

Beyond Infiniti

# Beyond Infiniti Business Policy



Underwritten by



Company Registration number: 2005/029823/06

A licensed Non-Life Insurer and an  
Authorised Financial Services Provider

FSP Number 35914

[www.infinitiafrica.com](http://www.infinitiafrica.com)

# BEYOND INFINITI BUSINESS POLICY WORDING

[www.ibhor.co.za](http://www.ibhor.co.za)



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This notice does not form part of the Insurance Contract (Policy) or any other document. It does however contain valuable information.

## Introduction

The FAIS (Financial Advisory and Intermediary Services) Act (Act 37 of 2002) has been introduced to protect consumer rights and makes provision for

- registration of brokers referred to as Financial Service Providers (FSP's) who have to comply with certain requirements such as academic qualifications and experience. The FSP must also comply with fit and proper requirements being honesty, competency and solvency.
- the disclosure to you as the client of material information regarding
  - details of the Product Supplier (Insurer).
  - details of the FSP.
  - details of the Financial Service.
- your rights to lodge a complaint and seek resolution thereof through the FAIS Ombud.

## The Insurer Disclosure

Name:	Infiniti Insurance Limited
Physical Address:	Block F, Upper Grayston Office Park, 152 Ann Crescent, Strathavon, Sandton
Postal Address:	PO Box 23, Strathavon, 2031
Telephone:	011 718 1200

## FAIS Licence Information

Services:	Advice and Intermediary
Categories:	Personal and Commercial non-life insurance
FSP Number:	35914
Email Address:	compliance@infinitiafrica.com

Complaints:	Please direct your complaint to the above address or by email to <a href="mailto:complaints@infinitiafrica.com">complaints@infinitiafrica.com</a> . Should you wish to receive a copy of our complaints procedure please send your request to the above email address.
Professional Indemnity:	Our Professional Indemnity policy is underwritten by Brit Insurance, Antares and Vibe Syndicate of Lloyd's Limited and Sintelum (Pty) Ltd.

### **SASRIA Disclosure**

Name:	SASRIA Limited
Physical Address:	36 Fricker Road, Illovo, Sandton
Postal Address:	PO Box 653367, Benmore, 2010
Telephone:	011 214 0800 086 172 7742
Compliance Officer:	Mziwoxolo Mavuso
Email address:	<a href="mailto:contactus@sasria.co.za">contactus@sasria.co.za</a>

*WE ARE AUTHORISED IN TERMS OF A BINDER AGREEMENT  
TO ISSUE SASRIA COUPONS ON BEHALF OF SASRIA.*

### **Your Policy**

Type of Policy:	Commercial Lines
Premium:	<p>Premium is the amount you pay us for the cover under your policy. The premium payable and frequency is reflected in the schedule or endorsement.</p> <p>The premium is payable before inception or renewal of the policy, subject to a 15 day period of grace.</p>

	Non-payment of the premium will result in contractual lapsing of the policy.
	Please ensure that your FSP has explained the consequences of non-payment of premium to you.
Fees:	Any fees payable by you to the FSP are separately disclosed in the schedule.
Binder Fees:	Any binder fee payable to the FSP by us is separately disclosed in the schedule.
Commission:	Any commission payable to the FSP by us is separately disclosed in the schedule.

## Complaints Resolution Procedure

### Summary

The objective of the Complaints procedure is to set out the steps that enable you to approach the FAIS Ombud for determination on a complaint, other than a claim's complaint, where the complaint constitutes a monetary claim up to R800 000 without incurring legal expenses.

### What is a complaint?

A complaint can only arise if:

- Infiniti Insurance Limited or its representative contravened or failed to comply with a provision of the Act and as a result you have or are likely to suffer financial prejudice.
- Infiniti Insurance Limited or its representative wilfully or negligently rendered a financial service which caused or is likely to cause financial prejudice.
- Infiniti Insurance Limited or its representative treated you unfairly.

## How do you lodge a complaint?

Inform Infiniti Insurance Limited in writing that you have a complaint and if possible complete our Client Complaint Form.

## What happens after this?

- Infiniti Insurance Limited has 3 weeks to acknowledge receipt of the complaint if we cannot resolve the complaint in that period.
- Infiniti Insurance Limited must resolve the complaint within 6 weeks.

## What other rights do you have?

If after 6 weeks Infiniti Insurance Limited has not resolved the complaint or the complaint has not been resolved to your satisfaction you may approach the FAIS Ombud within 6 months of the resolution by Infiniti Insurance Limited. You must complete a complaints registration form that you can download from the FAIS Ombud website.

## FAIS Ombudsman details

Physical Address: 2nd Floor, Orange Building, Kasteel Park Office Park, 546 Jachemus Street, Erasmuskloof, Pretoria, 0048

Postal Address: PO Box 74571, Lynnwood Ridge, 0040

## Customer Contact Division:

Telephone: 0860FAISOM (0860324766)

012 762 5000

Fax: 012 470 9097

Email Address: [info@faisombud.co.za](mailto:info@faisombud.co.za)

Website: [www.faisombud.co.za](http://www.faisombud.co.za)

*A FULL COPY OF THE COMPLAINT RESOLUTION POLICY AND PROCEDURES IS AVAILABLE FROM OUR OFFICES*

## Fraud or Irregularity reporting procedure

Confidential reporting of concerns, shortcomings or potential non-compliance in respect of the insurer's policies or legal or regulatory obligations, or any ethical considerations or suspicions or irregular activities may be reported to Infiniti Insurance Limited and marked for the attention of the Chief Risk Officer.

## Chief Risk Officer contact details

Postal Address: PO Box 23, Strathavon, 2031  
Email Address: irregularityreporting@infinitiafrica.com

## Rights to information

You have a right to request and receive information regarding the terms and conditions of your policy including the premium charged and the cover given.

You may also request copies of any documentation completed and signed by you and any recordings of telephonic disclosures made by you.

## Compliance Officer details

Name: Peet Pieterse  
(Officer Number 6897)

Telephone: 011 718 1200

Postal Address: PO Box 23, Strathavon, 2031

Email Address: compliance@infinitiafrica.com

Your Intermediary: Also referred to as your Broker or Financial Service Provider (FSP). The name of your broker is reflected in the schedule.

Legal Status: Infiniti Insurance Limited in terms of an Agency Agreement authorises your broker to render advisory and intermediary services with regard to our financial products in the categories they are licensed for.



Your broker is not a representative of Infiniti Insurance Limited and Infiniti Insurance Limited accepts no responsibility for their actions. Your broker has to disclose to you whether they hold Professional Indemnity Insurance or not.

### Claims Procedure

On the happening of any event which may result in a claim under the policy, please notify your Broker,

Email Address: info@ibhor.co.za  
Telephone: 010 593 4242

If you are dissatisfied with the way your claim has been handled please contact Infiniti Insurance Limited.

Postal Address: PO Box 23, Strathavon, 2031  
Telephone: 011 718 1200  
Email Address: complaints@infinitiafrica.com

If you are still dissatisfied with the way your claim has been handled you may contact The Insurance Ombudsman to review your case.

### Insurance Ombudsman contact details

Portal: <https://www.insuranceombudsman.co.za>  
Share Call: 0860 103 236 / 0860 726 890  
Fax: 086 589 0696  
Email Address: [info@insuranceombudsman.co.za](mailto:info@insuranceombudsman.co.za)

### Broker Emergency Assist Number (24 hours)

Telephone: 010 593 4242

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 this 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.

The general exceptions, conditions and provisions apply to all sections of the policy.

## 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, 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 providing the contrary shall rest on the insured.

## 2. **Asbestos exclusion**

Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision which would otherwise override a general exception, 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.

### 3A. Nuclear

Except as regards the Fidelity Section, this policy does not cover any legal liability, loss, damage, cost or expense whatsoever or any consequential loss directly or indirectly caused by or contributed to by or arising from:

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

### 3B. Nuclear causes

Unless specifically agreed for an insured loss involving nuclear material under determined circumstances, this policy does not cover loss or damage caused directly or indirectly by any of the following, regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

Nuclear material, nuclear fission or fusion, nuclear radiation, nuclear waste from the use of nuclear fuels, nuclear explosives or any nuclear weapon.

#### Definitions

- “Nuclear material”** As defined in Nuclear Materials Act 1975.
- “Nuclear fission”** means a nuclear reaction in which a heavy nucleus splits spontaneously or on impact with another particle with the release of energy.

- “Nuclear fusion”** means a nuclear reaction in which atomic nuclei of low atomic number fuse to form a heavier nucleus with the release of energy.
- “Nuclear radiation”** means the absorption of electromagnetic radiation by a nucleus having a magnetic moment when in an external magnetic field.
- “Nuclear waste”** As defined in Nuclear Materials Act 1975.
- “Nuclear fuels”** means a substance that will sustain a fission chain reaction so that it can be used as a source of nuclear energy.
- “Nuclear explosives”** means an explosion involving the release of energy by nuclear fission or fusion or both.
- “Nuclear weapon”** means a nuclear device designed, used or usable for inflicting bodily harm or property damage.

#### 4. Computer losses

**General exception applicable to all sections of this policy insuring damage to property or the consequences of damage to property or any liability.**

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

- a) loss or destruction of or damage to any property whatsoever (including a computer) or any loss or expense whatsoever resulting or arising therefrom;
- b) any legal liability of whatsoever nature;
- c) any consequential loss;

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

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

#### **Special extension to General exception 4**

- A. Loss or destruction of or damage to the insured property by fire, explosion, lightning, earthquake or by the special perils referred to below or indemnified by the Glass, Employers' liability, Stated benefits, Group personal accident or Motor section is not excluded by this General exception.

The special perils that are not excluded for the purpose of this Special extension are damage caused by

1. storm, wind, water, hail or snow excluding damage to property
  - a) arising from its undergoing any process necessarily involving the use or application of water;
  - b) caused by tidal wave originating from earthquake;
  - c) in the underground workings of any mine;
  - d) in the open (other than buildings structures and plant designed to exist or operate in the open);
  - e) in any structure not completely roofed;
  - f) being retaining walls;
2. aircraft and other aerial devices or articles dropped therefrom;
3. impact by animals, trees, aerals, satellite dishes or vehicles excluding damage to such animals, trees, aerals, satellite dishes or vehicles or property in or on such vehicles.

Unless so described and specifically insured as a separate item

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

- B. General exception 4 also does not apply to consequential loss as insured by any Business interruption indemnity provided by this policy to the extent that such consequential loss results from damage to insured property by the perils referred to in Special extension A above.



C. This Special extension will not insure any loss destruction, damage or consequential loss if it would not have been insured in the absence of this Computer losses general exception and this Special extension.

D. This Special extension shall not apply to any Public liability indemnity.

## 5. Cyber 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 loss, damage, liability, claim, cost or expense directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with a cyber incident.

For the purposes of this exclusion, any loss, damage, destruction, distortion, erasure, corruption or alteration of electronic data shall not be considered as physical loss or damage and shall therefore, if directly occasioned by a cyber incident, not be covered by this policy.

### Definitions

- a) Cyber incident means
  - i) unauthorised or malicious acts regardless of time and place, or the threat or hoax thereof
  - ii) malware or similar mechanisms
  - iii) any unintentional or unplanned (wholly or partially) outage of the insured's computer system other than outages caused directly by physical loss or damage or physical damage as a result of lightning, theft or powersurge

affecting access to, processing of, use of or operation of any computer system or any electronic data by any person or group(s) of persons.

- b) Computer system means any computer, hardware, information technology and communications system or electronic device, including any similar system or any configuration of the aforementioned and including any associated input, output or electronic data storage device, networking equipment or back up facility.
- c) Electronic data means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.
- d) Malware or similar mechanism means any programme code, programming instruction or other set of instructions intentionally constructed with the ability to damage, interfere with or otherwise adversely affect computer programmes, data files or operations (whether involving self-replication or not), including but not limited to any Virus, Trojan, worm(s), Logic Bomb(s), denial of service attack or other similar destructive media.

General exception 5 does not apply to the Fidelity section of this policy.

## 6. **Detention, confiscation and forfeiture**

This policy does not cover any loss, damage, cost or expense directly or indirectly arising from detention, confiscation, forfeiture, impounding or requisition legally carried out by customs, Police Services, crime prevention units or other officials or authorities.

## 7. Sanction limitation and exclusion

The company shall not be liable to pay any claim or provide any benefit to the extent that the provision of such cover, payment of such claim, or provision of such benefit would expose the company to any sanction, prohibition or restriction under United Nations resolutions, or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom, United States of America or the German Republic.

## 8. Communicable/contagious/infectious disease and epidemic/pandemic exclusion

This policy excludes any loss, damage, liability, cost or expense directly or indirectly arising out of or contributed to by, or resulting from

(a) any communicable/contagious/infectious disease whether transmitted directly or indirectly,

or

(b) any epidemic or pandemic (classified as such by the appropriate national or international body or agency),

in which either of the above leads to

i) the imposition of quarantine or restriction in movement of people or animals by any national or international body or agency and/or any travel advisory or warning being issued by a national or international body or agency,

or

ii) any fear or threat thereof, whether actual or perceived.

### Definition

Communicable/contagious/infectious disease means any disease which can be transmitted by any means whatsoever from any organism (whether living or not) to another organism.

If the company alleges that by reason of this exclusion, any loss is not covered by this policy the burden of proving the contrary rests on the insured.

## 9. Damage happening over a period of time

This policy does not cover any loss or damage happening over a period of time or that is not sudden and unforeseen.

### General conditions

Subject to the provisions of Section 55 of the Short Term Insurance Act No 53 of 1998 (as amended)

#### 1. Misrepresentation, misdescription and non-disclosure

Misrepresentation, misdescription or non-disclosure in any material particular shall render voidable the particular item, section or sub-section of the policy, 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 policy, insurance exists with any other insurers covering the insured against the defined events, 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.

#### 3. Changes to policy terms and conditions

The company may make changes to the terms and conditions of the policy, including changes to the premium charged or the cover given, by giving 31 days' notice of the change. The insured may exercise their right to cancel the policy immediately by advising the company in writing thereof.

#### 4. Cancellation

This policy or any section may be cancelled at any time by the company giving 31 days' notice in writing or by the insured giving immediate notice. On cancellation by the insured, the company

shall be entitled to retain the premium for the period 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 6.

## 5. Premium payment

The insured may elect to pay the company by monthly debit order, in which case the period of insurance is monthly, or annually in advance, in which case the period of insurance is 12 months.

### (i) Monthly Debits

The premium is due in advance and, if it is not received by the company by due date, or during the 15 day grace period after the due date, the company will re-debit on the next due date and should the outstanding premium not be received when re-debited the insurance shall be deemed to have been cancelled at midnight on the last day of the period for which premium was last received by the company.

Should the company re-debit and only one debit be met, the premium received will be used to clear the oldest debt. Should there be a claim during the term of contract of which the debit order has been unpaid and before the company has re-debited, the outstanding premium will have to be paid before the claim can be processed.

Should the insured have put a stop payment on the debit order to the company then the insurance shall be deemed to have been cancelled at midnight on the last day of the period for which premium was last received by the company and no further premium will be called for by the company.

Due date will be the first working day of every calendar month or as otherwise advised in writing.

**(ii) Annual Premiums**

If the premium is paid annually in advance, the premium must be paid before the due date of the policy, or within 15 days of the due date, for cover to remain in place. Should there be a claim during the 15 day period after the due date, the outstanding premium will have to be paid before the claim can be processed. Due date will be the first day of every annual period of insurance.

The company shall not be obliged to accept premium tendered to it outside of these terms but may do so upon such terms as it, at its sole discretion, may determine.

**6. 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.

**7. 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 to any other matter for which cover is provided in terms of this policy (irrespective of whether the laws, regulations, by-laws and rules are in force at the date the policy is issued, or are enacted after that date) shall be adhered to at all times. The failure to adhere to any applicable law, regulation, by-law or rule shall entitle the insurer to reject any claim where such failure is material to the claim.

## 8. 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 and provide particulars of any other insurance covering such events as are hereby insured.
  - (ii) as soon as is practical after the event inform the police of any claim involving theft or (if required by the company) loss of property and take all practical steps to discover the guilty party and to recover the stolen or lost property.
  - (iii) as soon as is practical 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. The company may only request information relevant 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 after the expiry of 24 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) If the company rejects a claim under this policy, the insured has 90 days to revert to the company and a further 6 months to take legal action against the company. If the insured does not take legal action within this period then the right to do so is deemed to be waived.

- (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.
- (e) The insured may not make any statement, admission, offer, promise or payment or give indemnity to any person, without the company's written permission to do so.

## 9. Company's rights after an event

- (a) On the happening of any event 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, upon the happening of any event, pay to the insured the limit of indemnity provided in respect of such event or any lesser sum for which the claim or claims arising from such event can be settled and the company shall thereafter not be under further liability in respect of such event.
- (d) The company has the right to reject a claim, or part of a claim, if the insured does not provide proof of ownership and value of property claimed for when requested to do so by the company.

## 10. 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 and the policy will be immediately cancelled and a pro-rata portion of the premium for the remainder of the period of insurance from the date of cancellation refunded, subject to the General conditions.

## 11. 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.

## 12. 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.

## 13. Collective insurances

If this insurance is a collective insurance then the following amendment is made to General condition 8(a) (iv) above.

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

and General condition 9 is substituted by the following:

“9. Company’s rights after an event

- (a) On the happening of any event in respect of which a claim is or may be made under this policy the leading insurer and every person authorised by them may, without thereby incurring any liability and without diminishing the right of the insurers to rely upon any conditions of this 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 lead insurer on behalf of all insurers to do so. The insured shall not be entitled to abandon any property to the insurers whether taken possession of by the leading insurer or not.

- (ii) take over and conduct in the name of the insured the defence or settlement of any claim and prosecute in the name of the insured for their own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any claim. No admission, statement, offer, promise, payment or indemnity shall be made by the insured without the written consent of the leading insurer.
- (b) The insured shall, at the expense of the insurers, do and permit to be done all such things as may be necessary or reasonably required by the insurers for the purpose of enforcing any rights to which the insurers shall be or would become subrogated upon indemnification of the insured whether such things shall be required before or after such indemnification.
- (c) In respect of any section of this policy under which an indemnity is provided for liability to third parties, the insurers may, in the case of any event, pay to the insured the limit of indemnity provided in respect of such event or any lesser sum for which the claim or claims arising from such event can be settled and the insurers shall thereafter not be under further liability in respect of such event.”

### General provisions

Subject to the provisions of Section 55 of the Short Term Insurance Act No 53 of 1998 (as amended)

#### A. 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 7 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 the limit in the Table of Limits attached to the schedule or limit of indemnity in the schedule, whichever is the lesser amount, plus any amount stated in the schedule to each section against an item for additional claim preparation costs.

**B. Payments on account**

In respect of any section where amounts recoverable from 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.

**C. First amount payable (excess)**

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 and/ or in the Excess Table attached to the schedule for the applicable defined event.

**D. Members**

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

**E. Trusts**

Wherever the word “insured” is used it is deemed to include “trustees” and “beneficiaries” of such trust if the insured is a trust.

**F. 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. The insured must claim under the section where the item or event claimed for is most specifically insured.

**G. Meaning of words**

The schedule 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.

**H. Holding covered**

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

**I. Schedule sums insured blank**

If in a schedule of or the Table of Limits attached to the 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 or Table of Limits is not insured by the policy.

**J. 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.

**K. Jurisdiction**

This policy shall be subject to the laws and statutes applicable in the Republic of South Africa and the company shall only abide by judgements first delivered by or obtained from a court of competent jurisdiction within the Republic of South Africa.

**L. Territorial Limits**

Unless stated otherwise in any section for that section only the territorial limits of this policy are the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland and Malawi.

**M. Value -added tax (VAT)**

All sums insured and limits of indemnity are inclusive of VAT at the current rate as promulgated by the applicable legislation.

**N. Use of personal information**

The insured acknowledges that, by entering into this policy, the insured will be providing the company with personal information, which may be protected by data protection legislation, including inter alia, the Protection of Personal Information Act, 2013 (“POPI”). The company shall take all reasonable steps to protect such personal information.

The insured authorises the company to

- (i) process (as contemplated in terms of POPI) all such personal information for the following purposes:
  - (a) To communicate requested information to the insured.
  - (b) To provide the insured with insurance services.
  - (c) The verification of the information provided against any source or database.
  - (d) The compilation non-personal statistical information about the insured.

- (ii) transmit any such personal information to any affiliate, subsidiary or re-insurer for the purposes of providing insurance services to the insured and in furtherance of the company's legitimate interests including statistical analysis, re-insurance and credit control.
- (iii) transmit any such personal information to any third party service provider, that may from time to time be appointed by the company, in furtherance of the company's legitimate interests and as necessary for our performance in terms of the policy.

The insured acknowledges that this consent clause will survive the cancellation or lapse of this policy.

**O. Period of insurance**

If the period of insurance (other than a first period of insurance) is for a period of less than 12 months then the amendments on page 29 of the policy wording apply.

# GENERAL EXCEPTIONS CONDITIONS AND PROVISIONS

Section	Reference	Amendment
Fire Business interruption Accounts receivable Motor	Specific condition (b) in Stock declaration conditions Deposit premium clause  Adjustment clause  Premium adjustment clause	The words “each period of insurance” are amended to read “each period of 12 consecutive months from the inception date or anniversary date”
Fire Buildings combined Office contents	Capital additions clause Capital additions clause  Capital additions clause	If the period of insurance is more often than quarterly then the words “each quarter” are amended to “each month”
Fidelity	Defined event	Proviso v) is added  v) The amount payable during any 1 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 the insured amount clause” applies)  If the sum insured is increased the 12 consecutive months applies from the anniversary date. Any reinstatement between the date of increase and the anniversary date shall not exceed twice the sum insured
	Reduction/Reinstatement of insured amount clause	The words “annual premium” are amended to read “12 times the monthly premium” for policies with monthly periods of insurance and “4 times the quarterly premium” or “twice the bi-annual premium” for policies with quarterly or half-yearly periods of insurance respectively
Public liability	Products liability extension  Wrongful arrest and Defamation extension	The words “any 1 (annual) period of insurance” are amended to read “any 1 period of 12 consecutive months from inception date or anniversary date”



## 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

1. fire.
2. lightning or thunderbolt.
3. explosion.
4. earthquake.
5. special perils.
6. malicious damage.

