



OLDMUTUAL

MERX TRANSPORT PLAIN LANGUAGE



INSURE

DO GREAT THINGS EVERY DAY

All products underwritten by Old Mutual Insure. Old Mutual Insure Limited, Registration Number 1970/006619/06. A licensed FSP and Non-Life Insurer.

Introduction

Following Your application and payment of premium, the Insurer agrees subject to the terms and Conditions herein to indemnify or compensate You by payment or, at Our option, by replacement, reinstatement or repair in respect of accidental loss of or damage as provided in this policy occurring during the period of insurance.

The policy terms and conditions, the policy schedule and the proposal information provided by or on behalf of You constitute the entire policy between You and the Insurer.

DEFINITIONS APPLICABLE TO YOUR ENTIRE POLICY.

Accident / Accidental	A sudden, unexpected event or occurrence that results in injury to a natural person or damage to property.
Betterment	This is the amount by which You are placed in a better economic position as a result of a repair or replacement by Us in terms of this Policy. You are required to contribute Your fair share.
Claim / Claims	Any request or demand for payment under the terms and conditions of the insurance Policy.
Combination	A self propelled vehicle drawing one or more trailers.
Conditions	The part / section of the insurance Policy that outlines the duties and responsibilities of both You and the Insurer.
Consequential Loss	Loss and or damage that does not directly and immediately result from an insured event.
Constructive Total Loss	Item completely destroyed due to damage following an insured event.
Cover / Covered	What You are insured for under the insurance Policy.
Damage	Damage shall mean physical damage including physical loss.
Danie Day & Associates	Our official Vehicle recovery agents: 083 778 8560, 083 778 8460 or 083 778 8563
Debris	Scattered rubbish or remains.
Endorsement	An Endorsement is an amendment or addition to an existing insurance contract which changes or can change the contents of the original policy.

Excess / Excesses or first amount payable	An excess or first amount payable is the uninsured part of a Claim that You are responsible for and that You must contribute under this Policy and is payable for each and every Claim covered by this Policy. The excesses are shown in the Policy Schedule and You may have to pay additional excesses in certain circumstances.
Extended Territorial limits (if stated in the Policy Schedule)	Angola (except for Cabinda), Democratic Republic of Congo (DRC) not further north than Kolwezi, Kenya, Tanzania, Uganda and Zambia.
Hazcall 24	Our official Spillage and Non Hazardous clean up agent. Call centre number 0860 44 44 11
Hijack	The unlawful, intentional removal of Your Vehicle or load without the driver's or Your permission, through the use of any dangerous weapon, with the intent to inflict grievous bodily harm by the offender.
Immediate / Immediately	Without delay.
Inception Date	The inception date of the Policy or section or Item.
Indemnity	An insurance principle which provides that when a Loss occurs, You should be restored to the financial condition occupied before the Loss occurred, no better, no worse, less the first amount payable as stipulated in the Schedule of insurance, subject to the terms and conditions of the insurance Policy.
Injury	injury shall mean bodily injury including death and illness.
Insurer	Old Mutual Insure Limited, the insurance company providing indemnity.
Liability / Legally liable	Your responsibility in law. Any legally enforceable obligation or responsibility for the injury or damage suffered by another natural person or legal entity.
Limit / Limits	The maximum that the Insurer will pay for damage or injuries that apply to a specific cover.
Limit of Indemnity	The maximum sum insured under a section of the insurance Policy, stated in the Policy.

Merx Assist Call Centre

Merx Claim support. Telephone **087 55 11 22 1**.

Period of Insurance

The period shown in the most recent Policy Schedule or the subsequent period for which the Policy has been renewed.

Policy

This document, the Proposal, the Schedule and any other endorsement attaching thereto.

Policy Term

The period during which the Policy is active and in force.

Premium

The Premium amount reflected on the Policy Schedule that is payable by You to the Insurer on the due Premium payment date.

Property

Property shall mean tangible property.

Renewal Date / Renew

This refers to the renewal of the Policy. With a monthly Policy, the Policy renews on a monthly basis and on an annual Policy, the Policy renews on the date 12 (twelve) months after the inception date.

Salvage

Property (goods or vehicles) the Insurer is entitled to as a result of the settlement of a Claim.

SANS 10231:2014

The South African National Standard for the Transport of Dangerous Goods by Road.

Schedule

The Schedule forms part of the Policy and shows Your Policy number, together with the important details of Your cover.

Territorial limits

The Republic of South Africa, Botswana, eSwatini Lesotho, Malawi, Mozambique, Namibia and Zimbabwe.

Theft

The unlawful taking of the owner's property with the intent to permanently deprive the owner of its use or possession.

Tracking System

A tracking and recovery system approved by Us.

Warranty	A specific obligation binding on You on which the validity of the insurance Policy depends. Where the word warranty appears in the Policy, it is deemed to have meaning as implied in an insurance context. Any breach of any warranty will result in the Insurer having no Liability in terms of this Policy.
We/Us/Our	Means Merx Underwriting Managers (Pty) Ltd. We represent the Insurer named in the Schedule.
You/Your/ You	Means the Person(s) or Company(ies) named in the Schedule, including any subsidiary companies, directors or principals representing the Person(s) or Company(ies) named in the Schedule.

GENERAL EXCEPTIONS, CONDITIONS AND PROVISIONS

Application of General Conditions

General conditions and exceptions apply to all sections of This policy but specific conditions, exceptions and endorsements override general conditions and exceptions. Any meaning given to a specific word or term will have the meaning when it occurs. Headings are for ease of reference only and must not be read separately from the text.

GENERAL EXCEPTIONS

1 Burden of Proof

If the Insurer alleges that by reason of any of the clauses pertaining to civil commotion, labour disturbances, war, invasion, mutiny, terrorism of the listed exceptions, the incurred damage will not be covered by this Policy. The burden of proving the contrary will rest on You.

2 Control of an Act

This policy does not cover the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in each of the definitions of civil commotion, labour disturbances, war, invasion and mutiny as mentioned above.

3 Insurrection

This policy does not cover Insurrection, rebellion or revolution.

4 Detention, confiscation and forfeiture

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

5 Mutiny

This policy does not cover 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.

6 Nuclear Exclusion

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:

6.1 ionising, radiations or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the combustion or use of nuclear fuel;

6.2 nuclear material, nuclear fission or fusion, nuclear radiation;

6.3 nuclear explosives or any nuclear weapon;

6.4 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.

7 Overthrow of an Authority

This policy does not cover any act or any attempt to perform 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.

8 Political or Economic Change

This policy does not cover any act or any attempt to perform 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.

9 Sanctions

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

10 Theft by false pretences and fraud

This Policy does not cover loss or damage resulting directly or indirectly from or in connection with any actual or purported exchange, cash or credit sale agreement including theft by trickery, false pretences and/or fraud.

11 War

This policy does not cover any loss or damage related to or caused by:

- 11.1 War, invasion, act or foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war;
- 11.2 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.

GENERAL CONDITIONS

This policy is subject to the following General Conditions which are precedent to the Insurer's Liability under this Policy:

1. Application

The signing of an application form by You, which is the basis of the insurance contract.

