

Guardrisk Motor Policy Wording

Bus facility



GENERAL EXCLUSIONS

1. STANDARD SAIA EXCEPTIONS (Applicable to Losses within the Republic of South Africa and Namibia)

- A. This Policy does not cover loss of or damage to property related to or caused by :
- (i) civil commotion, labour disturbances, riot, strike, lock-out or public disorder or any act or activity which is calculated or directed to bring about any of the above;
 - (ii) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war;
 - (iii) a. mutiny, military rising, military or usurped power, martial law or state of siege, or any other event or cause which determines the proclamation or maintenance of martial law or state of siege;
b. insurrection, rebellion or revolution.
 - (iv) any act (whether on behalf of any organisation, body or person or group of persons) calculated or directed to overthrow or influence any State or Government or any Provincial, local or tribal authority with force or by means of fear, terrorism or violence;
 - (v) any act which is calculated or directed to bring about loss or damage in order to further any political aim, objective or cause or to bring about any social or economic change or in protest against any State or Government or any Provincial, local or tribal authority or for the purpose of inspiring fear in the public or any section thereof;
 - (vi) any attempt to perform any act referred to in clause (iv) or (v) above;
 - (vii) the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in clause (i), (ii), (iii), (iv), (v) or (vi) above.
- If the Insurers allege that by reason of clause (i), (ii), (iii), (iv), (v), (vi) or (vii) of this Exclusion, loss or damage is not covered by this insurance, 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 exclusion 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 exclusion, 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 Exclusion 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 organization or government or any other person or body of persons, committed for political, religious, personal or ideological reasons or purposes including any act committed with the intention to influence any government or for the purpose of inspiring fear in the public or any section thereof.

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

2. NUCLEAR

This policy does not cover any loss, damage, cost or expense whatsoever or any consequential loss directly or indirectly caused by or contributed to by or arising from:

- (i) ionising, radiations or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the combustion or use of nuclear fuel;
- (ii) nuclear material, nuclear fission or fusion, nuclear radiation;
- (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. USE OF VEHICLE

The Insurers shall not be liable for any injury, loss, damage or liability resulting from an accident

- (a) while the Vehicle is being used for racing, speed or other contests, rallies, trials, use for any purpose in connection with the motor trade, carriage of explosives or carriage of any load or passengers exceeding the capacity for which it is constructed or licensed to carry but only insofar as this occurs with the general knowledge and consent of the Insured or any driver of the Insured. 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, repair.
- (b) occurring outside Africa, south of the Equator, but the Insurers 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.

- (c) while any Vehicle is being driven by
- (i) the Insured and where such accident results from his being 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)
 - (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).
 - (iii) the Insured while not licensed to drive such Vehicle or any other person with the general consent of the Insured who to the Insured's knowledge 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 of the territories referred to under General Exclusion 3.(b) or if non-compliance with any licensing law is solely because of failure to renew any licence subject to periodic renewal or if a licence is not required by law or while such driver is learning to drive and is complying with the laws relating to learners. In all cases the failure to procure or renew a Public Drivers Permit shall be deemed to be a breach of any cover afforded by this Policy and the Insurers shall not be liable for any loss of whatsoever type or nature arising under this Policy.
- (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 which applies to the countries specified as the territorial limits in General Exclusion 3 (b).

4. WAR AND TERRORISM EXCLUSION (Applicable to Losses outside the Republic of South Africa and Namibia)

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

- 4.1 war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- 4.2 any act of terrorism.

For the purpose of this exclusion, an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This Policy also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to 4.1 and/or 4.2 above.

If the Insurers allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Insured.

In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

5. LIABILITY BY AGREEMENT

The Insurers will not be liable for any claims arising from liability assumed by the Insured unless such liability would have attached to the Insured notwithstanding such agreement.

6. SANCTIONS LIMITATION AND EXCLUSION CLAUSE

The Insurer shall not provide cover nor be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the insurer or any member of the insurer's group to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of any country.

GENERAL CONDITIONS

1. MISREPRESENTATION, MISDESCRIPTION AND NON-DISCLOSURE

Misrepresentation, misdescription or non-disclosure in any material particular shall render voidable only the particular item or section of this insurance, as the case may be, affected by such misrepresentation, misdescription or non-disclosure.

2. OTHER INSURANCE

If, at the time of any event giving rise to a claim under this insurance, an insurance exists with any other insurer covering the Insured against the defined events, Insurers shall be liable to make good only a rateable proportion of the amount payable by or to the Insured in respect of such event.

