

GENERAL EXCEPTIONS PROVISIONS & CONDITIONS

Subject to the terms exceptions conditions (precedent or otherwise) and in consideration of and conditional upon the prior payment of the premium by or on behalf of the Insured and receipt thereof by or on behalf of **Santam Limited** (the Company) the Company agrees to indemnify or compensate the Insured by payment or at the option of the Company by replacement reinstatement or repair in respect of the defined events occurring during the period of insurance and as otherwise provided under the within sections up to the sums insured limits of indemnity or compensation and other amounts specified.

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

GENERAL EXCEPTIONS

1. War and riot

- (A) his policy does not cover loss damage or liability directly or indirectly caused by related to or in consequence of
- (i) civil commotion labour disturbances riot strike lockout or public disorder or any act or activity which is calculated or directed to bring about any of the foregoing;
 - (ii) war invasion act of foreign enemy hostilities or warlike operations (whether war be declared or not) or civil war;
 - (iii)
 - (a) mutiny military rising military or usurped power martial law or state of siege or any other event or cause which determines the proclamation or maintenance of martial law or state of siege;
 - (b) insurrection rebellion or revolution
 - (iv) any act (whether on behalf of any organisation body or person or group of persons) calculated or directed to overthrow or influence any State or Government or any provincial, local or tribal authority with force or by means of fear terrorism or violence;
 - (v) any act which is calculated or directed to bring about loss or damage in order to further any political aim, objective or cause or to bring about any social or economic change or in protest against any State or Government or any provincial local or tribal authority or for the purpose of inspiring fear in the public or any section thereof;
 - (vi) any attempt to perform any act referred to in clause (iv) or (v) above;
 - (vii) the act of any lawfully established authority in controlling, preventing suppressing or in any other way dealing with any occurrence referred to in clause A (i) (ii) (iii) (iv) (v) or (vi) above.
- If the company alleges that, by reason of clause A(i) (ii) (iii) (iv) (v) (vi) or (vii) of this exception loss or damage is not covered by this policy the burden of proving the contrary shall rest on the insured.
- (B) This policy does not cover loss or damage caused directly or indirectly by or through or in consequence of any occurrence for which a fund has been established in terms of the War Damage Insurance and Compensation Act 1976 (No. 85 of 1976) or any similar Act operative in any of the territories to which this policy applies.

2. Terrorism

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

For the purpose of this General exception 2 an act of terrorism includes without limitation the use of violence or force or the threat thereof whether as an act harmful to human life or not by any person or group of persons whether acting alone or on behalf of or in connection with any organisation or government or any other person or body of persons, committed for political religious personal or ideological reasons or purposes including any act committed with the intention to influence any government or for the purpose of inspiring fear in the public or any section thereof.

If the company alleges that by reason of clause 2 of this exception loss or damage is not covered by this policy the burden of proving the contrary shall rest on the Insured.

3. Nuclear and Asbestos

3.1 Asbestos Exclusion (applicable to the Public Liability and Employers Liability sections and Sub Section D (Liability) of the Buildings Combined Section).

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.

3.2 Except as regards the Fidelity, Stated Benefits and Group Personal Accident sections, this policy does not cover any legal liability, loss, damage, cost or expense whatsoever or any consequential loss directly or indirectly caused by or contributed to by or arising from:

- (i) ionising, radiations or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the combustion or use of nuclear fuel;
- (ii) nuclear material nuclear fission or fusion nuclear radiation;
- (iii) nuclear explosives or any nuclear weapon;
- (iv) nuclear waste in whatever form regardless of any other cause or event contributing concurrently or in any other sequence to the loss

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

4. This policy does not cover loss damage or liability directly or indirectly caused by or related to or in consequence of consequential loss of any description or delay.

5. This policy does not cover loss damage or liability directly or indirectly caused by or related to or in consequence of

- (a) earthquake whether caused by mining operations or otherwise subterranean fire, volcanic eruption or other convulsion of nature tidal wave subsidence or landslip;
- (b) an insured event occurring elsewhere than in Africa south of latitude 15o south excluding Angola Mozambique and Zambia unless otherwise stated in a section

6. Computer losses

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

Notwithstanding any provision of this policy including any exclusion exception or extension or other provision not included herein which would otherwise override a general exception this policy does not cover:

- (a) loss or destruction of or damage to any property whatsoever (including a computer) or any loss or expense whatsoever resulting or arising therefrom;
- (b) any legal liability of whatsoever nature;
- (c) any consequential loss directly or indirectly caused by or contributed to by or consisting of or arising from the incapacity or failure of any computer correctly or at all
 - (i) to treat any date as the correct date or true calendar date or correctly or appropriately to recognise manipulate interpret process store receive or to respond to any data or information or to carry out any command or instruction in regard to or in connection with any such date or
 - (ii) to capture save retain or to process any information or code as a result of the operation of any command which has been programmed into any computer being a command which causes the loss of data or the inability to capture save retain or correctly to process such data in regard to or in connection with any such date or
 - (iii) to capture save retain or to process any information or code due to programme errors incorrect entry or the inadvertent cancellation or corruption of data and/or programmes or
 - (iv) to capture, save, retain or to process any data as a result of the action of any computer virus or other corrupting harmful or otherwise unauthorised code or instruction including any trojan horse time or logic bomb or worm or any other destructive or disruptive code media or programme or interference.

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

Special extension to General exception 6

- A. Loss or destruction of or damage to the insured property by fire, explosion, lightning, earthquake or by the special perils referred to below or indemnified by the Glass Employer's Liability, Stated Benefits, Group Personal Accident or Motor section is not excluded by this General exception. The special perils that are not excluded for the purpose of this special extension are damage caused by:

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

**Unless so described and specifically insured as a separate item.*

2. aircraft and other aerial devices or articles dropped therefrom

3. impact by animals, trees, aerials, satellite dishes or vehicles excluding damage to such animals, trees, aerials, satellite dishes or vehicles or property in or on such vehicles.

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

- B. General exception 6 also does not apply to consequential loss as insured by any Business Interruption indemnity provided by this policy to the extent that such consequential loss results from damage to insured property by the perils referred to in Special extension A above.
- C. This Special extension will not insure any loss destruction damage or consequential loss if it would not have been insured in the absence of this Computer Losses General exception and this Special extension.
- D. This Special extension shall not apply to any Public Liability indemnity.

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 by each section of this policy is extended to include costs reasonably incurred by the Insured in producing and certifying any particulars or details required in terms of general condition 3 (claims) or to substantiate the amount of any claim up to in respect of any particular section the amount stated in the schedule.

2. Excess

Unless specifically provided to the contrary the amount payable under any section is reduced by the amount of any excess applicable to an insured event under that section or to the policy as a whole.

3. Increased limits (partnerships)

When the Insured is a partnership the limit of the Company's liability for habit forming drugs/money (other than crossed cheques and crossed money and postal orders) and fidelity guarantee are increased by the multiple of the number of partners.

4. Payments on account

Payment on account may be made to the Insured at the discretion of the Company if the payment of the amount recoverable from the Company is delayed pending finalisation of a claim.

5. Period of insurance

Where the expression "twelve consecutive months of insurance (calculated from the inception of this policy)" appears in a section it shall be interpreted literally except where the first or a subsequent period of insurance is for a shorter or longer period than the normal frequency of premium payment to comply with the requirements of the Insured in which case such shorter or longer period shall be interpreted as being the same duration as the normal frequency for the purposes of the said expression.

6. The rooms

Where ever "the rooms" appears it shall mean the building or that part thereof occupied by the Insured as professional offices consulting rooms and/or surgeries but shall exclude any open spaces or verandahs whether enclosed or not.

7. Limitation of loss

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

8. Interpretation

The schedule and any endorsement thereto and the policy wording shall be read together and any word or expression to which a specific meaning has been given in any part thereof shall bear such meaning whichever it may appear.

9. Premium payment

The Company shall not be obliged to accept premium tendered to it after inception date or renewal date as the case may be but may do so upon such terms as it at its sole discretion may determine.

GENERAL CONDITIONS

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

1. General

This policy a particular item section or sub-section shall render voidable in respect of any item or section in priority to the policy as a whole if

- (a) **non-disclosure**
there is misrepresentation misdescription or non-disclosure of any material particular
- (b) **insurable interest**
the Insured's interest ceases except by will or operation of law unless such alteration has been accepted by the Company
- (c) **increase in risk**
the risk of accident loss damage or liability is increased other than in circumstances for which provision is made
- (d) **breach of warranty**
the Insured breaches any warranty

2. Prevention of loss

The Insured shall take all reasonable precautions for the maintenance and safety of insured property and for the prevention of accidents or losses.

3. Claims

- (a) On the occurrence of an event which may give rise to a claim under this policy the Insured shall as soon as practicable and at his own expense (except as otherwise provided herein)
 - (i) notify the Company and give details of any other insurance covering the same event;
 - (ii) inform the police of any claim involving theft or loss of property and take all practical steps to discover the guilty party and recover the stolen or lost property;
 - (iii) co-operate with the Company or its nominee in minimising the resultant loss damage injury or liability;
 - (iv) supply full details of the event in writing supported by such proofs information and sworn declarations as the Company requires;

- (v) forward any notice of claim communication writ summons or other legal process connected with the event to the Company.
- (b) A claim (other than under the fidelity section or the assault memoranda under a money section) shall not be payable if
 - (i) the Insured makes any admission statement offer promise payment or indemnity without the prior written consent of the Company
 - (ii) twenty four months (or such other period as is provided in a section) has elapsed since the occurrence of the insured event (or in respect of a Business interruption section thirty days has elapsed since the expiry of the indemnity period) unless the claim is the subject of the Insured's legal liability to third parties or pending legal action
 - (iii) it is rejected and legal action is not commenced within twelve months of the rejection

4. The company's rights

On the occurrence of an insured event the Company or its nominee may without incurring any liability or in any way diminishing its rights

- (a) take enter or keep possession of any damaged insured property and deal with it in any reasonable manner but this condition does not grant the Insured licence to abandon any property to the Company whether already in its possession or not;
- (b) take legal action in the name of the Insured in respect of any recovery of or contribution to a claim;
- (c) take over and conduct in the name of the Insured the defence and settlement of any claim;
- (d) discharge its obligations at any time under any section or sub-section providing indemnity for liability to third parties by paying to the Insured the limit of liability or such lesser sum for which the claim can be settled which shall be inclusive of legal fees and other expenses agreed by the Company and incurred prior to the date of payment.

5. Other insurances

The Company shall not be liable

- (a) to indemnify the Insured for any insured property which is or would but for the existence of this policy be insured or be insurable by a marine insurance policy except in respect of any excess beyond the amount that would have been recoverable under such marine insurance policy
- (b)
 - (i) to contribute more than its rateable proportion where there is another policy in force covering partially or fully an insured event also insured by this policy and
 - (ii) when such policy contains any provision excluding it from ranking concurrent with or contributing rateably to this policy for more than such proportion of the loss or damage as the sum insured hereby bears to the value of the insured property andif such other policy is subject to a condition of average this policy if not already subject to such condition shall also be subject to average.

6. Cancellation

This policy or any section thereof may be cancelled by the Insured giving immediate notice or by the Company giving thirty days notice in writing to the Insured.

Subject to general condition 7 – a pro-rata return of premium calculated from the expiry of the period of notice to the expiry of the then current period of insurance will be allowed.

7. Adjustment of premium

The first and all renewal premiums are calculated on estimates and are subject to adjustment on actual figures.

Such adjustment shall be made at the expiry of each twelve consecutive months of insurance (calculated from the inception of this policy) and the Insured shall at all times keep adequate records of the particulars relative to the declaration required and shall make such records available to the Company annually or on request.

8. Reinstatement of sum insured (Not applicable to stock insured on declaration basis or to any section in which it is stated not to be applicable)

In consideration of the sum insured in a section not being reduced where appropriate by the amount of any valid claim the Insured shall (if required) pay a pro-rata premium calculated on the amount of the valid claim from the date of reinstatement or replacement (whichever is the later) to the expiry of the period of insurance.

9. Fraud

If any claim under this policy is in any respect fraudulent or if any fraudulent means or devices are used by the Insured or anyone acting on his behalf to obtain any benefit under this policy or if any loss damage or liability be occasioned by the wilful act or with the connivance of the Insured all benefit under this policy in respect of such claim shall be forfeited.

10. Jurisdiction

This policy is subject to the laws of the Republic of South Africa whose courts shall have sole jurisdiction to the exclusion of the courts of any other country.

Where payment is to be made to or by the Company it shall be made in the currency of the Republic of South Africa at the Company's head office unless the Company allows otherwise.

11. Security firms

The Company agrees not to exercise their rights of recourse against a security firm whose employee causes loss or damage if the said security firm is employed by the Insured under a contract in terms of which the Insured may not claim against the security firm.

12. Holding covered

The Company will not reject a claim on which they are holding covered due to the premium not having been agreed.

13. Schedule sums insured blank

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

- (i) left blank or has no monetary amount stipulated against it;
- (ii) reflected as nil or not applicable or not covered or no indemnity extended the defined event or circumstance shown in the schedule is not insured by the policy.

14. Breach of conditions

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

15. No rights to other persons

Unless otherwise provided nothing in this policy shall give any rights to any person other than the Insured. Any extension providing indemnity to any person other than the Insured shall not give any rights of claim to such person the intention being that the Insured shall claim on behalf of such person.

The receipt of the Insured shall in every case be a full discharge to the Company.

MEDIPLIX

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Reference is made in the schedule only to those sections shown in this index to be included and policy wordings are attached in respect of those sections only.

At first issue of this policy (or any section thereof) please check to ensure that all pages of all included sections are contained in this document.

At renewal or revision, policy wordings will not be reissued. This schedule will be updated and reissued as necessary together with any section schedule which may have changes.

FIRE

INSURED EVENT

Loss of or damage to the insured property (including alterations by the Insured as tenants to the buildings or structures) by an insured peril or such of the additional perils as are stated in the schedule to apply.

Average

If on the commencement of the occurrence of an insured event the value of the property insured is collectively greater than the sum insured thereon the Insured shall be considered his own insurer for the difference and shall bear a rateable proportion of the loss. Each item insured shall be separately subject to this condition.

Special exception

The Company shall not be liable for loss or damage to the insured property caused by or arising from it undergoing any process of heating or drying.

DEFINITIONS

INSURED PERILS

Fire

Lightning, thunderbolt and (notwithstanding General exception 5(a)) subterranean fire.

ADDITIONAL PERILS

1. Special perils

- (a) storm wind water hail or snow but excluding loss or damage to property
 - (aa) arising out of any process necessarily involving the use or application of water;
 - (ab) caused by tidal wave originating from earthquake or volcanic eruption;
 - (ac) in the underground workings of any mine and unless so described and insured specifically as a separate item;
 - (ad) in the open (other than to buildings structures or plant designed to exist or operate in the open);
 - (ae) in any structure not completely roofed;
 - (af) being retaining walls;
- (b) aircraft and other aerial devices or articles dropped therefrom;
- (c) impact by trees animals aerials satellite dishes or vehicles or articles dropped therefrom excluding loss or damage to such animals, aerials, satellite dishes or vehicles or property in or on such vehicles;
- (d) falling trees or parts thereof;

- (e) power surge provided that:
 - (i) the Company's liability for any claim or number of claims for any one event or series of events with one originating cause or source, shall not exceed in the aggregate R50 000;
 - (ii) the Insured shall be responsible for a first amount payable of 10% of claim subject to a minimum of R500;
 - (iii) average is not applicable.

SPECIAL EXCEPTIONS

The Company shall not be liable under additional peril 1 for

- (i) wear and tear or gradual deterioration;
- (ii) loss or damage caused or aggravated by
 - (aa) leakage or discharge from any sprinkler or drencher system or other fire extinguishing installations or appliances in any insured building or in any building containing insured property;
 - (ab) subsidence or landslip;
 - (ac) the Insured's failure to take reasonable precautions for the maintenance and safety of insured property or for the minimisation of any loss or damage.

2. Earthquake

Earthquake (notwithstanding general exception 5(a)) but excluding loss of or damage to property in the underground working of any mine.

3. Malicious damage

The deliberate or wilful or wanton act of any person committed with the intention of causing loss or damage but excluding (i) – (iii) as indicated below:

- (i) movable property which is
 - (a) stolen;
 - (b) damaged in an attempt to remove it or part of it from any premises owned or occupied by the Insured;
- (ii) moveable or immovable property which is damaged by thieves whilst breaking into or out of or attempting to break into or out of any premises owned or occupied by the Insured;
- (iii) immovable property owned or occupied by the Insured occasioned by or through or in consequence of
 - (a) the removal or partial removal or any attempt thereof;
 - (b) the demolition or partial demolition or any attempt thereof;
 the said immovable property or any part thereof with the intention of stealing any part thereof.

SPECIAL EXCEPTIONS

The Company shall not be liable for

- (a) damage related to or caused by fire or explosion or consequential or indirect loss or damage of any kind or description whatsoever other than loss of rent if specifically insured;

- (b) loss or damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation;
- (c) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation commandeering or requisition by any lawfully constituted authority;
- (d) loss or damage related to or caused by any occurrence referred to in general exception 1(i) (ii) (iii) (iv) (v) or (vi) or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If the Company alleges that by reason of (a), (b), (c) or (d) loss or damage is not covered by this section the burden of proving the contrary shall rest on the Insured.

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

During the period of the initial unoccupancy of 30 consecutive days the Insured shall become a coinsurer with the Company and shall bear a proportion of any loss or damage equal to 20% of the claim before deduction of any first amount payable.

4. Explosion

Explosion

5. Subsidence and landslip

Subsidence or landslip (notwithstanding General exception 5(a)) but excluding:

- (a) loss or damage to drains watercourses boundary garden dam or retaining walls gates posts and fences;
- (b) loss or damage caused or aggravated by
 - (i) faulty design or construction of or the removal or weakening of support to any building insured by this section;
 - (ii) workmen making structural alterations additions or repairs to any building insured by this section;
 - (iii) excavations on or under land other than excavations in the course of mining operations;
- (c) consequential loss of any kind whatsoever other than loss of rent if specifically insured;
- (d) the first 1% of the sum insured on any insured property or the first R1 000 of every claim whichever is the greater in any action suit or other proceedings where the Company alleges that by reason of these provisions loss or damage is not covered by this additional peril the burden of proving the contrary shall rest on the Insured.

6. Sprinkler and other leakage

Leakage or discharge from any sprinkler, drencher system or fire extinguishing installation/appliance but excluding loss or damage caused or aggravated by

- (i) alteration or repair to the building containing the installations or appliances;
- (ii) freezing of the installation or appliances if the building is unoccupied for more than 21 consecutive days.

In respect of this additional peril only notwithstanding General exception 5(a) loss or damage by earthquake is insured.

If the liability of the Company under this additional peril is stated to be less than the sum insured for an item of insured property the "average" condition is replaced by:

Average

If on the commencement of the occurrence of an insured event the value of the insured property is collectively greater than the sum insured thereon for fire the Company shall only be liable for such proportion of the sum insured for this additional peril as the sum insured for fire bears to the total value of the insured property and the Insured shall be considered his own insurer for the difference and shall bear a rateable proportion of the loss.

Each item insured shall be separately subject to this condition.

INSURED PROPERTY

The property at the premises as more fully described below the Insured's own or held by him in trust or on commission for which he is responsible.

For the purposes of determining under which heading the property is insured the Company agrees to accept the designation under which the property is entered in the Insured's books.

Buildings

Buildings constructed of brick stone or concrete and roofed with asbestos concrete metal slate or tile (unless specifically stated to the contrary in the schedule) together with landlord's fixtures and fittings therein or thereon boundary and other walls (but specifically excluding dam and retaining walls) gates posts and fences.

Rent

Rent on the basis and for the number of months stated in the schedule.

Plant machinery and all other contents

Plant and machinery and landlord's fixtures and fittings for which the Insured is responsible and all contents (other than stock and any property more specifically insured) which shall include:

- (a) money up to R5 000 and stamps up to R5 000;
- (b) documents, manuscripts and business books, plans and designs;
- (c) computer system records;
- (d) patterns, models and moulds
but in respect of (b); (c) and (d) the cover is limited to the value of the materials and the cost of labour for recreating and excludes any expenses in connection with the production of any information contained therein and the value of such information to the Insured;
- (e) personal effects (including pedal cycles and tools) of principals, directors, members, partners or employees (not otherwise insured) up to R5 000 per individual.

Stock

Stock and materials in trade.

Other property

Any property (whether forming part of any other description of insured property or not) more specifically described in the schedule.

RENT

The Company will pay the amount of rent payable/rent receivable/rental value (as stated in the schedule) during the period the premises are rendered untenable by an insured event but the limit of the Company's liability shall be the lesser of the period necessary to make the premises tenable or the number of months stated.

Rent payable

The actual rent payable by the Insured to the owner/landlord of the premises immediately prior to the premises becoming untenable plus costs necessarily incurred in removal to and return from temporary premises.

Rent receivable

The actual rent receivable by the Insured immediately prior to the premises becoming untenable for that part of the premises then let.

Rental value

The actual rental value of the premises immediately prior to it becoming untenable.

CLAUSES

1. Additional costs

The sums insured in respect of buildings stock plant and machinery include

- (a) any costs incurred due to the necessity to comply with building or other regulations of any public authority in repair or reinstatement following an insured event provided that such costs do not include:
 - (i) anything for which notice had been served on the Insured prior to the insured event;
 - (ii) anything connected with undamaged property or undamaged portions of property;
 - (iii) rates taxes duties development and other charges payable under the said regulations due to capital appreciation of the insured property;
- (b) fees for the examination of municipal or other plans
- (c)
 - (i) costs incurred in the necessary erection and maintenance of hoardings during demolition and rebuilding;
 - (ii) costs incurred in the necessary demolition and removal of debris resulting from an insured event (including stock debris and undamaged contents) from the site of the insured property destroyed or damaged and the area immediately adjacent to such site but excluding costs and expenses arising from pollution or contamination of property not insured by this policy;
- (d) the professional fees of architects quantity surveyors and other consultants;

(e) up to R2 500 in respect of removal costs of fallen trees or parts thereof (whether causing damage or not) referred to under Special Peril (d);

but the Company shall not be liable under (a), (b) or (d) unless the lost or damaged property is replaced or reinstated without undue delay nor under (d) for any expenses in connection with the preparation of the Insured's claim.

2. Alterations and misdescription

The Insured shall not be prejudiced by any alteration or misdescription of occupancy due to

- (a) the transfer of processes or machinery;
- (b) the acquisition of additional premises;
- (c) structural alterations or repairs to buildings plant or machinery;

provided that notice is given to the Company as soon as practicable after the event and the Insured pays any additional premium that may be required.

3. Capital additions

Alterations, additions and improvements to buildings plant and machinery (but not appreciation in value in excess of the sum insured) are "held covered" up to fifteen percent of the sum insured provided the Insured notifies the Company of such work at the end of each quarter and pays any additional premium that may be required.

4. Disposal of salvage

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

5. Fire extinguishing charges

In addition to any amount paid as a result of an insured event and the insured property being in danger from the fire the Company will pay any charges incurred for which the Insured is legally liable in extinguishing or fighting of the fire.

6. Mortgagees

From the date of notification the Company accepts the interest of a mortgagee or others with an insurable interest in the insured property and will not prejudice such interest due to the act or omission of the mortgagor without the mortgagee's knowledge provided that the mortgagee advises the Company as soon as such act or omission comes to his knowledge and agrees to be responsible for any additional premium resulting from the Company assuming any increased hazard

7. Railway subrogation

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

8. Temporary removals

The insured property (other than stock) is covered while temporarily removed from or within the premises to other premises within the territorial limits for alteration cleaning repair renovation or similar process provided that the Company's liability:

- (a) is limited to fifteen percent of the sum insured on the insured property concerned;
- (b) does not extend to motor vehicles or motor chassis;
- (c) does not cover property held in trust other than machinery and plant;
- (d) for property in transit is restricted to transit by road rail or inland waterway and the property is not otherwise insured.

9. Tenants

The Insured shall not be prejudiced by the act of any tenant in premises he owns or in which he is a co-tenant nor of the owner of any premises of which he is a tenant provided that the Company is notified as soon as he becomes aware of such act and he pays any additional premium resulting from the Company assuming any additional hazard.

10. Vehicle loads

Loads on the Insured's vehicles are covered at the premises out of normal business hours.

11. Watchmen

The Company will pay up to R5 000 for costs necessarily incurred in protecting or attempting to protect any insured property following an insured event.

12. Municipal plans scrutiny fees

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

13. Public authorities' requirements

This section includes additional costs to repair or rebuild the damaged property incurred solely by reason of the necessity to comply with building or other regulations under or framed in pursuance of any act of parliament or ordinance of any provided that:

1. the amount recoverable under this clause shall not include
 - (a) the cost incurred in complying with any of the aforesaid regulations
 - (i) in respect of damage occurring prior to granting of this clause;
 - (ii) in respect of damage not insured by this section;
 - (iii) under which notice has been served upon the Insured prior to the happening of the damage;
 - (iv) in respect of undamaged property or undamaged portions of property other than foundations (unless foundations are specifically excluded from this insurance) of that portion damaged;
 - (b) the additional cost that would have been required to make good the property damaged to a condition equal to its condition when new had the necessity to comply with any of the aforesaid regulations not arisen;
 - (c) the amount of any rate tax duty development or other charge or assessment arising from capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid regulations;

2. the work of repair or rebuilding must be commenced and carried out with reasonable despatch and may be carried out wholly or partially on another site (if the aforesaid regulations so necessitate) subject to the liability of the Company under this clause not being increased;
3. if the liability of the Company under any item of this section apart from this clause be reduced by the application of any of the terms exceptions and conditions of this section then the liability of the Company under this clause in respect of any such item shall be reduced in like proportion;
4. the total amount recoverable under any item of this section shall not exceed its sum insured.

MEMORANDA (if stated in the shedule to apply)

1. Excess clause

The Company shall not be liable for the amount of any excess stated in the schedule.

2. Fire extinguishing appliances warranty

In consideration of a discount off the premium which is included in the premium for this insurance the Insured warrants that all fire extinguishing appliances under his control are and will be kept in proper working order and serviced regularly in accordance with SABS Standard No.0105/1971 or any replacement standard.

3. Inflation/escalation

In consideration of the payment of an additional premium which is included in the premium for this section the sum(s) insured by the item(s) listed in the schedule under this memorandum is/are increased by that proportion of the selected percentage increase (stated against the item concerned in the schedule) as the number of days since the commencement of the current period of insurance bears to the whole of the current period of insurance and (unless provided to the contrary) such increase shall be applied to the sum(s) insured current at the commencement of the current period of insurance.