2. Arbitration

Should a dispute arise between both of us with respect to the monetary Value of a settlement of a Claim and agreement can be reached on taking the matter to arbitration, the dispute must be referred to an arbitrator within 30 (thirty) days after our offer of settlement. The Insurer and You must appoint the arbitrator in accordance with Arbitration Foundation of Southern Africa Rules ("AFSA") and any fees incurred shall be equally divided between You and the Insurer.

3. Breach

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 void the Section only in respect of the risk to which the breach applies.

4 Cancellation or changing the terms of the policy

- 4.1 We may cancel This policy or any section of the Policy at any time by giving 31 (thirty one) days' notice in writing (or such other period as may be mutually agreed).
- 4.2 Should You cancel the Policy, You may give immediate notice. We shall be entitled to retain a pro rata Premium for the period the Policy has been in force.
- 4.3 On cancellation by Us, You shall be entitled to Claim a pro rata refund of the Premium for the remainder of the Period of Insurance from the date of cancellation.
- 4.4 You may ask the Insurer to change the policy at any time. Any change that the Insurer agrees to in writing will apply from the time and date of such agreement.
- 4.5 We may change the terms, conditions and exclusions of this policy by giving You 31 days' notice in writing by fax, post or email to Your last known address or contact details that We have.

5 Change in circumstances

Should there be any change in circumstance which may affect the risk insured, it is Your responsibility to notify Us or through Your intermediary in writing. Failure to do so may result in cancellation of cover or Claims being found to be invalid due to the change in circumstances.

6 Claims Reporting

- 6.1 You must follow the following Procedures in the event of damage which may give rise to a Claim.
- 6.2 In the case of theft or hijack, and as soon as the occurrence is known, IMMEDIATE NOTIFICATION must be given to:

DANIE DAY & ASSOCIATES 083 778 8560, 083 778 8460 or 083 778 8563 OR MERX ASSIST CALL CENTRE 087 55 11 221.

- 6.3 We must be notified as soon as possible but not later than TWO WORKING DAYS after the occurrence about any theft or hijack .
- 6.4 You must take all reasonable steps to recover the stolen property and to discover the guilty party.
- 6.5 You must advise Us of any Claim (other than theft, hijack, or a Claim from a third party), as soon as possible from the time of the occurrence that may lead to a Claim but not later than THIRTY WORKING DAYS after the occurrence.
- 6.6 You must Inform the South African Police Service as soon as possible and in any event not later than 24 (twenty four) hours following the accident or theft of property.
- 6.7 You must complete a Claim form as soon as is reasonably possible and provide Us with all material information as requested. We will be under no obligation to proceed with a Claim if You do not provide, in full, the required information.
- 6.8 You must provide Us with material proof, information, sworn declarations and any other documentation that We may require as soon as practicable.
- 6.9 You must provide Us with the particulars of any other insurance that covers the same events as any Section of This policy.
- 6.10 You must Immediately forward to Us any notice of a Claim, communication, writ, summons or other legal process issued or commenced against You in connection with the occurrence.
- 6.11 You must in the case of Spillage of Petrol or Diesel from the side tank of an insured Vehicle following an Own Damage incident, and as soon as the occurrence is known, give IMMEDIATE NOTIFICATION to:

HAZCALL 24: 0860 44 44 11 OR MERX ASSIST CALL CENTRE: 087 55 11 221

6.12 You must in the case of Spillage or leakage of any non hazardous substance carried in or on You Vehicle or any Vehicle attached thereto following an Own Damage incident, and as soon as the occurrence is known, give IMMEDIATE NOTIFICATION to:

**HAZCALL 24 0860 44 44 11 OR MERX ASSIST CALL CENTRE:
087 55 11 221**

Failure to abide by these Claims Reporting requirements may lead to the repudiation of Your claim or claims.

7 Compliance with Legislation

It is a condition precedent to Liability that at the time of any event which may give rise to a Claim in terms of any Section of this Policy, the Vehicle(s) and driver(s) must comply with all legislation, statutory requirements, regulations and/or enactments and amendments thereto.

8 Consent to Information Sharing

You

- 8.1 acknowledges that the sharing of insurance information for underwriting and claims purposes (including credit information) between insurers is in the public interest as it enables insurers to underwrite policies and assess risks fairly and to reduce the incidence of fraudulent claims with a view to limiting premium.
- 8.2 on behalf of Yourself and of any person represented by You herein, hereby waives their right to privacy with regard to underwriting or claims information (including credit information) provided by You or provided by another person on Your behalf in respect of any insurance policy or claim made or lodged by You.
- 8.3 acknowledges that the insurance information provided by them may be stored in the shared database and used as set out above.
- 8.4 consent to such information being disclosed to any other insurance company or its agent.
- 8.5 acknowledges and agrees that the information may be verified against legally recognised sources or databases.

9 Currency, Interest and Delay

All Premiums and Claims will be paid in South African Rand. We will not pay any interest on a Claim. We will not pay for any increased costs arising out of any delay in repairing, reinstating or replacing any Loss or damage.

10 Endorsed Licenses

If during the Period of Insurance Your license or the license of any of Your drivers is endorsed, suspended, or cancelled; or You or Your driver is convicted of negligent, reckless or improper driving, notification must be sent in writing to Us or through Your intermediary as soon as You become aware of such endorsement or conviction.

11 Fraud/Exaggerated Claims

If a Claim is made which is in any way unfounded or fraudulent or intentionally exaggerated, or if any false declaration or statement is made in support of the Claim, or if any Loss or damage or Liability is caused by the wilful act or with the willingness to allow or be secretly involved in an immoral or illegal act of Yourself, all benefit under this Policy will be forfeited. We may immediately cancel This policy should a fraudulent Claim be submitted.

12 Insurable Interest

You may only insure property in which You have an insurable interest. You only have insurable interest if an item is stolen or damaged and, as a result, You suffer a direct financial Loss.

13 Jurisdiction

This policy is subject to the jurisdiction of the courts in the Republic of South Africa only.

14 Legal Action

The Insurer may, for their benefit, take over and conduct the defence or settlement of any case and prosecute such case in Your name. The Insurer will have full discretion in the conduct of any proceedings and in the settlement of any Claim.

15 Maximum Liability

In all Claims the sum insured or limit of Liability in the Schedule shall be the maximum Liability of the Insurer.

16 Misdescription, Misrepresentation or Non-disclosure

We may declare This policy, any Section or item void or cancelled if You incorrectly describe, misrepresent or do not disclose any material fact.

17 Other Insurance

- 17.1 If, at the time of an event giving rise to a Claim under This policy, insurance with any other Insurer exists, covering You against the same events, the Insurer shall be liable to make good only their proportion of the amount payable by or to You in respect of such an event;
- 17.2 Where they are specified in the Schedule You will be called upon to pay all compulsory and voluntary excesses as they relate to each and every Claim.

18 Precautionary Measures

If You have declared the existence of any other precautionary measures at any time during the Period of Insurance, these measures are a prerequisite for cover. You must ensure that these measures are in place and in working order at the time of Loss.