## Specific exceptions

1. This section does not cover 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 insurance, except to the extent that the insured shall prove that such damage happened independently of the existence of such abnormal conditions. In any action, suit or other proceedings where the company alleges that, by reason of this exception, any damage is not covered by this insurance, the burden of proving the contrary shall be on the insured.
2. Unless specifically included, this insurance does not cover
  - (i) damage to property occasioned by its undergoing any heating or drying process.
  - (ii) damage to property which at the time thereof is insured by or would, but for the existence of this insurance, be insured by any marine 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.

- (iii) damage to property caused by earthquake in the underground workings of any mine.

### Specific conditions and definitions

#### 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.

#### Definition of special perils

Damage caused by

1. storm, wind, water, hail or snow excluding damage to property
  - (a) arising from its undergoing any process necessarily involving the use or application of water.
  - (b) caused by tidal wave originating from earthquake or volcanic eruption.
  - (c) in the underground workings of any mine.
  - (d) in the open (other than buildings, structures and plant designed to exist or operate in the open).
  - (e) in any structure not completely roofed.
  - (f) being retaining walls.
2. aircraft and other aerial devices or articles dropped therefrom.
3. 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.

Provided that special perils does not cover

1. wear and tear or gradual deterioration.
2. damage caused or aggravated by

- (a) leakage or discharge from any sprinkler or drencher system in the buildings insured hereby or in buildings containing property insured hereby.
  - (b) subsidence or landslip.
  - (c) 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.
- ] unless so described and specifically insured as a separate item.

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

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

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 purposes of this extension only, the following shall be substituted for the average condition hereinbefore expressed:

“If the property insured is, at the commencement of any damage to such property by discharge or leakage, collectively of greater value than the sum insured thereon against fire damage, then 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 1 to this section is deleted.

**Subsidence, landslip and heave extension (if stated in the schedule to be included)**

Damage caused by subsidence, landslip or heave provided that the insured shall bear the first portion of each and every claim up to the amount in the Excess Table attached to the schedule.

This extension does not cover

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

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

**Definition of malicious damage**

Physical 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

1. movable property which is
  - (a) stolen
  - (b) damaged in an attempt to remove it or part of it from any premises owned or occupied by the insured

2. 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
3. immovable property owned or occupied by the insured occasioned by or through or in consequence of
  - (a) the removal or partial removal or any attempt thereof of
  - (b) the demolition or partial demolition or any attempt thereof of the said immovable property or any part thereof with the intention of stealing any part thereof

provided that malicious damage does not cover

- (a) damage related to or caused by fire or explosion.
- (b) consequential or indirect 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 proviso (a), (b), (c), (d) or (e), loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

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

During the period of the initial unoccupancy 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.

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

## Clauses and extensions

### **Damage to retaining walls extension (if stated in the schedule to be included)**

Provided that the retaining wall is built in compliance with the specifications of a practising civil engineer and any applicable legislation, the company will indemnify the insured for damage to the retaining wall by storm, wind, water, hail or snow.

### **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 untenable during the term specified therein in consequence of damage by a defined event.

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

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

### **Designation of property clause**

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

### **All other contents clause**

The term all other contents referred to in the definition of property under column 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 the limit in the Table of Limits attached to the schedule for any one individual in respect of property lost or damaged whilst on the insured's premises.

### **Limitations clause**

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

- (a) money and stamps to the limit in the Table of Limits attached to the schedule.
- (b) documents, manuscripts, business books, plans, computer systems records and media, designs, patterns, models and moulds to the value of materials and sums expended in labour.

### **Alterations and misdescription clause**

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



### **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% of the amount payable in respect of such damage and provided that the total amount recoverable shall not exceed the sum insured on the property affected. The amount payable in respect of such fees shall not include expenses incurred in connection with the preparation of the insured's claim.

### **Capital additions clause**

The insurance under this section covers alterations, additions and improvements (but not appreciation in value in excess of the sum(s) insured) to the property other than stock and materials in trade for an amount not exceeding 15% of the sum insured thereon, 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.

### **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 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

1. incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site.
2. arising from pollution or contamination of property not insured by this policy/section.

### **Fire extinguishing charges clause**

Any costs relating to the extinguishing or fighting of fire, shall be deemed to be damage to the insured property and shall be payable in addition to any other payment for which 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.

### **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.

### **Municipal plans scrutiny fee clause**

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

### **Public authorities' requirements clause**

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.

### **Railway and other subrogation clause**

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

## 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 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 fails to intimate to the company within 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.
  - (b) the insured is unable or unwilling to replace or reinstate the property on the same or another site.

### **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.

### **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 and Malawi

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% 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 the part of the premises from which the property is temporarily removed.

### **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 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.

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

In respect of stock and materials in trade insured under this section being subject to the stock declaration conditions, the premium is calculated on 75% 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 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% of the provisional premium.
2. Any claim hereunder shall be settled on the basis of the market value immediately preceding 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 specification to which these stock declaration conditions apply.

### **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.

### **Powersurge extension**

This section is extended to cover damage directly occasioned by or through or in consequence of powersurge not as a result of lightning strike up to the limit in the Table of Limits attached to the schedule for any one event and in the aggregate in any 12 month period.

**Escalator clause extension (if stated in 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.

**Disposal of Salvage clause (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 shall 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.



**Any other damage extension (if stated in the schedule to be included)**

This section is extended to cover any other damage not provided for otherwise in this section and for which cover is not available under any other section of this policy or any Marine, Engineering, Aviation, Liability or Guarantee policy whether such cover has been purchased by the insured or not. All the Specific exceptions and Specific conditions of this section and all the General exceptions, conditions and provisions of this policy apply to this extension.

The company shall not pay more than the sum insured stated in the schedule for this extension or the limit in the Table of Limits attached to the schedule, whichever is the lesser, in any 12 month period.

## 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) and sporting and recreational structures, landlord's fixtures and fittings therein and thereon, walls (except dam walls), gates, posts, fences, and tarred or paved roads, driveways, paths or parking areas
  - (b) in sub-section B to public supply connections situate as stated in the schedule.
2. Loss of rent as provided in sub-section C.
3. Legal liability as provided for in sub-section D.

## Sub-section A Property

1. Fire, lightning, thunderbolt, subterranean fire, explosion.
2. Storm, wind, water, hail or snow other than
  - (a) arising from its undergoing any process necessarily involving the use or application of water.
  - (b) wear and tear or gradual deterioration.
  - (c) loss or damage
    - (i) to retaining walls.
    - (ii) caused or aggravated by
      - subsidence or landslip.
      - the insured's failure to take all reasonable precautions for the maintenance and safety of the property insured and for the minimisation of any destruction or damage.
3. 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 into 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 damage obtains the written agreement of the company to continue this insurance. During the period of the initial unoccupancy 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 sanitaryware, but the amount payable will be reduced by the amount in the Excess Table attached to your schedule for each and every such damage.

### Specific conditions

**1. Average (not applicable to 7 above under subsection A Property)**

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.

## 2. Alarm warranty (if stated in the schedule to apply)

It is a condition precedent to the liability of the company and warranted that a burglar alarm linked to a 24 hour control centre with an armed response unit must be installed and

- (a) the burglar alarm installed at the premises shall be made fully operative whenever the premises are not open for business unless a principal, partner, director or employee of the insured is on the premises.
- (b) such alarm shall be maintained in proper working order but the insured shall be deemed to have discharged their liability therefore if they have maintained their obligations under a contract with the suppliers or servicing engineers of the alarm system.

This insurance shall not cover loss of or damage to the property following the use of the code or keys of the burglar alarm or any duplicate thereof belonging to the insured unless such code or keys have been obtained by violence or threat of violence to any person.

### 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 Loss of rent

1. Where the business of the insured is that of a hotel, boarding house, bed and breakfast or similar occupation:  
Loss of rent as a result of the property insured being so damaged by any of the perils specified as to be rendered untenable (including partially untenable) but only for the period necessary for reinstatement and for an amount not exceeding the sum insured for Loss of rent in the schedule. The basis of calculation shall be the rent payable by the insured as lessee of the buildings,

plant and machinery immediately preceding the damage or if the insured is not the lessee of the buildings, plant and machinery, the rental equivalent they should have received as lessor for leasing the buildings, plant and machinery to a single legal entity.

2. Where the business of the insured is other than that as stated in 1, above:

Loss of rent as a result of the property insured being so damaged by any of the perils specified as to be rendered untenable (including partially untenable) but only for the period necessary for reinstatement and for an amount not exceeding the sum insured for Loss of rent in the schedule. 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, 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 limit in the Table of Limits attached to 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 pedal cycles and lawnmowers).
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 the policy to cover any liability which would not have been insured under this policy in the absence of this exception.

5. fines, penalties, punitive, exemplary or vindictive damages.
6. (a) damages in respect of judgements delivered or obtained in the first instance otherwise than by a court of competent jurisdiction within the Republic of South Africa.  
(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 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.
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 indemnity 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 terrorism, 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

#### **Damage to retaining walls (if stated in the schedule to be included)**

Provided that the retaining wall is built in compliance with the specifications of a practising civil engineer and any applicable building regulations, the company will indemnify the insured for damage to the retaining wall by storm, wind, water, hail or snow.

#### **Subsidence, landslip and heave extension to sub-section A (if stated in the schedule to be included)**

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

8. Damage caused by subsidence, landslip or heave provided that the insured shall bear the first portion of each and every claim up to the amount in the Excess Table attached to the schedule.  
  
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 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. 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.

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

If property within a 10km 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% 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.

**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 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.

### **Architects' 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% of the amount payable in respect of such damage and provided that the total amount recoverable shall not exceed the sum insured on the property affected. The amount payable in respect of such fees shall not include expenses incurred in connection with the preparation of the insured's claim.

### **Capital additions clause**

The insurance under this section covers alterations, additions and improvements (but not appreciation in value in excess of the sum(s) insured) to the property for an amount not exceeding 15% of the sum insured thereon, 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.

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

The insurance under this section includes costs necessarily incurred by the insured in respect of the demolition of property insured and/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

1. incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site.
2. arising from pollution or contamination of property not insured by this policy/section.

### **Fire extinguishing charges clause**

Any costs relating to the extinguishing or fighting of fire shall be deemed to be damage to the insured property and shall be payable in addition to any other payment for which 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.

### **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.

### **Municipal plans scrutiny fee clause**

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

### **Public authorities' requirements clause**

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

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 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.

## 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.

## 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 or 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 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.

### **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 Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland and Malawi provided that the amount payable under this clause shall not exceed that which would have been payable had the loss occurred on the premises from which the property is temporarily removed.

### **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.

### **Powersurge extension**

This section is extended to cover damage directly occasioned by or through or in consequence of powersurge not as a result of lightning strike up to the limit in the Table of Limits attached to the schedule for any one event and in the aggregate in any 12 month period of insurance.

**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.

**Malicious damage extension**

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

- 1 . movable property which is
  - (a) stolen
  - (b) damaged in an attempt to remove it or part of it from any premises owned or occupied by the insured
2. 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
  - (a) the removal or partial removal or any attempt thereof of
  - (b) the demolition or partial demolition or any attempt thereof of the said immovable property or any part thereof with the intention of stealing any part thereof

provided that this extension does not cover

- (a) 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 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 unoccupancy 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.



**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, B and C of this section are extended to cover loss or damage directly occasioned by or through or in consequence of

1. civil commotion, labour disturbances, riot, strike or lockout
2. the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in 1 above

provided that this extension does not cover

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

## 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) and sporting and recreational structures, landlord's fixtures and fittings therein and thereon, walls (except dam walls), gates, posts, fences, and tarred or paved roads, driveways, paths or parking areas
  - (b) in sub-section B to public supply connections situated as stated in the schedule.
2. Loss of rent as provided in sub-section C.
3. Legal liability as provided for in sub-section D.

## Sub-section A Property

1. Fire, lightning, thunderbolt, subterranean fire, explosion.
2. Storm, wind, water, hail or snow other than
  - (a) arising from its undergoing any process necessarily involving the use or application of water.
  - (b) wear and tear or gradual deterioration.
  - (c) as a result of or aggravated by mildew, damp, rise in the underground water table, rising damp, rust, corrosion or rot.
  - (d) loss or damage
    - (i) to retaining walls.
    - (ii) caused or aggravated by
      - subsidence or landslip.
      - the insured's failure to take all reasonable precautions for the maintenance and safety of the property insured and for the minimisation of any destruction or damage.
      - leakage from any sprinkler, draining system or fire extinguishing installation or appliance.

3. Earthquake.
4. Aircraft and other aerial devices or articles dropped therefrom.
5. Impact by animals, trees, aerals, satellite dishes or vehicles excluding damage to such animals, trees, aerals, satellite dishes, vehicles or property in or on such vehicles.
6. Theft (or any attempt thereat) accompanied by forcible and violent entry into 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 damage obtains the written agreement of the company to continue this insurance. During the period of the initial unoccupancy 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. The company will not be liable for more than the limit in the Table of Limits attached to the schedule.
7. Accidental damage to glass, including sanitaryware, fixed glass, fanlights, skylights, conservatories and verandas, stove tops and counter tops but the company shall not be liable for loss or damage as a result of denting, chipping, cracking, scratching or disfiguration of the property or for more than the limit in the Table of Limits attached to the schedule.
8. Electrical and mechanical breakdown to
  - (a) pumps and other machinery for swimming pools, Jacuzzis, sauna and spa baths excluding submersible pumps and pool cleaning equipment
  - (b) motors operating automatic gates, lift motors, garage doors and vehicle boom machinery in domestic use

but excluding damage to property resulting from or caused by wear and tear, gradual deterioration, insects, vermin or any process of cleaning, repairing, corrosion, erosion, deposit or scale, sludge or other sediment, chemical action or rust. The company shall not be liable for more than the limit in the Table of Limits attached to the schedule per occurrence.

9. Sudden and unforeseen bursting, overflowing or escape of water or oil from water tanks, apparatus or pipes (pipes no further than a meter away) or any fixed water or oil-fired heating installation, including damage to such tanks, apparatus or pipes (pipes no further than a meter away) but excluding all damage as a result of wear and tear, rust or gradual deterioration. The company shall not be liable for more than the limit in the Table of Limits attached to the schedule per event for each and every replacement geyser or repairs thereto. The insured shall be responsible for the first amount payable in the Excess Table attached to the schedule for each and every claim. If at the time of a loss the insured selects to replace the geyser system with a solar geyser, photo-voltaic cell system or heat pump or any other similar energy saving system, the company will pay an additional 25% of the value of the upgrade. If the geyser can be repaired, and the cost of repair is less than 20% of the limit in the Table of Limits attached to the schedule, then the company will pay the cost of repair and no first amount payable will apply.

### Specific conditions

#### 1. **Average (not applicable to 7 above)**

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

## 2. Alarm warranty (if stated in the schedule to apply)

It is a condition precedent to the liability of the company and warranted that a burglar alarm linked to a 24 hour control centre with an armed response unit must be installed and

- (a) the burglar alarm installed at the premises shall be made fully operative whenever the premises are not open for business unless a principal, partner, director or employee of the insured is on the premises.
- (b) such alarm shall be maintained in proper working order but the insured shall be deemed to have discharged their liability therefor if they have maintained their obligations under a contract with the suppliers or servicing engineers of the alarm system.

This insurance shall not cover loss of or damage to the property following the use of the code or keys of the burglar alarm or any duplicate thereof belonging to the insured unless such code or keys have been obtained by violence or threat of violence to any person.

## 3. National building regulations

All property insured must have been built or renovated in compliance with the National Building Regulations and any other applicable legislation that applied at the time that the building was built or renovated. Failure to comply with this Specific condition will result in your claim being rejected.

### 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 Loss of rent**

Loss of rent as a result of the property insured being so damaged by any of the perils specified as to be rendered untenable (including partially untenable) but only for the period necessary for reinstatement and for an amount not exceeding the sum insured for Loss of rent in the schedule. 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, 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 limit in the Table of Limits attached to 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 pedal cycles and lawnmowers).
- 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 the policy to cover any liability which would not have been insured under this policy in the absence of this exception.

- 5. fines, penalties, punitive, exemplary or vindictive damages.
- 6. (a) damages in respect of judgements delivered or obtained in the first instance otherwise than by a court of competent jurisdiction within the Republic of South Africa.
- (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 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.
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 indemnity 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 terrorism, 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.



## Extension to sub-section D

### Trustee's indemnity extension

The defined events are extended to include damages which the Body Corporate and/or any Trustee shall become legally liable to pay arising out of a wrongful act of a Trustee provided that the Company's limit of liability including all costs and expenses shall not exceed the limit in the Table of Limits attached to the schedule or the amount in the schedule whichever is the lesser, for any one event and in all any one 12 month period of insurance.

For the purpose of this insurance a wrongful act shall be any actual or alleged breach of trust, duty, neglect, error, misstatement, misleading statement, omission or other act wrongfully committed or attempted by a Trustee which arises solely by reason of his acting in his capacity as Trustee of the Body Corporate.

The Company will not indemnify the insured in respect of

- (a) any liability for the payment of VAT.
- (b) any remuneration or other monies to which the Body Corporate or Trustee(s) is/are legally entitled.
- (c) any indemnity claimed or claimable in terms of any other insurance.
- (d) any Trustee committing any wrongful act knowing such action to be illegal, fraudulent or of malicious intent, but this exception shall not apply to any innocent part affected by such act.
- (e) the amount of any first amount payable stated in the Excess Table attached to the schedule.

## Clauses and extensions

### Damage to retaining walls extension (if stated in the schedule to be included)

Provided that the retaining wall is built in compliance with the specifications of a practising civil engineer and any applicable legislation, the company will indemnify the insured for damage to the retaining wall by storm, wind, water, hail or snow.

## **Subsidence, landslip and heave (full cover) extension to sub-section A (if stated in the schedule to be included)**

The following peril is added to the perils applicable to

Sub-section A Property:

10. Damage caused by subsidence, landslip or heave provided that the insured shall bear the first portion of each and every claim up to the amount in the Excess Table attached to the schedule. 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 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.
- 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.

### **Subsidence, landslip and heave (limited cover) extension to sub-section A**

This Section is extended to include loss of or damage to the insured building caused by subsidence, landslip or heave of the land supporting the said building provided that such loss or damage is not caused by or does not arise from

- (a) normal settlement, shrinkage or expansion of the building.
- (b) alterations, additions or repairs to the building.
- (c) compaction or infill.
- (d) defective or faulty design, materials or workmanship.
- (e) excavations other than in the course of mining operations.
- (f) contraction and or expansion of soil as found in clay or similar types of soil, or moist or damp.
- (g) removal or weakening of support to the building.

The company will not be liable for

- (a) loss of or damage to swimming pools and surrounds, tennis courts, terraces, patios, paths, driveways, septic or conservancy tanks, drains, water courses, walls, gates, posts and fences, retaining or screening walls unless the building is damaged at the same time by the same event.
- (b) loss of or damage to solid floor slabs or any part of the building(s) resulting from the movement of such slabs unless the foundation supporting the external walls of the building(s) are damaged by the same cause at the same time.
- (c) consequential loss whatsoever.
- (d) damage existing at commencement of cover.

The company will not be liable for work necessary to prevent further loss or damage due to subsidence or landslip except where appropriate design precautions were implemented during the original construction of the building(s) and any subsequent additions thereto.

The Insured will be responsible for the first amount payable in the Excess Table attached to the schedule of each and every occurrence giving rise to a claim.

If required the Insured must give proof that the loss or damage being claimed for was caused by subsidence or landslip

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

If property within a 10 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% 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.

**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 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.

### **Architects' 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% of the amount payable in respect of such damage and provided that the total amount recoverable shall not exceed the sum insured on the property affected. The amount payable in respect of such fees shall not include expenses incurred in connection with the preparation of the insured's claim.

### **Capital additions clause**

The insurance under this section covers alterations, additions and improvements (but not appreciation in value in excess of the sum(s) insured) to the property for an amount not exceeding 15% of the sum insured thereon, 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.

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

The insurance under this section includes costs necessarily incurred by the insured in respect of the demolition of property insured and/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

1. incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site.
2. arising from pollution or contamination of property not insured by this policy/section.

### **Fire extinguishing charges clause**

Any costs relating to the extinguishing or fighting of fire shall be deemed to be damage to the insured property and shall be payable in addition to any other payment for which 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.

### **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.

### **Municipal plans scrutiny fee clause**

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

### **Public authorities' requirements clause**

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

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 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.

### **Cover during structural alterations**

The company will indemnify the insured for loss or damage to the building by perils insured by this section or theft from the building while structural alterations are being made to the building provided that the insured advises the company within 21 days of such structural alterations being commenced. The company shall not be liable for damage caused by the builders or any other person working on the building including damage to water-pipes or damage as a direct result of the roof, or any part of it, or any outside wall or door having been removed. Theft cover is subject to their being forcible or violent entry into the building.

### **Garden landscaping**

The company will indemnify the insured for the cost of reinstating landscaped gardens forming part of the insured property or removing fallen trees following damage to the insured buildings as a result of peril insured by this section subject to the maximum amount stated in the Table of Limits attached to the schedule in any one 12 month period.

### **Generator hire**

The company will indemnify the insured for the actual hiring cost of a generator (or other suitable power generating equipment) following a loss at the premises and for which the company has accepted liability under this section of your policy provided that

- (a) such cost shall not exceed the limit in the Table of Limits attached to the schedule in any 12 month period.
- (b) the duration of such hiring period shall not exceed 14 days per occurrence.

### **Mobility cost**

In the event an owner or tenant suffering permanent disability of such a nature that he/she needs, and can operate, a self-powered (or otherwise), climbing wheelchair including associated equipment, the insurers will indemnify the insured person for costs of such alterations to the person's unit to efficiently operate such wheelchair up to a maximum liability of the limit in the Table of Limits attached to the schedule.

### **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.



## 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 or 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 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.

### **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 Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland and Malawi provided that the amount payable under this clause shall not exceed that which would have been payable had the loss occurred on the premises from which the property is temporarily removed.

### **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.

### **Powersurge extension**

This section is extended to cover damage directly occasioned by or through or in consequence of powersurge not as a result of lightning strike up to the limit in the Table of Limits attached to the schedule for any one event and in the aggregate in any 12 month period of insurance.