3. CANCELLATION

This insurance may be cancelled at any time by the Insurers giving 30 days' notice in writing or by the Insured giving immediate notice. On cancellation the Insured shall **(subject to the terms of General Condition 10)**, be entitled to claim a pro-rata portion of the premium for the remainder of the period of insurance from the date of cancellation.

4. PREVENTION OF LOSS

The Insured shall take all reasonable steps and precautions to prevent or minimise the consequences of accidents or losses.

5. CLAIMS

- (a) On the happening of any event which may result in a claim under this insurance which exceeds or is expected to exceed the Deductible, the Insured shall, at his own expense:
- (i) as soon as practicable after the event inform the police of any claim involving theft and, if required by Insurers, loss of property and take all practicable steps to discover the guilty party and to recover the stolen or lost property;
 - (ii) as soon as practicable after the event submit to Insurers full details in writing of any claim;
 - (iii) give Insurers such proofs, information and sworn declaration as may be required and immediately forward to Insurers 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.

6. INSURERS' RIGHTS AFTER AN EVENT

- (a) On the happening of any event in respect of which a claim is or may be made under this insurance, the Insurers and every person authorised by them may, without thereby incurring any liability and without diminishing the right of Insurers to rely upon any conditions of this insurance,
 - (i) take 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 Insurers to do so. The Insured shall not be entitled to abandon any property to Insurers whether taken possession of by Insurers 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 Insurers.
- (b) The Insured shall, at the expense of Insurers, do and permit to be done all such things as may be necessary or reasonably required by Insurers for the purpose of enforcing any rights to which Insurers shall be, or would become, subrogated upon indemnification of the Insured whether such things shall be required before or after such indemnification;
- (c) Insurers may in the case of any event pay to the Insured the limit of indemnity provided in respect of such event or any lesser sum for which the claim or claims arising from such event can be settled and Insurers shall thereafter not be under further liability in respect of such event except for the payment of costs and expenses for which provision is made and which relates to matters prior to the date of payment.

7. FRAUD

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

8. BREACH OF CONDITIONS

The conditions of this insurance 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.

9. NO RIGHTS TO OTHER PERSONS

Unless otherwise provided, nothing in this insurance shall give any rights to any persons 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 Insurers.

10. ADJUSTMENT OF PREMIUM (Specified Basis Annual paid only)

If any vehicle is disposed of and another vehicle is substituted therefore, an adjustment of premium shall be made from the date of such substitution up to the expiry of the period of insurance.

10. ADJUSTMENT OF PREMIUM (Fleet Basis Annual paid only)

The Insured shall submit to Insurers at the end of each period of insurance a declaration of the total value of Vehicles in each category (as defined) at such expiry date. Insurers shall, upon receipt of this declaration, make a premium adjustment of 50% of the annual rate per Vehicle applied to the difference in the value of Vehicles at inception or renewal and the number declared.

11. REFUND ON PREMIUM (Specified basis only)

If during the currency of this insurance a claim is settled on any of the following basis

- i. total loss
- ii. theft
- iii. replacement of vehicle (new for old extension)

no refund of premium shall be allowed for the unexpired period of insurance from the date of loss or damage. Should such vehicle be replaced (new for old extension) by the Insurer a full pro rata premium for the unexpired period shall become payable by the Insured to the Insurer.

12. CONTINUATION OF COVER

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

Due date will be the first day of

- (a) every month
- (b) each third month
- (c) each sixth month
- (d) each twelfth month

following inception where premium is payable (a) monthly, (b) quarterly, (c) half yearly or (d) annually.

13. PRESCRIPTION

No claim shall be payable after the expiry of 24 months (or such further time as the Insurer may allow) from the happening of an event giving rise to a claim unless the claim is the subject of pending legal action or is a claim is for a loss in terms of Section 2 of this Policy.

14. VEHICLE SECURITY REQUIREMENTS (As a precedent to granting Theft / Hi-Jack cover)

16.1 Buses with an insured value of **R500,000** and above **must** be fitted with a SAIA/VESA approved Fleet Management and Recovery System.

16.2 Mini buses, passenger cars and LDV's

16.2.1 with an insured value up to R199,999 must be fitted with a SAIA approved Vehicle Security System (VSS), or a VESA approved gearlever lock.

16.2.2 with an insured value above R199,999 must be fitted with a Netstar, Tracker, Matrix, or any VESA approved tracking device with a recovery facility.

