



## **Electronic Equipment Insurance Policy**

Whereas the Insured named in the Schedule hereto has made to the New National Assurance Company Limited (Hereinafter called "the Insurers") a written proposal by completing a questionnaire which, together with any other statements made in writing by the Insured for the purpose of this Policy, is deemed to be incorporated herein;

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

### **Period of cover**

The liability of the Insurers shall commence on the date reflected in the Schedule as the Commencement or Renewal date and at the latest the insurance shall expire on the date specified in the Schedule or during any subsequent period for which the Insured pays and the Insurers accept the premium for the renewal of this Policy

### **Property Insured**

The equipment or items or parts thereof listed in the Policy Schedule

## **Section 1 - Material Damage**

### **Insuring Clause**

The Insurers will indemnify the Insured in respect unforeseen and sudden physical loss or damage to the Property Insured from any cause not hereinafter excluded during the period of insurance stated in the schedule whilst

- a) Being relocated or moved within the Insured's premises
- b) situated at the insured's premises, whether working or at rest, or whilst being dismantled for the purpose of cleaning, inspection or overhaul or in the course of these operations or subsequent reassembly
- c) temporarily anywhere in the world in respect of insured laptops, notebooks and palmtop computers and other similar portable data processing equipment only.

### **Special Exclusions to Section 1**

The Insurers shall not, however, be liable for

- a) the deductible stated in the schedule to be borne by the Insured in any one occurrence; if more than one item is lost or damaged in one occurrence, the Insured shall not, however, be called upon to bear more than the highest single deductible applicable to such items;
- b) loss or damage directly or indirectly caused by or arising out of earthquake, volcanic eruption, tsunami, hurricane, cyclone or typhoon;
- c) loss or damage caused by any faults or defects existing at the time of commencement of this Policy within the knowledge of the Insured or his representatives, whether such faults or defects were known to the Insurers or not;
- d) loss or damage as a direct consequence of the continual influence of operation (e. g. wear and tear, cavitation, erosion, corrosion, incrustation) or of gradual deterioration or due to atmospheric conditions;
- e) parts having a limited life expectancy such as (but not limited to) x-ray tubes, cathode ray tubes, thermionic emission tubes, fuses and sacrificial buffer circuits. If such parts are damaged as a result of an accident as provided for by this section to other parts of the property insured the insurers will indemnify the insured for the residual value of such parts
- f) the cost of reproducing data whether stored or recorded on cards, tapes, discs or otherwise unless specifically provided for herein
- g) loss of use of the property insured or other consequential loss, damage or liability of any nature whatsoever other than losses specifically provided for herein
- h) Goods held in trust or on commission (except as specifically provided for) money, securities, stamps, documents, manuscripts, business books, computer systems records, patterns, models, moulds, plans or designs unless expressly stated in this section

- i) loss of the property insured (including portable data processing equipment such as but not limited to laptops, notebooks, palmtop computers and similar mobile devices) by theft, malicious damage or disappearance from the insured's premises unless identifiable by the insured with a specific incident involving forcible and violent entry to or exit from the insured's premises
- j) loss or damage during transit and en route storage unless
  - a. the equipment is insured outside the Insured's Premises either by the Insuring clause c.) or by endorsement
  - b. the transporting vehicle is garaged/parked in an adequately secured area) unless the transporting vehicle is hijacked
  - c. the transporting vehicle is involved in a road accident or sustains a breakdown and due to circumstances beyond the control of the vehicle crew the property insured is of necessity left unprotected
  - d. the property insured is adequately protected during any period of en route storage or whilst in use and any loss by theft, malicious damage or disappearance is identifiable with a specific event
  - e. the property insured is contained in a secure and locked compartment of the transporting vehicle not visible to anyone outside the vehicle and such loss is accompanied by forcible or violent entry to the vehicle
- k) any costs incurred in connection with the elimination of functional failures and derangement, unless such failures were caused by an indemnifiable loss of or damage to the insured items;
- l) any costs incurred in connection with the maintenance of the insured items, such exclusion also applying to parts exchanged in the course of such maintenance operations;
- m) loss or damage for which the manufacturer or supplier of the insured items is responsible either by law or under contract;
- n) loss of or damage to rented or hired equipment for which the owner is responsible either by law or under a lease and/or maintenance agreement;
- o) consequential loss or liability of any kind or description;
- p) loss of or damage to consumables such as but not limited to bulbs, valves, tubes, ribbons, fuses, seals, belts, wires, chains, rubber tyres, exchangeable tools, engraved cylinders, objects made of glass, porcelain or ceramics, sieves or fabrics, or any operating media (eg lubrication oil, fuel, chemicals);
- q) aesthetic defects, such as scratches on painted, polished or enamelled surfaces. In respect of the parts mentioned under m) and n) above, the Insurers shall be liable to provide compensation in the event that such parts are affected by an indemnifiable loss of or damage to the insured items.