19 Premium Payment

- 19.1 Annual Policies: Premium is due on or before inception date. Where This policy is being renewed, the We may accept a Premium tendered more than 15 (fifteen) days after the renewal date, however We are not obliged to do so.
- 19.2 Monthly Policies: For Your Policy to start we must receive Your Premium for the first month or part thereof, in advance. If we do not receive Your Premium, Your Policy will not start.
- 19.3 For Your Policy to renew each month You must pay Your Premium in advance every month by no later than the Debit Date.
- 19.4 If You do not pay Your Premium, we will automatically attempt to collect the Premium after 15 days. If We are unable to collect Your Premium, You will not have cover for this period of Insurance and Your Policy will be cancelled from the first Debit Date on which You did not pay Your Premium.

You will have no cover for any Period of Insurance that You did not pay for.

IMPORTANT: The 15 days grace period described above will only apply from the second month from Your Cover Start Date. The 15 day grace period will not apply if We have never received a single Premium from You. In this case, non-payment will result in the Policy being automatically cancelled with effect from the Cover Start Date.

20 Prescription of Claims

- 20.1 We will not pay any Claim after the expiry of 12 (twelve) months from the date of Loss. A Claim that is subject to pending legal action, arbitration or third party Liability is not included within this prescription;
- 20.2 Following the rejection of a Claim by Us, You have 6 (six) months to serve summons on the Insurer, failing which the Claim prescribes.

21 Prevention

You shall take reasonable steps to

- 21.1 safeguard You property
- 21.2 prevent accidents and minimise loss, damage or liability
- 21.3 maintain in efficient condition all plant, machinery and equipment and to ensure that government and other regulations relating to the operation of machinery are observed
- 21.4 ensure that all rights against third parties are properly preserved and exercised.

and You shall allow the duly authorised representatives of the Insurer to examine Your property at any reasonable time.

You or any other party who is covered by this policy must take all reasonable precautions and steps to prevent and minimise any Loss.

22 Our Rights after Settlement

- 22.1 If the Insurer has settled a Claim, and the lost property or any part of it is found, You must assist Us to identify it and physically recover it. We will pay You the reasonable expenses for this assistance. If You refuse to assist the Insurer You will immediately repay all amounts of the Claim;
- 22.2 When We have paid a total Loss Claim, the salvage or property that is the subject of the Claim, belongs to the Insurer who may sell or deal with it as they wish.

23 Rights of Others

You will be the only person who is entitled to Claim under This policy. You must make a Claim where Indemnity is granted to any other party and Your receipt of our payment will fully discharge Us of our responsibility.

24 Rights to Property

We, or any person authorised by us, may take or keep possession of any damaged property and deal with it in any reasonable manner. We will not incur any Liability or diminish any other rights the Insurer may have when We do so. You may, however, not abandon any property to Us whether we have taken possession of it or not.

25 Schedule Sums Insured Blank

If in the Schedule of this Policy the sum insured, limit of Indemnity or compensation is left blank, has no monetary amount stipulated against it, is shown as nil, not covered or no Indemnity extended, then there is no cover in terms of the Policy.

26 Subrogation

You must allow Us to do anything that is necessary or reasonable, during the Claims handling, to enforce any right the Insurer may have according to subrogation. We may require these things before or after We have settled a Claim. We will pay for the reasonable expenses thereof.

27 Third Party Liability

Where cover is provided for Liability to third parties, we may pay You the limit of Liability, or any lesser sum for which the Claim can be settled, and then regard the Claim as settled.

SPECIFIC EXCEPTIONS

1 Assumed Liability

Liability You assume by agreement other than Liability, which would have arisen if such agreement had not been entered into.

2 Consequential Loss

Any consequential or indirect damage of any kind or description whatsoever, including but not limited to loss of profits, penalties, guarantees and extraordinary reproduction costs

3 Depreciation

Depreciation of any nature which shall also mean diminution in Value of any insured property having sustained damage and continuing after the repair of such damage.

4 Driving under the Influence

We will not compensate

4.1 You, if You drive while under the influence of intoxicating liquor or drugs (unless administered by or prescribed by and taken in accordance with the instructions of a member of the medical profession other than himself); or

while the concentration of alcohol in Your bloodstream exceeds the legal limit as prescribed by Section 65 of the National Road Traffic Act.

4.2 any other person with Your general knowledge or consent, is under the influence of intoxicating liquor or drugs (unless administered by or prescribed by and taken in accordance with the instructions of a member of the medical profession other than himself or You);

or while the concentration of alcohol in his/her bloodstream exceeds the legal limit as prescribed by Section 65 of the National Road Traffic Act.

5 Excess or first amount payable

The amount or amounts payable by You as stated in the Schedule.

6 Roadworthiness

We will not pay if Your vehicle or any other vehicle forming a part of a combination of vehicles together with an insured vehicle, is at the time of any accident in a state or condition which is not roadworthy or does not comply with Part II of the regulations and standards promulgated in terms of the National Road Traffic Act No 93 1996 (as amended).

7 Total Loss Outside the Republic of South Africa

7.1 If following an accident, Your Vehicle is not returned to the Republic of South Africa and is declared a constructive total Loss, We will settle the Claim for the lesser of the reasonable retail value or the limit of Liability as stated in the Schedule. Both the excess and the Value of the Salvage will be subtracted from the final settlement. In such circumstances the Salvage will belong to You.

7.2 If following an accident, Your Load is not returned to the Republic of South Africa and is declared a constructive total Loss, We will settle the Claim as per the Goods in Transit section. Both the excess and the Value of the Salvage will be subtracted from the final settlement. In such circumstances the Salvage will belong to You.

8 Tracking System

Where an approved tracking system is required to be fitted to the Vehicle, it is precedent to Liability that:

- 8.1 You can prove prior to the theft or hijack (or attempt thereat) the Vehicle was fitted with an approved tracking system;
- 8.2 You can prove that the tracking system was operational at the time of any theft or hijacking or any attempt thereat;
- 8.3 You can prove that a legal contract existed between You and the supplier of the tracking system and any monthly subscription fees have been paid in full at the time of any theft or hijacking or any attempt thereat;
- 8.4 The tracking system is monitored on a 24 (twenty four) hour basis, by a manned control room operated by employees of the supplier of the tracking system;
- 8.5 In the event of the tracking system being activated, the supplier of the tracking system must immediately notify You of the activation and proceed with steps to recover the Vehicle.

9 Unlicensed Operators/Drivers or Drivers without permits

We shall not be liable for any damage or Liability while the Vehicle is being driven by or is under the control for the purpose of being driven by a person who does not hold:

- 9.1 A current valid driving license for the type of Vehicle being driven;
- 9.2 A current valid Professional Driving Permit (PrDP) to drive such Vehicle as required in terms of the National Road Traffic Amendment Act of 1998 as amended; and
- 9.3 A current valid operator's license as required in terms of the National Road Traffic Act 1996 as amended.

10 Use other than the description of use definition.

11 Wear and Tear

Wear and tear mechanical, electronic or electrical breakdown, failure or breakage or gradual deterioration (including the gradual action of light, climatic or atmospheric conditions) unless following an accident or misfortune not otherwise excluded.

DEFINITIONS APPLICABLE TO THE MOTOR SECTION OF YOUR POLICY.

