowed without prejudice to the insurance by this extension
- 1.2.4 | If, at the time of the occurrence of any accident giving rise to a claim under this extension, the insured or such person is entitled to indemnity under any other Plan in respect of the same occurrence, Discovery Insure shall not be liable to make any payment hereunder except in respect of any excess beyond the amount payable under such other Plan
- 1.2.5 | The terms, exceptions and conditions of the Plan shall otherwise apply.

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## 02 | Passenger liability extension

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Exception (b) to **subsection B** shall not apply to vehicles described in definition (b), other than special types, or in definitions (c), (d) or (e). The limit of indemnity for any one occurrence shall not exceed the amount stated in the Plan Schedule.

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## 03 | Unauthorised passenger liability extension

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The indemnity under **subsection B**, notwithstanding exception (b) thereto, extends to cover the insured's legal liability for death of or bodily injury to persons while being carried in or upon or entering or getting onto or alighting from any vehicle in contravention of the insured's instructions to their driver not to carry passengers.

The limit of indemnity for any one occurrence shall not exceed the amount stated in the Plan Schedule.

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## 04 | Parking facilities and movement of third party vehicles extension

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This section extends to indemnify the insured in respect of accidents caused by or through or in connection with the moving of any vehicle (not owned or borrowed by or hired or leased to the insured) by any person in the employ of the insured or acting on the insured's behalf, provided always that such vehicle was being moved:

- 4.1 | With the authority of any tenant, customer or visitor of the insured
- 4.2 | In connection with the insured's parking arrangements
- 4.3 | To facilitate the carrying out of the insured's business

and provided further that this extension shall not apply in respect of damage to vehicles which are parked for reward.

For the purpose of this extension, such vehicle (and its contents) shall not be deemed to be held in trust by, or in the custody or control of, the insured.

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## 05 | Riot and strike extension

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Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein, this section is extended to cover loss or damage directly occasioned by or through or in consequence of:

- 5.1 | Civil commotion, labour disturbances, riot, strike or lockout
- 5.2 | The act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in 5.1 above, provided that this extension does not cover:
- 5.3 | Loss or damage occurring in the Republic of South Africa and Namibia
- 5.4 | Consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured
- 5.5 | Loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation
- 5.6 | Loss or damage occasioned by permanent or temporary dispossession resulting from confiscation commandeering or requisition by any lawfully constituted authority

**5.7** | Loss or damage related to or caused by any occurrence referred to in **General exception 1 (A) (ii), (iii), (iv), (v) or (vi)** of this Plan or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If Discovery Insure alleges that, by reason of provisos 5.3, 5.4, 5.5, 5.6 or 5.7, loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

The first amount payable under this extension for each and every loss shall be reduced by the first amount payable of 10% of the claim minimum R500.

## **06 | Credit shortfall extension**

If any total loss settlement under subsection A is less than the amount owing to the financier under a current instalment sale or lease agreement, Discovery Insure will pay to the insured an additional amount equal to the shortfall less:

- 6.1** | Any arrears instalments or rentals including interest payable on such arrears
- 6.2** | All refunds of premium for cancellation of any insurance cover relating to the motor vehicle
- 6.3** | The increased instalments or rentals that would have been paid had there been no residual capital value at the end of the finance period, calculated to the month in which the claim is settled
- 6.4** | Any discount in respect of finance charges and interest for the unexpired term of such hire purchase or leasing agreement on a date not exceeding 30 days after the date of the damage
- 6.5** | The first amount payable under subsection A provided always that:
  - 6.5.1** | The amounts payable shall not exceed the maximum indemnity less the first amount payable under subsection A
  - 6.5.2** | This endorsement shall not apply to an agreement whereby the amount of any single instalment other than the final residual amount after the initial payment differs by more than 10% from any other instalment
  - 6.5.3** | If such shortfall is as a result of a re-advance under an instalment sale or refinancing in terms of a lease the insurance by this extension shall be void.

## **07 | Car hire costs**

### **7.1** | After theft or hijack

If a comprehensively insured vehicle (other than a motorcycle, caravan or trailer) is stolen or hijacked, the insurers will pay for the hire of a vehicle up to a 1 600 cc manual motor car (with sound system and air conditioning), including all delivery/pick-up costs of the hired vehicle which may be applicable, provided that:

**7.1.1** | The vehicle is hired from the hire organisation designated by the insurers

**7.1.2** | The insurers will not pay for fuel or lubricants

**7.1.3** | Cover will terminate when:

**7.1.3.1** | The insured regains possession of the insured vehicle or

**7.1.3.2** | The insured has had the hired vehicle for 30 days or

**7.1.3.3** | The insurers discharge their liability for total loss of the insured vehicle,

whichever occurs first.

Where a commercial vehicle is hired exceeding the above specification for a hire car and is not hired from the hire organisation designated by the insurers the insurers will pay the insured a maximum of R400 per day for the rental of a suitable vehicle upon receipt of the invoices for the period rented.

### **7.2** | After an accident

If a comprehensively insured vehicle (other than a motorcycle, caravan or trailer) is damaged and where such damage is insured, the insurers will pay for the hire of a vehicle up to a 1 600 cc manual motor car (with radio, tape and air conditioning), including all delivery/pick-up costs of the hired vehicle which may be applicable, provided that:

**7.2.1** | The vehicle is hired from the hire organisation designated by the insurers

**7.2.2** | The insurers will not pay for fuel or lubricants

**7.2.3** | Cover does not apply if only window glass is damaged

**7.2.4** | The period of hire commences from the date the insured vehicle is handed to the motor trade for repair

**7.2.5** | Cover will terminate when:

- 7.2.5.1 | The insured regains possession of the insured vehicle or
- 7.2.5.2 | The insured has had the hired vehicle for 30 days or
- 7.2.5.3 | The insurers discharge their liability for total loss of the insured vehicle, whichever occurs first.

Where a commercial vehicle is hired exceeding the above specification for a hire car and is not hired from the hire organisation designated by the insurers the insurers will pay the insured a maximum of R400 per day for the rental of a suitable vehicle upon receipt of the invoices for the period rented.

