

# Guardrisk Commercial Policy Wording

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**GENERAL OPERATIVE CLAUSE**

Subject to the terms, exceptions and conditions (precedent or otherwise) 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 the company, the company specified in the schedule agrees to indemnify or compensate the insured by payment or, at the option of the company, by replacement, reinstatement or repair in respect of the defined events occurring during the period of insurance and as otherwise provided under the within sections up to the sums insured, limits of indemnity, compensation and other amounts specified.

Where more than one insurance company or insurer participates in the insurance, the expression "company" shall be amended to "insurers" wherever it appears in this policy. In this event the percentage share of each insurer will be as expressed in the schedule of this policy and the liability of each such insurer individually shall be limited to the percentage share set against its name.

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

**GENERAL EXCEPTIONS****1. War, Riot and Terrorism**

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

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

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

- (B) This policy does not cover loss or damage caused directly or indirectly by or through or in consequence of any occurrence for which a fund has been established in terms of the War Damage Insurance and Compensation Act, 1976 (No. 85 of 1976) or any similar Act operative in any of the territories to which this policy applies.
- (C) Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision not included herein which would otherwise override a general exception, this policy does not cover loss of or damage to property or expense of whatsoever nature directly or indirectly caused by, arising out of or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any sequence to the loss, damage or expense.

For the purpose of this General Exception 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 Company alleges that, by reason of clause 1(C) of this exception, loss or damage is not covered by this policy, the burden of proving the contrary shall rest on the Insured.

## **2. Nuclear (not applicable to Fidelity, Stated Benefits and Group Personal Accident sections)**

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 be 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;
- (iii) nuclear explosives or any nuclear weapon;
- (iv) nuclear waste in whatever 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.

## **3. Computer losses**

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:

- (i) loss or destruction of or damage to any property whatsoever (including a computer) or any loss or expense whatsoever resulting or arising therefrom;
- (ii) any legal liability of whatsoever nature;
- (iii) 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:

- (a) 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
- (b) 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 to correctly process such data in regard to or in connection with any such date, or
- (c) 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
- (d) 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 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.

This exception shall not apply to:

- A loss or destruction of or damage to the insured property by fire, explosion, lightning, earthquake, storm, wind, water, hail, snow, aircraft or other aerial devices dropped therefrom, impact by animals, trees, aerals, satellite dishes or vehicles;
- B the Glass, Employer's Liability, Stated Benefits, Group Personal Accident or Motor sections;
- C 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;

provided that A, B and C above:

- (i) will not insure any loss, destruction, damage or consequential loss if such loss is not indicated as an included peril, extension or section in this policy;
- (ii) will not insure any loss, destruction, damage or consequential loss if such loss would not have been insured in the absence of this Computer Losses General exclusion or points A, B or C above;
- (iii) shall not apply to any Public Liability indemnity.

**4. Asbestos (Applicable to sub-section D of the Buildings Combined Section, the Public Liability and Employers' Liability Sections and sub-section D of the House Owners Section).**

Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision which would otherwise override a General Exclusion, this policy does not cover any 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.

**5. Sanctions**

The Company shall not be liable to provide any cover, pay any claim, provide any benefit or provide any indemnification under this policy if the Insured is listed, or is included by the respective authorities as a sanctioned, or prohibited entity or individual to do business with or indemnify, under the United Nations resolutions or any trade or economic sanctions, laws or regulations of the European Union, the United Kingdom, the United States of America or South Africa.

**6. Pandemics, Epidemics, Infectious or contagious disease or response taken by an authority**

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 any claim, loss, damage, cost or expense of any nature whatsoever, directly or indirectly and regardless of whether any other cause or event contributed concurrently or in any sequence, arising out of, related to, caused by, attributable to, contributed to or otherwise has any connection to:

- a) a pandemic or any threat or fear of any of the aforementioned whether actual or perceived;
- b) an epidemic or any threat or fear of any of the aforementioned whether actual or perceived;
- c) any disease, virus, illness, medical ailment, hazard to public health, or any threat or fear of any of the aforementioned, whether actual or perceived; or
- d) any limitation or prevention of use of or access to insured premises due to or in response to any of the events contemplated in clauses (a), (b) and/or (c) above; or
- e) any authority's actions, reaction, advice, measures, restrictions, and/or other responses to any of the events contemplated in clauses (a), (b) and/or (c) above.

For purposes of this general exclusion:

An "authority" is defined to mean any public authority, including any national or international body empowered with the capability and authority to act, react or respond, or cause an action, reaction or response, to whatsoever circumstance at a local, municipal, regional, provincial, national, or international level;

An "action, reaction or response" is defined to mean, without limitation, any action by an authority."

If the Company alleges that, by reason of this exception, any claim, loss, damage, cost or expense is not covered by this policy, the burden of proving the contrary shall rest on the Insured.

**7. Exclusion of any composite peril or accompanying part or component of a composite peril**

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 any claim, loss, damage, cost or expense of any nature whatsoever, directly or indirectly, related to, caused by, attributable to, contributed to any actions, advice, measures, restrictions, or other responses of any governmental authority or any other authority to any Defined Event /Insured Event.

It is declared and agreed that "The term Defined Event / Insured Event shall be construed narrowly to comprise only of the event(s) expressly described in the particular section of the policy and any governmental authority or any other authority's actions, advice, measures, restrictions, or other responses to any of the Defined Events / Insured Events shall not constitute a part or component of such Defined Event /Insured Event."

For purposes of this general exclusion:

An "authority" is defined to mean any public authority, including any national or international body empowered with the capability and authority to act, react or respond, or cause an action, reaction or response, to whatsoever circumstance at a local, municipal, regional, provincial, national, or international level;

An "action, reaction or response" is defined to mean, without limitation, any action by an authority."

If the Company alleges that, by reason of this exception, any claim, loss, damage, cost or expense *is not covered by this policy, the burden of proving the contrary shall rest on the Insured.*

**8. Specific exclusion for disease or any medically related risks**

Notwithstanding anything to the contrary anywhere else in this policy, this policy does not cover any claim, loss, damage, cost or expense of any nature whatsoever, directly or indirectly and regardless of whether any other cause or event contributed concurrently or in any sequence, arising out of, related to, caused by, attributable to, contributed to or otherwise has any connection to –

- a) any disease, virus, illness, medical ailment, hazard to public health, or any threat or fear of any of the aforementioned, whether actual or perceived; or
- b) any limitation or prevention of use of or access to insured premises due to or in response to any of the events contemplated in clause (a) above; or
- c) any authority's actions, reaction, advice, measures, restrictions, or other responses to any of the events contemplated in clause (a) above.

For purposes of this specific exclusion:

An "authority" is defined to mean any public authority, including any national or international body empowered with the capability and authority to act, react or respond, or cause an action, reaction or response, to whatsoever circumstance at a local, municipal, regional, provincial, national, or international level;

An "action, reaction or response" is defined to mean, without limitation, any action by an authority."

If the Company alleges that, by reason of this exception, any claim, loss, damage, cost or expense is not covered by this policy, the burden of proving the contrary shall rest on the Insured.

## 9. Property Cyber and Data Exclusion

- A. Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:
- A.I Cyber Loss, unless subject to the provisions of paragraph 2;
  - A.II loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data, unless subject to the provisions of paragraph 3;  
regardless of any other cause or event contributing concurrently or in any other sequence thereto.
- B. Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, this Policy covers physical loss or physical damage to property insured under this Policy caused by any ensuing fire or explosion which directly results from a Cyber Incident, unless that Cyber Incident is caused by, contributed to by, resulting from, arising out of or in connection with a Cyber Act including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act.
- C. Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, should Data Processing Media owned or operated by the Insured suffer physical loss or physical damage insured by this Policy, then this Policy will cover the cost to repair or replace the Data Processing Media itself plus the costs of copying the Data from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling the Data. If such media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank Data Processing Media. However, this Policy excludes any amount pertaining to the value of such Data, to the Insured or any other party, even if such Data cannot be recreated, gathered or assembled.
- D. In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- E. This exclusion supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss, Data or Data Processing Media, replaces that wording.

### DEFINITIONS APPLICABLE TO THIS EXCLUSION

- F. Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.
- G. Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.
- H. Cyber Incident means:
- H.I any error or omission or series of related errors or omissions involving access to processing of, use of or operation of any Computer System; or
  - H.II any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.
- I. Computer System means:
- any computer, hardware, software, communications system, electronic device (including, but not limited to,

smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the Insured or any other party.

- J. Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.
- K. Data Processing Media means any property insured by this Policy on which Data can be stored but not the Data itself.

#### **10. Utilities Exclusion**

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 any claim, loss, damage, cost or expense of any nature whatsoever, directly or indirectly, related to, caused by, the total or partial failure of the supply of electricity, gas, water, communications or data processing facilities, steam, sewerage or other similar services attributable to, any actions, advice, measures, restrictions, or other responses of any governmental authority or any other authority.

For purposes of this general exclusion:

An "authority" is defined to mean any public authority, including any national or international body empowered with the capability and authority to act, react or respond, or cause an action, reaction or response, to whatsoever circumstance at a local, municipal, regional, provincial, national, or international level;

An "action, reaction or response" is defined to mean, without limitation, any action by an authority."

If the Company alleges that, by reason of this exception, any claim, loss, damage, cost or expense is not covered by this policy, the burden of proving the contrary shall rest on the Insured.

#### **11. Grid Failure or Interruption Exclusion**

Notwithstanding any provision of this policy, including any exclusion, exception, extension, insuring provision, or any provision which would otherwise override this general exclusion, this policy does not cover any loss, damage, claim, cost, expense or other sum of any nature, including any consequential losses in terms of any section of this policy, that is directly or indirectly caused by, attributable to, in consequence of, resulting from, arising out of, following, or in any way in connection with an Electricity Grid Failure or Interruption

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



## GENERAL CONDITIONS

### 1. **Misrepresentation, mis-description and non-disclosure**

Misrepresentation, mis-description or non-disclosure of a material nature in in any particular item, section or sub- section of the policy, shall render voidable the particular item, section or sub-section of the policy, as the case may be, affected by such misrepresentation, mis-description or non- disclosure.

### 2. **Other insurance**

If at the time of any defined event/s giving rise to a claim under this policy, an insurance exists with any other insurer covering the insured against the defined event/s, the company 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 policy, if not already subject to any condition of average, shall be subject to average in like manner.

### 3A. **Cancellation**

This policy or any section thereof may be cancelled at any time by the company giving 31 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, the company shall be entitled to retain the customary short period- or minimum premium for the relevant period that the policy or section has been in force. On cancellation by the company, 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 condition 4.

### 3B. **Continuation of cover (where premium is payable by bank debit order or by transmission account).**

The premium is due in advance and, if it is not received by the company by due date, then this insurance shall be deemed to have been cancelled at midnight on the last day of the preceding period of insurance unless the insured can show that failure to make payment was an error on the part of his/her bank or other paying agent.

Due date will be the first day of every calendar month where premium is payable monthly and the first day of

- (i) each third
- (ii) each sixth or
- (iii) each twelfth

calendar month following inception, where premium is payable quarterly, half-yearly or annually.

If the company does not receive the premium by the payment due date, the company will debit the unpaid premium again at the next payment due date. If the company is able to collect both premiums, the policy will remain in force. If the company is unable to collect both premiums, the policy will be cancelled automatically from the due date of the first unpaid premium.

If the insured effects a stop payment on the premium payment, the policy will be cancelled automatically from the due date of the stopped premium.

### 4. **Adjustment of premium**

If the premium for any section of this policy has been calculated on any estimated figures, the insured shall, after the expiry of each period of insurance, furnish the company with such particulars and information as the company 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 within one calendar month of the finalization of the recalculation of premium.

## 5. Prevention of loss

The insured shall take all reasonable steps and precautions to prevent accidents or losses, including but not limited to, compliance and adherence to laws and regulations which are material to the risk. The insured warrants that all laws, regulations, by-laws and rules that apply to the business or any other matter for which cover is provided in terms of this policy (irrespective of whether the laws, regulations, by-laws and rules that apply to the business are in force at the date this policy is issued, or are enacted after the date) shall be adhered to at all times.

## 6. Claims

- (a) On the happening of any event which may result in a claim under this policy the insured shall, at their own expense:
  - (i) give notice thereof to the company as soon as reasonably possible but not later than 30 days after the event (in the case of theft or hijack of a vehicle not later than 7 days) 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 the company) 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 the company full details in writing of any claim;
  - (iv) give the company such proofs, information and sworn declarations as the company may require and forward to the company 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, stated benefits or group personal accident section or the personal accident (assault) extension under the money section, if applicable) shall be payable if notified after the expiry of twenty four months or such further time as the company 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) In the event of the rejection or repudiation of a claim, no such claim shall be payable unless the insured demands payment by serving written notice to the company within 90 (ninety) days of the rejection or repudiation. Should the rejection or repudiation still not be resolved, the insured will have an additional 180 (one hundred and eighty) days to pursue such legal proceedings to finality.
- (d) If, after the payment of a claim in terms of this policy 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 the company, provided that the insured's reasonable expenses in rendering such assistance shall be reimbursed by the company. 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 the company all amounts paid in respect of the claim.

## 7. Company's rights after an event

- (a) On the happening of any event/s in respect of which a claim is or may be made under this policy, the company and every person authorised by them may, without thereby incurring any liability and without diminishing the right of the company to rely upon any conditions of this policy,
  - (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 company to do so. The insured shall not be entitled to abandon any property to the company whether taken possession of by the company 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 company.
- (b) The insured shall, at the expense of the company, do and permit to be done all such things as may be necessary

or reasonably required by the company for the purpose of enforcing any rights to which the company 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 policy under which an indemnity is provided for liability to third parties, the company 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 an event can be settled and the company shall thereafter not be under further liability in respect of such event.

## **8. Fraud**

If any claim under this policy 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 policy or if any event is occasioned by the wilful act or with the connivance of the insured, the benefit afforded under this policy in respect of any such claim shall be forfeited.

## **9. Reinstatement of cover after loss (not applicable to stocks on a declaration basis nor to any section where it is stated to be not applicable).**

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

## **10. Breach of conditions**

The conditions of this policy and sections thereof shall apply individually to each of the risks insured and not collectively to them so that any breach shall render voidable the section only in respect of the risk to which the breach applies.

## **11. No rights to other persons**

Unless otherwise provided, nothing in this policy 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 the company.

## **12. Collective insurances**

If this insurance is a collective insurance then the following amendment is made to General condition 6. (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."

## **13. Policy Variation**

- I. This policy, any section thereof, any term, condition, exception, extension or clause may be amended, varied or endorsed by the Company by giving 31 days' notice in writing (or such other period as may be mutually agreed upon) to the insured or the insured's appointed intermediary by post, fax or email to the last known contact details of the insured or its appointed intermediary that the company has on record. Any such amendment or variation shall be evidenced by the company issuing a written endorsement to the Policy and shall apply from the date as advised in the notice given to the insured. Should the insured not be prepared to accept the amendment, variation or change, the insured may elect to terminate the Policy, with effect from the expiry of the above 31 day period of notice provided that the insurer is given not less than 14 days' written notice of termination."

- II. The insured may request amendments to the Policy at any time by directing these requests to their appointed intermediary or the company by way of post, fax or email. Any such amendments shall be evidenced by the company by issuing an updated Policy Schedule to the insured or the insured's intermediary by post, fax or email detailing the amendments as requested by the Insured.

## GENERAL PROVISIONS

### 1. Claims preparation costs

The insurance by each section of this policy is extended to include costs reasonably incurred by the insured in producing and certifying any particulars or details required by the company in terms of general condition 6 or to substantiate the amount of any claim, provided that the liability of the company for such costs in respect of any one claim shall not exceed, in respect of a particular section, R1 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 schedule to each section against an item for additional claims preparation costs.

### 2. Payments on account

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

### 3. First amount payable

Except where provided for specifically in any section, the amount payable under this policy/section for each and every loss, damage or liability shall be reduced by the first amount payable shown in the schedule for the applicable defined event.

### 4. Members

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

### 5. Liability under more than one section

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

### 6. Meaning of words

The schedules and any endorsements thereto and the policy 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.

### 7. Premium payment

Premium is payable on or before the inception date or renewal date as the case may be. The company shall not be obliged to accept premium tendered to it after inception date or renewal date as the case may be but may do so upon such terms as it in its sole discretion may determine.

### 8. Holding covered

If the company is holding covered on a risk, it will not reject a claim on the basis that the premium has not been agreed.

## 9. Schedule sums insured blank

If, in a schedule of this policy, the sum insured, limit of indemnity or compensation is :

- (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;
- this means the defined event or circumstance shown in the schedule is not insured by the policy.

## 10. Security firms

If an employee of a security firm employed by the insured under a contract causes loss or damage, the company 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.

The company shall not raise as a defence to any valid claim submitted under any section or sub-section of this policy that the company'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.

## 11. Value Added Tax

All monetary amounts stated in this policy such as sums insured, limits of indemnity and premiums are Value Added Tax (VAT) inclusive amounts. First amounts payable are not subject to VAT.

## 12. Consent of disclosure of private information

- 12.1 The Insured acknowledges that the sharing of information for underwriting and claims purposes is in the public interest, as it will enable insurers to underwrite policies and assess risks fairly and reduce the incidence of fraudulent claims with a view to limiting premiums.
- 12.2 On behalf of the Insured and on behalf of anyone the Insured represents herein, the Insured hereby waives any right to privacy with regard to any underwriting and claims information in respect of any insurance policy or claims made or lodged by the Insured, or on behalf of the Insured.
- 12.3 The Insured consents to such information being stored in the share database and used as set out above.
- 12.4 The Insured also consents to such information being disclosed to any insurer or its agent.
- 12.5 The insured further consents to any underwriting information being verified against legally recognised sources or databases.
- 12.6 The Insured agrees that this consent clause will survive the termination for whatever reason of the policy, including its cancellation or lapsing.

## 13. Processing of personal information in terms of the protection of personal information act 4 of 2013

The privacy of the insured is of utmost importance to the company. The company will take the necessary measures to ensure that any and all information, including Personal Information (as defined in the Protection of Personal Information Act 4 of 2013) provided by the insured or which is collected from the insured is processed in accordance with the provisions of the Protection of Personal Information Act 4 of 2013 and further, is stored in a safe and secure manner.

The insured hereby agrees to give honest, accurate and up-to-date Personal Information and to maintain and update such information when necessary.

The insured accepts that the Personal Information collected by the company may be used for the following reasons:

1. to establish and verify your identity in terms of any Applicable Laws;
2. to enable the Administrator/company to fulfil its obligations in terms of this Policy;
3. to enable the Administrator/company to take the necessary measures to prevent any suspicious or fraudulent activity in terms of any Applicable Laws; and
4. reporting to the relevant Regulatory Authority/Body, in terms of any Applicable Laws.

The insured acknowledges that any Personal Information supplied to the company in terms of this Policy is provided according to any Applicable Laws.

Unless consented to by the insured, the company will not sell, exchange, transfer, rent or otherwise make available your Personal Information (such as your name, address, email address, telephone or fax number) to any other parties and the insured indemnifies the company from any claims resulting from disclosures made with the insured's consent.

The insured understands that if the company has utilised your Personal Information contrary to any Applicable Laws, the insured has the right to lodge a complaint with the company within 10 (ten) days. Should the company not resolve the complaint to the satisfaction of the insured, the insured has the right to escalate the complaint to the Information Regulator.

#### **14. Power Surge Extension Limitation**

Notwithstanding anything contained to the contrary within any section of this policy it is declared and agreed that the maximum amount payable by the company in respect of any one claim or series of claims arising from one Power Surge event including any consequential loss or Business interruption shall be limited to an aggregate amount of R 50 000 unless otherwise stated in the schedule.

## FIRE SECTION

### DEFINED EVENTS

Damage to the whole or part of the property described in the schedule, owned by the insured or for which they are responsible, including alterations by the insured as tenants to the buildings and structures, by:

- (a) fire, including damage caused by smoke arising directly out of such fire;
- (b) lightning or thunderbolt including damage caused by power surges arising directly from such lightning strikes;
- (c) explosion;
- (d) such additional perils as are stated in the schedule to be included.

### SPECIFIC EXCEPTIONS

- (i) This section does not cover earthquake (whether arising from mining operations or otherwise) unless added as an additional peril, volcanic eruption or other convulsion of nature (other than subterranean fire). 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 section, 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 the company alleges that, by reason of this exception, any damage is not covered by this section, the burden of proving the contrary shall be on the insured.
- (ii) Unless specifically included, this section 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 policy(ies), except in respect of any excess beyond the amount which would have been payable under the marine policy(ies) had this insurance not been effected.

### 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 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.

#### ADDITIONAL PERILS (if stated in the schedule to be included)

It is understood and agreed that in respect of each additional perils extension included in this section:

- (i) all the exceptions and conditions applicable to this section shall apply as if they had been incorporated therein;
- (ii) for the purposes thereof any damage insured shall be deemed to have been caused by fire.

#### 1. Earthquake extension

Damage caused by earthquake whether arising from mining operations or otherwise including damage caused by tidal waves or tsunamis arising directly from such earthquake but excluding damage to property in the underground workings of any mine.

#### 2. Special perils extension

Damage caused by:

- (i) Storm, wind, water, hail or snow excluding damage to property:
  - (a) arising from its undergoing any process necessarily involving the use or application of water;
  - (b) caused by tidal wave originating from earthquake or volcanic eruption;

- (c) in the underground workings of any mine;
  - (d) in the open (other than buildings, structures and plant described designed to exist or operate in the open); ] unless so ] and specifically
  - (e) in any structure not completed roof; ] insured as a separate
  - (f) being retaining walls. ] item
- (ii) aircraft, other aerial devices or articles dropped therefrom;
  - (iii) 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.

This extension does not cover:

- (a) wear and tear or gradual deterioration.
- (b) damage caused or aggravated by:
  - (i) leakage or discharge from any sprinkler or drencher system in the buildings insured hereby or in buildings containing property insured hereby;
  - (ii) subsidence or landslip;
  - (iii) 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.

### 3. Leakage extension

Damage caused by discharge or leakage from any sprinkler, drencher system or fire extinguishing installations / appliances.

If a first loss limit is shown against this additional peril in the schedule, the amount of such limit shall be the maximum liability of the company in respect of any one event and, for the purpose 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 the company 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 (i) to this section is deleted.

### 4. Subsidence and landslip extension – extended cover

Damage caused by subsidence and or landslip, provided that the insured shall bear the first portion of each and every claim up to an amount calculated at 1 per cent of the sum insured on the property or R500 whichever is the greater.

This extension does not cover:

- (i) damage to drains, water courses, boundary walls, garden walls, retaining walls, gates, posts or fences unless specifically insured;
- (ii) 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.



- (iii) consequential loss of any kind whatsoever except loss of rent if specifically insured under this section.

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

#### **5. Subsidence and landslip extension – limited cover**

Damage caused by subsidence or landslip of the land supporting the said insured property or heave thereof provided that such damage is not caused by or does not arise from:

- (i) normal settlement, shrinkage or expansion of the land supporting the insured property;
- (ii) structural alterations, additions or repairs to the insured property;
- (iii) inadequate compaction or backfill;
- (iv) defective or faulty design, materials or workmanship;
- (v) excavations other than mining operations;
- (vi) contraction or expansion of clay and similar soil types caused by the moistness, dampness or moisture content of such soil;

In addition the company will not be liable for:

- (a) damage to swimming pools and surrounds, tennis courts, terraces, patios, paths, driveways, drains, water courses, walls, gates, posts and fences, retaining and screening walls unless the insured buildings are damaged at the same time by the same event;
- (b) damage to solid floor slabs or any part of the insured property resulting from the movement of such slabs unless the foundation supporting the external walls of the insured building(s) are damaged by the same cause at the same time;
- (c) consequential loss of any kind whatsoever except loss of rent if specifically insured under this section;
- (d) the first portion of each and every claim up to an amount calculated at 1 per cent of the sum insured on the property or R500 whichever is the greater.

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

#### **6. 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 such damage other than damage to:

- (i) moveable 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.
- (ii) moveable 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.
- (iii) 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:-

- (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) 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 (a), (b), (c), (d) or (e), loss or damage is not covered by this extension, 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 the company to continue this extension.

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

#### **7. Riot & Strike extension (other than RSA and Namibia)**

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:

- (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), (vi), (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 (a), (b), (c), (d) or (e) loss or damage is not covered by this extension, the burden of proving the contrary shall rest on the insured.

#### **8. Power Surge extension[GC1]**

Damage caused by power surge provided that:

- (i) this peril does not cover power surges arising from lightning;
- (ii) the company's liability for any claim or number of claims for any one event or series of events with one originating cause or source, shall not exceed in the aggregate R50 000;
- (iii) the insured shall be responsible for a first amount payable of 10% of the claim subject to a minimum of R500;
- (iv) the Specific Condition relating to Average is not applicable.
- (v) The maximum payable by the company in respect of any one claim under this section and any other section of the policy in respect of any claim or number of claims for any one event or series of events with one originating cause or source, shall be subject to the aggregate limit as defined in General Provision 14

#### **9. Leakage of oils and chemicals extension**

Damage caused by discharge or leakage from tanks, pipes or apparatus of chemicals, oils, liquids, gases or fumes (including loss of such chemicals, oils, liquids, gases or fumes) other than loss or damage resulting from wear and tear or other gradually operating causes of the tanks pipes or apparatus.

If a first loss limit is shown against the additional peril in the schedule, the amount of such limit shall be the maximum liability of the company in respect of any one event and, for the purpose 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 loss or damage arising to such property by discharge or leakage, collectively of greater value than the amount declared as the sum insured thereon, then the company shall be liable under this extension only for that proportion of the first loss limit as the sum

insured declared bears to the total replacement 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 condition.

## **CLAUSES AND EXTENSIONS**

### **1. Rent clause (if insured under column 2)**

The company 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 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 in the proportion which the amount insured bears to the actual rent receivable/rent payable or rental value of the premises as the case may be and if the premises are not un-tenantable during the whole of the aforesaid term, the company shall only be liable to pay such proportion of the amount payable as the period of time during which the premises may remain un-tenantable 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 tenantable condition.

### **2. Designation of property clause**

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

### **3. All other contents clause**

The term “all other contents” referred to in the definition of property under column 3 of the 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 R5 000 for any one individual in respect of property lost or damaged whilst on the insured's premises.

### **4. Limitations clause**

The company's liability under column 3 of the schedule is restricted in respect of:

- (a) money and stamps to a limit of R5 000;
- (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.

### **5. Alterations and mis-description clauses**

The insurance under this section shall not be prejudiced by any alteration or mis-description 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 the company as soon as practicable after such event and the insured agree to pay additional premium if required.

### **6. Architects' and other professional fees clause**

The insurance under columns 1 and 3 of the 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 15 per cent 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.

#### **7. Capital additions clause**

The insurance under this section covers alterations, additions and improvements [but not appreciation in value in excess of the sums(s) insured] to the property other than stock and materials in trade for an amount not exceeding

15 per cent of the sum insured thereon, it being understood that the insured undertake to advise the company each quarter of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

#### **8. 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 buildings and machinery and/or the removal of debris (including stock debris) and in providing, erecting and maintaining hoardings required during the demolition, site clearing and/or 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.

The company will not pay for any costs or expenses:

- (a) incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site;
- (b) arising from pollution or contamination of property not insured by this policy /section.

#### **9. 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 the company 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.

#### **10. 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 the company 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 the company.

#### **11. Municipal plans scrutiny fee clause**

The insurance under column 1 of the schedule includes municipal plans scrutiny fees, provided that the total amount recoverable under any item shall not exceed the sum insured on the building affected.

#### **12. 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:

1. 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.
- 2. 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 the company under this clause not being thereby increased.
- 3. if the liability of the company 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 the company under this clause in respect of any such item shall be reduced in like proportion.
- 4. the total amount recoverable under any item of this section shall not exceed the sum insured thereby.

### 13. Railway and other subrogation clause

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.

### 14. Reinstatement value conditions clause

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:

- 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 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.
- 2. until expenditure has been incurred by the insured in replacing or reinstating the property, the company 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.
- 3. 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.
- 4. these conditions shall be without force or effect if:
  - (a) the insured fail to intimate to the company within six months of the date of damage or such further time as the company may in writing allow, their intention to replace or reinstate the property;
  - (b) the insured are unable or unwilling to replace or reinstate the property on the same or other site.

### 15. Basis of indemnity in respect of vehicles if insured under column 4 as stock

- (a) The term vehicle shall mean:
  - (i) any vehicle listed as dealers stock;
  - (ii) customers vehicles being traded in but not yet part of dealers stock;
  - (iii) vehicles in the custody or control of the insured and for which the insured is legally responsible following damage thereto whilst on the insured premises;
  - (iv) vehicles owned by the insured dealership (not privately owned) which are not insured under the motor section hereof or any other motor policy whilst on the insured premises.
- (b) In the event of damage, the basis of indemnity is limited to:
  - (i) in respect of the dealer stock:

- New Vehicles: the dealer invoice price of the vehicle;
  - Used and second hand vehicles: the trade value of the vehicle at the time of the occurrence or the price the vehicle was purchased for by the insured, plus costs and expenses incurred to prepare it for sale;
- (ii) in respect of other vehicles owned by the dealership: the reasonable market value of the vehicle;
- (iii) in respect of vehicles in the custody or control of the insured: the retail value of the vehicle;

subject always to the provisions of specific condition (Average) and provided further that the company's maximum liability shall not exceed the sum insured stated in the schedule.

Retail Value and/or Reasonable Market Value means:

1. For vehicles listed in the Trans Union dealer's guide:

The published Retail Value and/or Market Value adjusted according to the guide's recommendations for odometer reading, overall condition, factory fitted and aftermarket extras at the time of loss or damage.

2. For vehicles, vehicles types and extras not listed in the Trans Union dealer's guide

The average Retail Value and/or Market Value based on a minimum of 3 quotations obtained from the motor dealer market for a similar vehicle of the same make and model in similar condition at the time of loss or damage.

#### 16. Alternative replacement conditions (design capacity) clause

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 the company 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:

1. proviso 1, 2, 3 and 4 of the Reinstatement value conditions apply equally to this clause.
2. 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.

#### 17. Temporary removal clause

Except in so far as it is otherwise insured, the property insured is covered whilst temporarily removed elsewhere on the premises stated in the 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, Mozambique, Malawi and Zambia, provided that:

1. unless such temporary removal is for the purpose of cleaning, renovation, repair or similar process, the liability of the company shall not exceed 15 per cent of the sum insured applicable to any item.
2. the amount payable under this clause shall not exceed the amount that would have been payable had the loss occurred on that part of the premises from which the property is temporarily removed.

#### 18. Tenants clause

The company'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 the company 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 the company.

**19. Stock declaration conditions (if stated in the schedule to be included)**

In respect of stock and materials in trade under this section being subject to the stock declaration conditions, the premium is calculated on 75 per cent of the sum or sums insured thereon, subject to the following specific conditions:

1. (a) the insured shall declare to the company, in writing, the market value of their stock and materials in trade on the last day of each month/quarter (as stated in the 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 shall differ from the provisional premium, the difference shall be payable by or to the insured, as the case may be, but the amount payable by the company shall not exceed 50 per cent of the provisional premium.
2. any claim hereunder shall be settled on the basis of the market value immediately anterior to the damage.
3. 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.
4. 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.
5. the liability of the company shall not exceed the sum insured and premium shall not be receivable on values in excess thereof.
6. the above specific conditions shall apply separately to each item of the schedule to which these stock declaration conditions apply.

**20. Public supply connections clause**

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.

**21. Escalator clause extension (if stated in the schedule to be included)**

During each period of insurance, the sum(s) insured under columns 1 and/or 3 of this section shall be increased by that portion of the percentage specified in the 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 sum(s) insured in force at the commencement of the period of insurance.

At each renewal date, the insured shall notify the company of the sum(s) 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.

**22. Disposal of Salvage (if stated in the schedule to be included)**

Without diminishing the rights of the company to rely on the provisions of the general conditions in the event of a loss, the company 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 the company that to do so will prejudice their interests, in which event the company 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 will not be entitled under the provisions of this clause to abandon any property to the company whether taken possession of by the company or not.

### 23. Brands and labels clause

In the event of damage to insured property carrying a brand name, trade mark or label or where the sale of such property might have an adverse effect upon the market value of similar property, this section extends to include the cost of removing all such brand names, trademarks, labels or guarantees before disposal and determination of the value of the salvage. It is further agreed that, in respect of any containers from which the brand name, trademark, label or guarantee cannot be removed, the contents shall be removed to plain containers.

In the event of damage to labels or names, the amount payable shall be the cost of relabeling and/or reconditioning the property.

### 24. Temporary repairs 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 damage to the insured property by any peril hereby insured against, provided that the liability of the company for such costs and expenses shall not exceed the greater of R25 000 or the sum expressed in the schedule any one event or series of events with one originating cause or source.

### 25. Removal of fallen trees extension

The insurance under this section covers costs reasonably and necessarily incurred in removing trees or parts of trees from the premises described in the schedule that have fallen following any peril hereby insured against or leaning trees that are in danger of causing damage to insured property, provided that:

- (a) the company's liability will not exceed R10 000 any one occurrence;
- (b) the insured will be responsible for the first R500 in respect of any one occurrence;
- (c) such costs will be subject to the company's prior written consent.

### 26. Landscaping extension

The company will pay up to R10 000 towards costs reasonably and necessarily incurred by the insured for the replacing of trees, shrubs, lawns, plants and fixed sprinkler installations situated at the ground of the insured buildings(s) stated in the schedule,

Provided that such loss or damage is caused by:

- (a) fire, explosion or as a result of fire fighting operations;
- (b) any other emergency service operations;
- (c) impact by vehicles or aircraft or other aerial devices;
- (d) any deliberate or malicious acts, but excluding theft or attempted theft.

### 27. Geyser and other water heating systems extension

The insurance under this section is extended to cover loss of or damage caused by the bursting, rupturing or overflowing of geysers, water tanks, water apparatus, water pipes, drip trays or any other water heating system including damage to the apparatus or pipes installed in or on the building(s) described in the schedule, provided that the company shall not be liable for:

- (a) the greater of R10 000 or the amount stated in the schedule any one event;
- (b) the first 10% of any loss or damage subject to a minimum amount of R1 000 any one claim;
- (c) damage to pipes more than 1 metre from the heating apparatus;
- (d) loss or damage caused by or as a result of wear and tear, rust, decay or gradual deterioration;
- (e) loss or damage caused by cracking or splitting of any part or unit of the heating apparatus;
- (f) loss or damage as a result of inherent vice, defective design, materials or workmanship;
- (g) loss or damage recoverable in terms of a manufacturer's warranty.