Additional Parts and Accessories	Spare parts and accessories fitted or installed to upgrade or improve Your Vehicle specifications which are not standard or optional equipment on a specific model. You must list these items with an insured amount.
Agreed value	<p>Agreed Value means the reasonable retail value of the vehicle, including any standard spare parts and accessories plus an agreed percentage plus Additional Parts and Accessories at the date of the loss.</p> <p>The maximum Indemnity of the Insurer will be the lesser of the Value as stated above or the sum insured stated in the Schedule.</p>
Comprehensive	Cover for accidental Loss or damage to a Vehicle, which is the result of an accident. Cover if the Vehicle is stolen or hijacked. Cover if anybody makes a Claim against You or You are legally liable to a third party as a result of an accident in which Your Vehicle was involved.
Credit Agreement	A legally enforceable Credit Agreement as defined in the National Credit Act 34 of 2005 as amended from time to time entered into by You with the finance company in respect of Your Vehicle with their interest duly noted in the Policy Schedule.
Description of Use	<p>Use for social, domestic and pleasure purposes and use for Your business or occupation.</p> <p>Excluding hiring, carriage of passengers for hire or carriage of fare-paying passengers, racing, speed or other contests, rallies, trials, carriage of explosives or carriage of any load or passengers exceeding the capacity for which it is constructed or licensed to carry or use for any purpose in connection with the motor trade.</p>
Inner Excess	An inner excess is the part of a Claim You must contribute and is payable for each and every Claim covered by the Merx HCV Value Added section of Your Policy
Passenger Liability	Liability cover for passengers in an enclosed compartment of an insured commercial Vehicle.

Reasonable Retail Value

Heavy Commercial Vehicles, Trailers, Buses, Private Motor and Light Delivery Vehicles:
The reasonable retail value is normally determined by reference to certain recognized current publications available to the motor trade and is based on the retail value shown in such publications.

The vehicle's age, condition and odometer reading could affect the reasonable retail value.

Optional extras, additional accessories and spare parts and modifications must be separately insured as optional extras.

Special Types and Trailers:
The reasonable Value as determined and agreed by a recognised supplier.

The maximum Indemnity of the Insurer will be the lesser of the Value as stated above or the sum insured stated in the Schedule.

Statutory Settlement Balance:

The payment due by You in respect of the Credit Agreement Act at the date of Loss being the difference between the settlement of the Underlying Policy and balance due to the Finance Company, excluding instalment arrears and any settlement penalties levied by the Finance Company.

Third Party Only

Cover is restricted to third parties costs and expenses which You may become legally liable to pay as a result of an accident caused by, through or in connection with the Vehicle specified in the Schedule resulting in injury or damage to third party property.

Third Party, Fire and Theft

Cover is restricted to Loss, damage or theft of Your Vehicle caused by fire, explosion, lightning, theft or attempted theft including third party's costs and expenses which You may become legally liable to pay as a result of an accident resulting in injury or damage to property caused by, through or in connection with the Vehicle specified in the Schedule.

Vehicle Description

any self-propelled conveyance stated in the schedule, used on land but that does not run on rails and restricted to:

- a) private type motor cars (including sedans, cabriolets, sports utility vehicles, motorised caravans, station wagons and the like) designed or adapted to carry not more than 12 persons, including the driver;
- b) buses designed or adapted to carry more than 12 persons, including the driver;
- c) light commercial vehicles which are vehicles with gross vehicle mass of up to 3,500 kg designed or adapted to carry goods;
- d) commercial vehicles which are vehicles with gross vehicle mass exceeding 3,500 kg designed or adapted to carry goods;
- e) motor cycles which are vehicles with two or more wheels that are designed to be driven by the type of controls usually fitted to motor cycles;
- f) agricultural equipment, i.e. any agricultural vehicle which is not designed or adapted for the main purpose of transporting goods, including tractors and harvesters;
- g) special type vehicles which are vehicles manufactured or modified for specific commercial purposes such as digging, firefighting, lifting, loading, earth moving and the like and which are operated by skilled and trained operators and which are not insurable under vehicle definitions a) to g)

and includes any standard accessories whilst fitted to the vehicle whether specified in the schedule or not.

- h) trailers, which is any vehicle used on land without means of self-propulsion designed to be drawn by a self-propelled vehicle defined above, but excluding any parts or accessories not permanently fitted thereto.

DAMAGE TO INSURED VEHICLES

1 Accidental Damage or Loss

Damage to any Vehicle described in the Schedule, its standard spare parts and accessories whilst thereon, and Additional parts and Accessories permanently fitted to the Vehicle (if included on the Schedule), whilst within the Territorial limits or extended Territorial limits as stated in the Policy Schedule.

2 Car Rental – Vehicle Description a) and c) only (if included in the Schedule)

Where Your Vehicle is stolen, hijacked or deemed to be a total Loss, We will pay for the hire of a replacement Vehicle up to the amount stated in the Schedule per day under the following conditions:

- 2.1 The hire period will terminate on the day following recovery, repossession or settlement of the Claim by way of cash for total Loss or cash instead of repairs, or 30 (thirty) days, whichever is the shorter.
- 2.2 All fuels and lubricants will be Your responsibility.

3 Debris Removal

We will pay the reasonable cost to clean up and remove debris from the Vehicle or goods falling or leaking from the Vehicle.

You are required to arrange these services through the **MERX ASSIST CALL CENTRE, 087 55 11 221**. If You do use Our call centre we will not pay for these costs.

We do not pay for any expenses incurred in consequence of or to prevent or mitigate pollution or contamination, or threat of Liability.

4 Fire Extinguishing Charges

Fire extinguishing charges up to the amount stated in the Schedule, subject to Your Vehicle having been in danger as a result of a fire and legal Liability attaching to You for such costs.

5 Medical Expenses – Vehicle Description a) and c) only

If an occupant in the specified part of a comprehensively insured vehicle described below, in direct connection with such vehicle, sustains injury by violent, accidental, external and visible means, the Insurer will pay to You the medical expenses incurred as a result of such injury up to **R7 500** per injured occupant but not exceeding **R30 000** in total for all occupants injured as a result of an occurrence or series of occurrences arising out of one event.

The amount payable under this sub-section shall be reduced by any amount recoverable under the Compensation for Occupational Injuries and Diseases Act or similar legislation.

The term medical expenses includes any costs incurred to free such injured occupant from such vehicle

	Defined vehicle insured under Section 1	Specified part of vehicle in which the injury must occur
1	Any private type motor car or motorised motor or motorised motor home	Anywhere inside the vehicle
2	Any other type of insured vehicle	The permanently enclosed passenger carrying compartment

6 Recovery and Towing

We will pay the reasonable cost of the recovery and towing of the Vehicle to Our approved repairer or service provider when damage occurs in South Africa.

You are required to arrange these services through the **MERX ASSIST CALL CENTRE, 087 55 11 221**. If You do use Our call centre we will not pay for these costs.

7 Replacing Locks Keys and Remote Controls

We will pay If the locks, keys or alarm remote controls have disappeared or there is reason to assume that an unauthorised person may be in possession of these or duplicates thereof. Our liability is limited to the cost of replacing these locks, keys, and alarm remote controls, and the reprogramming of any coded alarm system of the Vehicle up to the amount stated in the Schedule.

