



CIB ENGINEERING
MACHINERY BREAKDOWN,
MACHINERY BREAKDOWN
LOSS OF PROFITS &
DETERIORATION OF
STOCK
Policy Wording

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www.cib.co.za

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Underwritten by Guardrisk Insurance Company Limited (FSP No. 75) B-BBEE Level 1.

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PART 1

THE CIB SERVICE COMMITMENT

CIB (Pty) Ltd is underwritten by Guardrisk Insurance Company Limited. CIB undertakes professional conduct in underwriting **Your** insured risk and to provide exceptional claims service.

Since **Our** humble beginnings in 1994, **We** have grown in leaps and bounds and **We** intend on doing so over the years to come. CIB's visionary products and national business operations have certainly been key factors to **Our** success story, but the real foundation to **Our** success lies in the long-term relationships that **We** have established with brokers, clients and suppliers.

Should **You** have any query or complaint about this **Policy** or if **You** are in any way unhappy with the service **You** have received, please contact:

The Compliance Officer
Guardrisk Insurance Company Limited
PO Box 786015
Sandton 2146
Email: compliance@guardrisk.co.za

Alternatively, **You** can also refer to the **CIB COMPLAINTS AND COMPLIANCE INFORMATION** Section of this **Policy** for guidance in respect of **Your** rights.

Terms that appear in **bold** face type have special meanings. Please refer to the definitions for more information.

Please note that wherever applicable words stated in the singular are inclusive of plural and vice versa.

TREATING CUSTOMERS FAIRLY

We are required to pay due regard to the interests of **Our** clients and to treat **You** fairly.

The TCF ('Treating Customer Fairly') principles, of which there are 6 (six), aims to raise standards in the way **We** carry on **Our** business, by introducing changes that will benefit **You** and increase **Your** confidence in the financial services industry.

TCF endeavours to help **You** to fully understand the features, benefits, risks and costs of the financial product(s) **You** purchase, as well as to minimise the sale of unsuitable products by encouraging best practice before, during and after a sale of a financial product has taken place.

We will endeavour to encapsulate the vision of TCF into **Our** business model to bring **You**, **Our** valued customer, the best possible products and services at all times.

CIB's vision is to be 'the' preferred choice for professional brokers, when considering **Our** clients' business or personal insurance needs.

Our values are governed by **Our** behavioural and attitudinal traditions, which are entrenched in **Our** culture of

"WHAT CAN WE DO BETTER?"

"Understanding YOUR world, We offer insurance done properly, in a personalised way."

RELIABILITY, DRIVEN, CARING and a **POSITIVE ATTITUDE** have been identified as **Our** core values.

These form an essential part of **Our** business and dictate **Our** moral standing among **Our** people, the community and with **Our** clients.

PROTECTION AND SHARING OF PERSONAL INFORMATION

PROTECTION OF PERSONAL INFORMATION

Your personal information will only be processed in accordance with the legislation and principals contained in the Protection of Personal Information Act (POPIA). It is recorded that information relating to the parties to this **Policy** or to persons whose interests are protected by this **Policy** may be processed:

1. for the conclusion or performance of this **Policy**, or
2. to protect those interests, or
3. to comply with legal obligations, or
4. for pursuing **Our** legitimate interests or
5. in the interests of any third party to whom the information is supplied.

We will take all reasonable measures to ensure that **Your** personal information is safeguarded, stored and protected in accordance with POPIA and **We** will not misuse **Your** personal information for the purpose of any marketing campaigns or product offerings.

For further information please refer to **Our** Privacy Notice which is available on **Our** website www.cib.co.za.

SHARING OF INFORMATION

The South African Insurance Association (SAIA) created a shared database for storing insurance information. This shared information assists in limiting insurance fraud and to underwrite every risk fairly and to also to assess every risk.

By entering into this **Policy**, **You** appreciate, acknowledge and understand that **We** may obtain, reveal or share information (which may be inclusive of personal information) in order to investigate or assess any claim made under this **Policy** and for the purpose of preventing fraud and to underwrite **Your Policy**.

You warrant that:

1. **You** acknowledge that information for underwriting and claims purposes (for example, cover for items insured as well as the assessment of claims registered, however not limited to these examples), inclusive of credit information may be shared between Insurers / Insurance Providers and / or **Your** Insurance Broker / Intermediary and our service providers. The sharing of this information is required to conclude or perform in terms of this contract and /or the pursuing a legitimate interest and /or is in the best interest of the public as it enables Insurers / Insurance Providers and industry bodies to underwrite policies and assess risks fairly, to investigate and assess claims and to reduce the incidence of fraudulent claims with a view to limiting premiums and premium increases.
2. **You** acknowledge that the information provided by **You** may be stored in a shared database and used as set out above as well as for any decision pertaining to the continuance of **Your Policy** or the meeting of any claim **You** may submit.
3. **You** acknowledge that the information may be verified against legally recognised sources or databases.
4. **You** are aware of the fact that both credit information verification and / or criminal record checks may be requested by Insurers / Insurance Providers on the business, **Yourself** or any of **Your** directors, partners and / or employees.

YOUR RIGHTS

You are entitled to object to the use of **Your** personal information. However, such objection may result in **Us** being unable to facilitate insurance cover or to assess a claim in terms of the **Policy**.

You have the right to:

1. access **Your** information in accordance with the Promotion of Access to Information Act (2 of 2000) as substituted from time to time,
2. object to the processing of **Your** personal information,
3. lodge a complaint to the Information Regulator.

CORE INFORMATION & RESPONSIBILITIES OF THE POLICYHOLDER

It is important to understand that all parts of this **Policy** must be read in conjunction with the **Schedule** as well as any **Annexures** as applicable.

It is also important for **You** to understand the terminology that forms part of this **Policy** and to recognise the various limitations, **Terms and Conditions**.

The **Terms and Conditions** are the rules that **You** have to adhere to in order for the **Policy** to respond to a valid claim. These rules can be found in the **Policy, Schedule, Annexure** and endorsements as well as any renewal correspondence containing notice of change to cover or requirements.

We have, as far as possible, endeavoured to present the **Policy** in plain language to not only offer **You** peace of mind, but to also ensure that **You** are and remain informed about **Our** various legal and operational procedures.

PROVIDE US WITH ACCURATE INFORMATION AND MATERIAL FACTS

ACCURATE INFORMATION

Although every effort is made to ensure the accuracy of all the covers pertaining to **Your** specific needs, **You** must verify that the **Schedule** accurately reflects:

1. the cover which **You** requested,
2. **Your** current contact as well as address information,
3. the correct nature of **Your Business** activities (inclusive of all subsidiary affiliations),
4. the **Insured Property** as well as the insured values thereof.

You must contact **Us** immediately should there be any amendments that **You** wish to make to the cover or to inform **Us** of any change in **Your** contact or address information, the nature of **Your Business** activities or the **Insured Property**.

This could affect the **Terms and Conditions** of the cover provided to **You**.

Your obligation to supply **Us** with accurate information is inclusive of information regarding **Your** financial situation, for example, debt review and insolvency inclusive of information regarding any criminal offences whether **Yours**, that of **Your** members, directors and partners, however not limited to these examples.

MATERIAL FACTS

You are required to disclose to **Us** all **Material Facts** at the commencement of the insurance cover under this **Policy** and at any renewal or variation of such insurance cover.

The **Material Facts** are inclusive of but not limited to:

1. having knowledge of an event / circumstances which may give rise to a claim under this **Policy**,
2. non-compliance with any laws,
3. financial soundness for example: debt review, insolvency, defaults, sequestration and / or judgments,
4. criminal offences,
5. manner of building construction for example: tiled roof vs. thatched,
6. any **Vacant** / abandoned or **Unoccupied** buildings,
7. location of insured premises,
8. previous claims history,
9. security measures implemented,
10. building is let or sublet,
11. mergers and/or acquisitions,

You are also required to disclose to **Us** any new **Material Facts** or changes in the **Material Facts** after the commencement of the insurance cover under this **Policy** and throughout the period in which such insurance cover is in force as this may affect whether

You are entitled to insurance cover under this **Policy**, the premium to be charged for such insurance cover and other **Terms and Conditions** on which such insurance cover is provided to **You**.

You must inform **Us** immediately of any change in the risk covered by this **Policy**. Should there have been any material change in the risk, then **We** may amend the cover and premium from the date of the change or cancel the cover.

Please note that:

1. any proposal and declaration made by **You** or on **Your** behalf is part of the information and **Material Facts** which **We** rely upon in our decision to accept the risk under this **Policy**, the **Terms and Conditions** which will apply and the premium to be charged.
2. If **You** fail to comply with **Your** above stated obligations in relation to accurate information and / or **Material Facts**, **We** may be entitled to void the entire **Policy**, a **Section** of the **Policy** or an item insured in terms of the **Policy** or reject any claim under this **Policy**.

DUTY TO TAKE REASONABLE STEPS AND PRECAUTIONS

You must take all reasonable steps and precautions to ensure that the risk of any event which may result in any claim, claim or losses indemnifiable under this **Policy** are prevented or minimised as far as possible.

You must take all reasonable steps and precautions to mitigate the extent of any loss suffered.

If **You** fail to comply with **Your** above stated obligations to take all reasonable steps and precautions, **We** may be entitled to reject any claim under this **Policy**.

VARIATIONS TO YOUR POLICY

You are allowed to request a change to the **Policy** at any time. Please note that the changes requested may require **Us** to amend the **Terms and Conditions** of the **Policy** and could affect the premium payable.

In certain instances, **We** will make changes to the **Policy** or impose certain **Terms and Conditions** (refer to General Conditions headed: Corrective Action and Suspension of Cover), however when **We** do this **We** will provide **You** with 31 days' written notice to **Your** agent / broker of **Our** intention to amend the **Policy** and the reasons for doing so.

If there is a material change in risk, **We** are entitled to effect amendments immediately.

CIB COMPLAINTS AND COMPLIANCE INFORMATION

Customer gratification is an integral part of the CIB culture and **We** appreciate **You** bringing **Your** concerns to **Our** attention. By doing so will not only allow **Us** to eradicate defective service delivery, but most importantly will enhance the service excellence which **We** at CIB aspire to bring to **You** as a valued patron.

Our Complaints Resolution Policy is based on provisions as set out in the General Code of Conduct for Authorised Financial Service Providers and Representatives which forms part of the Financial Advisory and Intermediary Services Act 37 of 2002, the Rules on Proceedings of the Office of the Ombud for Financial Service Providers, of 2003, Treating Customers Fairly, The Policyholder Protection Rules (where applicable) as well as the SAIA Code of Conduct (however not limited to these examples).

Please refer to the disclosure notice contained at the end of **Your Schedule** for details regarding **Our** Compliance and Complaints information.

What are **Our** obligations?

We must ensure that the following is adhered to:

1. record of such **Complaints** should be maintained for a period of 5 years,
2. address **Complaints** from **You** in a timely and fair manner,
3. take steps to investigate and respond promptly to **Complaints**,
4. should **Complaints** not be resolved to **Your** satisfaction, **We** must inform **You** of **Your** rights.

What is the definition of a **Complaint**?

A **Complaint** relates to a specific service rendered by **Us**, and must allege that **We** have:

1. contravened any provisions of Regulations and as a result **You** have suffered a financial loss, or
2. negligently provided a service to the prejudice of the complainant, or
3. treated the complainant unfairly, or
4. any other form of complaints.

How to address **Your** concerns to **Us**?