4. Reinstatement

The basis upon which the amount payable is to be calculated following an insured event to buildings plant and machinery shall be the cost of replacing or reinstating on the same site property of the same kind or type but not superior to or more extensive than such insured property when new provided that:

- (a) the work of replacement or reinstatement (which may be carried out on another site and in any manner suitable to the requirements of the Insured) subject to the liability of the Company not being thereby increased must be commenced and carried out with reasonable despatch otherwise no payment beyond the amount that would have been payable if this memorandum had not been incorporated in this section shall be made;
- (b) the Company shall not be liable for any payment beyond the amount that would have been payable if this memorandum had not been incorporated in this section until expenditure has been incurred by the Insured in replacing or reinstating the lost or damaged insured property;
- (c) if at the time of replacement or reinstatement the sum representing the cost which would have been incurred in replacement or reinstatement if the whole of the insured property had been lost or damaged exceeds the sum insured thereon at the time of the insured event then the Insured shall be considered his own insurer for the difference and shall bear a rateable proportion of the loss each item of insured property to which this memorandum applies shall be separately subject to this provision;

- (d) this memorandum shall not apply if
 - (i) the Insured fails to intimate to the Company within six months of the insured event (or such further time as the Company may allow in writing) his intention to replace or reinstate the lost or damaged insured property;
 - (ii) the Insured is unable or unwilling to replace or reinstate the lost or damaged insured property on the same or another site.

5. Alternative replacement conditions (design capacity)

If property which has a measurable function capacity or output is damaged by a defined event and it is not possible to replace or reinstate such property in terms of the reinstatement memorandum then the Company will pay the cost of replacing such property with property the quality capacity function or output of which is as near as possible but not inferior to that of the original property provided that:

- (i) provisos (a), (b), (c) and (d) of the reinstatement memorandum apply equally to this memorandum;
- (ii) in applying the provisions of proviso (c) of the reinstatement memorandum the cost (as provided for in proviso (c)) "which would have been incurred in replacement or reinstatement if the whole of the insured property had been lost or damaged" will be increased by such amount payable under the alternative replacement memorandum which is in excess of that which would have been payable under the reinstatement value conditions memorandum had it been possible to reinstate or replace the property under its terms.

6. Sprinkler warranty

The Insured warrants that all sprinkler/drencher installations and other fire extinguishing appliances under his control are and will be kept in proper working order and that he has in force a contract with the Automatic Sprinkler Inspection Bureau (Pty) Limited requiring the sprinkler/ drencher installations to be inspected at least twice yearly.

The Insured further warrants that the stack heights of goods as laid down by the Automatic Sprinkler Inspection Bureau (Pty) Limited will not be exceeded nor will goods be stored within half a metre of a sprinkler/drencher head designated as ordinary hazard or within one metre of a head designated extra high hazard.

In consideration of the foregoing the failure of the water supply in circumstances outside the control of the Insured will not invalidate this insurance provided notification is given to the Company as soon as such failure comes to the Insured's knowledge.

7. Watchmen

The Company will pay in addition to the sum stated in the watchmen clause up to the amount stated in the schedule for costs necessarily incurred in protecting or attempting to protect any insured property following an insured event.

8. Public supply connections

This section covers accidental damage to water, sewerage, gas, electricity and telecommunication connections the property of the Insured or for which they are legally responsible between the property insured and the public supply or mains.

BUILDINGS COMBINED

SUB-SECTION A – MATERIAL DAMAGE

INSURED EVENT

Loss of or damage to the insured property by an insured peril.

Average (not applicable to insured perils 8, 9, 10, 11, 12 and 13).

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

Each item insured shall be separately subject to this condition.

SPECIAL EXCEPTIONS

The Company shall not be liable for loss or damage

- (a) under insured peril 4
 - (i) to retaining walls
 - (ii) to any insured property caused by or arising from
 - (aa) any process necessarily involving the use or application of water
 - (ab) wear and tear or gradual deterioration
 - (iii) to any property in any structure which is not completely roofed
 - (iv) loss or damage caused or aggravated by
 - (aa) subsidence or landslip
 - (ab) the Insured's failure to take reasonable precautions for the maintenance and safety of insured property or for the minimisation of any loss or damage
- (b) by insured peril 8 caused or aggravated by
 - (i) alteration or repair to the building containing the installations or the appliances
 - (ii) freezing of the installation or appliances if the building is unoccupied for more than 21 consecutive days
- (c) under insured peril 6 to money

SUB-SECTION B – LIABILITY

INSURED EVENT

Accidental

- (a) death of or bodily injury (including illness) to any person not being a member of the Insured's family or household nor arising out of or in the course of his employment with the Insured;
- (b) loss of or physical damage to tangible property not belonging to nor under the control of the Insured or members of his family or household or his employees caused in or about the building during the period of insurance by the negligence of the Insured or of any principal director member partner or employee of the Insured in respect of which the Insured becomes legally liable to pay damages.

INDEMNITY

The amount payable for any one event or series of events with one original cause or source inclusive of legal costs recoverable from the Insured by a claimant and all other costs and expenses incurred with the Company's consent shall not exceed the sum stated in the schedule.

Memo

In the event of the Company being required to indemnify more than one person under this sub-section the limit of liability shall apply in aggregate to all persons being indemnified and in priority to the Insured or in the event of his death to his legal personal representative.

SPECIAL EXCEPTIONS

The Company shall not be liable for

- (a) an insured event caused by or arising from
 - (i) the Insured's trade profession or occupation (other than as owner of the building)
 - (ii) vibration or the removal or weakening of or interference with the support to any land structure building or other property
- (b) the ownership possession or use by or on behalf of the Insured of any locomotive rolling stock airborne craft, watercraft, mechanically assisted pedal cycle or mechanically propelled vehicle of any kind (other than lawnmowers and pedestrian controlled garden implements)
- (c) the demolition of or structural alterations to the building
- (d) liability assumed under agreement unless liability would have attached to the Insured notwithstanding such agreement
- (e) seepage pollution or contamination or any costs in connection with the nullifying or cleaning up, seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden unintended and unforeseen happening unconnected with any gradually operating cause
- (f) fines, penalties, punitive exemplary or vindictive damages

- (g) compensation for damages and costs and expenses of litigation recovered by any claimant from the Insured in respect of judgements delivered or obtained in the first instance otherwisethan by a court of competent jurisdiction within the Republic of South Africa, Namibia, Botswana, Lesotho and Swaziland
- (h) an insured event if at the time of any event giving rise to a claim under this sub-section indemnity is also provided under any other insurance this subsection shall not be drawn into contribution with such other insurance except in respect of any excess over and above the amount payable by such other insurance.

SPECIAL EXTENSIONS

1. Amendment to general exceptions

General exception 1 is deleted and replaced by "1 War invasion acts of foreign enemy hostilities (whether war be declared or not) civil war mutiny insurrection rebellion revolution military or usurped power".

2. Cross liabilities

When the "Insured" comprises more than one entity the Company will indemnify each such entity as if a separate policy has been issued to each and waives all rights and subrogation or action it may have or acquire arising from this special extension provided that

- (a) the Company's liability in aggregate shall not exceed the general limit of the indemnity stated in the schedule for any one insured event
- (b) the Company shall not indemnify the Insured for any liability which is or would but for the existence of this insurance be insured under any employer's liability insurance

3. Indemnity to other parties

The "Insured" shall include

- (a) in the event of the death of the Insured his legal personal representative in respect of liability incurred by the Insured;
- (b) if requested by the Insured any principal, member, director, partner or employee of the Insured.

4. Security firms

Notwithstanding general condition 11 if in terms of a contract with a security firm engaged in the course of the Insured's business (as owner of the premises specified in the schedule) to protect the Insured's property at the premises stated in the schedule the Insured becomes legally liable for the acts or omissions of the employees of the security firm in the course of their employment at these premises then this sub-section includes such legal liability to the extent that indemnity would have been granted under this sub-section had the said employees been under a contract of service to the Insured and not the security firm but not exceeding the limit of liability stated in the schedule for this sub-section.

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

DEFINITIONS

Insured perils

1. Fire lightning thunderbolt and (notwithstanding general exception 5(a)) subterranean fire
2. Explosion
3. Earthquake (notwithstanding general exception 5(a)) but excluding loss or damage to property in the underground workings of any mine
4. (a) storm wind water hail or snow but excluding loss or damage to property
 - (aa) arising out of any process necessarily involving the use or application of water
 - (ab) caused by tidal wave originating from earthquake or volcanic eruption
 - (ac) in the underground workings of any mine and unless so described and insured specifically as a separate item
 - (ad) in the open (other than to buildings structures or plant designed to exist or operate in the open)
 - (ae) in any structure not completely roofed
 - (af) being retaining walls
5. Impact by
 - (i) aircraft and other aerial devices or articles dropped therefrom
 - (ii) Impact by trees animals aerials satellite dishes or vehicles or articles dropped therefrom excluding loss or damage to such animals aerials satellite dishes or vehicles or property in or on such vehicles
 - (iii) falling trees or parts thereof
6. Theft (or any attempt thereat) accompanied by forcible and violent entry into or exit from such building.
If any building insured or containing the insured property becomes unoccupied for 30 consecutive days this item is suspended as regards the property affected unless the Insured before the occurrence of damage obtains the written agreement of the Company to continue this extension.

During the period of the initial unoccupancy of 30 consecutive days the Insured shall become a coinsurer with the Company and shall bear a rateable proportion of any loss or damage equal to 20% of the claim before deduction of any first amount payable.
7. Malicious damage (as defined)
8. Discharge or leakage of sprinkler or drencher installations systems or other fire extinguishing installations or appliances in any insured building or any building containing insured property.
In respect of this insured peril only general exception 1(i) is deleted and loss or damage by earthquake is insured.

If the liability of the Company under this additional peril is stated to be less than the sum insured for an item of insured property the "average" condition is replaced by

Average

If on the commencement of the occurrence of an insured event the value of the insured property is collectively greater than the sum insured thereon for fire the Company shall only be liable for such proportion of the sum insured for this additional peril as the sum insured for fire bears to the total value of the insured property and the Insured shall be considered his own insurer for the difference and shall bear a rateable proportion of the loss Each item insured shall be separately subject to this condition.

9. Accidental damage to telecommunications or public supply connections (the property of the Insured or which the Insured is legally liable) between the insured property and the public supply or mains.
10. Accidental damage to fixed internal glass and sanitaryware.
11. Accidental damage to swimming pool or sauna pool plant and machinery
 - (i) but excluding loss or damage which occurs gradually over a period of time;
 - (ii) the amount payable will be reduced by R500 for each and every such damage.
12. Geysers, water containers, water tanks, water apparatus or water pipes.
 The company will indemnify the insured for loss of or damage to geysers water containers water tanks water apparatus or water pipes caused by the bursting thereof.
 The insured is responsible for 10 % of every claim in respect of loss or damage in terms of this extension subject to a minimum amount of R500.
 Each geyser installation is separately subject to this first amount payable.
13. Power surge provided that:
 - (i) the Company's liability for any claim or number of claims for any one event or series of events with one originating cause or source, shall not exceed in the aggregate R50 000;
 - (ii) the Insured shall be responsible for a first amount payable of 10% of claim subject to a minimum of R500.

Insured property

1. The building constructed of brick stone concrete or metal on metal framework and roofed (unless otherwise stated in the schedule) with slate, tile, metal, concrete or asbestos driveways including sporting and recreational facilities plant and machinery pertaining to and associated therewith including landlord's fixtures and fittings therein or thereon boundary and other walls (boundary and other walls include gates posts and fences but specifically excludes retaining walls and dam walls) and tarred or paved roadways driveways paths or parking areas
2. The contents described in the schedule and all other contents which shall include
 - (a) money up to R5 000 and stamps up to R5 000;
 - (b) documents manuscripts and business books plans and designs;
 - (c) computer system records;
 - (d) patterns models and moulds
 but in respect of (b) (c) and (d) the cover is limited to the value of the materials and the cost of labour for recreating and excludes any expenses in connection with the production of any information contained therein and the value of such information to the Insured;
 - (e) personal effects (including pedal cycles and tools) of principals members directors partners or employees (not otherwise insured) up to R5 000 per individual while in the building;

All the property of the Insured or in respect of item 2 held by him in trust or on commission for which he is responsible.

Malicious damage

The deliberate or wilful or wanton act of any person committed with the intention of causing such loss or damage but excluding loss or damage caused by or arising from theft or any attempt thereat.

SPECIAL EXCEPTIONS

The Company shall not be liable for

- (a) consequential or indirect loss or damage of any kind or description whatsoever other than loss of rent if specifically insured;
- (b) loss or damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation;
- (c) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation commandeering or requisition by any lawfully constituted authority;
- (d) loss or damage related to or caused by any occurrence referred to in general exception 1(i) (ii) (iii) (iv) (v) or (vi) or the act of any lawfully established authority in controlling preventing suppressing or in any other way dealing with any such occurrence.

If the Company alleges that by reason of (a) (b) (c) or (d) loss or damage is not covered by this section the burden of proving the contrary shall rest on the Insured.

Money

Current coin (excluding Kruger Rands and similar coins) bank and currency notes, travellers and other cheque, money and postal orders unused postage revenue and holiday pay stamps credit card slips travel tickets bonds certificates documents or instruments of a negotiable nature the property of the Insured or for which he is responsible.

CLAUSES

1. Additional costs

The sum insured is deemed to include

- (a) any costs incurred due to the necessity to comply with building or other regulations of any public authority in repair or reinstatement A provided that such costs do not include
 - (i) anything for which notice had been served on the Insured prior to the insured event
 - (ii) anything connected with undamaged property or undamaged portions of property
 - (iii) rates taxes duties development and other charges payable under the said regulations due to capital appreciation of the insured property
- (b) fees for the examination of municipal or other plans;
- (c)
 - (i) costs incurred in the necessary erection and maintenance of hoardings during demolition and rebuilding;
 - (ii) costs incurred in the necessary demolition and removal of debris resulting from an insured event (including undamaged contents) from the site of the insured property destroyed or damaged and the area immediately adjacent to such site but excluding costs and expenses arising from pollution or contamination of property not insured by this policy;
- (d) the professional fees of architects quantity surveyors and other consultants;
- (e) up to R2 500 in respect of removal costs of fallen trees or parts thereof (whether causing damage or not) referred to under Insured Peril 5 (iii) but the Company shall not be liable under (a), (b) or (d) above unless the lost or damaged property is replaced or reinstated without undue delay nor under (d) for any expenses in connection with the preparation of the Insured's claim.

2. Alterations

This section shall not be prejudiced by any alteration or misdescription of occupancy due to structural alteration or repair to the building defined in item 1 of the insured property provided the Company is notified as soon as practicable after the event and the Insured pays any additional premium required.

3. Capital additions

Alterations, additions and improvements to the building plant and machinery within the definition of insured property (but not appreciation in value in excess of the sum insured) are held covered up to fifteen percent of the sum insured provided the Insured notifies the Company of such work at the end of each quarter and pays any additional premium required.

4. Fire extinguishing charges

In addition to any amount paid as a result of an insured event and the insured property being in danger from the fire the Company will pay any charges incurred for which the Insured is legally liable in extinguishing or fighting of the fire.

5. Mortgagees

From the date of notification the Company accepts the interest of a mortgagee and others with an insurable interest in the insured property and will not prejudice such interest due to the act or omission of the mortgagor without the mortgagee's knowledge provided the mortgagee notifies the Company as soon as such act or omission comes to his knowledge and agrees to be responsible for any additional premium required as a result of the Company accepting any increased hazard.

6. Railway subrogation

This section shall not be prejudiced by the Insured signing the Transnet Cartage (Hazardous Premises) or similar agreements with the Transnet Administration or other government bodies.

7. Rent

In the event of item 1 of the insured property being rendered untenable (including partially untenable) by an insured peril the Company will (notwithstanding general exception 4) pay the rent receivable or the rental value but only for the period necessary for repair or reinstatement and limited to a maximum of twenty five percent of the sum insured plus any additional sum stated in the schedule.

8. Prevention of access (rent)

If property within a 10 km radius of the premises stated in the schedule is lost or damaged by an insured peril under sub-section A during the period of insurance and this prevents or hinders the use of or access to the property insured by this section the Company will pay any loss of rent the Insured may incur as a result thereof up to an amount not exceeding 25 per cent of the sum insured on the affected property.

The loss of rent calculation will be based on the rent payable immediately preceding the loss or damage or its equivalent rental value.

9. Temporary removals

The insured property is held covered while temporarily removed from or within the premises for alteration cleaning repair renovation or similar process within the territorial limits provided the Company's liability

- (i) is limited to fifteen percent of the sum insured for the property concerned;
- (ii) does not extend to motor vehicles or motor chassis;

- (iii) does not cover property held in trust other than plant and machinery;
- (iv) is not increased beyond that to which it would have been exposed at the premises or the part thereof from which the insured property is temporarily removed;
- (v) for property in transit is restricted to transit by road, rail or inland waterway and the property is not otherwise insured.

10. Tenants

The Insured shall not be prejudiced by the act of any tenant in any building defined in item 1 of the insured property provided the Company is notified as soon as he becomes aware of such act and pays any additional premium required as a result of the Company accepting any increased hazard.

11. Watchmen

The Company will pay up to R5 000 for costs actually and necessarily incurred in employing watchmen to protect or attempt to protect any insured property following an insured event.

12. Municipal plans scrutiny fees

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

13. Public authorities' requirements

This section includes additional costs to repair or rebuild the damaged property incurred solely by reason of the necessity to comply with building or other regulations under or framed in pursuance of any act of parliament or ordinance of any provincial municipal or other local authority provided that

1. the amount recoverable under this clause shall not include
 - (a) the cost incurred in complying with any of the aforesaid regulations
 - (i) in respect of damage occurring prior to granting of this clause
 - (ii) in respect of damage not insured by this section
 - (iii) under which notice has been served upon the Insured prior to the happening of the damage
 - (iv) in respect of undamaged property or undamaged portions of property other than foundations (unless foundations are specifically excluded from this insurance) of that portion damaged
 - (b) the additional cost that would have been required to make good the property damaged to a condition equal to its condition when new had the necessity to comply with any of the aforesaid regulations not arisen
 - (c) the amount of any rate tax duty development or other charge or assessment arising from capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid regulations
2. the work of repair or rebuilding must be commenced and carried out with reasonable despatch and may be carried out wholly or partially on another site (if the aforesaid regulations so necessitate) subject to the liability of the Company under this clause not being increased;
3. if the liability of the Company under any item of this section apart from this clause be reduced by the application of any of the terms exceptions and conditions of this section then the liability of the Company under this clause in respect of any such item shall be reduced in like proportion;

4. the total amount recoverable under any item of this section shall not exceed its sum insured.

MEMORANDA (if stated in the schedule to apply)

1. Fire extinguishing appliances warranty

In consideration of a discount off the premium which is included in the premium for this insurance the Insured warrants that all fire extinguishing appliances under his control are and will be kept in proper working order and serviced regularly in accordance with SABS Standard No.0105/1971 or any replacement standard.

2. Protection and alarm warranty

Notwithstanding anything to the contrary contained in the policy wording and schedule, this policy is subject to the following Burglar Alarm Condition.

In respect of any section and premises where it is stated to be applicable it is a condition precedent to the liability of the company in respect of loss of or damage to property of the insured (or for which they are responsible) by theft or any attempt thereat from any insured building stated in the schedule

that the installed SAIA Approved (Pty) Ltd certified alarm as required by the company is set and armed and made fully operative whenever the protected building/s is/are not open for business (unless a principal, partner, director or employee of the insured is in the protected building) and it is warranted that

1. The company will be entitled to request full information of the relevant arming and disarming log after the occurrence of a claim;
2. loss of or damage to the property insured following the use of the keypad code/remote control of the burglar alarm or any duplicate thereof belonging to the insured is not covered unless such duplicate keypad code/remote control has been obtained by violence or threat of violence to any person or such a remote control was obtained by theft
or
in all instances where it is not stated under the premises that the installed alarm is to be a SAIA Approved (Pty) Ltd certified alarm, the installed alarm is to be a dual monitoring alarm and it is warranted that
1. the burglar alarm installed at the premises shall be set and armed and made fully operative whenever the premises are not open for business unless a principal, partner, director or employee of the insured is in the protected building;
2. if the company who installed the said alarm system operates an armed reaction unit the contract for the said alarm shall include the armed reaction unit's services where available;
3. such alarm shall be maintained in proper working order but the insured shall be deemed to have discharged their liability if they have maintained their obligations under a maintenance contract with the Installation/Service Company of the alarm system;
4. the control panel shall have an event log and the arming and disarming of the alarm is to be logged and after the occurrence of a claim the company will be entitled to request full information of the relevant log
5. loss of or damage to the property insured following the use of the keypad code/ remote control of the burglar alarm or any duplicate thereof belonging to the insured is not covered unless such keypad code/remote control has been obtained by violence or threat of violence to any person or such a remote control was obtained by theft.

3. Reinstatement

The basis upon which the amount payable is to be calculated following an insured event under subsection A to item 1 of the insured property shall be the cost of replacing or reinstating on the same site property of the same kind or type but not superior to or more extensive than the insured property when new provided that

- (a) the work of replacement or reinstatement (which may be carried out on another site and in any manner suitable to the requirements of the Insured subject to the liability of the Company not being thereby increased) must be commenced and carried out with reasonable despatch otherwise no payment beyond the amount that would have been payable if this memorandum had not been incorporated in this section shall be made;
- (b) the Company shall not be liable for any payment beyond the amount that would have been payable if this memorandum had not been incorporated in this section until expenditure has been incurred by the Insured in replacing or reinstating the lost or damaged insured property;
- (c) if at the time of replacement or reinstatement the sum representing the cost which would have been incurred in replacement or reinstatement if the whole of item 1 of insured property had been lost or damaged exceeds the sum insured thereon at the time of the insured event then the Insured shall be considered his own insurer for the difference and shall bear a rateable proportion of the loss each item of insured property to which this memorandum applies shall be separately subject to this provision;
- (d) this memorandum shall not apply if
 - (i) the Insured fails to intimate to the Company within 6 months of the insured event (or such further time as the Company may allow in writing) his intention to replace or reinstate the lost or damaged insured property;
 - (ii) the Insured is unable or unwilling to replace or reinstate the lost or damaged insured property on the same or another site.

4. Subsidence or landslip

Notwithstanding general exception 5(a) insured event includes loss or damage to the insured property due to subsidence or landslip provided the Company shall not be liable for

- (i) loss or damage to drains water courses boundary garden dam or retaining walls gates posts or fences;
- (ii) loss or damage due to faulty design or construction or the removal or weakening of support to any building defined in item 1 of insured property;
- (iii) loss or damage caused by workmen engaging in making structural alterations additions or repairs to the building defined in item 1 of insured property;
- (iv) loss or damage due to excavations on or under land except in the course of mining operations;
- (v) the first portion of any loss or damage calculated on the basis of the greater of one percent of the sum insured on the insured property lost or damaged and R1 000 in any action suit or other proceedings where the Company alleges that by reason of these provisions loss or damage is not covered by this memorandum the burden of proving the contrary shall rest on the Insured;

each item insured shall be separately subject to this condition.

5. Escalator clause

Unless agreed otherwise these provisions only apply to the sum insured in force at the commencement of the period of insurance. During each period of insurance the sum insured under sub-section A of this section is increased by that portion of the percentage specified in the schedule which the number of days since the commencement of such period bears to the whole of such period. The Insured shall notify the Company at each renewal of the sum to be insured for the forthcoming period of insurance and the percentage increase required for such period. In default thereof the provisions of this clause shall cease to apply. The additional premium for this extension shall be 50% of the premium produced by applying the percentage specified to the annual premium for the sum insured to which this extension applies.

CONTENTS

SUB-SECTION A – CONTENTS

INSURED EVENT

Loss of or damage to the contents of the rooms by an insured peril.

Average (not applicable to insured perils 5, 6, 8 and 9)

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

SPECIAL EXCEPTIONS

The Company shall not be liable for

- (a) loss of or damage to money bullion jewellery precious and semi-precious metals or stones or computer equipment and data carrying media;
- (b) an insured event arising as a result of the dishonesty of a principal director partner member or employee of the Insured;
- (c) more than R10 000 in respect of theft or attempted theft of habit forming drugs or narcotics;
- (d) anything more specifically insured;
- (e) more than R5 000 for loss or damage to landlords fixtures and fittings;
- (f) more than R5 000 for personal effects per individual and R10 000 in all;
- (g) more than R7 500 for accidental breakage of mirrors and glass tops to or fixed glass in or on furniture or in windows or doors forming part of the rooms.

SPECIAL EXTENSIONS

1. Alterations and misdescription

The Insured shall not be prejudiced by any alteration or misdescription of occupancy due to

- (a) the acquisition of additional premises;
- (b) structural alterations or repairs to buildings provided that notice is given to the Company as soon as practicable after the event and the Insured pays any additional premium that may be required.

2. Capital additions

Alterations additions and improvements (but not appreciation in value in excess of the sum insured) are "held covered" up to fifteen percent of the sum insured provided the Insured notifies the Company at the end of each quarter and pays any additional premium that may be required.

3. Disposal of salvage

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

4. Fire extinguishing charges

In addition to any amount paid as a result of an insured event and the insured property being in danger from the fire the Company will pay any charges incurred for which the Insured is legally liable in extinguishing or fighting of the fire.

5. Locks keys and access cards

Subject to the Insured paying the first R250 of each and every event the Company will pay up to R5 000 for replacing locks keys and access cards to the rooms at the premises following the disappearance of any key or access card thereto or following upon the Insured having reasonable suspicion that duplicates of such keys or access cards are in the possession of an unauthorised person.

6. New additional premises

Additional rooms used by the Insured are insured provided that

- (a) the Company is advised within a reasonable period from the date on which it is first exposed to risk;
- (b) any additional premium required is paid.

7. Reinstatement

Following an insured event the Insured may at his option elect that the basis of settlement shall be the cost of replacing or reinstating the lost or damaged contents with similar property of the standard of but not more extensive than such contents when new provided that

- (a) if at the time of replacement or reinstatement the sum which represents the cost of replacing or reinstating the contents (or the whole of the contents insured by the item if the lost or damaged contents are not separately itemised) exceeds the sum insured thereon at the time of the insured event then the Insured shall be considered his own insurer for the excess and shall bear a rateable proportion of the loss accordingly;
- (b) each item of contents to which this memorandum applies shall be separately subject to this proviso.

8. Removal of debris

Subject to a limit of fifteen percent of the sum insured under sub-Section A the Company will in addition to the sum insured under sub-section A pay for the costs incurred in the necessary demolition and removal of debris resulting from an insured event (including stock debris and undamaged contents) from the site of the rooms destroyed or damaged and the area immediately adjacent to the rooms but excluding costs and expenses arising from pollution or contamination of property not insured by this policy.

9. Skeleton keys

Subject to proof to the satisfaction of the Company that entry into or exit from the insured premises has been effected by the use of a skeleton key or other similar device (other than a duplicate key) this shall constitute forcible and violent entry or exit for the purposes of an insured event.

10. Suspensive sale/lease agreements

Provided that the Company has been notified prior to an insured event it will note and protect the interest of the owner of insured property which is the subject of a suspensive sale/lease agreement.

11. Temporary protections

The Company will pay up to R5 000 for costs reasonably and necessarily incurred in effecting temporary repairs and/or other measures to safeguard the insured property during the period immediately following an insured event.

12. Temporary removals

The Company will pay for an insured event occurring to the contents (limited to 15 percent of the sum insured)

- (i) at any premises where a principal, director, partner, member or employee of the Insured is temporarily employed or resident;
- (ii) while in safe custody at a bank or safe depository;
- (iii) while in any trade premises for cleaning restoring or repair;
- (iv) while in transit by air rail road or inland waterway between the rooms and any of (i) to (iii) above provided that theft or any attempt thereat is limited to theft involving visible forcible and violent entry into or exit from the premises or conveyance.