### **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.

### **Malicious damage extension**

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

- 1 . movable property which is
  - (a) stolen
  - (b) damaged in an attempt to remove it or part of it from any premises owned or occupied by the insured
2. 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
  - (a) the removal or partial removal or any attempt thereof of
  - (b) the demolition or partial demolition or any attempt thereof of the said immovable property or any part thereof with the intention of stealing any part thereof

provided that this extension does not cover

- (a) 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 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 unoccupancy 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.

### **Locks and keys**

The company will indemnify the insured for the cost of replacing locks, keys and access devices of the insured premises following a loss for which the company has admitted liability up to the amount stated in the Table of Limits attached to the schedule.

### **Metered water**

The company will indemnify the insured for metered water charges for which the insured is legally liable as a direct result of breakages or bursts in the water mains system up to the limit in the Table of Limits attached to the schedule or the amount by which the quarterly reading of water consumption exceeds the average of the previous four quarters, whichever be the lesser.

### **Animal kennelling**

The company will indemnify the insured for the cost of animal kennelling following damage to the building as a result of an insured peril, for which the company has accepted liability, where the owner or tenant of the damaged unit is required to vacate the unit in order to effect reinstatement or repair of the unit. The company will pay up to the limit in the Table of Limits attached to the schedule in any one 12 month period.

### **Bacterial infection**

The company will indemnify the insured for costs incurred to procure professional bacterial disinfection services to the interior of any building as a result of the interior having been subjected to sewage or wastewater back-flooding provided that the company will not pay more than the limit in the Table of Limits attached to the schedule in any one 12 month period. The insured will be responsible for the first amount payable in the Excess Table attached to the schedule.

### **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, B and C of this section are extended to cover loss or damage directly occasioned by or through or in consequence of

1. civil commotion, labour disturbances, riot, strike or lockout
2. the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in 1 above

provided that this extension does not cover

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

### **Machinery breakdown**

The company will indemnify the insured for sudden and unforeseen physical damage to the insured machinery described below:

- (a) Air-conditioning units, swimming pool machinery, saunas, spa baths, jacuzzis, borehole pumps (excluding submersible pumps), automatic gates, garage doors, laundry machinery, hot-water boilers, hoists, transformers and all associated electric motors, starters and switchgear
- (b) Lift room machinery and equipment and all associated shafting and controlling switchgear, boilers, escalators

forming part of the buildings insured under this section of this policy, whilst it is at work or at rest or whilst 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 but excluding

1. the first amount payable as stated in the Excess Table attached to the schedule
2. damage to property specified in (b) which is not the subject of a regular maintenance agreement

3. damage resulting from experiments, overloads or tests
4. any cost of replacing reinstating or making good wear and tear gradual deterioration, expendable parts, corrosion, erosion, deposit of scale , sludge or other sediment or any other direct consequence of progressive or continuous influence from working or atmospheric or chemical action, rust or scratching of painted or polished surfaces
5. damage for which the manufacturer supplier or lessor is responsible

provided that

the company's liability in any period of 12 month period will be limited to the amount stated in the Table of Limits attached to the schedule.

The Insured shall take reasonable precautions to ensure that the machinery is maintained in good working order and neither habitually nor intentionally overloaded and that Government and other regulations relating to the operation of the machinery are observed.

## 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 the limit in the Table of Limits attached to the schedule 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 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, lightning, thunderbolt, subterranean fire, explosion.
2. Storm, wind, water, hail or snow excluding loss of or damage to property arising from its undergoing any process necessarily involving the use or application of water.
3. 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.



## 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 conditions

#### **Average (not applicable to peril 6 above or to the theft or theft by forcible entry extensions)**

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

#### **Alarm warranty (if stated in the schedule to apply)**

It is a condition precedent to the liability of the company and warranted that a burglar alarm linked to a 24 hour control centre with an armed response unit must be installed and

- (a) the burglar alarm installed at the premises shall be made fully operative whenever the premises are not open for business unless a principal, partner, director or employee of the insured is on the premises.
- (b) such alarm shall be maintained in proper working order but the insured shall be deemed to have discharged their liability therefor if they have maintained their obligations under a contract with the suppliers or servicing engineers of the alarm system.

This insurance shall not cover loss of or damage to the property following the use of the code or keys of the burglar alarm or any duplicate thereof belonging to the insured unless such code or keys have been obtained by violence or threat of violence to any person.

### **Specific exception (applicable to sub-section A)**

This sub-section does not cover

- (a) property outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland and Malawi.
- (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 amount in the Excess Table attached to the schedule 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% 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, 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 uncanceled 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 exception (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 amount in the Excess Table attached to the schedule.
  - (ii) vermin or inherent defect or by processing, copying or other work upon the documents.

- (iii) the dishonesty of any principal, partner or director of the insured whether acting alone or in collusion with the others. This exception shall not apply to any director who is also an employee of the insured and whom the insured has the right at all times to govern, control and direct in the performance of 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.

#### **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 purposes of maintaining the normal operation of the business in consequence of loss or damage in respect of which payment, reinstatement or repair has been made or liability therefor admitted by the company under sub-sections A or C. The indemnity under this sub-section shall not exceed 25% of the sum insured on all contents of the office premises affected.

## Clauses and extensions

### Alterations and misdescription clause

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

### Capital additions clause

The insurance under this section covers alterations, additions and improvements (but not appreciation in value in excess of the sums insured) to the property for an amount not exceeding 15% of the sum insured thereon, 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.

### 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.

### 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 the limit in the Table of Limits attached to the schedule in respect of any one event.

- (ii) the company shall not be liable for the amount in the Excess Table attached to the schedule for each and every event.

### **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 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.

### **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

1. incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site.
2. arising from pollution or contamination of property not insured by this policy/section.

### **Temporary removal clause**

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

### **Temporary repairs and measures after loss clause**

The insurance under this section is extended to include all reasonable costs and expenses incurred by the insured in effecting such temporary repairs and by taking such temporary measures as may be reasonably necessary after loss of or damage to the insured property by any peril hereby insured against, provided that the liability of 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.

### **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.

### **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.

### **Powersurge extension**

Subject otherwise to the terms, conditions, exceptions and warranties contained therein, sub-sections A, B and C are extended to cover damage directly occasioned by or through or in consequence of powersurge not as a result of lightning strike up to the limit in the Table of Limits attached to the schedule for any one event and in the aggregate in any 12 month period.

### **Malicious damage extension**

Subject otherwise to the terms, conditions, exceptions and warranties contained therein, sub-sections A, B and C are extended to cover physical 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

- 1 . 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
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



- (a) the removal or partial removal or any attempt thereof of
- (b) the demolition or partial demolition or any attempt thereof of the said immovable property or any part thereof with the intention of stealing any part thereof

provided that this extension does not cover

- (a) damage related to or caused by fire or explosion.
- (b) consequential or indirect loss or damage of any kind or description whatsoever other than loss of rent if specifically insured.
- (c) damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation.
- (d) damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority.
- (e) damage related to or caused by any occurrence referred to in General exception 1 (A) (i), (ii), (iii), (iv), (v) 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 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 insurance.

During the period of the initial unoccupancy 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.

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

**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:

7. 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 any attempt thereat) following violence or threat of violence  
provided that
  - (i) the company will not be liable under this extension for theft or attempted theft by any principal, partner, director or employee of the insured.
  - (ii) the amount payable will be reduced by the first amount payable shown in the 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.

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

The following peril is added to the perils applicable to sub-section A contents

7. 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.

## 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 terrorism, war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, military or usurped power.”

### Defined events

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

- (i) the fire section of this policy
- (ii) the buildings combined section of this policy
- (iii) the office contents section of this policy
- (iv) any other material damage insurance covering the interest of the insured

but only in respect of perils insured under the fire section hereof as noted in the Defined events of the Fire section of this policy (hereinafter termed Damage) and not in respect of any clause or extension to the policy wording including but not only the Powersurge extension.

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.

### 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 7 and 8, with due diligence do and concur in doing and permit to be done all things which may be reasonably practical 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)**

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)**

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

**Memo**

If any standing charges of the business are not insured under this section, then in computing the amount recoverable hereunder as increase in cost of working, that proportion only of the additional expenditure shall be brought into account which the sum of the net profit and the insured standing charges bears to the sum of the net profit and all the standing charges.

### Item 2 Gross rentals

The insurance under this item is limited to

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

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

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 Additional increase in cost of working**

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

#### **Item 5 Wages (number of weeks basis)**

The insurance under this item is limited to the loss incurred by the insured by the payment of wages for a period beginning with the occurrence of the Damage and ending not later thereafter than the specified number of weeks.

The amount payable as indemnity under this item will be the actual amount which the insured shall pay as wages for such period to employees whose services cannot, in consequence of the Damage, be utilised by the insured at all and an equitable part of the wages paid for such period to employees whose services cannot, in consequence of the Damage, be utilised by the insured to the full provided that if the sum insured of this item is less than the aggregate amount of the wages that would have been paid during the specified number of weeks immediately following the Damage had the Damage not occurred, the amount payable will be proportionately reduced.

#### Item 6 Fines and penalties for breach of contract

The insurance under this item is limited to fines or penalties for breach of contract and the amount payable as indemnity hereunder shall be such sum as the insured shall be legally liable to pay and shall pay in discharge of fines or penalties incurred solely in consequence of Damage for non-completion or late completion of orders.

#### Definitions

**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 the 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 proportion 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 given to them in the books of account of the insured).

**Standard turnover****Standard revenue**

**Standard gross rentals** The turnover (revenue) (gross rentals) during that period in the 12 months immediately before the date of the Damage which corresponds with the indemnity period

**Annual turnover****Annual revenue**

**Annual gross rentals** The turnover (revenue) (gross rentals) during the 12 months immediately before the date of the Damage

**Rate of gross profit** The rate of gross profit earned on the turnover during the financial year immediately before the date of the Damage

to which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations or other circumstances affecting the business either before or after the Damage or which would have affected the business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practical 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 bracketed terms shall be calculated by using values proportionate to the results obtained during the period between the commencement of the business and the date of Damage.

**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 temporarily maintained from accumulated stocks.

### Departmental clause

If the business is conducted in departments or branches, the independent trading results of which are ascertainable, the provisions under 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 or 3 being provisional in that it is calculated on 75% 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 (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% of the sum insured thereon, a pro rata return or additional premium not exceeding 33,3% of the provisional premium paid for such period of insurance will be made in respect of the difference.

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

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

At the option of the insured, the term output may be substituted for the term turnover and, for the purposes of this section, output shall mean the sale or transfer value, as shown in the insured's books, of goods manufactured or processed by the insured at the premises provided that

- (a) only the meaning of output or the meaning of turnover shall be operative in connection with any one event resulting in interruption.
- (b) if the meaning of output is 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 the salvage sale) shall, in consequence of the Damage, fall short of the standard turnover, from which sum shall be deducted the gross profit actually earned during the period of the salvage sale.

## Extensions to other premises

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

- (a) **Specified suppliers/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 is carrying out a contract.

**(e) Prevention of access**

Property within a 10km radius of the insured's premises, destruction of or damage to which shall prevent or hinder the use of the premises or access thereto, whether the premises or property of the insured therein shall be damaged or not.

**(f) Prevention of access – extended cover (if stated in the schedule to be included)**

Property within a 10km 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.

**(g) 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 practical and to adjustment of the premium if necessary.

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

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

**(i) Public utilities – insured perils only (if stated in the schedule to be included)**

Property at electricity generating stations, sub-stations or transmission networks, gasworks including the related gas distribution network, water purification plants, pumping stations, aqueducts and pipelines of an authority empowered by law to supply water, gas or electricity for consumption by the public and which results in an interruption of water, gas or electricity to the premises of the insured.



**(j) Public telecommunications – insured perils only (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).

**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 facilities to the premises of the insured shall be deemed to have resulted from Damage (as defined herein) provided this extension does not cover loss resulting from damage directly or indirectly caused by

- (i) drought.
- (ii) a fault on any part of the premises belonging to the insured.
- (iii) a decision by any authority to legally withhold the telecommunication facility from the insured unless such decision is directly attributable to Damage to property of such authority.

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

**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 defined herein) provided that this section does not cover loss resulting from damage directly or indirectly caused by

- (i) drought.
- (ii) pollution of water.
- (iii) shortage of fuel or water.
- (iv) a fault on any part of the installation belonging to the premises.
- (v) the exercise of an authority empowered by law to supply water, gas or electricity of its power to withhold or restrict supply unless such withholding or restriction is directly attributable to Damage to property of such authority.

In respect of interruption of or interference with the business arising from mechanical or electrical or electronic breakdown, there shall be no liability under this extension for interruption of or interference with the business unless such interruption or interference extends beyond 24 hours from commencement thereof.

**The geographical limits of**

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

(g) of the extensions to other premises is confined to the Republic of South Africa and Namibia.

**Accidental damage (if stated in the schedule to be included)**

The following defined event is added:

“Loss following interruption 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 defined event (i) of the Accidental damage section of this policy (hereinafter termed Damage) provided that

- (a) 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 this defined event.
- (b) the company shall not pay more than the sum insured stated in the schedule of the Accidental damage section for both this section and the Accidental damage section combined.”

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

The following defined event is added:

“Loss following interruption 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 defined events of the Theft section of this policy (hereinafter termed Damage) provided that

- (a) 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 this defined event.
- (b) the company shall not pay more than the sum insured stated in the schedule for this extension or the limit in the Table of Limits attached to the schedule, whichever is the lesser, in any 12 month period.”

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

The following defined event is added:

“Loss following interruption 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 defined events of the Money section of this policy (hereinafter termed Damage) provided that

- (a) 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 this defined event.
- (b) the company shall not pay more than the sum insured stated in the schedule for this extension or the limit in the Table of Limits attached to the schedule, whichever is the lesser, in any 12 month period”.

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

The following defined event is added:

“Loss following interruption 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 defined events of the Glass section of this policy (hereinafter termed Damage) provided that

- (a) 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 this defined event.
- (b) the company shall not pay more than the sum insured stated in the schedule for this extension or the limit in the Table of Limits attached to the schedule, whichever is the lesser, in any 12 month period.”

**Goods in transit (if stated in the schedule to be included)**

The following defined event is added:

“Loss following interruption 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 defined events of the Goods in Transit section of this policy (hereinafter termed Damage) provided that

- (a) 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 this defined event.
- (b) the company shall not pay more than the sum insured stated in the schedule for this extension or the limit in the Table of Limits attached to the schedule, whichever is the lesser, in any 12 month period.”

**Any other damage extension (if stated in the schedule to be included)**

The following defined event is added:

“Loss following interruption 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 the Any other damage extension to the Fire section of this policy (hereinafter termed Damage) provided that

- (a) 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 this defined event.
- (b) the company shall not pay more that the sum insured stated in the schedule for this extension or the limit in the Table of Limits attached to the schedule, whichever is the lesser, in any 12 month period.”

### 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 is unable to trace or establish the outstanding debit balances in whole or part due to it provided that the liability of the company shall not exceed the sums insured stated in the schedule and that the basis or indemnity will be as set out in the specification which forms part of this section.

If, because of imminent danger of their destruction, such books of account or other business books or records are removed to a place of safety, the insurance hereunder shall apply if such 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, disturbances 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 amount in the Excess Table attached to the schedule for 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

- (i) the difference between
  - (a) the outstanding debit balances
  - and
  - (b) the total of the amounts received or traded in respect thereof
- plus
- (ii) the additional expenditure incurred in trading 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 conditions of trade which had or could have had a material effect on the business

so that the figures thus adjusted shall represent as nearly as reasonably practical those which would have been obtained at the date of the Damage had the Damage not occurred.

## Clauses 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 provisional in that it is calculated on 75% 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 percent 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% 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 purposes of this memorandum only, the insured shall be deemed to have declared such sum insured.

### **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 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**

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**

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

**Transit extension**

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) 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 such a skeleton key or device was used.
  - (b) whilst in a building at any additional premises used by the insured provided that
    - (i) such additional premises are advised to 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.

2. In addition to the limit of indemnity stated in the schedule
  - (a) the insurance under this section includes
    - (i) damage to the buildings (including landlord's fixtures and fittings) at the insured premises in the course of theft or any attempt thereat
    - (ii) loss of buildings, landlord's fixtures and fittings at the insured premises as a result of theft accompanied by forcible and violent entry into or exit from such building or any attempt thereat or as a result of theft, or any attempt thereat, following violence or threat of violence
  - (b) 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 or damage giving rise to a claim under this section provided that the company's liability shall not exceed the greater of the limit in the Table of Limits attached to the schedule or the amount stated in the schedule in respect of any one event.
3. 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
  - (a) the company's liability shall not exceed the limit in the Table of Limits attached to the schedule in respect of any one event.
  - (b) the company shall not be liable for the amount in the Excess Table attached to the schedule for each and every event.
4. The term "all contents" includes personal effects, tools and pedal cycles the property of the insured or any principal, partner, director or employee of the insured in so far as such property is not otherwise insured up to the limit in the Table of Limits attached to the schedule 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 is restricted 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 any member of the insured's household or any of the insured's employees is concerned as principal or accessory.

### Specific conditions

#### 1. Avoidance

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

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

It is a condition precedent to the liability of the company and warranted that a burglar alarm linked to a 24 hour control centre with an armed response unit must be installed and

- (a) the burglar alarm installed at the premises shall be made fully operative whenever the premises are not open for business unless a principal, partner, director or employee of the insured is on the premises.

- (b) such alarm shall be maintained in proper working order but the insured shall be deemed to have discharged their liability therefor if they have maintained their obligations under a contract with the suppliers or servicing engineers of the alarm system.

This insurance shall not cover loss of or damage to the property following the use of the code or keys of the burglar alarm or any duplicate thereof belonging to the insured unless such code or keys have been obtained by violence or threat of violence to any person.

## Defined events

Loss of or damage to money (as defined) occurring in the Republic of South Africa, Namibia, Lesotho, Botswana, Swaziland and Malawi except if 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, the property of the insured or for which they are responsible.

**Receptacle** shall mean any safe, strongroom, 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 the limit in the Table of Limits attached to the schedule.

## 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 unauthorised person may be in possession of a duplicate of such key

provided that

- (i) the company's liability shall not exceed the limit in the Table of Limits attached to the schedule in respect of any one event.
- (ii) the company shall not be liable for the amount in the Excess Table attached to the schedule for each and every event.

## 3. 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.
- (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 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.

#### **4. 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 device was used.

#### **5. Personal accident 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 such person resulting within 24 calendar months in

	<b>the compensation stated in the schedule</b>	
		<b>Percentage of compensation</b>
1.	death	
2.	permanent disability as follows	
(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	
	both phalanges	25%
	one phalanx	10%
(h)	loss of index finger	
	three phalanges	10%
	two phalanges	8%
	one phalanx	4%

	Percentage of compensation
(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 temporary 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 artificial aids and prostheses and the costs and expenses incurred in emergency transportation or freeing such person if trapped or bring 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% 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 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 conditions 2 and 10 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 terrorism, war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution or military or usurped power.”

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

1. Bodily injury shall be deemed to include injury caused by accidental 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. 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 purpose 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.

### **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 strongroom unless the keys
  - (a) are obtained by violence or threats of violence to any person.
  - (b) are used by the keyholder or some other person with the collusion of the keyholder and the insured can prove to the satisfaction of the company that the keyholder or such other person had used the keys to open the safe or strongroom.

4. in an unlocked safe or strongroom whilst the portion of the premises containing such safe or strongroom is unattended but this exception will not apply if it can be shown to the satisfaction of the company that the keyholder to the safe or strongroom deliberately left it unlocked with the intention of allowing the money to be stolen.
5. not contained in a locked safe or strongroom 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 strongroom 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 a vehicle or, if not in such vehicle, is within 5 metres of it in a position from which the vehicle is clearly visible. This exception shall not apply following an accident involving such vehicle rendering the said person incapacitated.

Specific exceptions 3, 4, 5 and 6 do not apply up to the limit in the Table of Limits attached to the schedule and such losses shall not be reduced by any first amount payable.

### Specific conditions

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

It is a condition precedent to the liability of the company and warranted that a burglar alarm linked to a 24 hour control centre with an armed response unit must be installed and

- (a) the burglar alarm installed at the premises shall be made fully operative whenever the premises are not open for business unless a principal, partner, director or employee of the insured is on the premises.

- (b) such alarm shall be maintained in proper working order but the insured shall be deemed to have discharged their liability therefor if they have maintained their obligations under a contract with the suppliers or servicing engineers of the alarm system.

This insurance shall not cover loss of or damage to the property following the use of the code or keys of the burglar alarm or any duplicate thereof belonging to the insured unless such code or keys have been obtained by violence or threat of violence to any person.

### 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 as insured (such person) as defined under this section shall be subject to the following compulsory First Amount Payable Clause:

The amount payable hereunder in respect of an event involving any such person or any number of such persons acting in collusion shall be reduced by the amount in the Excess Table attached to 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-insured clause under the Fidelity section of the policy or any other Fidelity insurance.

## Defined events

Loss of or damage to internal and external glass (including mirrors), signwriting and treatment thereon at the insured premises as stated in the 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 the placement 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 limit in the Table of Limits attached to the schedule.



### 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 6mm in thickness, whether coated with a film or not, or 6,5 mm laminated safety glass.

### 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 effected, 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 insurance, 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 the company will not pay more than the sum insured.

**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 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 section, the burden of proving the contrary shall rest on the insured.

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

## 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 during the currency of this section
2. Direct financial loss sustained by the insured as a result of fraud or dishonesty of an insured employee all of which occurs during the currency of this section which results in dishonest personal financial gain for the employee concerned

provided that

- i)
  - (a) the company is not liable for all losses which occurred more than 24 months prior to discovery
  - (b) all losses are discovered not later than 12 months after the termination of
    - (i) this section, or
    - (ii) this section in respect of any insured employee concerned in a loss, or
    - (iii) 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 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 stated 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.

### 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.

### 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 policy.
    - (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 ofany computer programme, system, data or software by any insured employee who is employed in the insured's electronic data processing department or area.