8 Replacement as New – Vehicle Description a) and c) only

- 8.1 If such vehicle within a period of 12 months of the date of first registration as new, is stolen or hijacked and not recovered and physically returned to Us or damaged to the extent that it is Our opinion beyond economical repair, the basis of indemnity will be the current purchase price of a new vehicle of the same or a similar model or the limit of indemnity shown in the Schedule whichever is the lesser, less the excess provided that
- 8.2 The vehicle has travelled less than an average of 3 500 kilometres per month. The onus of proving the kilometres travelled by the vehicle shall rest upon You.
- 8.3 If the vehicle is replaced as described above, We shall be become entitled to possession and ownership of the damaged vehicle.

9 Temporary Repairs

If Your Vehicle is damaged outside of the Republic of South Africa, the cost of temporary repairs up to the amount stated in the Schedule can be authorised by You, provided that a detailed estimate is first obtained and immediately forwarded to Us for authorisation.

10 Vehicles canopies

We will pay for damage under this section for damage to any canopy insured as an accessory to any insured commercial Vehicle Description c), whilst temporarily removed and stored inside a building on any premises provided that in respect of damage as a result of theft or any attempt thereat, the Insurer shall only be liable where such theft or attempt thereat is accompanied by forcible and violent entry into or exit from the building where the canopy is stored.

11 Wreckage Removal

We will pay the reasonable costs and expenses in respect of the clearing up and removal of debris and wreckage damage to such vehicle by a defined event.

You are required to arrange these services through the **MERX ASSIST CALL CENTRE, 087 55 11 221**. If You do not use Our call centre we will not pay for these costs.

Exceptions

1 Damage to Springs

We will not pay for damage to springs or shock absorbers due to impact with inequalities of any surface.

2 Damage to Tyres

We will not pay for damage to tyres by application of brakes or punctures, cuts or bursts.

3 Repatriation

In the event of damage to the Vehicle You shall bear the expense of transporting the Vehicle to the border post into the Republic of South Africa. We will thereafter pay in terms of this Section the reasonable cost of removal from the Republic of South Africa border post to Our nearest repairers or service providers in South Africa.

- 3.1 We shall not be liable for any Loss of or damage to the Vehicle or any part of it subsequent to the accident until it passes through the said border post subject otherwise to the terms exceptions and conditions of the Policy.
- 3.2 Cover only applies in the specific Territorial limits noted on the Schedule.

4 Unobtainable Parts

In the event of any part, accessory or fitment needed to repair or replace the damage to the Vehicle insured being unobtainable in the Republic of South Africa as a standard ready- manufactured article, or in the event of any such article being denied to You for any reason, the Liability of the Insurer shall be met by the paying the Value of the said article at the time of the Loss or damage, but not in any case exceeding the manufacturer's last list price operative in the Republic of South Africa.

5 Damage to exchangeable and expendable components

- 5.1. exchangeable or expendable components, attachments and/or tools of a limited lifespan, such as, but not restricted to: drill bits, cutting blades and heads, machined surfaces (for example crushing surfaces), sieves, screens, ropes, cables, belts, batteries, tyres or any other type of components which need regular replacing,
- 5.2. unless such loss or damage is a consequence of other indemnifiable loss or damage. In these cases, We will pay an amount based on the depreciated residual value of the excluded items;
- 5.3. drill bits, drill strings when being used as a tool of trade for under-surface drilling or mechanised blind hole box boring unless otherwise agreed.

6 Special type vehicle testing

Damage to insured special type vehicle/s occurring during any period of testing, or when such property is deliberately subjected to overload conditions, or when such property is used for any purpose other than for which it is intended.

7 Cranes

Damage to any type of crane involved in multiple or tandem lifts.

8 Vermin

Damage to the insured property caused by the vermin and or rodents.

Extensions

Custody of the Motor Trade

The indemnity to You in connection with any vehicle shall operate while such vehicle is in the custody or control of a member of the motor trade for the purpose of its overhaul, upkeep or repair.

LIABILITY TO THIRD PARTIES

1 Indemnity

The Insurer will indemnify You up to the amount stated in the Policy Schedule for all sums, including third party's costs or expenses, which You may become legally liable to pay as a result of an accident caused by or through or in connection with the operation, including loading and unloading, of the Vehicle(s) specified in the Schedule resulting in:

- 1.1 Injury to any person but excluding passengers, a member of the same household as You or Your employees arising out of and in the course of such employment;

- 1.2 damage to property not owned by You, and/or not in Your custody, control or being transported by You; and

2 Driving by Other Persons

The Insurer will indemnify any person up to the amount stated in the Schedule while driving or using an insured Vehicle with Your permission provided that such person:

- 2.1 Is not entitled to Indemnity under any other Policy;
- 2.2 Is fully and properly licensed to drive such Vehicle;
- 2.3 Shall act as though he or she were You and observe, fulfil and be subject to the terms, exceptions and conditions of this Policy; and
- 2.4 Has not been refused any Vehicle insurance or continuance thereof by any Insurer or underwriter.

3 Rights to Representation

- 3.1 The Insurer will, in terms of and subject to the limitations of, and for the purposes of this sub section, pay all costs and expenses incurred with their written consent, and shall be entitled at their discretion to arrange for representation at any inquest or inquiry in respect of any death which may be the subject of Indemnity under this sub section; or
- 3.2 For defending in any magistrate's court any criminal proceedings in respect of any act causing or relating to any event which may be the subject of Indemnity under this sub section, provided that the total of the Insurer's Liability under this extension shall not exceed the limit of Liability.

4 Towing of Vehicles

This Section extends to cover Liability while You are towing a Vehicle or trailer. We will not be liable under this Section for damage to the towed Vehicle, or trailer, or property thereon or therein.

5 Waiver of Rights

We waive all rights of subrogation or action which we may have or acquire against any other person to whom the Indemnity hereunder applies, and each such person shall observe, fulfil and be subject to the terms, exceptions and conditions (both general and specific) of Your Policy as far as they can apply.

Exclusions:

1 Compulsory Third Party Insurance

Claims in respect of any compensation or Claim that falls within the scope of any compulsory third party enactment within the Territorial or Extended Territorial limits. This exception shall apply notwithstanding that no insurance under any such enactment is in force or has been effected.

2 The excess or excesses payable by You as stated in the Schedule.

3 Scheduled Products

Liability arising out of carriage of prescribed dangerous goods in terms of Chapter 8 National Road Traffic Act 93 of 1996, National Road Traffic Regulations 2000.

4 Spillage and Clean-Up Costs

Costs and expenses incurred for clean-up and remedial procedures to remove or repair the effect of spillage or leakage of any substance carried in or on Your Vehicle or any Vehicle attached thereto.

5 Passenger Liability

Injury to any person being carried in or upon or entering or getting onto or alighting from a vehicle described in definition (b), (c), (d) or (e) at the time of the accident

from which any claim arises (except any person being carried in or upon or entering or getting onto or alighting from a permanently enclosed passenger-carrying compartment of a commercial vehicle with a carrying capacity not exceeding 1 500kg)

6 Territorial limits

Liability arising from any occurrence outside the Territorial or extended Territorial limits.

7 Assumed Liability

Any Claims arising out of any Liability assumed by You by agreement, unless such Liability would have attached to You in the absence of such agreement.