We aim to consistently deliver a professional service to **You** and if **We** have dissatisfied **You** in any manner **We** need to hear about this.

As all **Complaints** should be submitted in writing, where possible, **We** kindly request that **You** either complete **Our** online form on **Our** webpage www.cib.co.za, or alternatively **You** may email **Your** complaint to **Us** at complaints@cib.co.za.

Kindly ensure that all supporting documents are attached to **Your Complaint** to enable **Us** to attend to **Your** concerns timeously.

Should **You** not be satisfied with **Our** decision?

When **You** are notified of the outcome of the **Complaint**, **You** have the right to have such a decision reviewed by way of an appeal process. If **You** wish to have a decision regarding a **Complaint** reviewed:

1. **We** will treat it as a dispute.
2. When a decision has been made, **We** will respond to **You** in writing giving:
 - 2.1. reasons for the decision,
 - 2.2. information about how to access alternative dispute resolution or policyholder recourse mechanisms and the time frame in which to do so.

Your rights should You be dissatisfied with the outcome of Our dispute resolution?

Should **You** not be entirely satisfied with the outcome of **Our** dispute resolution and feedback provided is not in **Your** favour, **You** may make representation to the Insurer (Please refer to the disclosure notice contained at the end of **Your Schedule** for details of the Insurer) in writing.

You are reminded that **You** may:

1. make representation to the Regulatory entities noted on the Disclosure Notice of **Your Schedule** should **You** not be satisfied with the outcome of **Your** representation to the Insurer,
2. re-direct **Your** complaint and all supporting documents to the Regulatory entities noted on the Disclosure Notice of **Your Schedule** , in writing, within 6 (six) months on receipt of such feedback from **Us**:

We invite any feedback or suggestions as to how **We** can improve **Our** complaints resolution process. Please send **Your** suggestions to complaints@cib.co.za.

PART 2

GENERAL OPERATIVE CLAUSE

Subject to **You** having paid the premium and **You** complying with all the **Terms and Conditions** of this **Policy**, **We** will provide **You** with the cover subject to the **Terms and Conditions** as set out in this **Policy** up to the Sums Insured or Limits of Indemnity as the case may be (provided that cover has been elected or provided for under the **Policy**).

GENERAL CONDITIONS, EXCLUSIONS AND PROVISIONS

DEFINITIONS

Unless stated otherwise in any **Section**, for the purpose of this **Policy** and wherever these appear, the below mentioned definitions bear reference and apply.

Annual Period	means the 12 month period from the start date of Your Policy until the next Renewal Date stated on Your Schedule .
Business	means the nature and scope of Your trading activities specified in the Schedule .
Insured Property	means any tangible property whether immovable and / or movable stated to be included as such in the Schedule .
Material Fact	means any information or fact, irrespective whether specifically asked for or not, which could influence Our acceptance of the risk under this Policy , the Terms and Conditions which will apply or the premium to be charged for such risk.
Period of Insurance	means the period as stated on Your Schedule .
Schedule	<p>means the document which sets out the details of the insured risk inclusive of all Sums Insured, covers elected, extension limits and excesses.</p> <p>Where the Schedule contains amendments to the Policy these will override the Policy.</p> <p>For the purpose of this definition, the Schedule will be issued in the following instances:</p> <ol style="list-style-type: none"> 1. Inception of a new policy, or 2. Renewal of terms, or 3. Variation.
Section	means Section 1: Machinery Breakdown, Section 2: Deterioration of Stock and Section 3: Machinery Breakdown Loss of Profits which is set out in Part 3 hereof and only applies if shown in the Schedule with a related premium and which must be read in conjunction with Part 1 and Part 2 of this Policy .
Terms and Conditions	means all the terms, conditions, exclusions, extensions, limitations and all other clauses forming part of this Policy .
the Policy / this Policy	means this document which sets out the Terms and Conditions on which the insurance cover is provided under this Policy .
Variation	means any amendment requested by You inclusive of any person acting on Your behalf to effect changes to an item / Section or any amendment which We introduce.

We / Us / Our / the Insurer	<p>means Guardrisk Insurance Company Limited and / or CIB (Pty) Ltd the Underwriting Manager on its behalf.</p> <p>Guardrisk is a registered Insurer for the purposes of the Short-Term Insurance Act No 53 of 1998 (as amended) and a licensed Financial Services Provider for the purposes of the Financial Advisory and Intermediary Services Act No 37 of 2002 (as amended from time to time) [FAIS].</p>
You / Your / Yours / Yourself / the Insured	<p>means the entity or person identified in the Schedule as the Insured, or as more specifically defined in the specific Sections.</p>

CO-INSURANCE

The same assets will generally not be insured by more than one insurer, as this could possibly lead to what is known as “dual insurance”. However, it is possible in certain circumstances that Co-insurance agreements are negotiated between insurers. (Refer to Part 2 - General Conditions headed Other / Dual Insurance and Collective Insurances).

Therefore, where more than one insurance company or insurer participates in this insurance, the expression “**Us**” will be amended to “**We / Our**” wherever it appears in this **Policy**. In this event the percentage share will be as expressed in the **Schedule** of this **Policy** and the liability of each individual insurance provider will be limited to the percentage share set against its name.

TERMS AND CONDITIONS

Certain of the **Terms and Conditions** in the **Policy** are listed in the General Section (Part 2) of the **Policy** and apply to the **Section**.

Further to the above, there may be **Terms and Conditions** that apply to the **Section** only.

In the event of any conflict arising between the **Terms and Conditions** that apply to the **Section** and the **Terms and Conditions** that apply to the **Policy**, the **Terms and Conditions** that apply to the **Section** will prevail.

It is further noted and agreed that compliance with the **Terms and Conditions** is a condition precedent to **Our** liability under the **Policy**.

GENERAL CONDITIONS

Subject to the provisions of Section 55 of the Short Term Insurance Act No 53 of 1998 and relevant insurance legislation as it may be amended from time to time:

1. MISREPRESENTATION, MISDESCRIPTION AND NON-DISCLOSURE

Any misrepresentation, misdescription or non-disclosure of any **Material Facts** as at the date on which the insurance cover under this **Policy** commences, is renewed or varied will entitle **Us** to void the insurance cover under this **Policy** for:

- 1.1. the particular item, or
- 1.2. the Sub- Section, or
- 1.3. the **Section**, or
- 1.4. this entire **Policy**

For the duration of the **Policy**, **You** continue to have an ongoing obligation to disclose to us any new or change in any **Material Facts**. **You** must inform **Us** immediately of any change in the risk covered by this **Policy**.

Any misrepresentation, misdescription or non-disclosure of any **Material Facts**, will entitle **Us** to reject any claim under this **Policy**.

2. OTHER / DUAL INSURANCE

2.1. Subject to the principle that insurance is not intended to place **You** in a better position than **You** were in before a claim or event giving rise to a claim and if at claims stage or after settlement of a claim **We** find that **You** were insured against the same cover provided for by a different insurance provider, then **We** have the option to:

- 2.1.1. pay the full claim and arrange with the other insurance provider to be compensated for their rateable proportion, or arrange with the other insurance provider to each pay their rateable proportion due by each

within a reasonable time,

2.1.2. refund premiums in accordance with the respective rateable proportion of the risk, where appropriate.

If any such other insurance is subject to any Condition of Average (“under insurance”) then this **Policy**, if not already subject to Conditions of Average (“under insurance”), will be subject to the application of Average (“under insurance”) in a likewise manner.

2.2 Should **You** be entitled to compensation through any other Act / fund then **We** will reserve the right to adjust **Our** settlement in accordance therewith.

3. CANCELLATION

This **Policy** may be cancelled at any time by:

3.1. **Us** giving **You** 31 days’ notice in writing or such other period as may be mutually agreed and / or otherwise prescribed by this **Policy**,

3.2. by **You** giving immediate notice,

3.3. **Us** giving immediate notice due to misrepresentation, misdescription and non-disclosure of **Material Facts**, a material change in risk or fraudulent, wilful, deliberate or reckless acts.

When **You** cancel, **We** will be entitled to retain the customary short period or minimum premium for the **Annual Period** or the period that a **Section** has been in force. When **We** cancel, **You** will 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 the cancellation not being due to (3.3.) above.

4. POLICY PERIOD

4.1. Monthly

4.1.1. The initial period of a **Monthly Policy** is as shown on the **Schedule** and commences from the inception / start date and continues until the last day of that calendar month in which the inception / start date occurs.

4.1.2. Thereafter, the **Period of Insurance** will be one calendar month and will run monthly until the Renewal Date reflected in the **Schedule**.

4.1.3. Once Renewal of **Your Policy** is mutually agreed the **Policy** will run monthly as indicated in (4.1.1.) and (4.1.2.) until the next **Policy** Renewal.

4.2. Annual

4.2.1. The initial period of an **Annual Policy** is as shown on the **Schedule** and commences from the inception / start date and continues to the last day of the month preceding the Renewal Date reflected in the **Schedule**.

4.2.2. Thereafter, the **Period of Insurance** will be for 12 months and will run until the Renewal Date reflected in the **Schedule**.

4.2.3. Once Renewal of **Your Policy** is mutually agreed the **Policy** will run annually as indicated in (4.2.1.) and (4.2.2.) until the next **Policy** Renewal.

5. PAYMENT OF PREMIUM

Premium is payable on or before the commencement date or renewal date, as the case may be, of **Your Policy**. **We** will not be obliged to accept premium tendered after the Inception Date or Renewal Date as the case may be but do so upon such terms as **We**, at **Our** sole discretion, may determine.

5.1. Debit Orders

We will allow **You** to choose a date for **Your** insurance premium to be collected from **Your** bank. The dates available are the 1st, 7th or 15th of each month (called **Your** debit order collection date). On this date (or the closest working day to it), the monthly premium will be debited, by **Our** collection agency, from **Your** bank account.

It is important to remember that **Your** account needs to have enough funds available in order for the debit order not to return unpaid.

5.2. Ad-Hoc premiums

It is important to remember that **We** also collect ad-hoc premiums, unless otherwise agreed, where a new **Policy** has been activated or an amendment / addition has been made to **Your Policy** that created an outstanding Debit amount.

The ad-hoc premium collection from **Your** bank account may not necessarily co- inside with **Your** selected Debit Order Collection Date – as explained above.

Therefore, any ad-hoc premium in excess of R100.00 will be collected by way of an ad-hoc collection within 7 days from the date of inception or amendment / addition.

Example:

You activate **Your** new policy with **Us** on the 1st of the month, however, **You** selected a debit order collection date of the 15th of every month. Since **We** collect ad-hoc premiums 7 days after the activation of a new policy, **Your** first premium for **Your** new policy will be collected BEFORE the 15th of the month.

5.3. Cooling Off Period

Definitions

For the purpose of this **Cooling Off Period** Clause, the below mentioned definitions apply:

Cooling Off Period	<p>means:</p> <ol style="list-style-type: none"> 1. 14 days from the date that You receive Your Schedule and Policy “Policy Contract” by the means elected by You to receive correspondence, or 2. 14 days from when it can be reasonably expected that You received Your Policy Contract whichever period occurs later. <p>Unless You can substantiate to Our satisfaction that the Policy Contract was received during a period which would prevent You from exercising Your right to the Cooling Off Period defined in (1.) above, the term “reasonably expected” will not exceed a period of 30 days from inception / renewal / variation (as the case may be), of the Policy Contract.</p>
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You may cancel **Your Policy** in writing during the **Cooling Off Period** after inception of a new **Policy**, or after renewal of a **Policy**, or after **Your** request to vary the **Policy**.