## 08 | Electric and hybrid car extension

Discovery Insure will indemnify the insured specifically in respect of ownership of an electric or hybrid electric vehicle as follows:

- 8.1 | Discovery Insure will provide free roadside assistance if the insured vehicle is immobilised as a result of a:
  - 8.1.1 | Mechanical or electrical failure
  - 8.1.2 | Power surge
  - 8.1.3 | Loss of keys.
- 8.2 | Replace the battery in the event of the battery being damaged as a result of an accident or mechanical or electrical failure.
- 8.3 | Repair or replacement of the insureds' power supply or charge stations as a result of accidental damage to such power supply or charge station.
- 8.4 | Accidental damage to the insureds' recharging ports.
- 8.5 | Authorise the hiring of an emergency generator for a period of seven days in the event of there being no public supply, but subject to a 24-hour time excess.
- 8.6 | Reinstatement or reconstitution of any software program lost or damaged in the accident or mechanical or electrical failure.

### Cost of replacement vehicle

- 8.7 | If the vehicle has been involved in an accident Discovery Insure will arrange a replacement electric or hybrid-electric vehicle (up to a maximum of 1 600cc) for up to 14 days, while the vehicle is being repaired, but if this is

not possible, Discovery Insure will arrange an equivalent replacement petrol or diesel vehicle.

- 8.8 | If the vehicle has been stolen and not recovered or declared a constructive total loss, Discovery Insure will arrange a replacement electric or hybrid-electric vehicle (up to a maximum of 1 600cc), but if this is not possible, Discovery Insure will arrange an equivalent replacement petrol or diesel vehicle.

## 09 | Write-off accelerator (comprehensively insured specified vehicles only)

The insured may select the percentage of damage at which the insured vehicle will be considered a write off, following a single event. This percentage is shown in your Plan Schedule.

If the cost of the damage to the insured vehicle is more than the pre-determined percentage of its value, the insured may request that the insured vehicle be written off.

The insured vehicle must be fitted with a DQ-track device. Any damage that happened before the write-off event will not be taken into account when calculating the write-off amount. The repair cost of any pre-existing damage will be deducted from the settlement.

## 10 | Material damage waiver proviso (motor specified section) extension (if stated in the Plan Schedule to be included)

An indemnity in respect of interruptions or interference with the business of the insured in terms of the **Business interruption** section in consequence of sudden and unforeseen physical damage, total destruction or theft of such vehicle will not be excluded if payment has not been made nor liability admitted under the Insurance covering the interest of the insured in the motor specified vehicle as stated on the Plan Schedule because the loss falls within the excess or the insured elects not to claim for the loss.

## 11 | Retail value booster

Only applicable to comprehensively insured vehicles

Discovery Insure will indemnify the insured:

- 11.1** | If the vehicle is repairable, Discovery Insure will pay for the costs to repair your vehicle
- 11.2** | If the vehicle is written off, stolen or hijacked (other than a motorcycle, caravan or trailer), Discovery Insure will pay the replacement value of a new motor vehicle of a similar make and model at the date of loss:
  - 11.2.1** | If your motor vehicle is less than 12 months old from the date of first registration.
  - 11.2.2** | If your vehicle is older than 12 months, Discovery Insure will pay the retail value, plus 15% at the date of first registration

Provided that the sum insured as stated on the Plan is adequate.

.....  
**Specific exceptions**  
 .....

- 01** | Discovery Insure shall not be liable for any accident, injury, loss, damage or liability:
  - (a) Whilst the vehicle is being used with the general knowledge and consent of the insured otherwise than in accordance with the description of use clause.
  - (b) Incurred outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi, Mozambique and Zambia, but Discovery Insure will indemnify the insured against loss of or damage to any vehicle while in transit by sea or air between ports or places in these territories including loading and unloading incidental to such transit. In the event of any occurrence giving rise to a claim while the insured vehicle is in Zambia the insured shall at their own expense be solely responsible for the repatriation costs of the vehicle to any of the other aforesaid territories. Until the vehicle has been repatriated to the said territory no liability shall be admitted or payments made in terms of the cover provided.
  - (c) Incurred while any vehicle is being driven by:
    - (i) The insured while under the influence of intoxicating liquor or drugs (unless administered by or prescribed by and taken in accordance with the instructions of a member of the medical profession other than himself) or while not licensed to drive such vehicle
    - (ii) Any other person with the general consent of the insured who, to the insured's knowledge,

is under the influence of intoxicating liquor or drugs (unless administered by or prescribed by and taken in accordance with the instructions of a member of the medical profession other than himself) or who is not licensed to drive such vehicle, but this shall not apply if the insured was unaware that the driver was unlicensed and the insured can prove to the satisfaction of Discovery Insure that, in the normal course of his business, procedures are in operation to ensure that only licensed drivers are permitted to drive insured vehicles.

Provided that any driver shall be deemed to be licensed to drive the vehicle if they are complying with the licensing laws relating to any of the territories referred to under **Specific exception (b)**, or if non-compliance with any licensing law is solely because of failure to renew any licence subject to periodic renewal, or if a licence is not required by law, or while such driver is learning to drive and is complying with the laws relating to learner drivers. The term licensed shall include the requirement of having a professional driving permit in addition to a driving licence for those vehicle types requiring such permits by law.

- 02** | Discovery Insure shall not be liable for any claim arising from contractual liability, unless such liability would have attached to the insured notwithstanding such contractual agreement.
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## MOTOR TRADERS INTERNAL RISKS SECTION

### Defined events

#### Subsection A – Damage to the vehicle

Discovery Insure will indemnify the insured for their legal liability as motor traders for accidents caused by, through or in connection with any vehicle against damage to any insured vehicle (excluding any vehicle which is the property of the insured and is hired or sold under a suspensive sale or similar agreement unless such vehicle is in the care, custody or control of the insured at the time of the damage), as defined herein:

- 01 | On the premises of the insured
- 02 | On the pavement, parking areas or verge in front of the premises or adjoining pavements used by the insured as stated in the schedule, provided always that:
  - (a) Discovery Insure may at its own option repair, reinstate or replace such insured vehicle or any part thereof or its accessories and spare parts or may pay in cash the amount of the damage not exceeding the retail value of such vehicle and its accessories and spare parts but not exceeding the limit of indemnity as stated in respect of **subsection A** in the Plan Schedule.
  - (b) The insured may give instructions for repairs to be executed without the previous consent of the insurers to the extent of but not exceeding the sum of R3 000 provided that a detailed estimate is first obtained and immediately forwarded to the insurers.
  - (c) The liability of Discovery Insure under **subsection A** of this section is limited to the retail value of such insured vehicle but not in any case exceeding the amount stated in respect of **subsection A** in the Plan Schedule, in respect of any one accident or series of accidents due to or arising out of any one event or occurrence.
  - (d) In the event of any part (which shall include any spare wheel, tool, accessory and spare part) needed to repair or replace the damage (as insured against under **subsection A** of this section) to such insured vehicle being unobtainable in the Republic of South Africa as a standard (ready manufactured) item, the liability of Discovery Insure shall be discharged by the payment of a sum equal to the value of such part

(including the reasonable cost of freight other than by air) at the time of the accident but not in any case exceeding such part's price as stated in the manufacturer's last issued catalogue or price list.