- r) Loss or damage to the property insured due to the failure to install surge protection on the electrical supply and data lines with an adequate earth connection

## **Provisions Applying to Section 1**

### **Memo 1 - Sum Insured**

It shall be a requirement of this insurance that the sum insured is equal to the cost of replacement of the insured items by new items of the same kind and capacity, which means their replacement costs including, eg, freight, customs duties and dues, if any, and erection costs. If the sum insured is less than the amount required to be insured, the Insurers shall pay only in such proportion as the sum insured bears to the amount required to be insured. Every item if more than one shall be subject to this condition separately.

### **Memo 2 - Basis of indemnity**

Insurers will indemnify the Insured in respect of loss or damage to Property Insured which requires repair or replacement, as hereinafter provided, by payment in cash, replacement or repair (at the Insurers' option) up to an amount not exceeding in any one year of insurance in respect of each of the items specified in the schedule the sum set opposite thereto and not exceeding in all the total sum expressed in the schedule as insured hereby.

- a) In cases where damage to an insured item can be repaired, the Insurers shall pay expenses necessarily incurred to restore the damaged item to its former state of serviceability plus the cost of dismantling and installation incurred for the purpose of effecting the repairs as well as ordinary freight to and from a repair shop, customs duties and dues, if any, to the extent such expenses have been included in the sum insured.

If the repairs are executed at a workshop owned by the Insured, the Insurers shall pay the cost of materials and wages incurred for the purpose of the repairs plus a reasonable percentage to cover overhead charges.

No deduction shall be made for depreciation in respect of parts replaced (other than in respect of parts with a limited life expectancy), but the value of any salvage shall be taken into account provided always that the Insured provides repair invoices.

Should the Insured decline to have the item repaired the indemnity in terms of the policy shall be based on the estimated cost of repair less depreciation for every year of service.

If the costs of repairs as detailed hereinabove equal or exceed the actual value of the insured items immediately before the occurrence of the damage, the settlement shall be made on the basis provided for in b) below.

- b) In cases where an insured item is destroyed, the Insurers shall pay the

actual value of the item immediately before the occurrence of the loss, including costs for ordinary freight, erection, customs duties and dues, if any, to the extent such expenses have been included in the sum insured, such actual value to be calculated by deducting proper depreciation from the replacement value of the item.

The Insurers shall also pay any normal charges for the dismantling of the item destroyed, but the value of any salvage shall be taken into account. The destroyed item shall no longer be covered under this Policy, and all necessary data on the relevant substitute item shall be indicated for its inclusion in the schedule. (The Insurers may agree by application of the relevant endorsement to extend this insurance to cover reimbursement of the full replacement value.)

As from the date of an indemnifiable occurrence the sum insured shall be reduced for the remaining period of insurance by the amount of indemnity paid, unless the sum insured is reinstated.

Any extra charges incurred for overtime, night work, work on public holidays or express freight shall be covered by this insurance only if especially agreed in writing.

The costs of any alterations, additions, improvements or overhauls shall not be recoverable under this Policy. The costs of any provisional repairs shall be borne by the Insurers if such repairs constitute part of the final repairs and do not increase the total repair expenses.

The Insurers shall make payments only after being satisfied by production of the necessary bills and documents that the repairs have been effected or replacement has taken place, as the case may be.

## **Section 2 – Reinstatement of Data**

### **Scope of Cover**

All costs and expenses which the insured shall necessarily and reasonably incur in the reconstitution or recompilation of data and/or programmes recorded on or stored in data carrying media which is lost as a result of accidental erasure caused by any of the indemnifiable event covered in terms of Section 1 of the Policy subject always to the Limit of Indemnity reflected in the Policy Schedule for this cover. This cover applies while the insured data media are kept on the premises.