If **You** decide to cancel **Your Policy** within the **Cooling Off Period**, then the premium paid from the date of inception, or renewal, or **Variation** will be refunded to **You**, subject to the deduction of the cost of any risk cover enjoyed during this period.

Please note:

The **Cooling Off Period** does not apply and cannot be exercised by **You**:

1. if an event which may result in a claim has occurred during the 14 (fourteen) day period, or
2. if a claim has been made, or
3. if a claim has been registered, or
4. where any amount has already been paid in terms of the **Policy**.

5.4. Unpaid Premiums

We need to receive premium in order for **Your** cover to remain active. If the premium continues to be unpaid, and **You** do not contact **Your** insurance broker, **Your Policy** may be cancelled.

In the event of 2 unpaid debit orders no further debits will be deducted from **Your** bank account and cover will cease.

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

The premium is due in advance and, if it is not received by **Us** by the due date, this insurance will be deemed to have been cancelled at:

- 5.5.1. midnight on the last day of the preceding **Policy Period**; unless the Policyholder Protection Rules apply to **You** (please refer to (5.6.1.) – Monthly Debit Payments below),
- 5.5.2. **You** can show **Us** that failure to make payment was an error on the part of **Your** bank or other paying agent.

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

- 5.5.3. each 3rd,
- 5.5.4. each 6th, or
- 5.5.5. each 12th calendar month following inception where premium is payable quarterly, half-yearly or annually.

5.6. **Monthly Debit Payments**

You must pay **Your** monthly premium by debit order. **We** will present **Your** debit order to **Your** paying agent on the date reflected in the **Schedule**.

5.6.1. The premium is payable in advance and must be paid on the due date which is the first day of every month or as otherwise agreed.

- 5.6.1.1. The **Policy** is automatically renewed for a further month every time **You** pay the premium which must be paid on the due date.
- 5.6.1.2. Non-payment of the premium in the month of inception (in the first month), for whatever reason, will result in the **Policy** being voided from the date of inception.
- 5.6.1.3. If the Policyholder Protection Rules apply to **You**, if **We** do not receive the premium by the due date, as shown in the **Schedule** then:
 - 5.6.1.3.1. **You** will be entitled to a grace period of 15 days after the due date (except in the first month of insurance) in which to pay the premium. If the premium is unpaid and only if the reason is due to “insufficient funds” and for no other reason, it will remain payable and **We** may:
 - 5.6.1.3.1.1. recollect by way of an Ad Hoc collection, or
 - 5.6.1.3.1.2. submit two debit orders at the next request for payment, in respect of the unpaid debit order as well as the normal one for the new month.
- 5.6.1.4. In the event that either the recollection is unsuccessful (and the 15 day grace period has lapsed) or the next two debit orders are unsuccessfully collected, the **Policy** will automatically be cancelled.

5.6.2. **Yearly payment in cash**

If according to the **Schedule** this is an annual **Policy**, this **Policy** is then valid for one year.

- 5.6.2.1. The **Policy** may be renewed on the Renewal Date indicated on the **Schedule** if **You** pay the premium on or before the Renewal Date. This Renewal Date will be the due date for payment of the premium.
- 5.6.2.2. If **We** do not receive the premium on the due date, or within 15 (fifteen) days thereafter, for whatever reason, the **Policy** will automatically lapse and there will be no cover from the date of renewal.
- 5.6.2.3. If **We** did not receive the premium in the month of inception (in the first month), for whatever reason, the **Policy** will void from the first inception date.
- 5.6.2.4. If there is a total loss during the **Annual Policy Period**, the premium remains due to **Us** and is therefore not refundable.

5.7. **No premium refund after maximum compensation (applicable to annual policies only)**

If **We** indemnify **You** for a claim up to the total sum insured or limit of compensation or value of the item claimed, then **We** will not refund premium to **You** for the remainder of the **Policy Period** for that event or item. (Applicable to Annual policies or items where special terms have been imposed separately)

5.8. **Adjustment of Premium**

If the premium for any **Section** of this **Policy** has been calculated on any estimated figures, **You** will after the expiry of each period of 12 consecutive months from the Inception Date or Renewal Date shown in **Your Schedule**:

- 5.8.1. furnish **Us** with such particulars and information as **We** may require for the purpose of recalculation of the premium for such period and
- 5.8.2. any difference will be paid by or to **You** as the case may be.

6. **DUTY TO TAKE REASONABLE STEPS AND PRECAUTIONS**

You must at all times and at **Your** own expense, take all reasonable steps and precautions in:

- 6.1. maintaining the **Insured Property** in good condition and repair,
- 6.2. safeguarding the **Insured Property** and ensuring that every item is afforded a level of care and protection commensurate with its value,
- 6.3. preventing or minimising the risk of any claim under this **Policy**, inclusive of but not limit to, compliance with and adherence to any laws or regulations which are material to the risk, and
- 6.4. minimising or mitigating the extent of any claim under this **Policy**, after an event occurs which may result in such a claim.

The expenses incurred by **You** in compliance with **Your** duty as set out above will not be recoverable under this **Policy** unless they are specifically stated to be so included.

For this Condition, the term **You** is inclusive of any person representing **You** or acting on **Your** behalf or with **Your** authority.

If **We** allege that **You** have failed to comply with **Your** duty as set out above, the onus of proving the contrary will rest upon **You** and **We** are entitled to reject **Your** claim.

7. **CLAIMS**

7.1. **Notice**

When an event happens, which may result in a claim under this **Policy**, then **You** must do the following at **Your** own expense or **You** will forfeit **Your** right to so claim:

7.1.1. **You** must notify **Us** as soon as reasonably possible after the event but not later than 30 days after the occurrence thereof and provide **Us** with:

- 7.1.1.1. full written details of the event as well as all supporting documentation / evidence pertaining to the potential claim under this **Policy**, and
- 7.1.1.2. details of any other insurance policy which may also provide insurance cover for the event.

7.1.2. **You** must supply **Us** with such proofs, information, proof of ownership, value of items concerned and / or sworn statements not later than 14 days after **We** have requested it.

7.1.3. **You** must report to the police:

- 7.1.3.1. within 48 hours, or as soon as reasonably possible, any crime and take all reasonable steps to discover the guilty party and to recover any property,
- 7.1.3.2. within 24 hours, any accident which occurs on a public road.

Claim forms are readily available and can be obtained from **Your** insurance broker or from **Our** webpage www.cib.co.za.

7.2. Settlement of Claims

- 7.2.1. **We** decide whether **We** want to settle **Your** claim for loss or damage by repairing or replacing or by paying the replacement value (or a combination of the three) less the value of the damaged property, but subject always to the limit of indemnity stated in the **Schedule / Annexure**.
- 7.2.2. Whether **We** decide to pay, reinstate, replace, or repair, **We** will not be obliged to do so exactly, but only as the circumstances reasonably allow. The principle of indemnity applies to putting **You** in a position equal to what **You** were in, taking all factors into account, but not better or more extensive. **You** cannot profit from a claim, receive double payment or enrich **Your** financial position.
- 7.2.3. Before, **We** finalise or settle any claim under this **Policy**, **We** may require **You** to sign an agreement of loss.
- 7.2.4. **We** are entitled to take over and conduct, in **Your** name, the defence or settlement of any claim being made against **You** and will have full discretion in the conduct of any proceedings and in the settlement of any claim against **You** and **You** will give **Us** all such information and assistance as **We** may reasonably require. **We** may at any time pay to **You** the limit of indemnity applicable to any claim being made against **You** or any lesser amount for which **We** can settle such claim and **We** will then have no further liability under this **Policy** in relation to such claim.
- 7.2.5. All claims will be paid by means of Electronic Funds Transfer (EFT) and all cash settlements will be paid into the account from which the **Policy** premium has been paid unless specifically agreed otherwise by **Us**.

8. OUR RIGHTS AFTER AN EVENT AND SUBROGATION

- 8.1. On the happening of any event in respect of which a claim is or may be made under this **Policy**, **We** and every person authorised by **Us**, without thereby incurring any liability and without diminishing **Our** rights to rely upon any **Terms and Conditions** of this **Policy**, **We** have the right to:
 - 8.1.1. take, enter or keep possession of any property being the subject of a claim and deal with it in any reasonable manner,
 - 8.1.2. **You** may not dispose of any such property without **Our** consent. This Condition will be evidence of **Your** leave and licence to **Us** to do so. **You** will not be entitled to abandon any property to **Us** whether taken possession of by **Us** or not,
 - 8.1.3. take over and conduct in the defence or settlement of any claim and institute action in **Your** name for **Your** benefit any claim whether for indemnity or otherwise and **We** will have full discretion in the conduct of any proceedings and in the settlement of any claim,
 - 8.1.4. in respect of any claim for injury under this **Policy** where such cover is granted, **You** are required to provide all certifications, medical records and reports, information and evidence required by **Us** at **Your** expense, and any injured person will as often as required by **Us** submit to medical examination at **Our** expense. **We** will in the case of death be entitled to have a post mortem examination performed,
 - 8.1.5. **You** must do or allow **Us** to do, at **Our** expense, everything that may be necessary, or reasonably required by **Us**, for the purpose of imposing any rights and remedies alternatively obtaining relief or indemnity from other parties to which **We** become entitled or subrogated upon paying for or making good any claim under the **Policy**, whether such acts or things will be or become necessary or required before or after the indemnification by **Us**, to enforce the right to claim on **Your** behalf and in **Your** name. If **You** fail to adhere to the aforesaid, then **You** may lose all benefits under this **Policy** and / or be required to repay **Us** any benefit that **You** have received,
 - 8.1.6. in respect of any **Section** of this **Policy** under which indemnity is provided for liability to third parties, **We** may upon the happening of any event, pay **You** 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 **We** will thereafter not be under further liability in respect of such event.
 - 8.1.7. When **We** settle a claim, then **Your** rights to claim against other people are automatically transferred to **Us**.

9. CORRECTIVE ACTION

We may after a claim review the terms of this **Policy** with due consideration of any notice period required.

10. PRESCRIPTION PERIODS (TIME LIMITS)

10.1. No claim under this **Policy** will be payable after the expiry of 12 months or such further period as **We** may, in writing, allow, from the date of the happening of the event which resulted in such claim unless the claim is the subject of pending legal action or is a claim in respect of **Your** legal liability to a third party.

10.2. Once **We** inform **You** of **Our** decision on any claim under this **Policy** (whether it is a rejection, a partial rejection, the dispute about the quantification of the claim or otherwise) **You** will have 90 days to make representations to us about **Our** decision. Following the expiry of the 90 day period and irrespective of whether representations have been made during this period, **You** will have 180 days within which to serve legal action on **Us**, failing which **Your** right to challenge the decision is forfeited and **You** will have no further claim or recourse against **Us**.

11. NON CO-OPERATION FOLLOWING A CLAIM

You must submit all forms and documentation requested by **Us** to enable **Us** to verify and investigate **Your** claim or an event that may result in a claim.

Failure by **You** to comply with **Our** reasonable requests and with the provisions of the **Claims** conditions may result in the rejection of such claim. **You** will be responsible for the costs incurred in **Our** attempts to process such claim.

12. RECOVERY

12.1. If, after payment of a claim in respect of lost or stolen property, such property is located or recovered, **You** will render all assistance and cooperation in the identification and in the physical recovery and safe keeping of such property.