13. Tenants

The Insured shall not be prejudiced by the act of any tenant in premises in which he is a co-tenant nor of the owner of any premises in which he is a tenant provided that he advises the Company as soon as he becomes aware of such act and pays any additional premium that may be required.

DEFINITIONS

Contents

The entire contents of the rooms the property of the Insured or held in trust or on commission for which he is responsible including

- (a) landlords or tenants fixtures and fittings;
- (b) manuscripts and business books plans and designs;
- (c) patterns models and moulds

but in respect of (b) and (c) the cover is limited to the value of the materials and the cost of labour for recreating and excludes any expenses in connection with the production of any information contained therein and the value of such information to the Insured;

- (d) subject to special exception (f) personal effects (including pedal cycles and tools) of principals, directors, partners, members and employees of the Insured while in the rooms.

Documents

Films (including X-rays) tapes other than computer software and computer data carrying media, books, records, maps, plans, drawings, abstracts, deeds, wills, mortgages, agreements, manuscripts, letters, certificates and similar written printed or otherwise inscribed papers the property of the Insured or for which he is responsible **excluding** money (as defined).

Insured perils

1. Fire lightning thunderbolt and (notwithstanding general exception 5(a)) subterranean fire
2. Explosion
3. Earthquake (notwithstanding general exception 5(a)) or mining tremor
4. Special perils which means loss or damage by
 - (a) storm, wind, water ,hail or snow but excluding loss or damage arising from any contents undergoing any process necessarily involving the use or application of water;
 - (b) impact by
 - (i) aircraft and other aerial devices or articles dropped therefrom;
 - (ii) animals, trees, aerials, satellite dishes or vehicles or articles dropped from vehicles excluding damage to such animals, trees, aerials, satellite dishes or vehicles or property in or on such vehicles;
5. Accidental breakage of mirrors and glass tops to or fixed glass in or on furniture or in windows or doors forming part of the rooms;
6. Leakage from oil tanks pipes or apparatus;
7. Malicious damage (as defined);
8. Theft accompanied by forcible and violent entry into or exit from the rooms or any attempt thereat or as a result of theft (or any attempt thereat) following violence or threat of violence;
provided that the maximum amount payable will not exceed the sum insured shown in the schedule for this extension less its first amount payable.
9. Power surge provided that:
 - (i) the Company's liability for any claim or number of claims for any one event or series of events with one originating cause or source, shall not exceed in the aggregate R50 000;
 - (ii) the Insured shall be responsible for a first amount payable of 10% of claim subject to a minimum of R500.

Malicious damage

Damage directly occasioned by or through or in consequence of the deliberate or wilful or wanton act of any person committed with the intention of causing such damage other than damage to

1. movable property which is
 - (a) stolen

- (b) damaged in an attempt to remove it or part of it from any premises owned or occupied by the Insured;
- 2. moveable or immovable property which is damaged by thieves whilst breaking into or out of or attempting to break into or out of any premises owned or occupied by the Insured;
- 3. immovable property owned or occupied by the Insured occasioned by or through or in consequence of
 - (a) the removal or partial removal or any attempt thereof of
 - (b) the demolition or partial demolition or any attempt thereof of
 the said immovable property or any part thereof with the intention of stealing any part thereof provided that this extension does not cover
 - (a) consequential or indirect damage of any kind or description whatsoever
 - (b) damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation
 - (c) damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority
 - (d) damage related to or caused by any occurrence referred to in general exception 1(i) (ii) (iii) (iv) (v) (vi) or (vii) of this policy or the act of any lawfully established authority in controlling preventing suppressing or in any other way dealing with any such occurrence.

If the Company alleges that by reason of proviso (a) (b) (c) (d) or (e) loss or damage is not covered by this section the burden of proving the contrary shall rest on the Insured.

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

During the period of the initial unoccupancy of 30 consecutive days the Insured shall become a coinsurer with the Company and shall bear a proportion of any loss or damage equal to 20% of the claim before deduction of any first amount payable.

Money

Current coin (excluding Kruger Rands and similar coins) bank and currency note traveller's cheques and postal orders unused current postage revenue and holiday stamps credit card slips and other certificates documents or instruments of a negotiable nature the property of the Insured or for which he is responsible

SUB-SECTION B – ADDITIONAL EXPENSES

INSURED EVENT

The offices becoming untenable as a result of an insured event insured by sub-section A.

INDEMNITY

In addition to any payment under sub-section A the Company will pay reasonable and necessary additional expenses limited to 25% of the sum insured under sub-section A incurred during the period necessary for reinstatement following an insured event.

SPECIAL EXTENTION

For the purposes of this sub-section "offices" includes any premises in the vicinity of the offices damage to which prevents or limits access to the offices.

SUB-SECTION C – DOCUMENTS X-RAYS AND DIGITALLY SCANNED RECORDS

Accidental loss of or damage to documents x-rays or digitally scanned records.

INDEMNITY

The amount payable for any one event or series of events with one original cause or source shall not exceed the lesser of the costs and expenses necessarily incurred in restoring or replacing the document x-ray or digitally scanned records and the sum stated in the schedule.

SUB-SECTION D – DOCUMENTS (LEGAL LIABILITY) (if stated in the schedule to apply)

Accidental loss or damage to documents (as defined in sub-section A) by an insured event insured by subsection A or (if Insured) sub-section C which results in the Insured becoming legally liable to pay damages.

INDEMNITY

The amount payable for any one event or series of events with one original source or cause inclusive of legal costs recoverable by a claimant from the Insured and other costs and expenses incurred with the Company's consent shall not exceed the sum stated in the schedule.

SPECIAL EXCEPTIONS

The Company shall not be liable for

- (a) liability assumed under agreement unless liability would have attached to the Insured notwithstanding such agreement;
- (b) the dishonesty of a principal, member, partner, director or employee of the Insured;
- (c) loss of or damage to money (as defined in sub-section A);
- (d) electrical, electronic or magnetic injury, disturbance or erasure of electronic or magnetic recordings unless directly due to lightning;
- (e) gradual deterioration, wear and tear, inherent defect, vermin, copying, processing or other work on the document.

BUSINESS INTERRUPTION

INSURED EVENT

If in consequence of damage (as defined) the business is interrupted or interfered with the Company will indemnify (notwithstanding general exception 4) the Insured in terms of this section.

INDEMNITY

1. Gross fees

The amount payable is limited to

(a) loss of gross fees

being the amount by which the gross fees during the indemnity period shall in consequence of the damage fall short of the standard gross fees;

(b) increase in cost of working

being the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of gross fees which but for that expenditure would have taken place during the indemnity period in consequence of the damage but not exceeding the amount of the reduction in gross fees thereby avoided

less any sum saved during the indemnity period in respect of such of the working expenses and standing charges of the business as may cease or be reduced in consequence of the damage

provided that if the sum insured by this item be less than 100% the annual gross fees the amount payable shall be proportionately reduced.

2. Additional increase in cost of working

The insurance under this item is limited to such further additional expenditure beyond that recoverable under item (b) of 1 – gross fees – as the Insured shall necessarily and reasonably incur during the indemnity period in consequence of the damage for the purpose of avoiding or diminishing the reduction in gross fees.

DEFINITIONS

Damage

Damage shall mean loss or damage to any rooms or other property or any part thereof used by the Insured at the rooms for the purpose of the business by any peril insured by sections 1 or 3 provided that

- (a) At the time of the happening of the damage there shall be in force an insurance covering such property against such damage;
- (b) The insurers shall have made payment or admitted liability under the insurance referred to in (a);

- (c) For the purposes of this section an insured peril shall have the same definition as in the insurance covering the damage.

Indemnity period

The period commencing with the occurrence of the damage and ending not later than the number of months thereafter stated in the schedule during which the results of the business shall be affected in consequence of the insured event.

Gross fees

The money paid or payable to the Insured for services rendered in the course of the business at the premises.

Standard gross fees

The gross fees during that period in the twelve months immediately before the date of the damage which corresponds with the indemnity period to which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or other circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the damage would have been obtained during the relative period after the damage.

Annual gross fees

The gross fees during the twelve months immediately before the date of the damage to which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or other circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the damage would have been obtained during the relative period after the damage.

Alternative service conducted clause

If during the indemnity period services are rendered elsewhere than at the rooms for the benefit of the business either by the Insured or by others on the Insured's behalf the money paid or payable in respect of such services shall be brought into account in arriving at the gross fees during the indemnity period.

CLAUSES

1. Auditors

The Insured's auditors may certify from the Insured's books of account or other business books any detail required by the Company and their certificate shall be prima facie evidence of such detail.

2. Declarations

To allow for the trend of the business the sum insured under item 1 shall be 170% of the gross fees declared for the preceding twelve months or such greater percentage as the Insured deems necessary to allow for the trend of the business.

A provisional premium equal to 59% of the full premium will be charged and an annual adjustment made as follows

the Insured shall at renewal declare to the Company the gross fees earned during the immediately preceding twelve consecutive months of insurance (calculated from the inception of the policy) and the actual premium will be calculated on the amount declared and a refund or additional premium paid.

3. Prevention of access

Property within ten kilometres radius of the rooms destruction of or damage to which shall prevent or hinder the use of the rooms or access thereto whether the rooms or property of the Insured therein shall be damaged or not shall be deemed to be loss from damage to property used by the Insured at the rooms.

4. Public utilities/public telecommunications (accidental failure)

The accidental failure of the public supply of electricity gas or water which persists for at least two consecutive days at (in respect of electricity) the terminal ends of the public supply undertaking's service feeder or (in respect of gas) the gas supply undertaking's meters at the rooms or the failure of public telecommunication facilities (excluding the first 24 hours) to the rooms and which is not due to

- (i) the deliberate act of any supply authority or of such authority exercising its power to withhold or restrict supply;
- (ii) drought;
- (iii) pollution of water;
- (iv) shortage of fuel or water;
- (v) a fault on any part of the installation belonging to the premises where the rooms are situate;
- (vi) any event described in general exception 1 and 2 but cover provided by the peril of malicious damage in the underlying material damage section of this policy is not excluded

shall be deemed to be loss resulting from damage to property used by the Insured at the rooms.

The Company shall not be liable under this clause for loss from interruption or interference following mechanical electrical or electronic breakdown which lasts for less than 24 hours from its commencement.

5. Settlement provision

If the period of interruption following damage does not exceed 10 working days the loss will be settled on the following basis of indemnity.

"Indemnity – loss of gross fees

Being the amount by which the gross fees during the period of interruption following the damage falls short of the gross fees during a similar period of the Insured's choice during the 30 working days immediately preceding the damage".

6. Deposit premium

To allow for the trend of the business the sum insured for item 1 – gross fees – shall be 170% of the gross fees declared for the preceding twelve months or such higher percentage as the Insured deems necessary in consideration of which a deposit premium equal to 59 per cent of the premium calculated on the sum insured shall be charged and at the expiry of each period of insurance the Insured shall make a declaration of the gross fees for that period on which the premium will be adjusted by the Company allowing or being paid premium on the difference between the premium calculated on the declaration and the deposit premium.

ACCOUNTS RECEIVABLE

INSURED EVENT

Accidental loss of or damage to the Insured's books of account or other business books or records while at or in transit between the rooms and the residence of any principal, director, member or partner of the Insured or of any employee whose duties necessitate access to such books or records or the premises of or the residence of any principal, director, member, partner or authorised employee of the Insured's professional advisors.

1. Indemnity

If as a direct result of an insured event the Insured is unable to trace or establish the outstanding\debit balances due the Company will pay the difference between such balances and the total of the amounts paid or traced in respect thereof plus any reasonable and necessary expenses in excess of normal collection charge incurred in tracing or establishing the balances due but limited in all to the sum insured.

Average

If the sum insured is less than the outstanding debit balances the amount payable shall be proportionately reduced.

2. Interest payable

The additional costs reasonably incurred by the Insured in the form of the interest only on a loan provided by a recognised banking institution for the sole purpose of avoiding or diminishing the reduction in income which but for the loan would have taken place as a result of an insured event beginning at the time of the occurrence of the loss or damage and ending not later than seven days after the date of final settlement of the Insured's claim in terms of 1 above.

The liability of the Company under this item is limited to 10% of the sum insured by item 1 above.

SPECIAL EXCEPTIONS

The Company shall not be liable for an insured event arising from

- (a) or contributed to by any dishonest fraudulent or criminal act of any principal, director, member, partner or employee of the Insured whether acting alone or in collusion with others;
- (b) electrical, electronic or magnetic injury disturbance or erasure of electronic or magnetic recordings unless
 - (i) directly due to lightning in which case the lightning loss or indemnifiable amount will be reduced by the greater of 10% of such amount or R1 000;
 - (ii) the Insured maintains the duplicate records referred to in the duplicate records memorandum in which case the Insured will be responsible for the first R1 000 of each and every loss
- (c) alteration falsification manipulation concealment destruction or disposal of records of outstanding debit balances committed to conceal the wrongful giving taking obtaining or withholding of money securities or other property but only to the extent of such wrongful giving taking obtaining or withholding;
- (d) bookkeeping, accounting or invoicing errors or omissions;
- (e) wear and tear, gradual deterioration, vermin or inherent vice;

- (f) or occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority.

SPECIAL EXTENSIONS

1. Malicious Damage

Damage directly occasioned by or through or in consequence of the deliberate or wilful or wanton act of any person committed with the intention of causing such damage other than damage to

- 1 movable property which is
 - (a) stolen
 - (b) damaged in an attempt to remove it or part of it from any premises owned or occupied by the Insured
- 2 moveable or immovable property which is damaged by thieves whilst breaking into or out of or attempting to break into or out of any premises owned or occupied by the Insured
- 3 immovable property owned or occupied by the Insured occasioned by or through or in consequence of
 - (a) the removal or partial removal or any attempt thereof of
 - (b) the demolition or partial demolition or any attempt thereof of the said immovable property or any part thereof with the intention of stealing any part thereof

provided that this extension does not cover

- (a) consequential or indirect damage of any kind or description whatsoever;
- (b) damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation;
- (c) damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
- (d) damage related to or caused by any occurrence referred to in general exception 1(i) (ii) (iii) (iv) (v) (vi) or (vii) of this policy or the act of any lawfully established authority in controlling preventing suppressing or in any other way dealing with any such occurrence

If the Company alleges that by reason of proviso (a) (b) (c) or (d) loss or damage is not covered by this section the burden of proving the contrary shall rest on the Insured.

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

During the period of the initial unoccupancy of 30 consecutive days the Insured shall become a coinsurer with the Company and shall bear a proportion of any damage equal to 20% of the claim before deduction of any first amount payable.

DEFINITION

Outstanding debit balances

The last declaration made or required to be made in terms of the declaration condition of section 6 adjusted for

- (a) bad debts;
- (b) amounts debited invoiced and credited to customer's accounts (including cash credit and debit notes not processed through the Insured's books at the time of the insured event) in the period between the date of the declaration and the insured event;
- (c) any trading conditions which have or could have a material effect on the business

so that the amount obtained reflects as nearly as practicable the amount that would have pertained on the date of the insured event if it had not occurred.

CLAUSE

1. Earthquake

General exception 5 (a) is deleted.

2. Accounts Clause

Any particulars or details contained in the Insured's books of accounts or other business books, records or documents which may be required by the Company under this section for the purpose of investigating or verifying any claim hereunder may be produced and certified by the Insured's auditors or professional accountants and their certificate shall be prima facie evidence of the particulars and details to which it relates.

MEMORANDA (if stated in the schedule to apply)

1. Duplicate records

Warranted the Insured shall maintain duplicates of their books of account or other business books or records containing details of outstanding debit balances and that such duplicates be stored in different premises from the originals.

2. Protections warranty

Warranted the Insured's books of account or other business books or records containing details of outstanding debit balances be kept in a fire resistant safe, cabinet or strongroom outside business hours unless they are being worked on or are required for immediate reference.

THEFT

INSURED EVENT

Loss of or damage to the insured property and damage (for which the Insured is responsible) to the insured premises by theft or any attempt thereat following:

- (a) forcible and violent entry into or exit from the insured premises (exit includes forcible and violent exit by a thief concealed on the insured premises before the close of business);
- (b) assault, violence or threat of violence to any person.

INDEMNITY

The limit of the Company's liability shall not exceed in respect of

- (a) loss of or damage to the insured property the sum stated in the schedule
- (b) damage to the insured premises the sum not exceeding R5 000 necessarily and reasonably expended in making good the damage.

SPECIAL EXCEPTIONS

The Company shall not be liable for loss or damage

- (a) if any of the Insured's household or any principal director member partner or employee of the Insured is concerned as principal or accessory;
- (b) insurable under a fire insurance policy unless such loss or damage is caused by explosion in an attempt to effect entry into the insured premises;
- (c) to sheet plate or laminated glass.

SPECIAL EXTENSIONS

Additional premises

Additional premises used by the Insured are insured provided that

- (a) the Company is advised within 30 days from the date on which it is first exposed to risk;
- (b) the additional premium required is paid;
- (c) the limit of the Company's liability under this extension is 50% of the sum insured stated in the schedule or where there is more than one sum insured 50% of the highest sum insured.

Locks, keys and access cards

Subject to the Insured paying the first R250 in each and every event the Company will pay up to R5 000 to replace locks, keys or access cards to any insured premises if a key or access card is lost or stolen or if the Insured has reason to believe a duplicate key or access card is in the possession of an unauthorised person.

Skeleton keys

Subject to proof to the satisfaction of the Company that entry into or exit from the insured premises has been effected by the use of a skeleton key or other similar device (other than a duplicate key) this shall constitute forcible and violent entry or exit for the purposes of an insured event.

Suspensive sale/lease agreements

Provided that the Company has been notified prior to an insured event it will note and protect the interest of the owner of insured property which is the subject of a suspensive sale/lease agreement.

Temporary protections

The Company will pay the greater of R5 000 and the amount stated in the schedule for costs reasonably and necessarily incurred in effecting temporary repairs and/or other measures to safeguard the insured property following an insured event.

DEFINITIONS

Insured premises

The building or that part of the building occupied by the Insured at the premises but excluding any open-sided structure or any verandah yard or other open space whether partially or fully enclosed by the building.

Insured property

The property described in the schedule (if more specific) or the entire contents of the insured premises the property of the Insured or held by him in trust or on commission for which he is responsible including

- (a) documents, manuscripts, business books, plans and designs but only for the value of the materials and the sum expended in labour for recreating and not for the value of the information they contain;
- (b) computer system records but only for the value of the materials and the sum expended in labour for recreating (excluding any expenses in connection with the production of the information to be recorded) and not for the value of the information they contain;
- (c) patterns, models, and moulds for the value of the materials and the sum expended in labour for recreating;
- (d) personal effects (including pedal cycles and tools) of principals partners, members, directors or employees but limited for any one individual to the lesser of the sum insured on insured property and R2 500

but excluding

- (i) current coin (including Kruger Rands and similar coins) bank and currency notes travellers' and other cheques, money and postal orders unused current postage revenue and holiday pay stamps, credit card slips and other certificates documents or instruments of a negotiable nature;

- (ii) explosives;
- (iii) any property more specifically insured.

CLAUSE

Earthquake

The word "earthquake" is deleted from general exception 5 (a)

MEMORANDA (if stated in the schedule to apply)

1. Protection and alarm warranty

Notwithstanding anything to the contrary contained in the policy wording and schedule, this policy is subject to the following Burglar Alarm Condition.

In respect of any section and premises where it is stated to be applicable it is a condition precedent to the liability of the company in respect of loss of or damage to property of the insured (or for which they are responsible) by theft or any attempt thereat from any insured building stated in the schedule that

the installed SAIA Approved (Pty) Ltd certified alarm as required by the company is set and armed and made fully operative whenever the protected building/s is/are not open for business (unless a principal, partner, director or employee of the insured is in the protected building) and it is warranted that:

1. the company will be entitled to request full information of the relevant arming and disarming log after the occurrence of a claim;
2. loss of or damage to the property insured following the use of the keypad code/remote control of the burglar alarm or any duplicate thereof belonging to the insured is not covered unless such keypad code/remote control has been obtained by violence or threat of violence to any person or such a remote control was obtained by theft.

or

in all instances where it is not stated under the premises that the installed alarm is to be a SAIA Approved (Pty) Ltd certified alarm, the installed alarm is to be a dual monitoring alarm and it is warranted that:

1. the burglar alarm installed at the premises shall be set and armed and made fully operative whenever the premises are not open for business unless a principal, partner, director or employee of the insured is in the protected building;
2. if the company who installed the said alarm system operates an armed reaction unit the contract for the said alarm shall include the armed reaction unit's services where available;
3. such alarm shall be maintained in proper working order but the insured shall be deemed to have discharged their liability if they have maintained their obligations under a maintenance contract with the Installation/Service Company of the alarm system;
4. the control panel shall have an event log and the arming and disarming of the alarm is to be logged and after the occurrence of a claim the company will be entitled to request full information of the relevant log;

loss of or damage to the property insured following the use of the keypad code/remote control of the burglar alarm or any duplicate thereof belonging to the insured is not covered unless such keypad code/remote control has been obtained by violence or threat of violence to any person or such a remote control was obtained by theft.

2. Additional temporary protections

The Company will pay up to the amount stated in the schedule (in addition to any amount recoverable under the special extensions) for costs reasonably and necessarily incurred in effecting temporary repairs and/or other measures to safeguard the insured property following an insured event.

3. Malicious damage

Damage to the insured premises (including landlords fixtures and fittings) and all contents in the insured premises the property of the Insured or held by him in trust or on commission for which he is responsible up to the sum insured stated in the schedule caused by the deliberate or wilful or wanton act of any person during the course of theft or attempted theft accompanied by forcible and violent entry into or exit from the insured premises provided that the Company shall not be liable for

- (a) consequential or indirect loss or damage of any kind or description whatsoever;
- (b) loss or damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation;
- (c) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation commandeering or requisition by any lawfully constituted authority
- (d) loss or damage related to or caused by any occurrence referred to in general exception 1(i) (ii) (iii) (iv) (v) or (vi) or the act of any lawfully established authority in controlling preventing suppressing or in any other way dealing with any such occurrence.

If the Company alleges that by reason of provisos (a), (b), (c) or (d) loss or damage is not covered by this memorandum the burden of proving the contrary shall rest on the insured.

SPECIAL CONDITION

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

MONEY

INSURED EVENT

Loss of or damage to

- (a) money
- (b) any money container or franking machine in the building at the premises arising from theft or any attempt thereat

INDEMNITY

The amount payable in respect of money for any one event or series of events with one original cause or source shall not exceed.

1. Minor limits

- (a) money not contained in a locked safe or strongroom
 - (i) on the premises outside the hours during which the commercial operations of the Insured are conducted R3 000
 - (ii) in the residence of any principal director, member, partner or employee of the Insured R3 000
 - (iii) in the custody of any principal, director, member partner or employee of the Insured while away from the premises travelling on the business of the Insured R3 000
- (b) crossed cheques or crossed money or postal orders (payable in addition to any other limit) R100 000

2. Major limits

- (a) the basic sum insured The sum stated in the schedule
- (b) any other loss
 - (i) from the specified safe strongroom in the building at the premises in the schedule The sum stated in the schedule
 - (ii) under major limit 2(a) or 2(b)(i) during the month of December or such other period as may be stated in the schedule The sum stated in the schedule
 - (iii) from any other safe strongroom listed in the schedule of approved strongroom doors and safes in the money specification forming part of this section while in the building at the premises in the schedule The lowest of the limit listed for the strongroom/safe concerned and the sum insured against item 2(a) or 2(b)(i) or (if applicable) 2(b)(ii)

3. Damage to money containers

- The money container described in the schedule The sum stated in the schedule

SPECIAL EXCEPTIONS

The Company shall not be liable for an insured event

- (a) arising from the dishonesty of any principal director member partner or employee of the Insured unless such dishonesty is discovered within 14 working days of its occurrence

Special memorandum

An insured event admissible in terms of special exception (a) shall be subject to the following first amount payable clause.

“The amount payable in respect of an insured event involving one person or any number of persons acting in collusion shall be reduced by

- (i) 2% of the applicable limit under “indemnity” plus
- (ii) a further 10% of the net amount payable after the deduction of (i) above”

and both amounts shall be borne in full by the Insured

- (b) arising from shortage due to error or omission
- (c) arising from the use of keys to any safe or strongroom
 - (i) outside the hours during which the commercial operations of the insured are conducted unless the keys are obtained by violence or threat of violence to any person (such person);
 - (ii) in the hours during which the commercial operations of the insured are conducted unless the keys are obtained by violence or threat of violence to such person or to a direct family member of such person or to any bona fide customer of the insured
- (d) from an unlocked safe/strongroom while the portion of the premises containing such safe/strongroom is unattended
- (e) involving a major limit (item 2 of “indemnity”) unless the money is contained in a locked safe/strongroom while the portion of the premises containing such safe/strongroom is unattended
- (f) from any vehicle being used by the Insured unless a principal director member partner or employee of the Insured is actually in such vehicle or if not in such vehicle is within 5 metres of it in a position from which the vehicle is clearly visible but this exception shall not apply if the person concerned is incapacitated as a direct result of an accident involving the vehicle
- (g) in respect of which a claim is submitted or would but for the deductible clause be submitted under any fidelity guarantee insurance

Special exceptions (c), (d), (e) and (f) do not apply up to an amount of R2 000 and such losses shall not be reduced by the first amount payable.

SPECIAL CONDITIONS APPLICABLE TO CHEQUES

Excess applicable to theft of cheques

Any loss or series of losses attributable to one original event which is payable under this section and which results from the theft of any cheque or cheques shall be reduced by an excess of 25% of the loss indemnifiable by this section unless:

1. Cheques drawn by the Insured

- (a) the cheque has been drawn and crossed exactly in accordance with the attached "Required SAIA Procedure for Drawing and Crossing of Cheques" or any other superior method approved by the South African Insurance Association (SAIA) and the printed portion of the cheque (as opposed to the written or typed portion) has been printed by the bank itself or a printer licensed to print cheques by the Automatic Clearing Bureau; or
- (b) the cheque has been dispatched to the payee by certified post.

2. Cheques drawn by someone other than the Insured and which were received by the Insured by post or direct by the cashier

- (a) such cheque has been crossed and marked "not negotiable" and marked "not transferable" and immediately on receipt thereof by the Insured and
- (b) the Insured is able to identify the drawer and amount of the cheque from their records

3. Cheques of which the Insured is the true owner which were drawn by someone other than the Insured and posted to the Insured but the Insured did not receive them

- (a) the cheque has been drawn and crossed exactly in accordance with the attached "Required SAIA Procedure for Drawing and Crossing of Cheques" or any other superior method approved by the South African Insurance Association
or
- (b) the cheque was dispatched to the Insured by certified post or any post where security is equal or superior to certified post
or
- (c) the invoice of the Insured (to which the payment by cheque relates) contains a message approved by the Company or the South African Insurance Association) on it recommending or requiring that the cheque be drawn in accordance with the Required SAIA procedure for drawing and crossing cheques.