This exception does not apply to insured employees who are employed in the electronic data processing department/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. If the insured shall sustain any loss to which this section applies which exceeds the amount payable hereunder in respect of such loss, the insured shall be entitled to all recoveries (except from suretyship, insurance, reinsurance, security or indemnity taken or effected by the company or for the amount of any first amount payable) by whomsoever made on account of such loss until fully reimbursed, less the actual cost of effecting the same, and any remainder shall be applied to the reimbursement of the company and the insured to the extent of his coinsurance in terms of item (b) the compulsory first amount payable clause.

## 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.

### Extended cover for past employees extension

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

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

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

1. this extension is restricted to losses which would have been payable by the superseded insurance but which are not claimable because of the expiry of the period of time allowed by the superseded insurance for the discovery of the defined events.
2. the defined events are discovered within the sooner of 12 months of the termination of the employment of the employee concerned or within 12 months of the expiry of this section.
3. the amount payable under this extension shall not exceed the amount insured by this section or the amount insured by the superseded insurance whichever is the lesser.
4. in the event of the defined events involving one employee or any number of employees occurring during both the currency of this section and that of the superseded policy, the maximum amount payable shall not exceed the amount insured by this section at the time of discovery of the defined events.
5. this extension will not apply to defined events which occurred more than the number of years stated in the schedule before inception of this section.
6. the company is not liable for any loss which occurred more than 24 months prior to discovery.

### **Other insurances**

It is a condition of this section that other than

- (a) a money policy
- (b) that 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.

### **Compulsory first amount payable**

The amount payable under this section in respect of a defined event involving one employee or any number of employees acting in collusion shall be reduced by

- (a) 2% of the aggregate of the sum insured under this section and the declared insurance or R60 000 whichever is the lesser plus
- (b) a further amount of 10% of the net amount payable after deduction of the amount specified in (a) above.

Both amounts shall be borne in full by the insured and remain uninsured.



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

If any defined event is discovered more than 12 months after

1. it was committed
2. the first event in a series of events committed by one person or a number of persons acting in collusion

the percentages contained in the first amount payable clause are increased as follows:

First amount payable shown Clause	First amount payable increased to percentage below	
	If losses are discovered more than 12 months after being committed but not more than 24 months thereafter	If policy has been extended to cover that part of the losses discovered more than 24 months after being committed but not more than 36 months thereafter

### Compulsory

Paragraph (a)	From 2% to 4%	From 2% to 5%
Paragraph (b)	From 10% to 15%	From 10% to 20%

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

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

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

**Reduction/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:

$$\text{Annual premium in force at time of discovery of loss} \times \frac{\text{Amount of claim payment}}{\text{Sum insured at time of discovery of loss}}$$

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

**Costs of recovery extension (if 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 respect of whose dishonest or fraudulent acts the claim is made, of that part of the loss which exceeds the sum insured hereunder. All amounts recovered by the insured in excess of the said part of the loss shall be for the benefit of the company and the insured to the extent of his coinsurance in terms of item (b) the compulsory first amount payable clause.

**Extension to insure managing agents (if stated in the schedule to be included)**

Notwithstanding specific exception 1(a) (i) and (ii) of this section of the policy wording this section is extended to cover any appointed managing agent or any other person acting on behalf of or under the direction of the managing agent as though they were an employee of the insured up to the limit in the Table of limits attached to the policy schedule.

## 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 (a) (ii) of General condition 8, 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 condition 10 does 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 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.

### **Debris removal extension**

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 the limit in the Table of Limits attached to the schedule, in respect of any one defined event.

#### **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 to or exit from.
  - (b) inherent vice or defect, vermin, insects, damp, mildew or rust.
  - (c) the dishonesty of any principal, partner, director or employee of the insured whether acting alone or in collusion with others.

- (d) detention, confiscation or requisition by customs or other officials or authorities.
  - (e) 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 and Malawi.
    - (c) property otherwise insured or which would, but for the existence of this section, be insured by any other insurance except in respect of any excess beyond the amount which would have been payable under such other insurance, had the insurance under this section not been effected.
  5. consequential loss of any kind, delay, loss of market, depreciation or changes brought about by natural causes.
  6. any accident, injury, loss, damage or liability while the vehicle is being use for the carriage of hazardous or dangerous goods unless in compliance with the SABS standard specifications incorporated in chapter VIII of the National Road Traffic Act 93/1996 covering Dangerous Goods or similar legislation in other territories or in the absence of such legislation the United Nations regulations pertaining to the transportation of Hazardous Goods shall apply.

## Specific extensions

### 1. 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 plus (if applicable) the increased Fire extinguishing charges extension limit.

### 2. 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 section, the burden of proving the contrary shall rest on the insured.

**Specific provision (applying only to theft of property as a result of theft or hijack of the carrying vehicle)**

It is a condition of theft or hi-jack cover that the security device as noted in the schedule adhere to the following:

- (a) The security device be installed in the carrying vehicle and be in a working condition.
- (b) The security device be activated or put into operation when the carrying vehicle is unoccupied.
- (c) If the security device refers to a tracking device in addition to (a) & (b) above,
  - (i) a valid contract must be in force and any fees due paid in full at the time of the theft or hi-jacking.
  - (ii) the theft or hijacking must be reported to the tracking company immediately after the theft or hijacking.
  - (iii) the device must be tested at least every 6 months.

### Defined events

Loss of 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 of 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 or exit from such locked vehicle or building is accompanied by forcible and violent entry or exit.
  - (b) its undergoing a process of cleaning, repair, dyeing, bleaching, alteration or restoration.
  - (c) inherent vice or defect, vermin, insects, damp, mildew or rust.
  - (d) the dishonesty of any principal, partner, director or employee of the insured whether acting alone or in collusion with others.
  - (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

#### Replacement value condition

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.

#### Alarm Warranty (if stated in the schedule to be included)

It is a condition precedent to the liability of the company and warranted that a burglar alarm linked to a 24 hour control centre with an armed response unit must be installed and

- (a) the burglar alarm installed at the premises shall be made fully operative whenever the premises are not open for business unless a principal, partner, director or employee of the insured is on the premises.

- (b) such alarm shall be maintained in proper working order but the insured shall be deemed to have discharged their liability therefor if they have maintained their obligations under a contract with the suppliers or servicing engineers of the alarm system.

This insurance shall not cover loss of or damage to the property following the use of the code or keys of the burglar alarm or any duplicate thereof belonging to the insured unless such code or keys have been obtained by violence or threat of violence to any person.

### 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.

#### **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 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 section, the burden of proving the contrary shall rest on the insured.

#### **Theft from a vehicle following jamming extension**

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein, this section is extended to cover theft of property insured under this section of the policy from a vehicle following the use of a jamming device notwithstanding that there are no visible signs of forcible entry into the vehicle. The company reserves the right to request proof that a jamming device was used. The maximum amount payable under this extension is limited to the limit in the Table of Limits attached to the schedule in any 12 month period of insurance.

### 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 under any other section of this policy or any marine, engineering, aviation or guarantee policy, whether such cover has been purchased by the insured or not, at inception hereof or for any excess payable by the insured under such insurance, or for any reduction of amount payable under any claim due to the application of average.
- (b) more than the individual value of any item forming part of a pair, set or collection without regard to any special value such item may have as part of such pair, set or collection.
- (c) unexplained disappearance or shortage only revealed during or after an inventory or errors or omissions in receipts, payments or accounting, or misfiling or misplacing of information.
- (d) loss of or damage to insured property caused by
  - (i) any fraudulent scheme, trick, device or false pretence practised on the insured (or any person having custody 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, the action of light.
- (e) settlement or bedding down, ground heave or cracking of structures or the removal or weakening of support to any insured property.
- (f) (i) loss of or damage to chemicals, oils, liquids, fluids, gases or fumes due to leakage or discharge from its container.
- (ii) loss or damage resulting from leakage or discharge of chemicals, oils, fluids, gases or fumes.
- (g) failure of and/or the deliberate withholding and/or lack of supplies of water, steam, gas, electricity, fuel or refrigerant.
- (h) collapse of plant and machinery, buildings and structures (other than shelving or storage platforms).

**Definition****Insured property**

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

- (a) current coins (including Krugerrands, Mandela coins 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, unused MVA tokens, 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.



**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 sum insured includes

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

- (c) costs incurred in the necessary demolition, removal of debris (including undamaged contents) and the erection and maintenance of hoardings during demolition and rebuilding
- (d) the professional fees of architects, quantity surveyors and other consultants and the sum insured on all insured property includes
- (e) 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 hazard.

### **Railway and other subrogation clause**

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

## Tenants clause

The insured shall not be prejudiced by the act of any tenant in premises he owns or in which he is a co-tenant or of 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 additional hazard.

### Memoranda

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

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

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

#### 2. **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.

#### 3. **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 nor more extensive than such insured property when new, provided that

- (a) the work of replacement or reinstatement (which may be carried out on another site and in any manner suitable to 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 an insured event, the insured shall be considered his own insurer for the difference and shall bear a rateable share of loss accordingly. Each item, if more than one, to which this memorandum applies shall be separately subject to this provision.
- (d) this memorandum shall not apply if
  - (i) the insured fail to intimate to the company within 6 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.

**4. 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, 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

### Damage

Loss of rights or possession or control over tangible property or actual damage to tangible property.

### Employee

Person/s employed under a contract of service or apprenticeship with the insured.

### Injury

Bodily injury (whether causing death or not) to any person.

### Product

Any tangible property (including containers and labels) after it has left the custody or control of the insured which has been designed, specified, formulated, manufactured, constructed, installed, sold, supplied, distributed, treated, serviced, altered or repaired by or on behalf of the insured.

### 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 particulates, acids, alkalis, chemical and waste, electromagnetic waves, noise, vibrations, other emission of effluent or noxious substances into or upon the soil, the atmosphere or any watercourse or body of water.

**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 insured with the company's prior consent

- (i) 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.
- (ii) 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 the section of this policy.

**The limits of indemnity**

The amount payable, inclusive of any costs or expenses 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 claim or number of claims 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 limit of indemnity provided always that the total amount of the company's liability shall be limited to the highest limit of indemnity available under any one of the extensions affording indemnity for the claim or series of claims.

Where more than one period of insurance of this policy, following its renewal or replacement may apply to an originating cause or source, the company's liability will be limited to the maximum limit of indemnity for any one such period of insurance.

### 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, and Malawi.

### Specific exceptions

The company will not indemnify the insured in respect of

1. liability consequent upon injury to any employee and arising from and in the course of such employment by the insured.
2. damage to
  - (a) (i) property belonging to the insured.
  - (ii) property in the custody or control of the insured or any employee of the insured but this exception does not apply to premises (or the contents thereof) temporarily occupied by the insured.
  - (b) that part of any property on which the insured is or has been working if such damage results directly from such work.
3. liability consequent upon injury or damage
  - (a) caused by or through or in connection with any advice or treatment of a professional nature (other than emergency first aid treatment) given or administered by or at the direction of the insured.
  - (b) 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, 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) caused by or through or in connection with
    - (i) the refuelling or defuelling of aircraft.
    - (ii) the ownership, possession, maintenance, operation or use of aircraft, airline or drone.
    - (iii) the ownership, hire or leasing of any airport, airstrip or helicopter pad.
  - (d) caused by or through or in connection with any products (including containers and labels) other than food and drink provided for consumption on the premises of the insured up to the limit in the Table of Limits attached to the schedule.
  - (e) arising out of the ownership of any land other than the land at the premises noted in the schedule.
4. damage caused by vibration or by the removal or weakening of or interference with support to any land, building or other structure.
  5. liability assumed by agreement (other than under a condition of contract of the insured) unless liability would have attached to the insured notwithstanding such agreement.
  6. (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 polluting substances 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.

7. fines, penalties, punitive, exemplary or vindictive damages.

8. (a) damages in respect of judgements delivered or obtained in the first instance otherwise than by a court of competent jurisdiction within the Republic of South Africa.  
(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 8(a) above.
9. any claim arising from an event known to the insured
  - (a) which is not reported to the company in terms of General condition 8.
  - (b) prior to inception of this section.
10. any claim (in the event of cancellation or non renewal of this section) not first made in writing against the insured within the 36 month period (or extended period in respect of minors) as specified in Specific condition 2.
11. 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.
12. 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 insured's liability arose.
13. the first amount payable.

The insured shall be responsible for the first amount payable as stated in the Excess Table attached to 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 clause shall apply to claims arising from damage and shall apply to costs and expenses incurred by the insured.

## Memoranda

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 terrorism, 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. Any claim first made in writing against the insured as a result of a defined event reported in terms of General condition 8 (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 an event reported to the company during the period of insurance, first made in writing against the insured during the 36 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 36 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 8 to the company for up to 31 days after cancellation or non renewal, provided
    - (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 36 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 first been made against the insured
  - (a) on the date that the event was reported by the insured in terms of General condition 8or
  - (b) if the insured was not aware of any event which could have given rise to a claim, on the date that the first claim of the series was first made in writing against the insured.

### Extensions

#### Extended reporting option

At the option of the insured and subject to payment of an additional premium to be determined and subject to all the terms, exceptions and conditions of this section, the company agrees to extend the period during which the insured may report an event in terms of General condition 8 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 36 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 36 months is extended until the expiry of 12 months after the attainment of majority by the claimant.

### **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 insurance
- (c) to the extent required by the conditions of any contract (and notwithstanding Specific exception 5), 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 purpose 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 whom the indemnity hereunder applies shall observe, fulfil and be subject to the terms, exceptions and conditions (both general and specific) of this insurance in so far as they can apply.

### **Security firms**

Notwithstanding Specific exception 5, if in terms of a contract with a security firm engaged to protect the insured's property in the course of the business of the insured stated in the schedule or persons, the insured becomes legally liable for the acts or omissions of the employees of the security firm in the course of their employment on the premises of the insured, then this section includes such legal liability to the extent that indemnity would have been granted under this 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.

If, at the time of an event 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.

### **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.

### **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.

### **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.

### **Liability by agreement**

Notwithstanding the provisions of Specific exceptions 2(a)(ii), 3(b) and 5, 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.

### **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.



## Emergency medical expenses

The company will indemnify the insured for all reasonable expenses incurred by the insured for such immediate medical treatment as may be necessary at the time of an accident causing injury to any person who may be the subject of a claim for indemnity by the insured in terms of this section.

## Gratuitous advice

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 gratuitous advice to such person or party provided that this extension does not cover liability

- (i) arising out of insolvency of the insured.
- (ii) arising out of financial services and/or cost estimated provided for or on behalf of the insured.
- (iii) arising out of defamation.
- (iv) arising out of design, formula, supervision, treatment or advice given by or on behalf of the insured in exchange for a fee.
- (v) arising out of technical information or advice given in connection with a product unless the extension for Products liability is stated to apply 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.

### **Acquisitions of new companies**

The indemnity granted by this section of the policy is extended to any company acquired by the insured during the period of insurance for a period of 90 days from the date of such acquisition provided that

- (i) the retroactive date in respect of the acquired company shall be deemed to be the date on which the 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 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 acquisition.
- (ii) the business activities of the acquired company is identical to the business description of the insured noted in the schedule attaching to this policy.
- (iii) the annual turnover of the acquired company does not exceed 5% of the estimated annual turnover of the insured as advised to the company at inception hereof.
- (iv) the insured shall advise the company of such acquisitions before the expiry of the 90 day period and the company may amend the terms of this section of the policy accordingly.

### **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.

### **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.

**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 territories stated in the schedule 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, 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.

**Additional specific exceptions (applicable to products liability extension)**

This extension does not cover liability

- (i) for the cost of repair, alteration, recall, reconditioning, rectification or replacement of the product or part thereof (including containers and labels) causing injury or damage and/or the loss of use of any product or part hereof.

For the purpose of this additional 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 the replacement or 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) (a) arising from the failure of any product or 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.

- (b) arising from inefficacy or failure to conform to specification, unless such inefficacy or failure is due to negligence in the following of such specification.
- (iv) arising from goods or products intended to be installed and 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 goods or products sold or supplied by or to the order of the insured, if such goods or products have been exported to the United States of America or Canada.
- (vi) any defect in any product or any part thereof which the insured was aware of prior to the inception of this extension.

**Legal defence costs (if stated in the schedule to be included)**

If the insured so request, the company will indemnify 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 such person with the consent of the company in the defence of any criminal action brought against such person in the course of his occupation with the insured arising from an alleged contravention of the statutes as herein defined during the period of insurance provided that

- (i) 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.
- (ii) 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.
- (iii) such person shall, as though he were the insured, observe, fulfil and be subject to the terms, exceptions and conditions of this policy and this section thereof in so far as they can apply.

- (iv) 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 schedule to be included.

### **The Statutes**

The Occupational Health and Safety Act No. 85 of 1993 (as amended),  
The Mines and Works Act No. 27 of 1956 (as amended),  
The Electricity Act No. 68 of 2008 (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).

### **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

provided always that the limit of indemnity as stated shall not exceed the limit in the Table of Limits attached to the schedule.

### **E.C. Liability (if stated in the schedule to be included)**

Subject otherwise to the terms and conditions and limitations, the following changes are made to this section of the policy in respect of “injury” or “damage” (as insured by the products liability extension) which results from goods or products exported to any European Community (E.C.) country or any European Free Trade Associations (E.F.T.A.) country.

1. In respect of these goods or products (other than raw materials), the insured shall
  - (a) implement and maintain a system in terms of which these goods or products can be clearly identified by batch number or serial number or date stamp or other similar manner.

- (b) note and maintain a record of the date on which the actual goods or products were first put into circulation.

This record shall be maintained so as to provide the required detail for a minimum period of 10 years after the goods or products were first put into circulation.

2. The information mentioned in 2, together with all supporting documentation, shall be made available to the company or their nominee at any time on request.
3. In respect of this indemnity, the insured shall be responsible for the first amount payable shown in the schedule for this extension.

The amount payable under this extension, 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 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.

### Defined events

Damages which the insured shall become legally liable to pay consequent upon bodily injury (whether causing death or not) to 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 and Malawi.

### Specific exceptions

This section does not cover

- (a) liability assumed by the insured under any contract, undertaking or agreement where such liability would not have attached to the insured in the absence of such contract, undertaking or agreement.
- (b) liability attributable to a gradually operating cause which does not arise from a sudden and identifiable accident or event.

- (c) fines, penalties, punitive, exemplary or vindictive damages.
- (d)
  - (i) damages in respect of judgements delivered or obtained in the first instance otherwise than by a court of competent jurisdiction within the Republic of South Africa.
  - (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 8.
  - (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 36 month period (or extended period in respect of minors) as specified in Specific condition 2.

### 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 8 (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 an event reported to the company during the period of insurance, first made in writing against the insured during the 36 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 36 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 8 to the company for up to 15 days after cancellation or non-renewal, provided that
  - (i) such event occurred during the period of insurance.
  - (ii) any subsequent claim first made in writing against the insured as a result of such event shall be treated as if it had first been made on the last day preceding cancellation or non-renewal and is subject to the 36 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 first been made against the insured
  - (a) on the date that the event was reported by the insured in terms of General condition 8.or
  - (b) if the insured was not aware of any event which could have given rise to a claim, on the date that the first claim of the series was first made in writing against the insured.

## Extensions

### Extended reporting option

At the option of the insured and subject to payment of an additional premium to be determined and subject to all the terms, exceptions and conditions of this section, the company agrees to extend the period during which the insured may report an event in terms of General condition 8 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 events by the insured during the extended reporting period shall be treated as if they were first made or reported on the last day preceding the cancellation or non-renewal.
- (g) the total amount payable by 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 36 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 36 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 the aforementioned Specific exception (a) above, indemnify the principal in like manner to the insured but only so far as concerns the liability of the principal to an employee as aforementioned for bodily injury (whether causing death or not) to 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.

### 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 terrorism, war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, military or usurped power.

## 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 incapacity 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%

	Percentage of compensation
(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%

## 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% 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.

**Additional expenses** shall mean all 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.

**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  $\frac{1}{52}$  part of annual earnings.

**Business limitation (if stated in the schedule to be applicable)**

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.

**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.
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 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.
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 condition 2 does 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 terrorism, 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>
(n) permanent disfigurement resulting from accidental external burns to the combined surface area of the	
(i) face and neck	
100% surface area disfigurement	50%
Less than 100% surface area disfigurement	The proportion of 50% 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	25%
Less than 100% surface area disfigurement	The proportion of 25% 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 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 3 consecutive days, of life support machinery, equipment or apparatus.

##### Specific exceptions

The company shall not be liable to pay compensation for death, or disability in respect of such person

- (a) while he is travelling by air other than as a passenger and not as a member of the crew or for the purpose of any trade or technical operation therein or thereon.
- (b) by 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 unless 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 terrorism or any illegal act.
- (f) in the case of females, directly or indirectly resulting from or prolonged or accelerated by or attributable to pregnancy, childbirth, abortion, miscarriage, obstetrical procedures or any sequelae thereof.
- (g) while he is, or as a result of his, engaging in
  - (i) motor cycling, motor quadracycling or motor tricycling (whether as a driver or passenger) other than on the business of the insured.
  - (ii) racing of any kind other than in a yacht or on foot.

- (iii) mountaineering necessitating the use of ropes, winter sports involving snow or ice, polo on horseback, steeplechasing, professional football, parachuting, bungi jumping, or hang gliding.
- (h) if such person is a professional sports person or professional diver or employed as crew on a ship.
- (i) if such person is employed in the manufacturing, processing, storage, conveyance, or use of, or trade in, explosives.

## 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 incapacity 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%

	Percentage of compensation
(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%

### 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% 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.

**Additional expenses** shall mean all costs and expenses necessarily incurred for 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.

### Business limitation (if stated in the schedule to be applicable)

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.

### 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.

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 condition 2 does 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 terrorism, 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:

	Percentage of compensation
(n) permanent disfigurement resulting from accidental external burns to the combined surface area of the	
(i) face and neck	
100% surface area disfigurement	50%
Less than 100% surface area disfigurement	The proportion of 50% 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	25%
Less than 100% surface area disfigurement	The proportion of 25% 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 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 3 consecutive days, of life support machinery, equipment or apparatus.

##### Specific exceptions

The company shall not be liable to pay compensation for death or disability in respect of such person

- (a) while he is travelling by air other than as a passenger and not as a member of the crew or for the purpose of any trade or technical operation therein or thereon.
- (b) by 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 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 terrorism or any illegal act.
- (f) in the case of females, directly or indirectly resulting from or prolonged or accelerated by or attributable to pregnancy, childbirth, abortion, miscarriage, obstetrical procedures or any sequelae thereof.