8 Tool of Trade

8.1 Liability for Claims arising out of the ownership, possession or use by or on Your behalf of any Vehicle, caused by the use of:

- 8.1.1 Any tool or plant forming part of or attached to or used in connection with any Vehicle;
- 8.1.2 Any Vehicle as a tool of trade; or
- 8.1.3 A trailer which has accidentally become detached from a motor Vehicle.
- 8.1.4 The operation of any towing vehicle or roll back
- 8.1.5 demonstration or use, for purposes other than for maintenance and/or repair, of any tool or plant (lifting equipment or towing equipment) that forms part of or is attached to or is used in connection with a vehicle or in connection with anything that is manufactured by or is contained in any such tool or plant (lifting equipment or towing equipment).

Extensions

9 Contingent Liability

- 9.1 The Insurer will indemnify You up to the amount stated in the Schedule for Liability arising out of the use of Vehicles not belonging to You or provided by You which are involved in an accident arising in the course of business which result in Claims against You or Your employees, partners and directors, provided that such person has not previously been refused any motor insurance or continuance thereof;
- 9.2 If You or any other person entitled to cover under this extension is entitled to Indemnity under any other insurance in respect of the same occurrence, the Insurer shall not be liable to make any payment except in respect of any amount beyond the amount payable under such insurance; and
- 9.3 The payment of subsidies or travelling allowance to a person using their own Vehicle for Your the business shall not invalidate this extension.

10 Cross Liabilities

Where more than one person is named in the Policy Schedule, the Insurer will indemnify each person separately and not jointly, and any Liability arising between each person shall be treated as though separate policies had been issued to each, provided that the aggregate Liability shall not exceed the limit of Indemnity specified in the Schedule.

11 Parking Facilities and Movement of Third Party Vehicles

The Insurer will indemnify You up to the amount stated in the Schedule in respect of accidents caused by the moving of any Vehicle not owned, borrowed, hired or leased by You, or in Your custody and control, but moved by any person in Your employment or acting on Your behalf:

- 11.1 With the authority of any tenant, customer or visitor of Yours; in connection with Your parking arrangements, (excluding taxi ranks); and/or to facilitate the carrying

out of Your business, provided that this benefit of cover shall not apply in respect of damage to Vehicles which are parked for reward.

12 Passenger liability extension (if stated in the Schedule as included)

Exclusion 5 is hereby cancelled.

- 12.1 the Insurer's liability shall not exceed the amount stated in the schedule for any one Event;
- 12.2 the person is carried in or upon or entering or getting onto or alighting from a permanently enclosed passenger carrying compartment of Your Vehicle;
- 12.3 the Insurer shall not be liable under this extension if the territorial limitation in the schedule under this extension indicates "Inside South Africa" and the Defined Event takes place outside the borders of South Africa.

13 Riot and strike extension (if stated in the schedule as included)

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

- 13.1 civil commotion, labour disturbances, riot, strike or lockout;
- 13.2 the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in 7 above;

provided that this extension does not cover:

- 13.3 damage occurring in the Republic of South Africa and Namibia;
- 13.4 consequential or indirect damage of any kind or description whatsoever;
- 13.5 damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;
- 13.6 damage occasioned by permanent or temporary dispossession resulting from confiscation commandeering or requisition by any lawfully constituted authority;
- 13.7 damage related to or caused by any occurrence referred to in General Exception 2,3,5,7,8 and 11 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.
- 13.8 If the Insurer alleges that, by reason of provisos 5.3, 5.4, 5.5, 5.6 and 5.7, damage is not covered by this section, the burden of proving the contrary shall rest on You.

14 Tool of Trade (if stated in the schedule as included)

Exclusion 8 Tool of trade paragraphs 8.1, 8.1.1, 8.1.2 and 8.1.3 is hereby cancelled.

15 Unauthorised Passenger Liability

The indemnity under this section extends to cover Your legal Liability for injury to persons while being carried in or entering or getting into or alighting from any vehicle in contravention of Your instructions to the driver not to carry passengers. The limit of indemnity for any one occurrence shall not exceed the amount stated in the Schedule.

16 Vehicle glass extension (if stated in the schedule as included)

- 16.1 The provisions of this section relating to excess shall not apply to any payment for damage to windscreen glass, side or rear glass forming part of any vehicle
- 16.2 provided that
 - 16.2.1 no other damage has been caused to the vehicle giving rise to a claim under the Policy
 - 16.2.2 You shall be responsible for the excess applicable to this extension stated in the schedule of each and every loss.
 - 16.2.3 All glass replacements or repairs must be done by our authorised glass suppliers.

16.2.4 Any replacement cost exceeding **R15 000** will be for your account.

Specific Exceptions

1 Overloading

We will not pay if Your vehicle or any other vehicle forming a part of a combination of vehicles together with an insured vehicle either singularly or in combination is at the time of any accident found to be overloaded as provided for in terms of the National Road Traffic Act No 93 1996 (as amended) and the regulations issued there under or where the combined mass of the combination of vehicles and the load thereon exceeds 56 000 kilograms

2 Subsequent Damage

We will not pay for any subsequent damage if the Vehicle is used after an accident before necessary repairs have been carried out.

3 Theft

We will not pay for damage following theft or hijack of any Vehicle specified in the Schedule with an insured Value more than **R250 000**, unless the Vehicle is fitted with a tracking and recovery system approved by Us and proof of installation has been supplied to Us.

MERX VALUE ADDED PRODUCTS

1 Own Damage Excess Reducer (if stated in the Schedule as included):

This section insures Your Standard Own Damage excess which is payable in terms of Your Underlying Insurance Policy limited to the Sum Insured stated in the Schedule.

- 1.1 You are responsible for the inner excess as specified in the Schedule.
- 1.2 You must have a valid Claim in terms of the own damage section of the Policy.

The following is excluded:

- 1.3 Any third party Loss or damage or injuries, consequential Loss as a result of any cause whatsoever, depreciation in Value whether arising from repairs following a defined event or otherwise, wear and tear, mechanical or electrical breakdown, failures or breakages.
- 1.4 Towing & Recovery Costs.
- 1.5 Theft and Hijack.
- 1.6 Any additional excesses not on the Schedule.
- 1.7 Any Vehicle not listed in the Schedule, courtesy Vehicles and rented Vehicles.

We will pay Claims that falls within Your excess, subject to the inner excess.

2 Theft/Hijack Excess Reducer (if stated in the Schedule as included):

This section insures Your Theft/Hijack excess which is payable in terms of Your Underlying Insurance Policy limited to the Sum Insured stated in the Policy.

- 2.1 You are responsible for the inner excess as specified in the Schedule.
- 2.2 You must have a valid Claim in terms of the own damage section of the Policy.

The following is excluded:

- 2.3 Any Vehicle not listed in the Schedule, courtesy Vehicles and rented Vehicles.
- 2.4 If Your Vehicle is recovered and damaged because of the Theft/Hijack Your excess will be payable.

3 Third Party Excess Reducer (if stated in the Schedule as included):

This section insures Your Third-Party Liability excess which is payable in terms of Your Underlying Insurance Policy limited to the maximum Sum Insured stated in the Schedule.

- 3.1 You must have a valid Claim in terms of the third party section of Your Policy.

The following is excluded:

Damage caused by any Vehicle not listed in the Schedule. This does not include trailers hitched to a Vehicle.

