

ELECTRONIC EQUIPMENT SECTION

SUB-SECTION A – MATERIAL DAMAGE

DEFINED EVENTS

Physical loss of or damage to the property insured described in the schedule from any cause not otherwise excluded whilst

1. at work, at rest or whilst being dismantled for the purposes of cleaning, inspection or overhaul anywhere within that part of the building occupied by the Insured at the insured premises described in the schedule or whilst temporarily removed to any other building;
2. in transit including loading and unloading or whilst temporarily stored at any premises en route;
3. away from the insured premises stated in the schedule anywhere in the world if the insured property is a laptop, tablet or other similar portable electronic equipment designed to be carried by person;
4. at or away from the insured premises stated in the schedule and whilst at work or at rest in any location (other than in a building) or vehicle provided that the insured property is of a specialist nature designed to operate or exist in such location or vehicle;
5. at the premises of any supplier or repairer of such equipment for the purposes of cleaning or repair.

DEFINITIONS

New Property as referred to under “total loss” under “basis of indemnification” shall mean property purchased when new no more than seven (7) years (or such extended period as may be approved by the Company in writing) prior to the insured 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.

Market value as referred to under “total loss” under “basis of indemnification” shall mean the current day purchase price of second-hand/used property of equal performance and/or 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:

1. 20% (twenty percent) for the first year after the date of purchase and
2. 10% (ten percent) per year for each succeeding year

subject always to a minimum indemnity of 40% (forty percent) of the current new replacement value of the nearest equivalent property.

BASIS OF INDEMNIFICATION

Subject always to the insured amounts in the schedule, the basis of indemnification shall be as set out under either **partial loss**, **total loss**, **theft first loss** and **average** as follows:

A. PARTIAL LOSS

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 including dismantling, re-erection, transportation, removal of damaged property insured (but less the value of the remains) and, where applicable importation duties, provided that

1. the value of damaged parts which can be used will be deducted;
2. the costs of any alteration, addition, improvement or overhaul carried out at the time of repair are not recoverable under this sub-section;

3. if, without the consent of the Company, temporary repairs are carried out by the Insured in the interests of safety or to minimize further loss or damage to the property insured, the cost of such temporary repairs will be borne by the Company. 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;
4. where the damage is restricted to a part or parts of an insured item, the Company 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 insured amount.

B. TOTAL LOSS

Subject always to the insured amounts in the schedule, the basis of indemnification in the event of a total loss where the property is totally lost or destroyed shall be as set out under either **New Property** or **Property other than New Property** as follows:

New Property (as defined): the basis of indemnification of new property shall be the cost of replacing or reinstating on the same site with New Property of equal performance and/ or capacity or, if such be impossible, its replacement by New Property having the nearest equivalent performance and/or capacity to the property lost or damaged including dismantling, re-erection, transportation, removal of damaged property insured (but less the value of the remains) and, where applicable importation duties, provided always that

1. 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 the Company 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;
2. until expenditure has been incurred by the Insured in replacing or reinstating the property insured, the Company shall not be liable for any payment in excess of the amount which would have been payable if the basis of indemnity was on a Market Value basis;
3. the basis of indemnity shall revert to a Market Value basis if:
 - 3.1 the Insured fails to intimate to the Company within six (6) months of the date upon which the damage occurred (or such further time as the Company may in writing allow) their intention to replace or reinstate the property insured;
 - 3.2 the Insured is unable or unwilling to replace or reinstate the property insured on the same or another site;
4. at the sole option of the Company, following commercial and technical appraisal by a representative of the Company, 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 the period being admitted by memorandum to this section.

Property other than New Property: the basis of indemnification shall be the Market Value (as defined) of the property insured immediately before the loss or damage. At the option of the Company, the property insured shall be regarded as totally destroyed if the repair costs as set out under Partial loss above equal or exceed its Market Value immediately before the damage.

C. THEFT FIRST LOSS (if stated as included in the schedule)

Subject to specific exclusion 9, theft from the building(s) stated in the schedule against "theft first loss" shall be limited to the lesser of the amount arrived at in terms of "Total Loss" above or the insured amount stated against "theft first loss" in the schedule.