- (g) while he is, or as a result of his, engaging in
  - (i) motor cycling, motor quadrucycling or motor tricycling (whether as a driver or passenger) other than on the business of the insured.
  - (ii) racing of any kind other than in a yacht or on foot.
  - (iii) mountaineering necessitating the use of ropes, winter sports involving snow or ice, polo on horseback, steeplechasing, professional football, parachuting, bungi jumping, or hang gliding.
- (h) if such person is a professional sports person, professional diver or employed as crew on a ship.
- (i) if such person is employed in the manufacturing, processing, storage, conveyance, or use of, or trade in, explosives.

## 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 previous consent of the company to the extent of but not exceeding the limit in the Table of Limits attached to the schedule, 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 provided that

1. 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.
2. 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 the vehicle and/or its accessories and/or spare parts at the time of such loss or damage.
3. 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.

4. 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 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.
5. 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, CD players and similar equipment or telephones not supplied by the manufacturers of the vehicle when new.

#### Exceptions 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 or shock absorbers due to inequalities of the road or other surface or to impact with such inequalities.
- (d) detention, confiscation or requisition by customs or other officials or authorities.

## 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 any person in the employ of the insured arising from and in the course of such employment or being a member of the same household as the insured.
- (ii) damage to property other than property belonging to the insured or held in trust by or in the custody or control of the insured or being conveyed by, loaded onto or unloaded from such vehicle.

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 insurance in so far as they can apply.

- (b) such person driving such vehicle has not been refused any motor insurance or continuance thereof by any insurer.
  - (c) indemnity shall not apply in respect of claims made by any member of the same household as such person.
  - (d) such person is not entitled to indemnity under any other policy except in respect of any amount not recoverable thereunder.
3. indemnify the insured while personally driving or using any private type motor car not belonging to him and not leased or hired to him under a lease or suspensive sale agreement, provided the insured is an individual and has insured hereunder a vehicle described under definition (a) or (b) and provided 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 or to property therein or thereon.

### Exceptions 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 500kg).

- (c) liability arising from the operation, demonstration or use (for purposes other than maintenance or repair of the vehicle) of any tool or plant forming part of or attached to or used in connection with a vehicle or anything manufactured by or contained in any such tool or plant. This exclusion shall not apply to forklift trucks.

### **Limits of indemnity**

Unless otherwise stated, the liability of 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. Occurrence**

The term occurrence shall mean an occurrence or series of occurrences arising from one cause in connection with any one vehicle in respect of which indemnity is provided by this insurance.

#### **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 12 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 12 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 insurer'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 includes claims made against

- (a) the insured in the event of an accident arising in the course of the business and caused by or through or in connection with any motor vehicle not the property of or provided by the insured, while being used by any partner or director or employee of the insured (hereinafter in this extension referred to as such person)
- (b) any such person in the event of an accident arising in the course of the business and caused by or through or in connection with any motor vehicle not belonging to 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) all the words in (b) 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 shall otherwise apply.

## **2. Passenger liability extension**

Exception (b) 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**

The indemnity under sub-section B, notwithstanding exception (b) thereto, extends to cover the insured's legal liability for death of or bodily injury to persons while being carried in or upon or entering or getting onto or alighting from any vehicle in contravention of the insured's instructions to their driver not to carry passengers. The limit of indemnity for any one occurrence shall not exceed the amount stated in the schedule.

#### 4. **Parking facilities and movement of third party vehicles extension**

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 arrangements 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**

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 policy.
- (b) the insured shall be responsible for the first amount payable (applicable to glass) stated in the schedule of each and every loss but if the glass is repaired and not replaced then no first amount payable applies.

## 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 insurance 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 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.

## 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 section, the burden of proving the contrary shall rest on the insured.

## 10. Loss of keys extension

The company will indemnify the insured in respect of the reasonable 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 the limit in the Table of Limits) 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.

### **12. Wreckage removal extension**

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. Credit shortfall extension (if stated in the schedule to be included)**

If any total loss settlement under sub-section A is less than the amount owing 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 arrears instalments or rentals including interest payable on such arrears
- (b) all refunds of premium for cancellation of any insurance cover relating to the motor vehicle

- (c) the increased instalments or rentals that would have been paid had there been no residual capital value at the end of the finance period, calculated to the month in which the claim is settled
- (d) the first amount payable under sub-section A provided always that
  - (a) the amounts payable shall not exceed the maximum indemnity less the first amount payable under sub-section A.
  - (b) this endorsement shall not apply to an agreement whereby the amount of any single instalment other than the final residual amount after the initial payment differs by more than 10% from any other instalment.
  - (c) if such shortfall is as a result of a re-advance under an instalment sale or refinancing in terms of a lease the insurance by this extension shall be void.

#### **14. Car Hire (if stated in the schedule to be included)**

If the vehicle, as specified in the schedule and insured on a comprehensive basis, is stolen or damaged and requires repairs the company will, subject to the insured agreeing to comply with the terms and conditions of the car hire company and signing documentation to that effect, provide a medium category motor car (not exceeding 1600 cm<sup>3</sup> engine capacity) on an unlimited mileage basis but excluding the cost of fuel or lubricants provided that

- (a) the order for the hire of the motor vehicle from the service provider will be authorised by the company.
- (b) the period of the hire will end on the day of the repossession of the motor vehicle by the insured after any repairs necessitated as a result of its theft or damage have been effected, or the day on which the theft claim has been settled, or 30 days after the commencement of the period of hire, whichever is sooner.

- (c) in the event of any occurrence giving rise to a claim involving the hired motor vehicle during the period of hire, the insured shall be responsible for the first amount payable as stated in the hire contract, and such amount shall be payable to the service provider.
- (d) the hired vehicle will be used in the Republic of South Africa only.
- (e) the company will not indemnify the insured for any fuel deposits, delivery or collection costs or any other costs charged by the service provider unless pre-agreed in writing by the company.
- (f) no hire vehicle will be provided outside of the Republic of South Africa.

## 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 of vehicles owned, hired or leased at such expiry date. The company shall, upon receipt of this declaration, make a premium adjustment of 50% of the annual rate per vehicle applied to the difference in the number of vehicles at inception or renewal and the number declared.

### 2. War clause

In respect of sub-section B only, General exception 1 is deleted and replaced by the following:

This section does not cover terrorism, 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, endurance tests, carriage of explosives or hazardous waste or carriage of any load or passengers exceeding the capacity for which it is constructed or licensed to carry or use on airport property except in the parking or drop-off zone areas or 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 is 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.

#### Specific exceptions

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 or on a public road if the vehicle is not registered for road use.



- (b) incurred outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Mozambique, Angola, Zambia and Malawi, but the insurers 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.
  - (iii) or is under the control for the purposes of being driven by a person who does not hold a current valid Professional Driving Permit (PrDP) to drive such a vehicle as required in terms of the National Road Traffic Amendment Act of 1998 (as amended) – [Regulation 251 (1)].

This exception applies if the said person has held a PrDP but has not renewed it and is applicable to all drivers of

- i) goods vehicles with a GVM exceeding 3,500 kg
- ii) breakdown vehicles

- iii) buses
- iv) mini-buses with a GVM exceeding 3,500 kg or with 12 or more seats (including the driver)
- v) motor vehicles conveying persons for reward
- vi) motor vehicles conveying more than 12 persons

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 of the territories referred to under Specific exception (b), or if a licence is not required by law, or while such driver is learning to drive and is complying with the laws relating to learner drivers.

- (d) While the vehicle is being used for carriage of hazardous or dangerous goods unless in compliance with the SABS standard specifications incorporated in chapter VIII of the National Road Traffic Act 93/1996 covering Dangerous Goods or similar legislation in other territories or in the absence of such legislation the United Nations regulations pertaining to the transportation of Hazardous Goods shall apply.
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 licence in favour of the insured or any 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 has knowledge of such fact.

**Specific Provision**

It is a condition of theft or hi-jack cover that the security device as noted in the schedule for the vehicle adhere to the following:

- (a) The security device be installed in the vehicle and be in a working condition.
- (b) The security device be activated or put into operation when the vehicle is unoccupied.
- (c) If the security device refers to a tracking device in addition to (a) & (b) above,
  - (i) a valid contract must be in force and any fees due paid in full at the time of the theft or hi-jacking.
  - (ii) the theft or hijacking must be reported to the tracking company immediately after the theft or hijacking.
  - (iii) the device must be tested at least every 6 months.

## Definitions

The following definitions apply to the words or terms listed below wherever they appear in this section unless specifically otherwise indicated.

### 1. Vehicle

The term vehicle shall mean

- (a) any motor vehicle or trailer owned by or hired or leased to the insured (excluding any vehicle the property of the insured and hired or bought by the insured under a hire-purchase or similar agreement unless such vehicle is in the custody or control of the insured at the time of the occurrence of the event out of which any claim arises).
- (b) any motor vehicle or trailer in the custody or control of the insured other than a motor vehicle or trailer described in 1(a) hereinafter referred to as customers' vehicles.
- (c) any vehicle (mechanically propelled or otherwise) attached to a vehicle covered under 1.1 for the purpose of being towed or salvaged.

### 2. Territorial limits

Territorial limits shall mean the Republic of South Africa, Namibia, Botswana, Lesotho, Malawi and Swaziland.

### 3. Damages

Damage includes costs and expenses

- (a) recoverable at law by a claimant from the insured.
- (b) incurred with the consent of the company.

### 4. Injury

Injury shall mean accidental bodily injury including death.

### 5. Employee

Employee shall mean any person employed by the insured and acting in the course of the business.

## 6. Damage

Damage shall mean physical damage including physical loss.

## 7. Property

Property shall mean tangible property.

## 8. Premises

Premises shall mean the premises of the insured shown in the schedule.

### Sub-Section A – Damage to the vehicle (other than customers' vehicles on the premises)

#### 1. Defined event

Damage to the vehicle or any part of the vehicle while it is on the vehicle.

#### 2. Limits of Indemnity

Unless otherwise stated the maximum amount payable by the company for the vehicle will be the limit of indemnity stated in the schedule or the reasonable market value of the vehicle at the time of loss or damage whichever is the lower.

#### 3. Protection and repair of vehicle

- (a) If insured damage occurs the company will pay the reasonable cost of protection and removal to the nearest repairer including 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 premises within the territorial limits.
- (b) The insured may authorize repairs up to the limit in the Table of Limits attached to the schedule without the consent of the company provided that a detailed quotation is first obtained and forwarded to the company.

#### 4. Specific exceptions

The company will not be liable under this sub-section for

- (a) consequential loss.
- (b) depreciation, wear or tear, mechanical or electrical breakdown, failures or breakages.
- (c) damage to tyres unless some other part of the vehicle is damaged at the same time.
- (d) damage to springs due to inequalities of the road or other surface or to impact with such inequalities.
- (e) loss or damage to accessories or spare parts by theft unless the vehicle is stolen at the same time.
- (f) defective workmanship or its consequences to vehicles whilst in or on the premises.
- (g) loss or damage to customers vehicles whilst in or on the premises.
- (h) damage to the vehicles defined in Definition 1(a) and 1(c) whilst in or on the premises if the loss or damage is caused by or arises directly or indirectly from fire, explosion, lightning, theft or any attempt thereat, weather conditions, earthquake or earth tremor or volcanic eruption.
- (i) detention, confiscation, nationalization or requisition by customs or other officials or authorities.

### Sub-Section B – Liability to third parties caused by the vehicle

#### 1. Defined event

An accident caused by or in connection with the vehicle including the loading or unloading of such vehicle.

## 2. Indemnity to the insured

The company will indemnify the insured against all sums which the insured becomes legally liable to pay as damages in respect of

- (a) injury to any person other than an employee
  - (b) damage to property
- resulting from the accident.

## 3. Representation and criminal proceedings

The company may, at its option, arrange for

- (a) representation at any inquiry into death.
- (b) the defence of criminal proceedings for any act causing or relating to an event which may be indemnifiable under this section.

## 4. Indemnity to others

The company will indemnify any person who is driving or using the vehicle with the insured's permission provided that person

- (a) is not entitled to indemnity under any other policy except in respect of any first amount payable.
- (b) as though he were the insured, is subject to the terms, exceptions and conditions of the policy as far as they can apply.
- (c) has not been refused any motor vehicle insurance.

## 5. Limits of indemnity

Unless otherwise stated the total liability of the company under this sub-section is limited to the limit of indemnity shown in the schedule. If more than one person is entitled to indemnity any limitation applies to the total amount of indemnity and the insured will receive priority.

## 6. Specific exceptions

The company will not be liable under this sub-section for

- (a) so much of any compensation as is insurable in terms of any compulsory motor vehicle insurance legislation.

- (b) injury to any person being carried in or upon or entering or getting onto or alighting from any motor cycle, motor scooter, side car or trailer.
- (c) injury to any person who is a member of the same household as the insured.
- (d) damage to property belonging to, held in trust by or in the custody or control of the insured or being conveyed by loaded onto or unloaded from the vehicle.
- (e) injury or damage caused by or arising out of the operation, demonstration or use for purposes other than maintenance or repair of the vehicle (unless it is a fork lift truck) of any tool or plant forming part of or attached to or used in connection with the vehicle or anything manufactured by or contained in any such tool or plant.

### **Sub-Section C – Liability for damage to customers' vehicles on the premises**

#### **1. Defined event**

Accidental damage to customers' vehicles or any part thereof occurring in on or about the premises.

#### **2. Indemnity to insured**

The company will indemnify the insured against all sums which the insured becomes legally liable to pay as damages as a result of damage to the customers' vehicle.

#### **3. Indemnity to others**

At the written request of the insured the company will indemnify any other party against liability for which the insured would have been liable and entitled to indemnity under this sub-section had the claim been made against the insured. Other than in the case



of an employee, the insurer will not pay for injury or damage caused by the act or omission of the other party. If more than one person is entitled to indemnity the indemnity limit applies to the total amount of indemnity and the insured will receive priority.

#### 4. **Limit of indemnity**

The maximum amount payable by the company in respect of any one vehicle shall not exceed the limit of indemnity stated in the schedule.

#### 5. **Specific exceptions**

The company will not pay under this sub-section for damage to any vehicle caused by or arising directly or indirectly from

- (a) fire, explosion, lightning, theft, weather conditions, earthquake or earth tremor.
- (b) defective workmanship or any consequence thereof.

### Specific exceptions

#### 1. **Applicable to Sub-sections A and B only**

The company will not pay under these sub-sections for any accident, injury, damage or liability caused whilst any vehicle is being driven or used

- (a) other than in accordance with the Description of Use.
- (b) by the insured (or by any other person with his consent) unless licensed to drive such vehicle in terms of the legislation applying to any territory in the territorial limits. If a licence is subject to renewal the driver must have held and not be disqualified from holding or obtaining such a licence. This exception shall not apply whilst such vehicle is being driven by the insured (or any other person in the employ of the insured with his consent) whilst learning to drive if the laws and regulations relating to learner drivers are being obeyed.

- (c) or is under the control for the purposes of being driven by a person who does not hold a current valid Professional Driving Permit (PrDP) to drive such a vehicle as required in terms of the National Road Traffic Amendment Act of 1998 (as amended) – [Regulation 251 (1)].

This exception applies if the said person has held a PrDP but has not renewed it and is applicable to all drivers of

- i) goods vehicles with a GVM exceeding 3,500 kg
- ii) breakdown vehicles
- iii) buses
- iv) mini-buses with a GVM exceeding 3,500 kg or with 12 or more seats (including the driver)
- v) motor vehicles conveying persons for reward
- vi) motor vehicles conveying more than 12 persons

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 of the territories referred to under Specific exception (b), or if a licence is not required by law, or while such driver is learning to drive and is complying with the laws relating to learner drivers.

- (d) by the insured a member or director of the insured whilst under the influence of intoxicating liquor or drugs.
- (e) with the consent of the insured by a person who the insured knows is under the influence of intoxicating liquor or drugs.
- (f) for any unauthorized purpose by any employee of the insured or by any other person with whom such employee is or was acting in collusion.

## 2. Applicable to sub-sections A, B and C

- (a) The company will not pay under these sub-sections for accident, injury, damage or liability which happens outside the territorial limits.
- (b) If the insured is a private individual, a partnership, a proprietary company or closed corporation, the company will not pay under these sub-sections for accident, injury, damage or liability caused to or by any vehicle owned, hired or leased by the insured or member of the insured or any director of the insured in their private capacity.
- (c) The company will not pay under these sub-sections for accident, injury, damage or liability arising out of contractual liability unless such liability would have attached notwithstanding such contractual liability.

### Description of use clause – applicable to Sub-sections A and B

#### 1. The vehicle may only be used for

- (a) business purposes of the insured excluding transit delivery or conveying by or on behalf of the insured by casual drivers or persons not wholly and regularly engaged in the employ of the insured.
- (b) tuition provided the learner driver is accompanied by a fully licensed driver who is the insured or a member, director or employee of the insured and the learner driver is an employee of the insured.
- (c) demonstration including driving of the vehicle by the person to whom it is being demonstrated provided such person is accompanied by a fully licensed driver who is the insured or a member, director or employee of the insured.

- (d) 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, a member, a director or an employee of the insured.

## 2. The vehicle may not be used

- (a) for hiring, carriage of passengers for hire or carriage of fare paying passengers.
- (b) for racing speed or other contests, rallies, trials or endurance tests.
- (c) for the carriage of explosives or hazardous waste.
- (d) for the carriage of any load or passengers exceeding the capacity for which it is constructed or licensed to carry.
- (e) on airport property except in the parking or drop-off zone areas.
- (f) for carriage of hazardous or dangerous goods unless in compliance with the SABS standard specifications incorporated in chapter VIII of the National Road Traffic Act 93/1996 covering Dangerous Goods or similar legislation in other territories. In the absence of such legislation in any territory only the United Nations regulations pertaining to the transportation of Hazardous Goods shall apply.

### No-claim rebate provisions

If a claim does not arise under this section during a period of insurance of not less than 12 months immediately preceding renewal date the renewal premium will be reduced by 10%. Reductions will not be cumulative. Should the insurer consent to a transfer of interest in this policy the period of insurance will commence at the date of consent.

**Extensions which apply to this section (if stated in the schedule to apply)****1. Unauthorised use by employees**

Specific Exception 1(e) is deleted.

**2. Social, domestic and pleasure use**

Notwithstanding the Description of Use Clause, the vehicles insured by this policy may also be used for social, domestic and pleasure purposes by the persons listed in the schedule.

**3. Windscreen extension – applicable to sub-sections A and C only**

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 policy.
- (b) the insured shall be responsible for the first amount payable (applicable to glass) stated in the schedule of each and every loss but if the glass is repaired and not replaced then no first amount payable applies.

**4. Work away from premises – applicable only to sub-section C**

The definition of premises is extended to include any premises not under the control of the insured at which the insured is working on a customer's vehicle.

## 5. Contingent liability extension

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 whilst being used by any partner in or of or any 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 nor to the insured nor leased nor 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) 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 5(a) and 5(b) above.
- (ii) the payment by the insured of subsidies or traveling 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 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.
- (iv) the terms, exceptions and conditions of the policy shall otherwise apply.

## 6. Riot and strike extension

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

- (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 6(a) above

provided that this extension does not cover

- (i) loss or damage occurring in the Republic of South Africa or Namibia.
- (ii) consequential or indirect loss or damage of any kind or description whatsoever.
- (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 6(i) to 6(v) loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

## 7. Waiver of subrogation rights

For the purposes of this section if the insured so requests the company will 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, exceptions and conditions (both general and specific) of this insurance in so far as they can apply.

## 8. Principals

Notwithstanding specific general exception 2(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 exceed the limit of indemnity stated in the schedule.

## 9. 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.



**Restrictions of cover which apply to this section (if stated in the schedule to apply)****1. Third party only cover**

Sub-sections A and C and the No-Claim Rebate Provisions are cancelled.

**2. Third party fire and theft cover – applicable to sub-section A**

The no-claim rebate provisions are cancelled and the company will, subject to Specific Exception 4(h), only be liable under sub-section A if the damage to the vehicle results from fire, self-ignition, lightning or explosion or by theft or any attempt thereat.

**3. External risks cover only**

- (a) Sub-section C is cancelled.
- (b) The company will not pay under sub-sections A and B for damage or accidents which happen in on or about the premises.

**4. Internal risks cover only**

- (a) Sub-section A is cancelled.
- (b) The company will only pay under sub-section B for accidents which occur in on or about the premises.

**5. Exclusion of demonstration risks**

Description of Use Clause 1(c) is deleted.

**6. Deletion of passenger cover**

The company shall not be liable under sub-section B for injury to any person being carried in or upon or getting on to or entering or alighting from the vehicle.

## Memorandum

In respect of sub-section B only General Exception 1 is deleted and replaced by the following:

“This sub-section does not cover war, terrorism, 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. Traffic offences

(Applicable to driving of vehicles other than those in on or about the premises)

The insured shall notify the company in writing immediately he knows of

- (a) the endorsement, suspension or cancellation of his or his authorized drivers' driving licence.
- (b) any driver of any vehicle being charged or convicted of reckless, negligent or inconsiderate driving.

### 2. Premium computation

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. Where the insured is an individual or a partnership, the amount indicated in the schedule must be added to the declaration for each principal in lieu of salary.

**Specific Provision (applicable to vehicles owned by the insured or a shareholder or director of the insured only)**

It is a condition of theft or hi-jack cover that the security device as noted in the schedule for the vehicle adhere to the following:

- (a) The security device be installed in the vehicle and be in a working condition.
- (b) The security device be activated or put into operation when the vehicle is unoccupied.
- (c) If the security device refers to a tracking device in addition to (a) & (b) above,
  - (i) a valid contract must be in force and any fees due paid in full at the time of the theft or hi-jacking.
  - (ii) the theft or hijacking must be reported to the tracking company immediately after the theft or hijacking.
  - (iii) the device must be tested at least every 6 months.

## 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) at work or at rest anywhere within the insured premises as described in the schedule.
- (b) in transit including loading and unloading or whilst temporarily stored at any premises en route.
- (c) temporarily removed from the insured premises described in the schedule to any other building.