#### Specific condition

The geyser or heating apparatus must be installed in accordance with the relevant SANS or South African Bureau of Standards specifications or standards. If the company alleges that the geyser or heating apparatus was not installed in accordance to specification the insured shall be liable for a further first amount payable



of R1 500 in addition to the amount stated in provision (b) above.

**28. Fuel contamination extensions (if stated in the scheduled to be included)**

The insurance under this section is extended to indemnify the insured in the event of fuel in underground tanks becoming contaminated as a result of the ingress of water into such tanks, provided that the company's liability will be limited to:

- (a) the cost of pumping such fuel from the tanks including any transport costs directly related thereto;
- (b) the cost of replacing such fuel at the original purchase price less any salvage payment in respect of such contaminated fuel received from the supplier;
- (c) the difference in the original purchase price of the contaminated fuel and the price of the replacement fuel should the price increase prior to the replacement of the fuel or, alternatively, less any sum saved in the event of a reduction in the price;
- (d) limit of indemnity as stated in the schedule.

**29. Hail damage to vehicles in the open extension (if stated in the schedule to be included)**

Notwithstanding the provisions of the Special perils extensions, this section extends to include damage to vehicles parked in the open, provided that:

- (a) the vehicles are protected by either professionally erected:
  - (i) metal pitched roofing, or;
  - (ii) hail nets (approved by SABS).

Where hail nets are used, such should be

- at a sufficient angle to allow for the run off of hail;
- provided with down-drops to prevent hail entering the nets;
- replaced every 5 (five) years.

- (b) the insured shall be responsible for a first amount payable per vehicle in respect of damage as indicated in the schedule.

**30. Flammable liquids warranty**

It is warranted that not more than 50 litres of flammable liquids with a flash point under 38 degrees Celsius and/or 200 litres of flammable liquids with a flash power over 38 degrees Celsius are kept within the building. Volumes in excess of the aforementioned are to be stored in an approved flammable liquid store.

**31. Deterioration of stock extension (if stated in the schedule to be included)**

This section extends to include deterioration of the contents due to change of temperature resulting from accidental failure of electricity (excluding load shedding) as well as accidental or mechanical breakdown of any refrigerator, deep freezer, cold store or freezing-room in the insured building, provided that this extension does not include:

- (a) Deterioration of the contents resulting from the deliberate cessation of the power supply by any authority;
- (b) Damage to the refrigerator, deep freezer, cold store or freezing room as

such, provided further that:

- (i) the liability of the company in terms of this extension shall not exceed the amount stated in the schedule in respect of any one occurrence;
- (ii) the company shall not be liable for the first amount payable stated in the scheduled in respect of each and every event.

## 32. Shop / Restaurant warranty

### (a) Kitchen extraction maintenance

The insurance provided by this section of the policy is strictly subject to the kitchen having an extraction system installed in accordance with SANS 1850.2003 code of practice or as stipulated by the local authority laws or by-laws (as amended) or any other ordinance, law or by-law issued by any other recognised authority in which the business is situated. It is a further condition that the extraction ducting be professionally cleaned half yearly and that the extraction filters and gas burners in use be thoroughly cleaned weekly and a register of such cleaning be kept by the insured.

### (b) Gas installation

The insurance provided by this section of the policy is strictly subject to any gas installation being installed in accordance with SANS 100087-1 code of practice specifications and/or standards (and any subsequent amendments thereto) or as stipulated by the local municipal laws or by-laws (as amended) or any other ordinance, law or by-law issued by any other recognised authority in which the business is situated.

## 33. Average Extention: Day One Basis: Non-Adjustable – applicable to buildings and machinery only (if stated in the schedule to be included)

The items to which this extension applies and their declared values are shown in the schedule.

- (a) The insured having stated in writing the declared value incorporated in each item to which this extension applies, and the premium has been calculated accordingly.

“Declared Value” shall mean the insured's assessment of the cost of reinstatement of the property insured arrived at in accordance with the first paragraph of the Reinstatement Value Conditions at the level of costs applying at the inception of the period of insurance (ignoring inflationary factors which may operate subsequently to the fixing of the Declared Value) together with, insofar as the insurance by the item provides, due allowance for:

- (i) the additional costs of reinstatement to comply with Public Authority Requirements (as stated herein);
- (ii) architects and other professional fees (as stated herein);
- (iii) costs of demolition and clearing and erection of hoardings (as stated herein).

- (b) At the inception of each period of insurance, the insured shall notify the company of the declared value of the property by each of the said item(s). In the absence of such declaration, the last amount declared by the insured shall be taken as the declared value for the ensuing period of insurance.

- (c) Notwithstanding any general condition or endorsement to the contrary, the following wording applies to proviso 3 of the Reinstatement Value Conditions:

Each item insured under these conditions is declared to be separately subject to the following condition of average, namely:

If, at the time of damage, the declared value of the property covered by such item be less than the cost of reinstatements [as defined in paragraph (a) above] at the inception of the period of insurance, then the company's liability for any loss hereby insured shall be limited to that proportion thereof which the declared value bears to such cost of reinstatement.

The following special Memorandum is added to the Reinstatement Value Conditions.

### Special Memorandum

Where, by reason of any of these conditions, no payment is to be made beyond the amount which would have been payable under the policy if this extension had not been incorporated therein, the rights and liabilities of the company and the insured in respect of the destruction or damage shall be subject to the

terms and conditions of the policy including any condition of average therein, as if this extension had not been incorporated therein, except that the total amount payable shall be limited to a maximum of the percentage of the declared value shown in the schedule.

- (d) In the event of loss, the liability of the company in respect of property to which this extension applies shall not exceed the sums insured stated in the schedule.
- (e) If this section of the policy is subject to a capital additions clause, then such clause is deleted and replaced by the following:

The insurance hereby extends to cover alterations, additions and improvements (but not appreciation in value in excess of the sums insured) to property specified herein (other than stocks) for an amount not exceeding ten percent of such sums insured, it being understood that the insured undertakes to advise the company each quarter of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

**DEFINED EVENTS**

1. Damage by the perils described:
  - (a) in sub-section A 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 schedule) and sporting and recreational structures, landlord's fixtures and fittings therein and thereon, other than solar panels with a value more than R100 000 unless specifically declared and agreed to by the company, walls (except dam walls), gates, gate motors, gate and fence posts, fences and concrete, tarred or paved roads, driveways, paths or parking areas;
  - (b) in sub-section B to public supply connections; situated as stated in the schedule.
2. Loss of rent as provided for in sub-section C.
3. Legal liability as provided for in sub-section D.

**SUB-SECTION A : PROPERTY**

1. Fire, (including damage caused by smoke arising directly from such fire), lightning or thunderbolt (including damage caused by power surges arising directly from such lightning strikes), subterranean fire, explosion.
2. Storm, wind, water, hail or snow other than:
  - (a) damage arising from the insured property undergoing any process necessarily involving the use or application of water;
  - (b) damage caused by wear and tear or gradual deterioration;
  - (c) damage to retaining walls;
  - (d) damage caused or aggravated by:
    - (i) subsidence or landslip.
    - (ii) 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.
3. Earthquake whether arising from mining operations or otherwise including damage caused by tidal waves or tsunami's arising directly from such earthquake.
4. Aircraft and other aerial devices or articles dropped therefrom.
5. Impact by animals, trees, aerials, satellite dishes or vehicles excluding damage to such animals, trees, aerials, satellite dishes, vehicles or property in or on such vehicles.
6. Theft (or any attempt thereat) accompanied by forcible and violent entry or exit from such building. 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 any damage, obtains the written agreement of the company to continue this extension. During the period of the initial un-occupancy of 30 consecutive days, the insured shall become a co-insurer with the company and shall bear a rateable proportion of any damage equal to 20% of the claim before deduction of any first amount payable.
7. Accidental damage to sanitary ware but the amount payable will be reduced by R250 for each and every such damage.

## **SPECIFIC CONDITION (not applicable to 7**

### **above) 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 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.

### **SUB-SECTION 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.

### **SUB-SECTION 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 un-tenantable (including partially un-tenantable) but only for the period necessary for reinstatement and for an amount not exceeding 25 per cent of the sum insured on the affected property. The basis of calculation shall be the rent payable immediately preceding the damage or its equivalent in rental value.

### **SUB-SECTION 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 the company's consent for any one event or series of events with one original cause or source shall not exceed the amount of R3 000 000 or the amount stated in the schedule.

#### **Specific exceptions (applicable to sub-section D)**

The company will not indemnify the insured under this sub-section in respect of:-

1. 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 pedestrian controlled gardening implements).
2. 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.
3. liability assumed by agreement unless liability would have attached to the insured notwithstanding such agreement.
4. (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 this sub-section to cover any liability which would not have been insured under this sub-section in the absence of this exception.

5. fines, penalties, punitive, exemplary or vindictive damages.
6. (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 sub-section D**

1. Where more than one insured is named in the schedule, the company 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 the company is not increased beyond the limit of indemnity stated in the schedule.
2. Provided that the aggregate liability of the company is not increased beyond the limit of indemnity stated, the company will also indemnify as though a separate policy 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 are entitled to indemnify under this insurance.
3. In respect of this sub-section only, general exception 1 is deleted and replaced by the following:
 

This sub-section 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 (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, military or usurped power.
4. If at the time of any event giving rise to a claim under this sub-section, indemnity is also provided under any other insurance, this sub-section 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.

#### **CLAUSES AND EXTENSIONS**

##### **1. Subsidence and landslip extension to sub-section A**

The following peril is added to the perils applicable to sub-section A – Property:

##### **8. Damage caused by subsidence or landslip – extended cover (if stated in the schedule to be included)**

provided that the insured shall bear the first portion of each and every claim up to an amount calculated at 1 per cent of the sum insured on the property or R500 whichever is the greater.

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

- (a) damage to drains, water courses, boundary walls, garden walls, retaining walls, gates, posts or fences unless specifically insured.
- (b) damage caused by or attributable to:
  - (i) faulty design or construction of, or the removal or weakening of support to, any building situated at the insured premises;
  - (ii) workmen engaged in making structural alterations, additions or repairs to any building situated at the insured premises;
  - (iii) excavation on or under land other than excavations in the course of mining operations.
- (c) consequential loss of any kind whatsoever except loss of rent.

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

or alternatively, if in the schedule against this peril the cover is reflected as “limited cover”, the following wording will apply:

## **Subsidence and landslip extension – limited cover[GC2]**

Damage caused by subsidence or landslip of the land supporting the said insured property or heave thereof provided that such damage is not caused by or does not arise from:

- (i) normal settlement, shrinkage or expansion of the land supporting the insured property;
- (ii) structural alterations, additions or repairs to the insured property;
- (iii) inadequate compaction or backfill;
- (iv) defective or faulty design, materials or workmanship;
- (v) excavations other than mining operations;
- (vi) contraction or expansion of clay and similar soil types caused by the moistness, dampness or moisture content of such soil;

In addition the company will not be liable for:

- (a) damage to swimming pools and surrounds, tennis courts, terraces, patios, paths, driveways, drains, water courses, walls, gates, posts and fences, retaining and screening walls unless the insured buildings are damaged at the same time by the same event;
- (b) damage to solid floor slabs or any part of the insured property resulting from the movement of such slabs unless the foundation supporting the external walls of the insured building(s) are damaged by the same cause at the same time;
- (c) consequential loss of any kind whatsoever except loss of rent if specifically insured under this section;
- (d) the first portion of each and every claim up to an amount calculated at 1 per cent of the sum insured on the property or R500 whichever is the greater.

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

## **2. Power Surge extension to sub-section A (if stated in the scheduled to be included)**

The following peril is added to the perils applicable to sub-section A – Property:

### **9. Power Surge**

Damage caused by power surge provided that:

- (i) this peril does not cover power surges arising from lightning;
- (ii) the company's liability for any claim or number of claims for any one event or series of events with one originating cause or source, shall not exceed in the aggregate R50 000;
- (iii) the insured shall be responsible for a first amount payable of 10% of the claim subject to a minimum of R500;
- (iv) the Specific Condition relating to Average is not applicable.
- (v) The maximum payable by the company in respect of any one claim under this section and any other[GC3] section of the policy in respect of any claim or number of claims for any one event or series of events with one originating cause or source, shall be subject to the aggregate limit as defined in General Provision 14

**3. Prevention of access extension to sub-section C (if stated in the schedule to be included)**

If property within a 15 km radius of the premises stated in the schedule, is lost or damaged by a peril defined in sub-section A during the period of insurance and this prevents or hinders the use of or access to the property insured by this section, the company will pay any loss of rent the insured may incur as a result thereof, up to an amount not exceeding 25 per cent 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.

**4. Security firms (applicable to sub-section D - Liability)**

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 schedule) to protect the insured's property at the premises stated in the schedule, the insured becomes 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 sub-section includes such legal liability to the extent that indemnity would have been granted under this sub-section 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 schedule for this sub-section.

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

**5. Architect's and other professional fees clause**

The insurance under sub-section 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 per cent 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.

**6. Capital additions clause**

The insurance under this section covers alterations, additions and improvements [but not appreciation in value in excess of the sums(s) insured] to the property for an amount not exceeding 15 per cent of the sum insured thereon, it being understood that the insured undertake to advise the company each quarter of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

**7. Cost of demolition, 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/or the removal of debris and in providing, erecting and maintaining hoardings required during demolition, site clearing and/or 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.

The company will not pay for any costs or expenses:

- (a) incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site;
- (b) arising from pollution or contamination of property not insured by this policy/section.

**8. 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 the company 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.

#### **9. 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 the company 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 the company.

#### **10. 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 building so affected.

#### **11. 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:

1. 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 regulation.
2. 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 the company under this clause not being thereby increased.
3. if the liability of the company 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 the company under this clause in respect of any such item shall be reduced in like proportion.
4. the total amount recoverable under any item of this section shall not exceed the sum insured thereby.

#### **12. Railway and other subrogation clause**

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.

#### **13. Reinstatement value conditions**

In the event of 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 nor more extensive than the insured property when new, provided 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 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.
2. until expenditure has been incurred by the insured in replacing or reinstating the property, the company 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.
3. 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.
4. these conditions shall be without force or effect if:
  - (a) the insured fail to intimate to the company within six months of the date of damage, or such further time as the company may in writing allow, their intention to replace or reinstate the property;
  - (b) the insured are unable or unwilling to replace or reinstate the property on the same or other site.

#### **14. Temporary removal clause**

Except in so far as otherwise insured, landlord's fixtures and fittings are covered whilst 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, Mozambique, Malawi and Zambia 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.

#### **15. Tenants clause**

The company'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 the company 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 the company.

#### **16. Escalator clause extension (if stated in the schedule to be included)**

During each period of insurance, the sum(s) insured under sub-section A of this section shall be increased by that portion of the percentage specified in the 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 sum(s) insured in force at the commencement of the period of insurance.

At each renewal date, the insured shall notify the company of the sum(s) 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.

## 17. 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 damage other than damage to:

- (a) moveable property which is:
  - (i) stolen;
  - (ii) damage in an attempt to remove it or part of it from any premises owned or occupied by the insured.
- (b) moveable 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.
- (c) immovable property owned or occupied by the insured occasioned by or through or in consequence of:
  - (i) the removal or partial removal or any attempt thereof;
  - (ii) 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 loss or 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 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 (i), (ii), (iii), (iv) or (v), loss or damage is not covered by this extension, 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 the company to continue this extension.

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

## 18. Riot & Strike extension (if stated in the schedule to be included)

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein, sub-sections 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 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 (i), (ii), (iii), (iv) or (v) loss or damage is not covered by this extension, the burden of proving the contrary shall rest on the insured.

## 19. Temporary repairs 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 damage to the insured property by any peril hereby insured against, provided that the liability of the company for such costs and expenses shall not exceed the greater of R25 000 or the sum expressed in the schedule any one event or series of events with one originating cause or source.

## 20. Geyser and other water heating systems extension

The insurance under this section is extended to cover loss of or damage caused by the bursting, rupturing or overflowing of geysers, water tanks, water apparatus, water pipes, drip trays or any other water heating system including damage to the apparatus or pipes installed in or on the building(s) described in the schedule, provided that the company shall not be liable for:

- (a) the greater of R10 000 or the amount stated in the schedule any one event;
- (b) the first 10% of any loss or damage subject to a minimum amount of R1 000 any one claim;
- (c) damage to pipes more than 1 metre from the heating apparatus;
- (d) loss or damage caused by or as a result of wear and tear, rust, decay or gradual deterioration;
- (e) loss or damage caused by cracking or splitting of any part or unit of the heating apparatus;
- (f) loss or damage as a result of inherent device, defective design, materials or workmanship;
- (g) loss or damage recoverable in terms of a manufacturer's warranty.

### Specific condition

The geyser or heating apparatus must be installed in accordance with the relevant SANS or South African Bureau of Standards specifications or standards. If the company alleges that the geyser or heating apparatus was not installed in accordance to specification the insured shall be liable for a further first amount payable of R1 500 in addition to the amount stated in provision (b) above.

## 21. Removal of fallen trees extension

The insurance under this section covers costs reasonably and necessarily incurred in removing trees or parts of trees from the premises described in the schedule that have fallen following any peril hereby insured against or leaning trees that are in danger of causing damage to insured property, provided that:

- (a) the company's liability will not exceed R10 000 any one occurrence;
- (b) the insured will be responsible for the first R500 in respect of any one occurrence;
- (c) such costs will be subject to the company's prior written consent.

## 22. Landscaping

The company will pay up to R10 000 (ten thousand Rands) towards costs reasonably and necessarily incurred by the insured for the replacement of trees, shrubs, lawns, plants and fixed sprinkler installations situated at the ground of the insured buildings stated in the Schedule,

provided that such loss or damage is caused by:

- (a) fire, explosion or as a result of fire fighting operations;
- (b) any other emergency service operations;
- (c) impact by vehicles or aircraft or other aerial devices,
- (d) any deliberate or malicious acts but excluding theft or attempted theft

**23. Average Extension: Day One Basis: Non-Adjustable – applicable to buildings and machinery only (if stated in the schedule to be included)**

The items to which this extension applies and their declared values are shown in the schedule.

- (a) The insured having stated in writing the declared value incorporated in each item to which this extension applies, and the premium has been calculated accordingly.

“Declared Value” shall mean the insured’s assessment of the cost of reinstatement of the property insured arrived at in accordance with the first paragraph of the Reinstatement Value Conditions at the level of costs applying at the inception of the period of insurance (ignoring inflationary factors which may operate subsequently to the fixing of the Declared Value) together with, insofar as the insurance by the item provides, due allowance for:

- (i) the additional costs of reinstatement to comply with Public Authority Requirements (as stated herein);
- (ii) architects and other professional fees (as stated herein);
- (iii) costs of demolition and clearing and erection of hoardings (as stated herein).

- (b) At the inception of each period of insurance, the insured shall notify the company of the declared value of the property by each of the said item(s). In the absence of such declaration, the last amount declared by the insured shall be taken as the declared value for the ensuing period of insurance.

- (c) Notwithstanding any general condition or endorsement to the contrary, the following wording applies to proviso 3 of the Reinstatement Value Conditions.

Each item insured under these conditions is declared to be separately subject to the following condition of average, namely:

If, at the time of damage, the declared value of the property covered by such item be less than the cost of reinstatement [as defined in paragraph (a) above] at the inception of the period of insurance, then the company’s liability for any loss hereby insured shall be limited to that proportion thereof which the declared value bears to such cost of reinstatement.

The following special Memorandum is added to the Reinstatement Value Conditions.

**Special Memorandum**

Where, by reason of any of these conditions, no payment is to be made beyond the amount which would have been payable under the policy if this extension had not been incorporated therein, the rights and liabilities of the company and the insured in respect of the destruction or damage shall be subject to the terms and conditions of the policy including any condition of average therein, as if this extension had not been incorporated therein, except that the total amount payable shall be limited to a maximum of the percentage of the declared value shown in the schedule.

- (d) In the event of loss, the liability of the company in respect of property to which this extension applies shall not exceed the sums insured stated in the schedule.
- (e) If this section of the policy is subject to a capital additions clause, then such clause is deleted and replaced by the following:

The insurance hereby extends to cover alterations, additions and improvements (but not appreciation in value in excess of the sums insured) to property specified herein (other than stocks) for an amount not exceeding ten percent of such sums insured, it being understood that the insured undertakes to advise the company each quarter of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

### DEFINED EVENTS

1. Loss of or damage to the contents (other than documents as defined in sub-section C 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 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 R2 500 per person while contained in the offices and/or consulting rooms situate as stated in the schedule (hereinafter called the office premises), by any of the perils specified in sub-section A.
2. Loss of or damage to the whole or part of the property insured under item C and defined in sub-section C and the consequences thereof insured under item D and as described in sub-section D.
3. Loss and /or expenditure described in sub-sections B and E.

### Definition

Electronic data processing equipment for the purpose of this section means and is limited to computers and all related hardware, peripherals and computer software and the information or data stored therein or thereon.

### SUB-SECTION A : CONTENTS

1. Fire (including damage caused by smoke arising directly out of such fire), lightning or thunderbolt (including damage caused by power surges arising directly from such lightning strikes), subterranean fire, explosion.
2. Storm, wind, water, hail or snow excluding loss or damage to property arising from its undergoing any process necessarily involving the use or application of water.
3. Earthquake whether arising from mining operations or otherwise including damage by tidal waves or tsunami's arising directly from such earthquake but excluding loss of or damage to property in the underground workings of any mine.
4. Aircraft and other aerial devices or articles dropped therefrom.
5. Impact by animals, trees, aerials, satellite dishes or vehicles excluding damage to such animals, trees, aerials, satellite dishes or vehicles or property in or on such vehicles.
6. Accidental breakage of mirror glass, plate glass tops to furniture or fixed glass forming part of any article of furniture.
7. Power surge (other than caused by lightning strikes) provided that:
  - (a) the company's liability for any claim or number of claims for any one event or series of events with one originating cause or source shall not exceed in the aggregate R50 000;
  - (b) the insured shall be responsible for a first amount payable of 10% of the claim subject to a minimum of R500.

### Limitations clause

The company's liability under this sub-section 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 perils 6 and 7 above nor to the theft or theft by forcible entry extension 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 accordingly. Each item of the schedule covering such property shall be separately subject to this condition.

### **Specific exceptions (applicable to Sub-Section A)**

This sub-section does not cover:

- (a) property outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Mozambique, Malawi and Zambia;
- (b) designs, patterns, models or moulds (except to the extent that the said articles are insured in terms of sub-section 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 R1 000, whichever is the greater, if the loss or damage is due to lightning strikes.

### **SUB-SECTION 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 sub-section A as to be rendered uninhabitable but only in respect of the period necessary for reinstatement. The indemnity under this sub-section shall not exceed 25 per cent of the sum insured or value (whichever is the lower) of all contents of the office premises affected.

For the purpose of this sub-section, 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 limits access to the office premises.

### **SUB-SECTION 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 un-cancelled 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 schedule.

#### **Limitations clause**

The company's liability under this sub-section is limited to all costs, charges and expenses incurred by the insured in replacing or restoring such documents.

### **Specific Exceptions (applicable to Sub-Section C)**

This sub-section 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 the greater of 10% of such amount or R1 000;
  - (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 collision with others. This exception shall not apply to any director who is also an employee of the insured and whom the insured have the right at all times to govern, control and direct in the performance of his work in the service of the insured and in the course of the business;
- (b) gradual deterioration or wear and tear;
- (c) costs involved in re-shooting films and videos and re-recording audio tapes.

## **SUB-SECTION D : LEGAL LIABILITY DOCUMENTS**

Legal liability as a direct consequence of loss of or damage to documents as defined in sub-section C and in respect of which payment, reinstatement or repair has been made or liability admitted by the company under sub-section 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 Sub-Section D)**

This sub-section 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 sub-section D only, General Exception 1 is deleted and replaced by the following:

This sub-section 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.

## **SUB-SECTION E : INCREASE IN COST OF WORKING**

Any additional expenditure not otherwise provided for in this section, reasonably incurred by the insured for the purpose 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 the company under sub-sections A or C.

The indemnity under this sub-section shall not exceed 25 per cent of the sum insured on all contents of the office premises affected.

## **CLAUSES AND EXTENSIONS**

### **1. Alterations and mis-description clause**

The insurance under this section shall not be prejudiced by any alteration or mis-description 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 the company as soon as practicable after such event and the insured agree to pay additional premium if required.

### **2. 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 15 per cent of the sum insured thereon, it being understood that the insured undertake to advise the company each quarter of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

### **3. 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 the company 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.

### **4. Disposal of salvage clause (if stated in the scheduled to be included)**



The company agrees not to sell or dispose of any property which is the subject of a claim without giving the insured the option to repurchase it at the greater of its fair intrinsic value or market value but this clause does not give the insured license to abandon property to the company.

#### **5. Locks and keys clause**

In addition to the limit of indemnity stated in the schedule, the company 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) the company's liability shall not exceed R10 000 in respect of any one event;
- (ii) the company shall not be liable for the first R500 of each and every event.

#### **6. New and additional premises clause**

If the insured occupies offices or consulting rooms, other than those situated as stated in the 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 the company 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.

#### **7. 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 the company for such loss or damage and costs and expenses shall not exceed in the aggregate, the sum expressed in the schedule to be insured on the property affected.

The company will not pay for any costs or expenses:

- (a) incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site;
- (b) arising from pollution or contamination of property not insured by this policy/section.

#### **8. 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 insured against while such property is temporarily contained in any building in the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Mozambique, Malawi and Zambia shall be deemed to be loss or damage happening while such property is contained in the office premises.

#### **9. Temporary repairs and measures after loss clause (if stated in the schedule to be included)**

The insurance under this section is extended to include all reasonable costs and expenses incurred by the insured in affecting 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 the company for such loss or damage and costs and expenses shall not exceed in the aggregate, the greater of R25 000 or the sum expressed in the schedule to be insured on the property affected.

#### **10. Tenants clause**

The company'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 the company 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 the company.

#### **11. Replacement value condition**

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.

#### **12. Malicious damage extension**

Subject otherwise to the terms, conditions, exceptions and warranties contained herein, sub-sections 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:

- (i) moveable 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.
- (ii) moveable 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.
- (iii) 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:-

- (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) 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 (a), (b), (c), (d) or (e), loss or damage is not covered by this extension, 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 the company to continue this extension.

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

### **13. Riot & Strike extension (if stated in the schedule to be included)**

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein sub-sections A, B and C of this section are 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 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 (a), (b), (c), (d) or (e) loss or damage is not covered by this extension, the burden of proving the contrary shall rest on the insured.

### **14. Theft by forcible entry extension (if stated in the schedule to be included)**

The following peril is added to the perils applicable to sub-section A – Contents.

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

- (i) the company will not be liable under this extension for theft or any 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 schedule for this extension;
- (iii) the maximum amount payable will not exceed the sum insured shown in the schedule for this extension less its first amount payable.

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

The following peril is added to the perils applicable to sub-section A – Contents.

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

- (i) the amount payable will be reduced by the first amount payable shown in the schedule for this extension;
- (ii) the maximum amount payable will not exceed the sum insured shown in the schedule for this extension less its first amount payable.

### **16. Burglar alarm warranty (if stated in the schedule to be included)**

In respect of any premises stated in the schedule to be subject to this warranty a burglar alarm shall be installed and it is a condition precedent to the liability of the company and warranted that:

- (a) unless specifically stated to the contrary, all buildings on the premises are to be protected by the alarm;
- (b) the contract for any burglar alarm services shall include services of 24 hour armed response unit;
- (c) the burglar alarm installed at the premises shall be made fully operative whenever the protected building(s) is / are not open for business unless a principal, partner, director or employee of the insured is in the protected building(s);

- (d) the company shall not be liable for loss of or damage to the property following the loss of the keys, the keypad code or remote control of the burglar alarm or any duplicate thereof belonging to the insured unless such key, 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;
- (e) 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, the company will be entitled to request full information of the relevant log;
- (f) such alarm shall be maintained in proper working order but the insured will be deemed to have discharge their liability if they have maintained their obligation under a maintenance contract with the installation / service company of the alarm system.

However, cover will continue to be applicable whilst the alarm system is not operative due to a failure of the public supply of electricity at the terminal ends of the supply authority's service feeders and that such failure is not due to any act or omission of the insured.

#### 17. Power Surge extension

Damage caused by power surge provided that<sup>[GC4]</sup>:

- (vi) this peril does not cover power surges arising from lightning;
- (vii) the company's liability for any claim or number of claims for any one event or series of events with one originating cause or source, shall not exceed in the aggregate R50 000;
- (viii) the insured shall be responsible for a first amount payable of 10% of the claim subject to a minimum of R500;
- (ix) the Specific Condition relating to Average is not applicable.
- (x) The maximum payable by the company in respect of any one claim under this section and any other section of the policy in respect of any claim or number of claims for any one event or series of events with one originating cause or source, shall be subject to the aggregate limit as defined in General Provision 14

**SUB-SECTION A - MATERIAL DAMAGE****Defined events**

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

- (a) working or at rest;
- (b) being dismantled for the purpose of cleaning, inspection and overhaul or in the course of these operations themselves or subsequent assembly; within the insured's premises.
- (c) incidentally in transit including loading and unloading or whilst temporarily stored en route;
- (d) temporarily removed from the insured's premises to any other location; within the territorial limits

**Territorial limits**

The Republic of South Africa and, to the extent permitted by the applicable insurance act, the territories of Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Mozambique, Malawi and Zambia.

For the purpose of laptops, note books, tablets or other similar portable electronic equipment designed to be carried by a person the territorial limits is extended to worldwide, provided that such equipment is individually specified in the schedule.

**Specific exceptions**

The company shall not be liable to indemnify the insured, irrespective of the original cause, in respect of:

- (a) the amount specified in the schedule as the first amount payable in respect of each and every occurrence;
- (b) loss of the property insured by theft or disappearance:
  - (i) from the insured's premises or other temporary location 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 schedule or as a result of theft (or any attempt thereof), following violence or threat of violence other than in respect of portable laptop and notebook type electronic equipment where forcible and violent entry to or exit from the building or that part of the building occupied by the insured will not apply.
  - (ii) during transit unless identifiable by the insured with a specific incident which has been immediately reported to the police and as soon as possible to the company.
- (c) 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:
  - (i) if the insured can demonstrate through video surveillance footage (or any other conclusive proof) that an attempt was made to lock the vehicle using the vehicle remote but that the locking mechanism was blocked by thieves using an electronic device, such evidence shall be deemed to satisfy the forcible and violent entry or exit requirement for any loss out of the vehicle;
  - (ii) this exception shall not apply to theft of the property insured where the vehicle:
    - (a) has been hijacked or stolen;
    - (b) has been involved in a road accident or other incident and, due to circumstances beyond the control of the driver and passengers, the property is of necessity left unattended and cannot be secured as required.
- (d) 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, scratching of painted or polished surfaces.

- (e) 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 in 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 or damage to such exchangeable parts.
- (f) the cost of reproducing data whether stored or recorded on micro-chips, cards, tapes, discs or otherwise unless specifically provided for in sub-section B hereof.
- (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) loss or damage recoverable under the terms of any maintenance and/or leasing agreement effected by or on behalf of the insured covering the insured property
- (i) derangement unless accompanied by physical damage otherwise covered by this sub-section.
- (j) faults or defects known to the insured (or his responsible employees) at the time of arranging this insurance or during the currency of the insurance and not disclosed to the company or any consequences thereof.

### **Basis of indemnification**

The company reserves the option to repair, replace or reinstate any loss or damage indemnifiable by this sub-section or to pay cash in lieu thereof.

The indemnity by this sub-section, subject always to the limits of indemnity defined in the schedule or any specific limit of liability contained in the specification, shall be the:

### **Repair, replacement or reinstatement costs**

- (a) **in cases where the damage can be repaired**  
the cost of restoring the damaged property to working order
- (b) **in cases where the property insured or part thereof is totally lost or destroyed**  
the cost of replacing or reinstating on the same site 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 insured 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 the company not being thereby increased) must be commenced and carried out with reasonable despatch otherwise no payment exceeding the market value of the property insured immediately before the loss or damage shall be made;
  - (ii) until expenditure has been incurred by the insured in replacing or reinstating the property, the company 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:
    - the insured fails to intimate to the company within six (6) months of the date of damage or such further time as the company may in writing allow, their intention to replace or reinstate the property;
    - the insured are unable or unwilling, to replace or reinstate the property on the same or another site.
- (c) **dismantling, re-erection and transportation costs, including importation duties and value added tax if incurred**  
all necessary and reasonably incurred

### **Definition of market value**

The current day purchase price of second hand/used property of equal performance and/or capacity to the property insured lost or damaged and substantially of 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 to the property insured, an amount representing:

- (a) 20% (twenty percent) for the first year after the date of purchase and,
- (b) 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 available.

## Average

If at the time of indemnifiable loss or damage, the sum representing the installed new replacement value of the property insured exceeds the sum insured by this sub-section, then the insured shall be considered as being their own insurer for the difference and shall bear a rateable proportion of the loss accordingly.

## Escalation during the period of reinstatement

In the event of the installed new replacement value of the property insured during any period of reinstatement of indemnifiable loss or damage exceeding this sub-section's sum insured (being the installed new replacement value at the time of the loss or damage), the said sum insured shall be deemed to be increased by an amount not exceeding the percentage stated in the schedule for escalation, subject always to the insured paying the appropriate additional premium.

## Limit of Liability

The amount of the company's liability shall not exceed, in respect of any of the items specified in the schedule, the sums

insured set opposite thereto respectively and, in addition thereto, the following:

**(a) demolition and removal of debris costs**

costs incurred by the insured in respect of dismantling, demolition, clearance or removal of debris or wreck of the property insured and the providing, erecting and maintaining hoardings and other similar structures required, following upon any indemnifiable event covered by this sub-section, provided that the total amount recoverable does not exceed 15% of the total amount of the claim.