REQUIRED SAIA PROCEDURE FOR DRAWING AND CROSSING OF CHEQUES AND PRINTING OF BLANK CHEQUES

A. Drawing and crossing of cheques

One of the safest methods of drawing and crossing a cheque which is acceptable to banks is as undernoted and this is the method recommended by the South African Insurance Association

1. Delete the pre-printed words "or bearer". This limits the possibility of the drawee bank paying out to a bearer who might not be entitled to payment.
2. If instead of "or bearer" your cheque has preprinted on it "or order" these words must also be deleted.
3. Write on the face of the cheque the words "not transferable".

4. Cross the cheque by drawing two parallel lines across the cheque.
5. Write the words "not negotiable" between the two parallel lines referred to in 4 above.
6. Ensure that the payee is accurately and properly and fully described.
Where the payee is a company its full name should be used, for example: RH Jones (Pty) Ltd.

Where the bank account number or CC number of the payee is known this should be included after the name of the payee for example "RH Jones (Pty) Ltd, Co No: 69/123456" or "RH Jones (Pty) Ltd ABC Bank account no: 123456789". Whilst highly recommended it is not compulsory to use the bank account number of the payee.
7. In drawing the cheque no spaces should be left which would allow anyone to add extra words or figures.
8. An example of this method of drawing a cheque is attached as Annexure A.
9. On the front of the cheque the wording listed in Annexure B (last page of this section) should be printed. Please ensure that space is left on the rear of the cheque for bank stamps and endorsements.
10. All the markings on a cheque should be legible and clearly visible. Persons drawing cheques should not use abbreviated or different versions of the terminology used in our example. The words "not neg" and a crossing using a rubber stamp containing a rectangle rather than two parallel lines are worthless.
11. The method used to complete cheques should be one which makes an ink impression on the paper like handwriting a typewriter or a dot matrix type printer. The ribbon used on the printer/typewriter should be of the type which impregnates ink into the paper. Do not use:
 - 11.1 old ribbons
 - 11.2 laser type printers which do not make an impression in the paper
 - 11.3 the "reverse printing technique"
 - 11.4 correctable type ribbons

B. Printing of blank cheques

Blank cheques should only be printed by the Bank itself or a printer licensed by the Automatic Clearing Bureau. These printers know the recommended requirements of banks and should only use approved:

- security paper (CBS1 or superior)
- security designs
- special security inks compatible with the security paper/design
- methods which make it difficult for someone to make a supply of blank cheques by photostating the originals.

SPECIAL EXTENSIONS

Clothing and personal effects

The Company will pay for loss of or damage to clothing firearms and or personal effects (not otherwise insured) of any principal director member partner or employee of the Insured during the theft of money or any attempt thereat but limited in respect of clothing to R3 000 and an additional R2 500 in respect of personal effects.

Locks, keys and access cards

Subject to the Insured paying the first R250 of each and every event the Company will pay up to R5 000 for replacing locks, keys and access cards to any safe/strongroom in the building at the premises following the disappearance of any key or access card thereto or following upon the Insured having reasonable suspicion that duplicates of such keys or access cards are in the possession of an unauthorised person.

Territorial limits

The territorial limits for item 1(a)(iii) of "indemnity" are worldwide.

DEFINITIONS

1. Money

Current coin (excluding Kruger Rands and similar coins) bank and currency notes, travellers and other cheques, money and postal orders current unused postage revenue and holiday pay stamps, credit card slips and other certificates documents or instruments of a negotiable nature the property of the Insured or for which he is responsible.

2. Money containers

Any safe strongroom strongbox cash register till cash box or other receptacle for money.

3. Approved strongroom doors and safes

As detailed in the money specification forming part of this section.

CLAUSE

Earthquake

The word 'earthquake' is deleted from general exception 5 (a).

MEMORANDA (if stated in the schedule to apply)

1. Assault

If any principal director, member, partner or employee of the Insured (the insured person) sustains bodily injury by outward violent and visible means while in charge of or protecting or attempting to protect money the Company will pay the benefit shown to the Insured on behalf of the insured person or if applicable his legal personal representative.

ITEM NO.	DESCRIPTION OF BODILY INJURY	THE BENEFIT
1.	death	the capital sum stated in the schedule
or		
2.	Permanent total disablement (which shall mean)	the capital sum stated in the schedule
	(a) loss by physical severance at or above the wrist or ankle or total loss of use of a hand or a foot	
	(b) total loss of	
	(i) speech	
	(ii) all sight of an eye	
	(iii) all hearing in both ears	
	(c) an injury resulting in permanent disablement from following or engaging in the insured person's usual occupation and any other occupation for which he is fitted by knowledge or training	
	(d) complete and incurable insanity specified in the schedule shall be payable	
or		
3.	Permanent partial disablement (which shall mean)	of the capital sum for permanent total disablement
	(a) loss of all hearing – one ear	35%
	(b) loss of sight except perception of light	100%
	(c) loss by physical severance or total loss of use of	
	(i) all fingers of one hand	80%
	(ii) all toes of one foot	30%
	(iii) thumb	
	– both phalanges	30%
	– one phalanx	10%
	(iv) index finger	
	– three phalanges	10%
	– two phalanges	8%
	– one phalanx	8%
	(v) middle finger	
	– three phalanges	6%
	– two phalanges	4%
	– one phalanx	2%

(vi)	ring finger	
	– three phalanges	5%
	– two phalanges	4%
	– one phalanx	4%
(vii)	little finger	
	– three phalanges	4%
	– two phalanges	3%
	– one phalanx	2%
(viii)	metacarpals	
	– first or second an additional	3%
	– third fourth or fifth an additional	2%
(ix)	great toe	
	– both phalanges	5%
	– one phalanx	2%
(x)	other toes	
	– if more than one – each	2%
(d)	disfigurement from burns of	
(i)	100% of the surface area of the head and neck	50%
(ii)	100% of the surface area of the remainder of body	50%

or

4. Total and absolute incapacity from following the insured person's usual occupation

**the weekly rate (or pro rate thereof)
for the period of incapacity or a
maximum of 104 weeks**

provided that

- (i) the benefit under item 4 shall cease when the injury or wound causing disablement has healed or has been cured as far as is reasonably possible notwithstanding that some permanent disablement may remain;
- (ii) the benefit payable under item 4 is in addition to any benefits payable under items 1 2 or 3;
- (iii) the Company shall not be liable to pay any benefit under item 4 during the period stated in the schedule as the excess;
- (iv) death or permanent total or partial disablement occurs within twenty four months of the insured event;
- (v) if no provision is made under item 2(a), (b) or (c) for the insured event the Company will adopt a percentage benefit consistent with the above scale;
- (vi) if the percentage disfigurement under item 2(d) is less than 100% of the surface area the Company will apply to the benefit concerned a percentage based on the extent that actual disfigurement bears to 100% disfigurement;

- (vii) the Company shall not be liable under item 2 (d) unless the extent of disfigurement under (i) or (ii) individually exceeds 10% nor until the permanent effect of medical and/or surgical treatment has been established;
- (viii) any sum recoverable under any workmen's compensation enactment shall be deducted from any benefit payable under item 4;
- (ix) general conditions 5 and 8 do not apply to this memorandum;
- (x) in respect of this memorandum general exceptions 2, 3 and 4 are deleted general exception 1 is replaced by
"1 War invasion act of foreign enemy hostilities (whether war be declared or not) civil war mutiny insurrection rebellion revolution military or usurped power";
- (xi) bodily injury includes starvation thirst and/or exposure to the elements directly or indirectly resulting from an insured person being the victim of theft or any attempt thereat;
- (xii) if the Company is satisfied that death has occurred as a direct result of an insured event following the disappearance of an insured person and provided that the Insured and the legal personal representative of the insured person sign an undertaking to repay any sum paid if the insured person is subsequently found to be alive the Company will pay benefit 1.

MONEY SPECIFICATION

Approved strongroom doors and safes, strongrooms

The following apply to the construction of the strongrooms detailed in the table below:

- 3A means the walls and floor and roof must be constructed of not less than 230 millimetre solid brick
- 3C means the walls must be constructed of not less than 50 millimetre solid reinforced concrete
- 5 means the walls and floor and roof must be constructed of not less than 300 millimetre solid reinforced concrete containing at least one row of tang bars
- 6 means the walls and floor and roof must be constructed of not less than 450 millimetre solid reinforced concrete containing at least two rows of tang bars
- 7 means the walls and floor and roof must be constructed of not less than 600 millimetre solid reinforced concrete containing at least three rows of tang bars

Note: In all cases ventilation holes (if fitted) must be suitably protected

Category	Construction			Maximum money limit
	Door plate thickness (minimum)	Walls	Roof and floor	
Unapproved	4mm	3A or C	3A	R 2 500
	7mm	3A or C	3A	R 3 000
	10mm	3A or C	3A	R 3 500
SABS approved	As stated in the SABS specification for the category	3A or C	3A	R 5 000
- Category I		5	5	R 12 500
- Category II		5	5	R 25 000
- Category II HD		5	5	R 50 000
- Category II ADM		6	6	R100 000
- Category II ADM D3		6	6	R 75 000
- Category III*		7	7	R200 000
- Category IV*				

* Category III and IV strongrooms must also be fitted with a vibration alarm

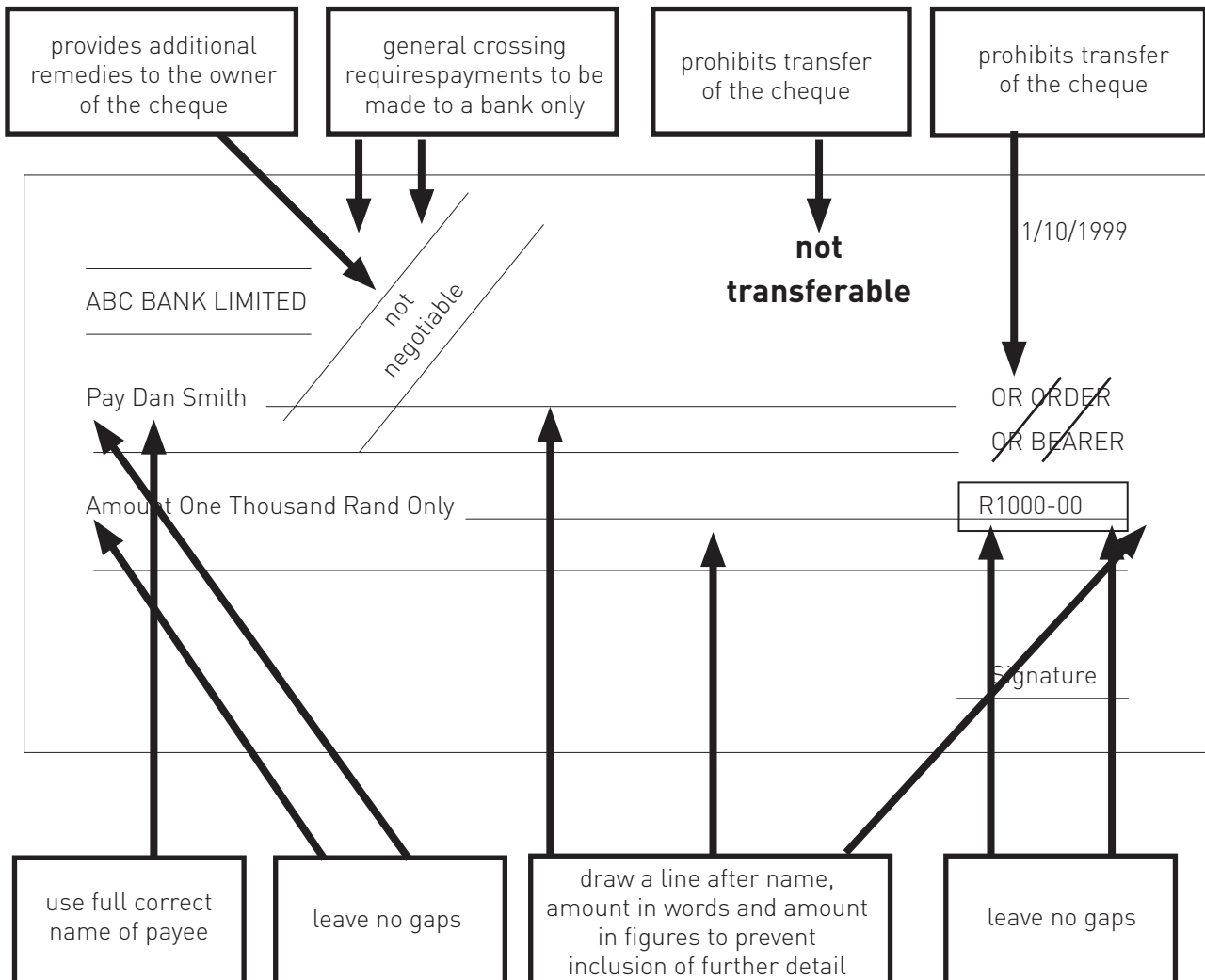
SAFES

Safe limits

Safe Category	Door plate thickness (minimum)	Maximum money limit
Unapproved	Up to 7 millimetres	R 2 500
	Over 7 but less than 10 millimetres	R 3 000
	10 millimetres and over	R 3 500
<ul style="list-style-type: none"> - No SABS grading - SABS category 1 grading - SABS category 2 grading - SABS category 2 HD grading D3 - SABS category 2 ADM grading - SABS category 2 ADM grading D3 - SABS category 3 grading - SABS category 4 grading - SABS category 5 grading 	As stated in the SABS specification for the category	<ul style="list-style-type: none"> R 5 000 R 10 000 R 20 000 R 40 000 R100 000 R125 000 R175 000 R350 000 R500 000

Provided that the Company's liability shall not exceed the limit specified in the schedule under Indemnity 2(a) for the premises concerned.

ANNEXURE A – SAIA REQUIRED CHEQUE



ANNEXURE B – SAIA REQUIRED CHEQUE

Warning to be printed on front of cheque – leave enough space for bank stamps, etc.

WARNING

To person encashing this cheque or receiving it in exchange for any consideration.

Where a cheque has been stolen from or lost by the true owner, you may be liable to reimburse him for his loss if you encash such cheque or receive it in exchange for any consideration. [Section 81 of the Bills of Exchange Act, 1964].

NB This cheque is crossed and marked “not negotiable” and “not transferable”.

GLASS

INSURED EVENT

Loss of or damage to the insured property at the premises.

Indemnity

The amount payable shall be

- (a) the cost of replacing the lost or damaged insured property;
 - (b) the reasonable and necessary costs incurred for
 - (i) temporary repairs temporary boarding-up and/or the employment of watchmen
 - (ii) removal and reinstatement of fixtures and fittings
 - (iii) repairs to any burglar alarm installation if not otherwise insured
- up to the lesser of 20% of the sum insured for insured property and R2 500.

Specific condition

AVERAGE (not applicable to indemnity (b))

If the property insured is at the commencement of any damage to such property by any peril insured against collectively of greater value than the sum insured thereon then the Insured shall be considered as being their own insurer for the difference and shall bear a rateable share of the loss or damage accordingly.

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

SPECIAL EXCEPTIONS

The Company shall not be liable for insured property

- (a) disfigured or otherwise damaged unless fractured through the entire thickness of the glass or all laminates thereof;
- (b) which is stock in trade;
- (c) which is cracked or imperfect unless the Company has specifically agreed cover;
- (d) during fitting removal work on its framework or other alteration or addition to the premises (showcases may be moved within the premises provided the insured property remains fixed and loss or damage during such removal is excluded);
- (e) lost or damaged by fire or explosion or any consequent preventative or salvage operation unless the Insured is legally liable for such loss or damage as tenant but not as owner;
- (f) which is part of any neon sign fluorescent tube or similar installation lost or damaged by
 - (i) wear and tear, gradual deterioration faulty construction or climatic condition other than hail or windstorm

- (ii) short circuiting self-heating or any mechanical or electrical failure or breakage;
- (iii) maintenance under contract;
- (g) if (notwithstanding general condition 3(b)(i)) an insured event is not reported to the Company within thirty days of the termination of this policy or the prior termination of this section.

CLAUSE

Earthquake

The word "earthquake" is deleted from general exception 5(a).

DEFINITIONS

Glass

All glass insured by this section is (unless specifically agreed) presumed to be plain plate/float glass of six millimetres or plastic laminated safety glass of six point five millimetres thickness.

INSURED PROPERTY

External and internal glass (including mirrors) the signwriting ornamentation and/or treatment thereon and window frames and fittings window displays and burglar protections (including alarm installations) as specified in the schedule the property of the Insured or for which he is responsible.

MEMORANDA (if stated in the schedule to apply)

1. Additional costs

The Company will pay up to the amount stated in the schedule in addition to the amount provided under "indemnity" for reasonable and necessary costs incurred in effecting temporary repairs or in taking other measures to safeguard the insured property following an insured event.

2. Express delivery and other charges

Costs incurred for the express delivery of replacement glass by road/rail or airfreight and overtime charges for its fitting are insured up to the sum stated.

3. Special replacement

If following an insured event the Insured is obliged in terms of the national building regulations or similar legislation to replace the lost or damaged glass with glass of a superior specification the Company will be liable for the increased cost of such replacement provided that if the cost of replacing all insured property at the time of the insured event is greater than the sum insured thereon the Insured shall be considered as being his own insurer for the difference and shall bear a rateable proportion of the loss or damage accordingly.

4. Window displays

Where a sum insured for window displays is included in the schedule such sum is deemed to include costs incurred for clearing redressing and/or repairs to the display.

SPECIAL CONDITIONS

Salvage

Any salvage is the property of the Company and must be carefully preserved.

FIDELITY

INSURED EVENT

1. Loss of money or other property belonging to the Insured or for which he is responsible stolen by an insured employee during the currency of this section.
2. Direct financial loss sustained by the Insured as a result of fraud or dishonesty of an insured employee all of which occurs during the currency of this section which results in dishonest personal financial gain for the employee concerned

and which is discovered during the then current twelve consecutive months of insurance (calculated from the inception of this policy) or within twelve months of the termination of

- (a) this section or
- (b) this section in respect of any insured employee concerned in the loss or
- (c) the employment of the insured employee or the last of the insured employees concerned in the loss

whichever occurs first

provided that

- (i) the Company is not liable for all insured events which occurred more than twenty four months prior to discovery;
- (ii) renewal of this insurance from period to period or any extension of any period of insurance shall not have the effect of accumulating or increasing the liability of the Company beyond the sum insured stated in the schedule.

If the period of insurance is less than twelve months the Company's liability is limited to the sum stated in the schedule during any twelve month period.

Indemnity

The Company shall not be liable for more than:

- (a) the sum insured against an insured employee at the time of the occurrence of an insured event
- (b) the total sum insured for all losses at the time of the occurrence of an insured event
- (c) one claim for any insured employee or two or more employees acting in collusion
- (d) the loss sustained up to the time the Insured first becomes aware of or has reason to suspect an insured employee has committed an act of theft fraud or dishonesty notwithstanding that the insured event occurs during more than twelve consecutive months of insurance (calculated from the inception of this policy).

SPECIAL EXCEPTIONS

1. The Company shall only be liable to the extent of the participation/shareholding of any uninformed partners principals directors or members for an insured event in which any partner, principal, director or member of the Insured is or has been directly involved.

This special exception only applies to Partnerships Proprietary Companies or Closed Corporations.

2. This section does not cover any practice or other legal entity acquired during the twelve consecutive months of insurance (calculated from the inception of this policy).
3. The Company shall not be liable for an insured event resulting from the dishonest alteration destruction or manipulation of any computer computer software or computer program system or data or the deliberate suppression or interference with input to or output from the Insured's computer installation by any insured employee whose function is the management supervision operation programming maintenance or control of such installation.
This exclusion shall not apply to any non-networked micro/personal computer unless it is the Insured's sole computer installation.

SPECIAL EXTENSIONS

Auditors

The Insured's auditors may certify from the Insured's books any detail required by the Company in connection with an insured event and their certificate shall be prima facie evidence of such detail.

Extended cover for past employees

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

Insured's representatives

Notwithstanding general condition 1(a) the Company will not avoid this section if the person giving instructions on behalf of the Insured suppresses information concerning acts or omissions for which he is responsible or to which he is party.

Losses reported to police

In the event of the discovery of any loss resulting from an insured event the Insured may notwithstanding anything to the contrary contained in paragraph (ii) of general condition 3 refrain from reporting the matter to the police but shall do so immediately should the Company require such action to be taken.

Non-disclosure

Non-disclosure of his own fraud or dishonesty or that of others with whom he is in collusion by the person signing any proposal form or giving renewal or other instructions shall not prejudice any claim under this section.

DEFINITIONS

Dishonest personal financial gain

Dishonest personal financial gain shall not include gain by an employee in the form of salary salary increasesfees commissions bonuses promotions or other emoluments.

Insured employee

Insured employee shall mean any person who is

- (a) employed by or apprenticed to
- (b) hired or seconded from another party to the Insured and whom the Insured has the right to control and/or direct in the course of business.

CLAUSES

1. Compulsory first amount payable

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

- (a) 2% of the aggregate of the sum insured under this section and the declared insurance or R60 000 whichever is the lesser plus
- (b) a further amount of 10% (increased to 20% for any insured event admitted notwithstanding special exception 3) of the net amount payable after deduction of the amount specified in (a) above

both amounts shall be borne in full by the Insured and remain uninsured.

2. Computer losses first amount payable

The percentage shown in (b) of the compulsory first amount payable clause is increased from 10% to 20% if the insured event results from the dishonest

- (i) manipulation of
- (ii) input into
- (iii) suppression of input into
- (iv) destruction of
- (v) alteration of any non-networked micro/personal computer program, system data or software by any insured employee whose duties involve the managing, supervision, design, creation or alteration of computer systems or programs.

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

If any insured event is discovered more than 12 months after

- (i) it was committed;
- (ii) the first event in a series of events committed by one person or a number of persons acting in collusion.

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

First amount payable clause	First amount payable increased to percentage shown below	
Compulsory	If losses are discovered more than 12 months after being committed but not more than 24 months thereafter	If policy has been extended to cover that part of losses discovered more than 24 months after being committed but not more than 36 months thereafter
Paragraph (a)	From 2% to 4%	From 2% to 5%
Paragraph (b)	From 10% to 15%	From 10% to 20%
Computer losses	From 20% to 30%	From 20% to 35%

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

4. Other insurances

It is a condition of this section that other than

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

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

- 5. General exceptions 1 and 2 and general condition 8 do not apply to this section.

MEMORANDA (if stated in the schedule to apply)

1. Claims preparation costs

General provision 1 is cancelled and replaced by the following:

When stated in the schedule to be insured the Company will pay in addition to the agreed amount of any claim the reasonable and necessary fees for professional auditors' services and legal charges incurred by the Insured with the consent of the Company for the purpose of investigating and proving a claim made against the Company within the terms of this section

provided that

- (i) the liability of the Company in respect of such fees and charges shall be limited to the sum stated in the schedule in respect of any one claim and in respect of all claims in any twelve consecutive months of insurance (calculated from the inception of this policy);
- (ii) in the event of the sum insured being reduced by the payment of a claim such sum shall be automatically reinstated to the original sum insured upon payment of a full additional premium (not pro rata) to the next renewal date provided that the maximum amount payable by the Company shall not exceed double the sum insured specified in the schedule;

- (iii) the system of check and supervision over any employee concerned in a claim to which this memoranda shall apply as agreed between the Insured and the Company shall have been maintained by the Insured throughout the period during which the insured event was committed by the employee concerned.

2. Computer loss extension

In consideration of the Insured having provided a completed satisfactory questionnaire special exception 3 and the computer losses first amount payable clause are deleted.

3. Costs of recovery

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

All amounts recovered by the Insured in excess of the said part of the loss shall be for the benefit of the Company and the Insured to the extent of his coinsurance in terms of item (b) of the compulsory first amount payable clause.

4. Reduction/reinstatement of sum insured

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

- (i) the maximum amount payable by the Company for all insured employees shall not exceed double the sum insured specified in the schedule
- (ii) the Insured pays additional premium on the amount of the insured loss calculated in terms of the following formula:

$$\text{Annual premium for the period of insurance current at the time of the loss} \quad \times \quad \frac{\text{Amount of claim payment}}{\text{Sum Insured at the time of the discovery of the loss}}$$

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

5. Superseded insurance

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

- (i) the cover granted by this memorandum is restricted to losses which would have been payable by the superseded insurance but which are not claimable because of the expiry of the period of time allowed by the superseded insurance for the discovery of the insured events;
- (ii) the insured events are discovered within twelve months of the termination of the employment of the employee concerned or within twelve months of the expiry of this section whichever occurs first;
- (iii) the amount payable under this memorandum shall not exceed the amount insured by this section or the amount insured by the superseded insurance whichever is the lesser;
- (iv) in the event of the insured events involving one employee or any number of employees occurring during both the currency of this section and the superseded policy the maximum amount payable shall not exceed the amount insured by this section at the time of discovery of the insured events;

- (v) the cover granted by this memorandum will not apply to insured events which occurred more than the number of years stated in the schedule before inception of this section;
- (vi) the Company is not liable for any insured event which occurred more than twenty four months prior to discovery.

6. Extension granted on receipt of a satisfactory systems audit In respect of losses discovered more than 24 months after being committed

In consideration of the accounting firm named in the schedule having conducted a satisfactory audit of the Insured's systems of

- control
- fraud dishonesty and theft detection

and subject to the Insured implementing and maintaining all the recommendations contained in such audit

1. proviso 1 of the insured events (which limits cover to that part of losses discovered within 24 months) and proviso (vi) of the superseded policy memorandum are deleted
2. if any insured event is discovered more than 12 months after it was committed the percentages contained in the first amount payable memorandum are increased as follows:

First amount payable clause	First amount payable increased to percentage shown below if losses discovered more than 12 months after being committed
Compulsory	
Paragraph (a)	From 2% to 3%
Paragraph (b)	From 10% to 12,5%
Computer losses	From 20% to 25%

Notwithstanding the above the Insured may opt to claim only for that part of the loss which was discovered within 12 months in which case the first amount payable applicable for that period will apply.

3. The first amount payable clause for losses discovered more than 12 months after they were committed is deleted.

7. Extension for losses discovered more than 24 months after being committed but not more than 36 months thereafter

1. In consideration of the payment of an additional premium proviso (i) of the insured events is restated to read:
 - (i) the Company is not liable for that part of the insured event which occurred more than 36 months prior to such event being discovered
2. If this policy section includes the superseded policy clause the period referred to in proviso (vi) is increased from twenty four months to thirty six months.

SPECIAL CONDITIONS

1. Claims

If the Insured or any representative of the Insured to whom is entrusted the duty of superintendence or audit suspects or becomes aware of an insured event he shall notwithstanding the provisions of general condition 3 and specifically of general condition 3(a)(ii) report the event to the Company forthwith.

2. Controls and supervision

The Insured shall institute and or maintain all systems of control accounting procedures and methods of operation of the business as represented to the Company but may

- (a) change the remuneration conditions of service duties or position of an insured employee
- (b) make other changes if the prior approval is obtained in writing from his auditors

3. Modification of general conditions exceptions

General condition 8 and general exceptions 1, 2 and 3 do not apply to this section.

4. Recoveries

- (a) following an insured event the Insured shall to the extent allowable by law retain all monies and other assets due to the insured employee involved and shall treat such monies or assets as a deduction from the loss;
- (b) other than from suretyship insurance reinsurance security or indemnity by whomsoever made on account of such loss until fully reimbursed or taken or effected by the Company or for the amount of any first amount payable if the Insured sustains an insured event (to which this section applies) which exceeds the amount payable under this section the Insured shall be entitled to all recoveries less the actual cost of effecting such recoveries and any remainder shall be applied firstly to the reimbursement of the Company and thereafter the Insured to the extent of his coinsurance in terms of item (b) of the compulsory first amount payable clause.