### Exceptions to sub-section A

The company will not be liable to indemnify the insured irrespective of the original cause in respect of

1. the first amount payable as stated in the schedule in respect of sub-section A, of each and every event giving rise to a claim.  
Where more than one item of property insured suffers physical loss or damage in any one event, the first amount payable shall be the highest single amount applicable to such property insured.
2. derangement unless accompanied by physical damage otherwise covered by this section.
3. loss or damage recoverable in terms of any maintenance and/or leasing agreement effected by or on behalf of the insured covering the insured equipment.
4. faults or defects known to the insured (or their responsible employees) at the time this insurance was arranged or during the currency of the insurance and not disclosed to the company or any consequences thereof.

5. wastage of material or the like or wearing out of any part of the property insured caused by or naturally resulting from ordinary usage or working or other gradual deterioration, development of poor contacts or scratching of painted or polished surfaces of a cosmetic nature.
6. parts having a short life such as (but not limited to) bulbs, valves, contacts, x-ray tubes, cathode ray tubes, thermionic emission tubes, fuses and sacrificial buffer circuits. If such parts are damaged as a result of physical loss or damage as provided for by this sub-section to other parts of the property insured, the company shall indemnify the insured for the residual value prior to the loss of such exchangeable parts.
7. the cost of reproducing data and/or programmes whether recorded on cards, tapes, discs or otherwise unless specifically provided for in sub-section B hereof.
8. loss of use of the property or other consequential loss, damage or liability of whatsoever nature other than losses specifically provided for herein.
9. (a) loss by theft or by disappearance of the property insured unless accompanied by forcible and violent entry to or exit (or any attempt thereat) from the building occupied by the insured at the insured premises described in the schedule or as a result of theft or any attempt thereat following violence or threat of violence.  
(b) loss of the property insured by theft during transit or whilst temporarily removed from the insured premises unless identifiable by the insured with a specific incident which has been immediately reported to the police and the company.

The company shall not indemnify the insured for the theft of the property insured from any motor vehicle where the property insured has been

- (a) left in the motor vehicle overnight unless the vehicle is housed in a securely locked building and entry to such vehicle or building is accompanied by forcible and violent entry or exit
- (b) contained in a compartment of the motor vehicle and is visible to passers-by

provided that

(a) and (b) above shall not apply to theft of the property insured where the transport vehicle

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

### Specific condition

#### **Alarm warranty (if stated in the schedule to apply)**

It is a condition precedent to the liability of the company and warranted that a burglar alarm linked to a 24 hour control centre with an armed response unit must be installed and

- (a) the burglar alarm installed at the premises shall be made fully operative whenever the premises are not open for business unless a principal, partner, director or employee of the insured is on the premises.
- (b) such alarm shall be maintained in proper working order but the insured shall be deemed to have discharged their liability therefor if they have maintained their obligations under a contract with the suppliers or servicing engineers of the alarm system.

This insurance shall not cover loss of or damage to the property following the use of the code or keys of the burglar alarm or any duplicate thereof belonging to the insured unless such code or keys have been obtained by violence or threat of violence to any person.

### **Basis of indemnification**

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

#### **1. Partial loss**

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

- (a) the value of damaged parts which can be used will be deducted.
- (b) the costs of any alteration, addition, improvement or overhaul carried out at the time of repair are not recoverable under this sub-section.
- (c) if, without the consent of the company, temporary repairs are carried out by the insured in the interests of safety or to minimise further loss or damage to the property insured, the cost of such temporary repairs will be borne by the company. In the event that the temporary repairs aggravate the loss or cause additional loss or damage to the property insured, any additional costs so incurred or consequence arising therefrom will be for the account of the insured.

- (d) where the damage is restricted to a part or parts of an insured item, the company shall not be liable for an amount greater than the value of such part or parts which are lost or damaged allowed for within the sum insured.

## 2. Total loss

- (A) In cases where the new property insured is totally lost or destroyed, the basis of indemnification shall be the cost of replacing or reinstating on the same site new property of equal performance and/or capacity or, if such be impossible, its replacement by new property having the nearest equivalent performance and/or capacity to the property lost or damaged 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 dispatch otherwise no payment exceeding the market value of the property insured immediately before the damage shall be made.
  - (ii) until expenditure has been incurred by the insured in replacing or reinstating the property insured, 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
    - (a) the insured fails to intimate to the company within 6 months of the date upon which the damage occurred (or such further time as the company may in writing allow) their intention to replace or reinstate the property insured.
    - (b) the insured is unable or unwilling to replace or reinstate the property insured on the same or another site.



- (iv) at the sole option of the company, following commercial and technical appraisal by a representative of the company, the period referred to in the definition of new property may be extended (on an annual basis from renewal date) subject always to such extension of period being admitted by memorandum to this policy.

#### **Definition of new property insured**

New property shall mean property purchased no more than 7 years prior to the defined event, it being expressly agreed that in applying this definition upgrades and enhancements will be taken into account in arriving at an indemnifiable amount and the age of the property insured.

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

#### **Definition of market value**

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

- (i) 20% for the first year after the date of purchase  
and

- (ii) 10% per year for each succeeding year

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

### Average

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

### Limit of liability

The amount of 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) Architects' and other professional fees

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

#### (b) Clearance costs

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

**(c) Express delivery and overtime**

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

**Clauses and extensions****Powersurge or lightning strikes**

All loss or damage to the property insured by powersurges or lightning strikes will be subject to an additional first amount payable as stated in the Excess Table attached to the schedule. However, should the property insured be in the opinion of the company appropriately and adequately protected by suitable safeguards against electrical supply fluctuations, then this additional first amount payable will be waived.

**Fire brigade charges**

If any public authority empowered to do so shall charge the insured with any costs arising from their activities in dealing with the consequences of an insured peril having operated, such costs will be deemed to be damage to the property insured and will be payable in addition to any other payment for which the insurer may be liable in terms of this insurance.

**Tenants**

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

## Hire-purchase/finance agreements

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

### Sub-section B Consequential loss

#### Defined events

The insurance provided by this sub-section (if stated in the schedule to apply) shall be subject to the limits of indemnity stated in the schedule and shall include

#### (i) Increased cost of working

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

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

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

#### (ii) Reinstatement of data/programmes

Costs and expenses necessarily and reasonably incurred by the insured for the reconstitution or recompilation of data and/or programmes recorded on or stored in data carrying media which is lost as a result of accidental erasure (which shall include the events defined in the indemnity clause to sub-section A of this section) or by theft as provided for in the sub-section A of this section

provided that

- (a) the indemnity shall not extend to nor include such costs incurred due to programme errors, incorrect entry or the inadvertent cancellation or corruption of data and/or programmes.
- (b) in respect of each and every event or series of events arising out of or in connection with any one event or cause indemnifiable by this item, the insured shall bear the amount stated in the schedule as the first amount payable.
- (c) where the insured elects to insure programmes (software), a schedule of such programmes shall be lodged with the company at the commencement of each period of insurance.

## Definitions

### Indemnity period

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

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

### Accident (Applicable to increased cost of working only)

1. Physical loss of 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 relating to the first amount payable or the maintenance/lease agreements, be a condition precedent to liability hereunder.

2. Failure of the public supply of electricity at the terminal ends of the service feeders in the premises from any accidental cause other than
  - (a) the deliberate act of the insured or any supply authority.
  - (b) drought or shortage of fuel at any electricity utility.

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

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

**The limit of liability**

The liability of the company shall not exceed the amounts specified in the schedule (relating to sub-section B) in respect of any one accident or series of accidents arising out of or in connection with any one event.

In the event of the payment by the company of any sum or sums in discharge of the company's liability in terms of this sub-section, the sum(s) insured shall automatically be reinstated for the remainder of the current period of insurance.

**Specific exceptions to sub-section B**

Unless specifically provided for:

**1. Fines and penalties**

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

**2. Loss of profit**

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

## Clauses and extensions

### 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 section shall be related solely to the business interruption which would have arisen in the absence of (a) and (b).

### Telkom access lines (if stated in the schedule to be included)

Subject to the limits specified in the schedule, consequential loss as provided for under defined events (i) and (ii) of sub-section B arising from accidental failure of the Telkom access lines is included, provided always that the insurance under this extension shall be subject to the special conditions below.

### Special conditions applicable to Telkom access lines

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

### **Theft from a vehicle following jamming extension**

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein, this section is extended to cover theft of property insured under this section of the policy from a vehicle following the use of a jamming device notwithstanding that there are no visible signs of forcible entry into the vehicle. The company reserves the right to request proof that a jamming device was used. The maximum amount payable under this extension is limited to the limit in the Table of Limits attached to the schedule in any 12 month period of insurance.

#### **General memoranda**

### **Memo 1 - Capital additions and currency fluctuations**

The indemnity by this section shall include

- (a) additional equipment or programmes purchased by the insured of a similar nature to that specified in the schedule, provided that, in respect of loss or damage due to electrical, mechanical, or electronic breakdown or explosion, the insurance shall only commence after satisfactory completion of installation or commissioning/testing and put into use at the insured's premises
- (b) provision for devaluation or revaluation of the currency of the Republic of South Africa against that of the country of origin of the property insured and other inflationary trends, which may result in the escalation of the sum insured (representing the installed new replacement value) of the property insured

provided that the increase shall not exceed, by more than 25%, the total sum insured for sub-section A specified in the schedule, it being agreed that the insured will advise the company of such alterations after the expiry of each period of insurance and pay the appropriate premium thereon but not exceeding 50% of the difference.



## **Memo 2 - Prevention of access**

If, during the indemnity period, the business at the premises is interrupted or interfered with in consequence of the insured being prevented from having access to the property insured situated at the premises caused by damage to property within a 10 km 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 section shall not be brought into contribution with any other policy or section of this policy bearing a like extension.

## **Memo 3 - Territorial Limits**

The Territorial Limits in respect of laptops, note books, palm top computers as well as other portable equipment temporarily located outside the premises specified in this policy shall be deemed to be worldwide.

## **Memo 4 - Forcible and violent entry**

Exceptions to sub-section A 9.(a) is deleted in respect of laptops, note books and palm top computers as well as other portable equipment.

### **Special exception (sub-sections A & B)**

## **Viruses, Trojans and worms**

The company shall not indemnify the insured for loss or damage of whatsoever nature arising directly or indirectly out of or in connection with the action of any computer virus, Trojan or worm(s) or other similar destructive media.

## General extension

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

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

- (a) modifications or alterations to the property insured directly consequent upon indemnifiable loss or damage to ensure the operating integrity of the electronic system
- (b) replacement or upgrading of legal programmes 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 programmes

provided always that

- (1) the costs provided for in (a), (b) and (c) above shall be necessarily and reasonably incurred to maintain normal working conditions.
- (2) such additional costs shall be incurred as a direct consequence of indemnifiable loss or damage in terms of sub-sections A or B (item ii) 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) programmes or data reinstated not indemnifiable under item (ii) 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% of the applicable total sum insured under sub-section A (The limit of indemnity) and sub-section B (item (ii)) or the limit in the Table of Limits attached to the schedule, whichever is the lesser.

**Sub-section A Machinery breakdown (if stated in the schedule to be included)**

The company will indemnify the insured for sudden and unforeseen physical damage to the insured machinery described below:

Fridges, deep freezers, display fridges or freezers or as specifically noted in the schedule forming part of the contents insured under the Fire section of this policy, whilst it is at work or at rest or whilst 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

but excluding

1. the first amount payable as stated in the Excess Table attached to the schedule
2. damage to property specified which is not the subject of a regular maintenance agreement
3. damage resulting from experiments, overloads or tests
4. any cost of replacing reinstating or making good wear and tear gradual deterioration, expendable parts, corrosion, erosion, deposit of scale , sludge or other sediment or any other direct consequence of progressive or continuous influence from working or atmospheric or chemical action, rust or scratching of painted or polished surfaces
5. damage for which the manufacturer supplier or lessor is responsible

provided that

the company's liability in any period of 12 month period will be limited to the amount stated in the Table of Limits attached to the schedule or the amount stated in the schedule whichever is the lesser.

The Insured shall take reasonable precautions to ensure that the machinery is maintained in good working order and neither habitually nor intentionally overloaded and that Government and other regulations relating to the operation of the machinery are observed.

**Sub-section B Deterioration of Foodstuffs (if stated in the schedule to be included)**

The company will indemnify the insured for deterioration of foodstuffs contained in any refrigerator, display fridge or freezer and/or deep freeze unit in the building on the premises noted in the schedule up to the limit in the Table of Limits attached to the schedule, or the sum insured in the schedule whichever is the lesser amount, as a result of breakdown, accidental damage or failure of power supply to the unit but excluding the deliberate withholding of power by any authority for any reason whatsoever.

## Dear customer...

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Sasria provides short-term insurance cover against special risks that the broader insurance industry does not cover. Examples of these special risks are civil commotion, strike, riot, public disorder and terrorism.

This document is the legal and official version of your Sasria policy wording. The laws of South Africa govern this policy.

Your contract with Sasria comprises:

- the policy wording (this document);
- the Sasria policy schedule;
- any information that you, or someone acting on your behalf, supply to us; and
- any amendment to the policy.

Please read the wording carefully to make sure that you understand what your policy covers. You must always read the wording together with the Sasria schedule.

We look forward to being of service to you.

### How to reach us

011 214 0800 or 086 172 7742 | [contactus@sasria.co.za](mailto:contactus@sasria.co.za) | [www.sasria.co.za](http://www.sasria.co.za)

## General terms and conditions

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### How you should read this document

"We", "our" or "us" in the wording refers to Sasria SOC Ltd. "You" or "your" in the wording refers to the policyholder.

Words in the singular include the plural. Words in the masculine gender (he) include the feminine gender (she).

### Your Sasria policy and the underlying policy

#### **You must have an underlying policy in force**

To be insured against the special risks mentioned above, you must have an underlying policy contract in force that includes Sasria cover at the time of the event that gives rise to a loss. If you choose to only take out Sasria cover, there must be a pro forma underlying policy as a formality. The pro forma policy can be issued by any underlying insurer. The underlying insurer must give you Sasria cover regardless of your risk profile.

Sasria policies attach to the underlying policy or they are stand-alone:

- **Attached policies** incorporate the terms, conditions and warranties of the underlying policy with some exceptions (see the next subsection).
- **Stand-alone policies** have their own terms and conditions that are listed in the relevant policy wording.

Policies that attach to the underlying policy	Stand-alone policies
Material Damage (Fire) Contract Works	Motor Business Interruption (Standing Charges, Working Expenses, Loss of net profit, Loss of gross profit, Project Delay)

## Policies that attach to the underlying policy

For these policies, the terms, conditions, exclusions and warranties of the underlying policy also apply to the Sasria policy **except for those listed below**:

### Standard S.A.I.A. Exceptions

The general exclusions of underlying policies typically include the Standard S.A.I.A. Exceptions. Your Sasria policy covers some of the S.A.I.A. Exceptions, but not all of them.

Your Sasria policy covers **civil commotion, riot, strike, lockout, public disorder, rebellion and revolution and terrorism** (S.A.I.A. Exceptions A(i), A(iii)(b), A(iv), A(v), A(vi) and A(vii) to the extent that A(vii) refers to A(i), A(iii)(b), A(iv), A(v) and A(vi) and C).

Your Sasria policy does not cover **war and war-related activities** (S.A.I.A. Exceptions A(ii), A(iii)(a) and A(vii) to the extent that A(vii) refers to A(ii) and A(iii)(a) and B).

In each policy, see **What we cover** and **What we don't cover** for the details.

If the numbering in your underlying policy does not correspond with the numbering of the Standard S.A.I.A. Exceptions, you must refer to the corresponding contents.

### Extensions

Sasria special risk cover only applies to the basic cover of the underlying policy. It does not apply to any additional perils and extensions included in the underlying policy, whether optional or not. Sasria covers its own list of extensions at an additional premium. You will find the list of extensions under [Sasria Extensions](#). Contact us if you want Sasria cover for any of these extensions.

### Excess

For Material Damage (Fire), there is no excess payable if you claim under your Sasria policy.

For Contract Works, the following excess is payable:

For loss or damage to contract works and materials, the excess or first amount payable is calculated as 0,1% of the value of the specific contract for which a claim is made.

The following minimum and maximum amounts apply:

Minimum excess (first amount payable)

- R250 (Domestic risks)
- R2 500 (All other risks)

Maximum excess (first amount payable)

- R25 000

For loss or damage to a construction plant, the excess is R1 000 for each loss or damage arising from any one insured event.

### Premium

Any adjustment of the premium clause or condition in the underlying policy will not automatically apply to your Sasria policy.

### Period of insurance

The period of insurance of your Sasria policy is the same as the period of insurance of the underlying policy.

### Sasria and the underlying insurer must sign your schedule

For your Sasria contract to be valid, the Sasria schedule must bear the signatures of a director of Sasria and the underlying insurer.

## Cancellation

Only you have the option to cancel Sasria cover; Sasria will never cancel your cover.

If an underlying policy is cancelled, it does not automatically result in cancellation of your Sasria cover. The underlying insurer must give you the option to keep your Sasria cover except if the cancellation was due to non-payment. If you choose to keep your Sasria cover, the underlying insurer will issue a pro forma policy to which your Sasria policy will attach.

## Our rights

### To review rates and premiums

We reserve the right to review the terms and conditions of a policy, including rates and premiums, in line with all applicable laws (e.g. the Policyholder Protection Rules). Where necessary, some or all classes of business rates and premiums may be reviewed with reference to trends, expectations and assumptions, including but not limited to the following:

- a) Documented trend of poor performance on class or classes of business over the last three (3- to five (5) years;
- b) Reasonably balancing the interests of Sasria SOC Ltd and its policyholders' expectations; and
- c) The extent to which the assumptions on which the premium was based have been met.

In accordance with the law, we will duly notify the policyholder in writing, through our distribution channels, of the details of the pending review; the effective date of the review; the reasons for the review; the implication of the review; the policyholder's rights and obligations regarding the review,

including any cooling-off rights offered and procedures applicable for the exercise thereof; and any other relevant details.

Each policyholder will be given a reasonable notice period to make an informed decision as to whether the policy continues to meet the policyholder's requirements as a result of the reviewed terms and conditions.

### **To take possession of damaged property**

When you claim under this policy, you agree that we, and any person authorised by us, have the right to enter the damaged property, or take possession of it, and deal with it in any reasonable manner. This right does not imply that we accept liability for the claim. It also does not diminish our right to apply any condition of this policy.

You remain responsible for all damaged property until it is in our possession.

### **To take legal action on your behalf**

If we have compensated you for loss or damage, we have the right to recover our costs from the responsible third-party. We have the right to take legal action on your behalf to defend or settle any third-party claim. You agree that we may conduct the legal proceedings to our full discretion.

You must cooperate fully with us. Specifically, you agree to:

- do nothing that will prejudice or limit our rights;
- give us all information and documents we require;
- sign any document or affidavit that we request to enable us to exercise our rights;
- attend depositions, hearings, trials and give evidence as necessary; and
- make no admission, offer, promise, payment or statement about Sasria's liability without our written consent.

### **Transfer of rights**

Only you have the right to claim against us under this policy. This right may only be transferred to another person or entity if you should die or if the law orders it.

## **Sharing information**

By entering into a contract with Sasria, you waive your right to privacy and agree that we may disclose to any other insurance company any relevant information that you, or someone else on your behalf, has provided to us.

## **Your responsibilities**

### **To be covered**

To be covered under your Sasria policy:

1. The underlying policy must have been valid and active on the date of the insured event for which you claim;
2. The Sasria premium payments must be up to date and we must have received all such payments; and
3. You must, for attached policies, comply with the terms and conditions of your Sasria policy and those of the underlying policy (with the exceptions described above under **Policies that**



**attach to the underlying policies**). For stand-alone policies, you must comply with the terms and conditions of your Sasria policy.

### **Pay the premium in advance**

Your Sasria premium is payable in advance per month or per year. If the period of insurance is more than one month, but less than 12 months, the full annual premium will be payable in advance.

If we do not receive your premium by the due date, we will consider this policy to have lapsed at 24:00 (midnight) of the last day of the previous period of insurance, unless you can prove that the failure to pay was an error on the part of our agent or your broker.

### **Take all reasonable precautions**

You must take all reasonable action to prevent loss or damage.

### **Do not withhold information or commit fraud**

It is your responsibility to make sure that you give us all relevant information and that this information is complete, correct, and remains correct. If you withhold any information, or give us false or incorrect information, we may refuse to pay your claim.

We have the right to verify or investigate any information that you submit.

We have the right to reject a claim if you, or any person representing you, commit fraud in terms of this Sasria policy. If we refuse to pay your claim because of fraud or attempted fraud, we will not refund premiums already paid and may start legal proceedings against the defrauding party.

You commit fraud if you, or anyone on your behalf:

- submit a false or dishonest claim under this policy;
- use false or dishonest means or false information to benefit from the cover that we provide; or
- deliberately cause an insured event. For example, if you should deliberately cause a fire or add fuel to it.

## **Compensation**

### **How we compensate you**

If you have a valid claim, we will compensate you for the lost or damaged property by making a payment to you, or by repairing, replacing or reinstating the damaged property.

### **Who gets the compensation?**

If we accept liability, we compensate the policyholder, or his beneficiary in the event of his death, except in the following cases:

1. If the lost or damaged property is still under finance, we will pay the financial institution first.
2. If the lost or damaged property has been sold to you, but the seller still has an insurable interest in the property, we will compensate the seller proportionally if you write to us and request us to do so.

If the compensation that settles the claim is accepted, we will have no further liability regarding the claim.

## **Policy limits**

The limits of compensation are detailed in the respective policies.

## **Agreed value**

If the property is leased, rented or hired under an agreement that requires the insured to insure the property and/or be responsible for it at an agreed value, the sum insured will be the stipulated agreed value.

## **Countries where you are covered**

This policy covers only property situated in the Republic of South Africa or in the territorial waters of South Africa. The 1982 United Nations Convention on the Law of the Sea defines territorial waters as "a belt of coastal waters extending 12 nautical miles (22.2 km) from the baseline (usually the mean low-water mark) into the sea".

Sasria has an agreement with the Namibian special risk insurance association (Nasria). In terms of this agreement, you have Sasria cover in Namibia for a maximum of sixty (60) consecutive days.