### **Special Exclusions to Section 2**

The Insurers shall, however, not be liable for

- a) the deductible stated in the schedule to be borne by the Insured in any one occurrence;
- b) any costs arising from false programming, punching, labelling or inserting, inadvertent cancelling of information or discarding of data media, and from loss of information caused by magnetic fields;
- c) The insurers shall not indemnify the insured for 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
- d) The cost of any software packages (this exception shall not apply to the cost of reloading legally purchased software packages)
- e) Reinstatement of data and/or programs entered or loaded prior to the last data backup which shall be deemed to be no more than 7 days prior to the Occurrence
- f) consequential loss of any kind or description whatsoever.

### **Provisions Applying to Section 2**

#### **Memo 1 - Basis of Indemnity**

The Insurers shall indemnify any expenses that can be proved to have been incurred by the Insured within a period of 3 months as from the date of the occurrence strictly for the purpose of reinstating data lost to a condition equivalent to that existing prior to the occurrence and necessary for permitting data processing operations to be continued in the normal manner.

As from the date of an indemnifiable occurrence the sum insured shall be reduced for the remaining period of insurance by the amount of indemnity paid, unless the sum insured is reinstated.

## **Section 3 – Increased Cost of Working**

### **Scope of Cover**

The Insurers hereby agree with the Insured that if material damage indemnifiable under Section 1 of this Policy (the Occurrence) gives rise to a total or partial interruption of operation of the Property Insured under Section 1 of the Policy, the Insurers will indemnify the Insured, as hereinafter provided, for any additional expenditure reasonably & necessarily incurred to minimise the disruption of the business and to capture data generated after the occurrence and prior to the rectification of the Property Insured up to an amount not exceeding in all the limit of indemnity for this Section in any one year of insurance

### **Special Exclusions to Section 3**

The Insurers shall, however, not be liable for any additional expenditure incurred as a result of

- a) restrictions imposed by public authorities concerning the reconstruction or operation of the Property Insured;
- b) the necessary funds not being available to the Insured in time for repairing or replacing damaged or destroyed equipment.

### **Provisions Applying to Section 3**

#### **Memo 1 - Basis of Indemnity**

In the event of failure of the Property Insured the Insurers shall be liable for the additional expenditure that can be proved to have been incurred for the period during which the use of substitute equipment is essential, but at the most for the indemnity period agreed.

The indemnity period shall commence as soon as the substitute equipment is put into use.

The Insured shall bear that proportion of each claim which corresponds to the time excess agreed.

Any savings in cost shall be taken into account when calculating the indemnity amount to be paid by the Insurers. As from the date of an indemnifiable occurrence the sum insured shall be reduced for the remaining period of insurance by the amount of indemnity paid, unless the sum insured is reinstated.

## **GENERAL EXCEPTIONS**

(Applicable to all Sections of the Policy)

1. (A) This Policy does not cover loss of or damage to property related to or caused by:

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

If the Insurers allege that by reason of clause (i),(ii),(iii),(iv),(v),(vi) or (vii) of this Exception, loss or damage is not covered by this Policy, the burden of proving the contrary shall rest on the Insured.

(B) This Policy does not cover loss or damage caused directly or indirectly by or through or in consequence of any occurrence for which a fund has been established in terms of the War Damage Insurance and Compensation Act, 1976 (No. 85 of 1976) or any similar Act operative in any of the territories to which this Policy applies.

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

For the purpose of this General Exception 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 or ideological reasons or purposes including any act



committed with the intention to influence any government or for the purpose of inspiring fear in the public or any section thereof.

If the Insurers allege that, by reason of clause 1. (C) of this General Exception, loss or damage is not covered by this Policy, the burden of proving the contrary shall rest on the Insured

2. This Policy does not cover any legal liability, loss, damage, cost or expense whatsoever or any consequential loss directly or indirectly caused by or contributed to by or arising from:
  - 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;
  - ii) nuclear explosives or any nuclear weapon;
  - iv) nuclear waste in any form;regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

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

This exception shall not apply to Radioactive Isotopes used by or on behalf of the Insured.