D. AVERAGE

In respect of either Total or Partial losses (but not "theft first loss") 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 insured amount 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.

SPECIFIC EXCLUSIONS TO SUB-SECTION A

The Company will not be liable to indemnify the Insured irrespective of the original cause in respect of:

1. the first amount payable as stated in the schedule under sub-section 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 the same event, only one first amount payable shall apply being the highest single amount applicable to such property insured;
2. derangement unless accompanied by physical damage otherwise covered by this section;
3. loss or damage recoverable in terms of any maintenance and/or leasing agreement effected by or on behalf of the Insured covering the insured equipment;
4. 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 the Company, or any consequences thereof;
5. 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;
6. parts having a short life such as (but not limited to) bulbs, batteries, 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 sub-section to other parts of the property insured, the Company shall indemnify the Insured for the residual value prior to the loss of such exchangeable parts;
7. the cost of reproducing data and/or programs whether recorded on cards, tapes, discs or otherwise;
8. loss of use of the property or other consequential loss, damage or liability of whatsoever nature other than losses specifically provided for herein;
9. loss by theft or by disappearance of the property insured from that part of the building occupied by the Insured at the insured premises described in the schedule unless accompanied by forcible and violent entry into or exit (or any attempt thereat) or as a result of theft or any attempt thereat, following violence or threat of violence provided that this exclusion shall not apply to laptops, tablets or other similar portable electronic equipment designed to be carried by person;
10. 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 provided that:
 - 10.1 in the event of a loss and there are no signs of forcible and violent entry to or exit from such vehicle, if the Insured can demonstrate through video surveillance footage (or any other conclusive proof) that an attempt was made to lock the vehicle, such evidence shall be deemed to satisfy the locked vehicle and forcible and violent entry or exit requirement for any loss out of the vehicle;
 - 10.2 this exclusion will not apply where the vehicle has been involved in an accident or other incident where due to the circumstances beyond the control of the driver and passengers, the property has to be left unattended and cannot be secured as required.

Specific exclusion 10 can upon request, before any loss, be deleted by the Company on specific insured equipment items subject to the first amount payable of such articles as reflected in the schedule being doubled. This waiver will be recorded in the schedule per insured equipment item as follows:

If "Theft (non-forcible entry into an unattended vehicle)" is reflected as "included" then specific exclusion 10 is waived for the specific insured equipment item but if "Theft (non-forcible entry into an unattended vehicle)" is reflected as "not included" then specific exclusion 10 remains as being applicable to the specific insured equipment item.

CLAUSES AND EXTENSIONS

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) subject to any insured amounts or first amounts payable stated in the schedule under each extension.

Capital additions and currency fluctuations (if stated as included in the schedule)

The indemnity by this section shall include:

1. additional equipment or programs purchased during the period of insurance by the Insured of a similar nature to that specified in the 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 or commissioning/ testing and put into use at the Insured's premises;
2. 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 insured amount (representing the installed new replacement value) of the property insured.

Provided that the increase covered under this extension shall not exceed the percentage (as stated in the schedule against this extension) of the total of all insured amounts of sub-section A specified in the schedule, it being agreed that the Insured will advise the Company of such purchases after the expiry of each period of insurance (or the 12 consecutive months from the inception or anniversary date if this policy is paid monthly by debit order) and pay the appropriate premium thereon but not exceeding 50% of the difference between the original premium and the new premium.

Clearance costs (if stated as included in the schedule)

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 the percentage (as stated against this extension in the schedule) of the total amount of the claim.

Express delivery and overtime (if stated as included in the schedule)

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 the Company, limited to the percentage (stated in the schedule) of the amount which the repair or replacement would have cost had these additional costs not been incurred.

Fire extinguishing charges (if stated as included in the schedule)

If any public authority empowered to do so shall charge the Insured with any costs arising from their activities of extinguishing or fighting of fire, such costs will be deemed to be damage to the property insured and will be payable in addition to any other payment for which the Company may be liable in terms of this insurance, provided that the Insured is legally liable for such costs and the insured property was in danger from the fire.