12.2. **We** will pay for the reasonable cost in identifying such property.

12.3. Failure to assist **Us** in the recovery and safe keeping of such property will result in **You** becoming legally liable to repay **Us** all payments and expenses in respect of the claim.

12.4. If the property was successfully recovered then **We** will be the rightful owner of the property.

13. AMOUNTS PAYABLE BY YOU

You will be liable for the Excess amount.

The "Excess" is the amount **You** must pay before **We** settle any claim. The **Policy / Schedule / Annexure** will show whether an Excess applies. If the Excess is based on a percentage of the loss or damage, the percentage will be applied to the gross amount of the loss or damage that has occurred.

13.1 A basic Excess is payable on each and every claim unless indicated otherwise on the **Schedule / Annexure**,

13.2 Where a claim arises under more than one **Section** of this **Policy**, the Excess payable by **You** for each and every **Section** will apply. Where more than one Excess is payable by **You**, under a specific **Section**, only the largest Excess will apply – unless indicated otherwise on the **Schedule / Annexures**.

13.3 An additional Excess may be applicable if indicated in the **Schedule**. The total Excess will be calculated by adding together the basic and additional Excesses and then deducting the sum of these Excesses from the gross claim amount. Additional Excesses mean voluntary as well as compulsory Excesses such as age Excess or similar Excesses stated in the **Schedule**.

14. FRAUDULENT, WILFUL, DELIBERATE OR RECKLESS ACTS

All rights of indemnity under the **Policy** will be forfeited if any claim is:

14.1 in any respect fraudulent; or

14.2 if any fraudulent means or devices are used by **You** or anyone acting on **Your** behalf or with **Your** knowledge, or consent to obtain any benefit under this **Policy**; or

14.3 information or documents in support of a claim, whether created by **You** or on **Your** behalf is not true, is not complete or is fraudulent, or

14.4 or if any event is occasioned by **Your** wilful, deliberate or reckless acts or participation, or

14.5 the quantum of a claim is deliberately exaggerated by **You** or anyone acting on **Your** behalf.

We will be entitled to cancel **Your Policy** with immediate effect in all instances of fraudulent, wilful, deliberate, or reckless acts.

15. REINSTATEMENT OF COVER AFTER LOSS

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

16. BREACH OF CONDITIONS

The Conditions of this **Policy** and **Sections** thereof will apply individually to each of the risks insured and not collectively to them so that any breach of or non-compliance with any Condition of this **Policy** will render voidable the **Section** or item only in respect of the risk to which the breach applies.

17. NO RIGHTS TO OTHER PERSONS - UNLESS OTHERWISE PROVIDED:

17.1 Nothing in this **Policy** will give any rights to any person other than **Yourself**.

17.2 Any extension providing indemnity to any person other than **Yourself** will not give any rights of claim to such person, the intention being that **You** will claim on behalf of such person.

17.3 Receipt by **You** will in every case be full discharge by **Us**.

18. COLLECTIVE INSURANCES

If this insurance is a collective insurance then the following amendment is made to General Condition headed Claims **You** must supply the lead insurer on behalf of such collective insurers such proofs, information and sworn declarations as the collective insurers may require and forward to the lead insurer immediately any notice of claim or any communication, writ, summons or other legal process issued or commenced against **You** in connection with the event giving rise to the claim” and General Condition headed Our Rights After an Event and Subrogation is substituted by the following:

8. COMPANY’S RIGHTS AFTER AN EVENT AND SUBROGATION

- 8.1.1. take, enter, or keep possession of any property being the subject of a claim and deal with it in any reasonable manner,
- 8.1.2. **You** may not dispose of any such property without the lead insurer’s consent. This Condition will be evidence of **Your** leave and licence to the lead insurer to do so. **You** will not be entitled to abandon any property to the lead insurer whether taken possession of by them or not,
- 8.1.3. take over and conduct in the defence or settlement of any claim and institute action in **Your** name for **Your** benefit any claim whether for indemnity or otherwise and the lead insurer will have full discretion in the conduct of any proceedings and in the settlement of any claim,
- 8.1.4. in respect of any claim for injury under this **Policy** where such cover is granted, **You** are required to provide all certifications, medical records and reports, information and evidence required by the lead insurer at **Your** expense, and any injured person will as often as required by the lead insurer submit to medical examination at their expense. The lead insurer will in the case of death be entitled to have a post mortem examination performed.
- 8.1.5. **You** must do or allow the lead insurer to do, at their expense, everything that may be necessary, or reasonably required by the lead insurer, for the purpose of imposing any rights and remedies alternatively obtaining relief or indemnity from other parties to which the lead insurer would become entitled or subrogated upon paying for or making good any claim under the **Policy**, whether such acts or things will be or become necessary or required before or after the indemnification by them, to enforce the right to claim on **Your** behalf and in **Your** name. If **You** fail to adhere to the aforesaid, then **You** may lose all benefits under this **Policy** and / or be required to repay the lead insurer any benefit that **You** have received,
- 8.1.6. in respect of any **Section** of this **Policy** under which indemnity is provided for liability to third parties, the lead insurer may upon the happening of any event, pay **You** 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 lead insurer will thereafter not be under further liability in respect of such event,

- 8.1.7. when the lead insurer settles a claim, then **Your** rights to claim against other people are automatically transferred to the lead insurer.

19. CONSTRUCTION REQUIREMENTS, STATUTORY LAWS AND MAINTENANCE

You warrant that **You** comply with all laws, regulations, by-laws and rules that apply to **Your Business** or for any other cover provided in this **Policy**.

It is a Condition of this **Policy** that any construction on **Your Insured Property** conforms to all relevant laws of the Republic of South Africa inclusive of laws and / or regulations of countries that fall within the approved territorial limits of this **Policy** for example, National building regulations, NHBRC regulations, municipal by-laws (however not limited to these examples).

19.1 **We** require that:

- 19.1.1 **You** comply with all the relevant laws, by-laws, statutory regulations and best practises that may be applicable to **Your** nature of **Business** / activities.
- 19.1.2 Buildings and structures be built in accordance with the relevant legislation to which it is subject.
- 19.1.3 **You** maintain buildings and service all tools, machinery and equipment used in a sufficient condition according to the manufacturer's specifications to ensure that they are in a proper working condition at all times.
- 19.1.4 All generators, gas, electric fences and other similar electrical installations be performed by qualified personnel and **You** must receive a certificate of compliance for all of these installations and others that are required by law.

We may require that **You** provide evidence in support of the above requirements it being understood that **Your** failure to comply with the regulations and / or laws construction requirements, statutory laws and maintenance may result in **Your** claim not being paid.

20. ILLEGAL USE AND / OR OCCUPATION OF INSURED PROPERTY

In the event of any occupation of or use of **Your** premises that results directly or indirectly from the contravention of any laws of the Republic of South Africa inclusive of laws and / or regulations of countries that falls within the approved territorial limits of this **Policy**, for example: public policy, municipal by-laws (however not limited to these examples) will result in cover being suspended from the date of such occupation or use.

If **We** allege that, by reason of illegal use and / or occupation of **Insured Property**, loss or damage is not covered the burden of proving the contrary will rest upon **You**.

21. CONFISCATION AND FORFEITURE

We will not be liable for any loss, damage, costs or expenses directly or indirectly arising from detention, seizure, confiscation, forfeiture, impounding or requisition carried out by customs, SA Police Services, Crime prevention units or other duly authorised / lawfully constituted officials or authorities.

22. LAW AND LEGAL JURISDICTION

- 22.1. **We** will not be liable for any loss, damage, costs or expenses directly or indirectly arising from the non- adherence to applicable laws, regulations, rules / regulations of governing bodies, by-laws or rules of the Republic of South Africa.
- 22.2. This **Policy** will be governed by and interpreted in accordance with the laws of South Africa.
- 22.3. All disputes arising out of or in connection with this **Policy** will fall to the exclusive jurisdiction of the Courts of the Republic of South Africa.

23. COVER PROVIDED BY THIS POLICY

No cover will be provided if the premium for this **Policy** has not been received as mentioned under General Condition headed **Payment of Premium**.

No cover will be provided under this **Policy** or any **Section** if either the insured amount or the limit of compensation shown in the **Schedule**:

- 23.1. has no monetary amount next to it or is left blank, or
- 23.2. has been filled in as "nil", or

23.3. has been filled in as “not applicable”.

24. WARRANTIES / NOTES / ENDORSEMENTS

Cover is subject to the warranties as stated in the **Schedule and / or Annexure and / or Addendum** to the **Schedule**.

24.1 A warranty is a statement or a condition which is an essential element of the contract and which therefore determines the validity of the contract. It must consequently be strictly observed and complied with.

24.2 If **You** fail to comply with warranties, or if **You** provide incorrect facts, it may result in a claim being rejected, or the **Policy** being cancelled from that date or later.

25. TERRITORIAL LIMITS

Unless stated otherwise in the **Policy Sections / Schedule and / or Annexure** the territorial limits are noted as:

26.1. The Republic of South Africa,

26.2. Namibia,

26.3. Botswana,

26.4. Lesotho,

26.5. Eswatini,

26.6. Zimbabwe,

26.7. Malawi,

26.8. Mozambique, and

26.9. Zambia.

27. ACTIONS OF CONSULTANTS

You may not without **Our** consent accept responsibility for actions or failures, errors or errors in judgement of any consultant practicing in any professional discipline not included in the **Business**, whether or not the fees accruing to such consultant are included in the declaration of fees as provided for in General Condition headed Adjustment of Premium.

28. RIGHTS OF RECOURSE

We strictly prohibit the waiving of rights of recourse. **You** must not waive **Your** right of recourse against any party under any circumstances. If this occurs, **You** may forfeit **Your** right to claim or to be indemnified for any claim in terms of this **Policy** in terms of which **We** may have a right of recourse.

29. RESPONSIBILITIES OF OTHERS

You warrant that **Your** employees, members, partners, directors, principals, or user of any **Insured Property** or any other person or entity over which **You** exercise control, will comply with the **Terms and Conditions** contained in the **Policy / Schedule / Annexure** as the case may be and agree that in the absence of such compliance, **We** may be entitled to void the entire **Policy**, a **Section** of the **Policy** or an item insured in terms of the **Policy** or reject any claim under this **Policy**.

30. SUSPENSION OF INSURANCE COVER

We may at **Our** option (subject to the **General Condition** headed **Cancellation**) suspend cover relative to any **Section** of the **Schedule** to this **Policy** inclusive of but not limited to:

30.1. **You** failing to comply with any statutory or building requirement to which this **Policy** is subject,

30.2. any condition to which the **Policy** may be subject to in writing or endorsement by **Us** and thereafter directed to **You** or an appointed representative of **Yours**.

GENERAL EXCLUSIONS

No cover is provided in terms of the following:

1. WAR, RIOT AND TERRORISM

1.1. This **Policy** does not cover loss of or damage to property related to or caused by:

1.1.1. 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,

1.1.2. war, invasion, act of foreign enemy, hostilities, or warlike operations (whether war be declared or not) or civil war,

1.1.3.

1.1.3.1. 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,

- 1.1.3.2. insurrection, rebellion, or revolution,
- 1.1.4. 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,
- 1.1.5. 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,
- 1.1.6. any attempt to perform any act referred to in clause (1.1.4.) or (1.1.5.) above,
- 1.1.7. the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in clause (1.1.1.), (1.1.2.), (1.1.3.), (1.1.4.), (1.1.5.) or (1.1.6.) above.