**(b) expediting costs**

cost of express delivery (including airfreight charges), overtime work, night work or work on public holidays, subject always to a limit of 50% (fifty percent) of the amount which the repair, replacement or reinstatement would have cost had such additional expenses not been incurred.

**(c) fire fighting costs**

fire brigade charges and the cost of restoring fire extinguishing equipment, incurred as a direct result of extinguishing or fighting of fire in respect of the property insured.

**(d) professional fees**

engineers and other professional consultants fees incurred for the reinstatement of loss or damage subject always to the scale of rates/fees recommended by the appropriate professional body but excluding fees incurred in the preparation of any claim, provided that the total amount payable in respect of such fees does not exceed 15% of the total amount of the claim.

**(e) plans scrutiny fees**

the indemnity by this sub-section shall include plans scrutiny fees as may be levied by the responsible public authority incurred directly in the repair, replacement or reinstatement of the property insured.

## Partial losses

Where the loss or damage is restricted to a part or parts of the property insured, the company shall in no event be liable for an amount greater than the value of such part or parts.

## Additions, alterations, improvements

Costs of additions, alterations, improvements and overhauls carried out on the occasion of a repair are payable by the insured.

## Temporary repairs

If a temporary repair is carried out without the consent of the company, the cost thereof and all consequences arising therefrom are to be borne by the insured unless such temporary repairs constitute a part of the final repairs to be carried out and do not increase the total repair cost.

## Clauses and Extensions

### 1. Capital additions and currency fluctuations extension

The indemnity by this sub-section shall include:

- (a) additional property of a like nature to that specified in the schedule as the property insured installed at the insured's premises;
- (b) provision for devaluation or revaluation of the South African currency against the currency 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 always that:

- (i) cover in respect of additional property installed shall not attach until commissioning of such property has been satisfactorily completed at the insured's premises;
- (ii) the sum insured in respect of additional property shall not exceed the percentage stated in the schedule for capital additions;
- (iii) the escalation in the sum insured of the property insured shall not exceed the percentage specified in the schedule for currency fluctuations;
- (iv) the provisions of this memorandum shall only apply to the extent that the insured has complied with the declaration procedure detailed below:

#### Declaration procedure and premium adjustment

- (a) At the expiry of each period of insurance, the insured shall submit to the company a revised schedule of property insured which shall take into account all additions, deletions, extensions and modifications to the property insured. This declaration shall also reflect the installed new replacement value of the property insured.
- (b) The premium charged at the commencement of each period of insurance shall be regarded as a deposit premium. The premium shall be recalculated at the end of the period of insurance based on the insured's declaration outlined in (a) above and if the ascertained premium at the agreed rate(s) exceeds or falls short of the deposit premium paid, the insured shall pay or the company shall refund the difference as the case may be but not exceeding 50% (fifty percent) of such difference.
- (c) The deposit premium for each renewal of the period of insurance shall be based on the declaration for the previous period of insurance as outlined in (a) above.

### 2. Tenants

The indemnity provided by this sub-section shall not be invalidated by any act or negligence on the part of the tenant (where the insured owns the premises) or another tenant or the owner of the premises (where the insured is a tenant) provided the insured shall notify the company as soon as such act or neglect shall come to the insured's knowledge and pay on demand the appropriate additional premium.

### 3. Riot & Strike extension (if stated in the 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, 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 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 (a), (b), (c), (d) or (e) loss or damage is not covered by this extension, the burden of proving the contrary shall rest on the insured.

#### 4. 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.

#### 5. Non-forcible and violent entry into the vehicle extension (if stated in the schedule to be included)

Specific exception (c) shall not apply to property 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:

- (i) the police case number is supplied to the company;
- (ii) this extension shall only apply to property that is separately and individually specified in the schedule;
- (iii) after the deduction of the first amount payable specified in the schedule, the liability of the company is restricted to the lesser of 50% of the claim or R10 000 in respect of any one event.

#### 6. Power surge and lightning strikes (Material Damage[GC5])

All loss or damage to the insured property by power surges whether caused by lightning strikes or not 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 insured property be appropriately and adequately protected by suitable safeguards against electrical supply fluctuations, then this additional first amount payable will be waived.

### SUB-SECTION B - CONSEQUENTIAL LOSS

#### Defined events

Loss following interruption of or interference with the business in consequence of an Accident occurring during the period of insurance at the premises in respect of which payment has been made or liability admitted under Sub-Section A.

The company will indemnify the insured in accordance with the provisions hereinafter set out.

#### Indemnity

The indemnity provided by this sub-section subject always to the limits of indemnity contained in the schedule, shall be as hereinafter[GC6] provided.

The liability of the company shall not exceed the amounts specified in the schedule in respect of any one accident or series of accidents arising out of or in connection with any one event[GC7].

#### Item number 1 – Increased cost of working (if stated in the schedule to be included)

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 items 3 of this sub-section[GC8];
- (b) the intrinsic value (including reinstatement value) of the property insured by sub-section A of this section.

### **Item number 2 - Additional increased cost of working (if stated in the schedule to be included)**

The insurance under this item is limited to the additional expenditure necessarily and reasonably incurred[GC9] 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[GC10]:

- (a) the cover provided for in items 3 of this sub-section;
- (b) the intrinsic value (including reinstatement value) of the property insured by sub-section A of this section.

### **Item number 3 - Reconstitution of data/programs (if stated in the schedule to be included)**

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 is lost as a result of accidental erasure (which shall include the events defined in the indemnity clause to sub-section A of this section) or by theft or by the deliberate or wilful or wanton intention of causing the cancellation or corruption of data or programs as provided for in sub-section A of this section, provided always 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/or programs;
- (b) in respect of each and every occurrence or series of occurrences arising out of or in connection with any one event indemnifiable by this item, the insured shall bear the amount detailed in the schedule as the first amount payable;
- (c) where the insured elect to insure programs (software), a schedule of such programs shall be lodged with the company at the commencement of each period of insurance.

### **Definition**

#### **Accident**

1. Physical loss or damage to the property insured described in the schedule from any cause as provided for under sub-section A of this section, liability under which sub-section shall, except for the provisions of specific exceptions 1 and 6, be a condition precedent to liability hereunder.
2. total or partial failure of the supply of electricity, gas, water, communications or data processing facilities, steam, sewerage or other similar services through any cause other than:
  - i) drought;
  - ii) shortage of fuel or water;
  - iii) the deliberate act of the supplier, including the right of the supplier to withhold or restrict supply following failure of the Insured to comply with any contractual obligation, unless such act arises solely from the operation of Damage or is performed in an attempt to safeguard human life;

- iv) the failure of the supplier to maintain their equipment in terms of their maintenance programmes and schedules;
- v) any action by any governmental authority or any other authority's action to suspend or withhold the supply of electricity, gas, water, communications or data processing facilities, steam, sewerage or other similar services

For purposes of this clause:

An "authority" is defined to mean any public authority, including any national or international body empowered with the capability and authority to act, react or respond, or cause an action, reaction or response, to whatsoever circumstance at a local, municipal, regional, provincial, national, or international level;

An "action, reaction or response" is defined to mean, without limitation, any action by an authority."

If the Company alleges that, by reason of this exception, any claim, loss, damage, cost or expense is not covered by this policy, the burden of proving the contrary shall rest on the Insured.

- vi) those described in the General Exclusions to this Policy except to the extent insured in terms of the Riot and Strike Extension.

For the purposes of this Specific Extension, supply shall be considered to have failed when the quantity or quality is inadequate for the purpose for which it is required.

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

- (i) the liability of the company shall not exceed the sum(s) insured by this sub-section;
- (ii) the indemnity period shall commence twenty four (24) hours after the failure and end not later than thirty (30) days after such failure[GC11].

#### **Specific exception to sub-section B**

The company shall not be liable to indemnify the insured in respect of:

- (i) fines and penalties for breach of contract for late or non-completion of orders or any penalties of whatsoever nature;
- (ii) loss of profit or consequential loss or whatsoever nature unless specifically provided for herein.

#### **Clauses and Extensions**[GC12][GC13][GC14][GC15][GC16][GC17][GC18][GC19]

##### **1. 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;

- (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, the company's liability under this sub-section shall be related solely to the business interruption which would have arisen in the absence of (a) and (b).

##### **2. Standby equipment**

Warranted by the insured that any item of property insured against which the word "standby" appears in the schedule, shall be maintained as standby available for immediate use in the event of the failure of the property insured to which it is standby.

### 3. Telecommunication access lines (if stated in the schedule to be included)

Subject to the limits specified in the schedule, consequential loss as provided for under item numbers 1, 2, and 3 [GC20] of sub-section 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 definitions above

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

- (a) The liability of the company shall not exceed the sum insured by this sub-section.
- (b) The indemnity period shall commence twenty four hours (24) after the failure and end not later than 30 days after such failure

### 4. Prevention of access (if stated in the schedule to be included)

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 15km radius 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 contained herein, provided that:

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

### 5. Burglar alarm warranty (if stated in the scheduled to be included)

In respect of any premises stated in the schedule to be subject to this warranty a burglar alarm shall be installed and it is a condition precedent to the liability of the company and warranted that:

- (a) unless specifically stated to the contrary, all buildings on the premises are to be protected by the alarm;
- (b) the contract for any burglar alarm services shall include services of 24 hour armed response unit;
- (c) the burglar alarm installed at the premises shall be made fully operative whenever the protected building(s) is / are not open for business unless a principal, partner, director or employee of the insured is in the protected building(s);
- (d) the company shall not be liable for loss of or damage to the property following the loss of the keys, the keypad code or remote control of the burglar alarm or any duplicate thereof belonging to the insured unless such key, 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;
- (e) 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, the company will be entitled to request full information of the relevant log;
- (f) such alarm shall be maintained in proper working order but the insured will be deemed to have discharge their liability if they have maintained their obligation under a maintenance contract with the installation / service company of the alarm system.

However, cover will continue to be applicable whilst the alarm system is not operative due to a failure of the public supply of electricity at the terminal ends of the supply authority's service feeders and that such failure is not due to any act or omission of the insured.

## GENERAL EXTENSION

### Incompatibility cover (if stated in the schedule to be included)

Notwithstanding anything contained to the contrary in this section, the indemnity by sub-sections A and B 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:

- 1. the costs provided for in (a), (b) and (c) 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 B (item 4) of this section.
- 3. the cover afforded hereunder shall be restricted to:
  - (i) parts or components of the electronic system which are not indemnifiable under sub-section A hereof
  - (ii) programs or data reinstatement not indemnifiable under item 4 of sub-section B hereof
- 4. the indemnity by this extension shall, in respect of any one event, be limited in the aggregate to 20% (twenty percent) of the applicable total sum insured under sub-section A (the limit of indemnity) and sub-section B (item 4) hereof or R25 000, whichever is the lesser.

### **SPECIAL EXCEPTION (APPLICABLE TO SUB-SECTIONS A AND B)**

#### **Virus, trojan, worms exclusion**

This section does not cover 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.

## BUSINESS INTERRUPTION SECTION

### DEFINED EVENTS

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

1. the fire section of this policy;
2. the buildings combined section of this policy;
3. the office contents section of this policy;
4. any other material damage insurance (excluding the Electronic Equipment Section) covering the interest of the insured[CD21];  
but only in respect of perils insured under the fire section hereof.
5. the theft section of this policy;
6. the accidental damage section of this policy; (hereinafter termed Damage).

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.

The company will indemnify the insured in accordance with the provisions of the specification hereinafter set out provided that:

1. with regard to perils other than those available under the fire section, the company will not pay more than the sums insured stated in the schedule under the corresponding material damage section for both this section and the corresponding material damage section combined;
2. The combined aggregate amount payable by the company arising from any Power Surge event resulting in a claim or series of claims under any one or more sections of this policy shall be limited to the amount stated in General Provision 14
3. 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 and accidental damage losses.

### SPECIFIC CONDITIONS

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

#### ITEM 1 : GROSS PROFIT - DIFFERENCE BASIS (if stated in the scheduled to be included)

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**

and 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 (if stated in the schedule to be included)**

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**

and 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.

#### **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 (if stated in the scheduled to be included)**

The insurance under this item is limited to:

- (a) **loss of gross rentals and**
- (b) **increase in cost of working**

and 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 (if stated in the schedule to be included)**

The insurance under this item is limited to:

- (a) **loss of revenue** and
- (b) **increase in cost of working**

and 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 : STANDING CHARGES ONLY BASIS (if stated in the schedule to be included)**

The insurance under this item is limited to loss incurred by the insured in respect of the payment of insured standing charges due to:

- (c) **reduction in turnover** and
- (d) **increase in cost of working**

and the amount payable as indemnity hereunder shall be:

- (c) **in respect of reduction in turnover** the sum produced by applying the rate of standing charges to the amount by which the turnover during the indemnity period shall, in consequence of the Damage, fall short of the standard turnover
- (d) **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 standing charges to the amount of the reduction thereby avoided;

less any sum saved during the indemnity period in respect of such of the insured standing charges as may cease or be reduced in consequence of the Damage, provided that the amount payable shall be proportionately reduced if the sum insured in respect of the insured standing charges is less than the sum produced by applying the rate of standing charges to the annual turnover where the maximum indemnity period is 12 months or less or the appropriate multiple of the annual turnover where the maximum indemnity period exceeds 12 months.

#### **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 5 : ADDITIONAL INCREASE IN COST OF WORKING (if stated in the schedule to be included)**

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

#### **ITEM 6 : INCREASE IN COST OF WORKING [Applicable to non-income generating premises] (if stated in the schedule to be included)**

The insurance under this item is limited to the reasonable increase in expenditure incurred by the insured with the consent of the company during the indemnity period in consequence of the Damage for the purpose of maintaining the normal operation of the business.

#### **ITEM 7 : WAGES - NUMBER OF WEEKS BASIS (if stated in the schedule to be included)**

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 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 8 : FINES AND PENALTIES (if stated in the schedule to be included)**

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**

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

**Revenue:** The money paid or payable to the insured for goods sold and for services rendered in the course of the business at the premises.

**Gross Rentals:** The money paid or payable to the insured by tenants in respect of rental of premises and for services rendered.

**Gross profit (difference basis):** 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.

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

**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 portion of any net trading loss as the amount of the insured standing charges bears to all the standing charges of the business.

**Net profit:** 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.

**Insured standing charges:** As specified in the schedule (the words and expressions used shall have the meaning usually attached to them in the books and accounts of the insured).

**Standard turnover**

**Standard revenue**

**Standard gross rentals:** The turnover (revenue) (gross rentals) during that period in the twelve 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 in 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. **Note:** If the Damage occurs before the completion of the first year's trading of the business at the premises the value of the 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 the Damage.

**Annual turnover**

**Annual revenue**

**Annual gross rentals:** The turnover (revenue) (gross rentals) during the twelve 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.

**EXTENSIONS AND CLAUSES**

**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 temporally 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 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 twelve), the amount payable shall be proportionately reduced.

### **Deposit premium clause**

In consideration of the premium by items 1, 2, 3 or 4 being provisional in that it is calculated on 75 per cent 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 / standing charges (proportionately increased 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 75 per cent of the sum insured thereon, a pro rata return or additional premium not exceeding 33 ⅓ per cent of the provisional premium paid for such period of insurance will be made in respect of the difference.

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

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

At the option of the insured, the term output may be substituted for the term turnover and, for the purpose 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.

### **Salvage sale clause**

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 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**

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

- (a) **Specified suppliers/sub-contractors (if stated in the schedule to be included)**

The premises of the suppliers and sub-contractors specified in the schedule, subject to stated limits.

- (b) **Unspecified suppliers (if stated in the schedule to be included)**

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, subject to the limit stated in the schedule.

- (c) **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 in the occupation of the insured.

- (d) **Contract sites**

any situation not in the occupation of the insured, where the insured are carrying out a contract.

- (e) **Prevention of access**

property within a 15km 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.

Provided that:

the Company will not be liable to pay more than 75% (seventy five percent) of the gross profit, gross rentals or revenue sum insured for each and every event subject to a maximum amount not exceeding R 20 000 000 Rand [GC22] million [CD23]).

- (f) **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 the company as soon as reasonably practicable and to adjustment of the premium if necessary.

- (g) **Customers (if stated in the schedule to be included)**

the premises of the customers specified in the schedule, subject to stated limits.

(h) **Public utilities – only in respect of perils insured under the fire section hereof (if stated in the schedule to be included)**

property at electricity generating stations, sub-stations or transmission networks, gas-works 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.

Provided that:

the Company will not be liable to pay more than 75% (seventy five percent) of the gross profit, gross rentals or revenue sum insured for each and every event subject to a maximum amount not exceeding R 20 000 000 (twenty million Rand[GC24]).

(i) **Public utilities - extended cover (if stated in the schedule to be included)**

loss as insured resulting from interruption of or interference with the business in consequence of total or partial failure of the public supply of water, gas or electricity to the premises of the insured shall be deemed to have resulted from Damage (as within defined) provided that this extension 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) theft of cables;
- (vi) 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;
- (vii) 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 policy 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.

Provided that:

the Company will not be liable to pay more than 75% (seventy five percent) of the gross profit, gross rentals or revenue sum insured for each and every event subject to a maximum not exceeding R 20 000 000 (twenty million Rand[GC25]).

(j) **Public telecommunications – only in respect of perils insured under the fire section hereof (if stated in the schedule to be included)**

- (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.

Provided that:

the Company will not be liable to pay more than 75% (seventy five percent) of the gross profit, gross rentals or revenue sum insured for each and every event subject to a maximum amount not exceeding R 20 000 000 (twenty million Rand[GC26]).

(k) **Public telecommunications - extended cover (if stated in the schedule to be included)**

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

3. total or partial failure of the supply of electricity, gas, water, communications or data processing facilities, steam, sewerage or other similar services through any cause other than:

- vii) drought;
- viii) shortage of fuel or water;
- ix) the deliberate act of the supplier, including the right of the supplier to withhold or restrict supply following failure of the Insured to comply with any contractual obligation, unless such act arises solely from the operation of Damage or is performed in an attempt to safeguard human life;
- x) the failure of the supplier to maintain their equipment in terms of their maintenance programmes and schedules;
- xi) any action by any governmental authority or any other authority's action to suspend or withhold the supply of electricity, gas, water, communications or data processing facilities, steam, sewerage or other similar services

For purposes of this clause:

An "authority" is defined to mean any public authority, including any national or international body empowered with the capability and authority to act, react or respond, or cause an action, reaction or response, to whatsoever circumstance at a local, municipal, regional, provincial, national, or international level;

An "action, reaction or response" is defined to mean, without limitation, any action by an authority."

If the Company alleges that, by reason of this exception, any claim, loss, damage, cost or expense is not covered by this policy, the burden of proving the contrary shall rest on the Insured.

- xii) those described in the General Exclusions to this Policy except to the extent insured in terms of the Riot and Strike Extension.

For the purposes of this Specific Extension, supply shall be considered to have failed when the quantity or quality is inadequate for the purpose for which it is required.

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

- (iii) the liability of the company shall not exceed the sum(s) insured by this sub-section;
- (iv) the indemnity period shall commence twenty four (24) hours after the failure and end not later than thirty (30) days after such failure[GC27].
  - (i) a fault on any part of the premises belonging to the insured;
  - (ii) 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 policy 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 such interruption or interference with the business of the insured extends beyond 24 hours.

Provided

that:

the Company will not be liable to pay more than 75% (seventy five percent) of the gross profit, gross rentals or revenue sum insured for each and every event subject to a maximum amount not exceeding R 20 000 000 (twenty million Rand[GC28]).

### **The geographical limits of**

(b), (c), (d), (e), (g), (h) and (j) of the extensions to other premises and the extended covers for public utilities and public telecommunications are confined to the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Mozambique, Malawi and Zambia.

(f) of the extensions to other premises is confined to the Republic of South Africa and Namibia[GC29].

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

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

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

Loss as insured by this section resulting from interruption of or interference with the business in consequence of Damage (as within define) to the property forming part of, or contained in, the complex of which the Insured's premises forms part, which results in a cessation or diminution of trade to the Insured's business due to temporary falling away of potential custom whether the premises or property of the Insured therein shall be damaged or not, shall be deemed to be loss resulting from Damage to the Insured's property at the premises.

**DEFINED EVENTS**

Loss or damage as a result of accident or misfortune (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 are unable to trace or establish the outstanding debit balances in whole or part due to them,

provided that the liability of the company shall not exceed the sums insured stated in the schedule and that the basis of indemnity will be as set out in the specification which forms part of this section.

If, because 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 goods 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 the company in writing of such removal within 30 days thereafter.

The company 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.

**SPECIFIC EXCEPTIONS**

The company 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, disturbance or erasure unless the insured maintains the duplicate records referred to in the Duplicate records clause of this section, in which case, the insured will be responsible for the first R500 of each and every loss.
- (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

- (b) 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.

**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 represent as nearly as reasonably practicable those which would have been obtained at the date of the Damage had the Damage not occurred.

## **CLAUSES, EXTENSIONS AND MEMORANDA**

### **Declarations**

The insured shall, within 60 days of the end of each month or other agreed period, deposit with the company 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.

### **Adjustment**

In consideration of the premium under this section being provision in that it is calculated on 75 per cent of the sum insured, the premium will be adjusted as follows:

On the expiry of each period of insurance, the actual premium shall be calculated at the rate per cent per annum on the average amount insured, i.e. the total of the sums declared divided by the number of declarations. If the actual premium is greater than the provisional premium, the insured shall pay the difference. If it is less, the difference shall be repaid to the insured, but such repayment shall not exceed 33,3 per cent of the provisional premium paid.

If the amount of a declaration exceeds the sum insured applicable at the date of such declaration, then for the purpose of this memorandum only, the insured shall be deemed to have declared such sum insured.

### **Riot & Strike extension (if stated in the 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, 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 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 (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.

### **Accountants clause**

Any particulars or details contained in the insured's books of account or other business books or records 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.

**Duplicate records (if stated in the schedule to be included)'**

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.

**Protections (if stated in the schedule to be included)**

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 normal business hours unless they are being worked on or are required for immediate reference.

**Transit extension (if stated in the schedule to be included)**

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.

**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 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.

**EXTENSIONS**

1. The insurance under this section extends to cover loss of or damage to the property insured:

**(a) Concealed thieves and skeleton keys**

caused or accompanied by:

- (i) a thief or thieves being concealed upon the insured premises before close of business;
- (ii) entry to and / or 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 the company that a skeleton key or device was used.

**(b) Additional premises**

whilst in a building at any additional premises used by the insured provided that:

- (i) such additional premises are advised to the company within 30 days from the time the risk attaches to the company;
- (ii) an additional premium, if any, is paid;
- (iii) the company's liability in respect of this extension shall not exceed 50% of the highest amount stated in the schedule applicable to any one premises if the theft occur prior to the company being advised of the new premises.

2. In addition to the limit of indemnity stated in the schedule:

**(a) Damage to buildings/landlord's fixture and fittings**

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) Temporary repairs**

the company 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 of or damage giving rise to a claim under this section;

provided that the company's liability shall not exceed the greater of R5 000 or the amount stated in the schedule in respect of any one event.

3. **Lock and keys**

In addition to the limit of indemnity stated in the schedule the company 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:

- (i) the company's liability shall not exceed R10 000 in respect of any one event;
- (ii) the company shall not be liable for the first R500 of each and every event.

#### **4. Personal effects**

The term "all contents" includes personal effects, tools and pedal cycles the property of the insured or any principal, partner, director or employees 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.

#### **LIMITATIONS**

The company's liability in respect of documents, manuscripts, business books, computer system records and media, plans, designs, patterns, models and moulds to the value of materials and sums expended in labour.

#### **SPECIFIC EXCEPTIONS**

The company shall not be liable for:

1. Loss or damage which can be insured under a fire policy except in the case of explosion caused in an attempt to effect entry.
2. Loss or damage insurable under a glass insurance policy.
3. Property more specifically insured or, unless specified in the schedule, cash, bank and currency notes, cheques, postal orders, money orders, current negotiable stamps and documents or certificates of a negotiable nature.
4. Loss or damage in which any principal, partner, director or member of the insured's household or any of the insured's employees is concerned as principal or accessory.

#### **SPECIFIC CONDITIONS AND EXTENTIONS**

##### **1. Alteration of risk**

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

##### **2. Theft of vehicles contained in an Insured Building or in the Open (if stated in the schedule to be included)**

The Defined Events in respect of this item is extended to include loss of or damage to any motor vehicle (which term for the purposes of this extension shall include motor cycles) the property of the Insured or in their custody or control for which they are responsible whilst within the confines of the insured premises described in the Schedule and contained in a building or in the open as a result of theft or any attempt thereof, provided that:

- (a) motor vehicles are locked when not being worked upon or being shown to a customer;
- (b) keys of unattended motor vehicles are not to be left in the vehicle or ignition;
- (c) such keys are to be kept separately in a safe place;
- (d) the release of the keys is in a controlled environment to ensure that only authorised personnel can acquire the keys;
- (e) theft of parts or accessories are excluded unless the entire vehicle is stolen at the same time;
- (f) motor vehicles are kept in a building or a fully enclosed and locked area and the company shall not be liable for loss of or damage to any vehicle unless such loss or damage is as a result of theft accompanied by forcible and violent entry into or exit from such building or area or any attempt thereof or as a result of theft, or any attempt thereat, following violence or threat of violence;

- (g) a security guard employed by a professional security company shall be on duty outside the hours during which the commercial operations of the Insured are conducted and such security guard shall have access at all times to direct contact with the control room of the security company;
- (h) the liability of the company under this extension shall not exceed the limit of indemnity stated in the Schedule.

### **3. Burglar alarm warranty (if stated in the scheduled to be included)**

In respect of any premises stated in the schedule to be subject to this warranty a burglar alarm shall be installed and it is a condition precedent to the liability of the company and the warranted that:

- (a) unless specifically stated to the contrary, all buildings on the premises are to be protected by the alarm;
- (b) the contract for any burglar alarm services shall include services of a 24-hour armed response unit;
- (c) the building alarm installed at the premises shall be made fully operative whenever the protected building(s) is/ are not open for business unless a principal, partner, director or employee of the insured is in the protected building(s);
- (d) the company shall not be liable for loss of or damage to the property following the loss of the keys, the keypad code or remote control of the burglar alarm or any duplicate thereof belonging to the insured unless such key, keypad code or remote control were obtained by theft;
- (e) 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, the company will be entitled to request full information of the relevant log.
- (f) such alarm shall be maintained in proper working order but the insured will be deemed to have discharge their liability if they have maintained their obligation under a maintenance contract with the installation / service company of the alarm system.

However, cover will continue to be applicable whilst the alarm system is not operative due to a failure of the public supply of electricity at the terminal ends of the supply authority's service feeders and that such failure is not due to any act or omission of the insured.

### **4. Full theft extension (if stated in the scheduled to be included)**

Notwithstanding anything to the contrary contained in the Defined Events or any extension applicable to this Section, it is hereby declared and agreed that any reference to "accompanied by forcible and violent entry into or exit" wherever it may appear is deleted, provided that the company shall not be liable for:

- (a) loss or damage in which any principal, partner, director or member of the insured's household or any of the insured's employees is concerned as principal or accessory;
- (b) more than the limit of indemnity stated in the schedule in respect of any one occurrence;
- (c) the first amount payable stated in the schedule in respect of each and every event.

### **5. Malicious damage caused by thieves (if stated in the scheduled to be included)**

This section is extended to include damage to immovable property (including landlord's fixtures and fittings therein or thereon) including damage to moveable property, all the property of the insured or for which they are legally responsible, caused by the deliberate or wilful or wanton act of any person or persons during the cause of theft (or any attempt thereat) but excluding damage to:

- (a) moveable property which is damaged in an attempt to remove it from the building owned or occupied by the insured;
- (b) moveable or immovable property which is damaged whilst breaking into or out of or attempting to break into or out of any building owned or occupied by the insured,

provided that:

- (i) the insurers liability in respect of any one event or series of events with one originating course or source shall not exceed the amount stated in the schedule;
- (ii) the insured shall be responsible for the first amount payable as stated in the schedule in respect of each and every event.

## MONEY SECTION

### DEFINED EVENTS

Loss of or damage to money (as defined) occurring in the Republic of South Africa, Namibia, Lesotho, Botswana, Swaziland, Zimbabwe, Mozambique, Malawi and Zambia, except as otherwise specified,

provided that the liability of the company 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 schedule.

### DEFINITIONS

**Money** shall mean 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** shall mean any safe, strong room, strongbox, till, cash register, cash box or other receptacle for money or any franking machine.

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

### EXTENSIONS

#### 1. Receptacles and clothing

In addition to any payment in respect of a defined event, the company 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 the company's liability under this extension in respect of clothing shall not exceed R2000 and, in respect of receptacles, the amount stated in the schedule or R2 000, whichever is the greater.

#### 2. Locks and keys

In addition to any payment in respect of a defined event, the company 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 unauthorized person may be in possession of a duplicate of such key; provided that:

- (i) the company's liability shall not exceed R10 000 in respect of any one event;
- (ii) the company shall not be liable for the first R500 of each and every event.

#### 3. Phone cards (if stated in the schedule to be included)

The definition of money is extended to include phone cards but the liability of the company in respect thereof is limited to the amount stated in the schedule in respect of any one event.

#### 4. Use of fraudulent or stolen credit cards (if stated in the schedule to be included)

Notwithstanding anything to the contrary contained in the policy or this section, the company will indemnify the insured for loss of money arising or as result of fuel purchases being made by customers with fraudulent or stolen credit / petrol cards, provided that the company's liability in respect of any one event shall not exceed the amount stated in the schedule.

**5. Absconsion (if stated in the schedule to be included)**

Notwithstanding anything to the contrary contained in the policy or this section, the company hereby agrees to indemnify the insured for loss of money as a result of customers absconding before the payment for their fuel purchases can be collected from them, provided that:

- (i) the company's liability in respect of any one event shall not exceed the amount stated in the schedule;
- (ii) the insured shall be responsible for the first amount payable applicable to this extension as stated in the schedule.

**6. Riot strike extension (if stated in the schedule to be included)**

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein, this section is extended to cover a 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 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 (a), (b) (c), (d) or (e), loss or damage is not covered by this extension, the burden of proving the contrary shall rest on the insured.

**7. 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 the company that a skeleton key or other device was used.

**8. Personal accident (assault) extension (if stated in the schedule to be included)**

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.

The company will pay to the insured, on behalf of such person or his estate, the sum or sums stated in the schedule in the event of bodily injury to any such person resulting within 24 calendar months in:

1.	death	<b>the capital sum</b>	
2.	Permanent disability as follows	<b>the percentage of the capital sum specified</b>	
			<b>Percentage of compensation</b>
(a)	loss by physical separation at or above the wrist or ankle of one		
	of more limbs	.....	100
(b)	permanent and total loss of		
	whole eye	.....	100
	sight of eye	.....	100
	sight of eye, except perception of light	.....	75
(a)	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		
	both phalanges	.....	25
	one phalanx	.....	10
(h)	loss of index finger		
	three phalanges	.....	10
	two phalanges	.....	8
	one phalanx	.....	4
(i)	loss of middle finger		
	three phalanges	.....	6
	two phalanges	.....	4
	one phalanx	.....	2
(j)	loss of ring finger		
	three phalanges	.....	5
	two phalanges	.....	4
	one phalanx	.....	2
(k)	loss of little finger		
	three phalanges	.....	4
	two phalanges	.....	3
	one phalanx	.....	2
(l)	loss of metacarpals		
	first or second (additional)	.....	3
	third, fourth or fifth (additional)	.....	2



(m) loss of toes		
	all on one foot .....	30
	great, both phalanges .....	5
	great, one phalanx .....	2
	other than great, if more than one toe lost, each	2

3. In the case of total and absolute incapacity from following usual business or occupation, the weekly sum specified in the schedule shall be payable.
4. The reasonable expenses incurred, up to the sum specified in the schedule, shall be payable in respect of medical, surgical, dental, nursing home or hospital treatment (including the cost of artificial aids and prostheses and the costs and expenses incurred in emergency transportation or freeing such person if trapped or bringing such person to a place of safety) incurred within 24 months of the defined event.

**Memoranda (applicable to permanent disablement benefits)**

- (a) where the injury is not specified, the company 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 per cent 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) the company 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 it 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 workmen'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. The company shall not be liable to make any payment unless this proviso is complied with to its satisfaction;
- (vi) general exception 2 and general conditions 2 and 9 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, military or usurped power.

**EXTENSIONS TO THE PERSONAL (ASSAULT) EXTENSION**

**1. Starvation, thirst and/or exposure to the elements**

Bodily injury shall be deemed to include injury caused by starvation, thirst and/or exposure to the elements directly or indirectly resulting from such person being the victim of theft or any attempt thereat.

## 2. **Disappearance**

In the event of disappearance of any such person in circumstances which satisfy the company that he has sustained injury to which this personal accident (assault) extension applies and that such injury has resulted in the death of such person, the company will, for the purposes of the insurance afforded by this extension, presume his death provided that if, after the company shall have made payment hereunder in respect of such person's presumed death, he is found to be alive, such payment shall forthwith be refunded by the insured to the company.

## 3. **Trauma**

The company will indemnify the insured for the cost of treatment of any principal, partner, director or employee of the insured undergoing treatment by a registered psychologist as a result of their having been psychologically traumatised as a direct result of violence or threat of violence during theft, attempted theft or hijack.

The indemnity under this extension is limited to 10% of the death compensation limit stated in the schedule in respect of any one claim or series of claims from one event.

## **SPECIFIC EXCEPTIONS**

The company shall not be liable for loss of or damage to money:

1. 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;
2. arising from shortage due to error or omission;
3. 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 the company that the key holder or such other person had used the keys to open the safe or strong room;
4. 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 the company that the key holder to the safe or strong room deliberately left it unlocked with the intention of allowing the money to be stolen;
5. 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 the company that the person(s) responsible for the money deliberately left it outside the safe or strong room with the intention of allowing it to be stolen;
6. 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 5 meters 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 R1 500 and such losses shall not be reduced by any first amount payable.

## **MEMORANDA**

1. 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 First Amount Payable as stated in the schedule.
2. The company shall not be liable under this section of the policy 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-insurance clause under the Fidelity section of the policy or any other Fidelity insurance.