15. SANCTIONS EXCLUSION CLAUSE

Insurers shall not indemnify and Insurers shall not be liable to pay any claim or provide any benefit hereunder where the indemnity, claim payment or provision of such benefit is contrary to the edicts, recorded principles, prohibitions or restrictions under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America irrespective of enactment in the jurisdiction where indemnity or benefit is provided or payment made.

GENERAL PROVISIONS

1. CLAIMS PREPARATION COSTS

This insurance is extended to include costs and expenses incurred in producing and certifying any particulars or details required by Insurers in terms of the Claims Condition or to substantiate the amount of any claim provided that Insurers' liability in connection with any one source or original cause shall not exceed R100 000 and in any event the Insurers' total liability shall not exceed the total Own Damage limit stated in the Schedule.

2. PAYMENTS ON ACCOUNT

Payments on account will be made to the Insured if requested by the Insured.

3. INTERESTS OF OTHERS

The interests of various parties in the property insured by this insurance are hereby noted without conferring any rights upon such parties under this insurance as Insured's.

4. HOLDING COVERED

If Insurers are holding a Vehicle covered they will not reject a claim on the grounds that the premium has not been paid.

GENERAL DEFINITIONS

1. **VEHICLE shall mean**

- 1.1 Motor cars (including station wagons, kombis, minibuses, safari vans, and the like or similar vehicles designed to seat not more than 12 persons, including the driver)
- 1.2 Commercial vehicles with carrying capacity not exceeding 2000 kg
- 1.3 Commercial vehicles with carrying capacity exceeding 2000 kg and special type Vehicles
- 1.4 Motor cycles (including motor scooters and 3-wheeled Vehicles)
- 1.5 Buses designed to seat more than 19 persons, including the driver
- 1.6 Trailers, i.e. any vehicle without means of self-propulsion designed to be drawn by a self-propelled Vehicle

any such vehicle being owned or used by or hired or leased to or in the custody or control of the Insured.

Unless otherwise stated the term Vehicle shall include such Vehicle's fixed and permanent accessories and spare parts while thereon or therein.

2. **OCCURRENCE shall mean**

An event or series of events arising from one cause in connection with any one Vehicle in respect of which indemnity is provided by this insurance.

3. **DEDUCTIBLE shall mean**

The first amount of any loss to be borne by the Insured and shall apply per vehicle in connection with any one source or original cause.

If any expenditure incurred by Insurers shall include the Deductible for which the Insured is responsible, such amount shall be paid by the Insured to the Insurers forthwith.

GENERAL CLAUSES AND EXTENSIONS

1. WAIVER OF SUBROGATION RIGHTS

For the purposes of this insurance Insurers waive 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, Exclusions and Conditions of this insurance in so far as they can apply.

2. TERRITORIAL LIMITS

The territories stipulated in General Exclusion 3. (b) are deleted and replaced by the following:
Africa south of the Equator,

provided that

- (i) should an insured Vehicle be damaged or stolen and recovered in a damaged condition, the liability of the Insurer shall not exceed R5,000 in respect of costs and expenses incurred outside the areas reflected in Section 1, Defined Events, for the removal of such Vehicle to any border post of any of the following territories: Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Mozambique, Zambia, Malawi and South Africa.
- (ii) the extension relating to Emergency Charges will only apply whilst such Vehicle is in South Africa, Namibia, Lesotho, Botswana, Swaziland, Zimbabwe or Malawi.
- (iii) the following clause shall apply to Section 2 of this insurance:

S A Jurisdiction

Insurer will not indemnify the Insured for

- (a) compensation for Damages in respect of judgements delivered or obtained in the first instance otherwise than by a court of competent jurisdiction within Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Mozambique, Zambia, Malawi and South Africa.
- (b) costs and expenses of litigation recovered by any claimant from the Insured which are not incurred in and recoverable in the area described above.

3. KEYS

This insurance covers the cost of replacing locks and keys, including remote alarm controllers 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:

- (a) the liability of the Insurer shall not exceed the limit of indemnity stated in the Schedule;
- (b) such amount shall be reduced by the Deductible stated in the Schedule.

4. RADIO

This insurance covers the cost of replacing stolen radios, tape players, CD players, cell phone kits, (not cell phones),

provided that:

- (a) the liability of the Insurer shall not exceed the limit of indemnity stated in the Schedule;
- (b) such amount shall be reduced by the Deductible stated in the Schedule.