- (e) In respect of each and every occurrence giving rise to a claim under this subsection, the insured shall be responsible for the first amount, as reflected in the Plan Schedule as the first amount payable.

#### Specific exceptions applicable to subsection A

Discovery Insure shall not be liable under **subsection A** of this section to pay for:

- 01 | Consequential loss as a result of any cause whatsoever
- 02 | Loss of use, depreciation, wear and tear
- 03 | Depreciation in value whether arising from repairs following a defined event or otherwise
- 04 | Mechanical, electronic or electrical breakdowns, failures or breakages
- 05 | Damage to tyres by application of brakes or by road punctures, cuts or bursts other than damage consequent upon other damage to the vehicle unless caused by an accident involving damage to the insured vehicle itself
- 06 | Damage to springs or shock absorbers due to inequalities of the road or other surface or to impact with such inequalities
- 07 | Detention, confiscation or requisition by customs or other officials or authorities.

#### Subsection B – Liability to third parties

Discovery Insure will indemnify the insured against all sums which the insured shall become legal liable to pay for, including claimant's costs and expenses for any accident caused by or through or in connection with any vehicle whilst such vehicle is in or on the insured's premises or in their care custody or control.

- 01 | Accidental death of or bodily injury to any person.
- 02 | Accidental damage to any insured vehicle held in trust by or in the care, custody or control of the insure.
- 03 | Accidental damage to any other property (that



is, any property other than a vehicle); arising in or on the premises, the situation of which is stated in the Plan Schedule, out of the activities of the insured's business.

Provided always that:

- a) Discovery Insure will indemnify the insured against all costs and expenses (which will be connected with the indemnity provided under **subsection B** of this section) incurred with Discovery Insure's written consent.
- b) The liability of Discovery Insure under **subsection B** of this section in respect of death, injury, damage, costs and expenses shall be limited to the sum specified in respect of **subsection B** in the Plan Schedule of this section, in respect of any one accident or series of accidents due to or arising out of any one event or occurrence and in respect of all accidents (whether single accidents or otherwise) occurring during any one term of insurance, **except** that in respect of death, injury, damage, costs and expenses directly or indirectly due to or in consequence of fire or explosion, the liability of Discovery Insure under **subsection B** of this section shall be limited to the sum specified in respect of **subsection B** in the Plan Schedule, or the sum of R500 000, whichever is the lesser, in respect of any one accident or series of accidents due to or arising out of any one event or occurrence and in respect of all accidents (whether single accidents or otherwise) occurring during any one term of insurance.

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### Specific exceptions applicable to subsection B

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Discovery Insure will not be liable under **subsection B** of this section in respect of:

- 01** | Accidental death of or injury to any person in the employment of the insured arising out of and in the course of such employment
- 02** | Accidental death of or injury to any person being a member of the same household as the insured
- 03** | Accidental damage to property belonging to, held in trust by or in the care custody or control of the insured or belonging to a member of the same household as the insured or belonging to an employee of the insured
- 04** | Accidental damage to any insured vehicle the property of the insured or a member of the same household as the insured or an employee of the insured.

### Specific exceptions applicable to subsection A and subsection B

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Discovery Insure will not be liable under this section in respect of:

- 01** | Any compensation or claim which falls within the scope of any compulsory motor vehicle insurance enactment. This exception shall apply notwithstanding that no insurance under the said enactments is in force or has been effected
- 02** | Any accidental death, injury or damage directly or indirectly caused by fire or explosion or lightning, provided that this exception shall not apply to any claim under **subsection B** (1) and **subsection B** (2) of this section arising from death, injury or damage caused by fire or explosion resulting directly from the possession of any motor vehicle
- 03** | Any consequence of theft or housebreaking or any attempt thereat
- 04** | Accidental damage to any vehicle or any other property sustained while it is being worked upon and directly resulting from such work
- 05** | Any defective workmanship or any consequence thereof
- 06** | Accidental death, injury or damage caused by or through any demolition of or structural alteration or addition to the premises or by or through the installation of any equipment
- 07** | Death, injury or damage caused by or through or in connection with the use by or on behalf of the insured or animals, power-driven cranes, elevators, lifts or hoists other than cranes or elevators forming part of any insured vehicle
- 08** | Accidental death, injury or damage resulting from the driving of the insured vehicle elsewhere than in or on the premises
- 09** | Accidental damage caused by weather conditions to the insured vehicle
- 10** | Any claim arising out of any contractual liability.

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### Definitions

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For the purposes of this section the expressions used shall mean:

**Schedule** means the schedule of this section.

**Insured's business** means the insured's business as stated in the Plan Schedule.

**Premises** means the premises, the situation of which is stated in the Plan Schedule and shall include:

- a) Open-air car parks
- b) The pavement in front of the insured's premises
- c) Any premises at which the insured is performing work where such premises are not under the insured's control.

**Insured vehicle** means any motor vehicle and trailer, including the spare wheels and standard issued tools, accessories and spare parts of such motor vehicle whilst thereon.

**Occurrence** means an event or series of events arising from one cause in connection with any one vehicle in respect of which indemnity is provided by this insurance.

### Clauses and extensions

It is expressly declared and agreed that the following extensions or modifications (each individually) shall otherwise be subject to all the terms, exceptions and conditions of this section and all the terms, exceptions and conditions (in so far as they can apply) of this Plan, as if they had been incorporated in such extensions or modifications.

#### 01 | Windscreen extension

The provisions of this section relating to first amount payable and no-claim rebate shall not apply to any payment for damage to windscreen glass, side or rear glass forming part of any vehicle provided that:

- 1.1 | No other damage has been caused to the vehicle giving rise to a claim under the Plan
- 1.2 | The insured shall be responsible for the first amount payable (applicable to glass) stated in the Plan Schedule of each and every loss.

#### 02 | Third-party only cover (only applicable if stated in the Plan Schedule as being included)

It is hereby declared and agreed that **subsection A** and **subsection B (2)** and the clause regarding no-claim rebate, are cancelled.

#### 03 | Application of limits of indemnity

In the event of any accident involving indemnity to more than one person, any limitation by the terms of this section and of any endorsement thereon of the amount of any indemnity shall apply to the aggregate amount of indemnity to all persons indemnified and such indemnity shall apply in priority to the insured.