## SPECIFIC CONDITIONS

### 1. Money in transit

It is a condition that all transportation of money:

- (a) between any of the insured premises;
- (b) between the insured premises and the bank or vice-versa, shall be by a direct unbroken trip. For the purposes of this condition only the term "insured premises" shall include any contract site where the insured may be working;
- (c) in excess of R10 000 but not more R20 000 shall be undertaken by at least two adult employees throughout the duration of the trip;
- (d) in excess of R20 000 shall be undertaken by recognised professional money carriers registered with the Private Security Industry Regulatory Authority of South Africa.

Conditions (a), (b) and (c) above shall not apply to money in the custody or control of recognised professional money carriers registered with the controlling body mentioned in (d) above.

For the purposes of this condition only the term "money" shall not include crossed cheques.

### 2. Burglar alarm warranty (if stated in the schedule to be included)

In respect of any premises stated in the schedule to be subject to this warranty a burglar alarm shall be installed and it is a condition precedent to the liability of the company and warranted that:

- (a) unless specifically stated to the contrary, all buildings on the premises are to be protected by the alarm;
- (b) the contract for any burglar alarm services shall include services of a 24-hour armed response unit;
- (c) the burglar alarm installed at the premises shall be made fully operative whenever the protected building(s) is / are not open for business unless a principal, partner, director or employee of the insured is in the protected building(s);
- (d) the company shall not be liable for loss of or damage to the property following the loss of the keys, the keypad code or remote control of the burglar alarm or any duplicate thereof belonging to the insured unless such key, 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;
- (e) 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, the company will be entitled to request full information of the relevant log;
- (f) such alarm shall be maintained in proper working order but the insured will be deemed to have discharge their liability if they have maintained their obligation under a maintenance contract with the installation / service company of the alarm system.

However, cover will continue to be applicable whilst the alarm system is not operative due to a failure of the public supply of electricity at the terminal ends of the supply authority's service feeders and that such failure is not due to any act or omission of the insured.

## 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 a cheque or cheques, shall be reduced by a first amount payable of 25% of the loss indemnifiable by this section unless:

1. **Cheques drawn by the insured**
  - (a) the cheque has been drawn and crossed exactly in accordance with the undermentioned "Recommended South African Insurance Association (SAIA) procedure for drawing and crossing of cheques" or any other superior method approved by the SAIA 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.
  
2. **Cheques drawn by someone other than the insured and which were received by the insured by post or direct 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 cheques from their records.
  
3. **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 SAIA procedure for drawing and crossing of cheques" or any other superior method approved by the SAIA 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 cheques relates) contains a message (approved by the company or SAIA) on it recommending or requiring that the cheque be drawn in accordance with the under mentioned "Recommended SAIA procedure for drawing and crossing of cheques".

### **Recommended SAIA 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 the SAIA:

- 1 Delete the pre-printed words "or bearer". This limits the possibility of the drawee bank paying out to a bearer who might not be entitled to payment.
- 2 If instead of "or bearer" your cheque has pre-printed on it "or order" these words must also be deleted.
- 3 Write on the face of the cheque the words "not transferable".
- 4 Cross the cheques by drawing two parallel lines across the cheque.
- 5 Write the words "not negotiable" between the two parallel lines referred to in 4 above.
- 6 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.

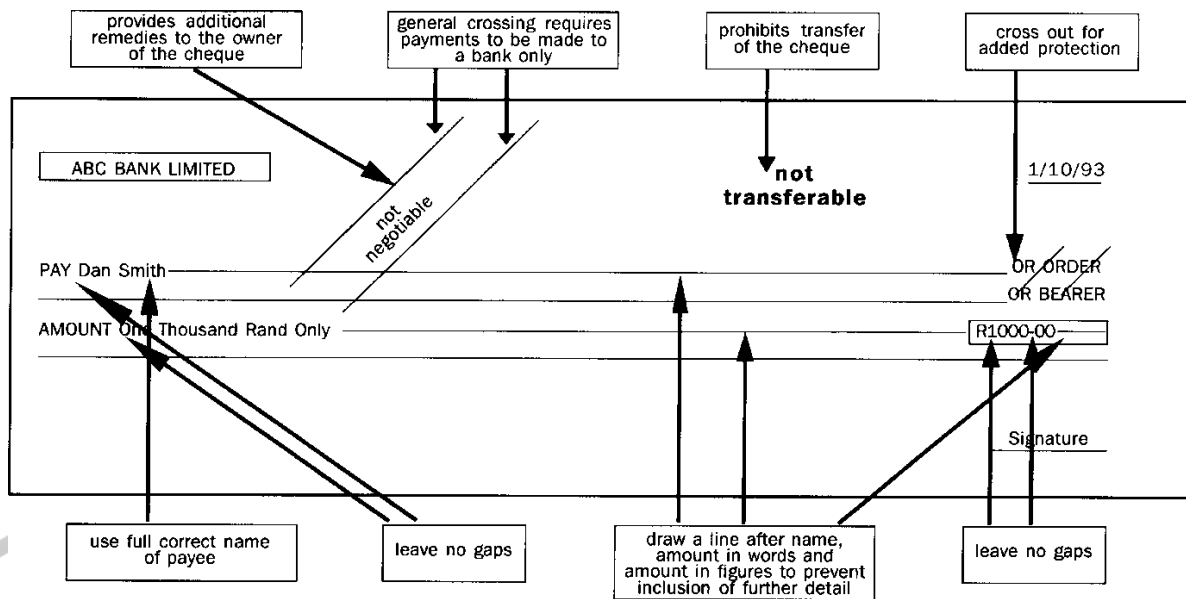
- 7 In drawing the cheque, no spaces should be left which would allow anyone to add extra words or figures.
- 8 An example of this method of drawing a cheque is attached as Annexure A.
- 9 On the rear side of the cheque, the wording listed in Annexure B (last page of this section) should be printed. 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 neg" 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/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 (CBS 1 or superior);
- (ii) security designs;
- (iii) special security inks compatible with the security paper/design;
- (iv) methods which make it difficult for anyone to make a supply of blank cheques by photocopying the originals.



**DEFINED EVENTS**

Loss of or damage to internal or external glass (including mirrors), signwriting and treatment thereon at the insured premises as stated in the schedule, the property of the insured or for which they are responsible.

Following loss of or damage to glass the company will also indemnify the insured for:

1. the cost of such boarding up as may be reasonably necessary;
2. 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;
3. the cost of removal and reinstallation of fixtures and fittings necessary for the replacement of the glass;
4. 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 the company shall not exceed:

- (i) for the replacement of glass, signwriting and treatment - the sum insured as stated in the 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 R2000 or the amount stated in the schedule.

**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 shall be considered as being their own insurer for the difference and shall bear a rateable share of the loss or damage accordingly. Every item, if more than one, shall be separately subject to this condition

**DEFINITION OF GLASS**

Unless specifically agreed all glass (other than mirrors) insured by this section is presumed to be plain plate/float glass not exceeding 6 mm in thickness, whether coated with a film or not, or laminated safety glass, not exceeding 8.0mm in thickness.

**SPECIFIC EXCEPTIONS**

The company shall not be liable for:

1. 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 affected, but this specific exception shall not apply to loss or damage for which the insured is responsible as tenant and not as owner.
2. glass forming part of stock in trade.
3. glass which, at inception of this section, is cracked or broken unless cover has been agreed by the company.
4. defacement or damage other than fracture through the entire thickness of the glass or any laminate thereof.

## EXTENSIONS

### Special replacement (if stated in the schedule to be included)

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 the company 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.

### Riot & Strike extension (if stated in the 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 (1) 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 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 (a), (b), (c), (d) or (e) loss or damage is not covered by this extension, 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.

### Advertising signs, blinds and canopies (if stated in the schedule to be included)

This section extends to include loss of or damage to external advertising signs, blinds and canopies (including signwriting and treatment thereon) manufactured of glass, plastic, perspex or similar brittle material at the insured premises as stated in the schedule, the property of the insured or for which they are responsible, provided that the company's liability shall not exceed the amount stated in the schedule.

**DEFINED EVENTS**

1. Loss of money and/or other property, belonging to the insured or for which they are responsible, stolen by an insured employee on or after the retroactive date stated in the schedule;
2. Direct financial loss sustained by the insured as a result of fraud or dishonesty of an insured employee, all of which occurs on or after the retroactive dated stated in the schedule, which results in dishonest personal financial gain for the employee concerned;

provided that:

- (i) all losses are discovered not later than twelve months after the termination of:
  - (a) this section, or
  - (b) this section in respect of any insured employee concerned in a loss, or
  - (c) the employment of the insured employee or the last of the insured employees concerned in a loss, whichever occurs first;
- (ii) (a) **Blanket Basis** - the liability of the company for all losses shall not exceed the sum insured stated in the schedule whether involving any one employee or any number of employees acting in collusion or independently of each other;
- (b) **Named and or position basis** - the liability of the company for all losses involving any employee shall not exceed the sum insured stated opposite his name in the schedule or, if he is unnamed, the sum insured set opposite the position held by him in the business as stated in the schedule;
- (iii) 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 the company beyond the sum insured stated in the schedule. If the period of insurance is less than 12 months, the company's liability is limited to the sum stated in the schedule during any 12 month period of insurance calculated from inception or renewal;
- (iv) 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;
- (v) in respect of monthly policies, the amount payable during any one period of 12 consecutive months from inception or anniversary date shall not exceed the sum insured stated in the schedule at the said inception or anniversary date as the case may be or double the sum insured if the "Reduction / Reinstatement of insured amount clause" applies.

**DEFINITION**

**Employee shall mean:**

- (a) any person while employed under a contract of service with or apprenticeship to the insured;
- (b) any person while hired or seconded from any other party into the service of the insured;

who the insured has the right at all times to govern, control and direct in the performance of his work in the course of the business of the insured and who, if this section is on a named and/or position basis, is described in the schedule by name and/or by the position held by him in the business, including:

- (c) ex-employee of the insured but limited to 30 days after they ceased to be employed with the insured.

**SPECIFIC EXCEPTIONS**

1. The company 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 section;
    - (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.



2. This section does not cover any company or other legal entity acquired during the period of insurance.
3. The company shall not be liable for any defined event if it results from the dishonest:
  - (i) manipulation of;
  - (ii) input into;
  - (iii) suppression of input into;
  - (iv) destruction of;
  - (v) 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 department/ area of any non-networked micro/personal computer.

4. The company shall only be liable to the extent of the participation/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**

1. The insured shall institute and/or 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 the company 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 schedule by name, change his duties and position;
  - (c) in respect of any employee who is described in the 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.
2. In the case of recovery following any loss covered under this section, the amount recovered, after deducting the actual cost of obtaining or making such recovery but excluding the insured's own labour and/or establishment costs, shall be applied in the following order:
  - (a) to reimburse the insured in full for the part, if any, of such loss which exceeds the amount of coverage provided by this section (not including the amount of any first amount payable);
  - (b) the balance, if any, or the entire recovery if no part of such loss exceeds the amount of coverage provided by this Section, to reduction of that part of such loss covered by the section or, if payment thereof shall have been made, to the reimbursement of the company;
  - (c) finally, to the part of such loss borne by the Insured by reason of any first amount payable.

### **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 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.

## Other insurances

It is a condition of this section that other than:

- (a) a money policy;
- (b) a policy declared to the company at inception or renewal or time a claim is submitted;
- (c) a fidelity pension fund policy which is not in excess of this section;
- (d) this policy;

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

## First amount payable

It is hereby declared and agreed that the insured shall be responsible for the first amount payable stated in the schedule in respect of each and every defined event involving one employee or any number or employees acting in collusion, it being understood that this amount shall be borne by the insured and remain uninsured.

## Optional reinstatement of insured amount clause (if stated in the schedule to be included)

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

1. the maximum amount payable by the company for all insured employees shall not exceed double the sum insured shown in the schedule;
2. the insured pays additional premium calculated in terms of the following formula:

### 2.1 In respect of annual policies

$$\begin{array}{r} \text{Annual premium in force at time of discovery of loss} \\ \times \\ \hline \end{array} \quad \begin{array}{r} \text{Amount of claim payment} \\ \text{Sum insured at time of discovery of} \\ \text{loss} \\ \hline \end{array}$$

### 2.2 In respect of monthly policies

$$\begin{array}{r} \text{12 times the monthly premium} \\ \text{in force at the time of discovery of loss} \\ \times \\ \hline \end{array} \quad \begin{array}{r} \text{Amount of claim payment} \\ \text{Sum insured at time of discovery of loss} \\ \hline \end{array}$$

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 expiry date being less than 12 months.

## Costs of recovery extension (if stated in the schedule to be included)

If the insured shall sustain any loss to which this section applies which exceeds the sum insured hereunder, the company will, in addition to the sum insured, pay to the insured costs and expenses not exceeding the amount stated in the schedule necessarily incurred with the consent of the company (which consent shall not be unreasonably withheld) for the recovery or attempted recovery from the employee in regard to whom 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 the company.

## Computer loss extension (if stated in the schedule to be included)

The insured having completed a satisfactory questionnaire, specific exception 3 is deleted.

## Automatic reinstatement of insured amount clause (if stated in the schedule to be included)

If the sum insured is reduced or exhausted by any loss hereunder, the sum insured shall be deemed to be automatically reinstated to the amount effective immediately prior to the loss. The total amount reinstated by reason of the operation of this clause shall not exceed the sum insured under the Policy. However, at their discretion, the company may agree to further reinstatement at terms and conditions to be agreed.

**Unidentifiable employee Extensions (if stated in the schedule to be included)**

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 that the insured is able to furnish evidence to prove to the reasonable satisfaction of the company that the loss was in fact due to the fraud or dishonesty of an employee acting alone or in conclusion with others.

**Expenses incurred in reinstating office records Extension (if stated in the schedule to be included)**

The company will, in addition to the sum insured, pay to the insured costs and expenses not exceeding the amount stated in the schedule incurred by the insured in replacing and/or restoring any computer files, data media documents, manuscripts, business books, plans, designs, specifications or programmes, destroyed, damaged or lost as a result of loss insured by this Section.

**MEMORANDA**

1. 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 6, refrain from reporting the matter to the police but shall do so immediately should the company require such action to be taken.
2. Non-disclosure of his own fraud or dishonesty or that of others with whom he is in collusion by the person signing any proposal form or giving renewal or other instructions shall not prejudice any claim under this section.
3. General exceptions 1 and 2 and general condition 9 do not apply to this section.
4. 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.

### DEFINED EVENTS

Loss of or damage to the whole or part of the property described in the 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 schedule in respect of each and every defined event except a claim resulting from fire, lightning or explosion;
- (ii) the liability of the company for all loss of or damage arising from any one defined event shall not exceed the limit of indemnity stated in the schedule.

### MEMORANDA

1. Transit shall be deemed to commence from the time of moving the property described in the 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.
2. 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.
3. 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.
4. 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.

### RESTRICTED COVER

#### **Fire, explosion, collision, derailment and overturning limitation (if stated in the schedule to be included)**

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

### SPECIFIC EXCEPTIONS

The company shall not be liable for:

1. 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 or exit;
  - (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) or arising whilst in transit by sea or inland transit incidental thereto;
  - (f) breakdown of refrigeration equipment.

2. 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.
3. mechanical, electronic or electrical breakdown, failure, breakage or derangement of the insured property unless following an accident or misfortune not otherwise excluded.
4. 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, Mozambique, Malawi and Zambia;
  - (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.
5. consequential loss of any kind, delay, loss of market, depreciation or changes brought about by natural causes.

## **SPECIFIC EXTENSIONS**

### **Debris removal extension ( if stated in the schedule to be included)**

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 of R1 000 or the limit stated in the schedule, whichever is the greater, in respect of any one defined event.

### **Fire extinguishing charges extension**

If the property described in the schedule is lost or damaged by fire whilst in course of a transit insured by this section, the company 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 schedule opposite this clause.

### **Riot & Strike extension (if stated in the 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, 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 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 (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.

## **SPECIFIC CLAUSES**

### **Selling price**

The company agrees to settle any irreplaceable goods, lost or damaged, on the basis of selling price of such goods at date of loss.

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

If the annual premium is determined based on the annual carry of the insured, the insured shall at the beginning of each period of insurance provide to the company an estimate of expected annual carry for the new period of insurance. At the end of each period of insurance, the insured shall provide a declaration of the actual annual carry and the company shall re-calculate the premium due for such past period of insurance. If the resultant premium differs from the initial premium charged, the difference shall be payable by or to the insured as the case may be.

**Annual carry means:** the estimated value of goods that is transported during the period of insurance.

**DEFINED EVENTS**

Loss or damage to the whole or part of the property described in the schedule while anywhere in the world by any accident or misfortune not otherwise excluded,

provided that the insured shall be responsible for the first amount payable stated in the schedule in respect of each and every event except a claim resulting from fire, lightning or explosion.

**SPECIFIC EXCEPTIONS**

The company shall not be liable for:

1. loss or damage to 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 such locked vehicle or building is accompanied by forcible and violent entry or exit.

If the insured can demonstrate through video surveillance footage (or any other conclusive proof) that an attempt was made to lock the vehicle using the vehicle remote but that the locking mechanism was blocked by thieves using an electronic device, such evidence shall be deemed to satisfy the forcible and violent entry or exit requirement for any loss out of the cab or boot of the vehicle;

- (b) its undergoing a process of cleaning, repair, dyeing, bleaching, altering or restoration;
  - (c) inherent vice or defect, vermin, insects, damp, mildew or rust;
  - (d) the dishonestly of any principal, partner, director or employee of the insured whether acting alone or in collusion with others;
  - (e) detention, confiscation or requisition by customs or other officials or authorities
2. 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.
3. mechanical, electronic or electrical breakdown, failure, breakage or derangement unless caused by an accident or misfortune not otherwise excluded.
4. loss of or damage to cash, bank and currency notes, coins, bonds, coupons, stamps, negotiable instruments, title deeds, manuscripts or securities of any kind.
5. loss of or damage to goods consigned under a bill of lading.

**SPECIFIC CONDITIONS****Average**

If the total value of the 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 their own insurer for the difference and shall bear a rateable share of the amount of the loss or damage. Each item of the schedule covering such property shall be separately subject to this condition.

### **Replacement value condition (if stated in the schedule to be included)**

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.

### **SPECIFIC EXTENSIONS**

#### **Increase in cost of working extension (if stated in the schedule to be included)**

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 therefor is admitted under this section, for the purpose of maintaining the normal operation of the business.

#### **Non-forcible and violent entry into vehicle extension (if stated in the schedule to be included)**

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:

1. the police case number is supplied to the company;
2. this extension shall only apply to property that is separately and individually specified in the schedule;
3. after the deduction of the first amount payable specified in the schedule, the liability of the company is further restricted to the lesser of 50% of the claim or R10 000 in respect of any one event.

#### **Riot & Strike extension (if stated in the 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, 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 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 (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.



**DEFINED EVENTS (I)**

Accidental physical loss of or damage to the insured property at or about the premises not otherwise insured or for which insurance is available and described (whether incorporated in this policy or not) in terms of any section (other than Business All Risks) listed in the index of this policy.

The amount payable for all loss or damage arising out of one original cause or source shall not exceed the sum stated and,

notwithstanding general condition 2, this section shall not be called into contribution for any defined event for which more specific insurance has been arranged

**SPECIFIC EXCEPTIONS**

The company shall not be liable for:

- (a) any peril excluded or circumstance precluded from any other insurance available from the company 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) detention, confiscation, attachment, destruction or requisition by any lawfully constituted authority or other judicial process;
- (d) 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;
- (e) 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 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/or 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.
- (f) settlement or bedding down, ground heave or cracking of structures or the removal or weakening of support to any insured property;
- (g) (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;
- (h) failure of and/or the deliberate withholding and/or lack of supplies of water, steam, gas, electricity, fuel or refrigerant;
- (j) collapse of plant and machinery, buildings and structures (other than shelving or storage platforms).

## DEFINITION

### **Insured property shall mean:**

Any tangible property belonging to the insured or held in trust or on commission for which they are responsible other than:

- (a) current coin (including Kruger rands 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 and other certificates, documents or instruments of a negotiable nature;
- (b) furs, jewellery, bullion, precious and semi-precious metals and stones, curiosities, rare books 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 discs 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 ; unless stated in the schedule to be insured.

### **Electronic data processing equipment shall mean:**

For the purpose of this section electronic data processing equipment means and is limited to computers and all related hardware, peripherals and computer software and the information or data stored therein or thereon.

### **First loss shall mean:**

An insured amount as selected by the insured that is less than the total value of the insured property.

### **DEFINED EVENTS (II) (if stated in the schedule to be included)**

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.

## CLAUSES AND EXTENSIONS

### **Restricted cover clause**

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.

### **Additional costs clause**

In respect of buildings, plant and machinery insured, the sums insured include:

- ( ) 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:

- ( ) anything for which notice had been served on the insured prior to the insured event;
- (i) anything connected with undamaged property or undamaged portions of property;
- (ii) rates, taxes, duties, development and other charges payable under the said regulations due to capital appreciation of the insured property;

- (a) fees for the examination of municipal or other plans;
- (b) costs incurred in the necessary demolition, removal of debris (including undamaged contents) and the erection and maintenance of hoardings during demolition and rebuilding;
- (c) the professional fees of architects, quantity surveyors and other consultants; and the sum insured on all insured property includes;

- (d) charges levied by any authorised fire brigade for their services,

but the company 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, the company 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 policy/section.

#### **Mortgagees clause**

From the date of notification, the company 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 the company as soon as such act or omission comes to his knowledge and agrees to be responsible for any additional premium resulting from the company assuming any increased or additional 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 the 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 he owns or in which he is a co-tenant or the owner of any premises of which he is a tenant, provided that the company is notified as soon as he becomes aware of such act and he pays any additional premium resulting from the company assuming any increased or additional hazard.

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

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

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

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

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 or more extensive than such insured property when new, provided that:

- (a) the work of the replacement or reinstatement (which may be carried out on 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 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) the company 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 the insured event, then the insured shall be considered his own insurer for the difference and shall bear a rateable share of the 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 the company within six months of the insured event (or such further time as the company 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.

### **First loss average (if stated in the schedule to be included)**

If at the time of any loss or damage arising, the total value of the property described by each item does not exceed the sums stated in the schedule then this insurance shall be declared free of average, but if the total value of such property shall be greater than the aforementioned sums, then the insured shall be considered as being their own insurer for the difference and the company shall be liable only for such proportion of the first loss sum insured as the aforementioned sums shall bear to the total value not exceeding in all the total sum insured by each item.

## **DEFINED EVENTS**

Damages which the insured shall become legally liable to pay consequent upon Injury or Damage which occurred in the course of or in connection with the business within the territorial limits and on or after the retroactive date shown in the schedule and which results in a claim or claims first being made against the insured in writing during the period of insurance.

## **DEFINITIONS**

For the purpose of determining the indemnity granted by this section the following terms shall mean:

### **1. Damage**

Loss of possession or control of or physical damage to tangible property or wrongful interference with servitude or right of access or other infringement of real or personal rights to the use of property.

### **2. Employee**

- 2.1 Any person employed under a contract of service or apprenticeship with the insured.
- 2.2 Any person engaged by or seconded to the insured (including a volunteer worker) whilst performing any function for or on behalf of the insured.

### **3. Injury**

Death, bodily injury, mental injury, illness (mental or physical) or disease of or to any person.

### **4. Product**

Any tangible property (including containers and labels) after it has left the custody 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, but not food and drink provided by or on behalf of the insured to the insured's employees as a staff benefit.

### **5. Pollution**

The emission, discharge, release, dispersal, disposal, seepage or escape of solid, liquid, gaseous or thermal contaminants or irritants, including vapours, smell, odours, humidity, fumes, smoke, soot or other airborne particles, acids, alkalis, chemicals and waste, electromagnetic waves, noise, vibrations, other emission of effluent or noxious substances into or upon the soil, atmosphere or any watercourse or body of water.

### **6. Costs and Expenses**

Costs, charges, expenses and legal costs recoverable from the insured by a claimant or any number of claimants or incurred by the company or incurred by the insured with the company's prior consent:

- 6.1 in the defence or settlement of any claim under this section of the policy or any action or prosecution brought against the insured in respect of Injury or Damage or other liability as insured in terms of this section of the policy.
- 6.2 In the representation at any inquest or accident inquiry in respect of injury which may form the subject of indemnity under this section of the policy and/or in defending any proceedings in a Court of Summary Jurisdiction in respect of matters which may form the subject of indemnity by this section of the policy.

- 6.3 For such emergency medical treatment as may appear necessary in respect of injury which may form the subject of indemnity by this section of the policy.

## LIMIT OF INDEMNITY

The amount payable, inclusive of Costs and Expenses for any one event or series of events with one original cause or source, shall not exceed the limit of indemnity stated in the schedule.

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 extension of this section, each extension shall apply separately and be subject to its own separate Limit of Indemnity provided always that the total amount of the company's liability shall be limited to the highest Limit of Indemnity under any one of the extensions affording indemnity for the claim or series of claims.

## TERRITORIAL LIMITS

Anywhere in the world but not in connection with:

- (i) any business carried on by the insured at or premises outside, or;
- (ii) any contract for the performance of work outside,

the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Mozambique, Malawi and Zambia.

## SPECIFIC EXCEPTIONS

The company will not indemnify the insured in respect of:

### 1. Employees

liability consequent upon Injury to any Employee arising from and in the course of such employment by the insured;

### 2. Property

Damage to:

- (a)
  - (i) property belonging to the insured;
  - (ii) property in the custody and control of the insured or any employee of the insured but this exception shall not apply to premises (or the contents thereof) temporarily occupied by the insured for work therein;
- (b) that part of any property on which the insured is or has been working if such damage results directly from such work.

### 3. Professional advice, vehicles, aircraft, products

liability consequent upon Injury or Damage:

- (a) Professional advice or treatment caused by or through or in connection with any advice or treatment of a professional nature (other than first aid treatment) given or administered by or at the direction of the insured.

- (b) Vehicles, watercraft, locomotives  
caused by or through or in connection with the ownership, possession or use by or on behalf of the insured of any mechanically propelled vehicle (other than a pedal cycle or lawnmower or any pedestrian controlled garden equipment) or trailer or of any watercraft (other than watercraft not exceeding 6 metres in length and then only whilst on inland waterways), locomotive or rolling stock provided that this exception shall not relieve the company of liability to indemnify the insured in respect of liability consequent upon Injury or Damage caused or arising beyond the limits of any carriage-way or thoroughfare in connection with the loading or unloading of any vehicle, insofar as such injury or damage is not insured by any other insurance policy.
- (c) Aircraft  
caused by or through or in connection with:
- (i) the refuelling of aircraft;
  - (ii) the ownership, possession, maintenance, operation or use of aircraft or an airline;
  - (iii) the ownership, hire or leasing of any airport, airstrip or helicopter pad;
- (d) Products  
caused by or through or in connection with any Product.

#### **4. Vibration and removal of support**

Damage caused by vibration or by the removal or weakening of or interference with support to any land, building or other structure.

#### **5. Pollution**

- (a) liability in respect of Injury, Damage or loss of use of property directly or indirectly caused by Pollution, provided always that this exception shall not apply where such Pollution is caused by a sudden unintended and unforeseen occurrence;
- (b) the cost of removing, nullifying or cleaning up substances resulting from Pollution unless the Pollution is caused by a sudden, unintended and unforeseen occurrence.

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

#### **6. Fines, penalties, etc.**

fines, penalties, punitive, exemplary or vindictive damages;

#### **7. Events known to the insured**

any claim arising from an event known to the insured:

- (a) which is not reported to the company in terms of general condition 6;
- (b) prior to inception of this section or inception of any extension under this section.

#### **8. Deliberate or intentional acts**

liability consequent upon Injury or Damage arising out of the deliberate, conscious and intentional disregard by the insured's management of the need to take reasonable precautions to prevent any event or circumstance which may give rise to a claim.

## 9. **Unlawful competition**

any claim or claims whether actual or alleged howsoever arising in connection with or based upon or arising from or in any way involving actual or alleged unlawful competition, unfair practices, abuse of monopoly power, cartel activities or as may otherwise arise from or be based upon or relate to any breach of a provision of the Competition Act no. 89 of 1998 (as amended) or any similar provision, act or regulation as may be in force in any jurisdiction or country in which the liability arose.

## 10. **USA and Canada judgements, awards or settlements**

damages in respect of judgements, award or settlement made within the United State 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). For the purpose of this specific exception "Damages" shall be deemed to include costs and expenses of litigation recovered by any claimant from the insured.

## 11. **First amount payable**

the first amount payable as stated in the schedule in respect of any one claim or number of claims arising from all events of a series consequent upon or attributable to any one source or original cause.

The provisions of this exception shall apply to claims arising from Injury or Damage as well as Costs and Expenses and the amount of such first amount payable, if required by the company, shall be payable to the company prior to the company:

- (i) settling any claim for damages which the insured shall become legally liable to pay; or
- (ii) appointing legal counsel to defend any action or prosecution brought against the insured.

No claim under this section will be payable unless this provision has been complied with and in the event of non-compliance therewith, any payment on account of the claim already made will be repaid to the company forthwith.

## **MEMORANDUM**

In respect of this section only, General Exception 1 is deleted and replaced by the following:

This section 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 (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, military or usurped power.

## **SPECIFIC CONDITIONS**

### **1. Claims first made in writing against the insured**

Any claim first made in writing against the insured as a result of a defined event reported in terms of general condition 6 (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 the company.

### **2. Reporting of events after cancellation or non-renewal**

In the event of cancellation or non-renewal of the policy the insured may report an event in terms of general condition 6 to the company within 30 days after expiry of the period of insurance provided such event occurred during the period of insurance.



### 3. Series of claims from one originating cause

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 6, 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.

### 4. Manifestation

When it is not possible to ascertain when the Injury or Damage occurred, then for the purposes of determining the indemnity granted:

- (a) the Injury shall be deemed to have occurred when the claimant first consulted a qualified practitioner regarding such Injury, whether or not it was correctly diagnosed at the time. If no such consultation took place, then the Injury shall be deemed to have occurred when the insured was first advised of the injury.
- (b) the Damage shall be deemed to have occurred when it first became evident to the claimant, even if the cause was unknown.

## EXTENSIONS

### 1. 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, the company agrees to extend the period during which the insured may report an event in terms of general condition 6 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 the company 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 the company;
- (d) the insured has not obtained insurance equal in scope and cover to this section as expiring;
- (e) the company 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 event 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 the company for claims 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 hours 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 36 months is extended until the expiry of 12 months after the attainment of majority by the claimant.

## 2. Additional insured

The company will also, as though a separate policy had been issued to each, indemnify:

- (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 employee of the insured (if the insured so requests) against any claim for which the insured is entitled to indemnity under this section;
- (c) to the extent required by the conditions of any contract and in connection with any liability arising from the performance of the contract, any employer named in any contract entered into by the insured for the purposes of the business;
- (d) in respect of the activities of any social or sports club, welfare organisation, first aid, fire or ambulance service, canteen or the like, belonging to or formed by the insured for the benefit of their employees:
  - (i) any officer or member thereof;
  - (ii) any visiting sports team or member

thereof, provided that:

- 1. the aggregate liability of the company is not increased beyond the limits of indemnity stated in the schedule;
- 2. any person or organisation to which this extension applies is not entitled to indemnity under any other policy;
- 3. the indemnity under (a), (b) and (c) applies only in respect of liability for which the insured would have been entitled to indemnity if the claim had been made against the insured.

For the purposes of this extension, the company waives all rights of subrogation or action which they may have or acquire against any of the above and each party to whom the indemnity hereunder applies, shall observe, fulfil and be subject to the terms, exceptions and conditions (both general and specific) of this policy and this section thereof in so far as they can apply.

## 3. Cross liabilities

Where more than one insured is named in the schedule, the company will indemnify each insured separately and not jointly and any liability arising between such insured's shall be treated as though separate policies had been issued to each, provided that the aggregate liability of the company shall not exceed the limit of indemnity stated in the schedule.

## 4. Tool of Trade

Specific exception 3(b) shall not apply to the operation as a tool of any vehicle or plant forming part of such vehicle or attached thereto, provided that the company shall not be liable hereunder in respect of so much of any liability as falls within the scope of any form of motor insurance or compulsory third party insurance legislation, notwithstanding that no such insurance is in force or has been effected nor shall the company be liable where any other form of motor insurance has been effected by the insured covering the same liability.

## 5. Employees' and visitors' property

Specific exception 2(a) (ii) shall not apply to property belonging to any partner, director or employee of the insured or any visitor to the insured's premises.

## 6. **Transnet and other government departments**

Notwithstanding the provisions of specific exceptions 2(a) (ii) and 3(b), this section extends to indemnify the insured:

- (a) against liability assumed by the insured under any contract entered into with or indemnity given to Transnet, government or quasi-government departments, provincial administrations, municipalities and/or similar bodies covering the use of railway sidings or in respect of cartage (hazardous premises) agreements and/or agreements of a similar nature;
- (b) against liability arising from loss of or damage to property belonging to Transnet, while in the insured's custody or control;
- (c) in respect of liability caused by or through or in connection with any vehicle, trailer, locomotive or rolling stock belonging to Transnet, while being used by or on behalf of the insured at any railway siding.

## 7. **Unattached trailers**

Specific exception 3(b) shall, as far as it relates to trailers, not apply in respect of any trailer not attached to and not having become unintentionally detached from any mechanically propelled vehicle, provided that the company shall not be liable hereunder in respect of so much of any liability:

- (i) which is insured by or would, but for the existence of this section, be insured by any other policy or policies effected by the insured;
- (ii) as falls within the scope of any compulsory third party insurance legislation, notwithstanding that no such insurance is in force or has been effected.

## 8. **Car Parks**

Notwithstanding the provisions of specific exception 2(a) (ii), the company will indemnify the insured in respect of liability as herein provided arising from loss of or damage to vehicles and their contents and accessories, the property of tenants, customers, visitors or employees of the insured using parking facilities provided by the insured.

## 9. **Tenant's liability**

Specific exceptions 2(a) (ii) and 3(b) of this section shall not apply to premises occupied by the insured as tenant (but not as the owner) thereof.