If **We** allege that, by reason of clause (1.1.1.), (1.1.2.), (1.1.3.), (1.1.4.), (1.1.5.) or (1.1.6.) of this Exclusion, loss or damage is not covered by this **Policy**, the burden of proving the contrary will rest with **You**.

- 1.2. 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.
- 1.3. Regardless of any provision of this **Policy** inclusive of any Exclusion or Extension or other provision not included herein which would otherwise override a General Exclusion, this **Policy** does not cover loss of or damage to property or expense of whatsoever nature directly or indirectly caused by, arising out of or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any sequence to the loss, damage or expense.

For the purpose of this General Exclusion (1.3.) an act of terrorism is inclusive of, 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 inclusive of 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 **We** allege that, by reason of clause (1.3.) of this Exclusion, loss or damage is not covered by this **Policy**, the burden of proving the contrary will rest with **You**.

2. NUCLEAR RISKS

DEFINITIONS

For the purpose of this exclusion the below mentioned definitions bear reference and apply:

<p>High Radioactivity Zone or Area</p>	<p>means:</p> <ol style="list-style-type: none"> 1. for nuclear power stations and Nuclear Reactors, the vessel or structure which immediately contains the core (inclusive of its supports and shrouding) and all the contents thereof, the fuel elements, the control rods and the irradiated fuel store, and 2. for non-reactor Nuclear Installations, any area where the level of radioactivity requires the provision of a biological shield.
<p>Nuclear Material</p>	<p>Nuclear Fuel, other than natural uranium and depleted uranium, capable of producing energy by a self-sustaining chain process of Nuclear Fission outside a Nuclear Reactor, either alone or in combination with some other material; and Radioactive Products or Waste .</p>

Nuclear / Radioactive Products / Waste	<p>means:</p> <ol style="list-style-type: none"> any radioactive material produced in, or any material made radioactive by exposure to the radiation incidental to the production or utilisation of Nuclear Fuel but does not include radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose, and radioactive products / waste as stated in (1.) above.
Nuclear Installation	<p>means:</p> <ol style="list-style-type: none"> any Nuclear Reactor, any factory using Nuclear Fuel for the production of Nuclear Material, or any factory for the processing of Nuclear Material, inclusive of any factory for the reprocessing of irradiated Nuclear Fuel, and any facility where Nuclear Material is stored.
Nuclear Reactor	means any structure containing Nuclear Fuel in such an arrangement that a self-sustaining chain process of Nuclear Fission can occur therein without an additional source of neutrons.
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 fuses 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 Fuels	means a substance that will sustain fission chain reaction so that it can be used as a source of nuclear energy.
Nuclear Explosives	means an explosive involving the release of energy by Nuclear Fission or Nuclear Fusion , or both.
Nuclear Weapon	means a nuclear device designed, used or usable for inflicting bodily harm or Property damage.
Production, Use or Storage of Nuclear Material	means the production, manufacture, enrichment, conditioning, processing, reprocessing, use, storage, handling, and disposal of Nuclear Material .
Property	<p>For the purpose of this exclusion:</p> <p>means all land, buildings, structures, plant, equipment, vehicles, contents (inclusive of but not limited to liquids and gases) and all materials of whatever description whether fixed or not.</p>

- 2.1. this **Policy** does not cover:
- 2.1.1. loss or destruction of or damage to any **Property** whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss,
 - 2.1.2. any legal liability of whatsoever nature directly or indirectly caused by or contributed to, by or arising from ionising radiations or contamination by radio-activity from any **Nuclear Fuel** or from any **Nuclear Waste** from the combustion of **Nuclear Fuel**.

For the purpose of this Exclusion only, combustion will be inclusive of any self-sustaining process of **Nuclear Fission**.

2.2. the indemnity provided by this **Policy** will not apply to nor be inclusive of any loss, destruction, damage or legal liability directly or indirectly caused by, or contributed to by, or arising from **Nuclear Weapons** material.

Regardless of any other cause or event contributing concurrently or in any other sequence to the loss 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:

- 2.2.1. ionising radiation or contamination by radio-activity from any **Nuclear Fuel** or from any **Nuclear Waste** from the combustion or use of **Nuclear Fuel**,
- 2.2.2. **Nuclear Material, Nuclear Fission or Nuclear Fusion, Nuclear Radiation**,
- 2.2.3. **Nuclear Explosives** or any **Nuclear Weapon**,
- 2.2.4. **Nuclear Waste** in whatever form.

For the purpose of this Exclusion only, combustion will be inclusive of any self-sustaining process of **Nuclear Fission**.

3. **CYBER LOSS LIMITED EXCLUSIONS CLAUSE (LMA5410) 01/01/2023**

General Exclusion applicable to all **Sections** of this **Policy** insuring loss of or damage to property or the consequences of damage to property or any liability.

For the purpose of this exclusion the below mentioned definitions bear reference and apply:

<p>Cyber Incident</p>	<p>means:</p> <ol style="list-style-type: none"> 1. unauthorised or malicious acts regardless of time and place, or the treat or hoax thereof, 2. Malware or any Similar Mechanism, 3. operator or programming error whether by You or anyone else, 4. any unintentional or unplanned outage (totally or partially) or any malfunction of Your Computer System, <p>affecting access to, processing of, use of or operation of any Computer System or any Data by any person.</p>
<p>Computer System</p>	<p>means:</p> <ol style="list-style-type: none"> 1. any computer, hardware, software, communications system, electronic device (inclusive of, but not limited to, smart phones, laptops, tablets, wearable devices), server, cloud, or 2. microcontrollers inclusive of any similar system or any configuration of the aforementioned, and inclusive of any associated input, output, data storage device, networking equipment or back up facility owned or operated by You or any other party.
<p>Data</p>	<p>means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.</p>

Insured Perils	means fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, tsunami, flood, freeze or weight of snow.
Malware and Similar Mechanism	means any programme code, programming instruction or other set of instructions constructed with the purpose or ability to damage, interfere with or otherwise adversely affect Computer Systems , computer programmes, data files, Data or operations (inclusive of but not limited to Virus, Trojan Horse, Logic Bombs or Denial of Service Attack).
Time Element Loss	means business interruption, contingent business interruption or any other consequential losses.

Regardless of any provision of this **Policy** inclusive of any endorsement, exclusion, exception or extension or other provision not included herein which would otherwise override a General Exclusion, this **Policy** does not cover:

- 3.1. any loss, damage, legal liability, cost, expense fines, penalties or **Time Element Loss** of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with:
 - 3.1.1. any loss of, alteration of, or damage to or a reduction in the functionality, availability or operation of a **Computer System**, unless subject to the provisions of paragraph (3.2),
 - 3.1.2. any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any **Data**, inclusive of any amount pertaining to the value of such **Data**.
 - 3.1.3. a **Cyber Incident**.
- 3.2. This General Exclusion will not apply to accidental, physical, sudden and unforeseen damage to and / or loss or destruction of the **Insured Property** (excluding **Data**) caused by an **Insured Peril** directly occasioned due to a **Cyber Incident**, however **Time Element Loss** resulting therefrom remains excluded.

If **We** allege that loss or damage is not covered by this **Policy**, the burden of proving the contrary will rest with **You**.

4. ASBESTOS EXCLUSION

Regardless of any provision stated in this **Policy** inclusive of any Exclusion, Extension or other Provision which would otherwise override a General Exclusion, this **Policy** does not cover any legal liability, loss, damage, cost, or expense whatsoever, or any consequential loss directly or indirectly caused by, arising out of, resulting from, in consequence of, in any way involving, or to the extent contributed to by, the hazardous nature of asbestos, in whatever form or quantity.

5. CONSEQUENTIAL OR INDIRECT DAMAGE AND / OR LOSS

Subject to the basis of indemnification of the **Section**, **We** will not provide cover to **You** for consequential or indirect loss or damages of any kind or description whatsoever, inclusive of loss of market value or depreciation other than those specifically stated to be included in this **Policy** or where **We** have agreed otherwise.

6. MATERIAL DAMAGE AND / OR LOSS

This **Policy** does not cover loss (consequential or otherwise) or damage directly or indirectly arising out of, caused by attributed to or resulting from:

- 7.1. wear and tear,
- 7.2. depreciation,
- 7.3. electrical or mechanical breakdown,
- 7.4. rust,
- 7.5. corrosion,

- 7.6. mildew,
- 7.7. moth,
- 7.8. vermin,
- 7.9. insects,
- 7.10. animals,
- 7.11. any gradually operating cause,
- 7.12. process of dying,
- 7.13. cleaning,
- 7.14. renovating,
- 7.15. the action of light or atmospheric conditions.

8. FRAUDULENT SCHEME, TRICK, DEVICE OR FALSE PRETENCE

Except for cover provided under **Section 9: Fidelity** or the **Fidelity Specific Extension** under **Section 7: Money** insured hereby, this **Policy** does not cover loss or damage directly or indirectly arising out of, caused by attributed to or resulting from:

- 8.1. any fraudulent scheme, trick, device, or false pretence practiced on **You** or any person acting on **Your** behalf (or any person having custody of **Your** property) or
- 8.2. fraud, or
- 8.3. the dishonesty of any of **Your** employees, principals, or agents.

9. PRE-EXISTING LOSS / DAMAGE

This **Policy** does not cover pre-existing losses and / or damage to any **Insured Property**.

10. COMMUNICABLE DISEASE EXCLUSION (CIB) 01/01/2023

For the purpose of this **Communicable Disease** Exclusion the following definition terms bear reference and apply:

Authority	<p>means:</p> <ul style="list-style-type: none"> 1. World Health Organization, 2. any appropriate Local, National, Governmental, or International Body, Agency, or State approved Authority.
Communicable Disease	<p>means:</p> <ul style="list-style-type: none"> 1. any disease which can be transmitted by means of any substance or agent from any organism to another organism where: <ul style="list-style-type: none"> 1.1. the substance or agent is inclusive of but is not limited to, any infectious or contagious disease, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not (or whether asymptomatic or not), and 1.2. the method of transmission, whether direct or indirect, is inclusive of but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and 1.3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

Claim	<p>means (for the purpose of this exclusion, inclusive of but not limited to):</p> <ol style="list-style-type: none"> 1. the imposition of quarantine or the restriction in movement of people, animals, or goods by any Authority, 2. any travel advisory or warning being issued by any Authority, 3. any public utilities or telecommunication services being interrupted or suspended (whether temporarily or permanently), 4. any action / prohibition / restriction issued by any Authority or promulgated by law, inclusive of but not limited to the prevention or restriction of access to, or use of premises / buildings / facilities or the inference with the Business, 5. any loss due to interruption to or interference with the Business, 6. any action taken in preventing, containing, controlling, or dealing with the manifestation, outbreak or spread thereof.
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This **Policy** excludes any loss, damage, liability, **Claim**, cost, or expense of whatsoever nature (and howsoever arising), directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a **Communicable Disease** or the fear or threat (whether actual or perceived) of a **Communicable Disease** regardless of any other cause or event contributing concurrently or in any other sequence thereto.

Regardless of the foregoing contained in this **Communicable Disease** Exclusion, losses directly caused by any peril otherwise covered in terms of the **Policy** which have not otherwise been excluded under this **Policy** will be covered.

If **We** allege that loss or damage is not covered by this **Policy**, the burden of proving the contrary will rest with **You**.