Hire purchase/finance agreements

Where the Company 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 the Company in respect of loss or damage indemnifiable by this sub-section of the section.

Power surge and lightning strikes clause

If in the schedule next to any first amount payable it refers to "Power surge and lightning strike - with surge protection" or "Power surge and lightning strike - without surge protection" then surge protection shall mean:

The property insured is protected on all conductive services (for example, power supply plugs, telecommunication lines and data lines) that enter or leave the insured premises as specified by "SABS Code of Practice" for surge protection.

Professional fees (if stated as included in the schedule)

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 the percentage [as stated in the schedule against "Insured amount (% of claim)"] of the total amount of the claim, but shall not include expenses incurred in connection with the preparation of the Insured's claim.

Riot and strike (other than RSA and Namibia) (if stated as included in the schedule)

This section is extended to cover loss or damage directly occasioned by or through or in consequence of

1. civil commotion, labour disturbances, riot, strike or lockout;
2. 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:

1. loss or damage occurring in the Republic of South Africa or Namibia;
2. consequential or indirect loss or damage of any kind or description whatsoever;
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. loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
5. loss or damage related to or caused by any occurrence referred to in General exclusion 1 (A) (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If the Company alleges that, by reason of provisos 1 to 5 above, loss or damage is not covered by this section, the burden of proving the contrary shall rest on the Insured.

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 the Company as soon as such act or neglect comes to their knowledge and pay on demand the appropriate additional premium.

SUB-SECTION B – CONSEQUENTIAL LOSS

DEFINED EVENTS

Loss as set out under:

1. Gross profit - difference basis;
2. Gross profit – additions basis;
3. Increase in cost of working;
4. Reinstatement of data.

DEFINITIONS

Annual turnover: The turnover (revenue) (gross rentals) during the twelve months immediately before the date of the Damage 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. If the Damage occurs before the completion of the first year's trading of the business at the premises, the value 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.

Damage: Loss or damage occurring during the period of insurance to the property insured under sub-section A and in respect of which payment has been made or liability admitted under sub-section A. Liability shall be deemed to have been admitted if such payment is precluded solely because the Insured is required to bear the first portion of the loss.

Failure of electricity supply: Failure of the public supply of electricity at the terminal ends of the service feeders in the premises from any accidental cause other than:

1. the deliberate act of the Insured or any supply authority;
2. drought or shortage of fuel at any electricity utility.

Gross profit (additions basis): The sum produced by adding to the net profit the amount of the insured standing charges or, if there is no net profit, the amount of the insured standing charges less such proportion of any net trading loss as the amount of the insured standing charges bears to all the standing charges of the business.

Gross profit (difference basis): The amount by which the sum of the turnover and the amount of the closing stock shall exceed the sum of the amount of the opening stock and the amount of the uninsured costs.

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

Indemnity period: The period during which the results of the business shall be affected in consequence of the Damage beginning after the no claim period and ending not later than the number of months thereafter stated in the schedule.

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

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

No claim period: The initial period as stated in the schedule following the Damage during which the Company shall not be liable for any loss relating to such period. The no claim period shall not apply to Damage directly caused by fire, storm (excluding lightning), subsidence, wind or the collapse of buildings.

Rate of gross profit: The rate of gross profit earned on the turnover during the financial year immediately before the date of the Damage 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. If the Damage occurs before the completion of the first year's trading of the business at the premises, the value 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.

Standard turnover: The turnover during that period in the 12 months immediately before the date of the Damage 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 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. If the Damage occurs before the completion of the first year's trading of the business at the premises, the value 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.