4 Mechanical Breakdown Towing Cost (if stated in the Schedule as included):

Should Your Truck or Truck combination listed in the Schedule become disabled as a result of mechanical breakdown of the truck caused by failure of the engine, gearbox or differential from a mechanical cause, we will pay the reasonable cost of towing Your Truck or Truck combination to the nearest repairer, service provider or place of safety within the Republic of South Africa.

Specific Conditions of cover

- 4.1 The Vehicle must be Your property or hired or leased to You.
- 4.2 You are required to arrange these services through the **MERX ASSIST CALL CENTRE, 087 55 11 221**. If You do not use Our call centre we will not pay for these costs.
- 4.3 Our Liability shall not exceed **R15 000** in respect of any one occurrence.

The following is excluded:

- 4.4 Storage fees for Your Vehicle, either before or after repairs have been done.
- 4.5 Costs to repair Your Vehicle
- 4.6 There is no cover for incidents outside the borders of South Africa.
- 4.7 Any Vehicle not listed in the Schedule, courtesy Vehicles and rented Vehicles.
- 4.8 We will not pay if the breakdown is caused by the following:
 - 4.8.1 Load shifting
 - 4.8.2 Overloading
 - 4.8.3 Brakes or brake related problems
 - 4.8.4 Air leaks
 - 4.8.5 Tyre problems, including punctures and/or tyre failures
 - 4.8.6 Poor driving practices, including but not limited to negotiating a road unsuitable for use by the particular category of vehicle, negotiating gravel roads during or after heavy rainfall periods and driving a vehicle or vehicles that are overloaded in terms of the road traffic regulations.

5 Additional Excess Reducer (if stated in the Schedule as included):

This section insures Your additional excesses which is payable in terms of Your Underlying Insurance Policy limited to the Sum Insured as stated in this Policy Schedule.

The following is excluded:

- 5.1 Additional excesses specifically endorsed by Us due to corrective action as a result of Claims.
- 5.2 Any Loss or damage or injuries to third parties; consequential Loss as a result of any cause whatsoever, depreciation in Value whether arising from repairs following defined event or otherwise, wear and tear, mechanical or electrical breakdown, failures or breakages.
- 5.3 Towing & Recovery Costs.
- 5.4 Theft and Hijack.
- 5.5 Any additional excesses not on the Schedule.
- 5.6 Any Vehicle not listed in the Schedule, courtesy Vehicles and rented Vehicles.

6 Loss of Use (if stated in the Schedule as included):

This section pays an amount following an accident, theft or hijack, limited to the sum Insured or weekly amount as stated in the Policy Schedule.

Specific Conditions of cover

- 6.1 If Your Vehicle is being repaired, we will pay You amount whilst the Vehicle is in the custody of our repairer.
- 6.2 The Indemnity period will expire on date of completion of authorised repairs.
- 6.3 If the Vehicle is a constructive total Loss the Indemnity period will expire on the day we send an Agreement of Loss to You.
- 6.4 You are liable for a time inner excess as is specified in the Schedule. The benefit in terms of this section of Your Policy becomes payable the day after the time inner excess.
- 6.5 You must have a valid Claim in terms of the own damage section of Your Policy.

The following is excluded:

- 6.6 We will not cover You for downtime caused by mechanical and/or electrical or electronic breakdown.
- 6.7 Any Vehicle not listed in the Schedule, courtesy Vehicles and rented Vehicles.

7 Credit Shortfall Cover (if stated in the Schedule as included):

This section insures the amount of the Statutory Settlement Balance up to 25% (twenty five per cent) of the retail Value or **R275 000** whichever is the lesser.

What is not covered

- 7.1 Any excess (es) or inner excess payable in terms of the Underlying Policy.
- 7.2 You must pay an excess of 10% (ten per cent) of the Statutory Settlement Balance
- 7.3 Any arrears instalments or rentals including interest payable on such arrears
- 7.4 All refunds of premium for cancellation of any insurance cover relating to the motor vehicle
- 7.5 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
- 7.6 Any other deductions from the comprehensive claim agreement of loss

provided always that

- 7.7 the amounts payable shall not exceed the maximum indemnity less the standard excess payable
- 7.8 this endorsement shall not apply to an agreement whereby the amount of any single instalment other than the final residual amount after the initial payment differs by more than 10% from any other instalment.
- 7.9 if such shortfall is as a result of a re-advance under an instalment sale or refinancing in terms of a lease the insurance by this extension shall be void

8 Repatriation Cost (if stated in the Schedule as included):

- 8.1 Where Your Vehicle combination is involved in an accident outside the borders of the Republic of South Africa and sustains damage which is insured in terms of the own damage section of the Policy and which renders it unable to drive, we will pay the actual costs of recovery and towing which have been incurred to repatriate Your Vehicle combination to South Africa.
- 8.2 The limit of Indemnity is the amount on the Schedule.
- 8.3 Cover ceases once Your Vehicle combination is on the South African side of the border.

The following is excluded:

- 8.4 Damages which may occur to the Vehicle combination during the course of return to the South African side of the border.
- 8.5 Any cost or any duties payable to the authorities.

9 Deposit protector (if stated in the Schedule to be included)

We will pay an amount towards the deposit required in order to purchase a replacement Vehicle following a total Loss settlement.

Specific Conditions of cover

- 9.1 In terms of each specifically insured Vehicle the benefit is limited to a maximum sum insured per event of 10% of the Vehicle Value or **R175 000**, whichever is the lesser.
- 9.2 The basis of indemnification will be the Retail Value of Your Vehicle as at the date of Loss.
- 9.3 You must have a credit agreement in force on Your Vehicle.

10 Spillage and Clean-Up Costs (if stated in the Schedule to be included)

We will pay the reasonable Costs and expenses incurred for clean-up and remedial procedures to remove the effect of spillage or leakage of any substance carried in or on Your Vehicle or any Vehicle attached thereto in case of a valid Own Damage Claim up to an amount of **R250 000**.

We will pay the reasonable Costs and expenses incurred for clean-up and remedial procedures to remove the effect of spillage or leakage of diesel leaked from the diesel tanks of the truck up to an amount of **R100 000**.

Specific Conditions of Cover:

- 10.1 You must call **HAZCALL 24 0860 44 44 11 or MERX ASSIST CALL CENTRE, 087 55 11 221** immediately when there is an incident leading to a Claim under this section of the Policy.
- 10.2 If You make use of any other supplier we will not pay the damage.
- 10.3 We will not pay for the clean-up or remedial procedures to remove the effect of spillage or leakage of any substance carried in or on Your Vehicle or any Vehicle attached thereto that is defined as Dangerous Goods in terms of code of practice SABS 0228 which deals with the transportation of dangerous goods by road and rail modes.