11. SANCTIONS EXCEPTION (LMA3100) 01/01/2023

11.1. **We** will not provide any cover or be deemed to provide any cover and **We** will not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose **Us** 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 or United States of America.

11.2. **We** have the right, at **Our** own discretion and in all instances not to provide cover or to void and / or cancel the **Policy**, any **Section** and / or item due to the activities mentioned in (11.1.) above or where **We** become aware of any breach of this Sanctions Exception.

GENERAL PROVISIONS

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

1. CLAIMS PREPARATION COSTS

The insurance offered under each **Section** of this **Policy** is inclusive of costs reasonably incurred by **You** in producing and certifying any particulars or details required by **Us** in terms of General Condition headed Claims or to substantiate the amount of any claim, provided that **Our** liability for such costs in respect of any one claim will not exceed the amount stated in the **Schedule / Annexure**.

2. PAYMENTS ON ACCOUNT

In respect of any **Section** where amounts recoverable from **Us** are delayed pending finalisation of any claim, payments on account may be made to **You**, if required and will be at **Our** discretion.

3. MEMBERS

Wherever the word “director” is used it is deemed to be inclusive of “member” if **Your Business** is that of a close corporation or “partner” if **Your Business** is that of a partnership.

4. MEANING OF WORDS

The **Schedules / Annexures / Addendum** and any Endorsements thereto and the **Policy** must be read together and any word or expression to which a specific meaning has been given in any part thereof will bear such meaning wherever it may appear.

5. POLICY INTERPRETATION

It is recorded that the cover that is provided by this **Policy** and the **Terms and Conditions** have been agreed and accepted by **You** before entering into the **Policy** and that the rule of construction that this **Policy** will be interpreted against the party responsible for its preparation and drafting will not apply.

6. HOLDING COVERED

If **We** are holding covered on a risk, then **We** will not reject a claim on the basis that the premium has not been agreed.

In respect of items being subject to the hold covered arrangement as described in the insurance proposal, it is hereby warranted that:

- 6.1. no claim has occurred should “Hold covered” be given retrospectively and that no such claim will be paid if **We** are not advised of such claim,
- 6.2. the acceptance of the “Hold covered” agreement by **You** and / or Intermediary / Agent authorises **Us** to verify all previous insurance details with other Financial Institutions as well as to perform a Credit Check with all major Credit Information Companies,
- 6.3. cover is subject to a Signed Proposal Form inclusive of all Bona Fide information, Satisfactory Survey Report where requested / Credit Report as well as previous claims experience,
- 6.4. premium payable by **You** to **Us** will commence from the agreed “Hold covered” date, and
- 6.5. subjected to all the Terms & Conditions of **Our Policy / Schedule / Annexure**.

7. SECURITY FIRMS

If an employee of a security firm employed by **You** under a contract:

- 7.1. causes loss or damage, then **We** will agree that:
 - 7.1.1. if stated in the terms of the said contract that **You** may not claim against the said security firm, that:
 - 7.1.1.1. **We** will not exercise **Our** rights of recourse against the said security firm, further that,
 - 7.1.1.2. **We** will not raise as a defence to any valid claim submitted under any Section or sub-section of this **Policy** that **Our** rights have been prejudiced by the terms of any contract entered into between **You** and any security provider relating to the protection of the **Insured Property**.

8. VALUE ADDED TAX

All monetary amounts stated in this **Policy** are deemed to be Value Added Tax (VAT) inclusive amounts at the agreed percentage applicable in terms of the Vat Act (RSA) as amended from time to time, unless such amounts are not deemed to be VAT inclusive in terms of the VAT Act (RSA) as amended from time to time.

Value-Added Tax is commonly known as VAT. VAT is an indirect tax on the consumption of goods and services in the economy. Revenue is raised for government by requiring certain businesses to register and to charge VAT on the taxable supplies of goods and services. These businesses become vendors that act as the agents for government in collecting VAT.

Please note:

- 8.1. VAT will be dealt with in accordance with the Value-Added Tax Act No 89 of 1991 [VAT Act] “the VAT act” with particular reference to VAT treatment of specific suppliers in the Short-Term Insurance Industry.
- 8.2. In terms of a ruling issued by the Commissioner (SARS), the **Schedule** together with proof of payment constitutes an alternative to a tax invoice, debit note or credit note as contemplated in Section 20(7) and 21(5) of the VAT Act respectively and supersedes any **Schedule** or renewal notice issued by **Us** for this purpose; therefore, kindly ensure that, for the purpose of deducting VAT (“input tax”) from SARS in relation to **Your** premium payment that **You** are in possession of the **Schedule**, together with proof that the premium has been paid e.g. bank statements.

9. RISK SURVEYS

We will be permitted, but not obliged, to inspect **Your** property and operations at any time and at **Our** own discretion. Neither **Our** rights to make inspections nor the making thereof nor any report thereon will constitute an undertaking on behalf of, or for **Your** benefit or others, to determine or warrant that such property or operations are safe.

You are reminded of the General Condition headed Duty to Take Reasonable Steps and Precautions and **Your** ongoing responsibilities to ensure compliance therewith.

When considered necessary, reasonable risk improvement requirements will be imposed by **Us**, subject to the relevant prescribed time frames, if applicable. Risk requirements need to be adhered to in order to ensure that insurance cover is in effect at the time of an event giving rise to a claim in terms of the **Policy**.

Any non-compliance with risk requirement measures will result in **Your** forfeiture to claim hereunder.

10. FIRE PROTECTION

It is a condition precedent to liability under this **Policy** that all firefighting equipment or fire protection at the premises is installed, maintained and serviced in accordance with the Regulations contained in the National Building Regulations or any other regulations as may be contained in the respective Emergency Services By-Laws.

11. INTEREST ON PAYMENTS

No interest will be payable on any amount due by **Us** in terms of this **Policy** unless a Court of Law orders otherwise.

12. HEADINGS

Headings included in this **Policy** should not be read in isolation.

13. EXAMPLES / SCENARIOS

Where examples / scenarios have been provided in this **Policy** it is meant for information/ training purposes only. Some technical accuracy might have been sacrificed for ease of explanation and cannot be used for legal interpretation.

14. AVERAGE (UNDER INSURANCE)

If the **Insured Property** 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 **You** will be considered as being **Your** own insurer for the difference and will bear a rateable share of the loss accordingly. Every item, if more than one, will be separately subject to this Condition where such Average Clause is applicable.

The example below, illustrates how **We** will calculate the settlement amount of a claim taking into consideration the principal of Average:

Item insured amount (as provided by client or broker)	-	R100 000.00
Loss and / or damage amount claimed	-	R 50 000.00
Actual Value of Item (post "Loss")	-	R150 000.00
Amount settled:		<u>R100 000.00 x R50 000.00</u> R150 000.00
Total:	R33 333.33	
Less excess:	<u>R 1 000.00</u>	
<u>Total settlement amount:</u>	<u>R32 333.33</u>	

PART 3

SECTION 1: MACHINERY BREAKDOWN

DEFINITIONS

For the purpose of this **Section** the below mentioned definitions bear reference and apply:

Insured property	means the property described in the Schedule of this Section .
Premises	means the premises, the situation of which is stated in the Schedule of this Section .

COVER PROVIDED

We will indemnify **You** for accidental sudden and unforeseen physical damage to the **Insured Property** (or any part thereof) whilst on the **Premises** from any cause not specifically excluded:

- whilst at work or at rest, or
- whilst being dismantled for the purpose of cleaning, inspection, repair, overhaul, or removal to another position or in course of these operations themselves or subsequent re-erection within **Your Premises**.

SUM INSURED AND AVERAGE (UNDER INSURANCE)

It is a requirement of this **Section** that the sum insured is equal to the cost of replacement of the **Insured Property** by new property of the same kind and capacity, which means its cost of replacement inclusive of freight, dues and customs duties, if any, and cost of erection.

If the sum insured is less than the amount required to be insured, then **We** will pay only in such proportion as the sum insured bears to the amount required to be insured. Every item (if more than one) will be separately subject to the latter stipulation.

BASIS OF LOSS SETTLEMENT

1. PARTIAL LOSS

Where damage to the **Insured Property** can be repaired **We** will pay the expenses necessarily incurred to restore the damaged **Insured Property** to its former state of serviceability plus the cost of dismantling and re-erection incurred for the purpose of effecting the repairs as well as ordinary freight to and from a repair shop, customs duties and dues, if any, to the extent that such expenses have been included in the sum insured.

If the repairs are executed at a workshop owned by **You** then **We** will pay the costs of materials and wages incurred for the purposes of the repairs plus a reasonable percentage to cover overhead charges.

No deduction will be made for depreciation in respect of the parts replaced, but the value of any salvage will be taken into account if the cost of repairs equals or exceeds the actual value of the **Insured Property** immediately before the occurrence of the damage, the property will be regarded as destroyed and settlement will be made on the basis provided for in 2 below.

2. TOTAL LOSS

2.1. If **Insured Property** not exceeding 3 years from date of manufacture is totally damaged the basis of calculating the amount payable will be the cost of replacing or reinstating the **Insured Property** with equipment of the same kind or type but not superior to or more extensive than the **Insured Property** when new inclusive of freight and erection costs customs duties and the cost of removing the destroyed equipment less the value of the remains subject to provisions (2.4.) and (2.5.) as stated below.

- 2.2. If **Insured Property** exceeding 3 years from date of manufacture is totally damaged the basis of calculating the amount payable will be the cost of replacement at market value and the cost of removing the destroyed equipment less the value of any salvage subject to provisions (2.3.) to (2.7.) stated below.

The **Insured Property** will be regarded as totally damaged if the repair costs (as stipulated under 1. Partial Loss above) equal or exceed the value as defined in (2.2.) above immediately before the insured event.

Provided that:

- 2.3. the cost of any alterations, additions, improvements or overhauls carried out at the time of repair will not be recoverable,
- 2.4. the cost of any provisional repairs will be borne by **Us** should such repairs constitute part of the final repairs and do not increase the total cost of repairs,
- 2.5. **We** will make payments only after being satisfied by production of the necessary bills and documents that the repairs have been effected or replacement has taken place, as the case may be,
- 2.6. the work of replacement or reinstatement (which may be carried out at other premises and in any manner suitable to **Your** requirements and subject to **Our** liability 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 will be made,
- 2.7. In either event (2.3.) or (2.4.) the amount claimable will not exceed the amount specified in the **Schedule**.

SPECIFIC EXTENSIONS

1. CAPITAL ADDITIONS

The insurance under this **Section** covers alterations, additions and improvements (but not appreciation in value in excess of the sum(s) insured) to the **Insured Property** for an amount not exceeding 15% of the sum insured under the applicable item. Provided that **You** undertake to advise **Us** each month (or quarterly, if the **Policy** premiums are payable annually) of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

Any claim in respect of damage that may arise before such notice is given will be handled in accordance with **Our** normal Conditions, Exclusions and first amount payable for risks of a similar nature.