#### 04 | First amount payable

In respect of each and every occurrence regarding **subsection A** and **subsection B** of this section and notwithstanding anything to the contrary contained in such subsections, the insured shall be responsible for the first portion, as stated under the in the Plan Schedule, of any expenditure (or any less expenditure which may be insured) for which provision is made under the aforesaid subsections (including any payment in respect of costs, expenses and fees) and of any expenditure by Discovery Insure in the exercise of Discovery Insure's discretion under **subsections A** of this section and **General condition 8. a) ii** of this Plan. If the expenditure incurred by Discovery Insure shall include the amount for which the insured is responsible in terms of this clause, such amount shall be paid by the insured to Discovery Insure forthwith.

For the purpose of this clause the expression "occurrence" used in this clause shall mean an occurrence or series of occurrences due to or arising out of one cause in connection with any one vehicle in respect of which indemnity is provided by this section.

#### 05 | No-claim rebate

In the event of no claim being made or arising under this section during a term of insurance not less than twelve months immediately preceding the renewal date, the premium for the renewal of this section shall be reduced by 10%, which reduction shall not be cumulative.

Should Discovery Insure consent to a transfer of interest in this Plan, the no-claim rebate earned by the transferor shall not accrue to the benefit of the transferee.

**06 | Work away from premises (only applicable if stated in the Plan Schedule as being included)**

In consideration of the payment of an additional premium which is included in the premium of this section it is hereby declared and agreed that the expression "premises" as defined in the definitions of this section shall be deemed to include any premises at which the insured is performing work, provided that such premises are not under the control of the insured.

**07 | Car hoists (if stated in the Plan Schedule as being included)**

In consideration of the payment of an additional premium which is included in the premium on this section it is hereby declared and agreed that the words "and car hoists having a lift not exceeding two meters" are added at the end of **Specific exception 7**, of the specific exceptions applicable to this section.

**08 | Waiver of subrogation rights (if stated in the Plan Schedule to be included)**

For the purposes of this section, the insurers waive all rights of subrogation or action which they may have or acquired against any other person to whom the indemnity hereunder applies and each such person shall observe, fulfil and be subject to the terms, conditions, exclusions and conditions (both general and specific) of this insurance in so far as they can apply, but this waiver shall not apply to agents or subcontractors if the insured.

## MOTOR TRADERS EXTERNAL RISKS SECTION

### Defined events

Discovery Insure will, in accordance with the terms, exceptions and conditions of **subsections A** and **subsections B**, indemnify the insured for their legal liability in respect of any accident, loss or damage occurring whilst any insured vehicle is elsewhere than in or on any business premises owned by or in the occupation of the insured and such insured vehicle is being used in accordance with the terms of the basis of insurance which is mentioned in the Plan Schedule.

### Definitions

For the purposes of this section:

**Schedule** used in this section shall mean the Plan Schedule of this section

**Insured vehicle** used in this section shall mean any motor vehicle or trailer the property of or in the care, custody or control of the insured (excluding any vehicle the property of the insured and hired or sold under a hire purchase or suspensive sale or other deferred ownership agreement unless such vehicle is in the care, custody or control of the insured at the time of the occurrence of the event out of which any claim arises) and any vehicle (mechanically propelled or otherwise) attached to any aforementioned vehicle for the purposes of being towed or salvaged.

### Description of use

Use for the insured's business or occupation as stated in the Plan Schedule excluding hiring; carriage of passengers for hire or carriage of fare-paying passengers; driving instruction, for reward; racing; speed or other contests, rallies or trials; carriage of explosives; carriage of passengers in excess of the number for which the vehicle is licensed or authorised by law to carry; or carriage of any load in excess of that for which the vehicle is licensed to carry.

## Cover type

### 01 | Cover for special-type vehicles only

The expression "insured vehicle" used in this section shall bear the following meaning and not as stated in the definitions of this section: any tractor, agricultural, horticultural or forestry vehicle of load and earth moving equipment, lift truck or mobile crane (hereafter termed "special type vehicle") the property of or in the care, custody or control of the insured (excluding any "special type vehicle", the property of the insured and hired or sold under a hire purchase or suspensive sale or other deferred ownership agreement unless such "special type vehicle" is in the care, custody or control of the insured at the time of the occurrence of the event out of which any claim arises) and any vehicle (mechanically propelled or otherwise) attached to any aforementioned "special type vehicle" for the purpose of being towed or salvaged.

### 02 | Exclusion of own vehicles (if stated in the Plan Schedule to apply)

The expression "insured vehicle" used in this section is deemed not to include any vehicle which is the property of the insured.

### 03 | Exclusion of demonstration risk (if stated in the Plan Schedule to apply)

Discovery Insure shall be under no liability whilst any insured vehicle is being used for the purpose of demonstration.

### 04 | Exclusion of legal liability in respect of passengers (if stated in the Plan Schedule to apply)

Discovery Insure shall not be liable under **subsection B** of this section in respect of death of or injury to any person being carried in or upon or getting onto or entering or alighting from any insured vehicle at the time of the occurrence of the event out of which any claim arises.

**05 | Restricted cover (third party, fire and theft) (if stated in the Plan Schedule to apply)**

The Plan is amended:

- a) The liability of Discovery Insure under **subsection A** of this section shall be restricted solely to loss or damage resulting from fire, self-ignition, lightning or explosion and to loss or damage by theft or any attempt thereat;
- b) The clause regarding no-claim rebate is cancelled.

**06 | Third party only cover (if stated in the Plan Schedule to apply)**

**Subsection A** and the clause regarding no-claim rebate of this section are cancelled.

**Subsection A – Loss of or damage to the insured vehicle**

Discovery Insure will indemnify the insured against loss or damage caused by, through or in connection with any vehicle occurring whilst any insured vehicle (including the spare wheels and standard issued tools, accessories and spare parts of such insured vehicle whilst thereon) is elsewhere than in or on any business premises owned by or in the occupation of the insured and such insured vehicle is being used in accordance with the terms of the basis of insurance which is mentioned in the Plan Schedule provided always that:

- 01 |** Discovery Insure may at its own option repair, reinstate or replace such insured vehicle or any part thereof and the spare wheels, tools, accessories and spare parts as mentioned above thereof or may pay in cash the amount of the loss or damage.
- 02 |** The liability of Discovery Insure under **subsection A** of this section is limited to the reasonable retail value of the insured vehicle (including the spare wheels, tools, accessories and spare parts as mentioned above) but not in any case exceeding the amount stated in respect of **subsection A** in the Plan Schedule, in respect of any one accident or series of accidents due to or arising out of any one event or occurrence.
- 03 |** In the event of any part (which shall include any spare wheel, tool, accessory and spare

part) needed to repair or replace damage (insured against under **subsection A** of this section) to such insured vehicle being unobtainable in the Republic of South Africa as a standard (ready manufactured) article, the liability of Discovery Insure shall be discharged by the payment of a sum equal to the value of such part (including the reasonable cost of freight other than by air) at the time of the accident but not in any case exceeding such part's price as stated in the manufacturer's last issued catalogue or price lists.