5. Sum insured increases

If the sum insured is increased such increased sum insured shall apply only to insured events committed after the date of increase.

GOODS IN TRANSIT

INSURED EVENT

Loss of or damage to the insured property while in transit including being loaded onto conveyed by or unloaded from an insured conveyance or while temporarily stored for a period not exceeding 96 hours in the course of transit by

- (a) any accidental means not specifically excluded (if stated in the schedule to be "all risks")
- or
- (b) fire, lightning, explosion, derailment, collision or overturning of an insured conveyance (if stated in the schedule to be "fire, collision and overturning")

SPECIAL EXCEPTIONS

The Company shall not be liable for

- (a) the amount of any excess stated in the schedule unless the insured event arises from fire lightning or explosion;
- (b) current coin (including Kruger Rands and similar coins) bank and currency notes travellers and other cheques, money and postal orders, unused current postage revenue and holiday pay stamps, credit card slips and other documents, certificates or instruments of a negotiable nature or business books;
- (c) loss or damage caused by or resulting from
 - (i) wear and tear, depreciation, deterioration or other gradually operating cause rust corrosion oxidation;
 - (ii) change in temperature or humidity the action of light climatic or atmospheric conditions unless caused by storm, wind, water, hail or snow;
 - (iii) mechanical, electronic, or electrical breakdown, failure, breakage or derangement;
 - (iv) inherent vice, flaws, latent defect, moth, vermin, termites, other insects, damp or mildew;
- (d)
 - (i) confiscation, detention, requisition or nationalisation by customs or other authorities
 - (ii) loss of market
- (e) theft from an unattended vehicle owned operated or in the custody or control of the Insured or any principal, member, director, partner or employee of the Insured unless the vehicle is secured and locked at all points of access and entry is gained by forcible and violent means of which there is visible evidence;
- (f) theft from a vehicle owned or operated by the Insured or any principal, member, director, partner or employee of the Insured parked overnight unless such vehicle is housed in a secured and locked building and theft follows visible forcible and violent entry into or exit from the building;
- (g) the dishonesty of the Insured including principal, directors, members, partners or employees or his agents whether alone or in collusion;
- (h) transit by sea or inland transit incidental thereto;
- (i) insured property consigned to or from any place outside the territorial limits.

SPECIAL EXTENSIONS

Breakdown in transit

If an insured conveyance breaks down during transit or if for any reason beyond the control of the Insured the insured property is endangered the Insured may use any form of alternative conveyance to complete the transit and/or safeguard the insured property.

Non-acceptance

If a consignee refuses to accept delivery of the insured property this insurance shall continue until such property is redelivered to the premises of the Insured by any means of conveyance but the Insured shall take all reasonable steps to ensure that such property is redelivered as soon as is reasonably possible.

Removal of debris

The Company will pay up to R2 000 plus any additional amount stated in the schedule reasonably and necessarily incurred for cleaning up and removing debris resulting from an insured event at the site of an insured event.

Replacement vehicle

If any vehicle specified as an insured conveyance is not available due to repair or servicing the Insured may substitute another vehicle provided that such vehicle is not his property nor purchased or leased by him under a suspensive sale/lease agreement.

DEFINITIONS

Insured conveyance

The vehicle or other means of transportation described in the schedule.

Insured property

As described in the schedule the property of the Insured or held by him in trust or on commission for which he is responsible.

Transit

Transit shall commence from the time of moving the insured property at the consignor's premises (including carrying to the insured conveyance and loading thereon) and shall cease (except as provided in the special extension for non-acceptance) at any building or other place of storage at the consignee's premises when offloading is completed.

CLAUSES

1. Earthquake

The word "earthquake" is deleted from general exception 5 (a).

2. Fire extinguishing charges

In addition to any amount paid as a result of the insured event the Company will pay any charges incurred for which the Insured is legally liable in extinguishing or fighting of fire and the insured property was in danger from the fire.

3. Disposal of salvage

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

MEMORANDA (if stated in the schedule to apply)

1. Average

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

2. Malicious damage

Loss or damage directly occasioned by or through or in consequence of the deliberate or wilful or wanton act of any person committed with the intention of causing such loss or damage but excluding loss or damage caused by or arising from theft or any attempt thereat.

SPECIAL EXCEPTIONS

The Company shall not be liable for

- (a) consequential or indirect loss or damage of any kind or description whatsoever;
- (b) loss or damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation;
- (c) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
- (d) loss or damage related to or caused by any occurrence referred to in general exception 1(i) (ii) (iii) (iv) (v) or (vi) or the act of any lawfully established authority in controlling preventing suppressing or in any other way dealing with any such occurrence.

If the Company alleges that by reason of (a), (b), (c) or (d) loss or damage is not covered by this section the burden of proving the contrary shall rest on the Insured.

BUSINESS ALL RISKS

INSURED EVENT

Accidental physical loss of or physical damage to the insured property.

Average

If on the occurrence of an insured event the value of any insured property which is not individually itemised is greater than the sum insured thereon the Insured shall be considered his own insurer for the difference and shall bear a rateable proportion of the loss accordingly.

Each item covering such property shall be separately and individually subject to this condition.

SPECIFIC EXCEPTIONS

The Company shall not be liable for

- (a) the amount of any excess stated in the schedule unless the insured event arises from fire lightning or explosion
- (b) loss of or damage to property caused by or resulting from
 - (i) wear and tear, maintenance, depreciation, deterioration or other gradually operating cause;
 - (ii) change in temperature or humidity the action of light or climatic or atmospheric conditions unless caused by storm, wind, water hail or snow;
 - (iii) the process of cleaning, dyeing, bleaching, alteration, repairation or restoration;
 - (iv) mechanical, electrical or electronic breakdown, failure, breakage or derangement;
 - (v) inherent vice or defect, vermin, insects, termites, mildew, damp, corrosion, oxidation or rust;
 - (vi) confiscation, detention, requisition or nationalisation whether by customs or other authority;
 - (vii) theft from an unattended vehicle owned or operated by the Insured or any principal, member, director partner or employee of the Insured unless the vehicle is secured and locked at all points of access and entry is gained by forcible and violent means of which there is visible evidence;
 - (viii) theft from a vehicle owned or operated by the Insured or any principal, member, director, partner or employee of the Insured parked overnight unless such vehicle is housed in a secured and locked building and theft follows forcible and violent entry into or exit from the building of which there is visible evidence;
- (c) loss or damage arising from or contributed to by dishonesty of a principal, member, director, partner, employee or agent of the Insured;
- (d) loss or damage to insured property consigned under a bill of lading;
- (e) loss of or damage to current coin (including Kruger Rands and similar coins) bank and currency notes, travellers and other cheques, money and postal orders, unused current postage, revenue and holiday pay stamp, credit card slips and other documents certificates or instruments of a negotiable nature or business books.

SPECIAL EXTENSION

Territorial limits

Notwithstanding the territorial limits stated in general exception 5 (b) the territorial limits for this section are worldwide.

CLAUSES

1. Earthquake

General exception 5 (a) is deleted.

2. Fire extinguishing charges

In addition to any amount paid as a result of the insured event the Company will pay any charges incurred for which the Insured is legally liable in extinguishing or fighting of fire if the insured property was in danger from the fire.

3. Disposal of salvage

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

DEFINITION

Insured property

1. The Insured's medical bag and such of its contents as the Insured could be expected to carry therein in the practice of his profession.
2. Office machinery and equipment.
3. Any property specified in the schedule belonging to the Insured or held by him in trust or on commission for which he is responsible.

MEMORANDA (if stated in the schedule to apply)

1. Increase in cost of working

The Company will pay reasonable and necessary costs up to the amount stated in the schedule incurred for the purposes of maintaining the normal operations of the business following an insured event for which it admits liability.

2. Protection and alarm warranty (if stated in the theft schedule to apply)

Notwithstanding anything to the contrary contained in the policy wording and schedule, this policy is subject to the following Burglar Alarm Condition.

In respect of any section and premises where it is stated to be applicable it is a condition precedent to the liability of the company in respect of loss of or damage to property of the insured (or for which they are responsible) by theft or any attempt thereat from any insured building stated in the schedule that:

the installed SAIA Approved (Pty) Ltd certified alarm as required by the company is set and armed and made fully operative whenever the protected building/s is/are not open for business (unless a principal, partner, director or employee of the insured is in the protected building) and it is warranted that:

1. the company will be entitled to request full information of the relevant arming and disarming log after the occurrence of a claim;
2. loss of or damage to the property insured following the use of the keypad code/remote control of the burglar alarm or any duplicate thereof belonging to the insured is not covered unless such keypad code/remote control has been obtained by violence or threat of violence to any person or such a remote control was obtained by theft.

3. Reinstatement value

The basis of claim settlement shall be either

- (a) the replacement of the insured property with similar property in a condition equal to but not better nor more extensive than its new condition

or

- (b) the repair of the insured property to a condition substantially the same but not better than its new condition

provided that if at the time of replacement or repair the sum representing the cost which would have been incurred in replacement if the whole of the insured property (or the item of insured property the subject of the claim) had been lost destroyed or damaged beyond repair exceeds the sum insured thereon at the time of the insured event then the Insured shall be considered his own insurer for the difference and shall bear a rateable proportion of the loss accordingly.

ACCIDENTAL DAMAGE

INSURED EVENT

Accidental physical loss of or physical damage to the insured property at the premises by any cause not excluded by this section or otherwise insured or for which insurance is available (whether incorporated in this policy or not).

Indemnity

The amount payable shall not exceed the sum stated in the schedule for any one event or series of events with one original cause or source and notwithstanding general condition 5 (b) this section shall not be called into contribution for any insured event for which more specific insurance has been arranged.

SPECIAL EXCEPTIONS

The Company shall not be liable for

- (a) the amount of any excess stated in the schedule after the application of any 'average' memorandum
- (b) any peril excluded or circumstance precluded from any other insurance available from the Company at the inception of this section nor for any deductible excess or first amount payable by the Insured under such insurance nor for any reduction in the amount payable for a claim due to the application of any average condition or memorandum;
- (c) more than the individual value of any item forming part of a pair set or collection without regard to any special value such item may have as part of such pair set or collection;
- (d) detention, confiscation, attachment, destruction or requisition by any lawfully constituted authority or judicial process;
- (e) unexplained disappearance or shortage only revealed during or after an inventory or errors or omissions in receipts, payments or accounting or misfiling or misplacing of information;
- (f) loss of or damage to insured property caused by
 - (i) any fraudulent scheme, trick, device or false pretence practiced on the Insured (or any person having custody of the insured property) or fraud or the dishonesty of any principal, partner, member, director, employee or agent of the Insured;
 - (ii) overheating, explosion, implosion, fracturing, weld failure, nipple leakage or other failure in vessels, pipes, tubes or apparatus or molten metal;
 - (iii) breakdown, electrical, electronic and/or mechanical derangement;
 - (iv) altering, bleaching, cleaning, dyeing, manufacture, repair, restoring, servicing, renovating, testing or any other work thereon;
 - (v) faulty or defective design, formula, specification drawing plan materials, workmanship or professional advice, normal maintenance, gradual deterioration, depreciation, corrosion, rust, oxidation or other chemical action or reaction, frost change in temperature or humidity fermentation or germination dampness, dryness, wet or dry, rot shrinkage, evaporation, loss of weight, contamination, pollution, change in colour, flavour, texture, finish or its own wear and tear;

- (vi) denting, chipping, scratching or cracking not affecting the operation of the item;
- (vii) termites, moths, insects, vermin, inherent vice, fumes, flaws, latent defect fluctuations in atmospheric or climatic conditions or the action of light;
- (g) settlement or bedding down, ground heave collapse or cracking of structures or the removal or weakening of support to any insured property;
- (h) loss of or damage to chemicals oils, liquids fluids, gases or fumes due to leakage or discharge from its container or loss or damage resulting from leakage or discharge of chemicals oils, fluids, gases or fumes;;
- (i) failure of and/or the deliberate withholding by the supply authority of supplies of water, steam, gas, electricity, fuel or refrigerant;
- (j) collapse of plant and machinery buildings or structures (other than shelving or storage platforms).

DEFINITION

Insured property

Any tangible property belonging to the Insured or held in trust or on commission for which he is responsible but excluding

- (a) current coin (including Kruger rands and similar coins) bank and currency notes, travellers and other cheques, money and postal orders, current, unused postage revenue and holiday pay stamps, credit card slips unused, MVA tokens and other certificates documents or instruments of a negotiable nature;
- (b) furs, jewellery, bullion, precious and semi-precious metals and stones curiosities, rare books and works of art;
- (c) property in transit by air inland waterway or sea;
- (d) railway, locomotives, rolling stock and other railway property aircraft, watercraft ,mechanically or electrically propelled vehicles, motor cycles, mobile plant caravans and trailers;
- (e) standing or felled trees, crops, animals, land (including topsoil, backfill drainage and culverts) driveways, pavements, roads, runways, dams, reservoirs, canals, pipelines external to the premises, tunnels, cables, cableways external to the premises, bridges, docks, jetties, wharves, piers, excavations, property below the ground or explosives;
- (f) electronic data processing equipment and external data media (punch cards tape discs and the like) and the information they contain;
- (g) property in the course of construction erection or dismantling including materials or supplies related thereto;
- (h) property in the possession of clients under lease rental credit or suspensive sale agreements;
- (i) glass, china earthenware, marble and other fragile or brittle objects unless stated in the schedule to be insured.

CLAUSES

1. Additional costs

The sum insured in respect of buildings plant and machinery insured includes

- (a) any costs incurred due to the necessity to comply with building or other regulations of any public authority in repair or reinstatement following an insured event provided that such costs do not include
 - (i) anything for which notice has been served on the Insured prior to the insured event
 - (ii) anything connected with undamaged property or undamaged portions of property
 - (iii) rates taxes duties development and other charges payable under the said regulations due to capital appreciation of the insured property
- (b) fees for the examination of municipal or other plans
- (c)
 - (i) costs incurred in the necessary erection and maintenance of hoardings during demolition and rebuilding
 - (ii) costs incurred in the necessary demolition and removal of debris resulting from an insured event (including undamaged contents) from the site of the insured property destroyed or damaged and the area immediately adjacent to such site but excluding costs and expenses arising from pollution or contamination of property not insured by this policy
- (d) the professional fees of architects quantity surveyors and other consultants but the Company shall not be liable under (a) (b) or (d) unless the lost or damaged property is replaced or reinstated without undue delay nor under (d) for any expenses in connection with the preparation of the Insured's claim.

2. Fire extinguishing charges

In addition to any amount paid as a result of the insured event the Company will pay any charges incurred for which the Insured is legally liable in extinguishing or fighting of fire and the insured property was in danger from the fire.

3. Mortgagees

From the date of notification the Company accepts the interest of a mortgagee or others with an insurable interest in the insured property and will not prejudice such interest due to the act or omission of the mortgagor without the mortgagee's knowledge provided that the mortgagee advises the Company as soon as such act or omission comes to his knowledge and agrees to be responsible for any additional premium resulting from the Company assuming any increased hazard.

4. Railway subrogation

The Insured shall not be prejudiced by signing the Transnet Declaration of Indemnity or other special agreements with the Transnet Administration regarding private sidings and delivery to premises or similar agreements with other government bodies.

5. Restricted cover

The insurance in respect of documents manuscripts business books plans designs patterns models moulds and computer system records is limited to the value of the materials and the cost of labour for recreating and excludes any expenses in connection with the production of any information contained therein or the value of such information to the Insured.

6. Tenants

The Insured shall not be prejudiced by the act of any tenant in premises he owns or in which he is a co-tenant nor of the owner of any premises of which he is a tenant provided that the Company is notified as soon as he becomes aware of such act and he pays any additional premium resulting from the Company assuming any additional hazard.

MEMORANDA (if stated in the schedule to apply)

1. Average

If on the commencement of the occurrence of an insured event the value of the insured property is collectively greater than the sum insured thereon the Insured shall be considered his own insurer for the difference and shall bear a rateable proportion of the loss. Each item insured shall be separately subject to this memorandum.

2. Discharge and leakage

Notwithstanding special exception (h) this insurance includes accidental physical loss or damage to the insured property caused by discharge or leakage and the loss of chemicals, oils, liquids, fluids, gases or fumes (including loss of such chemicals, oils, liquids, fluids, gases or fumes) from tanks pipes or apparatus but excluding loss or damage resulting from wear and tear or other gradually operating causes of the tanks pipes or apparatus.

3. Excluded property

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

4. First loss average

If on the commencement of the occurrence of an insured event the total value of the insured property by each item does not exceed the sum stated in the schedule then this insurance shall be declared free of average but if the total value of such property is greater than the aforementioned sum then the Insured shall be considered as being his own insurer for the difference and the Company shall be liable only for such proportion of the first loss sum insured as the aforementioned sums bears to the total value not exceeding in all the total sum insured by each item.

5. Protection and alarm warranty

Notwithstanding anything to the contrary contained in the policy wording and schedule, this policy is subject to the following Burglar Alarm Condition.

In respect of any section and premises where it is stated to be applicable it is a condition precedent to the liability of the company in respect of loss of or damage to property of the insured (or for which they are responsible) by theft or any attempt thereat from any insured building stated in the schedule that

the installed SAIA Approved (Pty) Ltd certified alarm as required by the company is set and armed and made fully operative whenever the protected building/s is/are not open for business (unless a principal, partner, director or employee of the insured is in the protected building) and it is warranted that

1. the company will be entitled to request full information of the relevant arming and disarming log after the occurrence of a claim;
2. loss of or damage to the property insured following the use of the keypad code/remote control of the burglar alarm or any duplicate thereof belonging to the insured is not covered unless such duplicate keypad code/remote control has been obtained by violence or threat of violence to any person or such a remote control was obtained by theft;

or

in all instances where it is not stated under the premises that the installed alarm is to be a SAIA Approved (Pty) Ltd certified alarm, the installed alarm is to be a dual monitoring alarm and it is warranted that

1. the burglar alarm installed at the premises shall be set and armed and made fully operative whenever the premises are not open for business unless a principal, partner, director or employee of the insured is in the protected building;
2. if the company who installed the said alarm system operates an armed reaction unit the contract for the said alarm shall include the armed reaction unit's services where available;
3. such alarm shall be maintained in proper working order but the insured shall be deemed to have discharged their liability if they have maintained their obligations under a maintenance contract with the Installation/ Service Company of the alarm system;
4. the control panel shall have an event log and the arming and disarming of the alarm is to be logged and after the occurrence of a claim the company will be entitled to request full information of the relevant log;
5. loss of or damage to the property insured following the use of the keypad code/remote control of the burglar alarm or any duplicate thereof belonging to the insured is not covered unless such keypad code/remote control has been obtained by violence or threat of violence to any person or such a remote control was obtained by theft.

6. Reinstatement

The basis upon which the amount payable is to be calculated following an insured event shall be the cost of replacing or reinstating on the same site property of the same kind or type but not superior to or more extensive than the insured property when new provided that

- (a) the work of replacement or reinstatement (which may be carried out on another site and in any manner suitable to the requirements of the Insured subject to the liability of the Company not being thereby increased) must be commenced and carried out with reasonable despatch otherwise no payment beyond the amount that would have been payable if this memorandum had not been incorporated in this section shall be made
- (b) the Company shall not be liable for any payment beyond the amount that would have been payable if this memorandum had not been incorporated in this section until expenditure has been incurred by the Insured in replacing or reinstating the lost or damaged insured property
- (c) if at the time of replacement or reinstatement the sum representing the cost which would have been incurred in replacement or reinstatement if the whole of the insured property had been lost or damaged exceeds the sum insured thereon at the time of the insured event then the Insured shall be considered his own insurer for the excess and shall bear a rateable proportion of the loss each item of insured property to which this memorandum applies shall be separately subject to this provision.
- (d) this memorandum shall not apply if
 - (i) the Insured fails to intimate to the Company within 6 months of the insured event (or such further time as the Company may allow in writing) his intention to replace or reinstate the lost or damaged insured property
 - (ii) the Insured is unable or unwilling to replace or reinstate the lost or damaged insured property on the same or another site.

EMPLOYER'S LIABILITY

INSURED EVENT

Death or bodily injury (including illness) to any employee occurring on or after the retroactive date stated in the schedule arising from and in the course of such person's employment by the Insured in the business and in respect of which a claim or claims is first made against the Insured in writing during the period of insurance.

Indemnity

The amount payable for any one event or series of events with one original cause or source inclusive of legal costs recoverable from the Insured by a claimant and other costs and expenses incurred with the Company's consent which shall include Attorney's fees for the representation of the Insured at

- (a) any coroner's inquest or fatal injury arising from any death;
- (b) proceedings in any court of summary jurisdiction arising out of any alleged breach of a statutory duty resulting in bodily injury

shall not exceed the limit of indemnity stated in the schedule.

SPECIAL EXCEPTIONS

The Company shall not be liable for

- (a) liability assumed under agreement unless liability would have attached to the Insured notwithstanding such agreement;
- (b) illness, disease or impairment attributable to a gradually operating cause which does not arise from a sudden and identifiable accident or event;
- (c) fines, penalties, punitive exemplary or vindictive damages;
- (d) compensation for damages and costs and expenses of litigation recovered by any claimant from the Insured in respect of judgements delivered or obtained in the first instance otherwise than by a court of competent jurisdiction within the Republic of South Africa, Namibia, Botswana, Lesotho or Swaziland;
- (e) any claim arising from an event known to the Insured
 - (i) which is not reported to the Company in terms of the special condition to this section
 - (ii) prior to inception of this section.

DEFINITION

"Employee" shall mean any person while such person is

- (a) employed by or apprenticed;
- (b) hired or seconded from another party

to the Insured and whom he has the right to control and or direct in the course of the business.

SPECIAL EXTENSIONS

Indemnity to other parties

The "Insured" shall include

- (a) in the event of the death of the Insured his legal personal representative in respect of liability incurred by the Insured;
- (b) if requested by the Insured
 - (i) any principal under a contract or agreement entered into by the Insured in connection with the business but only so far as is necessary in terms of such contract or agreement and excluding any liability due to or arising from any act default or neglect of such principal his servants or agents;
 - (ii) any principal, director, member, partner or employee of the Insured;
 - (iii) any officer or member of the Insured's social sports or welfare organisation first aid, fire or ambulance services in their respective capacities and provided that such principal or person
 - (aa) is not entitled to indemnity under any other insurance
 - (ab) shall as though he were the Insured observe fulfil and be subject to the terms of this insurance in so far as they can apply
 - (ac) insured under (b)(i) or (ii) above is only indemnified hereunder to the extent that the Insured would have been indemnified had the claim been made against the Insured

where a principal is to be indemnified in terms of this special extension the Company will indemnify such principal in so far as he is liable to the employee for death or bodily injury (including illness) resulting from the negligence of the Insured or the Insured's employee provided that

- (i) the Insured arranges with the principal for the conduct and control of all claims to be vested in the Company;
- (ii) the principal shall as though he were the Insured fulfil and be subject to the terms exceptions and conditions (both general and specific) of the policy in so far as they can apply;
- (iii) the liability of the Company is not increased.

Extended reporting period

(This extension becomes available to the Insured if the Company cancels or refuses to renew this section and once exercised the option cannot be cancelled).

In consideration of the payment of an additional premium (to be agreed) and subject to the terms and conditions of this memorandum and the following provisos the period for the reporting of an insured event is extended by 36 months (hereinafter referred to as the 'discovery period').

- (i) The Insured must exercise the option in writing and within 30 days of cancellation or non-renewal.
- (ii) The Insured has not obtained other insurance equal in scope or cover to that being cancelled/not renewed.
- (iii) The Company shall only be liable for an insured event occurring on or after the retroactive date but prior to the commencement of the discovery period.
- (iv) Claims first made against the Insured or reported during the discovery period shall be treated as if they had occurred on the last day of the period of insurance prior to the discovery period.

SPECIAL CONDITIONS

For this section general condition 3 – claims – is cancelled and replaced by

Claims

- (a) On the occurrence of an event which may give rise to an immediate or a future claim under this policy the Insured shall as soon as practicable and at his own expense
 - (i) notify the Company and give details of any other insurance covering the same event;
 - (ii) co-operate with the Company or its nominee in minimising the resultant injury or liability;
 - (iii) supply full details of the event in writing supported by such proofs information and sworn declarations as the Company requires;
 - (iv) forward any notice of claim communication writ summons or other legal process connected with the event to the Company.
- (b) A claim shall not be payable if
 - (i) the Insured makes any admission statement offer promise payment or indemnity without the prior written consent of the Company
 - (ii) it is rejected and legal action is not commenced within twelve months of the rejection
 - (iii) it is first reported to the Company more than fifteen days after this section is cancelled or not renewed
 - (iv) when it is first made in writing against the Insured more than forty-eight months have elapsed since this section was current (if the claimant is a minor the period of forty-eight months is extended until the expiry of twelve months after the attainment of majority by the claimant)
- (c) The basis of the Company's liability for any one claim or series of claims with one original cause or source shall be
 - (i) when this section is current the limit of indemnity current on the date of the insured event giving rise to the claim(s) or if that date cannot be established the limit of indemnity current on the date the event was first reported to the Company
 - (ii) when the section has been cancelled or not renewed then the basis shall be the limit of indemnity current on the date of the insured event giving rise to the claim(s) or if that date cannot be established the limit of indemnity current on the last day of the period of insurance immediately prior to cancellation or non-renewal.

SPECIAL EXTENSIONS

Territorial limits

The territorial limits for this section are anywhere in the world except for

- (a) any business carried on by the Insured at or from premises or
- (b) any contract for the performance of work outside the area defined in general exception 5(b)

War exclusion

General exception 1 is cancelled and replaced by "War invasion act of foreign enemy hostilities (whether war be declared or not) civil war mutiny insurrection rebellion revolution military or usurped power".

LIABILITY

INSURED EVENT

Damages which the Insured shall become legally liable to pay consequent upon Injury or Damage which occurred in the course of or in connection with the Business within the Territorial Limits and on or after the Retroactive date shown in the schedule, and which results in a claim or claims first being made against the Insured in writing during the Period of Insurance.

DEFINITIONS

For the purposes of determining the indemnity granted by this Section the following terms shall mean:

1. Damage

Loss of or physical damage to tangible property or wrongful interference with the enjoyment of rights over tangible property.

2. Employee

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

3. Injury

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

4. Product

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

5. Pollution

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

6. Costs and Expenses

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

- (i) in the defence or settlement of any claim under this section of the Policy or any action or prosecution brought against the Insured in respect of Injury or Damage or other liability as insured in terms of this Section of the Policy.

- (ii) in the representation at any inquest or accident inquiry in respect of Injury which may form the subject of indemnity under this Section of the Policy and/or in defending any proceedings in a Court of Summary Jurisdiction in respect of matters which may form the subject of indemnity by this Section of the Policy.

LIMITS OF INDEMNITY

The amount payable, inclusive of any Costs and Expenses, for any claim or number of claims for any one event or series of events with one originating cause or source, shall not exceed the Limit of Indemnity stated in the schedule.