3. The Insurers shall not indemnify the Insured for the amount of the specified Deductibles.
4. Notwithstanding any provision of this Policy including any specific exclusion or extension or other provision not included herein which would otherwise override a General Exception, this Policy does not cover:
  - (a) loss or destruction of or damage to any property whatsoever (including a computer) or any loss or expense whatsoever resulting or arising therefrom;
  - (b) any legal liability of whatsoever nature;
  - (c) any consequential loss;

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

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

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

Special Extension to the above General Exception

- A Loss or destruction of or damage to the Property Insured by fire, explosion, lightning, earthquake or by the special perils referred to in B below are not excluded by this General Exception.
- B The special perils that are not excluded for the purpose of this Special Extension are damage caused by:
1. storm, wind, water, hail or snow excluding damage to property
    - (a) arising from its undergoing any process necessarily involving the use or application of water;
    - (b) caused by tidal wave originating from earthquake or volcanic eruption;
    - (d) in the open (other than buildings structures and plant designed to exist or operate in the open);
    - (e) in any structure not completely roofed;
    - (f) being retaining walls;

Unless so described and specifically insured as a separate item

2. aircraft and other aerial devices or articles dropped therefrom;
3. impact by animals, trees, aerals, satellite dishes or vehicles excluding damage to such animals, trees, aerals, satellite dishes or vehicles or property in or on such vehicles.

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

- C. The above General Exception also does not apply to consequential loss as insured by any Business Interruption indemnity provided by this policy to the extent that such consequential loss results from damage to insured property by the perils referred to in A above.
- D. This Special Extension will not insure any loss destruction, damage or consequential loss if it would not have been insured in the absence of this General Exception and this Special Extension.

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

5. This Insurance does not cover any liability whatsoever arising out of any Performance Warranties and/or Guarantees, liquidated damages, fines or Penalty Clauses except to the extent that such liability would have attached in the absence of such Warranties, Guarantees, fines or Penalty Clauses;
6. This Insurance does not cover any liability whatsoever arising out of any claim hereunder as a result of any dishonest, malicious or illegal acts of any party to the Insured.
7. This Policy does not cover loss or damage to property liability or consequential loss directly or indirectly arising out of confiscation, commandeering, requisition or destruction by order of any government or public authority.
8. The Insurers shall not be liable to pay interest on indemnity payments withheld other than interest for default.
9. This Policy does not cover loss or damage to property liability or consequential loss directly or indirectly arising out of:

- a) the deliberate act of any authority, nor by the exercise by such authority of its power to withhold or restrict supply, planned cuts or shutdowns
- b) Loss occasioned by drought or shortage of fuel at any power station or any shortage or reduced supplies of electricity by any authority.
- c) Loss or damage caused by theft, vandalism or sabotage of the public electricity distribution network.

In any action, suit or other proceeding where the Insurers allege that, by reason of the provision of this exclusion any loss or damage is not covered by this Policy, the burden of proving that such loss or damage is covered shall be upon the Insured.

### **General Conditions**

1. The due observance and fulfillment of the terms of this Policy in so far as they relate to anything to be done or complied with by the Insured and the truth of the statements and answers in the questionnaire and proposal made by the Insured shall be a condition precedent to any liability of the Insurers.
2. The Schedule and the Section(s) shall be deemed to be incorporated in and form part of this Policy and the expression "this Policy" wherever used in this contract shall be read as including the Schedule and the Section(s). Any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule or of the Section(s) shall bear such meaning wherever it may appear.
3. The Insured shall at his own expense take all reasonable precautions and comply with all reasonable recommendations of the Insurers to prevent loss, damage or liability and comply with statutory requirements and manufacturers' recommendations.
4.
  - a) Representatives of the Insurers shall at any reasonable time have the right to inspect and examine the risk and the Insured shall provide the representatives of the Insurers with all details and information necessary for assessment of the risk.
  - b) The Insured shall immediately notify the Insurers by e-mail or facsimile message or in writing of any material change in the risk and cause at his own expense such additional precautions to be taken as circumstances may require, and the scope of cover and/or premium shall, if necessary, be adjusted accordingly.

No material alteration shall be made or admitted by the Insured whereby the risk is increased, unless the continuance of the insurance is confirmed in writing by the Insurers.