- 04 |** If such insured vehicle is disabled by reason of any loss or damage insured against under subsection A of this section, Discovery Insure will pay the reasonable cost of protection and removal to the nearest repairers and the insured may give instructions for repairs to be executed without the previous consent of Discovery Insure to the extent of but not exceeding R5 000 on the understanding that a detailed estimate is first obtained and immediately forwarded to Discovery Insure. Discovery Insure will also pay the reasonable cost of delivery to the insured after repair of the aforesaid loss or damage but not exceeding the reasonable cost of transport to the address of the insured anywhere in the Republic of South Africa, Namibia Lesotho, Botswana or Swaziland on condition that Discovery Insure's liability for the cost in respect of protection, removal and delivery shall in any case be limited to R5 000 in total.

**Specific exceptions applicable to subsection A**

Discovery Insure shall not be liable under **subsection A** of this section to pay for:

- 01 |** Consequential loss arising in any way whatever, depreciation, wear and tear, mechanical, electrical or electronic breakdowns, failures or breakages
- 02 |** Damage to tyres by application of brakes or by road punctures, cuts or bursts
- 03 |** Damage to springs due to inequalities of the road or other surface or to impact with such inequalities
- 04 |** Loss or damage to accessories or spare parts by theft unless the vehicle is stolen at the same time.

## Subsection B – Liability to third parties

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Discovery Insure will:

- 01** | Indemnify the insured in the event of an accident caused by or through or in connection with any insured vehicle, including the loading and unloading of such insured vehicle, against all sums, including claimant's costs and expenses, which the insured shall become legally liable to pay in respect of:
- a) Death of or bodily injury to any person
  - b) Damage to property.
- 02** | Pay all costs and expenses (which will be connected with the indemnity provided under **subsection B** of this section) incurred with Discovery Insure's written consent;
- 03** | Indemnify, in terms of and subject to the limitations of and for the purposes of **subsection B** of this section, any person who is driving any insured vehicle on the insured's order or with the insured's permission, on the understanding that:
- a) Such person is not entitled to indemnity under any other Plan or any other section of this Plan
  - b) Such person shall, as though they were the insured, observe, fulfil and be subject to the terms, limitations, exceptions and conditions of this section and of this Plan in so far as they can apply
  - c) Such person has not been refused any motor vehicle insurance or continuance thereof by any insurance Discovery Insure.

Provided that the liability of Discovery Insure in respect of death, injury, damage, costs and expenses shall be limited to the sum specified in respect of **subsection B** in the Plan Schedule, in respect of any one accident or series of accidents due to or arising out of any one event or occurrence; except that in respect of death, injury, damage, costs and expenses directly or indirectly due to or in consequence of fire or explosion, the liability of Discovery Insure under **subsection B** of this section shall be limited to the sum specified in respect of **subsection B** in the Plan Schedule or the sum of R500 000, whichever is the greater, in respect of any one accident or series of accidents due to or arising out of any one event or occurrence.

## Specific exceptions applicable to subsection B

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Discovery Insure shall not be liable under **subsection B** of this section in respect of:

- 01** | Death, injury or damage caused by or arising out of the operation, demonstration or use for purposes other than maintenance or repair of any insured vehicle (unless it be a fork-lift truck) of any tool or plant forming part of or attached to or used in connection with any insured vehicle or anything manufactured by or contained in any such tool or plant
- 02** | Death, injury or damage caused or arising beyond the limits of any carriageway or thoroughfare in connection with the bringing of a load to any insured vehicle for loading thereon or the taking away of a load from any insured vehicle after unloading therefrom
- 03** | Death of or injury to any person in the employment of the insured arising out of and in the course of such employment
- 04** | Death of or injury to any person being carried in or upon or entering or getting on to or alighting from any motor-scooter, motorcycle or side-car attached thereto at the time of the occurrence of the event out of which any claim arises
- 05** | Death of or injury to any person being a member of the same household as the insured
- 06** | Damage to property belonging to, held in trust by or in the care, custody or control of the insured or being conveyed by, loaded onto or unloaded from any insured vehicle
- 07** | Damage to any viaduct, bridge or weighbridge or to any road and anything beneath by vibration or by the weight of any insured vehicle or load carried by such insured vehicle.

## Application of limits of indemnity

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In the event of any accident involving indemnity to more than one person, any limitation by the terms of this section and of any endorsement thereon of the amount of any indemnity shall apply to the aggregate amount of indemnity to all persons indemnified and such indemnity shall apply in priority to the insured.

## First amount payable

In respect of each and every occurrence regarding **subsection A** and **subsection B** of this section and notwithstanding anything to the contrary contained in such subsections the insured shall be responsible for the first amounts, as stated in the Plan Schedule, of any expenditure (or any less expenditure which may be incurred) for which provision is made under the aforesaid subsections (including any payment in respect of costs, expenses and fees) and of any expenditure by Discovery Insure in the exercise of Discovery Insure's discretion under **subsection A** of this section and **General condition 7. a) ii)** of this Plan. If the expenditure incurred by Discovery Insure shall include the amount for which the insured is responsible in terms of this clause, such amount shall be paid by the insured to Discovery Insure forthwith.

For the purpose of this clause the expression "occurrence" used in this clause shall mean an occurrence or series of occurrences due to or arising out of one cause in connection with any one vehicle in respect of which indemnity is provided by this section.

## No-claim rebate

In the event of no claim being made or arising under this section during a period of insurance of not less than 12 months immediately preceding the renewal date of this Plan, the annual premium of this section shall be reduced by 10%, which reduction shall not be cumulative. Should Discovery Insure consent to a transfer of interest in this Plan, the no-claim rebate earned by the transferor shall not accrue to the benefit of the transferee.

## Specific exceptions

Discovery Insure shall not be liable under this section in respect of:

- 01** | So much of any compensation or claim as falls within the scope of any compulsory motor vehicle insurance enactment. This exception shall apply notwithstanding that no insurance under the aforementioned enactment is in force or has been effected.
- 02** | Any accident, injury, loss, damage, liability, costs and expenses caused, sustained or incurred outside the Republic of South Africa, Namibia, Lesotho, Botswana, Swaziland, Zimbabwe, Mozambique or Malawi, provided,

however, that Discovery Insure will indemnify the insured in terms of subsection A of this section against loss of or damage to any insured vehicle whilst in transit by sea between any ports in the aforementioned area, including loading and unloading incidental to such transit.