SPECIFIC CONDITIONS

1. The due observance and fulfilment of the **Terms and Conditions** of this **Section** and of this **Policy** in so far as they relate to anything to be done or complied with by **You** will be a condition precedent to **Our** liability.
2. 2.1 On the happening of any damage then **You** will in addition to complying with General Condition headed Claims and Duty to Take Reasonable Steps and Precautions of this **Policy**:
- 2.1.1. take all reasonable steps to minimise the extent of such damage,
- 2.1.2. preserve any damaged or defective parts for **Our** inspection.
- 2.2. On notification being given to **Us** in terms of General Condition headed Duty to Take Reasonable Steps and Precautions of this **Policy**, then **You** may carry out the repairs or replacement of any minor damage, in all other cases **Our** representatives will have the opportunity of inspecting the damage before any repairs or replacements or alterations are effected. If **Our** representatives do not carry out the inspection within a period of time that could be considered adequate under the circumstances, then **You** are entitled to proceed with the repairs or replacement.

- 2.3. **Our** liability under this **Section** in respect of the **Insured Property** will cease if such **Insured Property** is kept in operation after a claim without being repaired to **Our** satisfaction, or if temporary repairs (other than in terms of (2.2.) above) are carried out without **Our** consent.
3. **You** will, in addition to complying with General Condition headed Duty to Take Reasonable Steps and Precautions of this **Policy**,
 - 3.1. take all reasonable steps to maintain the **Insured Property** in efficient working order and to ensure that no part of the **Insured Property** is habitually or intentionally overloaded,
 - 3.2. fully observe the manufacturer's / agent's instructions for the operation, inspection and maintenance of the **Insured Property** and fully observe government regulations, statutory regulations, municipal regulations and all other binding regulations in force concerning the operation and maintenance of the **Insured Property**.
4. There will be no insurance in force in terms of this **Section** of the **Policy** in respect of:
 - 4.1. new plant and / or machinery until at least thirty consecutive days of trouble free running have been completed by such plant and / or machinery,
 - 4.2. proto-type plant and / or machinery until at least three consecutive months or that period which We may require to be completed of trouble – free running by such plant and /or machinery.

In the case of both (4.1) and (4.2) above such other periods that may be agreed with Us and endorsed and stated in the Schedule.

WARRANTY

1. SERVICE CONTRACT

- 1.1. **You** hereby warrant that a maintenance contract is in force with a reputable company in respect of each item described in the **Schedule**.
- 1.2. Maintenance of all items described in the **Schedule** will be inclusive of but not limited to preventative maintenance of items, repair or replacing of components or any rectification of damage or faults arising from normal operation as well as from ageing.
- 1.3. Regular safety checks are required to be performed in accordance with manufacturer's guidelines.
- 1.4. **We** will not indemnify **You** for damage arising from failure to maintain or for the costs of maintenance (as described above) or any related work.

2. LIGHTNING / POWER SURGE WARRANTY

It is warranted that there will be no cover under this **Policy** for loss or damage arising from direct or indirect lightning / power surge or fluctuations in the power supply voltage unless SABS approved surge arrestors are installed at the risk address containing **Insured Property** on all data lines, power supply plugs and to electrical distribution boards.

SPECIFIC EXCLUSIONS

We will not be liable irrespective of the original cause for:

1. any amount specified in the **Schedule** as the deductible,
2. any damage due to
 - 2.1. fire,
 - 2.2. explosion,
 - 2.3. extinguishing of a fire, or
 - 2.4. subsequent demolition impact by:
 - 2.4.1. animals, or
 - 2.4.2. road vehicles,
 - 2.4.3. aircraft or other aerial devices or articles dropped therefrom,
 - 2.4.4. sonic shock waves,

- 2.4.5. thefts or attempts thereat,
- 2.4.6. collapse of buildings,
- 2.4.7. storm,
- 2.4.8. flood,
- 2.4.9. inundation,
- 2.4.10. release / leakage of water from water apparatus,
- 2.4.11. earthquake,
- 2.4.12. subsidence,
- 2.4.13. landslide,
- 2.4.14. avalanche,
- 2.4.15. hurricane,
- 2.4.16. cyclone,
- 2.4.17. volcanic eruption,
- 2.4.18. or natural catastrophes intended to be covered under a Fire and Allied Perils policy,

- 3. any damage resulting during commissioning, deliberate overloading, tests or experiments requiring the imposition of abnormal conditions or damage caused due to the misapplication of tools or equipment,
- 4. any damage for which a supplier, maintenance vendor, contractor or repairer is legally responsible by contract or otherwise. If such responsibility is denied and the loss is otherwise insured by this **Policy We** will pay for the loss and in accordance with General Condition headed Claims, **We** will be entitled to the indemnity subsequently obtained from the supplier, maintenance vendor, contractor or repairer,
- 5. any damage due to faults or defects known to **You** or any of **Your** responsible employees at the time any contract is arranged and not disclosed to **Us**,

5.1. any loss or damage to:

- 5.1.1. refractories,
- 5.1.2. exchangeable or expendable parts and tools such as but not limited to:
 - 5.1.2.1. seals, gaskets, bits, cutters, knives, blades, dies, moulds, patterned rollers, sieves, chains, belts, ropes, conveyor belts, jointing and packing material, fuses, electrical contracts at which sparking or arcing occurs, heating elements, collecting brushes,

However, if the results of other indemnifiable damage provided for by the **Policy**, the above items are damaged then **We** will indemnify **You** for any remaining residual value with the proviso that such items are included in the sum insured stated in the **Schedule**.

- 6. any damage to foundations of any **Insured Property** unless they are specifically detailed in the **Schedule**,
- 7. any costs of alterations, additions, improvements or overhauls carried out on the occasion of repair or replacement,
- 8. any loss or damage due to molten metal spillage / breakout and all resultant loss or damage in connection therewith,
- 9. any loss or damage prior to the successful commissioning of new **Insured Property**.
- 10. any repair or replacement necessitated by:
 - 10.1. wear or damage happening over a period of time,
 - 10.2. corrosion,
 - 10.3. deposits of scale sludge, or other sediment, or
 - 10.4. any other direct consequence of progressive or continuous influences of working, atmospheric or chemical action,
 - 10.5. rust, or
 - 10.6. scratching of painted or polished surfaces,

but **We** will be liable for other resultant indemnifiable damage insured in terms of this **Policy**,

11. any damage to materials in course of process, such as fuels, chemicals, filter substances, heat transfer media, cleansing agents, lubricants, oils, catalysts unless specifically stated to be included in the **Schedule**,
12. Consequential loss or liability except as otherwise provided and stated to be included in the **Schedule**.

SECTION 2: DETERIORATION OF STOCK

Following Machinery Breakdown Section Only

DEFINITIONS

For the purpose of this **Section** the below mentioned definitions bear reference and apply:

Accident / Accidental	<p>means:</p> <ol style="list-style-type: none"> 1. unforeseen and sudden physical damage to the insured property described in the Schedule from any cause provided for and insured by Section 1: Machinery Breakdown, 2. Failure of the public supply of electricity at the terminal ends of the supply authority's service feeders in Your premises from any accidental cause other than: <ol style="list-style-type: none"> 2.1. Your deliberate act or any supply authority, 2.2. drought or shortage of fuel at any power station. 3. any damage to the insured products contained in the insured Cold Room caused as a direct result of the accidental escape of refrigerant following unforeseen and sudden physical Damage to the refrigeration machinery described in the Schedule.
Cold Room	<p>means refrigeration /cooling machinery and is extended to be inclusive of the refrigeration chamber.</p>
Damage	<p>means:</p> <ol style="list-style-type: none"> 1. insured products : destruction or impairment in Value of the insured products by deterioration or contamination or putrefaction or spoilage, 2. insured cold room(s): contamination by refrigerant necessitating the evacuation of the cold room(s).
No-Claim Period	<p>means the time period immediately following termination of cooling during which with the Cold Room left sealed, no deterioration would take place.</p>
Suitably Qualified	<p>means that a person has completed a formal qualification, has prior learning or the capacity to acquire a formal qualification within a reasonable time in order to fulfil competency requirements essential by law and in conjunction with relevant work experience as is necessary to perform the job for which they are employed.</p> <p>If an event giving rise to a claim occurs, in determining the application of the term Suitably Qualified, it is agreed that the number of years work experience will not be accepted in isolation and will only be considered as a factor in addition to a formal and certified qualification as described above.</p>
Value	<p>means:</p> <ol style="list-style-type: none"> 1. the actual purchase price paid by You to Your supplier for the insured products or that part thereof affected by Accident, or 2. the actual purchase price paid by You to Your supplier for the insured products or that part thereof affected by Accident inclusive of the processing costs of such insured products prior to being placed in the Cold Room,

	3. the selling price of the insured products or that part thereof affected by Accident in respect of insured Cold Rooms.
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COVER PROVIDED

We will indemnify **You** for **Accidental** sudden and unforeseen physical **Damage** in the annual aggregate caused by deterioration due to unforeseen and sudden physical **Damage** to the machinery specified in **Section 1: Machinery Breakdown** and indemnifiable under **Section 1: Machinery Breakdown** in force and contamination by refrigerants as a result of physical **Damage**.

Provided that **Our** liability during any one year of insurance (in the annual aggregate) will not exceed the sum insured (limit of indemnity) stated in the **Schedule** in respect of each item specified and that said goods belong to **You**, at the time of an event and that such goods are contained in the **Cold Room** connected to said machinery.

SUM INSURED / BASIS OF SETTLEMENT

1. SUM INSURED

- 1.1. The sum insured is equal to the estimated **Value** as recorded in **Your** stock book for the stored goods during the period of this **Section**,
- 1.2. **You** will be obliged to furnish **Us**, not later than 10 days after the close of each month, either with copies of the aforesaid stock books or with a duly completed declaration showing the average quantity and **Value** per day of the goods stored during the preceding month (monthly declaration).

Note: The monthly declaration will be based on the **Value** for the insured goods noted in **Your** stock book and copies hereof together with monthly declarations will be regarded as forming an integral part of this **Policy**.

The sum insured will be reduced by any indemnity paid under this **Section** for the remaining **Policy** period unless it has been reinstated by payment of a pro rata additional premium, from the date of the insured **Damage** for the remaining portion of the **Annual Period**.

2. CLAIMS

- 2.1. All claims will be settled on the basis of the **Value** stated in the monthly declaration immediately prior to the occurrence of the **Damage** or the estimated maximum cost price as noted in **Your** stock books, whichever is the lesser.
- 2.2. When determining the indemnity, **We** will take into consideration all circumstances that may influence the amount of indemnity, such as proceeds from a sale of goods as well as storage costs saved due to the termination of the storage,
- 2.3. If after the occurrence of a partial loss it is found that the last monthly declaration preceding the **Damage** is less than the amount that ought to have been declared, then the amount which would have been recoverable by **You** will be reduced in such proportion as the amount of the said last monthly declaration bears to the amount that ought to have been declared.

SPECIFIC EXCLUSIONS

We will not be liable for:

1. any loss or **Damage** arising within the **No-Claim Period** stated in the **Schedule** of insured goods stored in the **Cold Room** due to deviation from the prescribed refrigeration temperature, unless deterioration is caused by contamination as a result of leakage of refrigerant or by accidental freezing of goods or unless fresh goods that have not yet reached the prescribed refrigeration temperature are affected thereby,
2. any loss or **Damage** to the goods stored arising as a result of shrinkage, inherent defects or diseases, natural deterioration natural putrefaction,
3. any loss or **Damage** arising from improper storage, damage to packing material, insufficient circulation of air, non- uniformity of temperature,
4. any loss or **Damage** caused by temporary repair carried out without **Our** consent of the **Cold Room** specified in **Your** list of machinery insured in terms of **Section 1: Machinery Breakdown**,

5. any penalties for delay, consequential loss or **Damage** or liability of any nature whatsoever,
6. any loss or **Damage** directly or indirectly caused by, or arising out of, or aggravated by:
 - 6.1. any wilful act or deliberate negligence on **Your** part or that of **Your** directors, members, employees or representatives,
 - 6.2. fire, lightning, explosion, chemical explosion, extinguishing of a fire or subsequent demolition, impact by animals or road vehicles, aircraft or other aerial devices or articles dropped therefrom, theft or attempts thereat, sonic waves, collapse of buildings, flood, storm, escape of water from water-containing apparatus, inundation, earthquake, subsidence, landslip, avalanche, hurricane, cyclone, volcanic eruption or other natural catastrophes,
7. any loss of profits,
8. any loss or **Damage** arising out of **Your** failure to maintain the **Cold Rooms**,
9. any loss or **Damage** arising out of the deliberate withholding of power by a supply authority.