In the event of any one originating cause giving rise to a claim or series of claims which form the subject of indemnity by more than one extension of this Section, each extension shall apply separately and be subject to its own separate Limit of Indemnity provided always that the total amount of the Company's liability shall be limited to the highest Limit of Indemnity available under any one of the Extensions affording indemnity for the claim or series of claims.

Where more than one Period of Insurance of this Policy, following its renewal or replacement may apply to an originating cause or source, the Insurers' liability will be limited to the maximum Limit of Indemnity for any one such Period of Insurance.

TERRITORIAL LIMITS

Anywhere in the world but not in connection with

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

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

SPECIFIC EXCEPTIONS

The Company will not indemnify the Insured in respect of:

1. Employees

liability consequent upon Injury to any Employee arising from and in the course of employment by the Insured.

2. Property

Damage to:

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

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

liability consequent upon Injury or Damage

(a) Professional advice or treatment

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

(b) Vehicles, watercraft, locomotives

caused by or through or in connection with the ownership, possession or use by or on behalf of the Insured of any mechanically propelled vehicle (other than a pedal cycle or lawnmower or any pedestrian controlled garden equipment) or trailer or of any watercraft (other than non-motorized watercraft not exceeding 6 metres in length and used only on inland waterways), locomotive or rolling stock, provided that this exception shall not relieve the Company of liability to indemnify the Insured in respect of liability consequent upon Injury or Damage caused or arising beyond the limits of any carriage-way or thoroughfare in connection with the loading or unloading of any vehicle, insofar as such Injury or Damage is not insured by any other insurance policy.

(c) Aircraft

caused by or through or in connection with

- (i) the refueling or defueling of aircraft;
- (ii) the ownership, possession, maintenance, operation or use of aircraft or an airline;
- (iii) the ownership, hire or leasing of any airport, airstrip or helicopter pad.

(d) Products

caused by or through or in connection with any Product other than food and drink provided for consumption on the premises of the Insured.

4. Vibration and removal of support

more than R 25 000 for Damage caused by vibration or by the removal or weakening of or interference with support to any land, building or other structure.

5. Pollution

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

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

6. Fines, penalties etc.

fines, penalties, punitive, exemplary or vindictive damages.

7. USA and Canada judgements, awards or settlements

damages in respect of judgements, award or settlement made within the United States of America or Canada (or to any order made anywhere in the world to enforce such judgement, award or settlement either in whole or in part). For the purpose of this specific exception "Damages" shall be deemed to include costs and expenses of litigation recovered by any claimant from the Insured.

8. Events known to the Insured

any claim arising from an event known to the Insured

- (a) which is not reported to the Company in terms of General Condition 6
- (b) prior to inception of this section or inception of any extension under this section.

9. First amount payable

first amount payable. The Insured shall be responsible for the first amount payable as stated in the schedule in respect of any one claim or number of claims arising from all events of a series consequent upon or attributable to any one source or originating cause or source. The provisions of this clause shall apply to claims arising from Damage or Injury and shall apply to Costs and Expenses.

10. Deliberate or intentional acts

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

14. Unlawful competition

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

MEMORANDUM

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

This section does not cover Injury, Damage or liability directly or indirectly caused by, related to, or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, military or usurped power.

SPECIFIC CONDITIONS

1. Claims first made in writing against the insured

Any claim first made in writing against the Insured as a result of an Insured Event reported in terms of General condition 6 (hereinafter termed reported event) shall be treated as if it had first been made against the Insured on the same day that the Insured reported the event to the Company.

2. Reporting of events after cancellation or non-renewal of policy

In the event of cancellation or non-renewal of the policy, the Insured may report an event in terms of General condition 6 to the Company within 30 days after expiry of the Period of Insurance provided such event occurred during the Period of insurance.

3. Series of claims from one originating clause

Any series of claims made against the Insured by one or more than one claimant during any period of insurance consequent upon one event or series of events with one originating cause or source shall be treated as if they all had first been made against the Insured

- (a) on the date that the event was reported by the Insured in terms of General condition 6
- or
- (b) if the Insured was not aware of any event which could have given rise to a claim, on the date that the first claim of the series was first made in writing against the Insured.

4. Manifestation clause

When the facts do not speak for themselves and the Company and the Insured cannot mutually agree when the Injury or Damage occurred, then for the purposes of determining the indemnity granted:

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

EXTENSIONS

1. Extended reporting option

At the option of the Insured and subject to payment of an additional premium to be determined and subject to all the terms, exceptions and conditions of this section, the Company agrees to extend the period during which the Insured may report an event in terms of General condition 6 for a period to be agreed, but in no circumstances exceeding 36 months (hereinafter referred to as extended reporting period) provided that:

- (a) this option may only be exercised in the event of the Company cancelling or refusing to renew this section;
- (b) this option must be exercised by the Insured in writing within 30 days of cancellation or non-renewal;
- (c) once exercised, the option cannot be cancelled by either the Insured or the Company;
- (d) the Insured has not obtained insurance equal in scope and cover to this section as expiring;
- (e) the Company shall only be liable for an Insured Event which occurred after the retroactive date but prior to date of cancellation or non-renewal;
- (f) claims first made against the Insured or any reported event by the Insured during the extended reporting period shall be treated as if they were first made or reported on the last day preceding the cancellation or non-renewal;

- (g) the total amount payable by the Company for claims made or reported events during the extended reporting period shall not have the effect of increasing the Limit of Indemnity applicable as on the last day preceding the cancellation or non-renewal.

2. Additional Insured

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

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

Provided that:

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

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

3. Cross liabilities

Where more than one Insured is named in the schedule, the Company will indemnify each Insured separately and not jointly, and any liability arising between such Insureds shall be treated as though separate policies had been issued to each, provided that the aggregate liability of the Company shall not exceed the Limit of Indemnity stated in the schedule.

4. Tool of trade

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

5. Employees' and visitors' property

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

6. Transnet and other government departments

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

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

7. Unattached trailers

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

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

8. Emergency medical expenses

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

9. Car parks

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

10. Tenant's liability

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

11. Products liability (not applicable to medicines dispensed for a fee)

Notwithstanding anything to the contrary contained in Specific exceptions 3(a) and 3(d), the Company will indemnify the Insured in respect of an Insured Event happening anywhere in the territories stated in the schedule elsewhere than at premises occupied by the Insured, and caused by any Product (including wrongful delivery and delivery of incorrect Products).

The amount payable under this extension, inclusive of any Costs and Expenses, for any claim or number of claims for any one event or series of events with one originating cause or source or during any one (annual) Period of Insurance, shall not exceed in the aggregate the Limit of Indemnity for this extension stated in the schedule.

Additional specific exceptions (applicable to Products Liability extension)

This extension does not cover liability:

- (i) for the cost of repair, alteration, recall, reconditioning or replacement of the Product or part thereof (including containers and labels) causing Injury or Damage and/or the loss of use of any Product or part thereof;

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

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

If the Insured so requests, the Company will indemnify the Insured or any employee, partner or director of the Insured against costs and expenses not exceeding the amount stated in the schedule incurred by or on behalf of the Insured or any employee, partner or director of the Insured with the consent of the company in the defence of any prosecution of the Insured or any employee, partner or director of the Insured arising from an alleged contravention of any statute in the course of the Business during the period of insurance.

Provided that:

- (i) in the case of an appeal, the Company shall not indemnify such person unless a senior counsel approved by the Company shall advise that such appeal should, in his opinion, succeed;
- (ii) the Company shall not indemnify such person in respect of any fine or penalty imposed or any loss consequent thereon;
- (iii) such person shall, as though he were the Insured, observe, fulfil and be subject to the terms, exceptions and conditions of this policy and this section thereof in so far as they can apply;
- (iv) if the prosecution arises from or in connection with any Product, the Company will only indemnify the Insured or any employee, partner or director of the Insured if the extension for Products Liability is stated in the schedule to be included.

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

The Insured Event is extended to include damages:

- (i) resulting from wrongful arrest (including assault in connection with such wrongful arrest);
- (ii) in respect of defamatory statements whether written or verbal;

provided always that the Limits of Indemnity shall not exceed the amount stated in the schedule.

14. Property Owner's Liability (if stated in the schedule to be included)

Notwithstanding anything to the contrary contained in Specific exception 2(a)(i) the Company will indemnify the Insured for an Insured Event occurring on or about the rooms owned by the Insured and specified in the schedule but provided that the amount payable, inclusive of any Costs and Expenses, for any claim or number of claims for any one event or series of events with one originating cause or source, shall not exceed the Limit of Indemnity stated in the schedule.

The Company shall not be liable under this extension for liability arising directly or indirectly in connection with:

- (i) the demolition of or structural alterations or additions to the rooms or other structure or any operation incidental thereto;
- (ii) the Insured's trade, professional or occupation (other than as owner of the premises);
- (iii) the occupation of the rooms by the Insured.

15. Acquisitions and new businesses

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

Provided always that:

- (1) the Retroactive Date in respect of such new company shall be deemed to be the date when a newly formed and/or acquired company first purchased liability insurance of the type hereby insured on a "Claims Made" basis, subject to a declaration from the newly acquired company's previous management of no known or reported claims or circumstances likely to give rise to a claim at the date of acquisition. In the event of no such declaration, the Retroactive Date shall be the date of such acquisition;
- (2) the Insured's business activities remain unchanged;
- (3) the annual turnover of all newly formed and/or acquired companies does not exceed 5% (five percent) of the estimated annual turnover of the Insured as advised to the Company at inception hereof;
- (4) the Insured shall advise the Company of such formations and/or acquisitions before the expiry of 90 days thereof and the Company may amend the terms of this section of the Policy accordingly.

PERSONAL ACCIDENT

INSURED EVENT

Bodily injury to an insured person solely and directly caused by violent accidental external and visible means.

COMPENSATION

The amount payable (which is non-assignable and which shall be paid to the Insured on behalf of the insured person or if applicable his legal personal representative) shall be the benefit defined in the schedule of compensation.

SPECIAL EXCEPTIONS

The Company shall not be liable to pay compensation for bodily injury to an insured person

- (a) who is under fifteen or over seventy years of age
- (b) caused by or resulting from
 - (i) his suicide or intentional self-injury
 - (ii) and sustained during service on duty in any armed or police force
 - (iii) pregnancy childbirth or any physical defect, infirmity, illness or disease existing prior to the insured event
 - (iv) the taking of any drug or narcotic which is lawfully obtainable only on the prescription (other than his own) of a qualified medical or dental practitioner unless such drug/narcotic is being taken under and in accordance with such prescription
- (c) who is participating in
 - (i) civil commotion labour disturbances riot strike or the activities of locked out workers
 - (ii) hang-gliding parachuting or aviation other than as a passenger
 - (iii) motorcycling as driver or passenger except in the course of the Insured's business
 - (iv) professional sports any form of race or speed test other than on foot or in non-mechanically propelled watercraft on inland or coastal waters, rock climbing or mountaineering necessitating the use of ropes sports on ice or snow polo on horseback, steeplechasing, big game hunting or any underwater activity requiring the use of artificial breathing apparatus.

SPECIAL EXTENSIONS

(a) Exposure

An insured event includes starvation thirst and/or exposure to the elements following an accident or a mishap but this extension does not override the special exceptions

(b) Disappearance

An insured event includes death of an insured person who has disappeared provided that the Company is satisfied that death occurred as a direct result of an insured event.

(c) Artificial life support

The twenty four month period stated in proviso (iii) to the schedule of compensation excludes any period during which the life of an insured person is sustained by the use of life support apparatus or equipment.

(d) Repatriation (only applicable if the death benefit is insured)

The Company will pay in addition to the capital sum stated in the schedule reasonable and necessary expenses for the repatriation of the body of a deceased insured person to his normal place of residence up to an amount not exceeding R5 000.

(e) Emergency transportation/rescue

The Company will pay costs and expenses for emergency transportation (by air land or water) and/or for freeing rescuing or otherwise bringing an insured person to a place of safety following an insured event up to an amount not exceeding twenty five percent of the sum insured for medical expenses stated in the schedule.

(f) Abduction hijack/kidnap

If temporary total disablement is insured the Company will treat the abduction hijacking or kidnapping of an insured person as an insured event for the purposes of the temporary total disablement and medical and other expenses benefits of the schedule of compensation provided that

- (a) the temporary total disablement benefit is limited to the lesser of the period of abduction hijacking or kidnapping and eight weeks
- (b) no benefit shall be payable if any member of the insured person's immediate family is involved in the abduction/hijacking/kidnapping as a principal or accessory.

CLAUSES

Amendment to general exceptions

General exceptions 2 3 and 4 are deleted and general exception 1 is replaced by

1. (a) war whether declared or not between France, United Kingdom, Peoples Republic of China, Russia and the United States of America or war in Europe whether declared or not (other than civil war but including any enforcement action by or on behalf of the United Nations) in which any of those countries or their armed forces are engaged
- (b) war invasion act of foreign enemies hostilities (whether war be declared or not) within Southern Africa including civil war rebellion military or usurped power while an insured person is on active service with the military naval air or police services of any nation but this exclusion shall not apply to an insured event occurring independently of such contingencies.

Territorial limits

The territorial limits for this section are worldwide.

DEFINITIONS

Capital sum

The sum stated in the schedule as payable for the death permanent total or permanent partial disablement of the insured person.

Insured person

The Insured or the person named in the schedule.

Weekly rate

The sum stated in the schedule for the insured person.

Schedule of compensation

ITEM NO.	DESCRIPTION OF BODILY INJURY	THE BENEFIT
1.	death	the capital sum stated in the schedule
or		
2.	Permanent total disablement (which shall mean) (a) loss by physical severance at or above the wrist or ankle or total loss of use of a hand or a foot (b) total loss of (i) speech (ii) all sight of an eye (iii) all hearing in both ears (c) an injury resulting in permanent disablement from following or engaging in the insured person's usual occupation and any other occupation for which he is fitted by knowledge or training (d) complete and incurable insanity specified in the schedule shall be payable	the capital sum stated in the schedule
or		
3.	Permanent partial disablement (which shall mean) (a) loss of all hearing – one ear (b) loss of sight except perception of light (c) loss by physical severance or total loss of use of (i) all fingers of one hand (ii) all toes of one foot	of the capital sum for permanent total disablement 35% 100% 80% 30%

(iii)	thumb	
	– both phalanges	30%
	– one phalanx	10%
(iv)	index finger	
	– three phalanges	10%
	– two phalanges	8%
	– one phalanx	8%
(v)	middle finger	
	– three phalanges	6%
	– two phalanges	4%
	– one phalanx	2%
(vi)	ring finger	
	– three phalanges	5%
	– two phalanges	4%
	– one phalanx	4%
(vii)	little finger	
	– three phalanges	4%
	– two phalanges	3%
	– one phalanx	2%
(viii)	metacarpals	
	– first or second an additional	3%
	– third fourth or fifth an additional	2%
(ix)	great toe	
	– both phalanges	5%
	– one phalanx	2%
(x)	other toes	
	– if more than one – each	2%
(d)	disfigurement from burns of	
(i)	100% of the surface area of the head and neck	50%
(ii)	100% of the surface area of the remainder of body	50%

or

4. Total and absolute incapacity from following the insured person's usual occupation

**the weekly rate (or pro rate thereof)
for the period of incapacity or a
maximum of 104 weeks**

provided that

- (i) the benefit under item 4 shall cease when the injury or wound causing incapacity has healed or has been cured as far as is reasonably possible notwithstanding that some permanent disablement may remain
- (ii) the benefit payable under item 4 is in addition to any benefits payable under items 1, 2 or 3
- (iii) death or permanent total or partial disablement occurs within twenty four months of the insured event
- (iv) if no provision is made under item 3(a), (b) or (c) for the insured event the Company will adopt a percentage benefit consistent with the above scale
- (v) if the percentage disfigurement under item 3(d) is less than 100% of the surface area the Company will apply to the benefit concerned a percentage based on the extent that actual disfigurement bears to 100% disfigurement
- (vi) the Company shall not be liable under item 3(d) unless the extent of disfigurement under (i) or (ii) individually exceeds 10% nor until the permanent effect of medical and/or surgical treatment has been established
- (vii) the Company shall not be liable for the same insured event under items 1, 2 or 3 collectively nor for more than the capital sum or if payment is made under more than one item the higher of the capital sum under items 1 or 2
- (viii) payment of any benefit is conditional on the Insured supplying such medical evidence as is required and if requested by the Company the insured person undergoing any medical or other examination or if the insured event results in death a post mortem examination at the Company's expense
- (ix) any sum recoverable under any workmen's compensation enactment shall be deducted from any benefit payable under item 4
- (x) general conditions 5 and 8 do not apply to the section

MEMORANDA (if stated in the schedule to apply)

1. Active service

Special exception (b) (ii) and 1(b) of the amendments to general exceptions are deleted but the limit of the Company's liability for any one insured person or for any one accident or series of accidents with one original cause or source are the individual and aggregate amounts stated in the schedule.

In respect of this memoranda the period of notice in general condition 6 (cancellation) is reduced to fourteen days.

2. Excess

The Company shall not be liable to pay any benefit under item 4 of the schedule of compensation during the period stated in the schedule as the excess.

3. Working hours restriction

Insured event is restricted to bodily injury arising out of and in the course of the insured person's employment with the Insured in the business.

4. Mobility extension

When the Company has admitted a claim for permanent total disablement if as a direct result of that disablement the insured person is permanently dependent on a wheelchair for mobility the Company will pay for

- (a) a self propelled wheelchair and/or
- (b) the modification of the controls to the insured person's motor vehicle and (if necessary) the fitting of wheelchair loading equipment and/ or
- (c) alterations to the insured person's residence to facilitate the use of such wheelchair up to the amount stated in the schedule.

MOTOR

SUB-SECTION A – MATERIAL DAMAGE

INSURED EVENT

Loss of or damage to an insured vehicle the property of or hired by or purchased or leased under a suspensive sale/lease agreement by the Insured including while in transit by sea air or inland waterway between ports or places within the territorial limits and loading or unloading incidental thereto but limited to

- (a) the actual and necessary cost of repair or the market value of the insured vehicle or the sum stated against the insured vehicle whichever is lowest and
- (b) if following loss or damage the insured vehicle is disabled the reasonable and necessary cost for its protection and removal to the nearest competent repairer and
- (c) if the insured vehicle is repaired the cost of redelivery to the Insured but not exceeding the cost of transportation from the repairer to the Insured's permanent address within the territorial limits

from which shall be deducted the first amount payable.

SPECIAL EXCEPTIONS

The Company shall not be liable for

- (i) wear and tear mechanical, electrical or electronic breakdowns failures or breakages
- (ii) depreciation in value whether arising from repairs following an insured event or otherwise
- (iii) damage to
 - (a) tyres by the application of brakes or by road punctures cuts or bursts
 - (b) the suspension due to inequalities of the road or other surface or impact with such inequalities
- (iv) theft or any attempt thereof of accessories or spare parts when the cover under this sub-section is stated to be third party fire and theft unless the insured vehicle is stolen at the same time or the theft occurs from the Insured's locked garage
- (v) more than the amount is stated in the schedule (less applicable deductible) in respect of the theft or any attempt thereof of fitted radios tape players and similar equipment and/or fitted telephones (not supplied by the manufacturers of the vehicle when new) from an insured vehicle
- (vi) accessories and spare parts required in the repair or reinstatement of an insured vehicle which cannot be obtained in the Republic of South Africa in which event the Company may discharge its liability by paying in cash the value of the article at the time of the insured event or the amount stated in the latest manufacturer's/agent's price list for the article concerned whichever is the lesser
- (vii) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority

EXTENSIONS

Alternative bases of settlement

1. Notwithstanding the provisions of this sub-section if during the period of twelve calendar months following the date on which a LDV or motor car is first registered it is
 - (a) stolen and not recovered within six weeks of the date on which the theft is reported to the Company
or
 - (b) damaged following an insured event to the extent that the estimated cost of repair (by two independent repairers) exceeds seventy percent of its retail price on the date of the insured event the Company will subject to the consent of the Insured and/or of any other interested party replace it with a new vehicle of the same type and model provided that
 - (i) such vehicle is available in the territory in which the insured vehicle was registered
 - (ii) the stolen/damaged vehicle becomes the property of the Company
 - (iii) the Company shall not be liable for more than the sum stated in the schedule for such vehicle
2. If in the opinion of the Company the insured damaged car or LDV can not economically be repaired and must be written off then the basis of settlement shall be the market value which shall be arrived at by taking the retail price for the relevant vehicle as appearing in the latest Auto Dealers Digest and applying thereto the said Digest's factors which either reduce or increase the printed value.

Earthquake

The word 'earthquake' is deleted from general exception 5 (a).

Repair authority

The Insured may (subject to obtaining a detailed estimate and immediately forwarding it to the Company) authorise repairs following an insured event up to an amount not exceeding R2 000.

Suspensive sale/lease agreement

If the Company has been notified prior to an insured event of the interest of any party in any insured vehicle which is the subject of a suspensive sale/lease agreement it will note and protect such interest provided that if any payment is made in terms of this sub-section to such owner his receipt shall be full and final discharge of the Company's liability for loss or damage.

Fire extinguishing charges

Any costs relating to the extinguishing or fighting of fire shall be considered as damage to the insured property and shall be payable in addition to any other payment for which the Company may be liable in terms of this section provided the Insured is legally liable for such costs and the insured property was in danger from the fire.

SUB-SECTION B – LIABILITY

INSURED EVENT

An accident caused by or through or in connection with an insured vehicle or a trailer attached thereto the loading and/or unloading thereof or a disabled vehicle being towed in respect of which the Insured and/or any passenger becomes legally liable to pay damages for

- (a) death or bodily injury (including illness) to any person
- (b) damage to property.

INDEMNITY

The Company will pay all sums inclusive of legal fees recoverable by a claimant and other costs and expenses incurred with its written consent for which the Insured becomes legally liable up to the limits of liability below.

LIMITS OF LIABILITY

The Company shall not be liable for more than the amount stated below for any one event or series of events with one original cause or source

- (i) R1 000 000 for an insured event arising from fire (LDV's and motor cars) or fire and/or explosion (any other insured vehicle)
- (ii) R200 000 for death or bodily injury to any one or all persons being carried in or upon or entering into or getting onto or alighting from the goods carrying section of a LDV or the passenger compartment of a motor car with an open or convertible body
- (iii) R100 000 for death or bodily injury to any one or all persons being carried in or upon or entering into or getting onto or alighting from a commercial vehicle designed for the carriage of passengers
- (iv) R10 000 for death or bodily injury to any one or all persons being carried upon or getting onto or alighting from a motor cycle
- (v) R2 500 000 in any other circumstances

but when the motor section extends to persons other than the Insured the above limits shall apply in aggregate to all persons being indemnified and in priority to the Insured or in the event of his death his legal personal representative.

SPECIAL EXCEPTIONS

The Company shall not be liable for

- (a) death or bodily injury to any person
 - (i) who is a member of the same household as the Insured
 - (ii) in the employment of the Insured if death or bodily injury arises out of and in the course of such employment

- (iii) being carried in or upon or entering into or getting onto or alighting from any insured vehicle other than a commercial vehicle designed for the carriage of passengers a LDV motor car the cab or permanently enclosed passenger carrying compartment of a LDV at the time of an insured event or a motor cycle
- (b) damage to
 - (i) property belonging to held in trust by or in the custody or control of the Insured or being conveyed by or loaded on to or unloaded from an insured vehicle
 - (ii) any vehicle or trailer (except as provided in sub-section A) being towed by an insured vehicle or any property in or on such vehicle or trailer
- (c) an insured event
 - (i) which falls within the scope of any compulsory motor vehicle insurance enactment notwithstanding that no such insurance has been effected or is in force
 - (ii) arising from the operation demonstration or use for purposes other than maintenance or repair of an insured vehicle (unless it is a forklift truck) of any tool or plant forming part of attached to or used in connection with such insured vehicle or anything manufactured by or contained in such tool or plant
 - (iii) caused or arising beyond the limits of any carriageway or thoroughfare in connection with the bringing of a load to an insured vehicle for loading or the taking away of a load after unloading
- (d) any contractual liability

SPECIAL EXTENSIONS

Driving of other vehicles

where the Insured is an individual the Company will indemnify him in terms of sub-section B while personally driving or using a LDV motor car or motor cycle which does not belong to him nor is hired by or purchased or leased by him under a suspensive sale/lease agreement.

Inquest/criminal proceedings

The Company may at its sole discretion arrange for representation at any inquest/criminal proceedings arising from an insured event and will pay all costs and expenses thereof incurred with its written consent.

Other drivers

The Company will indemnify any person driving or using an insured vehicle on the order or with the permission of the Insured provided that

- (a) he shall as though he were the Insured observe fulfil and be subject to the terms of this insurance in so far as they can apply
- (b) he is not entitled to indemnity under any other policy (this proviso does not apply to any amount not recoverable under such policy)
- (c) he has not been refused nor had a motor vehicle insurance cancelled by an insurer
- (d) the Company shall not be liable for
 - (i) death of or bodily injury to any person who is a member of the same household as or which arises out of and in the course of employment with the person being indemnified
 - (ii) damage to property belonging to or held in trust by or in the custody or control of the person being indemnified.

DEFINITIONS

Insured vehicle

Any commercial vehicle, LDV, motor car, motor cycle or trailer (including any permanent fittings, accessories or spare parts therein or thereon) the details of which are stated in the schedule including any vehicle temporarily operated by the Insured as replacement for any specified vehicle which is out of use for the purpose of overhaul upkeep and/or repair provided that the limit of the Company's liability for such replacement vehicle shall be the lesser of its market value and the sum insured for the replaced vehicle.

Commercial vehicle

Any self-propelled vehicle designed for the carriage of goods or passengers (not falling within the definition of LDV, motor car or motor cycle) mechanical horse specialised trade vehicle or three-wheeled vehicle with an engine capacity exceeding 350 cubic centimetres or designed for the carriage of passengers.

LDV (light delivery vehicle)

Any self-propelled vehicle (not falling within the definitions of motor car or motor cycle) not exceeding 3 500 kilogrammes gross vehicle mass designed for the carriage of goods or passengers or both.

Motor car

Any self-propelled vehicle having a saloon station wagon convertible or open body fitted with permanent passenger seating for not more than 12 persons (including the driver).

Motor cycle

Any self-propelled two-wheeled vehicle (to which may be fitted a single seat passenger side car) mechanically assisted pedal cycle or three-wheeled vehicle with an engine capacity not exceeding 350 cubic centimetres designed for the carriage of goods or quadricycle.

Trailer

Any vehicle without means of self-propulsion designed to be towed by a commercial vehicle, LDV, motor car or motor cycle.

Occurrence

Each insured event shall include all events or occurrences arising from a single cause or series of causes with one original cause or source.

Cover

When the cover for an insured vehicle is stated in the schedule to be

- (a) "Comprehensive" sub-sections A and B of the motor section apply
- (b) "Third party fire and theft" sub-section A is limited to loss or damage by fire lightning or explosion and theft or any attempt thereat and sub-section B applies
- (c) "Third party only" only sub-section B applies

MEMORANDA (if stated in the schedule to apply)

1. Agricultural vehicle warranty

Warranted that the insured vehicle is used solely for agricultural work.