- 03** | Any accident, injury, loss, damage, liability, costs and expenses caused, sustained or incurred while any insured vehicle in respect of or in connection with which insurance is granted under this section
  - a) Is being used otherwise than in accordance with the terms of the description of use clause of this section and the basis of insurance which is mentioned in the Plan Schedule
  - b) Is being driven by the insured or by any other person with the general knowledge and consent of the insured unless duly and fully licensed to drive such vehicle in terms of the legislation applying to the area referred to in **Specific exception 2** of the specific exceptions applicable to this section provided, however, that if such a licence be subject to renewal, they were held and is not disqualified from holding or obtaining such a licence and provided further that this exception shall not apply whilst the insured or any such other person is driving such vehicle whilst learning to drive it at such time they are complying with the laws and regulations in force relating to learners
  - c) Is being driven by the insured, a member or a director of the insured whilst under the influence of any drug or intoxicating liquor.
  - d) Is being driven with the general consent of the insured or of their representative by any person who to the knowledge of the insured or of such representative is under the influence of any drug or intoxicating liquor.
  - e) Is being used for any unauthorised purpose by an employee of the insured or by any other person with whom such employee is or was in collusion.
- 04** | Any claim arising out of any contractual liability.

## Specific conditions

- 01** | If during the currency of this section, any driving licence in favour of the insured or in favour of any authorised driver of the insured

be endorsed, suspended or cancelled or if they be charged or convicted of negligent, reckless or improper driving, notification shall be sent in writing to Discovery Insure immediately the insured has knowledge of such fact.

**02 |** In addition to complying with **General condition 6** of this Plan:

- a) The insured shall take all reasonable steps to maintain any insured vehicle in efficient and roadworthy condition
- b) All reasonable steps shall in the event of any accident or breakdown be taken to prevent further damage or loss and if the insured vehicle which is involved be driven or used before the necessary repairs are effected, any extension of the damage or any further damage to such insured vehicle shall be entirely at the insured's own risk.

**Provisions**

Only the basis which is mentioned in the Plan Schedule is applicable and such basis is subject to all the terms, exceptions and conditions of this section and all the terms, exceptions and conditions (in so far as they can apply) of this Plan.

**Wages basis**

**01 |** The cover under this section shall only be operative whilst the insured vehicle is being used:

- a) For business purposes of the insured by the insured or a member, director or employee of the insured excluding transit, delivery or conveying for or on behalf of the insured by casual drivers or persons not wholly and regularly engaged in the employ of the insured
- b) For purposes of tuition, provided that the person being taught to drive is complying with the law in force relating to learner drivers and is accompanied by a fully licensed driver who shall be either the insured or a member, director or employee of the insured
- c) For purposes of demonstration which shall include driving by the person to whom the insured vehicle is being demonstrated provided that such person is accompanied by a fully licensed driver who shall be either the insured or a member, director or employee of the insured

d) For social, domestic and pleasure purposes (whether such use is incidental to the business of the insured or not) by any person other than the insured or a member, director or employee of the insured.

**02 |** It is a condition precedent to any liability of Discovery Insure under this section that the insured shall regularly record in a proper wage register the name of every employee together with the wages, salary, commission and other consideration paid or allowed to such employee and shall immediately record in such wage register the date of engagement and of discharge of each employee.

**Named driver basis**

The cover under this section shall only be operative whilst the insured vehicle is being driven by or is for the purpose of being driven by them in the charge of any person whose name is mentioned under the heading "named drivers" in the Plan Schedule, provided that such person is the insured or a member, director or employee of the insured and the insured vehicle is being used:

- 01 |** For business purposes of the insured
- 02 |** For purposes of tuition, provided that the person being taught to drive is complying with the law in force relating to learner drivers and is accompanied by any person whose name is mentioned under the heading "named drivers" in the Plan Schedule
- 03 |** For purposes of demonstration which shall include driving by the person to whom the insured vehicle is being demonstrated, provided that such person is accompanied by any person whose name is mentioned under the heading "named drivers" in the Plan Schedule
- 04 |** For social, domestic and pleasure purposes (whether such use is incidental to the business of the insured or not) by any person whose name is mentioned under the heading "named drivers" in the Plan Schedule.

**Trade plate basis**

The cover under this section shall only be operative whilst the insured vehicle carrying in the manner and for purposes prescribed by law a trade plate bearing any trade registration number which is mentioned under the heading "trade registration numbers" in the Plan Schedule and is being used



- 01** | For business purposes of the insured by the insured or a member, director or employee of the insured, excluding transit, delivery or conveying for or on behalf of the insured by casual drivers or persons not wholly and regularly engaged in the employ of the insured
- 02** | For purposes of tuition, provided that the person being taught to drive is complying with the law in force relating to learner drivers and is accompanied by a fully licensed driver who shall be either the insured or a member, director or employee of the insured
- 03** | For purposes of demonstration which shall include driving by the person to whom the insured vehicle is being demonstrated, provided that such person is accompanied by a fully licensed driver who shall be either the insured or a member, director or employee of the insured
- 04** | For social, domestic and pleasure purposes (whether such use is incidental to the business of the insured or not) by any person other than the insured or a member, director or employee of the insured.

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## Clauses and extensions

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### Extensions

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It is declared and agreed that:

- a) Only those extensions which are specifically stated in the Plan Schedule as being included, shall apply to this section
- b) The following extensions (each individually) shall otherwise be subject to all the terms, exceptions and conditions of this section and all the terms, exceptions and conditions (in so far as they can apply) of this Plan, as if they had been incorporated in such extensions.

- 01** | **Use for social, domestic and pleasure purposes** (if stated in the Plan Schedule to be included)

In consideration of the payment of an additional premium which is included in the premium on this section and notwithstanding anything contained to the contrary in this section, the indemnity provided by this section applies whilst any insured vehicle is being used for social, domestic and pleasure purposes by any person whose name is mentioned in respect of this extension in the Plan Schedule.

- 02** | **Loss of use of customers' vehicles** (if stated in the Plan Schedule to be included)

In consideration of the payment of an additional premium which is included in the premium on this section in the event of Discovery Insure being liable to indemnify the insured under **subsection A** of this section in respect of loss of or damage to any insured vehicle the property of a customer whilst in the care, custody or control of the insured, Discovery Insure will also indemnify the insured notwithstanding anything contained to the contrary in **Specific exception 1** of the specific exceptions applicable to **subsection A** of this section against all sums which the insured shall become legally liable to pay as compensation for loss of use of such vehicle; provided that the liability of Discovery Insure in respect of any one occurrence shall not exceed the amount stated in the Plan Schedule in respect of this extension.