## 10. **Products liability (if stated in the schedule to be included)**

Notwithstanding anything to the contrary contained in specific exception 3(d), the company will indemnify the insured in respect of defined events happening anywhere in the Territorial Limits elsewhere than at premises occupied by the insured and caused by any Product (including wrongful delivery and delivery of incorrect Products).

The amount payable under this extension, inclusive of any Costs and Expenses for any claim or number of claims arising from any one event or series of events with one original cause or source or during any one (annual) period of insurance, shall not exceed in the aggregate the limit of indemnity for this extension stated in the schedule.

### **Specific exceptions (applicable to products liability extension)**

This extension does not cover liability:

- (i) for the cost of repair, alteration, recall, reconditioning or replacement of the Product or part thereof.

For the purpose of this specific exception the term “replacement” shall be deemed to include any credit or refund granted or alternative Product provided by or on behalf of the insured in lieu of replacement of the defective Product.

- (ii) for the cost of demolition, breaking out, dismantling, delivery, rebuilding, supply and installation of the Product and any other property essential to such repair, alteration or replacement unless physically damaged by the Product;
- (iii) arising from the failure of any Product or any part thereof to fulfil its intended function or to perform as specified, warranted or guaranteed but this exception shall not apply to consequent Injury or Damage;
- (iv) arising from any Product intended to be installed in or intended to form part of and forming part of an aircraft;
- (v) in respect of Injury or Damage happening in the United States of America or Canada caused by or through or in connection with any Product sold or supplied by or to the order of the insured, if such Products have, to the insured’s knowledge, been exported to the United States of America or Canada by or on behalf of the insured;
- (vi) for any defect in any Product or part thereof of which the insured was aware prior to the inception of this extension.

**11. Defective workmanship liability (if stated in the schedule to be included)**

Specific exception 2(b) is deleted.

The amount payable under this extension, inclusive of Costs and Expenses recoverable from the insured by a claimant or any number of claimants for any one event or series of events with one original cause or source or during any one (annual) period of insurance, shall not exceed in the aggregate the limit of indemnity for this extension stated in the schedule.

**Specific exceptions (applicable to defective workmanship liability)**

This extension does not cover liability:

- (i) for the cost of rectifying or recalling defective work;
- (ii) arising from inefficacy of such work or because the work did not produce the result anticipated or claimed;
- (iii) arising prior to the handing over of such work;
- (iv) arising from defective design;
- (v) arising from any work on any aircraft or part thereof.

**12. Statutory legal defence costs (if stated in the schedule to be included)**

If the Insured so requests, the company will indemnify the Insured or any employee, partner or director of the Insured against costs and expenses not exceeding the amount stated in the schedule incurred by or on behalf of the Insured or any employee, partner or director of the Insured with the consent of the company in the defence of any criminal action brought

against such person in the course of his employment with the Insured arising from an alleged contravention of the Statutes as herein defined (as amended from time to time)] governing the conduct of the business during the period of insurance.

provided that:

1. in the case of an appeal, the company shall not indemnify such person unless a senior counsel approved by the company shall advise that such appeal should, in his opinion, succeed;
2. the company shall not indemnify such person in respect of any fine or penalty imposed by any magistrate or judge or any loss consequent thereon;
3. such person shall, as though he were the insured, observe, fulfil and be subject to the terms, exclusions and conditions of this policy and this section thereof in so far as they can apply;
4. if the prosecution arises from or in connection with any Product, the company will only indemnify the insured or any employee, partner or director of the insured if the extension for products liability is stated in the [GC30] schedule to be included. The limit of liability will be restricted to R100,000 per event and R150,000 in the annual aggregate

#### The Statutes

1. The Consumer Protection Act No 68 of 2008 (as amended),
2. The Occupational Health and Safety Act No. 85 of 1993 (as amended),
3. The Mines and Works Act No. 27 of 1956 (as amended),
4. The Electricity Act No. 40 of 1958 (as amended), and/or any other Act or Ordinance pertaining to the supply of Electricity, all as read in conjunction with the Criminal Procedure Act No. 51 of 1977 (as amended).

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### 13. Wrongful arrest and defamation (if stated in the schedule to be included)

The defined events are extended to include damages:

- (i) resulting from wrongful arrest (including assault in connection with such wrongful arrest);
- (ii) in respect of defamation, wrongful imprisonment, malicious prosecution and/or injuria,

provided always that the liability of the company shall not exceed the limit of indemnity stated in the schedule.

### 14. Warehouseman's liability (if stated in the schedule to be included)

Specific exception 2 (a) (ii) shall not apply to property in the custody and control of the insured for storage purposes in their capacity as warehousemen, provided that:

1. the damage to the property occurs on the insured's premises as stated in the schedule.
2. the company shall not be liable for:
  - (a) loss of property due to the dishonest act of any principal, partner, director or employee of the insured;
  - (b) the first amount payable stated in the schedule;
  - (c) mechanical or electrical derangement unless accompanied by other damage;
  - (d) damage caused by rust, wear and tear, gradual deterioration, moths, vermin, termites, insects, inherent vice or damage due to or resulting from any repairing, restoration or retouching process;
  - (e) damage to property which is insurable under any material damage policy or section of this policy;
  - (f) damage to furs, jewellery, bullion, precious or semi-precious metals and stones, curiosities, rare books and works of art.

3. this extension is subject to the insured complying with the following special conditions of storage:
  - (a) Property shall only be accepted for storage by the insured if the person wishing to store the property has agreed to the terms and conditions contained in the insured's standard conditions of storage, which must be signed and dated.
  - (b) A copy of these terms and conditions has been lodged with the company and may not be varied or altered without the company's prior written approval.
4. the company's liability for any one event or series of events with one original cause or source or during any one (annual) period of insurance, shall not exceed in the aggregate the limit of indemnity for this extension stated in the schedule.

**15. Acquisitions and new businesses (if stated in the scheduled to be included)**

The indemnity granted by this section of the policy extends to any company formed and/or acquired by the Insured during the Period of Insurance for a period of 90 days of such formation and/or acquisition.

Provided always that:

1. the Retroactive Date in respect of such new company shall be deemed to be the date when a newly formed and/or 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 the date of acquisition. In the event of no such declaration, the Retroactive Date shall be the date of such acquisition;
2. the Insured's business activities remain unchanged;
3. the annual turnover of all newly formed and/or acquired companies does not exceed 5% (five percent) of the estimated annual turnover of the Insured as advised to the company at inception hereof;
4. the Insured shall advise the company of such formations and/or acquisitions before the expiry of 90 days thereof and the company may amend the terms of this section of the policy accordingly.

**16. Gratuitous advice (if stated in the scheduled to be included)**

Notwithstanding anything to the contrary contained in specific exception 3. (a), the company will indemnify the Insured in respect of Defined Events caused by the unintentional failure of the Insured to perform the legal duty to exercise due care owed to another person or party in providing technical information or advice to such person or party provided that this section does not cover liability:

1. arising out of the insolvency of the Insured;
2. arising out of financial services and/or cost estimates provided by or on behalf of the Insured;
3. arising out of defamation;
4. arising out of design, formula, supervision, treatment or advice given by or on behalf of the Insured in exchange for a fee;
5. arising out of technical information or advice given in connection with a Product unless the extension for Products Liability is included in the schedule.

If at the time of any event giving rise to a claim under this extension, indemnity is also provided under any other insurance, this extension 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.

#### 17. Forecourt services (if stated in the schedule to be included)

Notwithstanding anything to the contrary contained in specific exceptions 2 (a) (ii) and 2 (b), the company will indemnify the insured in respect of defined events caused by or as a result of the insured or any employee of the insured:

- (a) dispensing incorrect fuel (or contaminated fuel) or top-up lubricant;
- (b) after providing forecourt services to customer's failing to correctly:
  - (i) tighten or close caps or lids of the vehicle;
  - (ii) close the bonnet or boot lid of the vehicle (including damage to such bonnet or boot);
- (c) denting, scratching or otherwise damaging customer's vehicles whilst providing forecourt services;

For the purpose of this extension only, damage shall include the costs incurred in cleaning the fuel or lubrication systems of the vehicle whether visible damage has been caused by the incorrect dispensing of fuel and/or lubricants or not, provided that the amount payable under this extension, inclusive of Costs and Expenses, for any one event or series of events with one original cause or source shall not exceed R75 000 any one event and R150 000 during any one (annual) period of insurance.

**Forecourt service shall mean:** the dispensing of fuel, top-up of lubricant or the topping of the radiator and/or other reservoirs in or on the vehicle, the inflation or deflation of tyres and the cleaning of windscreens or other window glass of the vehicle but does not include any form of mechanical and/or electrical repair or service nor the removal, repair or fitting of any tyre, wheel or tube nor any car wash or valet service.

#### Specific exceptions (applicable to forecourt service extension)

The company shall not be liable for:

- (i) the cost of fuel and/or lubricant dispensed;
- (ii) the first 10% of any claim subject to a minimum amount of R2500.

#### 18. Car wash/valets services (if stated in the schedule to be included)

Notwithstanding anything to the contrary contained in specific exceptions 2(a) (ii) and 2(b) the company will indemnify the insured in respect of defined events caused by or as a result of the car washing and/or car valet facilities of the insured where such activities are generic to car wash or car valet activities, provided that;

- (i) the amount payable under this extension, inclusive of Costs and Expenses, for any one event or series of events with one original cause or source shall not exceed R50 000 any one event and R150 000 during any one (annual) period of insurance.
- (ii) the company shall not be liable for Damage to property which is indemnifiable under any Fire and Theft insurance whether or not such insurance has been effected or not.
- (iii) the company shall not be liable for the first 10% of any claim subject to a minimum amount of R2500.

**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 service or apprenticeship 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 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 the company'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 schedule.

**TERRITORIAL LIMITS**

Anywhere in the world but not 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, Zimbabwe, Mozambique, Malawi and Zambia.

**SPECIFIC EXCEPTION**

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 in the absence of 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 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;
  - (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 the company 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;
- (g) any claim for compensation recoverable under any Act in terms of which any employee may claim compensation for work related injuries.

**SPECIFIC CONDITIONS**

1. Any claim first made in writing against the insured as a result of a defined event reported in terms of general condition 6 (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 the company.
2. In the event of cancellation or non-renewal of the policy:
  - (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 6 to the company for up to 30 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.
3. 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 been made against the insured:
- (a) on the date that the event was reported by the insured in terms of general condition 6, or;
  - (b) if the insured was not aware of any event which could have given rise to a claim, on that 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, the company agrees to extend the period during which the insured may report an event in terms of general condition 6 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 the company 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 the company.
- (d) the insured has not obtained insurance equal in scope and cover to this section as expiring.
- (e) the company 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 event 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 the company 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, the company will, notwithstanding 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 the company.
- (b) the principal shall, as though he were the insured, fulfil and be subject to the terms, exceptions and conditions (both general and specific) of this policy in so far as they can apply.
- (c) the liability of the company is not hereby increased.

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

The indemnity granted shall extend at the insured's option subject to the agreement of the company (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:

1. such employee shall as if he were the insured, observe, fulfil and be subject to the terms, exceptions and conditions of this section and/or policy insofar as they can apply;
2. 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, the company shall not be liable to indemnify the employee in terms of this extension.

### **Memorandum**

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 was declared or not), civil war, mutiny, insurrection, rebellion, revolution, military or usurped power.

## STATED BENEFITS SECTION

### 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 such person) specified in the schedule.

The company will pay to the insured, on behalf of such person or his estate, the compensation stated in the schedule in the event of accidental bodily injury to any such person directly and independently of all other causes resulting within 24 calendar months in death or disability as specified in the schedule under the heading **circumstances**.

### DEFINITIONS

#### Permanent Disability shall mean:

	Percentage 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 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 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, one or both phalanges	5
other than great, if more than one toe lost, each	5

#### Memoranda

- (i) Where the injury is not specified, the company 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 per cent 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 such person.

**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 person if trapped or bringing such person to a place of safety) as a result of bodily injury and incurred within 24 months of the defined event.

**Annual earnings** shall mean the annual rate of wage, salary and cost of living allowance being paid or allowed by the insured to such person 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 such person during the 12 months immediately preceding the date of accidental bodily injury.

**Average weekly earnings** shall mean one fifty-second part of annual earnings.

**LIMITATIONS (if stated in the schedule to be**

**applicable) Business Hours Limitation**

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 of the insured.

**Business Hours plus Commuting Limitation**

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 of the insured including travelling to and from work in a direct and timeous manner.

**PROVISOS**

It is declared and agreed that;

1. the company 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 such person, 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;
2. the compensation specified for temporary total disability shall be payable for not more than the number of weeks stated in the schedule 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;
3. unless otherwise provided herein, this section shall not apply to any such person under 15 or over 70 years of age;
4. any compensation payable by the company 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 such person under any workmen's compensation enactment for temporary disability for the same or a lesser period or in respect of medical expenses;
5. after suffering accidental bodily injury for which compensation may be payable under this section, such person shall, when reasonably required by the company so to do, submit to medical examination and undergo any treatment specified. The company shall not be liable to make any payment unless this proviso is complied with to its satisfaction;
6. general conditions 2 and 9 do not apply to this section;
7. 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.

**EXTENSIONS**

1. **Exposure**  
Bodily injury shall be deemed to include injury caused by starvation, thirst and/or exposure to the elements, directly or indirectly resulting from mishap.
2. **Disappearance**  
In the event of the disappearance of any such person in circumstances which satisfy the company that he has sustained injury to which this section applies, and that such injury has resulted in the death of such person, the company will, for the purposes of the insurance afforded by this section, presume his death provided that if, after the company shall have made payment hereunder in respect of such person's presumed death, he is found to be alive, such payment shall forthwith be refunded by the insured to the company.

3. **Burns disfigurement (if stated in the schedule to be included)**

Subject to the exclusion shown below, the following item is added to the "Permanent disability" definition:

		<b>Percentage of compensation</b>
(l) permanent disfigurement resulting from accidental external burns to the combined surface area of the:		
(i) face and neck		
100% surface area disfigurement	.....	60
less than 100% surface area disfigurement	..... .....	The proportion of 60 which the actual surface area disfigurement bears to 100% surface area disfigurement
(ii) remaining parts of the body other than the face and neck		
100% surface area disfigurement	.....	30
less than 100% surface area disfigurement	..... .....	The proportion of 30 which the actual surface area disfigurement bears to 100% surface area disfigurement

The company shall not pay under any sub-item of this extension unless the disfigurement exceeds 10% for the sub item under which a claim is lodged.

4. **Life support machinery**

Notwithstanding anything contained in the defined events, the twenty four month period stated therein shall not include any period or periods where the death of such person is delayed solely by the use, for periods of not less than three consecutive days, of life support machinery, equipment or apparatus.

5. **Trauma counselling**

The company will indemnify the insured for the cost of treatment of any principal, partner, director or employee of the insured undergoing treatment by a registered psychologist as a result of their having been psychologically traumatised as a direct result of violence or threat of violence during theft, attempted theft or hijack.

The indemnity under this extension is limited to 10% of the death compensation limit stated in the schedule in respect of any one claim or series of claims from one event.

6. **Repatriation**

If there is a valid claim for death or serious accidental bodily injury, the company will also pay the reasonable and necessary expenses incurred in the repatriation of such person (or the body of such person in the event of his death) to his normal place of residence, provided that:

- 6.1 the liability of the company in respect of each and every claim shall not exceed the amount stated in the schedule.
- 6.2 if there is a claim for serious accidental bodily injury, the prior consent of the company to repatriate such person must be obtained. Such consent will not be unreasonably withheld.

7. **Emergency Transportation / Search and Rescue**

The company will pay costs and expenses necessarily incurred for:

- 7.1 emergency transportation;
- 7.2 search and rescue, including freeing and bringing such person to a place of safety, as a result of, or in order to prevent accidental bodily injury to such person,

provided that:

- (a) the company will not be liable if such person is found in circumstances which are unlikely to result in accidental bodily injury;
- (b) the liability of the company in respect of each and every claim shall not exceed the amount stated in the schedule.

8. **Hi-jacking, Abduction and Kidnapping**

If there is an unlawful seizure or wrongful exercise of control of any aircraft or conveyance (including the crew thereof) in which such person is travelling, or if such person is abducted or kidnapped, the cover in terms of this section shall continue in force for the duration of such an occurrence, or 12 months from the date of such occurrence, whichever is the lesser period:

If Temporary Total Disability is insured, the company will regard the hi-jacking, abduction or kidnapping of such person as a claim for Temporary Total Disability, provided that:

- 8.1 the company's liability is limited to the period of hi-jacking, abduction or kidnapping or eight weeks, whichever is the lesser.
- 8.2 no compensation shall be payable if any member of such person's immediate family is involved in the hi-jacking, abduction or kidnapping as a principal or accessory.

9. **Mobility**

When the company has admitted a claim for Permanent Disability, if as a direct result of that disability such person is permanently dependent on a wheelchair for mobility, the company will, in addition to any amount payable for Permanent Disability, pay for:

- 9.1 a wheelchair (self-propelled or electric);
- 9.2 the fitting of wheelchair loading equipment and alterations to such person's residence to facilitate the use of such wheelchair;
- 9.3 the modification of the controls of such person's motor vehicle,

provided that the liability of the company for such costs in respect of each and every claim shall not exceed the amount stated in the schedule for any one such person.

10. **Additional Death Benefit**

On production of an interim death certificate, the company will pay the amount stated in the schedule if such person dies as a result of accidental bodily injury.

## 11. War Risks

Notwithstanding proviso 7, this section is extended to include accidental bodily injury to such person arising from, 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, provided that:

- 5.1 the company shall not be liable to pay compensation in terms of this extension for claims arising while such person is on service or duty or undergoing training with any military or police force.
- 5.2 the company shall not be liable to pay compensation in terms of this extension for claims resulting from war (whether declared or not) between any of the following nations:  
  
the United Kingdom, the United States of America, France, the Peoples Republic of China and constituent parts of the former Union of Soviet Socialist Republics.
- 5.3 the maximum liability of the company under this extension in respect of each and every claim shall not exceed the amounts stated in the schedule.
- 5.4 this extension may be cancelled at any time by the company giving 30 days' notice in writing. From the date of cancellation, the insured shall be entitled to a pro-rata refund premium for the unexpired period if no claim has arisen. If a claim has been made, no refund premium is payable.

### SPECIFIC EXCEPTIONS

The company shall not be liable to pay compensation for death, disability or medical expenses in respect of such person:

- (a) while engaging in flying as pilot or member of the crew. This exception does not apply to such person's engaging in ballooning, hang-gliding, paragliding and parachuting, provided that such activities are solely for social and/or pleasure purposes and not of a competitive nature or for reward;
- (b) by his suicide or intentional self-injury;
- (c) caused solely by an existing physical defect or other infirmity of such person;
- (d) as a result of the influence of alcohol, drugs or narcotics upon such person unless administered by a member of the medical profession (other than himself) or prescribed by and taken in accordance with the instructions of a member of the medical profession (other than himself);
- (e) as a result of his participation in any riot or civil commotion or act of terrorism;
- (f) arising from any motor vehicle accident occurring whilst such person is driving or operating any motorised or mechanically operated vehicle whilst being under the influence of alcohol. For the purpose of this exception the term "under the influence of alcohol" means having a Blood Alcohol Level Concentration greater than the statutory limit at the time of the accident, or the level applicable according to prevailing legislation where the accident occurs, whichever is the lesser;
- (g) as a result of such person's deliberate exposure to exceptional danger (except in an attempt to save human life) or such person's own criminal act;
- (h) while participating in sport as a professional player.

## GROUP PERSONAL ACCIDENT SECTION

### 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 such person) specified in the schedule.

The company will pay to the insured, on behalf of such person or his estate, the compensation stated in the schedule in the event of accidental bodily injury to any such person directly and independently of all other causes resulting within 24 calendar months in death or disability as specified in the schedule under the heading **circumstances**.

### DEFINITIONS

#### Permanent Disability shall mean:

	Percentage 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 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 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, one or both phalanges	5
other than great, if more than one toe lost, each	5

#### Memoranda

- (i) Where the injury is not specified, the company 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 per cent 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 such person.

**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 person if trapped or bringing such person to a place of safety) as a result of bodily injury and incurred within 24 months of the defined event.



## **LIMITATIONS (if stated in the schedule to be**

### **applicable) Business Hours Limitation**

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 of the insured.

### **Business Hours plus Commuting Limitation**

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 of the insured including travelling to and from work in a direct and timeous manner.

## **PROVISOS**

It is declared and agreed that:

1. the company 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 such person, 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;
2. the compensation specified for temporary total disability shall be payable for not more than the number of weeks stated in the schedule 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;
3. unless otherwise provided herein, this section shall not apply to any such person under 15 or over 70 years of age;
4. after suffering accidental bodily injury for which compensation may be payable under this section, such person shall, when reasonably required by the company so to do, submit to medical examination and undergo any treatment specified. The company shall not be liable to make any payment unless this proviso is complied with to its satisfaction;
5. General conditions 2 and 9 do not apply to this section;
6. 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.

## **EXTENSIONS**

1. **Exposure**  
Bodily injury shall be deemed to include injury caused by starvation, thirst and/or exposure to the elements, directly or indirectly resulting from mishap.
2. **Disappearance**  
In the event of the disappearance of any such person in circumstances which satisfy the company that he has sustained injury to which this section applies, and that such injury has resulted in the death of such person, the company will, for the purposes of the insurance afforded by this section, presume his death provided that if, after the company shall have made payment hereunder in respect of such person's presumed death, he is found to be alive, such payment shall forthwith be refunded by the insured to the company.

**3. Burns disfigurement (if stated in the schedule to be included)**

Subject to the exclusion shown below, the following item is added to the definition of permanent disability:

		<b>Percentage of compensation</b>
(l)	permanent disfigurement resulting from accidental external burns to the combined surface area of the:	
	(i) face and neck	60
	100% surface area disfigurement .....	the proportion of 60 which the actual surface area disfigurement bears to 100% surface area disfigurement
	less than 100% surface area disfigurement .....	
	(ii) remaining parts of the body other than the face and neck	30
	100% surface area disfigurement .....	the proportion of 30 which the actual surface area disfigurement bears to 100% surface area disfigurement
	less than 100% surface area disfigurement .....	

The company shall not pay under any sub-item of this extension unless the disfigurement exceeds 10 per cent for the sub-item under which a claim is lodged.

**4. 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 such person is delayed solely by the use, for periods of not less than three consecutive days, of life support machinery, equipment or apparatus.

**5. Trauma counselling**

The company will indemnify the insured for the cost of treatment of any insured person undergoing treatment by a registered psychologist as a result of such insured person having been psychologically traumatised as a direct result of violence or threat of violence during theft, attempt theft or hi-jack.

The indemnity under this extension is limited to 10% of the death compensation limit stated in the schedule in respect of any one claim or series of claims from one event.

**6. Repatriation**

If there is a valid claim for death or serious accidental bodily injury, the company will also pay the reasonable and necessary expenses incurred in the repatriation of such person (or the body of such person in the event of his death) to his normal place of residence, provided that:

- 6.1 the liability of the company in respect of each and every claim shall not exceed the amount stated in the schedule.
- 6.2 if there is a claim for serious accidental bodily injury, the prior consent of the company to repatriate such person must be obtained. Such consent will not be unreasonably withheld.

**7. Emergency Transportation / Search and Rescue**

The company will pay costs and expenses necessarily incurred for:

- 7.1 emergency transportation;
- 7.2 search and rescue, including freeing and bringing such person to a place of safety, as a result of, or in order to prevent accidental bodily injury to such person, provided that:

- (c) the company will not be liable if such person is found in circumstances which are unlikely to result in accidental bodily injury;
- (d) the liability of the company in respect of each and every claim shall not exceed the amount stated in the schedule.

**8. Hi-jacking, Abduction and Kidnapping**

If there is an unlawful seizure or wrongful exercise of control of any aircraft or conveyance (including the crew thereof) in which such person is travelling, or if such person is abducted or kidnapped, the cover in terms of this section shall continue in force for the duration of such an occurrence, or 12 months from the date of such occurrence, whichever is the lesser period.

If Temporary Total Disability is insured, the company will regard the hi-jacking, abduction or kidnapping of such person as a claim for Temporary Total Disability, provided that:

- 8.1 the company's liability is limited to the period of hi-jacking, abduction or kidnapping or eight weeks, whichever is the lesser.
- 8.2 no compensation shall be payable if any member of such person's immediate family is involved in the hi-jacking, abduction or kidnapping as a principal or accessory.

**9. Mobility**

When the company has admitted a claim for Permanent Disability, if as a direct result of that disability such person is permanently dependent on a wheelchair for mobility, the company will, in addition to any amount payable for Permanent Disability, pay for:

- 9.1 a wheelchair (self-propelled or electric);
- 9.2 the fitting of wheelchair loading equipment and alterations to such person's residence to facilitate the use of such wheelchair;
- 9.3 the modification of the controls of such person's motor vehicle,

provided that the liability of the company for such costs in respect of each and every claim shall not exceed the amount stated in the schedule for any one such person.

**10. Additional Death Benefit**

On production of an interim death certificate, the company will pay the amount stated in the schedule if such person dies as a result of accidental bodily injury.

**11. War Risks**

Notwithstanding proviso 6, this section is extended to include accidental bodily injury to such person arising from, 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, provided that:

- 11.1 the company shall not be liable to pay compensation in terms of this extension for claims arising while such person is on service or duty or undergoing training with any military or police force.
- 11.2 the company shall not be liable to pay compensation in terms of this extension for claims resulting from war (whether declared or not) between any of the following nations:

the United Kingdom, the United States of America, France, the Peoples Republic of China and constituent parts of the former Union of Soviet Socialist Republics.

- 11.3 the maximum liability of the company under this extension in respect of each and every claim shall not exceed the amounts stated in the schedule.

11.4 this extension may be cancelled at any time by the company giving 30 days' notice in writing. From the date of cancellation, the insured shall be entitled to a pro-rata refund premium for the unexpired period if no claim has arisen. If a claim has been made, no refund premium is payable.

### **SPECIFIC EXCEPTIONS**

The company shall not be liable to pay compensation for death, disability or medical expenses in respect of such person:

- (a) while engaging in flying as pilot or member of the crew. This exception does not apply to such person's engaging in ballooning, hang-gliding, paragliding and parachuting, provided that such activities are solely for social and/or pleasure purposes and not of a competitive nature or for reward;
- (b) by his suicide or intentional self -injury;
- (c) caused solely by an existing physical defect or other infirmity of such person;
- (d) as a result of the influence of alcohol, drugs or narcotics upon such person unless administered by a member of the medical profession (other than himself) or prescribed by and taken in accordance with the instructions of a member of the medical profession (other than himself);
- (e) as a result of his participation in any riot or civil commotion or act of terrorism;
- (f) arising from any motor vehicle accident occurring whilst such person is driving or operating any motorised or mechanically operated vehicle whilst being under the influence of alcohol. For the purpose of this exception the term "under the influence of alcohol" means having a Blood Alcohol Level Concentration greater than the statutory limit at the time of the accident, or the level applicable according to prevailing legislation where the accident occurs, whichever is the lessor;
- (g) as a result of such person's deliberate exposure to exceptional danger (except in an attempt to save human life) or such person's own criminal act;
- (h) while participating in sport as a professional player.

**SUB-SECTION A - LOSS OR DAMAGE****Defined Events**

Loss of or damage to any vehicle described in the schedule and its accessories and spare parts whilst thereon. In addition, if such vehicle is disabled by reasons of any loss or damage insured hereby, the company 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 prior consent of the company to the extent of but not exceeding R10 000, provided that a detailed estimate is first obtained and immediately forwarded to the company. The company will also pay the reasonable cost of delivery to the insured, after repair of such loss or 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, Mozambique, Malawi and Zambia, provided that:

1. the company's liability for the aforesaid costs in respect of protection, removal and delivery shall be limited to R10 000 any one occurrence unless the insured uses the company's procurement partners.
2. the limit of indemnity for each type of vehicle is as stated in the schedule and shall be the maximum amount payable by the company in respect of such loss or damage but shall not exceed the retail value of the vehicle and its accessories and spare parts at the time of such loss or damage.
3. the company may, at its own option, repair, reinstate or replace such vehicle or any part thereof and/or its accessories and spare parts or may pay in cash the amount of the loss or damage not exceeding the retail value of such vehicle and/or its accessories and/or spare parts at the time of such loss or damage.
4. if, to the knowledge of the company, 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 the company in respect of such loss or damage.
5. in respect of each and every occurrence giving rise to a claim (except a claim resulting from fire, lightning or explosion) under this sub-section, the insured shall be responsible for the first amounts payable stated in the 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 sub-section (including any payment in respect of costs expenses and fees) and of any expenditure by the company in the exercise of any discretion it may have under this section. If the expenditure incurred by the company shall include any first amount payable for which the insured is responsible, such amount shall be paid by the insured to the company forthwith.
6. the company shall not be liable for more than the amount stated in the schedule (after deduction of the first amounts payable ) in respect of the theft or attempted theft of radios, tape players and similar equipment or telephones not supplied by the manufacturers of the vehicle when new.

Retail Value means:

1. For vehicles listed in the Trans Union dealers' guide:  
The published Retail Value adjusted according to the guide's recommendations for odometer reading, overall condition, factory fitted and aftermarket extras at the time of the loss or damage.
2. For vehicles, vehicle types and extras not listed in the Trans Union dealers' guide:  
The average Retail Value based on a minimum of 3 quotations obtained from the motor dealer market for a similar vehicle of the same make and model in similar condition at the time of loss or damage.

**Specific Exceptions applicable to sub-section A**

The company 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) loss of or damage to a vehicle as a result of detention, confiscation or requisition by customs or other officials or authorities.

## **SUB-SECTION B - LIABILITY TO THIRD PARTIES**

### **Defined events**

Any accident caused by or through or in connection with any vehicle described in the schedule or in connection with the loading and/or unloading of such vehicle in respect of which the insured and/or 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 the insured or 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 of the insured or being conveyed by, loaded onto or unloaded from such vehicle.

The company will also, in terms of and subject to the limitations of and for the purposes of this sub-section:

1. 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 sub-section, 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 sub-section, provided that the total of the company's liability under both this extension and sub-section B shall not exceed the limit of indemnity stated to apply to sub-section B.
2. 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 he were the insured, observe, fulfil and be subject to the terms, exceptions and conditions of this section 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 policy except in respect of any amount not recoverable thereunder.
3. indemnify the insured while personally driving 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 the company shall not be liable for damage to the vehicle being driven or used.
4. 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 the company shall not be liable for damage to the towed vehicle or trailer nor to property therein or thereon.

### **Specific Exceptions applicable to sub-section B**

The company shall not be liable under this sub-section 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 exception shall not apply to forklift trucks.
- (d) costs incurred in connection with the cleaning up or removal of or otherwise handling property relating to hazardous goods as described in the National Environmental Act as well as the Road Accident Traffic Act 1996 (plus corresponding codes) which is or was carried in or on a vehicle insured in terms of this section.

**Limits of indemnity**

Unless otherwise stated, the liability of the company under this sub-section in respect of any one occurrence shall not exceed the limits of indemnity as stated in the schedule.

**SUB-SECTION C - MEDICAL EXPENSES**

**Defined events**

If an occupant in the specified part of a vehicle described below, in direct connection with such a vehicle, sustains bodily injury by violent, accidental, external and visible means, the company will pay to the insured the medical expenses incurred as a result of such injury up to R1 000 per injured occupant but not exceeding R20 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 sub-section shall be reduced by any amount recoverable under any workmen'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.

**Defined vehicle but only if it is insured under sub-section A of this section**

- 1. Any private type motor car or motorised caravan
- 2. Any other type of insured vehicle other than a bus or taxi

**Specified part of vehicle in which the injury must occur**

- Anywhere inside the vehicle
- The permanently enclosed passenger carrying compartment

**DEFINITIONS**

**1. 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 section.

**2. Vehicle**

The term vehicle shall mean:

- (a) private type motor cars (including station wagons, safari vans, estate cars and the like or similar vehicles designed to seat not more than 9 persons including the driver);
- (b) commercial vehicles and special type vehicles as described in the schedule;
- (c) motor cycles (including motor scooters and 3-wheeled vehicles);
- (d) buses (including any vehicle used for business purposes and designed to seat more than 9 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/or repair provided that the company's maximum liability shall not exceed the lesser of the retail value of the replacement vehicle or the limit of indemnity of the replaced vehicle as stated in the schedule.

## **EXTENSIONS**

### **1. Contingent liability extension (if stated in the schedule to be included)**

The indemnity under sub-section B shall include 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 nor provided by the insured, while being used by any partner or director or employee of the insured (hereafter 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 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:

- (i) specific exception (b) [liability to passengers] of the exceptions to sub-section B are deleted;
- (ii) the company 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 policy in respect of the same occurrence, the company shall not be liable to make any payment hereunder except in respect of any excess beyond the amount payable under such other policy;
- (v) the terms, exceptions and conditions of the policy or section shall otherwise apply.

### **2. Passenger liability extension (if stated in the schedule to be included)**

Specific Exception (b) [liability to passengers] to sub-section 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 schedule.

### **3. Unauthorised passenger liability extension (if stated in the schedule to be included)**

The indemnity under sub-section B, notwithstanding specific exception (b) [liability to passengers] 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 schedule.

### **4. Parking facilities and movement of third party vehicles extension (if stated in the schedule to be included)**

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 employment of the insured or acting on the insured's behalf, provided always that such vehicle was being moved:

- (a) with the authority of any tenant, customer or visitor of the insured; or
- (b) in connection with the insured's parking arrangement; or
- (c) 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.



## 5. **Windscreen extension (if stated in the schedule to be included)**

The provisions of this section relating to first amount payable shall not apply to any payment for damage to windscreen glass, side or rear glass forming part of any vehicle, provided that:

- (a) no other damage has been caused to the vehicle giving rise to a claim under the section;
- (b) the insured shall be responsible for the first amount payable (applicable to glass), stated in the schedule, of each and every loss.

## 6. **Waiver of subrogation rights**

For the purposes of this section, the company 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 policy or section in so far as they can apply.

## 7. **Principals**

Notwithstanding specific exception 2 of this section, the indemnity under sub-section 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 the company shall not exceed the limit of indemnity stated in the schedule.

## 8. **Cross liabilities**

Where more than one insured is named in the schedule, the company 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 the company shall not exceed the limit of indemnity stated in the schedule.