## **Disputes**

If a dispute arises as to the compensation payable, or the liability of Sasria, we will refer the matter for arbitration in terms of the arbitration laws in force at that time in the Republic of South Africa, at a place that we will determine.

You will not have the right to take legal action against Sasria until the arbiter has made a decision. The decision of the arbiter will be final and binding.

## **Amendment**

You, or Sasria, may amend this policy, but no amendment to this policy will be valid unless a director of Sasria has signed the amendment.

# How to claim

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## What to do after an insured event

1. Contact your underlying insurer. The underlying insurer will let you know if you have a special risk claim and will handle the Sasria claim on your behalf.
2. Report the incident to the police within 48 hours and get a case number.
3. Do not make any offer or promise or admit responsibility.
4. Do not leave any damaged property without supervision, if possible.

You must claim, or notify us of the intention to claim, under this policy within thirty (30) days of the date of the insured event.

If we receive your claim or notification more than twelve (12) months after the date of the insured event, we will not consider liability, unless the claim is the subject of pending legal action or if the underlying insurer has not yet completed the final assessment of the loss. It is your responsibility to notify Sasria immediately of a pending legal action or delay in the final assessment.

## Supporting documents

For all claims, we will request supporting documents or information. Your underlying insurer will send you a list of all the required documents.

# Material damage (Fire)

Material damage (Fire) attaches to the underlying policy. Please see the general terms and conditions above for an explanation of attached policies.

## Important words and phrases

Word or phrase	Defined meaning
Civil commotion	Large-scale violence by members of the public, causing injury to people or damage to property.
Consequential loss	Loss or damage that is not directly caused by an insured risk, but which is an indirect consequence or result of the insured risk.
Labour disturbance	<p>In the case of Slabbert Burger vs Sasria, disturbance in a labour context was defined as "an overt disturbance of the public peace in defiance of authority, leading to physical damage".</p> <p>Sasria will only consider a claim for loss or damage as a result of a labour disturbance if all four of the following elements are present:</p> <ul style="list-style-type: none"> <li>• A disturbance of the public peace;</li> <li>• Which happens openly, or which is clear upon observing;</li> <li>• In disobedience of authority; and</li> <li>• Which leads to physical loss or damage.</li> </ul>
Lockout	<p>According to section 213 of the Labour Relations Act (66 of 1995), a lockout means "the exclusion by an employer of employees from the employer's workplace, for the purpose of compelling the employees to accept a demand in respect of any matter of mutual interest between employer and employee, whether or not the employer breaches those employees' contracts of employment in the course of or for the purpose of that exclusion".</p> <p>This definition may be amended by South African law from time to time.</p>
Looting	<p>To steal goods, typically during a riot, strike or civil commotion. Looting must take place during an event that Sasria covers.</p> <p>Sasria does not cover theft.</p>
Policyholder	<p>The person(s) or juristic entity in whose name the policy is issued.</p> <p>A policyholder could be:</p> <ul style="list-style-type: none"> <li>• A holding company and all its subsidiaries (as set out in the Companies Act, 61 of 1973); or</li> <li>• A subsidiary of the holding company; or</li> <li>• An entity other than a company; or</li> <li>• A person or persons.</li> </ul>

Public disorder	A riot or other civil commotion that gives rise to a serious risk to public safety, whether at a single location or resulting from a series of incidents in the same or different locations.
Riot	<p>In terms of case law, riot means the tumultuous disturbance of public peace by an assembly of three or more persons acting together in the execution of some private objective.</p> <p>Sasria will only consider a claim for loss or damage as a result of a riot, if all four of the following elements are present:</p> <ul style="list-style-type: none"> <li>• Three or more persons who have assembled with the same objective;</li> <li>• A tumultuous disturbance of the public peace;</li> <li>• Which leads to strife, violence or threats of violence; and</li> <li>• Physical loss or damage.</li> </ul> <p>In terms of this definition, Sasria does not consider the violent acts of three or more people who have different objectives as a riot.</p>
Strike	<p>According to section 213 of the Labour Relations Act (66 of 1995), a strike means "the partial or complete concerted refusal to work, or the retardation or obstruction of work, by persons who are or have been employed by the same employer or by different employers, for the purpose of remedying a grievance or resolving a dispute in respect of any matter of mutual interest between employer and employee, and every reference to 'work' in this definition includes overtime work, whether it is voluntary or compulsory".</p> <p>This definition may be amended by South African law from time to time.</p>
Terrorism	<p>The unlawful use of violence and intimidation, especially against civilians, in the pursuit of political aims.</p> <p>Please note that Sasria cover does not extend beyond the borders of South Africa. In other words, if terrorism happens outside the borders of South Africa, Sasria does not cover that. Furthermore, Sasria does not cover consequential loss emanating from any acts of terrorism.</p>

## WHO do we cover?

In the Material Damage policy, Sasria covers the policyholder.

## What we cover

Sasria will compensate you for the loss of, or damage to, property insured in the underlying policy, if that loss or damage is directly related to, or caused by:

1. Any riot, strike or public disorder or any act or activity which is calculated or directed to bring about a riot, strike or public disorder;
2. 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;
3. 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;

4. Any attempt to perform any act referred to in clauses 1, 2 and 3 above;
5. The act of any lawfully established authority in controlling, preventing, suppressing or, in any other way, dealing with any act or attempted act referred to in clauses 1, 2, 3 or 4 above;
6. Looting committed as part of the acts described in 1, 2, 3, 4 or 5 above.

## What we DON'T cover

Sasria does not compensate you for:

1. Any form of consequential or indirect loss or damage, other than the loss of rent. We will only cover loss of rent if the underlying policy specifically insures it, and only until the insured building is again suitable to be rented out or occupied;
2. Consequential loss or damage resulting from stopping work, totally or partially, or from delaying, interrupting or stopping any process or operation;
3. Loss or damage resulting from a lawful authority confiscating, commandeering or requisitioning insured property, permanently or temporarily, or any attempt to do so;
4. Loss or damage, in any way caused by, or contributed to, an act of terrorism that uses, or threatens to use, any nuclear weapon or device, or any chemical or biological agent;
5. Loss or damage, in any way caused by, or contributed to, war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, 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 a state of siege;
6. Any attempt to perform any act referred to in clauses 4 and 5 above;
7. The act of any lawfully established authority in controlling, preventing, suppressing or, in any other way, dealing with any act or attempted act referred to in clause 4 and 5 above;
8. 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 South African territory to which this policy applies;
9. Loss or damage caused by prevention of access (for example, deterioration of stock or perishables);
10. Loss or damage for which you are liable in terms of a contract, unless you would have been liable for the damage in the absence of the contract;
11. Loss or damage caused directly or indirectly by a nuclear event. A nuclear event is an incident or accident involving the release of radioactive material with negative health and environmental effects.

If we reject a claim by reason of exclusion 5 or 8, you will have to prove that the loss or damage was not related to exclusion 5 or 8.

## Conditions

If an insured building or structure is destroyed and Sasria has accepted liability for your claim, you may replace the destroyed building with an equivalent building at another site. Our liability will be limited to the cost of reinstating the destroyed building or structure at the original site.

## Compensation

The limit of compensation for the period of insurance is R500 million (excluding VAT), even if the sum insured exceeds R500 million (excluding VAT). Sasria allows for the reinstatement of cover if the limit of compensation has been exhausted during the period of insurance. An additional premium will be charged for reinstated cover for the remainder of the period of insurance.

You may take out additional Sasria cover up to R1 billion at an additional premium. The limit of R1 billion applies to additional cover for Material Damage and Business Interruption combined.

Sasria will base compensation for a single lost or damaged item, or for all the lost or damaged items together, on the sum insured, even if there is a Basis of Loss Settlement clause in the underlying policy.

# How to claim

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## What to do in the event of a business interruption

You must notify the underlying insurer in writing that you intend to claim for business interruption under this policy. You must submit the claim to the underlying insurer not later than 30 days after the end of the indemnity period unless we have agreed otherwise. (See the definition of indemnity period below.)

You must also provide us with details of all other insurance covering the loss or damage.

## Supporting documents

We may ask you to submit financial evidence to support your claim. Your underlying insurer will send you a list of all the required documents. The documents must be certified by your auditors or accountants and will be used to verify your claim.



# Business Interruption

## Important words and phrases

### General

Word or phrase	Defined meaning
Civil commotion	Large-scale violence by members of the public, causing injury to people or damage to property.
Consequential loss	Loss or damage that is not directly caused by an insured risk, but which is an indirect consequence or result of the insured risk.
Labour disturbance	<p>In the case of Slabbert Burger vs Sasria, disturbance in a labour context was defined as “an overt disturbance of the public peace in defiance of authority, leading to physical damage”.</p> <p>Sasria will only consider a claim for loss or damage as a result of a labour disturbance if all four of the following elements are present:</p> <ul style="list-style-type: none"> <li>• A disturbance of the public peace;</li> <li>• Which happens openly, or which is clear upon observing;</li> <li>• In disobedience of authority; and</li> <li>• Which leads to physical loss or damage.</li> </ul>
Lockout	<p>According to section 213 of the Labour Relations Act (66 of 1995), a lockout means “the exclusion by an employer of employees from the employer’s workplace, for the purpose of compelling the employees to accept a demand in respect of any matter of mutual interest between employer and employee, whether or not the employer breaches those employees’ contracts of employment in the course of or for the purpose of that exclusion”.</p> <p>This definition may be amended by South African law from time to time.</p>
Looting	<p>To steal goods, typically during a riot, strike or civil commotion. Looting must take place during an event that Sasria covers.</p> <p>Sasria does not cover theft.</p>
Policyholder	<p>The person(s) or juristic entity in whose name the policy is issued.</p> <p>A policyholder could be:</p> <ul style="list-style-type: none"> <li>• A holding company and all its subsidiaries (as set out in the Companies Act, 61 of 1973); or</li> <li>• A subsidiary of the holding company; or</li> <li>• An entity other than a company; or</li> <li>• A person or persons.</li> </ul>

Public disorder	A riot or other civil commotion that gives rise to a serious risk to public safety, whether at a single location or resulting from a series of incidents in the same or different locations.
Riot	<p>In terms of case law, riot means the tumultuous disturbance of public peace by an assembly of three or more persons acting together in the execution of some private objective.</p> <p>Sasria will only consider a claim for loss or damage as a result of a riot, if all four of the following elements are present:</p> <ul style="list-style-type: none"> <li>• Three or more persons who have assembled with the same objective;</li> <li>• A tumultuous disturbance of the public peace;</li> <li>• Which leads to strife, violence or threats of violence; and</li> <li>• Physical loss or damage.</li> </ul> <p>In terms of this definition, Sasria does not consider the violent acts of three or more people who have different objectives as a riot.</p>
Strike	<p>According to section 213 of the Labour Relations Act (66 of 1995), a strike means “the partial or complete concerted refusal to work, or the retardation or obstruction of work, by persons who are or have been employed by the same employer or by different employers, for the purpose of remedying a grievance or resolving a dispute in respect of any matter of mutual interest between employer and employee, and every reference to ‘work’ in this definition includes overtime work, whether it is voluntary or compulsory”.</p> <p>This definition may be amended by South African law from time to time.</p>
Terrorism	<p>The unlawful use of violence and intimidation, especially against civilians, in the pursuit of political aims.</p> <p>Please note that Sasria cover does not extend beyond the borders of South Africa. In other words, if terrorism happens outside the borders of South Africa, Sasria does not cover that. Furthermore, Sasria does not cover consequential loss emanating from any acts of terrorism.</p>

## Words and phrases relating to Business Interruption

Indemnity period	The period during which the insured business incurred financial losses or expenses as a result of an interruption to the insured business as defined in this policy. The period will start on the date that the insured event, which caused the business interruption, occurred. The maximum length of the indemnity period is set out in the policy schedule.
Turnover	The money paid or payable to the insured for goods sold and delivered and for services rendered in the course of business at the insured premises
Annual turnover	The turnover of the insured business for the 12 months immediately before the insured event occurred.

Standard turnover	The turnover of the insured business during a specific period in the 12 months immediately before the insured event, which corresponds with the same period during the indemnity period.
Revenue	The total income of the insured business from, for example, sales, fees, interest or rentals.
Annual revenue	The revenue of the insured business for the 12 months immediately before the insured event occurred.
Standard revenue	The revenue of the insured business during a specific period in the 12 months immediately before the insured event, which corresponds with the same period during the indemnity period.

## Overview

Business Interruption is a stand-alone policy with its own terms and conditions. It does not attach to the terms and conditions of the underlying policy.

Business Interruption covers you for financial losses due to the interruption of, or interference with, your business activities as a result of loss of, or damage to, any building or other property, or any part of it, at the premises shown as the risk address in the schedule as a result of an event that Sasria covers.

This policy comprises five sections: Standing charges, Working expenses, Loss of net profit, Loss of gross profit and Project Delay.

Cover for 'Increase in cost of working' is included in all sections. 'Increase in cost of working' refers to the expenditure necessarily and reasonably incurred by the insured to ensure the continued operations of the business and for the sole purpose of avoiding a reduction in turnover during the indemnity period.

### Standing Charges

Standing charges covers you for regular, fixed business expenses, for example wages, rentals, subscriptions, utility, telephone and internet charges. You must specify in the schedule which standing charges you want this policy to cover.

### Working Expenses

Working expenses covers you for variable business expenses. You may indicate in the schedule the working expenses that you do not want this policy to cover, for example discounts or bad debts. These are also called working expenses specified as uninsured.

### Loss of net profit

Loss of net profit covers you for loss of the actual profit of the insured business as a result of a business interruption as defined in this policy and covered during the indemnity period. Net profit is defined as profit after all costs have been deducted from the turnover or revenue, including standing and other charges, as well as depreciation. Capital receipts and deposits are not included in the

calculation of net profit. The calculation of net profit takes place before any tax on profits is deducted.

Turnover and revenue refer to the total income of the business generated from sales or services. The term 'turnover' is usually applied for businesses with stock whereas the term 'revenue' is usually applied for businesses without stock.

### Loss of gross profit

Loss of gross profit covers you for loss of net profit plus standing charges or working expenses, as explained above.

### Project Delay

Project Delay covers you for expenses necessarily and reasonably incurred when a construction project is delayed as a result of a business interruption as defined in this policy and covered during the indemnity period.

### Summary

The relationship between the sections that Business Interruption comprises is explained in the figure below:

Business Interruption				
Standing Charges	Working Expenses	Loss of net profit	Loss of gross profit	Project Delay
Standing charges that you want the policy to cover needs to be specified in the schedule	Calculated according to a formula  Expenses that you do <u>not</u> want the policy to cover needs to be specified in the schedule	Loss of turnover (for businesses with stock)  OR  Loss of revenue (no stock)	Loss of net profit plus standing charges or working expenses	Standing charges only; not loss of profit
Increase in cost of working included	Increase in cost of working included	Increase in cost of working included	Increase in cost of working included	Increase in cost of working (expenses associated with project delay)
Condition: A valid Sasria claim under a Material damage policy				Condition: A valid Sasria claim under Contract works policy

## WHO do we cover?

The Business Interruption policy covers the policyholder and any other insured entity or person named in the schedule.

## What we cover

Sasria will compensate you for financial losses due to business interruption as selected and specified in the schedule.

The business interruption must be as a result of the loss of, or damage to, property insured in a Material Damage (Standing Charges, Working Expenses, Loss of net profit and Loss of gross profit) or Contract Works (Project Delay) policy. The loss or damage that led to the business interruption must have taken place during the period of insurance of the applicable Sasria policy.

The loss or damage must be directly related to, or caused by, the following insured events:

1. Any riot, strike or public disorder or any act or activity which is calculated or directed to bring about a riot, strike or public disorder;
2. 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;
3. 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;
4. Any attempt to perform any act referred to in clauses 1, 2 and 3 above;
5. The act of any lawfully established authority in controlling, preventing, suppressing or, in any other way, dealing with any act or attempted act referred to in clauses 1, 2, 3 or 4 above;
6. Looting committed as part of the acts described in 1, 2, 3, 4 or 5 above.

### **Extension included**

#### Claim preparations cost

The insurance provided by this policy includes costs that you reasonably incurred to produce and certify any particulars or details that we require in terms of Condition 6 or to substantiate any claim. We will pay a maximum of R50 000 for such costs per claim.

### **Extension optional**

#### Additional increase in cost of working

You may increase the sum insured for 'Increase in cost of working' at an additional premium.

You will find the full list of extensions at [Sasria Extensions](#) . Contact us if you want Sasria cover for any of these extensions.

## What we DON'T cover

Sasria does not compensate you for business interruption that results from any of the following:

1. Any form of consequential or indirect loss or damage, depreciation of any nature, wear and tear, and any form of mechanical or electrical failure or breakdown;
2. Consequential loss or damage resulting from stopping work, totally or partially, or from delaying, interrupting or stopping any process or operation;
3. Loss or damage resulting from a lawful authority confiscating, commandeering or requisitioning insured property, permanently or temporarily, or any attempt to do so;
4. Loss or damage, in any way caused by, or contributed to, an act of terrorism that uses, or threatens to use, any nuclear weapon or device, or any chemical or biological agent;
5. Loss or damage, in any way caused by, or contributed to, war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, 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 a state of siege;
6. Any attempt to perform any act referred to in clauses 4 and 5 above;
7. The act of any lawfully established authority in controlling, preventing, suppressing or, in any other way, dealing with any act or attempted act referred to in clause 4 and 5 above;
8. 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 South African territory to which this policy applies;
9. Prevention of access (for example, penalties or fines for an extended contract period);
10. Loss or damage for which you are liable in terms of a contract, unless you would have been liable for the damage in the absence of the contract;
11. Loss or damage caused directly or indirectly by a nuclear event. A nuclear event is an incident or accident involving the release of radioactive material with negative health and environmental effects.

If we reject a claim by reason of exclusion 4, you will have to prove that the loss or damage was not related to exclusion 4.

We will also not compensate you under this policy for:

12. Loss of net profit and any extra expenses due to a business interruption at the premises of a customer or a supplier, or any entity that is part of your supply chain;
13. Loss resulting from a business interruption that was caused by damage to a public utility or public communications entity serving the insured premises.

## Conditions

1. For Standing Charges, Working Expenses, Loss of net profit and Loss of gross profit:
  - 1.1. You must have Sasria cover under a Material Damage (Fire) policy with an underlying insurer.
  - 1.2. You may only submit a claim under any of these sections if the business interruption is a result of loss of damage for which you have successfully claimed from Sasria under Material Damage.
2. For Project Delay:
  - 2.1. You must have Sasria cover under a Contract Works policy with an underlying insurer.
  - 2.2. You may only submit a claim under Project Delay if the delay is a result of loss or damage for which you have successfully claimed from Sasria under Contract Works. If a claim under Contract Works is rejected only because the excess amount is larger than the material damage loss, then Sasria will nevertheless cover you for project delay if you have taken out this section.
3. Cover under this policy or any section of it will end, if:
  - 3.1. the insured business is permanently discontinued or liquidated; or
  - 3.2. after the start of the period of insurance, the insured dies or no longer has an insurable interest in the business; or
  - 3.3. you cancel your Material Damage or Contract Works with Sasria, as applicable to the sections of this policy.

We may agree in writing to continue cover in the event of 3.1 or 3.2.

4. You must notify the underlying insurer in writing that you intend to claim for business interruption under this policy. You must take reasonable care to prevent or reduce business interruption by avoiding or diminishing any further loss or damage.
5. You must submit a claim for business interruption to the underlying insurer not later than 30 days after the end of the indemnity period unless we have agreed otherwise. You must also provide them with details of all other insurance covering the loss or damage that led to the business interruption or any consequential loss.
6. You must submit all financial evidence that the underlying insurer requires in support of your claim. The documents must be certified by your auditors or accountants and will be used to verify your claim. You may also be asked to submit an affidavit that declares the truthfulness of the claim and related matters. No claim is payable unless you have complied with this condition. If we have paid out a claim and we discover that the claim was fraudulent, you will have to pay back the compensation.
7. We may adjust the premium paid for Standing Charges when we receive a declaration from the underlying insurer of the actual standing charges paid during the financial year that ends during the Period of Insurance, as certified by your auditors. If the declaration for actual standing charges for that financial year is less than the sum insured for Standing Charges, we will refund the premium for Standing Charges up to a maximum of 50%.

## Compensation

For the policyholder, the total limit of compensation is R500 million (excluding VAT) per period of insurance. The policyholder may insure sub-contractors under Project Delay at an additional premium.

The maximum total compensation for all the sub-contractors together is R50 million per period of insurance. Sub-contractors may take out their own Sasria insurance.

These limits apply irrespective of the number of insured events or the number of claims for which we have accepted liability under this policy.

The principle of average will apply as follows: The amount we will pay for an indemnity period of 12 months will be proportionately reduced if the sum insured for Loss in gross profit is less than the sum calculated by applying your gross profit rate to the annual turnover.

Where the maximum indemnity period exceeds 12 months, the appropriate multiple of the annual turnover will apply.

### **Standing charges**

Compensation will not exceed the sum insured of the standing charges listed in the schedule.

#### **Departments or branches**

If a department or branch of the insured business has suffered business interruption, its financial statements will be considered independently when we calculate compensation for Standing charges.

The principle of average will apply if the sum insured for Standing charges of the total business is less than the sum of the insured standing charges for each department or branch during the financial year preceding the date of the loss or damage that resulted in the business interruption. The compensation will be reduced proportionally according to the rate that the business is underinsured for Standing charges.

### **Working expenses**

Compensation is calculated on a difference basis as follows:

Turnover MINUS ([value of opening stock minus value of closing stock] + specified uninsured working expenses + net profit)

The value of the opening and closing stock will be calculated in accordance with generally accepted accounting practice.

#### **Departments or branches**

If a department or branch of the insured business has suffered business interruption, its financial statements will be considered independently when we calculate compensation for Working expenses.

The principle of average will apply if the sum insured for Working expenses of the total business is less than the sum of the working expenses for each department or branch. The working expenses for each branch will be calculated according to the formulae given above. The compensation will be reduced proportionally according to the rate that the business is underinsured for Working expenses.

### **Loss in net profit**

Compensation will not exceed the sum insured as stated on the schedule.

### **Loss in gross profit**

Compensation will not exceed the sum insured as stated on the schedule.