- 03** | **Unauthorised use of vehicles by employees** (if stated in the Plan Schedule to be included)

In consideration of the payment of an additional premium, which is included in the premium on this section, **Specific exception 3 e)** of the specific exceptions to this section is cancelled.

- 04** | **Legal liability of passengers for acts of negligence** (if stated in the Plan Schedule to be included)

In consideration of the payment of an additional premium which is included in the premium on this section, Discovery Insure will at the request of the insured indemnify in terms of **subsection B** of this section any person using the insured vehicle: provided always that such person:

- a) Is not personally driving or in control of the insured vehicle
- b) Is not entitled to indemnity under any other Plan
- c) Is not under the influence of intoxicating liquor or drugs
- d) Shall as though they were the insured observe, fulfil and be subject to the terms, exceptions and conditions of this section and of this Plan in so far as they can apply.

- 05** | **Windscreen cover**

Discovery Insure will pay for damage to window glass of the vehicle without alteration of the no-claims bonus. In respect of every windscreen or window glass claim, you will be responsible for the payment of the basic first amount payable unless otherwise stated in the Plan Schedule.

**06 | Contingent liability** (if stated in the Plan Schedule to be included)

The indemnity under **subsection B** includes claims made against:

- (a) The insured in the event of an accident arising in the course of the business and caused by or through or in connection with any motor vehicle not the property of or provided by the insured, while being used by any partner or director or employee of the insured (hereinafter in this extension referred to as such person)
- (b) Any such person in the event of an accident arising in the course of the business and caused by or through or in connection with any motor vehicle not belonging to the insured or leased or hired by the insured, but only in so far as such person has not been refused any motor insurance or continuance thereof by any insurer, provided that:
  - i) If the words in 2 of the exceptions to **subsection B** are deleted
  - ii) Discovery Insure shall not be liable for loss of or damage to any motor vehicle being used for the purposes and in the manner described in (a) and (b) above
  - iii) The payment by the insured of subsidies or travelling allowances to such person for the use of his own vehicle for official purposes of the insured, including the carriage of persons for such purposes, is allowed without prejudice to the insurance by this extension
  - iv) If, at the time of the occurrence of any accident giving rise to a claim under this extension, the insured or such person is entitled to indemnity under any other Plan in respect of the same occurrence, Discovery Insure shall not be liable to make any payment hereunder except in respect of any excess beyond the amount payable under such other Plan; the terms, exceptions and conditions of the Plan shall otherwise apply.

**07 | Vehicles lent or hired to customers** (if stated in the Plan Schedule to be included)

The description of use is extended to include use of the vehicle as defined for social, domestic, private and business purposes by any customer of the insured provided that:

- a) The insured is not personally driving or in control of the insured vehicle

- b) The vehicle has been lent or hired to such customer whilst such customer's own vehicle is in the care, custody and control of the insured for the purposes or repair, maintenance, testing, alteration, inspection or servicing
- c) Such customer is not entitled to indemnity under any other Plan
- d) Such customer or any person driving the vehicle shall as though they were the insured observe fulfil and be subject to the terms exceptions and conditions of this Plan section
- e) The person driving such vehicle is fully licensed to drive such vehicle in terms of legislation applying to any territory within the territorial limits and has not been disqualified from obtaining, holding or renewing such a licence
- f) There will be no cover under this insurance if the vehicle is being driven by the customer or any other person whilst under the influence of drugs or whilst the concentration of blood alcohol exceeds the statutory limit.

**08 | Modifications**

It is declared and agreed that

- a) Only those modifications which are specifically stated in the Plan Schedule as being included, shall apply to this section;
  - b) The following modifications (each individually) shall otherwise be subject to all the terms, exceptions and conditions of this section and all the terms, exceptions and conditions (in so far as they can apply) of this Plan, as if they had been incorporated in such modifications.
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# Value-added services

## VALUE-ADDED SERVICES FOR DISCOVERY BUSINESS INSURANCE PLANHOLDERS

### Legal support services

The Discovery Business Insurance legal support services are offered as a benefit to all Planholders for the duration of an existing and valid period of insurance.

The use of the legal support services is subject to the terms and conditions as set out and are amended from time to time.

There are two Plans available:

#### 01 | Embedded legal support services

**1.1** | Planholders shall during the insurance period be entitled to receive commercial drafting services in respect of the following drafting processes and agreements, which automatically form part of both the EMBEDDED LEGAL SUPPORT SERVICES as well as the PREMIUM LEGAL SUPPORT SERVICES offerings:

<b>1.1.1</b>   Employment agreement	<b>1.1.2</b>   Acknowledgement of debt	<b>1.1.3</b>   Deed of suretyship
<b>1.1.4</b>   Service provider agreement	<b>1.1.5</b>   Sale of property agreement	<b>1.1.6</b>   Non-disclosure agreement

**1.2** | Agreements 1.1.1, 1.1.2, 1.1.3, 1.1.4, 1.1.5 and 1.1.6 will be made available to the Planholders online (via the questionnaire links embedded into a legal portal) or by calling the contact centre.

**1.2.1** | Subject to **Exclusion 3.3** hereunder, Planholders are entitled to receive an unlimited number of the commercial agreements as set out in 1.1, if those agreements are accessed via the legal portal.

**1.2.2** | In respect of agreements received via the contact centre, Planholders will be limited to three agreements per month in respect of the **legal drafting service benefits** if those agreements are accessed via the call centre.

**1.3** | Planholders are limited to two calls to the contact centre per month and two hours every month of

professional legal time in the provision of legal advice or in undertaking related legal work at the instance of the Planholder;

**1.4** | The legal portal has security measures in place to protect against the loss, misuse, and alteration of the information.

**1.5** | Business legal review and customised compliance reports.

**02 | Premium legal support services (if stated in the Plan Schedule to be included at an additional premium)**

The Planholder will have access to an unlimited number of commercial agreements as included under 1.1 and 2.2.