2. Contingent liability

The Company will indemnify the Insured for an insured event under sub-section B arising from the use by an employee (or any person if carrying school children) of any vehicle in connection with the business provided that

- (a) the vehicle is not supplied by the Insured
- (b) this memorandum does not cover loss or damage to the vehicle

3. Wreckage removal extension

The cover provided under sub-section A extends to include costs and expenses incurred by the Insured in respect of clearing up and removal of debris and wreckage of any insured vehicle following damage to such vehicle by an insured event provided that in addition to the limit of indemnity under sub-section A the limit of the Company's liability under this extension shall not exceed in respect of any one occurrence the limit to apply to this extension stated in the schedule.

4. Excluding driving other vehicles

The special extension for "driving of other vehicles" under sub-section B is cancelled.

5. First amount payable (sub-section B)

Items 4 (a) and 7 of first amounts payable in the schedule apply to an insured event under sub-section B.

6. Indemnity to employer

The Company will indemnify the employer of the Insured (the employer) under sub-section B while an insured vehicle is being used by the Insured and/or other employees on the business of the employer provided that

- (a) such indemnity does not include liability for death or bodily injury to any employee arising out of or in the course of such employment
- (b) the employer is not entitled to indemnity under any other policy
- (c) the employer shall as though he were the Insured observe fulfil and be subject to the terms of this insurance in so far as they can apply.

7. Insured only driving

The Company shall not be liable under this section (notwithstanding anything contained herein to the contrary) if the insured vehicle is being driven by any person other than the Insured.

8. Legal use of unlicensed drivers

When a driving licence is not required by law special condition 4(ii) and item 2(a) of first amount payable in the schedule are cancelled.

9. Limitation of passenger liability

Paragraph (ii) of the limits of liability (sub-section B) is amended to read:

- (ii) R50 000 for death or bodily injury to any one or all persons being carried in or upon or entering into or getting onto or alighting from a LDV or motor car.

10. Limitation of passenger liability (drivers under 25)

When the insured vehicle is being driven by a person under 25 years of age memorandum 9 shall apply.

11. Loading and unloading extension

Special exception (c)(iii) of sub-section B is cancelled.

12. Loss of keys extension

The Company will indemnify the Insured in respect of the cost of replacing locks and keys including the remote alarm controller and if necessary the reprogramming of any coded alarm system of any insured vehicle following upon the disappearance of any keys or alarm controller of such vehicle or following upon the insured having reason to believe that any unauthorised person may be in possession of a duplicate of such key or alarm controller provided that

- (i) the Company's liability shall not exceed the amount stated in the schedule for any one event
- (ii) the Insured shall bear the amount stated in the schedule for each and every loss
- (iii) for the purposes of special condition 1 and the first amount payable definition any payment under this extension does not constitute an insured event.

13. Manually assisted vehicles

The Company shall not be liable while any manually assisted vehicle is in motion unless an attendant holding the controls and not riding the vehicle is in charge.

14. Motor trade use (excluding breakdown use)

Exclusion (a) to special condition 6 – limitation as to use – is cancelled and replaced by

- (a) experiments, tests, trials, demonstration and/or breakdown purposes in connection with the motor trade.

15. Motor trade use (including breakdown use)

Exclusion (a) to special condition 6 – limitation as to use – and the words "or towing for reward" in exclusion (b) are cancelled and exclusion (a) is replaced by

- (a) experiments, tests, trials and/or demonstration purposes in connection with the motor trade.

16. Named drivers

The Company shall not be liable under this section (notwithstanding anything contained herein to the contrary) if an insured vehicle is being driven by any person other than the Insured or the person(s) named in the schedule.

17. Passenger liability extension (commercial vehicle designed for the carriage of goods)

The words "designed for the carriage of passengers" are deleted from special exception (a) (iii) of subsection B and item (iii) of the limits of liability (sub-section B) and the limit of the Company's liability for any one or all persons being carried in or upon or entering into or getting onto or alighting from a commercial vehicle designed for the carriage of goods at the time of an insured event shall be the sum stated in item (iii) of the limits of liability (sub-section B) or the sum stated in the schedule (if applicable).

18. Passenger liability extension (commercial vehicles designed for the carriage of passengers)

The limit of the Company's liability for any one or all persons under item (iii) of the limits of liability (sub-section B) is increased to the sum stated in the schedule.

19. Restricted driving

The following is added to special condition 4

- (iii) any person under the age of 25 years or by the Insured or any other person with the general knowledge and consent of the Insured who has not had a valid licence to drive the vehicle for more than two years and is not disqualified from holding such licence.

20. Self-propelled caravans

The words "accessories or spare parts" are deleted from the definition of "insured vehicle".

21. Unauthorised passengers

Sub-section B extends to include passengers being carried on an insured vehicle in contravention of the Insured's instructions to his driver not to carry passengers.

When this memorandum is in force memorandum 17 applies.

This memorandum shall only operate if the insured vehicle is being driven by a person duly authorised by the Insured.

22. Vehicles not constructed for general road use

The territorial limits for the insured vehicles are restricted to the private premises of the Insured within the territorial limits stated in the schedule except that the vehicle may be used on that part of any road which traverses such premises.

23. Windscreen

The Company will pay for damage to an insured LDV or motor car or commercial vehicle (if stated in the schedule to be included) arising from the breakage of its windscreen or other window glass and scratching of its bodywork resulting solely and directly therefrom provided that the Insured shall pay the first amount payable (applicable to glass) specified in the schedule.

For the purpose of special condition 2 any payment under this extension does not constitute an insured event.

24. Legal defence costs

The Company will indemnify the persons stated in the schedule for costs and expenses incurred with the written consent of the Company by such person in the defence of any criminal action brought against him in the course of his duties with the Insured arising out of a claim or claims first being made against the Insured in writing during the period of insurance following contravention of or alleged contravention of the Hazardous Substances Act No 15 of 1973 (as amended).

Which shall be read in conjunction with the Criminal Procedure Act No 56 of 1955 (as amended) and provided that the Company shall not be liable to

- (a) proceed to or defend an appeal without its prior written consent
- (b) pay any fine or penalty imposed by any magistrate or judge
- (c) pay more than R10 000 during any twelve consecutive months of insurance (calculated from the inception of this policy).

25. Fleets

When the detail of insured vehicles is limited to the number and category of vehicles insured special condition 1 and the schedule of the first amounts payable is cancelled and for the purposes of this memorandum only general condition 7 is replaced by

“7 Adjustment of premium

The Insured shall declare to the Company within 30 days of the expiry of each twelve consecutive months of insurance (calculated from the inception of this policy) or the prior termination of this section the number of vehicles purchased leased or hired and sold or otherwise disposed of during such period of each category of insured vehicle and shall pay or receive premium calculated at 50% of the premium charged for the expired period on the difference between the number of vehicles at the commencement of the period of those declared”.

26. Credit shortfall

If a total loss settlement under sub-section A is less than the amount owing to the financier under a current instalment sale or lease agreement the Company will pay to the Insured an additional amount equal to the shortfall less

- (a) any arrears of instalments or rentals including interest payable on such arrears
- (b) all refunds of premium for cancellation of any insurance cover relating to the motor vehicle
- (c) the increased instalments or rentals that would have been paid had there been no residual capital value at the end of the finance period calculated to the month in which the claim is settled
- (d) the first amount payable under sub-section A

Provided always that

- (a) the amounts payable shall not exceed the maximum indemnity less the first amount payable under sub-section A
- (b) this endorsement shall not apply to an agreement whereby the amount of any single instalment other than the final residual amount after the initial payment differs by more than 10% from any instalment
- (c) if such short fall is as a result of a re-advance under an instalment sale or refinancing in terms of a lease the insurance by this extension shall be void.

SPECIAL CONDITIONS

1. First amount payable

The schedule defines the circumstances in which an amount is to be borne by the Insured under sub-section A.

Each applicable item of the schedule shall apply individually and cumulatively to each insured vehicle for every insured event.

If the Company makes a payment which includes any amount to be borne by the Insured such amount shall be repaid forthwith.

2. CFG (claim free group)/NCB (no claim bonus)

In the event of the Company not being required to make any payment for an insured event during the period stated below immediately preceding the renewal of this section the premium for an insured vehicle (other than a trailer or one for which the cover in the schedule is stated to be other than comprehensive) during the ensuing period will be charged in accordance with the Company's scale of rates for the appropriate CFG or reduced by the percentage NCB applicable

Each insured vehicle is separately subject to this privilege

Period	Vehicle/CFG or NCB	
	Commercial Vehicle	Other insured vehicle
Less than 12 months	0	0
Not less than 12 months	15%	1
Not less than 12 months	20%	2
Not less than 36 months	30%	3
Not less than 48 months	40%	4
Not less than 60 months	40%	5

In respect of an insured vehicle for which the premium is based on CFG 4 or 5 if one or more insured event occurs during the applicable period the premium for the ensuing period will be based on CFG 2 or 3 respectively and thereafter in accordance with the provisions of the above scale but in any other circumstances CFG 0 applies.

If the Company agrees to a transfer of interest in an insured vehicle during the currency of this section any CFG/NCB due to the Insured shall not vest to the benefit of the transferee.

3. Driving offences

The Insured shall advise the Company immediately if he or as soon as it comes to his notice any employee has his driving licence endorsed suspended or cancelled or he is charged with or convicted of negligent reckless or improper driving.

4. Drivers

The Company shall not be liable for any insured event occurring while an insured vehicle is being driven by

- (i) the Insured while under the influence of intoxicating liquor or drugs (unless prescribed by and taken in accordance with the instructions of a registered medical practitioner (other than himself)) or while not licenced to drive the vehicle

- (ii) any person with the general consent of the Insured who to the Insured's knowledge is under the influence of intoxicating liquor or drugs (unless prescribed by and taken in accordance with the instructions of a registered medical practitioner (other than such person)) or is not licenced to drive the vehicle

provided that any driver shall be deemed to be licenced to drive the vehicle if he is complying with the licensing laws relating to any territory within the territorial limits or if non-compliance with such law is solely because of failure to renew any licence subject to periodic renewal or if a licence is not required by law or while such driver is learning to drive and is complying with the laws relating to learners

provided further that special condition (ii) shall not apply if the Insured was unaware that the driver was unlicensed and the Insured can prove to the satisfaction of the Company that in the normal course of his business procedures are in operation to ensure that only licensed drivers are permitted to drive insured vehicles.

5. Motor trade restricted usage

When the Insured is an individual connected with the motor trade and the description of use is class 1

- (a) this section excludes use for experiments tests trials demonstration towing or breakdown purposes connected with the Insured's business
- (b) the "driving of other vehicles" extension to sub-section B excludes
 - (i) vehicles the property of or in the custody or control of a company or firm of which the Insured is a principal, director, member, partner or employee
 - (ii) any vehicle in the custody or control of the Insured in the course of his business as a motor trader.

6. Limitation as to use

This section shall be operative only while an insured vehicle is being used with the general knowledge and consent of the Insured for

(if use is stated to be class 1)

social domestic and pleasure purposes (which includes commuting to and from the Insured's place of business or employment) and in respect of LDV's and motor cars business purposes unless the vehicle is owned or used by a company (other than farming companies) a full-time insurance representative a general medical practitioner a commercial traveller (by whatever name known) or a farmer or farming company for house-to-house retail distribution

(if use is stated to be class 2)

social domestic and pleasure business or professional purposes

but such use shall exclude

- (a) any purpose in connection with the motor trade
- (b) driving instruction or towing for reward
- (c) hiring the carriage of passengers for hire or the carriage of fare-paying passengers (which shall not exclude use in connection with a lift club)
- (d) racing speed or other contests rallies or trials or being driven in a match for a wager
- (e) the carriage of explosives or bulk inflammable liquids or gases
- (f) the carriage of goods or passengers in excess of that for which the insured vehicle is constructed

but notwithstanding (a) the Company will indemnify the Insured while an insured vehicle is in the custody or control of a member of the motor trade for the purpose of its overhaul upkeep or repair.

7 Liability to the insured only

Notwithstanding that sub-section B extends to indemnify persons other than the Insured no one except the Insured shall have any rights against the Company nor shall the Insured abandon his rights to any other person it being the intention that if the Company is required to indemnify another person the Insured shall claim on his behalf.

In all cases the receipt of the Insured shall absolutely discharge the Company's liability.

HOUSEOWNERS

SUB-SECTION A – BUILDING

The Company will at its option repair replace or pay for loss or accidental damage to the Building.

SPECIAL EXCEPTIONS

This section does not cover

1. the first R2 000 in the event of theft malicious damage or loss or damage caused by the escape of water **when the building is unoccupied for longer than 60 days in any one calendar year**
2. loss or damage caused by
 - (i) storm, wind, water, hail, snow, flood to fences, gates, hedges or retaining walls
 - (ii) theft by any tenant or subtenant (or by family or servants of such tenant or subtenant)
 - (iii) vermin, insects, termites, scratching, denting, chipping, defacing, damp or the process of cleaning, dyeing, bleaching, altering, repairing, restoring
 - (iv) scratching, biting, chewing, tearing or soiling by domestic pets
 - (v) roots or weeds to underground pipes, tennis courts, driveways
 - (vi) gradually operating causes such as but not restricted to wear and tear, rust, mildew, corrosion, damp, wet or dry rot
 - (vii) cracking of the building
 - (viii) subsidence landslip unless stated to be covered in the schedule
 - (ix) mechanical or electrical breakdown or derangement (except for swimming pool or borehole machinery up to R1 500)
 - (x) theft by any person in your employment.

Under-insurance

The sum insured must be equivalent to the estimated rebuilding cost of the Building with new materials and include an allowance for additional fees and costs which would be payable **as if it is not** the Company's liability will be limited to the proportion that the sum insured bears to the actual cost of rebuilding with new materials and such additional fees and costs.

Claims will be settled on the basis of the cost of replacement or repair with new materials without deduction for betterment.

The Insured may request settlement on a cash basis in which event the Company's obligation will not exceed the market value of the damage of that portion of the Building the subject of the claim.

If alterations or extensions to the Building are undertaken which will increase its replacement value it is important that the Company be advised as soon as work is completed so that the sum insured can be suitably increased.

DEFINITIONS

Accidental damage means accidental physical loss or damage which for the purposes of this clause shall include fire, lightning, explosion, earthquake, impact by animals aircraft, vehicles or their loads falling trees or parts thereof malicious damage storm, wind, hail, snow, water, theft or attempted theft oil leaking from any apparatus.

The Building means the residence situate at the address stated in the schedule including all ancillary structures such as garages, outbuildings, walls, fences, courts, pools and includes hedges, gates, paved driveways and patios and the fixtures and fittings which would normally be sold with it.

Additional fees and costs includes architects and other consultants fees charges for the removal of debris from the site of the insured building and similar expenses necessarily incurred in connection with a claim.

SPECIAL EXTENSIONS

Mortgagees/tenants

If the action of a mortgagor/tenant/sub-tenant of the building increases the risk without the mortgagees/insured's knowledge the cover will not be affected.

In addition the Company will pay

Additional charges

Charges levied by an authorised body for fire brigade and similar charges in connection with an insured event.

Rent receivable

Up to 20 per cent of the sum insured for rent receivable if the Building is made uninhabitable as a result of an insured event.

Payment will not be made for longer than the period required to make the Building habitable.

Watchmen

Up to R5 000 for costs reasonably incurred in employing watchmen following an insured event giving rise to a valid claim.

SUB-SECTION B – LIABILITY

Insured events

Accidental

- (a) death of or bodily injury (including illness) to any person who is not normally resident in the building and which does not arise out of or in the course of his employment with the Insured
- (b) loss of or physical damage to tangible property not belonging to or in the custody and control of a person normally resident in the building

caused in or about the building by the negligence of the Insured or of his domestic servants which results in the Insured becoming legally liable to pay damages.

Indemnity

The limit of the Company's liability for any one accident or series of accidents with one original cause or source inclusive of legal costs recovered by any claimant from the Insured and all other costs and expenses incurred with its written consent is R2 500 000

In the event of the Company being required to indemnify more than one person the limit of liability shall apply in the aggregate to all persons being indemnified and in priority to the Insured or in the event of his death to his legal personal representative

SPECIAL EXCEPTIONS

This sub-section does not cover

- (a) the Insured's business or occupation (other than as owner of the building)
- (b) the ownership possession or use by or on behalf of the Insured of any locomotive rolling stock, airborne craft, watercraft, power assisted cycle, mechanically propelled vehicle of any kind (other than garden implements) trailers or animals (other than cats dogs or horses)
- (c) liability assumed under agreement unless liability would have attached to the Insured notwithstanding such agreement
- (d) liability arising from or connected with seepage, pollution or contamination or any costs in connection with nullifying or cleaning up, seeping, polluting or contaminating substances unless caused by a sudden unintended and unforeseen happening unconnected with any gradually operating cause
- (e) fines, penalties, punitive exemplary or vindictive damages
- (f) compensation for damages or costs and expenses of litigation recovered by any claimant from the Insured in respect of judgements delivered or obtained in the first instance otherwise than by a court of competent jurisdiction within the Republic of South Africa, Namibia, Botswana, Lesotho and Swaziland.

ELECTRONIC EQUIPMENT

SUB-SECTION A – ALL RISKS

INSURED EVENT

Accidental physical loss of or damage to the equipment specified in the schedule at the rooms or whilst temporarily away from the rooms or whilst in transit including loading and unloading or whilst temporarily stored in any locked building en route.

Average

If on the occurrence of an insured event the sum insured is less than the new replacement value of the equipment the Insured shall be considered his own insurer for the difference and shall bear a rateable proportion of the loss.

Each item insured shall be separately subject to this condition.

INDEMNITY

1. Partial loss

If the insured equipment suffers damage that can be repaired the basis of indemnification shall be the costs and expenses reasonably and necessarily incurred to restore the equipment to its working condition immediately before the occurrence of the damage including the costs of dismantling reerection as well as ordinary freight and customs dues provided that

- (a) the value of damaged parts which can be used will be deducted
- (b) the costs of any alteration addition improvement or overhaul carried out at the time of repair are not recoverable under this sub-section
- (c) if without the consent of the Company temporary repairs are carried out by the Insured in the interests of safety or to minimise further loss or damage to the insured equipment the cost of such temporary repairs will be borne by the Company provided that if such temporary repairs aggravate the loss or cause additional loss or damage to the insured equipment any additional costs so incurred or consequences arising therefrom will be for the account of the Insured
- (d) where the damage is restricted to a part or parts of insured equipment the Company shall not be liable for an amount greater than the value of such part or parts which are lost or damaged allowed for within the sum insured
- (e) if no repair is possible owing to the unavailability of parts or the obsolescence of the damaged equipment the Company will pay for the estimated costs of repair or replacement of such parts had they been available but to no greater amount than the cost of repair or replacement of like damage to similar available equipment or the sum insured for the equipment stated in the schedule.

2. Total loss

In the event of the insured equipment being totally lost or damaged the basis upon which the amount payable is to be calculated shall be the cost of replacing or reinstating with equipment of the same kind or type but not superior to or more extensive than the insured equipment when new including freight and erection costs customs duties and the cost of removing the destroyed equipment less the value of the remains provided that

- (a) the work of replacement or reinstatement (which can be carried out at other premises and in any manner suitable to the requirements of the Insured subject to the liability of the Company not being thereby increased) must be commenced and carried out with reasonable despatch otherwise no payment beyond the amount which would have been payable if these reinstatement value conditions had not been incorporated herein shall be made
- (b) if no similar replacement equipment exists through unavailability or obsolescence the Company will pay the value of the lost or destroyed equipment immediately before the insured event such value to be calculated by deducting reasonable equitable depreciation from the installed new replacement value of the equipment whichever is the lesser or the sum insured for the equipment stated in the schedule.

SPECIAL EXCEPTIONS

The Company shall not be liable for

- (a) the amount of the excess stated in the schedule unless the insured event arises from fire lightning explosion or malicious damage
- (b) an insured event for which the supplier contractor or repairer of the equipment is responsible by contract maintenance or lease agreement or otherwise
- (c) the cost of reinstatement of data
- (d)
 - (i) wasting wearing away or wearing out of any part of the equipment caused by or resulting from ordinary use or working or gradual deterioration development of poor contacts or rust, oxidation, corrosion or erosion or scratching of painted or polished surfaces
 - (ii) electrical, electronic or mechanical breakdown of equipment in excess of ten years of age
 - (iii) derangement not accompanied by damage otherwise insured hereby
 - (iv) expendable parts such as (but not limited to) x-ray tubes, cathode ray tubes, valves, fuses, belts, bands and objects made of glass, porcelain or ceramics but if such parts are damaged as a result of an indemnifiable insured event the Company will pay the residual value thereof but a resultant insured event shall not be excluded
- (e) consequential loss of any description
- (f) loss by theft or disappearance of the insured equipment other than laptops unless accompanied by forcible entry or exit to or from the rooms
- (g) theft from any unattended vehicle unless the property is contained in a completely closed and securely locked vehicle or the vehicle itself is housed in a securely locked building and entry to such locked vehicle and building is accompanied by forcible and violent entry or exit
- (h) the dishonesty of the Insured including principals, directors, members, partners or employees or his agents whether alone or in collusion
- (i) the cost of alterations, additions, improvements and overhauls carried out at the time of repair
- (j) the cost of reproducing data or programs howsoever recorded.

SPECIAL EXTENSION

General exception 5(a) does not apply to this section.

SUB-SECTION B – REINSTATEMENT OF DATA

INSURED EVENT

Loss of data directly caused by damage insured under Section A.

INDEMNITY

The amount payable shall be the reasonable and necessary costs incurred for recapturing and or restoring the information contained in the data carrying media to a level equivalent to but not more extensive than the information held immediately prior to the insured event.

SPECIAL EXCEPTIONS

The Company shall not be liable for

- (a) costs arising from false programming, punching, labelling or cancelling of data or modification or corruption of data including but not restricted to computer virus and similar occurrences or from loss of or interference of data caused by magnetic fields
- (b) the amount of the common excess shown on the schedule for both sub-section A and B.

SUB-SECTION C – INTERRUPTION

INSURED EVENT

If following an insured event for which the Company has admitted liability under sub-section A the business at the rooms is interrupted or interfered with the Company will indemnify the Insured in terms of this section

INDEMNITY

The amount payable shall be the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the interruption of or interference with the business which but for such expenditure would have taken place during the indemnity period in consequence of the insured event

less any sum saved during the indemnity period in respect of such charges and expenses of the business as may cease or be reduced in consequence of the insured event.

Increased leasing/hire costs

The additional costs resulting from the hire/lease contract in force at the time of the loss or damage being cancelled and replaced by a new lease/hire contract in respect of similar property at a rental charge rate above that payable under the cancelled contract as a result of an insured event.

Interest payable

The additional costs reasonably incurred by the Insured strictly in the form of the interest payable on a bank loan raised through a recognised banking institution for the sole purpose of avoiding or diminishing the reduction in income normally derived from DP Operations which but for the bank loan would have taken place as a result of loss or damage to the property insured beginning at the time of the occurrence of the loss or damage and ending not later than six months after the time of the occurrence.

SPECIAL EXCEPTIONS

The Company shall not be liable for interruption of or interference with the business

- (a) arising during the period of the time excess stated in the schedule
- (b) arising from alterations additions improvements or overhauls being carried out following an insured event which are aggravated by obsolescence or the unwillingness of the insured to replace or reinstate the insured equipment destroyed or damaged or failing to carry out such replacement or reinstatement within the indemnity period.

SPECIAL EXTENSION

Insured event shall for the purpose of this Section include

1. Failure of electricity or water

Failure of the public supply of electricity or water at the terminal ends of the Supply Authority in service feeders at the rooms from any accidental cause other than

- (a) the deliberate act of the Insured or any Supply Authority
- (b) drought or pollution of water or shortage of water or fuel at power stations

provided that the liability of the Company only commences twelve hours after the occurrence of the insured event and ends not later than 14 days after such failure.

2. Prevention of access

The Insured being denied access to the equipment due to accidental loss or damage as provided for in the terms of sub-section A to other property in its vicinity

provided however that the sum insured stated in the schedule is not exceeded by the provision of these extensions.

3. Consequential loss

General exception 4 does not apply to this sub-section.

DEFINITIONS

Data carrying media

Tapes, discs, magnetic cards and other materials used to carry data in a form directly assimilable by the equipment but specifically excluded are input documents (invoices bills and the like) and equipment printed output.

Indemnity period

The period commencing with the insured event and ending not later than the number of months thereafter stated in the schedule during which the results of the business are affected in consequence of the insured event.

Maintenance agreement

The agreement by which the Insured receives maintenance services for the insured equipment from the owners suppliers or a company approved by the suppliers.

CLAUSES

1. Capital additions

The insurance by sub-section A includes alterations additions and improvements (but not appreciation in value in excess of the sum insured) to the equipment for an amount not exceeding twenty five percent of the sum insured thereon it being understood that the Insured undertakes to advise the Company of such alterations additions or improvements within a reasonable period of such changes and pay any additional premium required.

2. Extra charges

The sum insured under sub-section A includes provision for overtime nightwork and work on public holidays and such costs are limited to fifty percent of the total repair or reinstatement costs.

3. Alterations and misdescription

The Insured shall not be prejudiced by any alteration or misdescription due to structural alterations or repairs to buildings provided that notice is given to the Company as soon as practicable after the event and the Insured pays any additional premium that may be required.

4. Fire extinguishing charges

In addition to any amount paid as a result of the insured event the Company will pay any charges incurred for which the Insured is legally liable in extinguishing or fighting of fire if the insured property was in danger from the fire.

5. New additional premises

Additional rooms used by the Insured are insured provided that

- (a) the Company is advised within a reasonable period from the date on which it is first exposed to risk
- (b) any additional premium required is paid
- (c) any protections required by the Company in respect of the original rooms are carried out at the new rooms.

6. Suspensive sale/lease agreements

Provided that the Company has been notified prior to an insured event it will note and protect the interest of the owner of insured property which is the subject of a suspensive sale/lease agreement.

7. Temporary protections

The Company will pay up to R5 000 for costs reasonably and necessarily incurred in effecting temporary repairs and/or other measures to safeguard the insured property during the period immediately following an insured event.

8. Power surge and lightning strikes

Loss of or damage to the property insured by lightning strike or power surge whether following lightning strike or otherwise is excluded unless the property insured is protected on all conductive services (for example, all electrical distribution boards, power supply plugs, telecommunication lines and data lines) that enter or leave the insured premises as specified by "SABS Code Of Practice" for surge protection. If loss or damage occurs despite the said protection having been installed the Insured shall be responsible for an additional excess of 10% of the gross amount payable for the items damaged by power surge or lightning strike subject to a minimum of R1 000 per occurrence.

9. Data backup

It is a condition precedent to liability that the Insured will at intervals of not exceeding one week make a back-up of all programmed information and store such back-up tapes discs or other data carrying media in a secure place away from the premises or alternatively locked in South African Bureau of Standards approved fire resistant cabinet.

10. Tenants

The Insured shall not be prejudiced by the act of any tenant in rooms in which he is a co-tenant nor of the owner of any premises in which he is a tenant provided that he advises the Company as soon as he becomes aware of such act and pays any additional premium that may be required.