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

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

COVER

1. **GROSS PROFIT - difference basis** (if Gross profit is stated as included in the schedule and if the basis is reflected in the schedule as "Difference basis")

Loss following interruption of or interference with the business in consequence of Damage to the insured equipment items reflected in the schedule against this item but limited to loss of gross profit due to:

1.1 reduction in turnover; and

1.2 increase in cost of working;

and the amount payable as indemnity hereunder shall be

- (i) **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;
- (ii) **in respect of increase in cost of working** the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which, but for that expenditure, would have taken place during the Indemnity period in consequence of the Damage, but not exceeding the sum produced by applying the Rate of gross profit to the amount of the reduction thereby avoided;

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

2. **GROSS PROFIT - additions basis** (if Gross profit is stated as included in the schedule and if the basis is reflected in the schedule as "Additions basis")

Loss following interruption of or interference with the business in consequence of Damage to the insured equipment items reflected in the schedule against this item but limited to loss of Gross profit due to:

2.1 reduction in turnover; and

2.2 increase in cost of working;

and the amount payable as indemnity hereunder shall be

- (i) **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;
- (ii) **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 insured amount in respect of Gross profit is less than the sum produced by applying the Rate of gross profit to the Annual turnover where the maximum Indemnity period is 12 months or less, or the appropriate multiple of the Annual turnover where the maximum Indemnity period exceeds 12 months.

MEMORANDUM (applicable to Gross Profit – additions basis)

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.

3. Increase in cost of working (if stated as included in the schedule)

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

1. Damage; or
2. a Failure of electricity supply to the insured premises

for the sole purpose of avoiding or diminishing the interruption of or interference with the normal business of the Insured during the indemnity period, 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 such event(s).

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

1. the cover provided for in item 4 of this sub-section;
2. the intrinsic value (including reinstatement value) of the property insured by sub-section A of this section.

4. Reinstatement of data (if stated as included in the schedule)

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

Provided that:

- 4.1 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/or programs;
- 4.2 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 schedule as the first amount payable;
- 4.3 where the Insured elects to insure programs (software), a schedule of such programs shall be lodged with the Company at the commencement of each period of insurance.

SPECIFIC EXCLUSIONS TO SUB-SECTION B

The Company will not be liable to indemnify the Insured irrespective of the original cause in respect of:

1. Fines and penalties for breach of contract for late or non-completion of orders or any penalties of whatsoever nature;
2. Consequential loss of whatsoever nature unless specifically provided for herein.

CONDITIONS

1. Notwithstanding any indemnity period or no claim period reflected in the schedule, in respect of any loss arising out of a Failure of electricity supply (if insured), the indemnity period shall be restricted to 45 days after such failure and a minimum no claim period of 12 hours shall apply.
2. The liability of the Company for Increase Cost of Working and Reinstatement of Data shall not exceed the insured amounts stated in the schedule which shall be the maximum payable for any one accident or series of accidents arising out of or in connection with any one event. In the event of the payment by the Company of any sum or sums in discharge of the Company's liability in terms of this sub-section, the insured amount(s) shall automatically be reinstated for the remainder of the current period of insurance. The Insured shall pay to the Company the additional premium required by the Company calculated pro rata from the day of the Damage to the end of the period of insurance.
3. In respect of Gross Profit, cover shall cease if the business is wound up or carried on by a liquidator or

judicial manager or is permanently discontinued, except with the written agreement of the Company.

4. On the happening of any Damage in consequence of which a claim may be made under this Gross Profit if insured, the Insured shall, in addition to complying with General conditions 6 and 7, with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimise or check any interruption of or interference with the business or to avoid or diminish the loss, and in the event of a claim being made under this section shall, not later than 30 (thirty) days after the expiry of the indemnity period, or within such further time as the Company may in writing allow, at their own expense deliver to the Company in writing a statement setting forth particulars of their claim together with details of all other insurance covering the loss or any part of it or consequential loss of any kind resulting therefrom. No claim under Gross Profit shall be payable unless the terms of this specific condition have been complied with and, in the event of non-compliance therewith in any respect, any payment on account of the claim already made shall be repaid to the Company forthwith.
5. 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 during the indemnity period.

CLAUSES AND EXTENSIONS

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) subject to any insured amounts or first amounts payable stated in the schedule under each extension.

Accountants clause

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

Accumulated stocks clause

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

Departmental clause

If the business is conducted in departments or branches, the independent trading results of which are ascertainable, the provisions under Gross profit relating to reduction in Turnover and Increase in cost of working, shall apply separately to each department or branch affected by the Damage, except that if the insured amount by the relative item is less than the aggregate of the 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.