## 9. **Riot and strike extension (if stated in the 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, 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 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 (a), (b), (c), (d) or (e) loss or damage is not covered by this extension, the burden of proving the contrary shall rest on the insured.

**10. Loss of keys extension (if stated in the schedule to be included)**

The company will indemnify the insured in respect of the cost 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:

- (i) the company's liability shall not exceed, in respect of any one event, the amount stated in the schedule;
- (ii) such amount shall be reduced by the first amount payable stated in the schedule.

The provisions of this section relating to first amount payable shall not apply to this extension.

**11. Fire extinguishing charges extension**

Any costs (not exceeding R5 000) relating to the extinguishing or fighting of fire shall be deemed to be damage to the insured vehicle and shall be payable in addition to any other payment for which the company may be liable in terms of this section, provided that the insured is legally liable for such costs and the insured vehicle was in danger from the fire.

**12. Wreckage removal extension (if stated in the schedule to be included)**

The cover provided under sub-section A of this section is extended to include costs and expenses 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 sub-section A of this section, the limit of the company's liability under this extension shall not exceed, in respect of any one occurrence, the limit stated in the schedule to apply to this extension.

**13. New for Old (if stated in the schedule to be included)**

In respect of vehicles as described in Definition 2 (a) and commercial vehicles with a gross vehicle mass not exceeding 3500kg the company will, in lieu of making a monetary payment and subject to the consent of the Insured and of any other interested party known to the company bear the costs for replacing the vehicle with a new vehicle of the same make and model (subject to the availability thereof) if, within a period of 12 months after the date of first registration of the vehicle as new:

- (a) the vehicle is lost by theft or hijack and not recovered within a reasonable time after the theft or hijack was reported to the insurer;  
or;
- (b) damage is caused by the vehicle to an extent greater than 70% of the retail value of the vehicle at the time of such damage,

provided that:

- (i) the vehicle has not travelled on average more than 3 000km per month from the date of such first registration;
- (ii) if the vehicle is replaced as described above, the company shall become entitled to possession and ownership of the lost or damaged vehicle.

**14. Credit shortfall extension (if stated in the scheduled to be included)**

Subject to the adequacy of the limit of indemnity stated in the schedule should any total loss settlement be less than the amount owing by the insured to the financier under a current instalment sale or lease agreement, the company will pay to the insured an additional amount equal to the shortfall, less:

- (a) any arrear instalments or rentals including interest payable on such arrears;
- (b) 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 loss or damage;
- (c) the first amount payable under sub-section A.

## 15. Vehicle Hire Costs (if stated in the schedule to be included)

In the event that any private type motor car or commercial vehicle with a gross vehicle mass not exceeding 3 500kg insured hereunder is disabled by reason of a defined event the company agrees to pay for the hire of a vehicle of similar description but excluding the cost of fuel, lubricants, toll fees and other similar expenses,

provided that:

- (i) the vehicle is hired from the hire organisation designated by the company;
- (ii) the rental period shall cease on the date when the vehicle is returned to the insured in good working order or if the vehicle is stolen or hijacked and not recovered or is written off, the date on which the insured is indemnified or 30 days after inception of the rental period, whichever occurs first;
- (iii) in the event of theft, hijack or a total loss, the 30 days will commence at the time of the occurrence;
- (iv) in the event of repair, the 30 days will commence on the day that the vehicle is taken in for repairs;
- (v) such costs shall be payable in addition to the limit of indemnity for which the company may be liable in respect of loss or damage of the vehicle;
- (vi) the liability of the company in terms of this extension shall not exceed the applicable limit of indemnity stated in the schedule.

## 16. Trauma counselling

The company will indemnify the insured for the cost of treatment of any principal, partner, director or employee of the insured undergoing treatment by a registered psychologist as a result of their having been psychologically traumatised as a direct result of violence or threat of violence during theft, attempted theft or hijack.

The indemnity under this extension is limited to R5 000 in respect of any one claim or series of claims from one event.

## MEMORANDA

### 1. Premium adjustment clause

If this section is issued on a non-specified vehicle basis, the insured shall submit to the company at the end of each period of insurance, a declaration of the total number and retail value of vehicles owned, hired or leased at such expiry date. The company shall, upon receipt of this declaration, make a premium adjustment of 50 per cent of the annual rate per vehicle or the retail value applied to the difference in the number or the retail value of vehicles at inception or renewal and the number or retail value declared.

### 2. War clause

In respect of sub-sections 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.

### 3. 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.

## OPTIONAL LIMITATIONS

### Third party only limitation (if stated in the schedule to be applicable)

Sub-sections A and C are cancelled.

### Third party, fire and theft only limitation (if stated in the schedule to be applicable)

The liability of the company under sub-section A is restricted solely to loss or damage resulting from fire, self-ignition, lightning or explosion or by theft or any attempt thereat. Further, sub-section C is cancelled.

## SPECIFIC EXCEPTIONS APPLICABLE TO SUB-SECTIONS A, B AND C

1. The company 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, Mozambique, Malawi and Zambia but the company 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.
  - (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 the company 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 he is complying with the licensing laws relating to any territories referred to under specific exception (b) or if non-compliance with any licensing law is solely because of failure to renew any license subject to periodic renewal or if a license is not required by law or while such driver is learning to drive and is complying with the laws relating to learners.
  - (d) whilst the vehicle is being used in a condition which does not comply with the provisions and regulations of the National Road Traffic Act 93 of 1996, the National Traffic Regulations 2000 and /or any other applicable or subsequent legislation and/or regulations providing for the use of motor vehicles on a public roadway in South Africa or similar legislation in the countries specified in the territorial limits.
2. The company shall not be liable for any claim arising from contractual liability, unless such liability would have attached to the insured notwithstanding such contractual agreement.

## SPECIFIC CONDITION

If, during the currency of this section, any driver's license in favour of the insured or their authorised driver is endorsed, suspended or cancelled or if he or they shall be charged or convicted of negligent, reckless or improper driving, notification shall be sent in writing to the company immediately the insured have knowledge of such fact.

**SUB-SECTION A : DAMAGE****Defined Events**

Damage to any vehicle as described herein, the property of the insured, whilst in or on the premises stated in the schedule (excluding any vehicle which is the property of the insured and is hired or sold under a suspensive sale or similar agreement).

In addition, if such vehicle is disabled by reason of any insured damage, the company will pay the reasonable cost of protection and removal to the nearest repairers and the insured may give repair instructions up to R10 000 without the prior consent of the company, provided that a detailed estimate is first obtained and immediately forwarded to the company. The company will also pay the reasonable cost of delivery to the insured after repair of such damage but not exceeding the reasonable cost of transport to the insured's permanent address in the Republic of South Africa, Namibia, Botswana, Lesotho Swaziland, Zimbabwe, Mozambique, Malawi or Zambia,

provided that:

1. the company's liability for the aforesaid costs in respect of protection, removal and delivery shall be limited to R5 000 any one occurrence unless the insured uses the company's procurement partners.
2. the limit of indemnity stated in the schedule shall be the maximum amount payable by the company in respect of such damage each and every occurrence, but not exceeding the dealer invoice price in respect of new vehicles or the trade-in price or the price paid by the insured for the second hand vehicle plus costs and expenses incurred to prepare it for sale at the time of such damage.
3. in respect of each and every occurrence giving rise to a claim under this sub-section, the insured shall be responsible for the first amounts payable stated in the schedule of any expenditure (or any less expenditure which may be incurred) for which provision is made under this sub-section (including any payment in respect of costs expenses and fees) and of any expenditure by the company in the exercise of any discretion it may have under this sub-section. If the expenditure incurred by the company shall include any first amount payable for which the insured is responsible, such amount shall be paid by the insured to the company forthwith.

**Specific Exceptions application to sub-section A**

The company 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 springs or shock absorbers unless caused by an accident involving damage to the vehicle itself for which indemnity is provided under this section;
- (c) damage to a vehicle as a result of detention, confiscation or requisition by customs or other officials or authorities unless following a defined event for which indemnity is provided under this section.

**SUB-SECTION B : LIABILITY TO THIRD PARTIES****Defined events**

Any accident caused by or through or in connection with any vehicle described in the schedule or in connection with the loading and / or unloading of such vehicle against all sums including claimant's costs and expenses which the insured and / or any passenger shall become legally liable to pay 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, if the insured is an individual, being a member of the same household as the insured.
- (ii) accidental damage to:
  - (a) any vehicle held in trust or in the custody or control of but not owned or borrowed by or hired or leased to the insured or a member of the same household as the insured or an employee of the insured;
  - (b) any other property other than property belonging to or held in trust by or in the custody or control of the insured, or belonging to a member of the same household as the insured or an employee of the insured or being conveyed by, loaded onto or unloaded from such vehicle,

occurring in or about the premises through the negligence of the insured or any person in the service of or acting on behalf of the insured or by or through any defect in the premises or in the ways, works, machinery or plant therein.

The company will also (in terms of and subject to the limitations of and for the purposes of this sub-section):

1. 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 sub-section 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 sub-section, provided that the total of the company's liability under both this extension and sub-section B shall not exceed the limit of indemnity stated to apply to subsection B.
2. indemnify any person who is driving or using such vehicle on the insured's orders or with the insured's permission provided that:
  - (a) such person shall as though he were the insured observe fulfil and be subject to the terms exceptions and conditions of this policy and/or section 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 policy except in respect of any amount not recoverable thereunder.

#### **Specific Exception applicable to sub-section B**

The company shall not be liable under this sub-section in respect of so much of any compensation or claim as falls within the scope of any compulsory motor vehicle insurance or accident compensation enactment. This exception shall apply notwithstanding that no insurance under such enactment is in force or has been effected.

#### **Limits of indemnity**

Unless otherwise stated the liability of the company under this sub-section in respect of any one occurrence shall not exceed the limits of indemnity as stated in the schedule.

#### **DEFINITIONS**

##### **1. Vehicle shall mean**

any motor vehicle, motor cycle and / or trailer and shall include its accessories and spare parts while thereon or attached thereto.

2. **Private type motor cars shall include**

station wagons, safari vans and the like or similar vehicles designed to seat not more than 9 persons including the driver.

3. **Premises shall include**

- (a) open air car parks belonging to or under the custody or control of the insured;
- (b) any premises at which the insured is performing work where such premises are not under the insured's control.

4. **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 section.

**CLAUSES AND EXTENSIONS**

1. **Windscreen damage clause (if stated in the schedule to be included)**

The provisions of this section relating to first amount payable shall not apply to any payment for damage to windscreen glass, side or rear glass forming part of the vehicle,

provided that:

- a) no other damage has been caused to the vehicle giving rise to a claim under this section;
- b) the insured shall be responsible for the first amount payable stated in the schedule for each and every loss.

2. **Waiver of subrogation rights**

For the purposes of this section, the company 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 policy and/or section in so far as they can apply, but this waiver shall not apply to agents or subcontractors of the insured.

3. **Principals**

Notwithstanding specific exception 4 of this section the indemnity under sub-section 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 the company shall not be exceeded thereby.

4. **Cross Liabilities**

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

**5. Part worked upon (if stated in the schedule to be included)**

Notwithstanding specific exception 1 applicable to sub-sections A and B, this section extends to include damage to that part of any vehicle on which the insured are or have been working if the damage results directly from such work subject to the indemnity limited stated in the schedule.

**6. Loss of keys extension (if stated in the schedule to be included)**

The company will indemnify the insured in respect of the cost of replacing locks and keys, including the remote alarm controller and, if necessary, the reprogramming of any coded alarm system to 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;

- (i) the company's liability shall not exceed, in respect of any one event, the amount stated in the schedule;
- (ii) such amount shall be reduced by the first amount payable stated in the schedule.

**MEMORANDUM**

In respect of sub-section B only, General Exception 1 of this policy 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, military or usurped power.

**OPTIONAL LIMITATION**

**Third party only (if stated in the schedule to be applicable)**

Sub-section A is cancelled.

**SPECIFIC EXCEPTIONS APPLICABLE TO SUB-SECTIONS A AND B**

The company shall not be liable for:

- 1. damage to that part of any property on which the insured are or have been working if the damage results directly from such work. This exception shall only apply to that part actually giving rise to damage.
- 2. injury or damage caused by defective workmanship.
- 3. injury or damage caused by fire, explosion or lightning provided that this exception shall not apply to any claim under Defined events (i) and (ii) (b) of sub-section B of this section caused by fire or explosion resulting directly from the possession or use of a vehicle.
- 4. any claim arising from contractual liability unless such liability would have attached to the insured notwithstanding such contractual agreement.
- 5. damage to any vehicle as a result of theft, housebreaking or any attempt thereat.
- 6. damage to any vehicle caused by weather conditions, earthquake or earth tremor.
- 7. injury or damage caused by or through or in connection with lifts or hoists other than cranes or elevators forming part of an insured vehicle and car hoists having a lift not exceeding two metres.
- 8. in respect of definition 3 (other premises) - damage, accident, injury or liability arising outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Mozambique, Malawi and Zambia.



**SUB-SECTION A : LOSS OR DAMAGE**

**Defined Events**

Loss of or damage to:

1. any vehicle (as defined herein), the property of the insured or held in trust by or in the care, custody or control of the insured, (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 custody or control of the insured at the time of occurrence of the event out of which a claim arises);
2. any vehicle (mechanically propelled or otherwise) attached to a vehicle covered under 1. above for the purpose of being towed or salvaged,

occurring whilst any such vehicle is elsewhere than in or on any business premises owned by or occupied by the insured for the purpose of the business.

In addition, if any such vehicle is disabled by reason of any loss or damage insured hereby, the company 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 prior consent of the company to the extent of but not exceeding R10 000, provided that a detailed estimate is first obtained and immediately forwarded to the company.

The company will also pay the reasonable cost of delivery to the insured after repair of such loss or 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, Mozambique, Malawi or Zambia on condition, however, that the company's liability for the aforesaid costs in respect of protection, removal and delivery shall be limited to R5 000 any one occurrence (unless the insured uses of the company's procurement partners),

provided that:

1. the company may at its own option repair, reinstate or replace such vehicle or any part thereof and/or its accessories and/or spare parts thereof or may pay in cash the amount of the loss or damage.
2. the limit of indemnity stated in the schedule shall be the maximum amount payable by the company in respect of loss of or damage due to arising out of any one occurrence, but not exceeding:
  - (a) vehicles registered in the name of the business : the reasonable market value of the vehicle;
  - (b) Stock in trade:
    - (i) New Vehicles: the dealer invoice price of the vehicle;
    - (ii) Second hand vehicles: the trade-in price or the price paid by the insured for the vehicle plus costs and expenses incurred to prepare it for sale;
  - (c) Vehicles held in trust or in the care, custody or control of the insured : the retail value of the vehicle at the time of such loss or damage.

Retail Value and/or Reasonable Market Value means:

- (i) For vehicles listed in the Trans Union dealers' guide:

The published Retail Value and/or Market Value adjusted according to the guide's recommendations for odometer reading, overall condition, factory fitted and aftermarket extras at the time of the loss or damage.

- (ii) For vehicles, vehicle types and extras not listed in the Trans Union dealers' guide:

The average Retail Value and/or Market Value based on a minimum of 3 quotations obtained from the motor dealer market for a similar vehicle of the same make and model in substantially similar condition at the time of loss or damage.

3. in respect of each and every occurrence giving rise to a claim **(except a claim resulting from fire, lightning or explosion)** under this sub-section, the insured shall be responsible for the first amount payable stated in the schedule of any expenditure (or any less expenditure which may be incurred) for which provision is made under this sub-section (including any payment in respect of costs expenses and fees) and of any expenditure by the company in the exercise of any discretion it may have under this insurance. If the expenditure incurred by the company shall include any first amount payable for which the insured is responsible, such amount shall be paid by the insured to the company forthwith.

#### **Specific Exceptions applicable to sub-section A**

The company 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 (unless some other part of the vehicle is damaged at the same time);
- (c) damage to springs or shock absorbers due to inequalities of the road or other surface or to impact with such inequalities;
- (d) loss of or damage to accessories or spare parts by theft unless the vehicle is stolen at the same time;
- (e) loss of or damage to a vehicle as a result of detention, confiscation or requisition by customs or other officials or authorities unless following a defined event for which indemnity is provided under this section.

#### **SUB-SECTION B : LIABILITY TO THIRD PARTIES**

##### **Defined events**

Any accident caused by or through or in connection with any vehicle (as defined herein) or in connection with the loading and / or unloading of such vehicle against all sums including claimant's costs and expenses which the insured and / or any passenger shall become legally liable to pay in respect of:

- (i) death of or bodily injury to any person but excluding death of or bodily injury to the insured or any person in the employ of the insured arising from and in the course of such employment or, if the insured is an individual, being a member of the same household as the insured;
- (ii) damage to property other than property belonging to 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.

The company will also (in terms of and subject to the limitations of and for the purposes of this sub-section):

- 1. 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 sub-section 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 sub-section, provided that the total of the company's liability under both this extension and sub-section B shall not exceed the limit of indemnity stated in the schedule to apply to sub-section B.

2. indemnify any person who is driving or using such vehicle on the insured's orders or with the insured's permission, provided that:
  - (a) such person shall as though he were the insured observe fulfil and be subject to the terms, exceptions and conditions of this section and of this policy 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 policy except in respect of any amount not recoverable thereunder.

### **Specific Exceptions applicable to sub-section B**

The company shall not be liable under this sub-section in respect of:

- (a) so much of any compensation or claim as falls within the scope of any compulsory motor vehicle insurance or accident compensation enactment. This exception shall apply notwithstanding that no insurance under such enactment is in force or has been affected.
- (b) death or injury to any person being carried in or on or entering or getting onto or alighting from any motor cycle, motor scooter side car or trailer.

### **The limit of indemnity**

Unless otherwise stated the liability of the company under this sub-section in respect of any one occurrence shall not exceed the limits of indemnity as stated in the schedule.

### **SUB-SECTION C : MEDICAL EXPENSES**

If an occupant in the specified part of a vehicle described below, in direct connection with such a vehicle, sustains bodily injury by violent, accidental, external and visible means, the company will pay to the insured the medical expenses incurred as a result of such injury up to R1 000 per injured occupant but not exceeding R20 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 sub-section shall be reduced by any amount recoverable under any workmen'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.

#### **Defined vehicle but only if it is insured under sub-section A**

1. Any private type motor car or motorised caravan
2. Any other type of insured vehicle other than a bus or taxi

#### **Specified part of vehicle in which the injury must occur**

Anywhere inside the vehicle  
The permanently enclosed passenger carrying Compartment

## DEFINITIONS

1. **Vehicle shall mean**

any motor vehicle, motor cycle and / or trailer and shall include its accessories and spare parts while thereon or attached thereto.

2. **Private type motor cars shall include**

station wagons, safari vans and the like or similar vehicles designed to seat not more than 9 persons including the driver.

3. **Premises shall include**

open air car parks belonging to or in the custody or control of the insured.

4. **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 section.

## CLAUSES AND EXTENSIONS

1. **nt liability (if stated in the schedule to be included)**

The indemnity under sub-section B shall include 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 nor provided by the insured while being used by any partner in or of or any director, member 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 him or to the insured or leased or hired to 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:

- (i) the company shall not be liable for loss of or damage to any vehicle being used for the purposes and in the manner described in (a) and (b) above;
- (ii) 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;
- (iii) if, at the time of any accident giving rise to a claim under this extension, the insured or such person is entitled to indemnity under any other policy in respect of the same occurrence, the company shall not be liable to make any payment hereunder except in respect of any excess beyond the mount payable under such other policy;
- (iv) paragraph (b) of the specific exceptions applicable to sub-section B is deleted.
- (v) the terms, exceptions and conditions of this section shall otherwise apply.

For the purposes of this extension only, specific exception 1(d) applicable to sub-section A, B and C is deleted.

## 2. of use of customer' vehicles (if stated in the schedule to be included)

In the event of the company being liable to indemnify the insured under sub-section A of this section in respect of loss of or damage to any vehicle the property of a customer, whilst held in trust by or in the custody or control of the insured, the company will also indemnify the insured, notwithstanding anything contained to the contrary in exception (a) of the specific exceptions applicable to sub-section A of this section, against legal liability to pay compensation for loss of use of such vehicle,

provided that:

- (a) liability of the company shall be limited to the amount per day stated in the schedule;
- (b) liability of the company in respect of this extension shall cease on the date when the vehicle is returned to the customer in good working order or if the vehicle is stolen or hi-jacked and not recovered or is written off, the date on which the customer is indemnified.
- (c) event shall the liability of the company by virtue of this extension exceed the liability of the company under sub-section A of this section in respect of loss of or damage to such vehicle.

## 3. Windscreen damage clause (if stated in the schedule to be included)

The provisions of this section relating to first amount payable shall not apply to any payment for damage to windscreen glass, side or rear glass forming part of the vehicle,

provided that:

- a) no other damage has been caused to the vehicle giving rise to a claim under this section;
- b) the insured shall be responsible for the first amount payable stated in the schedule of each and every loss.

## 4. Waiver of subrogation rights

For the purposes of this section, the company 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 and be subject to the terms, exceptions and conditions (both general and specific) of this policy and / or section in so far as they can apply, but this waiver shall not apply to agents or subcontractors of the insured.

## 5. 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 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;

- (c) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
- (d) loss or damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation;
- (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 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 (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.

## **6. principals**

Notwithstanding specific exception 2 (b) applicable to sub-section A, B and C of this section the indemnity under sub-section 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 the company shall not be exceeded thereby.

## **7. Loss Liabilities**

Where more than one insured is named in the schedule the company 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 the company shall not exceed the limit of indemnity stated in the schedule.

## **8. it, delivery and conveying (if stated in the schedule to be included)**

Notwithstanding anything to the contrary contained under the Basis of Cover - description of use, this section extends to include 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.

## **9. ial, domestic and pleasure use (if stated in the schedule to be included)**

The description of use under the Basis of Cover extends to include use for social, domestic and pleasure purposes by the persons listed in the schedule.

## **10. of keys extension (if stated in the schedule to be included)**

The company will indemnify the insured in respect of the cost of replacing locks and keys, including the remote alarm controller and, if necessary, the reprogramming of any coded alarm system to 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 duplicable of such key or alarm controller,

provided that:

- (i) the company's liability shall not exceed, in respect of any one event, the amount stated in the schedule;
- (ii) such amount shall be reduced by the first amount payable stated in the schedule.

**11. extinguishing charges extension**

Any costs (not exceeding R5 000) relating to the extinguishing or fighting of fire shall be deemed to be damage to the insured vehicle and shall be payable in addition to any other payment for which the company may be liable in terms of this section, provided that the insured is legally liable for such costs and the insured vehicle was in danger from the fire.

**12. removal extension (if stated in the schedule to be included)**

The cover provided under sub-section A of this section is extended to include costs and expenses 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 sub-section A of this section, the limit of the company's liability under this extension shall not exceed, in respect of any one occurrence, the limit stated in the schedule to apply to this extension.

**BASIS OF COVER (WAGES BASIS)**

**Description of use**

Use for business purposes of the insured by the insured or a member, director, employee, servant, agent or sub-contractor 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

**including** use for purposes of demonstration or tuition which shall include driving by the person to whom the vehicle is being demonstrated or undergoing tuition provided that, other than in respect of motor cycles, such person is accompanied by a fully licensed driver who shall be either the insured or a member, director employee, servant, agent or sub-contractor of the insured

**and** use 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.

**MEMORANDUM**

In respect of sub-sections B and C, General Exception 1 of this policy is deleted and replaced as follows:

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.

**OPTIONAL LIMITATIONS**

**Third party only (if stated in the schedule to be applicable)**

Sub-section A and C are cancelled.

**Third party fire and theft only (if stated in the schedule to be applicable)**

The liability of the company under sub-section A is restricted solely to loss or damage resulting from fire, self-ignition, lightning or explosion or by theft or any attempt thereat. Further, sub-section C is cancelled.

**SPECIFIC EXCEPTIONS APPLICABLE TO SUB-SECTIONS A, B AND C**

1. The company shall not be liable for any injury, loss, damage or liability resulting from an accident while the vehicle is:

- (a) being used with the general knowledge and consent of the insured otherwise than in accordance with the description of use specified in this section.
- (b) let out on hire or being used as a taxi or plying for public or private hire or being used for the carrying of fare-paying passengers or explosives.
- (c) engaged in racing, pacemaking or in any speed contest, rally or trial or being driven in a match for a wager.
- (d) in or on any premises occupied by the insured for the purposes of the business.
- (e) being driven by the insured where such accident results from his being under the influence of intoxicating liquor or drugs (unless administered by, or prescribed 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.
- (f) being driven by 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).
- (g) being driven by the insured while not licensed to drive such vehicle or any person, with the general consent of the insured, who is not licensed to drive such vehicle provided that any driver shall be deemed to be licensed to drive the vehicle if he is complying with the licensing laws relating to any part of the territories referred to in the first paragraph of sub-section A of this section or if noncompliance with any licensing law is solely because of failure to renew any license subject to periodic renewal or if a license is not required by law or while such driver is learning to drive and is complying with the laws relating to learners,

provided further that this specific exception 1(g) shall not apply if the insured was unaware that the driver was unlicensed and the insured can prove to the satisfaction of the company that, in the normal course of his business, procedures are in operation to ensure that only licensed drivers are permitted to drive insured vehicles,

- (h) outside the Republic of South Africa, Namibia, Lesotho, Botswana, Swaziland, Zimbabwe, Mozambique, Malawi and Zambia but the company will indemnify the insured against loss of or damage to any vehicle while in transit by air or sea between any places in these territories including loading and unloading incidental to such transit.
- (iii) being used for carrying any load in excess of that for which the vehicle is constructed.
- (iv) being used in a condition which does not comply with the provisions and regulations of the National Road Traffic Act 93 of 1996, the National Traffic Regulations 2000 and/or any other applicable or subsequent legislation and/or regulations providing for the use of motor vehicles on a public roadway in South Africa or similar legislation in the countries specified in the territorial limits.

2. The company shall not be liable for

- (a) any injury, loss, damage or liability insured under a Motor Traders Internal Risks Policy.
- (b) any claim arising from contractual liability unless such liability would have attached to the insured notwithstanding such contractual agreement.
- (c) any loss as a result of or attributable to theft by trickery, false pretences and/or fraud.
- (d) any injury, loss, damage or liability caused to or by any vehicle owned, hired or leased by any principal, member or director of the insured in their private capacity, unless such vehicle is in the custody or control of the insured for service, repair or maintenance.



## SPECIFIC CONDITIONS

1. If, during the currency of this section, any driver's licence in favour of the insured or their authorised driver is endorsed, suspended or cancelled or if they or he be convicted of negligent, reckless or improper driving, notification shall be sent in writing to the company immediately the insured have knowledge of such fact.
2. The premium has been calculated on estimates of wages, salaries, commissions and other considerations payable by the insured to all employees and which the insured has supplied to the company. The insured shall submit to the company at the end of each period of insurance a declaration of the actual total wages, salaries, commissions and other considerations paid to all employees. The company shall, upon receipt of this declaration, make a premium adjustment of 50 percent of the annual rate applied to the difference in the amount at inception or renewal and the amount declared.

### DEFINED EVENTS

1. Loss of or damage to the whole or part of the insured property described below and situated as stated in the schedule, owned by the insured or for which they are responsible, by the insured perils stated:
  - 1.1 in sub-section A : Property;
  - 1.2 in sub-section B : Public Supply Connections
2. Loss of rent as provided for in sub-section C.
3. Legal liability as provided for in sub-section D.

### DESCRIPTION OF INSURED PROPERTY

The building(s) of the private dwelling house(s), including private garages, domestic outbuildings and apartments and carports (constructed of brick, stone, concrete or metal on metal framework and roofed with slate, tiles, metal, concrete or asbestos unless otherwise agreed and stated in the schedule), fixed ornamental structures, private sporting and recreational structures such as tennis courts, sunken swimming pools, spa baths, sauna rooms and jacuzzi's including filtration equipment, spa, sauna, jacuzzi and swimming pool machinery (excluding automatic pool cleaning equipment), any septic tanks and installed rainwater tanks, domestic borehole pumps and electrical motors, aerials, masts (including lightning conductors) and satellite dishes, boundary and other walls, gate posts, gates (including gate motors), fences (other than hedges), brick, tar or concrete driveways and patios, fixed electric generators, fixtures and fittings belonging to the owner of the building (s) but only whilst such fixtures are in or on the insured premises

### INSURED PERILS

1. Fire (including damage caused by smoke arising directly from such fire), lightning or thunderbolt (including damage caused by power surges arising directly from such lightning strikes), subterranean fire, explosion.
2. Storm, flood, wind, water, hail or snow but excluding loss or damage:
  - 2.1 that arises from property undergoing any process necessarily involving the use or application of water;
  - 2.2 as a result of wear and tear or gradual deterioration;
  - 2.3 caused or aggravated by subsidence or landslip;
  - 2.4 to retaining walls unless so described and specifically insured as a separate item in the schedule;
  - 2.5 to insured property caused or aggravated by the insured's failure to take all reasonable precautions for the maintenance and safety of the property and for the minimisation of any damage.
3. Earthquake whether arising from mining operations or otherwise including damage caused by tidal waves or tsunamis arising directly from such earthquake.
4. Impact by:
  - 4.1 aircraft and other aerial devices or articles dropped therefrom including damage caused by sonic shockwaves;
  - 4.2 rocks stones or boulders other than as a result of landslip;
  - 4.3 animals, falling trees, aerials, satellite dishes or vehicles.
5. The escape of water from washing machines or dishwashers and the bursting, leakage or overflowing of water tanks, water apparatus or water pipes including damage to the apparatus or pipes and the accidental leakage of oil from fixed oil heating installations.

6. Theft or any attempt thereat of fixtures and fittings belonging to the owner of the insured building(s) whilst such fixtures and fittings are in or on the insured buildings, but excluding theft or any attempt thereat whilst the insured buildings are left vacant or is lent, let or sub-let in whole or in part unless such theft or any attempt thereat is accompanied by breaking into or out of the insured buildings by actual, visible and forcible means. For the purpose of this insured peril the accommodation of paying guests, boarders or lodgers not exceeding three in number shall not be deemed lending, letting or sub-letting of the insured buildings.
7. Breaking into or out of the insured buildings (or any attempt thereat) by actual visible and forcible means.

**Specific conditions applicable to sub-section A Average (not applicable to insured peril 6 above)**

If the insured property is at the commencement of any loss of or 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.

**Reinstatement Value Conditions**

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 nor more extensive than the insured property when new, provided 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 beyond the amount which would have been payable if these reinstatement value conditions had not been incorporated herein shall be made.
2. until expenditure has been incurred by the insured in replacing or reinstating the property the Company 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.
3. 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.
4. these conditions shall be without force or effect if:
  - (a) the insured fails to intimate to the Company within six months of the date of damage or such further time as the Company may in writing allow their intention to replace or reinstate the property.
  - (b) the insured are unable or unwilling to replace or reinstate the property on the same or another site.

**Compulsory excess**

The insured shall be liable for:

1. The first R1 000 of each and every claim in respect of an insured peril under sub-section A (Property) in respect of premises that are occupied and,

2. The first R1 500 of each and every claim in respect of an insured peril under sub-section A (Property) in respect of premises that are not being used as a permanent residence and not being occupied as such at the time of the happening of a defined event.

### **Lightning conductors**

It is a condition precedent to liability in terms of this section that all buildings with grass, straw or thatched roofs be supplied with and properly fitted with an SABS-approved lightning conductor or lightning conductors of a similar or superior standard which is installed with the exclusive purpose of conducting lightning away from the said building unless stated otherwise in the schedule.

### **SUB-SECTION 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 insured property and the public supply or mains.

### **SUB-SECTION C: RENT**

Loss of rent as a result of the property insured being so damaged by any of the insured perils specified under sub-section A as to be rendered un-tenantable but only for the period necessary for reinstatement and for an amount not exceeding 25 percent of the sum insured on the affected property. The basis of calculation shall be the unfurnished rent payable immediately preceding the damage or its equivalent in rental value.

### **SUB-SECTION D: PROPERTY OWNERS LIABILITY**

Damages which the insured as owner of the premises 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.

#### **Limit of Indemnity**

The liability of the Company under this sub-section for all damages, inclusive of legal costs recoverable from the insured and other costs and expenses incurred with the written consent of the company, whether payable to one claimant or any number of claimants in respect of or arising from an occurrence or a series of occurrence's consequent or attributable to one source or original cause shall not exceed R3 000 000 or the amount stated in the schedule.

#### **Specific Exceptions applicable to sub-section D**

The Company will not indemnify the insured under this sub-section against:

1. Liability arising from injury or damage caused by or in connection with or arising from the ownership or possession or use by or on behalf of the insured of mechanically propelled vehicles or trailers other than pedestrian controlled gardening implements or caddy carts.
2. Liability in respect of damage to property belonging to or in the custody or control of the insured or of any employee or agent or of a member of his family or household.
3. Liability in respect of injury to any person who is a member of the insured's household or family whether residing with the insured or not.
4. Liability in respect of injury or damage caused by or in connection with or arising from any profession or business of the insured.

5. Liability in respect of injury to any person under a contract of service or apprenticeship with the insured if the liability arises out of and in the course of his employment.
6. Liability in respect of injury or damage caused by or in connection with or arising from explosives.
7. Liability in respect of injury or damage caused by or in connection with or arising from deliberate or malicious acts.
8. Claims for compensation, legal costs and expenses in respect of injury attributable to a gradual operation cause which do not occur from a sudden and indemnifiable accident or occurrence.
9. liability assumed by agreement unless liability would have attached to the insured notwithstanding such agreement.
10. fines, penalties, punitive, exemplary or vindictive damage.
11. (a) liability in respect of injury, damage or loss of use of property directly or indirectly caused by seepage 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 contamination substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unforeseen occurrence.

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

#### **Specific conditions applicable to sub-section D**

1. If the insured named in the schedule is an individual, for the purposes of this sub-section, the insured is deemed to include any members of his family permanently residing with him, provided that such members shall observe, fulfil and be subject to the terms, exceptions and conditions of this sub-section insofar as they can apply.
2. If at the time of any event giving rise to a claim under this sub-section, indemnity is also provided by the public liability section of the policy, such public liability section shall not be drawn into contribution with this sub-section, except in respect of any excess beyond the amount payable by this sub-section.