**2.1** | This facility will allow **premium legal support services** Planholders access to the following additional services:

**2.1.1** | To receive legal documentation customised to their circumstances and transactions by means of online questionnaires completed by them

**2.1.2** | To securely store all documents created or uploaded by them in a central, online repository

**2.1.3** | To manage the lifecycle of each legal transaction through the receipt of system notifications related to key transaction deadlines

**2.1.4** | To extract reporting information drawn from the information contained in the legal documents concluded by the business

**2.1.5** | Legal support for Employment and CCMA issues.

**2.2** | **Premium legal support services** Planholders shall also in addition to the **embedded legal support services** as detailed in 1.1, be entitled to receive access to commercial drafting services in respect of the following agreements:

<b>2.2.1</b>   Shareholders' agreement	<b>2.2.2</b>   Sale of shares	<b>2.2.3</b>   Association agreement
<b>2.2.4</b>   Sale of members' interest agreement	<b>2.2.5</b>   Commercial lease agreement	<b>2.2.6</b>   Residential lease agreement
<b>2.2.7</b>   Trust deed	<b>2.2.8</b>   Loan agreement	<b>2.2.9</b>   Sale of motor agreement
<b>2.2.10</b>   Standard conditions of trade	<b>2.2.11</b>   Sale of immovable property	

**2.3 | Commercial-line compliance and risk management**

Planholders enrolled for the **premium legal support services** will be entitled to receive unlimited access to the legal audit service via the legal portal, updraft console or the contact centre. This legal compliance and business advice service assesses more than 30 legal areas which have an impact on the daily operations of a business, including labour law, tax law, consumer protection, competition law, company law, risk management and a wide range of further issues.

Planholders can complete a detailed questionnaire which then forms the basis of a customised report setting out the areas in which their particular business is legally compliant and those critical areas in which the business has failed to comply with the law, or is exposed to unacceptable levels of legal risk.

**2.4 | Advice packages**

The following legal advice packages are included in the legal services available to **premium legal support services** Planholders:

- 2.4.1 | Bullet-proofing the business** – Avoiding liquidation and personal liability - this insolvency package provides detailed advice on how to structure the operations of your business to minimise risk. It also provides a clear description of the conduct that could render a business manager or director personally liable for the debts of the business in the event of liquidation.
- 2.4.2 | Complying with the tax legislation applicable to the business** – This advice package allows business owners to become aware of the tax obligations associated with their businesses, including detailed explanations relating to PAYE, income tax, VAT, the skills development levies and other related topics.
- 2.4.3 | Forms of security when raising funding** – A business-appropriate explanation of debt factoring, deeds of suretyship, pledges, asset leases, special and general notarial bonds and other forms of security, including the pros and cons and what to avoid.
- 2.4.4 | Labour law compliance** – How to hire and fire legally - This support service provides business-specific guidance in relation to unfair labour practices and correct dismissal procedures.
- 2.4.5 | Protecting intellectual property** – An interview and advice package that allows business owners to identify the intellectual property inherent in their businesses. The package includes practical advice and step-by-step guides to the protection of a businesses' intellectual property.
- 2.4.6 | Selecting the correct corporate vehicle for the business** – This advice package provides detailed advice on the legislative restrictions, tax implications, and management restrictions associated with different corporate vehicles. Planholders are also provided with a detailed assessment of the advantages and disadvantages of co-operatives, companies, close corporations, partnerships and trusts.

## 03 | Exclusions

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- 3.1 | Planholders may not:**
  - 3.1.1 |** Use the legal portal in any manner that could damage, disable, overburden, or impair any server
  - 3.1.2 |** Attempt to gain unauthorised access to any products, services, other accounts, computer systems or networks
  - 3.1.3 |** Use the legal portal so as to conduct a business that is in competition.
- 3.2 |** The legal support services cannot be used for incidents that occurred prior to or post the period of insurance cover
- 3.3 |** The Planholder shall only be entitled to use the legal agreements and advice provided as part of the legal support services for the purposes of managing its own day-to-day business operations and shall not sell, alienate, exploit and distribute for gain any of the agreements and advice provided.
- 3.4 |** The legal portal is provided as a general service over the internet and should not be construed as specific legal advice for any specific factual situation. The service offered by the legal portal is a publishing service and the legal documents provided are intended as forms generated by the user for use in common and standard situations.
- 3.5 |** The legal support services exclude any detailed advice on highly specialist legal areas, including (but not limited to):
  - 3.5.1 |** Intellectual property law
  - 3.5.2 |** Taxation
  - 3.5.3 |** Municipal regulations
  - 3.5.4 |** Structured finance
  - 3.5.5 |** Non-commercial law. (Assistance is only provided in relation to South African commercial law).

## Emergency assist

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Contact Discovery Insure on 011 529 6620 for emergency assistance within the borders of the Republic of South Africa or 010 205 3065 when you are outside of the borders of the Republic of South Africa. The following emergency benefits are provided to you at no cost:

**01** | Discovery Insure offers the insured emergency roadside assistance in the event of a mechanical or electrical breakdown, flat tyre, flat battery or any other roadside related emergency of the comprehensively insured vehicle, including:

- 1.1** | Towing to the closest place of repair or safekeeping.
- 1.2** | Arranging your transport to your home or destination if it is within 100-kilometre radius through an accredited transport provider up to a maximum of R750.
- 1.3** | Your location is more than 100 kilometres away from your home or destination, you can choose from:
  - 1.3.1** | One night's accommodation up to a maximum amount of R1 000
  - 1.3.2** | A taxi service option up to a maximum amount of R750
  - 1.3.3** | A rental vehicle option up to a maximum amount of R500.
- 1.4** | Jump-starting your vehicle. This excludes the costs of parts, lubricants and other provisions.

**Please note:** A rental vehicle is subject to you qualifying for a rental car as per the car rental company's general terms and conditions. All car rental companies require a valid credit card to be able to release the car to you.

**1.5** | Changing your flat tyre. If you do not have a spare tyre, one can be provided at your cost. The assistance excludes any costs for the repair of the tyre, parts and wheel balancing and other provisions.

**1.6** | Delivering up to 10 litres of fuel if you have run out. This benefit is limited to a maximum of two incidents per year per vehicle. Non-roadside locations aren't included.

**1.7** | Locksmith services if you have locked your keys inside your vehicle. The benefit includes unlocking of the car, the cost of the call-out fee and one hour's labour. Parts, components, keys or key-cutting costs, lubricants or similar charges are excluded. The following should be noted:

**1.7.1** | If your key is broken in the ignition or car door and the service provider is unable to resolve the problem, additional costs such as the dispatch of a tow truck will be for your account

**1.7.2** | If locksmiths are unable to unlock newer model cars, such vehicles will be towed to the nearest place of repair for which you will bear the cost

**1.7.3** | If the vehicle operates with a smart key, towing can be arranged to the nearest dealer for which you will bear the cost.

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