11. Incompatibility cover

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

- (a) modifications or alterations to the property insured directly consequent upon indemnifiable loss or damage to ensure the operating integrity of the electronic system
- (b) replacement or upgrading of legal programs to achieve compatibility with the modified or altered electronic system
- (c) the restoration of previously captured data which has become inaccessible due to the modifications to or alterations of the electronic system or in consequence of the replacement or upgrading of legal programs;

provided always that

- (1) the costs provided for in (a), (b) and (c) above shall be necessarily and reasonably incurred to maintain normal working conditions
- (2) such additional costs shall be incurred as a direct consequence of indemnifiable loss or damage in terms of sub-sections A or B (item ii) of this section
- (3) the cover afforded hereunder shall be restricted to

- (i) parts or components of the electronic system which are not indemnifiable under sub-section A hereof
 - (ii) programs or data reinstated not indemnifiable under item (ii) of subsection B hereof;
- (4) the indemnity by this extension shall, in respect of any one event, be limited in the aggregate to twenty per cent (20%) of the applicable total sum insured under sub-section A (the limit of indemnity) and subsection B (item (ii)) or R25 000, whichever is the lesser.

12. Telkom access lines

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

Special conditions applicable to Telkom access lines

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

HOUSEHOLDERS

SUB-SECTION A – MATERIAL DAMAGE

INSURED EVENTS

Loss of or damage to the Insured's moveable personal property (excluding such property more specifically insured) by accidental damage whilst contained in any building.

SPECIAL EXCEPTIONS

This Section does not cover

1. the first R2 000 in the event of theft malicious damage or loss or damage caused by the escape of water **when the building is unoccupied for longer than 60 days in any one calendar year**
2. theft or attempted theft if such theft is money or is in office business trade or club premises or in any premises lent or let by the Insured **unless** the theft is accompanied by visible, forcible entry into or exit from the premises or by violence or threat of violence to the Insured
3. loss or damage caused by
 - (i) theft by any tenant or subtenant (or family or servants of such tenant or subtenant)
 - (ii) vermin, insects, termites, scratching, denting, chipping, defacing, damp or the process of cleaning, dyeing, bleaching, altering, repairing restoring
 - (iii) scratching, biting, chewing, tearing or soiling by domestic pets
 - (iv) gradually operating causes such as but not restricted to wear and tear, rust, mildew, corrosion, damp, wet or dry rot
 - (v) subsidence, landslip unless stated in the schedule to be covered
 - (vi) mechanical or electrical breakdown or derangement
 - (vii) theft by any person

UNDER-INSURANCE

The sum insured must be equivalent to the current cost as new of the Insured's moveable personal property **as if it is not** the Company's liability will be limited to the proportion that the sum insured bears to the actual cost of replacing the total of such property.

Claims will be settled on the basis of the cost of replacing such property with new property of the same kind or type or similar new property to that lost or damaged at the date of the insured event.

DEFINITIONS

Accidental damage means accidental physical loss or damage which for the purposes of this clause shall include fire lightning explosion earthquake impact by animals, aircraft, vehicles or their loads falling trees or parts thereof malicious damage storm, wind, hail, snow, water, theft or attempted theft oil leaking from any apparatus.

Moveable personal property excludes

- (i) aircraft, watercraft, other than surfboards, bodyboards, kite boards, paddle skis, kayaks, canoes, surf skis, windsurfers and sailboards) motor vehicles or their fitted accessories (other than garden implements) trailers, caravans including their contents and fitted accessories animals, livestock trade goods, tools of trade stock or landlord's fixtures and fittings
- (ii) money, documents or negotiable securities for more than R1 000 any one claim.

LIMITATION OF COVER

Valuables

Furs, precious and semi-precious metals and stones and articles manufactured therefrom **are limited to one third of the sum insured.**

SPECIAL EXTENSIONS

Moveable personal property in vehicles

While in any motor vehicle up to R2 500 for loss or damage to Moveable Personal Property **excluding** clothing, furs, jewellery, optical photographic and sporting equipment and miscellaneous items of personal effects which includes money, documents and negotiable securities.

Theft from vehicles is not covered unless such property is stolen by forcible and violent means

In addition the Company will pay

Additional charges

Charges levied by any authorised body for fire brigade and similar charges in connection with an insured event.

Credit cards

Up to R5 000 for which the Insured is liable following the loss of his credit charge debit or similar card provided he complies with the conditions under which the card was issued.

The cover for this extension is worldwide.

Death

R10 000 if the Insured is injured by fire or thieves and dies within twelve months as a result of such injury.

Deterioration of foodstuffs

Up to R2 500 for accidental deterioration of foodstuffs from any cause except the deliberate withholding of power by a supply authority.

Keys and locks

Up to R5 000 for the cost of replacing locks/electronic locks/keys, remote alarm or security controllers and if necessary the reprogramming of any coded alarm/ electronic lock/security device following the disappearance of any keys or remote controller or following upon the Insured having reason to believe that an unauthorised person may be in possession of a duplicate key remote alarm or electronic security controller in respect of the residence at the address stated in the schedule or any motor vehicle, trailer or caravan owned by the Insured.

Property of guests and domestic employees

Up to R5 000 for any one person in respect of moveable personal property belonging to guests visitors or domestic employees lost or damaged by an insured event but theft or attempted theft of domestic employees' moveable personal property must be accompanied by forcible and violent entry.

Property in the open

Up to the sum insured for Moveable Personal Property lost or damaged by fire lightning or explosion.

Up to R10 000 for theft of laundry garden furniture and equipment and potted plants while in the open at the address stated in the schedule.

Property in transit

Up to the sum insured for loss or damage to Moveable Personal Property not otherwise insured caused by or arising from

- (i) fire lightning explosion
- (ii) theft while being removed because the Insured is making a permanent change of address or while being taken to or from any bank safe deposit or furniture depository.

Loss of water

Up to R5 000 for additional charges levied by the supply authority for water lost through bursting or leaking (corrosion of pipes included) of the main water supply pipes between the supplier's meter and the building.

The additional amount shall be the amount by which the account submitted by the supply authority for the period (not exceeding 3 months) during which the loss occurred exceeds the average account payable for water for the previous 6 months.

Rent

Up to 20 per cent of the sum insured for rent payable or the cost of alternative accommodation if the Insured's residence is made uninhabitable as a result of a valid claim.

Payment will not be made for longer than the period required to make the residence habitable.

Veterinary expenses

Up to R2 500 for veterinary expenses incurred following a road accident involving a domestic pet owned by the Insured.

Watchmen

Up to R5 000 for costs reasonably incurred in employing watchmen following an event giving rise to a valid claim.

SUB-SECTION B – LIABILITY

INSURED EVENT

1. Accidental
 - (a) death of or bodily injury (including illness) to any person who is not normally resident in the building and which does not arise out of or in the course of his employment with the Insured
 - (b) loss of or physical damage to tangible property not belonging to or in the custody and control of a person normally resident in the building caused anywhere in the world (notwithstanding general exception 5 b) by the negligence of the Insured or of his domestic servants which results in the Insured becoming legally liable to pay damages
2. Damage by an insured peril to the building landlord's fixtures and fittings oil and water tanks or to the water sewerage, gas, electricity, telephone or television connections between the building and the public or mains supply points for which the Insured becomes legally liable as a tenant.
3. Death of or bodily injury (including illness) to any domestic servant employed by the insured at the building arising solely and directly out of and in the course of the servant's employment with the Insured in respect of which the Insured becomes legally liable to pay damages.

INDEMNITY

The limit of the Company's liability under any or all of the insured events for any one insured event or series of insured events with one original cause or source inclusive of legal costs recovered by any claimant from the Insured and all other costs and expenses incurred with its written consent is R2 500 000.

In the event of the Company being required to indemnify more than one person the limit of liability shall apply in the aggregate to all persons being indemnified and in priority to the Insured or in the event of his death to his legal personal representative.

SPECIAL EXCEPTIONS

This sub-section does not cover

- (a) the Insured's business or occupation (except as provided in insured event 3)
- (b) the ownership or occupation of land or buildings (unless the residential building itself is insured by the policy or the occupation but not ownership of a temporary residence)
- (c) the ownership possession or use (other than as a passenger having no right of control) of any airborne craft (other than model aircraft) watercraft (except non-power driven craft used on inland or coastal waters) power assisted cycle, mechanically propelled vehicle of any kind (other than garden implements or golf caddy carts) trailers, caravans or animals (other than cats dogs or horses)
- (d) liability assumed under agreement unless liability would have attached to the Insured notwithstanding such agreement

- (e) liability arising from or connected with seepage pollution or contamination or any costs in connection with nullifying or cleaning up seeping, polluting or contaminating substances unless caused by a sudden unintended and unforeseen happening unconnected with any gradually operating cause
- (f) fines, penalties, punitive exemplary or vindictive damages
- (g) compensation for damages or costs and expenses of litigation recovered by any claimant from the Insured in respect of judgements delivered or obtained in the first instance otherwise than by a court of competent jurisdiction within the Republic of South Africa, Namibia, Botswana, Lesotho and Swaziland
- (h) any liability falling within the scope of any form of motor insurance or which is compulsorily insurable under any legislation governing the use of motor vehicles notwithstanding that no such insurance is in force or has been effected

EXTENSIONS OF COVER

Tenants liability

When the Insured occupies a residence which does not belong to him this section includes his legal liability (other than any liability arising from an agreement with the landlord **unless** such liability would have attached in the absence of such agreement) for loss or damage to the building and its service connections to utilities which due to his negligence is caused by or arises from

- (i) fire or explosion
- (ii)
 - (a) storm, wind, hail, snow or water
 - (b) theft or attempted theft

unless the residence is unoccupied
- (iii) accidental breakage of fixed glass or sanitaryware

Employer's liability

When the Insured employs a domestic employee this section includes his legal liability for death or bodily injury to such employee or damage to his property arising out of and in the course of such employment but not arising out of or connected with industrial diseases of the lungs unless arising from a sudden and unforeseen cause.

Security firm liability

If in terms of a contract with a security firm engaged to protect the Insured's property at the address stated in the schedule the Insured becomes legally liable for negligent acts of employees of such firm in the course of their employment by the Insured then this section includes such legal liability to the extent that indemnity would have been granted had the said employees been under a contract of service to the Insured and not the security firm. If at the time of an occurrence giving rise to a claim the security firm is entitled to indemnity under any other policy in respect of the same event the Company shall not be liable to make any payment except in respect of any amount above the amount payable under such other policy.

Wrongful arrest

Up to R50 000 for all damages that the Insured is legally liable to pay arising from the wrongful arrest or search of any person.

PERSONAL ALL RISKS

INSURED EVENT

Accidental physical loss of or damage to the insured property.

SPECIAL EXCEPTIONS

The company shall not be liable for

- (a) the amount of any excess stated in the schedule unless the insured event arises from fire lightning or explosion
- (b) loss or damage caused by or resulting from
 - (i) wear and tear, maintenance, depreciation, deterioration or other gradually operating cause
 - (ii) the process of cleaning, dyeing, bleaching, alteration, reparation or restoration
 - (iii) mechanical, electrical or electronic breakdown, failure, breakage or derangement unless caused by an accident or misfortune not otherwise excluded
 - (iv) confiscation, detention, requisition or nationalisation whether by customs or other authority
 - (v) inherent vice or defect, vermin, insects, termites, mildew, damp, corrosion, oxidation or rust
- (c) theft from an unattended vehicle unless the property is concealed in a locked boot or compartment forming part of a locked vehicle and there is forcible and violent entry to the vehicle
- (d) breakage of or damage to sports equipment
- (e) loss of or damage to
 - (i) bank and currency notes, travellers and other cheques, money and postal orders, unused current postage revenue and holiday post stamp, credit card slips and other documents, certificates or instruments of a negotiable nature or business books
 - (ii) contact lenses (unless specifically insured)
 - (iii) firearms caused by rusting bursting or derangement
 - (iv) insured property consigned under a bill of lading or in the custody of professional carriers

SPECIAL EXTENSION

Territorial limits

Notwithstanding the territorial limits stated in general exception 5 (b) the territorial limits for this section are worldwide.

CLAUSES

1. Earthquake

General exception 5 (a) is deleted.

2. Fire extinguishing charges

In addition to any amount paid as a result of the insured event the Company will pay any charges incurred for which the Insured is legally liable in extinguishing or fighting of fire and the insured property was in danger from the fire.

3. Disposal of salvage

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

4. Basis of indemnity

The Company at its option may repair or replace the property or pay the current replacement cost of the property up to the amount of the sum insured.

5. Stamp collections

- (a) The Insured shall maintain an inventory of the stamp collections which must be stored in an entirely different location from where the collections are held
- (b) The Company's liability shall not exceed R500 any one stamp nor more than 75% of the value printed in an authoritative current catalogue approved by the South African Philatelic Dealers Association.

6. Coin collections

- (a) The Company shall not be liable for more than R500 any one item.
- (b) Coins in current circulation and usage are excluded.

7. Car radios

If sound reproduction equipment fitted in a motor vehicle is specified, special exception (c) does not apply.

8. Pairs and sets

If an article which is lost or damaged was part of a pair or set the Company will not pay more for the article than its proportionate value in relation to the total value of the pair or set.

9. Safe deposit

Where a lower premium has been charged by the Company for items described in the schedule as being deposited in a bank the insurance under this section shall apply only while such item(s) is/ are contained in a bank safe deposit.

DEFINITION

Insured property

Any property specified in the schedule belonging to the Insured or held by him in trust or on commission for which he is responsible.

WATERCRAFT

Insured event

SUB-SECTION A – LOSS OF OR DAMAGE TO THE INSURED VESSEL

Loss of or damage to the insured vessel.

EXCEPTIONS TO SUB-SECTION A

The company shall not be liable to pay for:

- (a) theft or attempted theft:
 - (i) not accompanied by actual, visible and forcible means, of fixtures, fittings, equipment and outboard motors of the insured vessel, out of
 - (1) an unattended transport vehicle, including a vessel;
 - (2) domestic outbuildings, not communicating directly with any private residence;
 - (3) any other storage place;
 - (ii) of the outboard motors fitted to the insured vessel which are not securely bolted to it;
- (b) outboard motors of the insured vessel dropping off or falling overboard, while not securely chained or bolted to the insured vessel;
- (c) mechanical or electrical breakdown; gradual causes such as wear and tear, rust, mildew, corrosion or decay;
- (d) loss or damage caused by moths or vermin;
- (e) loss of or damage to sails and hoardings torn by wind or blown away whilst hoisted;
- (f) damage due to scratching, bruising or denting arising during transit, loading, or off-loading;
- (g) damage to the insured vessel caused by or attributable to the insured vessel not being seaworthy;
- (h) loss of or damage to the insured vessel which arises:
 - (i) outside the Republic of South Africa or outside a 20 kilometre range from the shores of the Republic of South Africa;
 - (ii) if the insured vessel is used for any purpose other than according to the condition of use;
 - (iii) from or in connection with any exchange, cash or credit sale agreement, including theft under false pretence and/or fraud;
- (i) boating-clothes or crew's clothes and other personal effects; diving and fishing gear (including nets); waterskis, ski ropes and other sports equipment; food, fuel and other supplies; life belts and medical kit; binoculars, sextants, nautical books, nautical maps and other similar navigational equipment; radar, fishfinders, radios, televisions and other similar electronic equipment.

EXTENSIONS TO SUB-SECTION A

The following extensions are added to this sub-section A and shall be subject to all the terms, exceptions and conditions of this section and all the terms, exceptions and conditions (in so far as they can apply) of this policy:

A. Safeguarding and delivery

The company will pay the reasonable costs to:

- (a) store, safeguard and remove the insured vessel to the nearest repairer, if the insured vessel is not in working order, due to loss or damage insured under this section;
- (b) deliver the insured vessel to the insured in the Republic of South Africa, Namibia, Lesotho, Botswana and Swaziland, after repair of damage, or loss, insured under this section.

B. Inspection of the hull after stranding, sinking or collision

The company will pay the reasonable costs incurred to inspect the hull of the insured vessel for damage due to stranding, sinking or collision of the vessel.

C. Costs to prevent a loss

The company will pay the reasonable costs incurred to prevent or lessen damage or loss insured under this section.

D. Medical expenses

The company will pay medical expenses up to R5 000, for accidental bodily injury to any person inside or on the insured vessel, caused by the sinking or collision of the insured vessel with any object, except water.

CONDITIONS TO SUB-SECTION A

A. Use

The insured vessel may be used for social, domestic and pleasure purposes.

Use for the following are excluded – racing, speed or other contests, competitions or tests (including regattas), or trials in connection therewith; use in connection with any business, trade or occupation.

B. Basis of indemnity

If the insured vessel is less than 5 years old, the basis for calculating indemnity is the cost to replace the insured vessel or part of it with similar new property. This basis does not apply to sails, hoardings, erected tackle, outboard motors, inboard motors and batteries. For these items the basis of indemnity will be the cost to replace the items up to the reasonable market value thereof.

If the insured vessel is older than 5 years, the basis for calculating indemnity is the cost to replace the insured vessel or part of it up to the reasonable market value thereof.

C. Limit of indemnity

The liability of the company for loss of or damage to the insured vessel shall be limited to the sum insured which is stated in respect of the insured vessel in the schedule.

D. Average

If the insured vessel is less than 5 years old and it is established that, at the time of any loss or damage, the amount needed to replace the insured vessel – excluding sails, hoardings, erected tackle, outboard motors, inboard motors and batteries – with similar new property, exceeds the amount for which it is insured, the insured will be considered as the insured's own insurer for the difference and will bear a proportional share of the loss or damage accordingly.

If the insured vessel is older than 5 years and it is established that, at the time of any loss or damage, the amount needed to replace the insured vessel with similar property, exceeds the amount for which it is insured, the insured will be considered as the insured's own insurer for the difference and will bear a proportional share of the loss or damage accordingly.

This condition applies separately to each item in the schedule.

E. Unavailable parts

If a part necessary for the repair of the insured vessel is not available in the Republic of South Africa as a standard (ready-made) part, the company will pay an amount equal to the value of the part at the time when the loss or damage occurred. The amount includes the reasonable cost to transport the part (excluding air transport). The value of the part will be determined by the price stated in the most recent catalogue or price list.

F. Interest of a title holder

If a valid claim occurs and the company knows that the vessel is the subject of an extended sales agreement, the company will pay the title holder stated in the agreement.

The company will only pay the title holder up to the outstanding amount in accordance with the agreement and any further amount payable will be paid to the insured.

DEFINITION TO SUB-SECTION A

"insured vessel" – the hull (with a length not exceeding 6 metres), inboard motors, outboard motors, rudder, propeller, hoardings, moorings, sails, spars, masts, rigging, fixtures, fittings and equipment of any vessel described in the schedule.

SUB-SECTION B – LIABILITY

A. Liability to third parties

The company will indemnify the insured against all sums which the insured shall become legally liable to pay as compensation due to an occurrence which happens or arises in connection with the insured vessel.

B. Liability of water-skiers or parasailors

The company will indemnify the insured against all sums which the insured shall become legally liable to pay as compensation due to an occurrence which happens or arises while a water-skier or parasailor is being towed by the insured vessel.

The company shall not be liable:

- (a) if the water-skier or parasailor is entitled to indemnity under another policy;

- (b) for accidental death of, or bodily injury to, or illness of a person who is a member of the household or family of the water-skier or parasailor, or a person in the service of the water-skier or parasailor, if the death, bodily injury or illness arises from the service;
- (c) for accidental physical loss of, or damage to property belonging to, or kept in trust by, or under the charge or control of, or in the custody of the water-skier or parasailor, or any member of the household or family of the water-skier or parasailor, or any person in the service of the water-skier or parasailor;
- (d) if the water-skier or parasailor does not comply with the terms, exceptions and conditions of this policy.

C. Liability if another person navigates the insured vessel

The company will indemnify any navigator against all sums which such navigator shall become legally liable to pay as compensation due to an occurrence which happens or arises in connection with the insured vessel, whilst such navigator navigates the insured vessel.

The company shall not be liable if the navigator:

- (a) navigates the insured vessel without the insured's expressed or implied permission;
- (b) is entitled to indemnity under another policy;
- (c) does not comply with the terms of this policy;
- (d) was refused any insurance for a sail-boat, motor-boat or small craft or continuance thereof by an insurer.

D. Costs for lifting out, removal or destruction

The company will indemnify the insured against costs incurred with the company's written consent, for lifting out, removal or destruction of the wreckage of the insured vessel.

E. Salvage and recovery costs

The company will indemnify the insured for all reasonable costs incurred, with the company's written consent, to salvage the insured undamaged watercraft as well as recovery of the undamaged watercraft following its loss by theft or hijacking.

EXCEPTIONS TO SUB-SECTION B

The company shall not be liable to pay for:

- (a) legal costs and expenses incurred after the date that the company paid or offered to pay either the full amount of a claim, or a lesser amount for which a claim can be settled, or the maximum amount for which the company is liable for a claim;
- (b) liability, costs or expenses:
 - (i) due to advice or treatment given or supplied by the insured or a person acting on the insured's behalf;
 - (ii) which arise during the transport of the insured vessel by road;
 - (iii) due to an occurrence outside the Republic of South Africa;
 - (iv) which arise if the insured vessel is used for any purpose other than according to the condition of use;

- (c) liability due to accidental death of, or bodily injury to, or illness of the insured or a member of the insured's household or family, or a person who pays fare whilst in or on the insured vessel, or any person in the insured's service, if the liability arises from the service;
- (d) liability due to accidental loss of, or damage to property:
 - (i) belonging to, or kept in trust by, or under the charge or control of, or in the custody of the insured, a member of the insured's household or family, or any person in the insured's service;
 - (ii) being transported, or to be transported in or on the insured vessel.

CONDITIONS TO SUB-SECTION B

A. Use

The insured vessel may be used for social, domestic and pleasure purposes.

Use for the following are excluded - racing, speed or other contests, competitions or tests (including regattas), or trials in connection therewith; use in connection with any business, trade or occupation.

B. Limit of indemnity

The liability of the company in respect of a single occurrence or series of occurrences shall not exceed R1 000 000 in all.

DEFINITIONS TO SUB-SECTION B

"insured vessel" – the hull (with a length not exceeding 6 metres), inboard motors, outboard motors, rudder, propeller, hoardings, moorings, sails, spars, masts, rigging, fixtures, fittings and equipment of any vessel described in the schedule.

"occurrence" – an occurrence which leads to:

- (a) accidental death of, or bodily injury to, or illness to a person;
- (b) accidental physical loss of, or damage to tangible property;
- (c) legal costs and expenses
 - (i) which a claimant can recover in connection with a valid claim under this section;
 - (ii) incurred with the company's written consent.

EXTENDED PERSONAL LEGAL LIABILITY

INSURED EVENT

Accidental

- (a) death of or bodily injury (including illness) to any person
- (b) loss of or physical damage to tangible property

which the Insured becomes legally liable to pay as damages arising from an occurrence anywhere in the world, but not in respect of any judgement award payment or settlement made within countries which operate under the laws of the United States of America or Canada (or to any order made anywhere in the world to enforce such judgement, award or settlement either in whole or in part) during the period of insurance to the extent that

- (i) such liability is not indemnifiable in terms of the insuring clause and/or insurable events clause and/or operative clause of any underlying insurance or
- (ii) such liability is not indemnifiable by reason of an exclusion in any underlying insurance or
- (iii) the amount of such liability exceeds the limit of the underlying insurance and the underlying Insurer has paid or has admitted liability or has been held liable to pay the full amount of such limit which for purposes of this section is deemed to be a minimum of R500 000 but R1 000 000 in respect of motor liability and/or watercraft liability.

INDEMNITY

The amount payable for any one event or series of events with one original cause or source inclusive of any legal costs recoverable from the Insured by a claimant and all other costs and expenses incurred with the Company's written consent shall not exceed the limit of indemnity stated in the schedule.

SPECIAL EXCEPTIONS

This section excludes liability:

- (a) arising out of or in the course of the Insured's employment business or profession including but not limited to the sale of any goods or the rendering of any services for a fee reward or any other consideration
- (b) arising out of the letting and/or hiring out of any movable or immovable property or part thereof for a fee award or any other consideration
- (c) the first R5 000 of any claim in relation to property hired, leased or borrowed by the Insured
- (d) arising out of the reckless disregard by the Insured of the possible consequences of his acts or omissions
- (e)
 - (i) of one Insured to another
 - (ii) to any former Insured in respect of any occurrence during any period when such former Insured was an Insured
- (f) arising out of loss of or damage to property to the extent that such liability is indemnifiable under any other insurance policy

- (g) arising out of the ownership or use of any aircraft other than model aircraft and hang gliders
- (h) which is the subject of statutory or similar legislation controlling the use of motor vehicles or trailers and in respect of which liability
 - (i) the Insured is compelled to effect insurance or to furnish security or
 - (ii) the state or other governmental body or authority has accepted responsibility
- (i) for any claim in respect of motor liability unless such liability is indemnifiable by any of the underlying insurances other than any claim excluded solely by reason of any territorial restrictions
- (j) for any claim in respect of watercraft liability
 - (i) unless such liability is indemnifiable by any of the underlying insurances other than a claim excluded solely by reason of any territorial restrictions
 - (ii) where the overall length of the watercraft exceeds 10,5 metres
- (k) for loss of or damage to any self-propelled land vehicle, trailer, caravan, watercraft or aircraft in the Insured's care custody or control
- (l) arising out of any dishonest, fraudulent or malicious act of the Insured or acts of physical assault or seduction committed by the Insured
- (m) for payment of any fine penalty multiple punitive or exemplary damages or arising out of liquidated damages clauses penalty clauses or performance warranties except to the extent that it can be proved that liability would have been attached in the absence of such clauses or warranties
- (n) for any debt
- (o) for the failure to pay maintenance or alimony or any amounts following a breach of promise
- (p) arising out of the purchase sale barter or exchange of any property movable or immovable or the failure of the Insured to comply with any obligations in relation thereto
- (q) for the first R2 000 of any claim arising from the suspension or termination of employment of any domestic servant
- (r) arising out of any condition directly or indirectly caused by or associated with Human Immune Virus (HIV) or the mutants, derivatives or variations thereof or in any way related to Acquired Immune Deficiency Syndrome or any syndrome or condition of a similar kind howsoever it shall be named.

CONDITIONS

- (a) Indemnity granted is conditional upon there being in force at the time of the occurrence an underlying insurance policy which substantially provides cover for the type of liability for which indemnity is sought hereunder and upon the insured not being in breach of the conditions of such underlying insurance
- (b) General Condition 3 (b) (i) is cancelled and replaced by

if any admission offer promise or payment in relation to a claim under this policy is made or given by or on behalf of the Insured without the written consent of the Company. The Insured will take all reasonable steps to ensure that the underlying Insurers will comply with this condition and co-operate with the Company in the defence and settlement of any claim which is indemnifiable both by an underlying insurance and this section and in the exercise of any subrogation rights. The costs incurred in exercising such rights and any amounts recovered shall be apportioned to each party according to the sums paid or payable under the respective policies.

DEFINITIONS

“Underlying Insurance” means an existing insurance policy in force with

- (i) a registered South African Insurer which covers Personal Liability, Property Owners Liability, Tenants Liability, Motor Liability or Watercraft Liability
- (ii) any Insurer in the world which covers Motor liability, Watercraft Liability or Property Owners Liability

in respect of any motor vehicle hired or owned by the Insured or any watercraft or property owned by the insured outside the territory which on 1 January 1976 constituted the Republic of South Africa.

“Insured” means the insured named in the schedule and members of his family normally resident with him.