#### **Memorandum applicable to sub-section D**

In respect of this sub-section only, General Exception 1 is deleted and replaced by the following:

This sub-section 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 (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, military or usurped power.

#### **CLAUSES AND EXTENSIONS**

##### **1. Capital Additions Clause**

The insurance under sub-section A (property) covers alterations, additions and improvements [but not appreciation in value in excess of the sum(s) insured] to the property for an amount not exceeding 20 percent of the sum insured thereon it being understood that the insured undertake to advise the Company each quarter of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

##### **2. Cost of Demolition and Professional fees**

The insurance under sub-section A (property) includes all costs necessarily incurred by the insured in respect of the demolition of property insured and/or the removal of debris and in providing, erecting and maintaining hoardings required during demolition, site clearing and/or building operations for professional, architects or consultants fees following damage to the property insured by a defined event, provided that the total amount recoverable shall not exceed 20% of the sum insured on the property affected.

### 3. Fire Brigade Charges Clause

If any public authority empowered so to do shall charge the insured with any costs relating to the extinguishing or fighting of fire, such costs shall be deemed to be damage to the insured property and shall be payable in addition to any other payment for which the Company may be liable in terms sub-section A (property).

### 4. Mortgagee Clause

The interest of any mortgagee in the insurance under sub-section A (property) shall not be prejudiced by any act or omission on the part of the mortgagor without the mortgagee's knowledge.

### 5. Municipal Plans Scrutiny Fee Clause

The insurance under sub-section A (property) includes municipal plans scrutiny fee, provided that the total amount recoverable under any item shall not exceed the sum insured on the property insured so affected.

### 6. Public Authorities Requirements Clause

The insurance under sub-section A (property) 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, divisional, municipal or other local authority provided that:

6.1 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 serviced 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.

6.2 the work of repairing or rebuilding must be commenced and carried out with reasonable dispatch and may be carried out wholly or partially upon another site (if the aforesaid regulations so necessitate) subject to the liability of the Company under this clause not being thereby increased.

6.3 if the liability of the Company 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 the Company under this clause in respect of any such item shall be reduced in like proportion.

6.4 the total amount recoverable under any item of this section shall not exceed the sum insured thereby.

### 7. Temporary Removal Clause

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 area as stated in the schedule 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.

#### **8. Landscaping**

The Company will pay up to R10,000 towards costs reasonably and necessarily incurred by the insured for the replacement of trees, shrubs, lawns, plants and fixed sprinkler installations situated at the ground of the insured building(s) stated in the schedule,

provided that such loss or damage is caused by:

- (a) Fire, explosion or as a result of fire fighting operations;
- (b) Any other emergency service operations;
- (c) Impact by vehicles or aircraft or other aerial devices;
- (d) Any deliberate or malicious acts but excluding theft or attempt theft.

#### **9. Accidental breakage of glass sanitary ware**

Sub-section A (property) is extended to include accidental breakage (but only whilst the private dwelling be furnished and occupied) of fixed glass and mirrors against walls and in widow's, doors, fan lights, roof windows, solar heating systems, green-houses, conservatories and veranda's, stove glass tops, fixed wash basins, baths, pedestals, sinks, lavatory pans, splash back and cisterns (but excluding chipping, scratching and other disfiguration) forming part of the building(s).

#### **10. Accidental damage to machinery for domestic use**

Sub-section A (property) is extended to include sudden accidental loss of or damage to fixed machinery, used for domestic purposes only, of swimming pools (excluding automatic pool cleaning equipment), jacuzzi's, filtration equipment, air conditioners, alarm systems, gate and garage door motors, spray irrigation systems and borehole pumps installed at the private dwelling of the insured,

provided that:

- (a) The company's liability is limited to R10 000 any one occurrence.
- (b) The company shall not be liable for:
  - (i) wear and tear or other gradual deterioration;
  - (ii) exchangeable or expendable parts;
  - (iii) consequential loss or damage of any nature.

#### **11. Aerials and satellite dishes**

Sub-section A (property) is extended to include damage to aerials and satellite dishes caused by breakage or collapse thereof.

#### **12. Security Guards[GC32]**

The Company will indemnify the insured for costs reasonably and necessarily incurred in employing security guards provided that the company's liability in terms of this extension shall not exceed R10 000 following loss or damage to any insured building caused by an insured event in respect of any one occurrence.

#### **13. Tenants Clause**

The Company's liability to the insured shall not be affected by any act or omission on the part of any tenant (where the insured own the premises) without the insured's knowledge, provided that the insured notify the

Company as soon as such act or omission comes to the insured's knowledge, and pay on demand the appropriate additional premium.

#### **14. 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 of or damage to:

- (a) movable property which is:
  - (i) stolen;
  - (ii) damaged in an attempt to remove it or part of it from any premises owned or occupied by the insured.
- (b) 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.
- (c) immovable property owned or occupied by the insured occasioned by or through or in consequence of:
  - (i) the removal or partial removal or any attempt thereof;
  - (ii) 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:

- (i) loss or damage related to or caused by fire or explosion;
- (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) (i), (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 the 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 the company to continue this extension.

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

#### **15. Riot & Strike extension (if stated in the schedule to be included)**

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein, sub-sections 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 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 (i), (ii), (iii), (iv) or (v) loss or damage is not covered by this extension, the burden of proving the contrary shall rest on the insured.

#### **16. Temporary repairs clause**

The insurance under sub-section A (property) 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 damage to the insured property by any peril hereby insured against, provided that the liability of the company for such costs and expenses shall not exceed the greater of R10 000 or the sum expressed in the schedule any one event or series of events with one originating cause or source.

#### **17. Geyser and other water heating systems extension**

The insurance under sub-section A (property) is extended to cover loss of or damage caused by the bursting, rupturing or overflowing of geysers, water tanks, water apparatus, water pipes, drip trays or any other water heating system including damage to the apparatus or pipes installed in or on the building(s) described in the schedule, provided that the company shall not be liable for:

- (a) the greater of R10 000 or the amount stated in the schedule any one event;
- (b) the first 10% of any loss or damage subject to a minimum amount of R1 000 any one claim;
- (c) damage to pipes more than 1 metre from the heating apparatus;
- (d) loss or damage caused by or as a result of wear and tear, rust, decay or gradual deterioration;
- (e) loss or damage caused by cracking or splitting of any part or unit of the heating apparatus;
- (f) loss or damage as a result of inherent device, defective design, materials or workmanship;
- (g) loss or damage recoverable in terms of a manufacturer's warranty.

##### **Specific condition**

The geyser or heating apparatus must be installed in accordance with the relevant SANS or South African Bureau of Standards specifications or standards. If the company alleges that the geyser or heating apparatus was not installed in accordance to specification the insured shall be liable for a further first amount payable of R1 500 in addition to the amount stated in provision (b) above.

#### **18. Removal of fallen trees extension**

The insurance under sub-section A is extended to include costs reasonably and necessarily incurred in removing trees or parts of trees from the premises described in the schedule that have fallen following any peril hereby insured against or leaning trees that are in danger of causing damage to

insured property, provided that:

- (a) the company's liability will not exceed R10 000 any one occurrence;
- (b) the insured will be responsible for the first R500 in respect of any one occurrence;
- (c) such costs will be subject to the company's prior written consent.

**19. Subsidence and landslip extension – limited cover (if stated in the schedule to be included)**

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

- (i) normal settlement, shrinkage or expansion of the land supporting the insured property;
- (ii) structural alterations, additions or repairs to the insured property;
- (iii) inadequate compaction or backfill;
- (iv) defective or faulty design, materials or workmanship;
- (v) excavations other than mining operations;
- (vi) contraction or expansion of clay and similar soil types caused by the moistness, dampness or moisture content of such soil;

In addition the company will not be liable for:

- (a) damage to swimming pools and surrounds, tennis courts, terraces, patios, paths, driveways, drains, water courses, walls, gates, posts and fences, retaining and screening walls unless the insured buildings are damaged at the same time by the same event;
- (b) damage to solid floor slabs or any part of the insured property resulting from the movement of such slabs unless the foundation supporting the external walls of the insured building(s) are damaged by the same cause at the same time;
- (c) consequential loss of any kind whatsoever except loss of rent when specifically insured under this section;
- (d) the first portion of each and every claim up to an amount calculated at 1 per cent of the sum insured on the property or R500 whichever is the greater.

In an action suit or other proceeding where the company alleges that, by reason of the provisions of these exceptions, any damage is not covered by this extension, the burden of proving the contrary shall be on the insured.

**20. Subsidence or landslip extension – extended cover (if stated in the schedule to be included)**

Sub-section A is extended to include damage caused by subsidence and landslip, provided that the insured shall bear the first portion of each and every claim up to an amount calculated at 1 per cent of the sum insured on the property or R500 whichever is the greater.

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

- (a) damage to drains, water courses, boundary walls, garden walls, retaining walls, gates, posts or fences unless specifically insured.
- (b) Damage caused by or attributable to:
  - (i) faulty design or construction of, or the removal or weakening of support to, any building situated at the insured premises;
  - (ii) workmen engaged in making structural alterations, additions or repairs to any building situated at the insured premises;

(iii) excavation on or under land other than excavations in the course of mining operations.

(c) consequential loss of any kind whatsoever except loss of rent.

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

## 21. Power Surge extension (if stated in the schedule to be included)

Sub-section A (property) is extended to include damage caused by power surge provided that:

- (i) this extension does not cover power surges arising from lightning;
- (ii) the company's liability for any claim or number of claims for any one event or series of events with one originating cause or source, shall not exceed in the aggregate R50 000;
- (iii) the insured shall be responsible for a first amount payable of 10% of the claim subject to a minimum of R500;
- (iv) the Specific Condition relating to Average is not applicable.

## 22. Water Leakage extension

The company 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:

- (a) in the event of the quarterly reading of water consumption exceeding the average of the last previous 4 (four) quarterly readings by 50% (fifty percent) or more the company will indemnify the insured for the cost of such additional water consumed up to a limit of R7 500 (seven thousand five hundred Rands).
- (b) the indemnity provided shall be payable for not more than two separate incidents in any 12 (twelve) month period of insurance.
- (c) 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 pipe(s) affected.
- (d) this extension does not cover the cost of remedial action including repairs to pipe(s) affected.
- (e) The company shall not be liable for claims:
  - (i) as a result of leaking taps, geysers, toilet systems and swimming pools;
  - (ii) whilst the property is unoccupied for a period in excess of 30 (thirty) days;
  - (iii) where the water level of a swimming pool has to be topped up as result of a leaking inlet or outlet pipe.

## 23. Locks and keys extension[GC33]

The company will indemnify the insured for the cost of replacing locks and keys including the remote and/or alarm controller and, if necessary, the reprogramming of such coded alarm system of the insured property following upon loss of or damage to the lock or key, remote or alarm controller, or upon the insured having reason to believe that any unauthorised person be in possession of a duplicate of such key, remote and/or alarm controller.

This extension also covers the reasonable expenses incurred in any emergency to call in a locksmith as a result of the loss of such key, remote and/or alarm controller,

provided that:

- (i) The liability of the company in respect of any one loss shall not exceed R10 000;
- (ii) The company shall not be liable for the first R500 in respect of each and every event.

### DEFINED EVENTS

1. Loss of or damage to the whole or part of the insured property (described below) by the perils stated in sub-section A – property.
2. Loss rent as provided for in sub-section B.
3. Legal liability as provided for in sub-section C.

### DESCRIPTION OF INSURED PROPERTY

1. Household goods and personal effects (including money and negotiable instruments up to R2 000).
2. Business goods and equipment up to R30 000 but excluding:
  - 2.1 electronic data processing equipment.
  - 2.2 Stock-in-trade and equipment relating to a home industry unless specifically insured and stated in the schedule.

Including fixtures and fittings (not being landlord's fixtures and fittings) the property of the insured or for which the insured is legally responsible or property of any member of the insured's family normally residing with the insured whilst contained in:

- (a) the building(s) of the insured's private residence and its domestic outbuildings (constructed of brick, stone, concrete or metal on metal framework and roofed with slate, tiles, metal, concrete or asbestos unless otherwise agreed and stated in the schedule) or on the premises situated at the risk address stated in the schedule;
- (b) any other occupied private residence;
- (c) any hotel, inn, lodging house, club, nursing home or hospital in which the insured may be temporarily residing;
- (d) any furniture storage depot, bank or safe deposit box;
- (e) any office, business or trade premises where the insured is working;
- (f) any laundry or other trade premises for the purposes of making up, alteration, renovation, repair, cleaning or dyeing.

### SUB-SECTION A: PERILS

1. Fire (including damage caused by smoke arising directly from such fire), lightning or thunderbolt (including damage caused by power surges arising directly from such lightning strikes), subterranean fire, explosion.
2. Storm, flood, wind, water, hail or snow excluding loss or damage:
  - (a) to property in the open which is not designed to exist or operate in the open;
  - (b) arising out of any process necessarily involving the use or application of water;
  - (c) as a result of wear and tear or gradual deterioration.

3. Earthquake whether arising from mining operations or otherwise including damage caused by tidal waves or tsunamis arising directly from such earthquake.
4. Impact by:
  - 4.1 aircraft and other aerial devices or articles dropped therefrom including damage by sonic shockwaves;
  - 4.2 rocks, stones or boulders other than as a result from landslip;
  - 4.3 animals, falling trees, aerials, satellite dishes or vehicles.
5. Bursting, leaking, or overflowing of water apparatus, pipes or fixed oil-fired heating apparatus (excluding damage caused thereto).
6. Theft
  - 6.1 Theft or any attempt thereat but excluding theft:
    - 6.1.1 whilst the private residence or any part thereof are left vacant or be lent, let or sub-let (provided that for the purpose hereof the accommodation of paying guests, boarders and lodgers not exceeding 3 in number shall not be deemed to be lending, letting or sub-letting of the private residence) by the insured unless such theft is accompanied by visible, forcible and violent entry or exit.
    - 6.1.2 from any outbuilding not directly communicating with the private residence unless such theft is accompanied by visible, forcible and violent entry or exit.
  - 6.2 Theft
    - 6.2.1 of laundry, garden and swimming pool furniture, garden maintenance equipment, automatic pool cleaning equipment, pool safety nets and pool coverings of a similar nature from the premises of the private dwelling up to R10 000.
    - 6.2.2 of the insured property during transit whilst being moved as a result of a permanent change in the risk address.
    - 6.2.3 of the insured property while in transit to or from a furniture storage depot or a bank safe deposit.
    - 6.2.4 or any attempt thereat whilst in transit in the insured's or his authorised representatives custody to or from any place of purchase, repair or renovation following an accident to the conveying motor vehicle or theft following forcible and violent entry into the vehicle up to an amount of R10 000 any one event.

#### **Specific conditions applicable to sub-section A**

1. **Average**  
If the property insured is at the commencement of any loss of or 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.
2. **Platinum, gold and silver articles, jewellery, furs, photographic equipment and oriental carpets and rugs**  
The total value of platinum, gold and silver articles, jewellery, furs and photographic equipment and oriental carpets and rugs shall be deemed not to exceed one-third of the sum insured stated in the schedule unless specifically agreed otherwise.

### 3. **Compulsory excess**

The insured shall be liable for:

- 3.1 the first R1 000 of each and every claim in respect of an insured peril under sub-section A (property) in respect of premises that are occupied and;
- 3.2 the first R1 500 of each and every claim in respect of any insured peril under sub-section A (property) in respect of premises that are unoccupied.

### 4. **Lighting conductors**

It is a condition precedent to liability in terms of this section that all buildings with grass, straw or thatched roofs be supplied with and properly fitted with an SABS-approved lightning conductor or lightning conductor of a similar or superior standard which is installed with the exclusive purpose of conducting lightning away from the said building unless stated otherwise in the schedule.

### 5. **More than 60 days unoccupied**

In the event of the aforesaid private residence being left unoccupied for more than 60 days during any one (annual) period of insurance (being the period of twelve consecutive months from the inception date or anniversary date) the insurance in respect of sub-section A (property) peril 6 (Theft) shall, as regards loss or damage to the contents of the private residence, domestic apartments, garages and domestic outbuildings be entirely suspended in respect of any period or periods during which the private residence may be unoccupied in excess of the aforesaid period unless otherwise agreed by endorsement.

### 6. **More than one dwelling**

If the contents of more than one private residence are insured under separate items, the terms, conditions, limitations and exceptions contained herein shall apply separately to each item as if each had been insured under a separate policy.

### 7. **Replacement value**

In the event of the property insured under this section being lost, destroyed or damaged, the basis upon which the amount payable under this section is to be calculated shall be the cost of replacing or reinstating property of the same kind or type but not superior to or more extensive than the insured property when new, subject to all the other terms and conditions of the policy except in so far as they may be varied hereby.

### 8. **Security gates and burglar bars**

It is a condition precedent to acceptance of liability in terms of sub-section A (property) peril 6 (theft) that all external doors are fitted with security gates, and the opening portion of any external window must be protected by means of burglar bars unless stated otherwise in the schedule.

### **Specific Exceptions applicable to sub-section A**

1. The Company shall not be liable for loss of or damage to:
  - (i) property more specifically insured;
  - (ii) motor vehicles, including spare parts and accessories in or upon such vehicle;
  - (iii) aircraft and other aerial devices including any part thereof, waterborne vessels and any part thereof (except model aeroplanes and model waterborne vessel(s) and canoes;
  - (iv) animals;
  - (v) deeds, bonds, bills of exchange, promissory notes, money, cheques, securities for money, stamps of any kind (including stamp collections), documents of any kind, manuscripts, medals and coins of any kind (including coin collections). However, the company will indemnify the insured:

- (a) against the cost of reconstituting or rewriting personal documents up to a limit of R2 000;
  - (b) against the loss of money and negotiable instruments as per description 1 of the insured property up to R2 000;
  - (vi) any property outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi and Mozambique.
2. This sub-section does not cover:
- (i) consequential or indirect loss or damage of any kind whatsoever, except loss of rent as provided for by sub- section B – Rent.
  - (ii) any electronic data processing equipment unless such equipment are being used for domestic and / or farming business purposes only, provided that:
    - (a) the company shall not be liable for the first R1 000 in respect of each and every claim;
    - (b) the liability of the company for such electronic equipment will be limited to a maximum of R25 000 any one occurrence.

#### **SUB-SECTION B : RENT**

In the event of the private residence becomes uninhabitable as a result of loss or damage caused by an insured peril the company will, during the period necessary for reinstatement or repair, indemnify the insured for:

1. the actual rent for which the insured is liable as occupier of the private residence;
2. the necessary expenses incurred for the removal, transit and storage of furniture and other household goods;
3. any reasonable additional expenses necessarily incurred for alternative accommodation for the insured, his family and domestic staff normally residing with the insured,

not exceeding 25% of the total sum insured of the affected insured property as stated in the schedule.

#### **SUB-SECTION C: LEGAL LIABILITY**

1. The company will pay all sums for which the insured is legally liable as a householder occupying the premises or any member of the insured's family normally residing with the insured for compensation in respect of:
  - 1.1 death of or bodily injury to or illness of any person (hereinafter in this sub-section referred to as injury):
  - 1.2 physical loss of or damage to tangible property (hereinafter in this sub-section referred to as damage); occurring during the period of insurance as a result of an accident.
2. The company will also pay all legal costs and expenses:
  - 2.1 recovered by any claimant against the insured;
  - 2.2 incurred with the written consent of the company

in respect of a claim against the insured for compensation to which the indemnity expressed in this sub-section applies.

## Limit of Indemnity

The liability of the Company under this sub-section for all compensation inclusive of all legal costs and all other costs and expenses arising from any one event or series of events with one original cause or source shall not exceed R3 000 000 or the limit of indemnity stated in the schedule.

### Specific exceptions applicable to sub-section C

The indemnity provided by this sub-section does not apply to nor include:

**1. Business or profession**

liability in respect of injury or damage caused by or in connection with or arising from any business or profession of the insured.

**2. Contract of Service**

liability in respect of injury to any person under a contract of service or apprenticeship with the insured if the liability is in respect of death, bodily injury or illness arising out of and in the course of the employment of the person by the insured.

**3. Deliberate acts**

liability in respect of injury or damage caused by or in connection with or arising from deliberate or malicious acts;

**4. Expenses incurred after full payment of claim**

costs and expenses incurred subsequent to the date on which the company has paid or offered to pay either the full amount of the claim or the total amount recoverable in respect of any occurrence.

**5. Explosive**

liability in respect of injury or damage caused by or in connection with or arising from explosives.

**6. Fines or penalties**

liability for fines or penalties or punitive, exemplary or vindictive damages awarded in any court.

**7. Gradually operating cause**

claims for compensation and legal costs and expenses in respect of injury attributable to a gradually operating cause which did not occur from a sudden and identifiable accident or occurrence.

**8. Liability assumed by agreement**

liability assumed by the insured by agreement and which would not have attached in the absence of the agreement.

**9. Mechanically propelled vehicles**

liability in respect of injury or damage caused by or in connection with or arising from the ownership or possession or use by or on behalf of the insured of mechanically propelled vehicles or trailers other than pedestrian controlled gardening implements or caddy carts.

**10. Member of the same household**

liability in respect of injury to any person who is a member of the insured's household or family whether residing with the insured or not.

**11. Pollution**



- 11.1 any liability 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 happening during the period of insurance;
- 11.2 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 this sub-section to cover any liability which would not have been insured under this sub-section in the absence of this exception.

## 12. **Property belonging to the insured**

liability in respect of damage to property belonging to or in the charge of or under the control of the insured or of any member of the insured's family or household or of any servant or agent of the insured.

### **Specific extensions applicable to sub-section C**

#### **1. Tenants liability extension**

The company will pay all sums for which the insured is legally liable as tenant and occupier of any private residence for compensation in respect of:

- 1.1 physical loss of or damage to the building(s) of the private residence (but only whilst the private residence is furnished and occupied) directly caused by any insured peril.
- 1.2 physical breakage (but only whilst the private residence is furnished and occupied by the insured in his capacity as tenant) of:
  - 1.2.1 fixed glass in windows and mirrors against walls, doors, fan lights, roof windows, solar heating systems, greenhouses, conservatories and verandas, stove glass tops, fixed wash basins, baths, pedestals, sinks, lavatory pans, splash-backs and cisterns (but excluding chipping, scratching and other disfiguration) forming part of the private residence;
  - 1.2.2 Physical damage to underground pipes and cables extending from the building(s) of the private residence to the public mains or to underground fuel oil pipes; occurring during the period of insurance as a result of an accident,

provided that:

the company's liability for all compensation inclusive of all legal costs and all other costs and expenses arising from any one event or series of events with one original cause or source shall not exceed R3 000 000 or the limit of indemnity stated in the schedule.

#### **2. Common law liability to domestic servants extension**

Notwithstanding specific exception 2 (Contract of service) to sub-section C (Liability), sub-section C is extended to cover:

- 2.1 all sums for which the insured is legally liable to pay for compensation in respect of death of, or bodily injury to or illness of any domestic servant arising out of and in the course of the period of such domestic servants employment with the insured in his/her capacity as a householder at the premises and occurring during the period of insurance as a result of an accident.
- 2.2 all legal costs and expenses:
  - 2.2.1 recovered by any claimant against the insured;
  - 2.2.2 incurred with the written consent of the company;

in respect of a claim against the insured for compensation to which the indemnity expressed in this extension applies,

provided that:

the company's liability for all compensation inclusive of all legal costs and all other costs and expenses arising from any one event or series of events with one original cause or source shall not exceed R3 000 000 or the limit of indemnity stated in the schedule.

In addition and in connection with the employment of such domestic servants by the insured, the company will indemnify the insured against costs and expenses not exceeding R2 000 incurred by the insured with the consent of the company in the defence of any criminal action brought against the insured arising out of an alleged contravention of the Occupational Health and Safety Act no 85 of 1993.

### **Memorandum applicable to sub-section C**

In respect of this sub-section only, General Exception 1 is deleted and replaced by the following;

This sub-section 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 (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, military or usurped power.

## **CLAUSES, EXTENSIONS AND LIMITATIONS**

### **1. Fire Brigade Charges Clause**

If any public authority empowered so to do shall charge the insured with any costs relating to the extinguishing or fighting of fire such costs shall be deemed to be damage to the insured property and shall be payable in addition to any other payment for which the company may be liable in terms of sub-section A (Property).

### **2. Removal of Debris Clause**

In addition to the total sum insured for which the company may be liable in terms of sub-section A (Property), the company will indemnify the insured up to R10 000 any one claim for costs necessarily incurred in respect of the removal of debris following loss of or damage to the insured property by any peril hereby insured against.

### **3. Malicious Damage Extension**

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained herein, sub-section A (Property) 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 of or damage to:

1. movable property which is:
  - 1.1 stolen;
  - 1.2 damaged in an attempt to remove it or part of it from any premises owned or occupied by the insured.
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.
3. immovable property owned or occupied by the insured occasioned by or through or in consequence of:
  - 3.1 the removal or partial removal or any attempt thereof;
  - 3.2 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 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 proviso (a), (b), (c), (d) or (e) loss or damage is not covered, the burden of proving the contrary shall rest on the insured.

#### **4. Domestic refrigerator, deep-freeze, cold store and freezing-room contents extension**

Sub-section A (Property) is extended to include deterioration of the contents only due to change of temperature resulting from accidental failure of electricity (excluding load shedding), as well as accidental or mechanical breakdown of any refrigerator, deep freezer, cold store or freezing-room in the dwelling of the insured,

provided that:

- 4.1 this extension does not include deterioration of the contents resulting from the deliberate cessation of the power supply (gas and paraffin included) by any authority;
- 4.2 this extension does not include damage to the refrigerator, deep-freezer, cold store or freezing-room as such;
- 4.3 the liability of the company in terms of this extension shall not exceed the amount of R7 500 in respect of any one occurrence;
- 4.4 the company shall not be liable for the first R250 in respect of each and every event.

#### **5. Domestic staff's property extension**

Sub-section A (property) is extended to include loss of or damage to the household goods and personal effects (excluding money and negotiable instruments) belonging to domestic staff in the full time service of the insured by any of the insured perils whilst such property is contained in the dwelling,

provided that:

- 5.1 loss or damage by theft is excluded unless such theft is accompanied by forcible and violent entry or exit into or out of the dwelling;
- 5.2 the liability of the company shall not exceed R10 000

#### **6. Guests property extension**

If household goods and personal effects (excluding money and negotiable instruments) not otherwise insured belonging to a guest temporarily residing with the insured are lost or damaged by any of the insured perils applicable to sub- section A (property) or by theft from the private residence the company will indemnify the guest up to R10 000 any one claim.

#### **7. Locks and keys extension[GC34]**

Sub-section A (property) is extended to cover the cost of replacing locks and keys including the remote and/or alarm controller and, if necessary, the reprogramming of such coded alarm system of the insured property following upon loss of or damage to the lock or key, remote or alarm controller, or upon the insured having reason to believe that any unauthorised person may be in possession of a duplicate of such key, remote and/or alarm controller.

This extension also covers the reasonable expenses incurred in any emergency to call in a locksmith as a result of the loss of such key, remote and/or alarm controller,

provided that:

- 7.1 the liability of the company in respect of any one loss shall not exceed R10 000;
- 7.2 the company shall not be liable for the first R250 in respect of each and every event.

#### **8. Water leakage extension**

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

- 8.1 in the event of the quarterly reading of water consumption exceeding the average of the last previous four quarterly readings by 50% or more the company will indemnify the insured for the cost of such additional water consumed up to a limit of R7 500.
- 8.2 up to R7 500 shall be payable for not more than two separate incidents in any one (annual) period of insurance (being the period of twelve consecutive months from the inception date or anniversary date).
- 8.3 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 pipe(s) affected.
- 8.4 this extension does not cover the cost of remedial action including repairs to the pipe(s) affected.
- 8.5 the company shall not be liable for claims:
  - 8.5.1 as a result of leaking taps, geysers, toilet systems and swimming pools;
  - 8.5.2 whilst the property is unoccupied for a period in excess of 30 days;
  - 8.5.3 where the water level of a swimming pool has to be topped up as a result of a leaking inlet or outlet pipe.

#### **9. Medical and veterinary expenses extension**

Sub-section A (property) is extended to cover medical and veterinary expenses incurred as a result of accidental bodily injury sustained by any;

- 9.1 person other than the insured caused by a domestic animal owned by the insured;
- 9.2 guest or visitor arising from any defect in the dwelling;
- 9.3 domestic staff in the course of their employment by the insured;
- 9.4 domestic animal owned by the insured arising from a road accident, up to R10 000 per person or R1 000 per animal any one occurrence.

#### **10. Mirrors and glass extension**

Sub-section A (property) is extended to cover accidental breakage of mirror glass, plate glass tops of stoves and furniture or fixed glass forming part of any article of furniture (other than radio and television apparatus) whilst in the private residence.

#### **11. Riot and strike extension (if stated in the schedule to be included)**

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein, sub-sections A and B are extended to cover 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 of 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 in General Exception 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 proviso (i), (ii), (iii), (iv) or (v) loss or damage is not covered by this extension, the burden of providing the contrary shall rest on the insured.

#### **12. Security guards extension[GC35]**

The company will indemnify the insured for costs reasonably and necessarily incurred in employing a security guard following loss or damage caused by a specified peril up to R10 000 any one claim.

#### **13. Stock-in-trade and equipment extension (if stated in the schedule to be included)**

Sub-section A (property) is extended to cover loss of or damage to stock-in-trade and equipment whilst inside the buildings as described in the schedule caused by an insured peril,

provided that:

- (i) the stock-in-trade must relate to the home industry described in the schedule and which the insured run from the premises stated in the schedule;
- (ii) any participant in the home industry described in the schedule and which the insured run from the said premises must be stated in the schedule.

#### **14. Subsidence and landslip (limited cover) extension**

Sub-section A (property) is extended to include loss of or damage to the contents of the private residence caused by subsidence or heave of the land supporting the private residence or landslip,

provided that:

- (i) such loss or damage is not caused by or does not arise from:
  - (a) excavation other than mining excavations;
  - (b) alterations, additions or repairs to the private residence;
  - (c) the compaction of infill;
  - (d) defective design, materials or workmanship

- (e) normal settlement, shrinkage, or expansion of the private residence.
- (ii) the insured will be responsible for the first R5 000 of each and every claim

**15. Subsidence and landslip (extended cover) extension (if stated in the schedule to be included)**

Sub-section A (property) is extended to cover loss of or damage to the contents of the private residence caused by a subsidence and landslip,

provided that:

15.1 this extension does not cover:

- (a) damage to drains, watercourses, boundary walls, garden walls, retaining walls, gates, posts or fences unless specifically insured;
- (b) damage caused by or attributable to:
  - (i) faulty design or construction of, or the removal or weakening of support to, any building situated at the insured premises;
  - (ii) workmen engaged in making any structural alterations; additions, or repairs to any building situated at the insured premises;
  - (iii) excavation on or under land other than excavations in the course of mining operations.
- (c) Consequential loss of any kind whatsoever except loss of rent.

15.2 the insured shall be responsible for the first R5 000 of each and every claim. This amount is payable in addition to any other excess that may be applicable.

In any action suit or other proceeding where the company 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.

**16. Transit extension**

The company will indemnify the insured up to R10 000 for damage to household goods in the insured's or his/her authorised representative's custody whilst in transit to or from any place of purchase, repair or renovation provided the damage is caused by fire, collision or overturning of the conveying motor vehicle including theft following the stated occurrences.

**17. Trauma extension**

If the insured or member of his family normally residing with the insured whilst on the insured premises is a victim of a violent act of theft, attempted theft, hold up, hijacking or fire which necessitates professional counselling the company will pay compensation up to R10 000.

**18. Accidental damage extension (if stated in the schedule to be included)**

Sub-section A (property) is extended to cover accidental damage to the contents other than audio visual equipment (as defined in extension 20, Audio visual equipment extension), aerials and satellite dishes by accidental external means whilst in the buildings at the premises,

provided that:

- (i) the company will not be liable in respect of:

- (a) breakage of glass or china including crockery;
  - (b) damage arising from wear and tear, depreciation, mildew, rust, moth, vermin, insects, larvae, any process of cleaning, repairing, restoring or dyeing, gradual deterioration which includes the action of light, atmospheric or climatic conditions;
  - (c) scratching, abrading, denting or chipping;
  - (d) mechanical or electrical breakdown;
  - (e) damage to electronic data-processing equipment
- (ii) the liability of the company is limited to the amount per item stated in the schedule but shall not exceed R10 000 per item any one occurrence;
  - (iii) the insured shall be responsible for the first 10% with a minimum of R350 in respect of each and every claim;
  - (iv) specific condition 1 (Average) shall not apply to this extension.

#### **19. Accidental death extension**

In the event of the death of the insured or a member of his family normally residing with the insured as a direct result of accidental bodily injury to such person sustained whilst in the insured's private residence or its grounds situated at the risk address stated in the schedule, the company will pay:

- (i) R7 500 for a person 18 years of age and under;
  - (ii) R10 000 for a person over 18 years and under 76 years
- of age; provided death occurs within 12 months of the injury.

#### **20. Audio visual equipment extension**

Sub-section A (property) is extended to cover accidental loss or damage to any television set, video recorder, decoder, PVR, DVD, sound reproduction equipment, excluding computer equipment, satellite dish or aerial whilst in or on the dwelling by accidental means other than mechanical, electronic or electrical breakdown.

#### **21. Fraudulent use of a credit card extension**

Sub-section A (property) is extended to cover loss arising from the fraudulent use of a credit card (up to an amount not exceeding R2 000 in respect of any one card) being the property of the insured or his spouse anywhere in the world by any unauthorised person, provided that:

- (i) the loss of any credit card or the illegal transaction is reported to the issuing organisation as soon as practicable after the discovery of the loss of the card or the illegal transaction.
- (ii) the insured complied with the conditions of issue of the credit card in so far as they relate to the loss or theft of the card.



**22. Power surge extension (if stated in the schedule to be included)**

Sub-section A (property) is extended to include damage caused by power surge provided that:

- (i) this extension does not cover power surges arising from lightning.
- (ii) the company's liability for any claim or number of claims for any one event or series of events with one originating cause or source, shall not exceed in the aggregate R50 000.
- (iii) the insured shall be responsible for a first amount payable of 10% of the claim subject to a minimum of R500.
- (iv) Specific Condition 1 (Average) shall not apply to this extension.