Deposit premium clause

If in the schedule next to deposit premium the percentage is less than one hundred percent then this shall mean that the premium charged by the Company is provisional and is temporarily discounted in that the premium is multiplied by the per cent stated in the schedule until the actual Gross profit earned for the period of insurance is known.

In such case at the expiry of each period of insurance (or after twelve consecutive months from the inception date or anniversary date if this policy is paid by monthly debit order) the Insured shall declare the actual Gross profit earned as certified by the Insured's auditors (increased proportionately if the number of months referred to in the definition of Indemnity period exceeds 12) during the financial year most nearly concurrent with the period of insurance (or the equivalent twelve consecutive months from the inception date or anniversary date if this policy is paid monthly by debit order).

A pro rata refund or additional premium for such past period of insurance will be made based on the actual

Gross profit earned but without the percentage mentioned above being applied provided that if the actual Gross profit earned exceeds the insured amount, any additional premium due to the Company shall be calculated on the insured amount.

In the event of a claim being made under Gross profit, the maximum amount payable shall be restricted to the insured amount stated in the schedule notwithstanding any declaration being made that exceeds the insured amount.

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

The cover provided in terms of Gross profits – difference basis, Gross profits - addition basis and Increased cost of working (if stated as “included” on the schedule) is extended as follows:

If, during the indemnity period, the business at the premises be 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 radius as stated in the schedule of the insured premises as described in the schedule by fire, lightning, explosion, storm, tempest, flood, water inundation, earthquake or impact by vehicles, the Company shall indemnify the Insured for loss resulting from such interruption or interference in accordance with the provisions and limitations contained therein.

Provided that:

1. the Insured is not entitled to indemnity as provided for in this extension under any other policy or section of this policy;
2. this extension shall not be brought into contribution with any other policy or section of this policy bearing a like extension.

Reinstatement

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

1. 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
2. addition, alteration or improvements being effected to the property insured on the occasion of its repair,

the Company's liability under this section shall be related solely to the business interruption which would have arisen in the absence of 1 and 2 above.

Salvage sale clause

If the Insured shall hold a salvage sale during the indemnity period, the reduction in Turnover part of the wording of the Gross profit item shall, for the purposes of such claim, read as follows:

“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.”

Telecommunications services (if stated as included in the schedule)

Subject to the insured amount, no claim period and Indemnity period stated in the schedule against this extension, consequential loss as provided for under Gross profit, Increased cost of working or Reinstatement of data arising from accidental damage to any property (including access lines) of the telecommunications service provider is included, provided that the insurance under this extension shall not cover loss occasioned by the deliberate act of any telecommunications authority or by the exercise of such telecommunications authority of its power to withhold or restrict access to its lines.

SUB-SECTIONS A AND B

The following is applicable to both sub-sections A and B:

EXCLUSIONS

1. The Company 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 or worm(s) or other similar destructive media.

CLAUSES AND EXTENSIONS

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) subject to any insured amounts or first amounts payable stated in the schedule under each extension.

Incompatibility cover (if stated as included in the schedule)

Notwithstanding anything contained to the contrary in the policy, the indemnity by sub-sections A and B of this section shall indemnify the Insured for costs incurred in respect of:

1. modifications or alterations to the property insured directly consequent upon indemnifiable loss or damage to ensure the operating integrity of the electronic system;
2. replacement or upgrading of legal programs to achieve compatibility with the modified or altered electronic system;
3. 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

1. the costs provided for in 1, 2 and 3 above shall be necessarily and reasonably incurred to maintain normal working conditions;
2. such additional costs shall be incurred as a direct consequence of indemnifiable loss or damage in terms of sub-section A or Reinstatement of data under sub-section B;
3. the cover afforded hereunder shall be restricted to
 - 3.1 parts or components of the electronic system which are not indemnifiable under sub-section A hereof;
 - 3.2 programs or data reinstated not indemnifiable under Reinstatement of data of sub-section B;
4. the indemnity by this extension shall, in respect of any one event, be limited in the aggregate to the percentage [as stated in the schedule against "insured amount (%)"] of the applicable total insured amount under sub-section A and Reinstatement of data of sub-section B but limited to the amount reflected in the schedule against "Insured amount (maximum)".