5. EMERGENCY CHARGES

This insurance covers costs and expenses incurred by the Insured in respect of the extinguishing or fighting of fire, the removal of debris and wreckage and the costs of recovery of any insured Vehicle following damage to such Vehicle by a insured event provided that the Insurers' liability shall not exceed the limit of indemnity stated in the Schedule.

6. AIRFREIGHT REPLACEMENT COSTS

This insurance covers the cost of airfreighting and express delivery of replacement parts and accessories subsequent upon damage to the Vehicle as a result of an insured event provided that such costs do not exceed 50% of the amount that the repair or replacement cost would have been had such additional cost not been incurred and that the liability of Insurers shall not exceed R100 000 any one Vehicle and in any event the Insurers' total liability shall not exceed the Own Damage Limit stated on the Schedule.

7. EMERGENCY TRAVEL COSTS

This insurance covers the reasonable costs and expenses incurred by the Insured with the consent of the Insurers (whose consent shall not be unreasonably withheld) in respect of travelling and accommodation due to loss or damage to a Vehicle provided that the Insurers' liability shall not exceed the limit of indemnity stated in the Schedule.

8. SEARCH AND RECOVERY CHARGES

This insurance covers costs and expenses (including but not limited to helicopter search charges) incurred by the Insured in any search and recovery operation following theft or hijack irrespective of whether or not such operation proves successful.

It is understood that such costs and expenses shall be payable in addition to the limit of indemnity stated in the Schedule and shall not be subject to the application of any

Deductible provided that the Insurers' liability in connection with any one source or original cause shall not exceed the limit of indemnity stated in the Schedule.

9. WINDSCREEN

In the event of damage to windscreen, permanent window glass and/or front lights arising out of an accident not causing other damage to the Vehicle, the Deductible payable by the Insured shall be the amount stated in the Schedule in respect of Windscreen Replacement or Windscreen Repair.

10. CROSS LIABILITIES

Where more than one Insured is named in the Schedule Insurers will indemnify each Insured separately 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 Insurers shall not exceed the applicable Limit of Indemnity stated in the Schedule.

11. CONTINGENT LIABILITY

The indemnity provided by this insurance 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 vehicle not the property of nor provided by the Insured while being used by any director, partner, 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 vehicle not belonging to the Insured nor leased nor hired by the Insured but only in so far as such person has not been refused any motor insurance or continuance thereof by any insurer

provided that

- (i) Insurers shall not be liable for loss or damage to any vehicle being used for the purposes and in the manner described above;
- (ii) if, at the time of the occurrence of any accident giving rise to a claim under this extension, the Insured is entitled to indemnity under any other insurance in respect of the same Occurrence, the Insurers shall not be liable to make any payment hereunder except in respect of any excess beyond the amount payable under such other insurance;
- (iii) the terms, Exclusions, and Conditions of this insurance shall otherwise apply.

12. PARKING FACILITIES AND MOVEMENT OF THIRD PARTY VEHICLES

This insurance is extended to indemnify the Insured in respect of accidents caused by, 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 arrangements; or
- (c) to facilitate the carrying on of the Insured's business.

For the purposes 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.

13. CONTINGENT LIABILITY - SUB-CONTRACTOR

This insurance is extended to include claims made against 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 whilst being used by any sub-contractor of the Insured

provided that:

- (i) this extension excludes any compensation or claim which falls within the scope of the compulsory Road Accident Fund Act No. 56 of 1996 (South Africa) or any amendment replacement or substitution thereof.
- (ii) Insurers shall not be liable for loss of or damage to any motor vehicle being used for the purpose described above.
- (iii) Insurers shall not be liable for claims made against the Insured which are indemnifiable under any other policy of insurance.
- (iv) the terms, Exclusions and Conditions of this insurance shall otherwise apply.

INSURING CLAUSES SECTIONS 1 – 7

SECTION 1 – LOSS OR DAMAGE

Insuring Clause

The Insurers will indemnify the Insured in respect of loss or damage to any Vehicle described in the Schedule.

In addition, if such Vehicle is disabled by reason of any loss or damage insured hereby, Insurers will pay the reasonable cost of protection and removal to the nearest repairers and the Insured may give instructions for repairs to be executed without the previous consent of Insurers to the extent of but not exceeding R5 000, provided that a detailed estimate is first obtained and immediately forwarded to Insurers.