**DEFINED EVENTS**

Loss of or damage to the whole or part of the property described in the schedule belonging to the Insured, his/her spouse and/or members of his/her family who are financially dependent upon the insured and normally residing with the insured caused by any accident or misfortune not otherwise excluded while anywhere in the world.

**DEFINITIONS**

**1. Specified property**

- (a) Any property more specifically described in the schedule.
- (b) Money and/or negotiable instruments up to an amount of R3 000.

**2. Non-specified property**

- (a) Clothing;
- (b) Personal effects worn or designed to be carried on or by the person;
- (c) Personal equipment belonging to the insured and normally worn or used by the person participating in sport;
- (d) Purchases of clothing, groceries and foodstuff, domestic goods, picnic baskets (and contents) and travelling rugs whilst the property mentioned is in transit away from the insured's residence and loss is caused by

theft, provided that:

no single article shall exceed 25% of the sum insured.

**EXTENSIONS**

**1. Pedal cycles**

This section covers loss of or damage to pedal cycles and non-motorised scooters not exceeding R2 500 unless specified as a separate item in the schedule,

provided that:

the company shall not be liable for loss of or damage to accessories and spare parts by theft or burglary unless the pedal cycle or non-motorised scooter is stolen at the same time.

**2. Collections**

**(a) Stamps**

If a stamp collection is described in the schedule to be included:

- (i) the company will only be liable if one or more completed pages of the collection are lost or damaged.
- (ii) the company's liability for any one stamp will not exceed two-thirds of the value stated in any current recognised catalogue up to R7 500 any one stamp.

## **(b) Coins**

If a coin collection is described in the schedule to be included the company will not be liable for :

- (i) current coins.
- (ii) more than R7 500 for any one coin.

## **3. Contents of a caravan and/or luggage trailer**

If the contents of a caravan and/or luggage trailer are specified in the schedule to be included the following apply to those items:

- 3.1 property insured means household goods belonging to the insured or for which he/she is responsible while in the caravan or attached side tent and/or luggage trailer.
- 3.2 the company will not be liable for:
  - (a) theft of property insured while the caravan or side tent is unoccupied unless there is forcible and violent entry.
  - (b) theft of property insured out of luggage trailers unless there is forcible and violent entry.
  - (c) more than R1 000 or 25% (twenty five percent) of the sum insured whichever is the greater, for any one article.
  - (d) the permanent fixtures and fittings of the caravan.
  - (e) Stamp and/or coin collections, money, documents, jewellery, furs or any article more specifically insured.
  - (f) loss or damage caused by fraud or dishonesty by any person to whom the caravan and/or luggage trailer is on loan or hire.

## **4. Car Radios**

If sound reproduction equipment [including 1 (one) tape or compact disc] fitted in a motor vehicle is described in the schedule to be included Specific exception 9 below does not apply to that item.

## **5. Household goods in transit**

Cover in terms of definition 2 (d) above is extended to include theft of household goods belonging to the insured and in his/her custody or control whilst in transit.

## **6. Riot and strike (if stated in the schedule to be included)**

In consideration of the payment of an additional premium and subject otherwise to the terms and 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 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 (a), (b), (c), (d) or (e), loss or damage is not covered by this extension, the burden of proving the contrary shall rest on the insured.

### **SPECIFIC EXCEPTIONS**

The company shall not be liable for:

1. loss or damage caused by wear and tear or depreciation.
2. consequential loss or consequential damage of any nature.
3. gradual deterioration including the action of light, atmospheric or climatic conditions.
4. damage to any working machine or any working part caused by mechanical, electronic or electrical breakdown, failure or breakages.
5. rust or corrosion.
6. deterioration occasioned by moth, vermin, insects or larvae.
7. loss or damage arising from any process of cleaning, dying, repairing or restoring.
8. cracking, scratching or breakage of glassware or other articles of a brittle nature (other than jewellery and cameras and cracking, scratching or breakage of spectacles) unless caused by fire or theft.
9. property insured lost from an unattended motor vehicle by theft or attempted theft unless the vehicle is locked and there is violent and forcible entry to the vehicle.

If the insured can demonstrate through video surveillance (or any other conclusive proof) that an attempt was made to lock the vehicle using the vehicle remote but that the locking mechanism was blocked by thieves using an electronic device, such evidence shall be deemed to satisfy the forcible and violent entry or exit requirements.

10. contact lenses, cellular telephones, tools, stamp and coin collections unless specifically insured and specified in the schedule.
11. any loss, damage, cost or expense directly or indirectly arising from detention, confiscation, forfeiture, impounding or requisition legally carried out by customs, SA Policy Services, crime prevention units or other officials or authorities.

12. loss or damage to cash, bank notes, currency notes, bonds, coupons, stamps negotiable instruments, title deeds, manuscripts, securities or any kind of travel tickets unless described in the schedule to be included.
13. loss or damage to photographic and optical equipment whilst the equipment is being used for commercial or professional purposes or expeditions of discovery or research or underwater photography.
14. loss or damage to motor vehicles, trailers, caravans, hang gliders, air and watercraft other than surf boards and paddle skis.

## SPECIFIC CONDITIONS

### 1. Replacement value

In the event of property insured under this section being lost or damaged, the basis upon which the amount payable under this section is to be calculated shall be the cost of replacing or reinstating property with the same kind or type but not superior to or more extensive than the insured property when new, subject to all the other terms and conditions of this section except in so far as they may be varied hereby.

### 2. Safe deposit (if stated in the scheduled to be included)

If cover indicated against a specific item in the schedule is BANK, insurance under this section only applies when such item is contained in a safe deposit in a bank or locked in a safe deposit or strong room of the insured when not being carried on the insured.

### 3. First amount payable

- |   |                              |
|---|------------------------------|
| (a) Clothing and personal effects   |                              |
| (i) Other than theft out of any vehicle   | R250                         |
| (ii) Theft out of any vehicle accompanied by visible, forcible and violent entry to or exit from such vehicle   | R250                         |
| (b) Any specified item(s) stated in the schedule (excluding pedal cycles non-motorised scooters, contact lenses, cellular phones, motor radios, tape players and similar equipment or motor car telephones and contents of caravans and luggage trailers) | NIL                          |
| (c) Pedal cycles / non-motorised scooters – specified or not  | R250                         |
| (d) Cellular telephones   | R500                         |
| (e) Contact lenses  | R250                         |
| (f) Motor radios, tape players and equipment of a similar nature and motor telephones   | 10% of claim<br>minimum R500 |
| (g) Contents of caravans and luggage trailers   | R250                         |
| Or the first amount payable stated in the schedule, whichever is the greater  |                              |

### 4. Non-forcible and violent entry from vehicle (if stated in the scheduled to be included)

Specific exception 9 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 the company;
- (b) this extension shall only apply to property that is separately and individually specified in the schedule;
- (c) after the deduction of the first amounts payable specified in specific condition 3 above or in the schedule, the liability of the company is further restricted to the lesser of 75% of the claim or R10 000 in respect of any one event.

## MACHINERY BREAKDOWN SECTION

### DEFINED EVENTS

Any unforeseen and sudden physical damage to the machinery described in the schedule from any cause whilst it is:

1. at work or at rest;
2. being dismantled for the purpose of cleaning, inspection and overhaul or removal to another position or in the course of these operations themselves or subsequent re-erection;

within the insured's premises.

3. at any premises for the purpose of cleaning, overhaul, repair or other similar purpose anywhere within the Republic of South Africa.

### BASIS OF INDEMNITY

#### 1. Partial loss

Where damage to the insured property can be repaired the company will pay the expenses necessarily incurred to restore the damaged insured property to its former state of serviceability plus the cost of dismantling and re-erection incurred for the purposes of effecting the repairs as well as ordinary freight to and from a repair shop, customs duties and dues, if any, to the extent that such expenses have been included in the sum insured. If the repairs are executed at a workshop owned by the insured the company shall pay the costs of materials and wages occurred for the purposes of the repairs plus a reasonable percentage to cover overhead charges.

No deduction shall be made for depreciation in respect of the parts replaced, but the value of any salvage shall be taken into account if the cost of repairs equals or exceeds the market value of the insured property immediately before the occurrence of the damage, the property shall be regarded as destroyed and settlement shall be made on the basis provided in (2) below.

#### 2. Total loss

- (a) If equipment not exceeding 3 years from date of manufacture is totally damaged the basis of calculating the amount payable shall be the cost of replacing or reinstating the equipment with equipment of the same kind or type but not superior to or more extensive than the insured equipment when new including freight and erection costs, custom duties and the cost of removing the destroyed equipment less the value of the remains subject to provisos (a), (b) and (c).
- (b) If equipment exceeding 3 years from date of manufacture is totally damaged the basis of calculating the amount payable shall be the cost of replacement at market value and the cost of removing the destroyed equipment less the value of any salvage subject to provisos (a), (b), (c), (d) and (e).

The insured items shall be regarded as totally damaged if the repair costs (as defined under partial loss) equal or exceed the value as defined in 2 (b) above immediately before the insured event,

provided that:

- (a) the cost of any alterations, additions, improvements or overhauls carried out at the time of repair shall not be recoverable;
- (b) the cost of any provisional repairs shall be borne by the company if such repairs constitute part of the final repairs and do not increase the total cost of repairs;

- (c) the company shall make payment only after being satisfied by the producing of the necessary bills and documents that the repairs have been effected or replacement has taken place, as the case may be;
- (d) the work of replacement or reinstatement (which may be carried out at other premises 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 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;
- (e) in either event (1) or (2) the amount claimable shall not exceed the amount specified in the schedule.

**Market value**, means:

the current purchase price of a second hand/used machine identical in every respect to the machine damaged and substantially of similar condition. Where no similar machine is available, market value shall be calculated from the current new replacement value of the machine less a reasonable amount for use based on an appropriate depreciation scale.

**SPECIFIC EXCEPTIONS**

- (1) Irrespective of the original cause, the company will not pay for:
  - (a) **first amount payable**  
the first amount specified in the schedule for each and every occurrence.
  - (b) **damage due to:**
    - (i) **fire, lightning, explosion**  
Fire, extinguishing of a fire, direct lightning strikes, explosion or any subsequent dismantling.
    - (ii) **theft, collapse** etc.  
theft, collapse of buildings, impact by animals, vehicles, aircraft, other aerial devices or objects dropped therefrom, sonic shock waves or any subsequent dismantling.
    - (iii) **water**  
water which escapes from water containing apparatus, including leakage or discharge from any sprinkler or drencher system or any subsequent dismantling.
    - (iv) **subsidence, landslide**  
subsidence, landslide, storm, flood, inundation, hail, snow, earthquake, volcanic eruption or other convulsions of nature or any subsequent dismantling.
  - (c) **experiments**  
damage resulting from experiments, overloads or tests requiring the imposition of abnormal conditions.
  - (d) **tools**  
damage due to the misapplication of tools.
  - (e) **wastage, wearing away**  
wastage of material or the like or wearing away or wearing out of any part of the machinery caused by or naturally resulting from ordinary usage or working or other gradual deterioration.

- (f) **expendable parts**  
expendable parts and tools such as (but not limited to) bits, cutters, knives, saw blades, dies, pattern, rollers, sieves, chains, belts, ropes, conveyor bands, jointing and packing materials. If these parts or tools are damaged as a result of damage to other parts of the machinery insured as provided for by this insurance, the company shall indemnify the insured for the residual value of such parts or tools.
- (g) **express delivery overtime**  
extra charges for express delivery, overtime, Sunday and holiday rates of wages unless specially provided for in the schedule.
- (h) **damaged parts**  
the value of damaged parts which can be used in any way whatsoever.

(2) **Foundations, masonry, refractories**

The machinery described in the schedule does not include any foundations, masonry or refractories unless specifically mentioned in the schedule.

(3) **Partial damage**

Where damage is restricted to a part or parts of an insured item, the company will not be liable to pay a greater amount than the value of the part or parts allowed for in the sum insured, plus dismantling re-erection and freight expenses.

## SPECIFIC CONDITIONS

1. **Alterations to working conditions**

Notice of any intended alteration to or departure from normal working conditions which would affect the risk of damage to the machinery specified in the schedule, must be given to the company. If the company cannot approve the alteration or departure from normal working conditions, the company may cancel the insurance in respect of the machinery concerned, making an appropriate return of premium.

2. **Access**

The insured shall allow the authorised representatives of the company to examine the insured machinery at any reasonable time. If, during the inspection, any new facts of a nature likely to render the risk more than usually hazardous are observed, the insured must, at the request of the company, restore the risk to normal within a reasonable time, failing which the company may suspend cover in whole or in part until the risk is restored to normal.

3. **Claims**

On the happening of an event giving rise or likely to give rise to a claim, the insured:

- (a) shall exercise all means in his power to salvage the insured items and ensure their preservation.
- (b) may proceed with the repair of the machinery provided that:
  - (i) he complies with 3(a) above.
  - (ii) the carrying out of the repair is without prejudice to any question of liability.
  - (iii) any damaged part requiring replacement is kept for inspection by the company.

4. **Insured value.**

The sum insured for each item of machinery specified in the schedule must be equal to the installed new replacement value at all times.



5. **Reinstatement of sum insured**

In the event of the payment by the company of any sum or sums in discharge of the company's liability in the terms of this insurance, the sum insured shall automatically be reinstated for the remainder of the current period of insurance provided that the insured shall pay any additional premium required by the company, calculated pro rata from the date the repaired item is again put to work.

6. **Average**

If, at the time of the damage, the sum insured is lower than the installed new replacement value, then the insured will be considered to be his own insurer for the difference and will bear a rateable share of the loss accordingly. Every item of machinery will be separately subject to this condition.

**CLAUSES AND EXTENSIONS**

1. **Capital Additions**

This section is extended to provide indemnity at the insured's premises for alterations, improvements and newly acquired machinery of a similar nature to that insured (but not appreciation in value in excess of the sum insured) it being understood that:

- (i) installation and successful commissioning to acceptable operating standards has been achieved;
- (ii) the sum insured for such alterations, improvement and newly acquired machinery in total does not exceed 25% of the total sum insured on the schedule;
- (iii) the insured undertake to advise the company each quarter of such alterations, improvements and additions;
- (iv) the insured agrees to pay the additional premium effective from the date of alteration, improvement or acquisition.

2. **Overtime, night work, work on public holidays and express freight**

This section extends to include extra charges for overtime, night work, work on public holidays and express delivery (including air freight charges), provided that:

- (i) such extra charges are incurred in connection with damage to the insured property recoverable under this section.
- (ii) such extra charges does not exceed 50% of the amount which the repair, replacement or reinstatement would have cost had such extra charges not been incurred.

3. **Renewal of refrigerant and/or transformer/switchgear oil**

This section extends to include the cost of the renewal of refrigerant and/or oil of the same type necessitated by an insured event on refrigeration plant, transformers and/or switchgear.

4. **Deterioration of stock extension (if stated in the schedule to be included)**

In the event of deterioration of stock in trade contained in any refrigeration unit caused by

- (a) breakdown of or accidental damage to the unit;

- (b) failure of the electricity supply from any accidental cause other than the deliberate act of the insured or any supply authority or due to drought or shortage of fuel at any power station;
- (c) contamination by refrigerant fumes escaping from the unit;

the company will indemnify the insured for loss of or damage to such stock in trade up to the amount specified in the schedule but excluding any first amount payable stated in the schedule.

**5. Stock spoilage extension (if stated in the schedule to be included)**

This extension is limited to loss of or damage to raw/basic materials in process, following interruption of or interference with the business as a result of a defined event, up to the amount specified in the schedule but excluding any first amount payable stated in the schedule.

**DEFINED EVENTS**

Accident to machinery specified in the schedule and used by the insured at the premises for the purpose of the business resulting in interruption or interference with the business, provided that payment shall have been made or liability admitted for the Accident under the machinery breakdown section except in so far as a proviso may operate to exclude losses below a specified amount.

**DEFINITIONS**

**Accident**

Unforeseen and sudden physical damage to the machinery described in the schedule from any cause provided for by the machinery breakdown section.

**Gross profit (difference basis)**

The amount by which the sum of the turnover and closing stock exceeds the sum of the opening stock and the uninsured working expenses specified in the schedule.

**Gross profit (specified standing charges 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 a 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 (all standing charges basis)**

The sum produced by adding to the net profit the amount of all the standing charges of the business or if there is no net profit the amount of all the standing charges less the amount of any net trading loss. For the purpose of this insurance, depreciation of buildings, plant, machinery (other than machinery damaged in the Accident), fixtures and fittings shall, inter alia, be deemed to be standing charges.

**Net profit**

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.

**Revenue**

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

**Indemnity period**

The period during which the results of the business are affected in consequence of the Accident beginning the number of hours/days stated in the schedule after the occurrence of the Accident and ending not later than the expiry of the period shown in the schedule after the occurrence.

**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.

**Rate of gross profit**

The rate of gross profit to turnover during the financial year ) to which such adjustments immediately before the date of the Accident. ) will be made as may be necessary to provide ) for the trend of the business and for )

**Rate of wages**

The rate of wages to turnover during the financial year ) variations in or other circumstances The rate of wages to turnover during the financial year ) affecting the business either before immediately before the date of the Accident ) or after the Accident or which )

**Annual turnover**

The turnover during the twelve months immediately before ) had the damage not occurred so that the nearly as the date of the Accident ) figure thus adjusted will represent as which ) may be reasonable practicable the results )

**Standard turnover**

The turnover during the period corresponding with the ) but for the Accident would have been obtained Accident Indemnity period in the twelve months immediately before ) during the relative period after the ) the date of the Accident )

**Annual revenue**

The revenue during the twelve months immediately before ) the date of the Accident )

**Standard revenue**

The revenue during the period corresponding with the ) indemnity period in the twelve months immediately before ) the date of the Accident )

**Shortage in turnover**

The amount by which the turnover during the specified portion of the indemnity period shall in consequence of the Accident fall short of that part of the standard turnover which relates thereto.

**The premises**

All premises owned, used or occupied by the insured for the purposes of the business.

**SPECIFIC EXCEPTION**

**Additions, alterations, improvements**

The company will not be liable for loss resulting from interruption or interference with the business due to additions, alterations or improvements being effected to the damaged item on the occasion of its repair.

**SPECIFIC CONDITIONS**

**1. Action in event of an accident**

When an Accident occurs in consequence of which a claim may be made under this section the insured, in addition to complying with the general conditions, shall 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, if a claim is made under this section, will not later than thirty days after the expiry of the indemnity period or within such further time as the company will allow, at their own expense deliver to the company in writing, a statement setting forth particulars of their claim together with details of all other insurance covering the loss or any part of it or consequential loss of any kind resulting therefrom. No claim under this section will be payable unless

this specific condition has been complied with and in the event of non-compliance therewith in any respect, any payment on account of the claim already made will be repaid to the company forthwith.

## 2. Standby machinery

Any item of machinery insured by this section against which the word "standby" appears in the schedule, shall be maintained as standby available for immediate use in the event of the failure of the machinery to which it is standby. Should the standby position change, the insured shall give notice as soon as possible to the company and pay the applicable additional premium, calculated from the date that the item of machinery ceased to be standby.

### BASIS OF LOSS SETTLEMENT

#### 1. Gross profit (difference basis)

The insurance under item 1 is limited to loss of gross profit due to reduction in turnover and increase in cost of working and the amount payable thereunder will be:

##### (a) for 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 Accident fall short of the standard turnover;

##### (b) for 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 Accident 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 for such charges and expenses of the business payable out of gross profit as may cease or be reduced in consequence of the Accident, provided that if the sum insured by this item is less than the sum produced by applying the rate of gross profit to the annual turnover (proportionately increased where the indemnity period exceeds 12 months), the amount payable will be proportionately reduced.

#### 2. Gross profit (specified standing charges basis)

The insurance under item 2 is limited to loss of gross profit due to reduction in turnover and increase in cost of working and the amount payable as indemnity thereunder will be:

##### (a) for 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 Accident fall short of the standard turnover;

##### (b) for increase in cost of working

the additional expenditure [subject to proviso 2(ii) below] necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which but for the expenditure would have taken place during the indemnity period in consequence of the Accident 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 for such of the insured standing charges as may cease or be reduced in consequence of the Accident provided that:

##### (i)

- (h) if the sum insured by this item is less than the sum produced by applying the rate of gross profit to the annual turnover (proportionately increased where the indemnity period exceeds 12 months) the amount payable will be proportionately reduced.
- (ii) if any standing charges of the business are not insured only such proportion of the additional expenditure as the sum of the net profit and the insured standing charges bears to the sum of the net profit and all standing charges shall be brought into account when calculating the amount recoverable hereunder.

3. **Gross profit (all standing charges basis)**

The insurance under item 3 is limited to the gross profit due to reduction in turnover and increase in cost of working and the amount payable as indemnity thereunder shall be:

(a) **for 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 Accident fall short of the standard turnover;

(b) **for 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 Accident 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 any standing charges or other charges which may cease or be reduced in consequence of the Accident provided that if the sum insured by this item be less than the sum produced by applying the rate of gross profit to the annual turnover (proportionately increased where the indemnity period exceeds 12 months) the amount payable will be proportionately reduced.

4. **Revenue**

The insurance under Item 4 is limited to loss due to reduction in revenue and increase in cost of working and the amount payable as indemnity hereunder will be:

(a) **for reduction in revenue**

the amount by which the revenue during the indemnity period shall in consequence of the Accident fall short of the standard revenue;

(b) **for increase in cost of working**

the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in revenue which but for that expenditure would have taken place during the indemnity period in consequence of the Accident but not exceeding the amount of the reduction thereby avoided;

less any sum saved during the indemnity period for such charges and expenses of the business payable out of revenue as may cease or be reduced in consequence of the Accident provided that if the sum insured by this item is less than the annual revenue (proportionately increased where the indemnity period exceeds 12 months) the amount payable will be proportionately reduced.

## 5. **Wages (dual basis)**

The insurance under Item 5 is limited to loss in respect of wages and the amount payable thereunder will be:

### (a) **for reduction in turnover**

- (i) during the portion of the indemnity period beginning with the number of hours/days stated in the schedule after the occurrence of the Accident and ending not later thereafter than the specified number of weeks in the schedule, the sum produced by applying the rate of wages to the shortage in turnover less any saving through reduction in the amount of wages paid in consequence of the Accident;
- (ii) during the remaining portion of the indemnity period, the sum produced by applying the rate of wages to the shortage in turnover less any saving through reduction in consequence of the Accident in the amount of wages paid but not exceeding the sum produced by applying the specified percentage of the rate of wages to the shortage in turnover during the said remaining portion of the indemnity period increased by such amount as is deducted for savings in terms of paragraph (a) (i) above.

**Note** At the option of the insured, the provisions of paragraph (a) (i) above may apply for the specified extended period provided that the amount arrived at under the provisions of (a) (ii) shall then not exceed the amount deducted under paragraph (a) (i) for savings effected during the said extended period.

### (b) **for increase in cost of working**

so much of the additional expenditure described in paragraphs 1 (b), 2 (b) or 3 (b) of Items 1, 2 or 3 as exceeds the amount payable thereunder but not more than the additional amount which would have been payable for reduction in turnover under the provisions of paragraphs (a) (i) and (a) (ii) of this item had such expenditure not been incurred,

provided that if the sum insured by this item is less than the sum produced by applying the rate of wages to the annual turnover (proportionately increased where the indemnity period exceeds 12 months), the amount payable will be proportionately reduced.

## 6. **Wages (number of weeks basis)**

The insurance by Item 6 is limited to the loss incurred by the insured by the payment of wages for a period beginning with the number of weeks/days stated in the schedule after the occurrence of the Accident and ending not later thereafter than the number of weeks specified in the schedule. 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 Accident 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 Accident be utilised by the insured to the full, provided that if the sum insured by this item is less than the aggregate amount of wages that would have been paid during the specified number of weeks immediately following the Accident had the Accident not occurred, the amount payable will be proportionately reduced.

## 7. **Additional increase in cost of working**

The insurance under Item 7 is limited to additional expenditure (in excess of that recoverable under other items) necessarily and reasonably incurred by the insured in consequence of the Accident in order to minimise interruption of or interference with the business during the indemnity period.

### **MEMO - Other premises**

If during the indemnity period goods shall be sold or services shall be rendered or revenue earned elsewhere than at the premises for the benefit of the business, either by the insured or by others on his behalf, the money paid or payable or revenue

earned in respect of such sales or services shall be brought into account in arriving at the turnover or revenue during the indemnity period.

## **CLAUSES AND EXTENSIONS**

### **(a) Accountant/auditor**

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 for the purpose of investigating or verifying any claims under this section may be produced and certified by the insured's own accountants and/or auditors and their certificate will be prima facie evidence of the particulars and details which such certificate relates.

### **(b) Accumulation of stocks**

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

### **(c) Department/branches**

If the business be conducted in departments/branches the independent trading results of which are ascertainable the provisions of paragraphs 1(a), 1(b), 2(a), 2(b), 3(a), 3(b,) 4(a), 4(b), 5(a) and 5(b) will apply separately to each department/branch whose results are affected by the Accident, provided that if the respective sums insured are less than the aggregate of the sums produced by applying the rate of gross profit, revenue or the rate of wages (as the case may be) for each department/branch of the business (whether its results are affected by the Accident or not) to the relative annual turnover thereof (proportionately increased where the indemnity period exceeds 12 months) the amount payable will be proportionately reduced.

### **(d) Alternative basis of loss settlement**

The term "output" may be substituted for the term "turnover" and for the purpose of this section "output" shall mean "the sale value of goods manufactured by the insured in the course of the business at the premises",

provided that:

(i) only one such meaning shall be operative in connection with any Accident:

(ii) if the meaning set out above be adopted:

(a) clause (b) [accumulation of stocks] shall be of no effect.

(b) the "other premises" memo shall read as follows:

"if during the indemnity period goods shall be manufactured or services rendered elsewhere than at the premises for the benefit of the business either by the insured or by others on their behalf the sale value of goods so manufactured or services rendered shall be brought into account in arriving at the output during the indemnity period".

### **(e) New business clause**

For the purpose of assessing any loss sustained as the result of an Accident occurring before the completion of the first year's trading the terms "rate of gross profit", "rate of wages", "annual turnover", "standard turnover", "annual revenue" and "standard revenue" shall bear the following meanings:



(i) **Rate of gross profit**

The rate of gross profit earned on the turnover during the three months immediately before the date of the Accident.

(ii) **Rate of wages**

The rate of wages to turnover during the three months immediately before the date of the Accident.

(iii) **Annual turnover**

Twelve times the average monthly turnover for the three months immediately before the date of the Accident.

(iv) **Standard turnover**

The turnover which would have been achieved during the indemnity period if the average turnover during the three months immediately before the date of the Accident had been maintained.

(v) **Annual revenue**

The average revenue earned during the three months immediately before the date of the Accident.

(vi) **Standard revenue**

The revenue which would have been earned during the indemnity period if the average revenue during the three months immediately before the date of the Accident had been maintained.

(f) **Payments on account**

Payments on account of insured losses may be made if desired.

(g) **Reinstatement of sum insured**

Notwithstanding the occurrence of a loss this insurance will remain in force for the full amount the insured agreeing to pay additional premium on the amount of such loss pro rata from the date of the Accident to the expiry of the period of insurance.

(h) **Deposit premium (if stated in the schedule to be included)**

In consideration of the premium for items 1, 2, 3, 4 and/or 5 of the schedule being provisional because they are calculated on 75 per cent of the sum(s) insured thereby, the premium is subject to adjustment on expiry of each period of insurance as follows:

If the gross profit or revenue earned or wages paid (proportionately increased if the indemnity period exceeds 12 months) during the financial year most nearly concurrent with any period of insurance is less or greater than 75 per cent of the sum insured thereon, a pro rata return or additional premium not exceeding 33.33 percent of the provisional premium paid for such period of insurance will be made for the difference.

(i) **Premium rebate**

(a) If the gross profit and/or revenue earned and/or wages paid as insured by items 1, 2, 3, 4 and/or 5 of the schedule (all proportionately increased if the indemnity period exceeds 12 months) during the financial year most nearly concurrent with any period of insurance is less than the respective sums insured thereon, a pro rata return of premium not exceeding 50 per cent of the premium paid on such sums insured for such period of insurance will be made for the difference, provided that if any claim shall have arisen under these items such return will be made in respect only of so much of the difference as is not due to such claim.

- (b) If the specified number of 52nd parts of the wages paid as insured by item 6 of the schedule during the financial year most nearly concurrent with any period of insurance is less than the sum insured thereon, a pro rata return of premium not exceeding 50 per cent of the premium paid on such sum insured for such period of insurance will be made for the difference, provided that if any claim shall have arisen under this item no return of premium will be made.

**DEFINED EVENTS**

This insurance is in respect of:

1. Damage to the products and/or cold-room(s) insured;
2. Increase in the cost of working;

and the amount payable as indemnity there under shall be:

(i) **in respect of Damage to the products and/or cold-room(s) insured**

the value of the insured products and/or coldroom(s) affected as a direct consequence of the Damage but not exceeding the limit of indemnity stated in the schedule;

(ii) **in respect of increase in the cost of working**

the additional expenditure necessarily and reasonably incurred as a direct consequence of the Damage (including costs incurred in obtaining alternative storage facilities for the insured products) wholly and exclusively incurred for the purpose of preventing or minimising damage to the insured products but not exceeding the amount that would otherwise have been indemnifiable under clause (i) above,

provided always that:

- (a) other than in the case of the accidental escape of refrigerant Damage shall cause a fluctuation in temperature in the cold-room(s).
- (b) the company shall have the benefit of any saving in expenditure as a result of the Damage.

**DEFINITIONS**

1. **Accident, shall mean:**

Unforeseen and sudden physical damage to the machinery described in the schedule of this section from any cause provided for under the Machinery breakdown section of this policy, liability under which section shall, except for the provision of the specific exception relating to the deductible amount, be a condition precedent to liability hereunder.

2. **Cold room**

The term "coldroom" shall be deemed to include "refrigeration chamber".

3. **Damage, shall mean:**

- (a) in respect of the insured products

destruction or impairment in value of the insured products by deterioration or contamination or putrefaction or spoilage,

- (b) in respect of the insured

coldroom(s) damage,

as a result of an Accident.

4. **Value, shall mean:**

(i) in respect of the insured products

(a) The actual purchase price paid by the insured to his supplier for the insured products or that part thereof affected by Damage,

or

(b) The actual purchase price paid by the insured to his supplier for the insured products or that part thereof affected by Damage to which is added the processing costs of such insured products prior to being placed in the cold-room(s),

or

(c) The selling price of the insured products or that part thereof affected by Damage.

**Whichever is stated in the schedule to be applicable.**

(ii) In respect of insured cold-room(s)

The current day replacement cost of the cold-room(s).

### **SPECIFIC EXCEPTIONS**

The company shall not indemnify the insured in respect of:

1. the amount of the deductible stated in the schedule.
2. Damage to insured products not contained in insured coldroom(s) at the time of such damage.
3. consequential loss, damage or liability arising out of the Damage to the insured products and/or coldroom(s).
4. Damage to the insured products and/or coldroom(s) caused by bruising, rodents, pests or natural deterioration, disease or vice.

### **CLAUSES AND EXTENSIONS**

#### **1. Certificate of Condemnation etc.**

In the event of Damage to the insured products:

- (a) where such Damage necessitates destroyal of the insured products a certificate of condemnation must be obtained by the insured from the appropriate local authority for such goods to be destroyed.
- (b) in cases where Damage is alleged to have impaired the value of the insured products reasonable proof of impairment of value must be submitted by the insured in respect of such insured products.
- (c) where the insured has incurred an increase in the cost of working so as to prevent or minimise Damage to the insured products reasonable proof of the necessity for incurring such costs must be furnished by the insured.

#### **2. Regular Maintenance**

The machinery described in the schedule of this section shall be subject to regular and adequate maintenance processes undertaken by suitably qualified members of the insured's own staff or in terms of a maintenance contract with specialist maintenance engineers.

### **3. Automatic Restarting**

The controlling switchgear of the refrigeration machinery described in the schedule of this section shall incorporate apparatus for automatic restarting following a failure of the public supply of electricity.

### **4. Provisional Premium**

The premium charged under this section shall be provisional and adjusted on the expiry of each period of insurance in accordance with the provisions of clause 5 hereunder.

### **5. Premium Adjustment**

On the expiry of each period of insurance the insured shall make the following declaration to the company:

(i) the average monthly value of the insured products contained in coldroom(s). The provisional premium shall be adjusted at the rates agreed between the insured and the company and an additional or refund premium charged or allowed to the insured.

or

(ii) the maximum value of the insured products contained in coldroom(s) at any one time during the period of insurance. The provisional premium charged shall be adjusted at the rates agreed between the insured and the company and an additional or refund premium charged or allowed to the insured.

(iii) the estimated value at risk for the forthcoming period of insurance in accordance with the provisions of (i) above

(iv) the replacement cost of the coldroom(s).

### **6. Accidental escape of refrigerant extension (if stated in the schedule to be included)**

The definition of Accident is extended to include damage to the insured products (contained in the coldrooms) and/or the insured cold-room(s) caused by a direct result of the accidental escape of refrigerant following unforeseen and sudden physical damage to the refrigeration machinery described in the schedule of this section.

### **7. Contamination by refrigerant necessitating evacuation of cold-room(s) extension (if stated in the scheduled to be included)**

The definition of Damage in respect of insured cold-room(s) is extended to include contamination by refrigerant necessitating the evacuation of the cold-room(s).

### **8. Failure of the public supply of electricity (if stated in the schedule to be included)**

The definition of Accident is extended to include failure of the public supply of electricity at the terminal ends of the supply authority's service feeders in the insured's 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 power station.

### **OPTIONAL CONDITIONS**

**1. Constant supervision (if stated in the schedule to be included)**

The insured refrigeration machinery is under constant supervision by qualified personnel.

**2. Temperature readings (if stated in the scheduled to be included)**

During the entire period of storage, the insured records in a logbook the condition of the insured goods and at least three temperature readings per day from each refrigeration chamber, the accuracy of the temperature readings being verified by means of a calibrated, independent reference thermometer at least every 14 days.