SPECIFIC CONDITIONS

It is a condition precedent to **Our** liability under this **Section** that:

1. **You** need to obtain and produce the appropriate certificates by Public Health or similar authorities in support of any claim for deteriorated goods,
2. daily temperature readings must be recorded in a logbook from each **Cold Room**, the accuracy of the temperature readings must be verified by means of a calibrated, independent thermometer at least every 2 weeks,
3. stock books in which the type, quantity and **Value** of the insured goods stored at the beginning and the end of the storage period must be entered separately for each **Cold Room**,
4. no item claimed for will surpass the “sell by” date should such a date be applicable,
5. all **Cold Rooms** are insured under **Section 1: Machinery Breakdown** of this **Policy**.
6. The sum insured will be reduced by any Indemnity paid under this **Section** for the remaining **Policy** period unless it has been reinstated by payment of an additional premium on a pro rata basis.
7. It is a requirement of this Insurance that:
 - 7.1. a firm arrangement is made for competent specialists to maintain and adjust the machinery at regular intervals as required by the original manufacturer of such machinery, or
 - 7.2. maintained by **Your** own **Suitably Qualified** maintenance personnel and written registers recording the maintenance performed are to be kept.
8. at the time of **Damage** insured products are stored in the **Cold Room**.

WARRANTY

1. **CONSTANT SUPERVISION**
You warrant that refrigeration machinery is under constant supervision by **Suitably Qualified** personnel.

SECTION 3: MACHINERY BREAKDOWN LOSS OF PROFITS

DEFINITIONS

For the purpose of this Section the below mentioned definitions bear reference and apply:

Annual Turnover and Annual Revenue	means the Turnover (Revenue) during the twelve months immediately before the date of the Damage to which such adjustments will 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 will 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 *.
Gross profit (difference basis)	means the amount by which: <ol style="list-style-type: none"> 1. the sum of the Turnover and the amount of the closing stock will exceed, 2. the sum of the amount of the opening stock and the amount of the Uninsured Costs. <p>The amount of the opening and closing stocks will be arrived at in accordance with Your normal accountancy methods, due provision being made for depreciation.</p>
Gross profit (additions basis)	means the sum produced by adding to the Net Profit the amount of Your Insured Standing Charges or, if there is no Net Profit , the amount of Your Insured Standing Charges less such proportion of any net trading loss as the amount of Your Insured Standing Charges bears to all the Insured Standing Charges of the Business .
Indemnity period	means the period beginning with the commencement of the Damage and ending not later than the number of months stated in the Schedule during which the results of the business are affected in consequence of the Damage .
Insured Standing Charges (Additions basis)	means those covers arranged to cover only certain fixed expenses / standing charges of Your Business as stated in the Schedule (standing charges not mentioned will not be covered). The words and expressions used will have the meaning usually given to them as in Your books of account.
Net profit	means the net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from Your Business and at the premises after due provision has been made for all Insured Standing Charges and other charges inclusive of depreciation, but before the deduction of any taxation chargeable on profits.
Turnover	means the money paid or payable to You for goods sold and delivered and for services rendered in the course of the Business at the premises (Not applicable when Output Alternative Basis is selected).
Revenue	means the money paid or payable to You for goods sold and for services rendered in the course of the Business at the premises.

Standard Turnover, Standard Revenue and Standard Gross Rentals	<p>means the Turnover (Revenue) during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period to which such adjustments will 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 will 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.</p>
Rate of Gross Profit	<p>means the Rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Damage to which such adjustments will 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 will 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. *</p> <p>* IMPORTANT: If the Damage occurs before the completion of the first year's trading of the Business at the premises, the value of the terms indicated by (*) will be calculated by using values proportionate to the results obtained during the period between the commencement of the Business and the date of Damage.</p>
Uninsured costs	<p>means the costs inclusive of, however not limited to the list below, or as specified in the Schedule (the words and expressions used will have the meaning usually attached to them as in Your books of account):</p> <ul style="list-style-type: none"> - Bad Debts, - Packing Material, - Purchases Less Discounts Received, - Discounts Allowed, - Consumable Products, - Discounts Received.

COVER PROVIDED

We will indemnify **You** for loss following the interruption of, or interference with **Your Business** in consequence of accidental physical loss of or accidental physical damage to tangible property (herein termed **Material damage**) during the **Period of Insurance** at the premises described in the **Schedule** in respect of which payment has been made or liability admitted under Section 1: Machinery Breakdown (hereinafter termed **Damage**).

Liability will be deemed to have been admitted if such payment is precluded solely because **You** are required to bear the first portion of the loss.

We will indemnify **You** in accordance with the provisions of the cover hereinafter set out and as stated in the **Schedule**.

ITEM 1A: GROSS PROFIT (DIFFERENCE BASIS)

The insurance under this item is limited to loss of **Gross Profit** due to:

- 1.1 reduction in **Turnover**,
and
- 1.2 increase in cost of working,

The amount payable as indemnity hereunder will be:

- 1.3 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** will, in consequence of the **Damage**, fall short of the **Standard Turnover**,
- 1.4 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 will 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 1B: GROSS PROFIT (ADDITIONS BASIS)

The insurance under this item is limited to loss of **Gross Profit** due to:

- 1.1 reduction in **Turnover**,
and
- 1.2 increase in cost of working,

The amount payable as indemnity hereunder will be:

- 1.3 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** will, in consequence of the **Damage**, fall short of the **Standard Turnover**,
- 1.4 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 will 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.

MEMORANDUM: APPLICABLE TO ITEMS 1A AND 1B

If any **Insured 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 will 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 **Insured Standing Charges**.

ITEM 2: REVENUE

The insurance under this item is limited to:

- 1.1 loss of **Revenue**,
and
- 1.2 increase in cost of working,

The amount payable as indemnity hereunder will be:

- 1.3 in respect of loss of **Revenue**, the amount by which the **Revenue** during the **Indemnity Period** will in consequence of the **Damage**, fall short of the **Standard Revenue**,
- 1.4 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 **Insured Standing 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 will 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 3: ADDITIONAL INCREASE IN COST OF WORKING

(Unless previously approved by **Us** Item 3 cannot be taken without adding either Items 1, or 2 to **Your** insurance cover)

The insurance under this item is limited to reasonable additional expenditure (not recoverable under other items) incurred with **Our** consent during the **Indemnity Period** in consequence of the **Damage** for the purpose of maintaining the normal operation of the **Business**.

MEMORANDUM

If, during the **Indemnity Period**, goods will be sold, or services will be rendered elsewhere than at the premises for the benefit of the **Business** either by **You** or by others on **Your** behalf, the money paid or payable in respect of such sales or services will be brought into account in arriving at the **Turnover** or **Revenue**, during the **Indemnity Period**.

SPECIFIC CONDITIONS

1. BUSINESS CLOSED

The insurance under this Section will cease if the **Business** is wound up or carried on by a liquidator or judicial manager or is permanently discontinued, except with **Our** written agreement.

2. MINIMISING LOSSES

On the happening of any **Damage** in consequence of which a claim may be made under this Section, **You** will, in addition to complying with General Conditions headed Claims, Our Rights After an Event and Subrogation and Fraudulent, Wilful, Deliberate or Reckless Acts, with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimise or check any interruption of or interference with the business or to avoid or diminish the loss.

In the event of a claim being made under this **Section** will, not later than 30 days after the expiry of the **Indemnity Period**, or within such further time as **We** may in writing allow, at **Your** own expense deliver to **Us** in writing a statement setting forth particulars of **Your** claim together with details of all other insurance covering the loss or any part of it or consequential loss of any kind resulting therefrom.

No claim under this Section will be payable unless the terms of this Specific Condition has been complied with and, in

the event of non-compliance therewith in any respect, any payment on account of the claim already made will be repaid to **Us** forthwith.

SPECIFIC PROVISIONS

1. ACCOUNTANTS

Any particulars or details contained in **Your** books of account or other **Business** books or documents which may be required by **Us** under this **Section** for the purpose of investigating or verifying any claim hereunder, may be produced and certified by **Your** auditors or professional accountants, and their certificate will be prima facie evidence (meaning sufficient to establish a fact or raise a presumption unless disproved or rebutted) of the particulars and details to which it relates.

2. ACCUMULATED STOCKS

In adjusting any loss account will be taken, and a reasonable allowance made if any shortage in **Turnover** or **Revenue** due to the **Damage** can be postponed by reason of the **Turnover** or **Revenue** being temporarily maintained from accumulated stocks.

3. DEPARTMENTS

If the **Business** is conducted in departments or branches, the independent trading results of which are ascertainable, the provisions under Items 1 (**Gross Profit**) or 2 (**Revenue**) relating to reduction in **Turnover** / **Revenue** and increase in cost of working, will 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 **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 12 (twelve), the amount payable will be proportionately reduced.

4. DEPOSIT PREMIUM

(if stated to be included)

4.1. The premium payable in respect of Items 1 (**Gross Profit**) or 2 (**Revenue**) is calculated as a rate on the estimated annual **Turnover** of the **Business** (as noted in the **Schedule**).

4.2. Should the annual **Turnover** of the **Business** at the end of the **Annual Period** be less than 75% or greater than 125% of the **Turnover** figure as stated in the **Schedule**, a pro rata return or additional premium not exceeding 25% of the original premium paid for such **Annual Period** will be made in respect of the difference.

4.3. In the event of a claim being made under this **Section**, the amount paid or payable thereon will be regarded as actually earned.

5. OUTPUT (ALTERNATIVE BASIS)

At **Your** option, the term **Output** may be substituted for the term **Turnover** and, for the purposes of this **Section**, **Output** will mean the sale or transfer value, as shown in **Your** books, of goods manufactured or processed by **You** at the premises, provided that:

5.1. only the meaning of **Output** or the meaning of **Turnover** will be operative in connection with any one event resulting in interruption,

5.2. if the meaning of **Output** be used:

5.2.1. the accumulated stocks clause will be inoperative,

5.2.2. the Memorandum at the end of the Cover Provided will read:

“If, during the **Indemnity Period**, goods will be manufactured or processed other than at the premises

for the benefit of the **Business** either by **You** or by others on **Your** behalf, the sale or transfer of such goods will be brought into account in arriving at the output during the **Indemnity Period**.

6. SALVAGE SALE

Should **You** hold a salvage sale during the **Indemnity Period**, clause (1.1.) of Items 1A and 1B (**Gross Profit**) will, for the purposes of such claim, read as follows:

- 6.1. 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) will, in consequence of the **Damage**, fall short of the **Standard Turnover**, from which sum will be deducted the **Gross Profit** actually earned during the period of the salvage sale.