Insurers 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 within the Territorial Limits.

provided that

- (i) the Limit of Indemnity for each Vehicle is as stated in the Schedule and shall be the maximum amount payable by Insurers in respect of such loss or damage but shall not exceed the reasonable market value for buses with a seating capacity of 19 or more and retail value for all other vehicles (VAT Included) including its accessories and spare parts therein or thereon at the time of such loss or damage;
- (ii) Insurers may, at their 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 reasonable market value for buses with a seating capacity of 19 or more and retail value for all other vehicles (VAT included);
- (iii) if, to the knowledge of Insurers, 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 Insurers in respect of such loss or damage;
- (iv) in respect of each and every Occurrence giving rise to a claim the Insured shall be responsible for the Deductible stated in the Schedule. If any expenditure incurred by Insurers shall include any Deductible for which the Insured is responsible, such amount shall be paid by Insured to the Insurers forthwith.

Clauses

Notwithstanding anything contained in this insurance to the contrary

1. NEW FOR OLD

Insurers 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 Insurer, bear the cost of 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 the 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 Insurers

or

(b) damage is caused to the Vehicle to an extent greater than 70% of the reasonable market value for buses with a seating capacity of 19 or more and retail value for all other vehicles (VAT included) at the time of such damage

provided that

(i) the Vehicle has not travelled on average more than 3 000 km per month from the date of such first registration.

(ii) if the Vehicle is replaced as described above, Insurers shall become entitled to possession and ownership of the lost or damaged Vehicle.

2. CREDIT SHORTFALL

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, Insurers will pay to the Insured an additional amount equal to the shortfall less

(a) any arrear instalments or rentals and 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 applicable Deductible.

3. CONSTRUCTIVE TOTAL LOSS

Insurers agree that should damage caused be to an extent greater than 70% of the reasonable market value for buses with a seating capacity of 19 or more and retail value for all other vehicles (VAT included) at the time of such damage, with the option of the Insured the claim will be settled on a total loss basis provided that should the claim be so settled Insurers shall become entitled to possession and ownership of the damaged Vehicle.

Specific Exclusions to Section 1

Insurers shall not be liable to pay for:

- (a) consequential loss as a result of any cause whatsoever, depreciation, 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; *(The Insurers' intention is not to pay for claims arising out of or due to everyday use of the road, such use also including the damage of tyres due to potholes or inferior or sub standard road surfaces)*
- (c) damage to springs/shock absorbers due to inequalities of the road or other surface or to impact with such inequalities other than as specifically provided for herein;
- (d) loss or damage to any Vehicle as a result of detention, confiscation or requisition by customs or other officials or authorities.

SECTION 2 – LIABILITY TO THIRD PARTIES

Insuring Clause

The Insurers will indemnify the Insured in the event of an accident occurring caused by or through or in connection with any Vehicle or in connection with the loading and/or unloading of such Vehicle, in respect of which the Insured shall become legally liable to pay damages including claimant's costs and expenses as a consequence 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) damage to property other than property belonging to the Insured or held in trust by or in the custody or control of the Insured or being conveyed by, loaded onto or unloaded from such Vehicle.

Insurers will also (in terms of and subject to the limitations of and for the purposes of this Section)

1. pay all costs and expenses incurred with its written consent and shall be entitled at its discretion to arrange for representation at any inquest or inquiry in respect of any death which may be the subject of indemnity under this 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 Section, provided that the total of the Insurer's liability under both this extension and Section 2 shall not exceed the limit of indemnity stated in the Schedule to apply to Section 2.
2. indemnify any person who is driving or using any Vehicle on the Insured's order or with the Insured's permission, and/or any passenger provided that
 - (a) such person shall, as though he were the Insured, observe, fulfil and be subject to the terms, Exclusions and Conditions of this insurance in so far as they can apply
 - (b) such person driving such Vehicle has not been refused any motor insurance or continuance thereof by any insurer
 - (c) such person is not entitled to indemnity under any other policy except in respect of any amount not recoverable thereunder.
3. indemnify the Insured in respect of liability arising from the towing by a Vehicle of any other vehicle or trailer (including liability in connection with the towed vehicle or trailer), provided Insurers shall not be liable for damage to the towed vehicle or trailer or to property therein or thereon.

The Limit of Indemnity

Unless otherwise stated, the liability of Insurers under this Section in respect of any one occurrence shall not exceed the limit of indemnity stated in the Schedule.

Specific Exclusion to Section 2

Insurers shall not be liable under this Section in respect of

1. death of or injury to any person being carried in or upon or entering or getting onto or alighting from a Vehicle.
2. so much of any compensation or claim as falls within the scope of any compulsory motor vehicle insurance or accident compensation enactment. This exclusion shall apply notwithstanding that no insurance under such enactment is in force or has been effected.