5. In the event of any occurrence which might give rise to a claim under this Policy, the Insured shall
  - a) Immediately notify the Insurers by telephone as well as in writing by e-mail or facsimile, giving an indication as to the nature and extent of loss or damage;
  - b) Take all steps within his power to minimize the extent of the loss or damage;
  - c) Preserve the parts affected and make them available for inspection by a representative or surveyor of the Insurers;
  - d) Furnish all such information and documentary evidence as the Insurers may

require;

- e) Inform the police authorities in case of loss or damage due to theft or burglary.

The Insurers shall not in any case be liable for loss, damage or liability of which no notice has been received by the Insurers within 14 days of its occurrence.

The liability of the Insurers under this Policy in respect of any item sustaining damage shall cease if said item is not repaired properly without delay.

- 6. The Insured shall at the expense of the Insurers do and concur in doing and permit to be done all such acts and things as may be necessary or required by the Insurers in the interest of any rights or remedies, or of obtaining relief or indemnity from parties (other than those insured under this Policy) to which the Insurers are or would become entitled or which is or would be subrogated to them upon their paying for or making good any loss or damage under this Policy, whether such acts and things are or become necessary or required before or after the Insured's indemnification by the Insurers.
- 7. If any difference arises as to the amount to be paid under this Policy (liability being otherwise admitted), such difference shall be referred to the decision of an arbitrator to be appointed in writing by the parties in difference or, if they cannot agree upon a single arbitrator, to the decision of two arbitrators, one to be appointed in writing by each of the parties within one calendar month after having been required in writing so to do by either of the parties, or, in case the arbitrators do not agree, of an umpire to be appointed in writing by the arbitrators before the latter enter upon the reference. The umpire shall sit with the arbitrators and preside at their meetings. The making of an award shall be a condition precedent to any right of action against the Insurers.
- 8. If a claim is in any respect fraudulent, or if any false declaration is made or used in support thereof, or if any fraudulent means or devices are used by the Insured or anyone acting on his behalf to obtain any benefit under this Policy, or if a claim is made and rejected and no action or suit is commenced within three months after such rejection or, in the case of arbitration taking place as provided herein, within three months after the arbitrator or arbitrators or umpire have made their award, all benefit under this Policy shall be forfeited.
- 9. It is agreed and understood that the Policy shall not brought into contribution with any other more with any other more specific policy covering the same risk and that where more than one policy is issued by the same insurer it is declared and agreed that the Insured shall only claim under one policy for any occurrence or series of occurrences arising out of the same cause
- 10. Cancellation  
The Policy may be cancelled by the Insurer retrospectively to inception in the event of the non-payment of any premium due to the Insurer or by either the Insurer or Insured subject to a notice period of 30 days provided that
  - 10.1 if the Insurer gives notice of cancellation the Insurer shall refund the pro-rata proportion of the premium for the unexpired Period of Insurance less the full annual premium in respect of any item which is or was the subject of an indemnifiable claim
  - 10.2 if the Insured is paying the premium in instalments or by monthly debit order and the debit order has been dishonoured by the bank or the premium is not received by the Insurer within 14 days of the due date of

the premium, then all cover under and in terms of this Policy will cease as from midnight on the last day of that month for which the Insurer has received payment.

- 10.3 The Insured shall be liable to pay the remainder of the full annual premium in respect of any item which is or was the subject of a claim and agrees that the Insurer shall be entitled to offset such outstanding premium against the indemnity payment if the policy is cancelled prior to the payment of the claim
- 10.4 If the Insured gives notice of cancellation the Insurer shall refund the pro-rata proportion of the premium for the unexpired period of Insurance less a cancellation fee equal to fifteen percent of the annual premium and the full annual premium in respect of any item which is or was the subject of an indemnifiable claim
- 10.5 If this Policy is cancelled the onus shall be on the Insured to immediately cancel any automatic means of payment that may have been used to pay the premium prior to cancellation.

11. Value Added Tax

All amounts stated in the Policy (including aggregate deductible stop losses sums insured limits claims deductibles and premiums) are deemed to be VAT inclusive amounts meaning inter alia that:

- a) The deductible will be subtracted from the VAT inclusive claim
- b) Third Party claim payments will be in accordance with VAT legislation
- c) Claims statistics will reflect the VAT inclusive amounts