### Additions basis

If you have taken out Standing Charges, compensation will be calculated on an additions basis as the sum of the net profit and the insured standing charges set out in the schedule.

If there is no net profit, the pay-out will be reduced by the ratio between insured standing charges and all the standing charges of the business. If you have not covered all standing charges for business interruption, the pay-out will be reduced with the ratio between the sum of the net profit and insured standing charges and the sum of the net profit and all the standing charges (insured and not insured).

### Difference basis

If you have taken out Working Expenses, compensation will be calculated on a difference basis as follows:

(Turnover plus value of the closing stock) MINUS (Value of the opening stock plus the specified uninsured working expenses)

The policyholder's audited financial statements will be used to determine the value of the opening and closing stock. Depreciation will be considered.

### Increase in cost of working

Compensation will not exceed the sum insured as stated in the schedule.

We will pay you the expenses necessarily and reasonably incurred to avoid or diminish reduction in turnover during the indemnity period. The compensation will not exceed the expenses to diminish reduction in turnover/revenue times the gross profit rate. Any discount or saving will be deducted from the compensation.

### Project Delay

Compensation will not exceed the sum insured as stated in the schedule.

## Clauses

The clauses below relate to compensation.

### Trends

In calculating compensation, the profit trend of the business will be considered by applying the policyholder's gross profit rate to the amount that the turnover or revenue during the indemnity period is less than the standard turnover or standard revenue. For the gross profit rate, the turnover or revenue during the financial year immediately before the insured event will be used.

### Salvage sale

If the insured business holds a salvage sale during the indemnity period, the turnover of the salvage sale will be deducted from the turnover during the indemnity period.

### Accumulated stock

When we calculate the compensation, we will consider any accumulated stock that was sold to temporarily minimise any reduction in turnover after the business interruption.

## **WORKING EXPENSES - Sum Insured - (as stated in the Schedule)**

The Insurance hereby is limited to loss of working Expenses due to (a) REDUCTION IN TURNOVER and (b) INCREASE IN COST OF WORKING and the amount payable as indemnity thereunder shall be:

- (a) IN RESPECT OF REDUCTION IN TURNOVER - The sum produced by applying the RATE OF WORKING EXPENSES 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 (subject to the provisions of the Uninsured Standing Charges Clause) 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 WORKING EXPENSES 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 to WORKING EXPENSES as may cease to be reduced in consequence of the Damage;

provided that if the SUM INSURED by this item be less than the sum produced by applying the RATE OF WORKING EXPENSES to the ANNUAL TURNOVER (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

## **DEFINITIONS**

**“Indemnity Period”** - The period beginning with the occurrence of the Damage and ending not later than the Maximum Indemnity Period as specified 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 business at the premises.

**“Working Expenses:** - The amount by which

- (i) the sum of the amount of the TURNOVER and the amounts of the closing stock and work in progress shall exceed
- (ii) the sum of the amounts of the opening stock and work in progress and the net profit and the amount of the SPECIFIED UNINSURED WORKING EXPENSES

The amounts of the opening and closing stocks and work in progress shall be arrived at in accordance with generally accepted accounting practice.

**“Net Profit”** - The net 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.

**“Specified Uninsured Working expenses”** - As detailed on page 2 of the Schedule.

The words and expressions used in this definition (other than wages) shall have the meaning usually attached to them in the books and accounts of the Insured.



**“Rate of Working Expenses”** – The RATE OF WORKING EXPENSES earned on the TURNOVER during the financial year immediately before the date of the Damage

**“Annual Turnover”** – The TURNOVER during the twelve months immediately before the date of Damage.

**“Standard Turnover”** – The TURNOVER during the 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.

## ALTERNATIVE TRADING CLAUSE

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 his behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the TURNOVER during the INDEMNITY PERIOD.

## UNINSURED STANDING CHARGES CLAUSE

If any STANDING CHARGES of the business be not insured by the Policy (having been deducted in arriving at the working expenses as defined herein 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 WORKING EXPENSES bear to the sum of the WORKING EXPENSES NET PROFIT and the UNINSURED STANDING CHARGES.

## REBATE CLAUSE (Applicable only if the Sum Insured Exceeds R1 000 000)

The premium paid hereon may be adjusted on receipt by the Nominated Insurer of a declaration of Working Expenses earned during the financial year most nearly concurrent with the Period of Insurance, as certified by the Insured’s auditors. If any damage shall have occurred giving rise to a claim for loss of Working Expenses, the abovementioned declaration shall be increased by the Nominated Insurer for the purpose of premium adjustment by the amount by which the Working Expenses were reduced during the financial year solely in consequence of the Damage.

If the declaration (adjusted as provided for above and proportionately increased where the Maximum Indemnity Period exceeds 12 months) is less than the Sum Insured on Working Expenses for the relative Period of Insurance Sasria will allow a return of premium not exceeding 50% of the premium paid, by recalculating the premium in accordance with such declaration.

This Clause will have no effect unless a certified declaration is received by the Nominated Insurer within six months of the expiry of the Period of Insurance.

## CLAIMS COST CLAUSE

This insurance includes costs and expenses incurred in producing and certifying any particulars or details required by the Company during the formulation of a claim under the Policy, limited to:

- (a) additional fees paid to the Insured’s usual auditors;
- (b) additional wages or salaries paid to the Insured’s own employees;
- (c) cost of materials used.



## **DEPARTMENTAL CLAUSE**

If the business be conducted in departments the independent trading results of which are ascertainable, the provisions of clauses (a) and (b) of the item(s) on Working Expenses shall apply separately to each department affected by the Damage except that if the Sum Insured by the said item(s) be less than the aggregate of the sums produced by applying the Rate of Working Expenses for each department of the business (whether affected by the Damage or not) to its relative Annual Turnover (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

## **SALVAGE SALE CLAUSE**

If following Damage giving rise to a claim under this Policy, the Insured shall hold a salvage sale during the Indemnity Period, clause (a) of the Item on Working Expenses shall, for the purposes of such claim, read as follows:

IN RESPECT OF REDUCTION IN TURNOVER - The sum produced by applying the rate of working expenses to the amount by which the Turnover during the Indemnity Period (less the Turnover for the period of the salvage sale) shall, in consequence of the Damage, fall short of the Standard Turnover, from which sum shall be deducted the Working Expenses actually earned during the period of the salvage sale.

## **WORKING EXPENSES - Sum Insured - (as stated in the Schedule)**

The Insurance hereby is limited to loss of working Expenses due to (a) REDUCTION IN TURNOVER and (b) INCREASE IN COST OF WORKING and the amount payable as indemnity thereunder shall be:

- (a) IN RESPECT OF REDUCTION IN TURNOVER - The sum produced by applying the RATE OF WORKING EXPENSES 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 (subject to the provisions of the Uninsured Standing Charges Clause) 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 WORKING EXPENSES 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 to WORKING EXPENSES as may cease to be reduced in consequence of the Damage;

provided that if the SUM INSURED by this item be less than the sum produced by applying the RATE OF WORKING EXPENSES to the ANNUAL TURNOVER (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

## **DEFINITIONS**

**“Indemnity Period”** - The period beginning with the occurrence of the Damage and ending not later than the Maximum Indemnity Period as specified 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 business at the premises.

**“Working Expenses:** - The amount by which

- (i) the sum of the amount of the TURNOVER and the amounts of the closing stock and work in progress shall exceed
- (ii) the sum of the amounts of the opening stock and work in progress and the net profit and the amount of the SPECIFIED UNINSURED WORKING EXPENSES

The amounts of the opening and closing stocks and work in progress shall be arrived at in accordance with generally accepted accounting practice.

**“Net Profit”** - The net 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.

**“Specified Uninsured Working expenses”** - As detailed on page 2 of the Schedule.

The words and expressions used in this definition (other than wages) shall have the meaning usually attached to them in the books and accounts of the Insured.



**“Rate of Working Expenses”** – The RATE OF WORKING EXPENSES earned on the TURNOVER during the financial year immediately before the date of the Damage

**“Annual Turnover”** – The TURNOVER during the twelve months immediately before the date of Damage.

**“Standard Turnover”** – The TURNOVER during the 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.

## ALTERNATIVE TRADING CLAUSE

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 his behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the TURNOVER during the INDEMNITY PERIOD.

## UNINSURED STANDING CHARGES CLAUSE

If any STANDING CHARGES of the business be not insured by the Policy (having been deducted in arriving at the working expenses as defined herein 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 WORKING EXPENSES bear to the sum of the WORKING EXPENSES NET PROFIT and the UNINSURED STANDING CHARGES.

## REBATE CLAUSE (Applicable only if the Sum Insured Exceeds R1 000 000)

The premium paid hereon may be adjusted on receipt by the Nominated Insurer of a declaration of Working Expenses earned during the financial year most nearly concurrent with the Period of Insurance, as certified by the Insured’s auditors. If any damage shall have occurred giving rise to a claim for loss of Working Expenses, the abovementioned declaration shall be increased by the Nominated Insurer for the purpose of premium adjustment by the amount by which the Working Expenses were reduced during the financial year solely in consequence of the Damage.

If the declaration (adjusted as provided for above and proportionately increased where the Maximum Indemnity Period exceeds 12 months) is less than the Sum Insured on Working Expenses for the relative Period of Insurance Sasria will allow a return of premium not exceeding 50% of the premium paid, by recalculating the premium in accordance with such declaration.

This Clause will have no effect unless a certified declaration is received by the Nominated Insurer within six months of the expiry of the Period of Insurance.

## CLAIMS COST CLAUSE

This insurance includes costs and expenses incurred in producing and certifying any particulars or details required by the Company during the formulation of a claim under the Policy, limited to:

- (a) additional fees paid to the Insured’s usual auditors;
- (b) additional wages or salaries paid to the Insured’s own employees;
- (c) cost of materials used.



## **DEPARTMENTAL CLAUSE**

If the business be conducted in departments the independent trading results of which are ascertainable, the provisions of clauses (a) and (b) of the item(s) on Working Expenses shall apply separately to each department affected by the Damage except that if the Sum Insured by the said item(s) be less than the aggregate of the sums produced by applying the Rate of Working Expenses for each department of the business (whether affected by the Damage or not) to its relative Annual Turnover (or to a proportionately increased multiple thereof where the Maximum Indemnity Period exceeds twelve months) the amount payable shall be proportionately reduced.

## **SALVAGE SALE CLAUSE**

If following Damage giving rise to a claim under this Policy, the Insured shall hold a salvage sale during the Indemnity Period, clause (a) of the Item on Working Expenses shall, for the purposes of such claim, read as follows:

IN RESPECT OF REDUCTION IN TURNOVER - The sum produced by applying the rate of working expenses to the amount by which the Turnover during the Indemnity Period (less the Turnover for the period of the salvage sale) shall, in consequence of the Damage, fall short of the Standard Turnover, from which sum shall be deducted the Working Expenses actually earned during the period of the salvage sale.

# Motor

Motor is a stand-alone policy with its own terms and conditions. It does not attach to the terms and conditions of the underlying policy.

## Important words and phrases

Word or phrase	Defined meaning
Civil commotion	Large-scale violence by members of the public, causing injury to people or damage to property.
Consequential loss	Loss or damage that is not directly caused by an insured risk, but which is an indirect consequence or result of the insured risk.
Labour disturbance	<p>In the case of Slabbert Burger vs Sasria, disturbance in a labour context was defined as "an overt disturbance of the public peace in defiance of authority, leading to physical damage".</p> <p>Sasria will only consider a claim for loss or damage as a result of a labour disturbance if all four of the following elements are present:</p> <ul style="list-style-type: none"> <li>• A disturbance of the public peace;</li> <li>• Which happens openly, or which is clear upon observing;</li> <li>• In disobedience of authority; and</li> <li>• Which leads to physical loss or damage.</li> </ul>
Lockout	<p>According to section 213 of the Labour Relations Act (66 of 1995), a lockout means "the exclusion by an employer of employees from the employer's workplace, for the purpose of compelling the employees to accept a demand in respect of any matter of mutual interest between employer and employee, whether or not the employer breaches those employees' contracts of employment in the course of or for the purpose of that exclusion".</p> <p>This definition may be amended by South African law from time to time.</p>
Looting	<p>To steal goods, typically during a riot, strike or civil commotion. Looting must take place during an event that Sasria covers.</p> <p>Sasria does not cover theft.</p>
Policyholder	<p>The person(s) or juristic entity in whose name the policy is issued.</p> <p>A policyholder could be:</p> <ul style="list-style-type: none"> <li>• A holding company and all its subsidiaries (as set out in the Companies Act, 61 of 1973); or</li> <li>• A subsidiary of the holding company; or</li> <li>• An entity other than a company; or</li> <li>• A person or persons.</li> </ul>



Public disorder	A riot or other civil commotion that gives rise to a serious risk to public safety, whether at a single location or resulting from a series of incidents in the same or different locations.
Riot	<p>In terms of case law, riot means the tumultuous disturbance of public peace by an assembly of three or more persons acting together in the execution of some private objective.</p> <p>Sasria will only consider a claim for loss or damage as a result of a riot, if all four of the following elements are present:</p> <ul style="list-style-type: none"> <li>• Three or more persons who have assembled with the same objective;</li> <li>• A tumultuous disturbance of the public peace;</li> <li>• Which leads to strife, violence or threats of violence; and</li> <li>• Physical loss or damage.</li> </ul> <p>In terms of this definition, Sasria does not consider the violent acts of three or more people who have different objectives as a riot.</p>
Strike	<p>According to section 213 of the Labour Relations Act (66 of 1995), a strike means "the partial or complete concerted refusal to work, or the retardation or obstruction of work, by persons who are or have been employed by the same employer or by different employers, for the purpose of remedying a grievance or resolving a dispute in respect of any matter of mutual interest between employer and employee, and every reference to 'work' in this definition includes overtime work, whether it is voluntary or compulsory".</p> <p>This definition may be amended by South African law from time to time.</p>
Terrorism	<p>The unlawful use of violence and intimidation, especially against civilians, in the pursuit of political aims.</p> <p>Please note that Sasria cover does not extend beyond the borders of South Africa. In other words, if terrorism happens outside the borders of South Africa, Sasria does not cover that. Furthermore, Sasria does not cover consequential loss emanating from any acts of terrorism.</p>
Total loss	A vehicle is a total loss if the cost to repair the damage to the vehicle exceeds 70% of the retail value of vehicle.

## WHO do we cover?

The Motor policy covers the policyholder and any insured entity or person named in the schedule.

## Vehicles categories

Sasria covers any vehicle of the categories listed below, including accessories and spare parts fitted onto the vehicle.

### Motor category 1 (M1)

- Motor cars (business and private use only, not used for the conveyance of goods for trade purposes)

The term "motor cars" includes cars, SUVs, micro-buses, station wagons, safari vans, motorised caravans, minibuses, minivans and domestic trailers and caravans.

- Motor cycles (business and private use only, not used for the conveyance of goods for trade purposes)

Motorcycles, 3-wheeled vehicles, motorised wheel chairs, auto cycles, motor scooters, e-bikes, mechanically-assisted pedal cycles and unipeds.

- Light delivery vehicles (LDVs) (private use only)

The vehicle must be insured in the name of an individual and used solely for private purposes.

We cover a farmer's fleet of LDVs, provided that the vehicles are used for private purposes only, and each vehicle is listed on the schedule of the underlying motor policy.

The underlying policy must be endorsed as follows:

'It is warranted that the vehicle insured herein is used purely for private and domestic use and not used for the conveyance of goods for trade purposes.'

### **Motor category 2 (M2)**

- Motor cars (used for the conveyance of goods for trade purposes)

The term "motor cars" include cars, LDVs, micro-buses, station wagons, safari vans, motorised caravans, minibuses, minivans, caravans and domestic trailers, where such vehicles are used for the conveyance of goods for trade purposes.

- Motor cycles (used for the conveyance of goods for trade purposes)

Motorcycles, 3-wheeled vehicles, motorised wheel chairs, auto cycles, motor scooters, e-bikes, mechanically-assisted pedal cycles and unipeds, where such vehicles are used for the conveyance of goods for trade purposes.

- Non-registered types

Non-registered vehicles may be insured under the Motor section. These vehicles are described as manually assisted vehicles, such as, but not limited to, lawnmowers, golf carts, forklifts, goods-carrying trolleys, tractors with or without lifting apparatus, road rollers, quad bikes, tractors used for maintenance of recreational grounds, sprayers (disinfectant, sanitary and tar), water carts, road graders, scarifiers, sweepers, tower wagons and compressors.

### **Motor category 3 (M3)**

- Minibus

A motor vehicle designed or adapted for the conveyance of more than nine, but not more than 16 persons, including the driver.

- Midibus

A motor vehicle designed or adapted for the conveyance of more than 16, but not more than 35 persons, including the driver.

#### **Motor category 4 (M4)**

- Motor vehicles insured under an underlying Motor Trader policy and owned by, or in the custody or control of, a motor dealer, a panel beater, or the like.

#### **Motor category 5 (M5)**

- Buses

A bus means any vehicle designed or adapted for the conveyance of more than 35 persons, including the driver.

#### **Motor category 6 (M6)**

- Registered mobile plant

A vehicle designed to be used on a construction site and registered to be driven on a public road.

#### **Motor category 7 (M7)**

- Bus Rapid Transit system

A bus authorised to operate along a rapid transport lane in a bus rapid transport system, and which has a regulated floor height and door configuration designed to facilitate speedy access of passengers to and from dedicated boarding facilities.

#### **Motor category 8 (M8)**

A commercial vehicle with a gross vehicle mass of 3500kg and above, used for the conveyance of goods for trade purposes.

## **Relationship between vehicle and the policyholder**

For Sasria to cover loss or damage to a vehicle, the vehicle must be:

- Owned by the policyholder or an insured entity or person; or
- Leased by the policyholder or an insured entity or person; or
- A replacement vehicle that the policyholder or an insured entity or person is using while their own vehicle is with a service provider for a service, repairs or an overhaul.

## **What we cover**

Sasria will compensate you for the loss of, or damage to, a vehicle insured in the underlying policy, if that loss or damage is directly related to, or caused by:

1. Any riot, strike or public disorder or any act or activity which is calculated or directed to bring about a riot, strike or public disorder;
2. 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;
3. 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;

4. Any attempt to perform any act referred to in clauses 1, 2 and 3 above;
5. The act of any lawfully established authority in controlling, preventing, suppressing or, in any other way, dealing with any act or attempted act referred to in clauses 1, 2, 3 or 4 above;
6. Looting committed as part of the acts described in 1, 2, 3, 4 or 5 above.

## What we DON'T cover

Sasria does not compensate you for:

1. Any form of consequential or indirect loss or damage, depreciation of any nature, wear and tear, and any form of mechanical or electrical failure or breakdown;
2. Consequential loss or damage resulting from stopping work, totally or partially, or from delaying, interrupting or stopping any process or operation;
3. Loss or damage resulting from a lawful authority confiscating, commandeering or requisitioning insured property, permanently or temporarily, or any attempt to do so;
4. Loss or damage, in any way caused by, or contributed to, an act of terrorism that uses, or threatens to use, any nuclear weapon or device, or any chemical or biological agent;
5. Loss or damage, in any way caused by, or contributed to, war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, 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 a state of siege;
6. Any attempt to perform any act referred to in clauses 4 and 5 above;
7. The act of any lawfully established authority in controlling, preventing, suppressing or, in any other way, dealing with any act or attempted act referred to in clause 4 and 5 above;
8. 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 South African territory to which this policy applies;
9. Loss or damage for which you are liable in terms of a contract, unless you would have been liable for the damage in the absence of the contract;
10. Loss or damage caused directly or indirectly by a nuclear event. A nuclear event is an incident or accident involving the release of radioactive material with negative health and environmental effects.

If we reject a claim by reason of exclusion 5 or 8, you will have to prove that the loss or damage was not related to exclusion 5 or 8.

## Conditions

1. If an insured vehicle is a total loss, the policy will end from the date of such total loss and no refund of the premium will be payable to the policyholder.
2. If an insured vehicle is used to convey goods for trade purposes at the time of the loss or damage, and it is not insured in the correct Motor category, we will not be liable for such loss or damage to the vehicle.
3. You may cancel your Sasria Motor policy at any time, but no pro-rata refund of the premium will be payable if you were paying the minimum premium. See [Sasria Rates Schedule](#) to check if you were paying the minimum premium.
4. At the end of each period of insurance, you must declare all fleet vehicles insured under this policy so that Sasria can make a premium adjustment. You must give us the declaration within 45 days of the end of each period of insurance. We will refund you 50% of the premium or require you to pay the additional premium, as applicable.
5. You must provide your broker with a list of all vehicles insured under this policy as and when we request it.
6. If Sasria accepts liability for a claim under this policy, we extend cover to include damage to a third-party vehicle that is not insured with Sasria, but only if the incident took place while the third-party vehicle was driven on a public road.

## Compensation

There is no excess payable if you claim under your Sasria Motor policy.

### **In the event of a total loss:**

1. If an insured vehicle is less than 12 (twelve) months old, from the date of first registration, and the vehicle has travelled less than 2500km per month on average since the date of first registration, Sasria agrees to bear the costs of replacing the vehicle with a new vehicle of the same make and model (subject to the availability thereof). This applies only to vehicles not exceeding 3500kg gross vehicle mass.
2. For vehicles not meeting the condition in 1., the maximum compensation will be the lesser of the retail value (as reflected in the latest TransUnion Auto Dealer Digest) or the agreed value stated on the Sasria policy schedule.

### **Accessories or spare parts:**

If any spare part or accessory required for the repair of a vehicle is no longer available in South Africa, we will be pay you a sum equal to the value of the spare part or accessory at the time of the loss or damage. However, the compensation will not exceed the manufacturer's last listed price when the spare part or accessory was still available in the Republic of South Africa.

### **Towing and storage costs:**

If the insured vehicle is involved in an incident that Sasria covers, you must arrange towing and storage with the underlying insurer's authorised service provider. If Sasria accepts liability for the claim, we will refund the underlying insurer. We will also pay the reasonable cost to deliver the vehicle to your address in South Africa after repairs.



Company Registration number: 2005/029823/06

A licensed Non-Life Insurer and an  
Authorised Financial Services Provider

FSP Number 35914

December 2020