SECTION 3 – LOSS OF OR DAMAGE TO BAGGAGE (included if so stated in the Schedule)

Insuring Clause

The Insurers shall reimburse the Insured in respect of loss of or damage to baggage and personal effects of an occupant of an insured Vehicle where such loss or damage arises directly from an event covered under Section 1 of this policy. The amount of such reimbursement shall be limited to R2 000 per occupant unless the value and description of the contents of such baggage and personal effects have been declared to the Insured before the commencement of any journey, provided that the Insurers' liability shall not exceed the Limit of Indemnity per occupant stated in the Schedule and in any event the Insurers' total liability shall not exceed the Section 3 Limit stated in the Schedule.

SECTION 4 – MEDICAL EXPENSES

Insuring Clause

If an occupant of an insured Vehicle, in direct connection with such Vehicle, sustains bodily injury, the Insurers will pay to such person emergency medical expenses (not recoverable under any other section of the Policy) incurred as a result of such injury

The term medical expenses includes any costs (not recoverable under any other section of the policy) to free such injured occupant from such Vehicle and/or to bring such occupant to a place where medical treatment can be given and to ensure admittance to such institution providing medical services. This cover shall not provide any indemnity in respect of any such Medical Expenses recoverable under the occupant's medical aid insurance

The amount payable under this section shall be reduced by any amount recoverable under any workmen's compensation enactment or similar legislation provided that the Insurers' liability shall not exceed the Limit of Indemnity stated in the Schedule and in any event shall not exceed the Section 4 Limit stated on the Schedule.

SECTION 5 – INCREASE IN COST OF WORKING (included if so stated in the Schedule)

Insuring Clause

If, in consequence of indemnifiable loss or damage insured under Section 1 hereof to any insured Vehicle, the Insured shall incur reasonable additional expenditure (not recoverable under any other section) with the written consent of the Insurers (whose consent shall not be unreasonably withheld) for purposes of maintaining the normal operation of the business, the Insurers shall reimburse such costs to the Insured provided that the Insurers' liability shall not exceed the Limit of Indemnity stated in the Schedule.

Specific Exclusions to Section 5

The cover afforded by this section shall not include:

1. any fines or penalties incurred by the Insured as a consequence of the insured event
2. the hire of a substitute vehicle of substantially better quality or classification than the insured Vehicle
3. the refund of travel tickets unless specifically agreed to by the Insurers
4. the provision of "free" or consolation tickets to occupants of the insured Vehicle at the time of the insured event unless such allocation of tickets is required to allow the occupants to complete their original journey
5. costs incurred which are of no relevance to the Insured's business as a bus or motor coach operator.

SECTION 6 – CRIMINAL DEFENCE COSTS (included if so stated in the Schedule)

Insuring Clause

The Insured's employee or driver is indemnified by this Section for legal costs and expenses (not recoverable under any other Section) incurred by or on behalf of such person in defence of any criminal action brought against such person in the course of his occupation with the Insured arising from an alleged contravention, the consequence of which may give rise to a claim under another section of this Policy

provided that:

- a) the Insurers' liability shall not exceed the Limit of Indemnity stated in the Schedule;
- b) the Insurers shall not be liable for any fines imposed.

Specific Exclusion to Section 6

This Section does not cover the defence costs arising out of any allegations of driving without a valid driver's licence or the requisite Public Driver's Permit

SECTION 7 – ACCIDENT MANAGEMENT COSTS (included if so stated in the Schedule)

Insuring Clause

If, in consequence of an indemnifiable loss, damage or liability as insured under Sections 1 or 2 hereof or in terms of the Transease Passenger Liability policy, the Insured shall incur reasonable expenditure (not recoverable under any other section of the Policy) in compiling, producing, publishing and disseminating statements, notices, press releases and the like, the Insurers shall reimburse such costs to the Insured

provided that:

- a) the Insured shall have obtained the Insurers' prior written consent (which shall not be unreasonably withheld) to incur both the nature and quantum of such expenditure;
- b) the Insurers' liability shall not exceed the Limit of Indemnity stated in the Schedule.

Specific Exclusions to Section 7

The cover afforded by this section shall not include the following costs:

1. Any costs specifically provided for under any other section of this Policy, notwithstanding that the actual expenditure incurred may exceed the limits of cover provided by such sections.
2. Any costs not directly attributable to the Insured's own Business.
3. Any costs that would have been incurred by the Business had the event no occurred.