GOODS IN TRANSIT

DEFINITIONS APPLICABLE TO THE GOODS IN TRANSIT SECTION OF YOUR POLICY

Goods in Transit	Loss or damage to goods entrusted to You, whilst these are being conveyed on vehicles (and any trailers attached thereto at time of loss), as stipulated in the Schedule by registration number.
Goods in Transit – New goods	New goods transported in a fully enclosed or fully tarpaulin covered vehicle: Against All Risks of physical loss or damage to the subject matter insured.
Goods in Transit – Second hand goods	Second hand goods and goods transported other than in a fully enclosed/fully tarpaulined vehicle: Accidental damage to or loss against the risk of fire, collision of conveying vehicle, overturning of the conveying vehicle, theft following an insured peril, and hijack.
Goods in Transit – sum insured	The limit specified per registration number of the truck on the Schedule. Where separate limits are stipulated on the Schedule divided into separate classifications (example: into commodity types), these limits are not cumulative.
Goods in Transit - Restricted cover	Against the risk of fire, collision of conveying vehicle, overturning of the conveying vehicle, theft following an insured peril, and hijacking as defined herein.
Unattended vehicle	unattended vehicle shall mean any vehicle being used by You or any principal, partner, director or employee where such person is not in a position to keep the vehicle under constant observation and at the same time have a reasonable prospect of preventing any unauthorised interference with the vehicle

1 Subject matter insured

All goods (including all packing material, pallets, receptacles, covers, boxes, labels and the like when necessary for commercial purposes) specified on the Schedule

2 The following is excluded unless specified in the Schedule:

Antiques, antiquities of any description, arms, ammunition, bank and treasury notes, bullion, cash, mobile telephones and accessories, cobalt, copper, deeds, designs, documents of any description, electronic goods, exotic sea foods including caviar,

prawns, calamari and crayfish, explosives, film, gold or silver articles, used household goods and personal effects, jewellery, liquor, live animals, motor vehicles of any description, plans, precious metals or stones, pre-paid phone cards or vouchers, specie, stamps, tickets, tyres, tobacco products, finned fish and travellers cheques.

3 First loss basis

Your insured amounts on the Schedule are on a first loss basis. Average does not apply.

4 The Cover

- 4.1 starts with the loading of the goods onto or into Your vehicle;
- 4.2 continues during the transit and any return journey if the goods cannot be delivered;
- 4.3 includes goods whilst temporarily stored during the course of the journey (such storage not to exceed 72 (seventy two) hours); and
- 4.4 ceases with the unloading of the goods at the address on the waybill, delivery note or consignment note.

Damage caused by the following is excluded:

1. Breakdown of refrigeration equipment;
2. Contamination;
3. Delay even though the delay may be caused by a risk insured by this section;
4. Dishonesty of any of Your principals, partners, directors or Your employees, whether acting alone or in collusion with others;
5. Inherent vice or delict, vermin, insects, damp, mildew or rust;
6. If cover is on an All Risks Basis, theft from any unattended vehicle unless:
 - 6.1 The goods are contained in a completely closed and securely locked vehicle; or
 - 6.2 The vehicle, in which the goods are contained in or on, is in a locked building and any theft is accompanied by forcible and violent entry or exit; or
 - 6.3 The vehicle, in which the goods are contained in or on, is within the perimeter of a security complex with 24 (twenty four) hour security.
- 7 Goods insured by a marine policy or any goods more specifically insured;
- 8 Goods in the custody of or control of sub-contractors except as provided for in the Schedule;
- 9 Damage caused by insufficiency or unsuitability of packing, covering or securing of the load. Loads must be secured as per SANS 10187, Load securement on vehicles.
- 10 Damage attributable to Your wilful misconduct.
- 11 Damage resulting from variation in temperature howsoever caused.

Specific Conditions of Cover

1. Container Seals

When delivery is made by container, You or Your employees are to ensure that the container and its seals are examined immediately upon delivery.

If the container is delivered damaged, or with seals broken, or missing, or with seals other than as stated in the shipping documents, You or Your employees are to endorse the delivery receipt accordingly and retain all defective or irregular seals for subsequent identification.

2. Clean Receipts

Under no circumstances, except under written protest, are You or Your employees allowed to give clean receipts where goods are in a doubtful condition.

3. Labels

In the event of loss or damage to labels only, We will pay an amount sufficient to pay the cost of re-conditioning, the cost of new labels and the cost of re-labelling the goods provided that the damage has been accepted as a claim in terms of this section.

Basis of settlement:

- 1 We will pay You cost price of goods to the owner of the goods or replacement value or market value or declared value whichever is the least, at time of loss.
- 2 Where goods are transported for Your client for an inter-branch transfer, and no invoice documents exists to substantiate value, we will pay the catalogue or stock price at time of loss. Your client must provide proof of the catalogue or stock price.
- 3 Second-hand Machinery:
We will not pay more than such proportion of the cost of replacement of the parts or damage as Your value bears to the value of a new machine plus additional charges for forwarding and refitting the new parts, if incurred.
Mechanical, electrical or electronic derangement is specifically excluded.
- 4 Pairs and sets clause:
In the event of damage to any articles forming part of a pair or set, We will pay the value of such parts which may be lost or damaged, without reference to any special value which such articles shall have as part of such pair or set.
We shall not pay more than proportionate part of Your value of such pair or set.

Warranties:

You warrant the following:

- 1 That the conveying vehicle is stopped in a security compound and the driver or crew or a security guard shall attend all times.
- 2 Fire related losses:
That there is a minimum of 4.5kg dry powder fire extinguisher in good working order on or in the conveying vehicle at time of loss, and the driver or crew has knowledge of how to operate same.
- 3 That once the conveying vehicle has undergone any structural changes to the standard production design, such changes will be notified to Us and accepted by Us prior to loss, accident or departure.
- 4 That the goods will be transported in accordance with the minimum standards for the conveyance of such goods as legislated or as prescribed by SANS 10187.

Extensions:

1 Debris removal and clean-up costs

We will pay You the reasonable cost incurred by You for the removal and disposal of insured goods and clean up of the scene by goods insured under the policy, caused as a direct result of an accident.

You have to pay an excess of R2 500.

2 Load recovery costs

We will pay You the reasonable cost incurred by You to send an alternative vehicle to the accident scene, to reload, salvage, sort and repack the load, caused as a direct result of an accident.

You have to pay an excess of R2 500.

3 Costs Associated with the Delivery and Protection of the Load

We will pay You the reasonable costs associated with the protection and removal of the load to the nearest approved facility following loss or damage to the carrying

vehicle or breakdown of the carrying vehicle should such breakdown place an unacceptable risk of loss or damage to the load.

You have to pay an excess of R2 500.

4 Tarpaulins

We provide All Risk Cover for tarpaulins, cargo nets, ropes, chains and corner plates caused by an accident.

We do not pay for damage due to wear and tear, discoloration, scratching, cutting, theft (unless due to hijacking or theft of the truck and trailer) and pre-existing damage.

You have to pay an excess of R2 500.

5 Container cover

Your amount in the Schedule include shipping containers.

Cover applicable to shipping containers is All Risks of physical loss or damage excluding wear and tear, rust and pre-existing damage.

6 Over height shipping containers

We provide cover If the height of the shipping container on the trailer exceeds the maximum legal allowed height.

7 Overloading allowance

We provide cover if the combined weight of the conveying vehicle and load is not more than 2% greater than that allowed by legislation.

8 Driver or employee criminal involvement

Notwithstanding exclusion 4 We will pay You if Your driver or employees are involved in theft or hijacking of goods insured under Your policy.

You will have to pay the hijack excess.

9 Deterioration of refrigerated stock (if included in the Schedule)

Cover is extended to include loss or damage to the load resulting from variation in temperature attributable to breakdown or malfunction of refrigeration machinery (other than when caused by fuel starvation) resulting in its stoppage or malfunctioning.

You are responsible for a time excess of 6 (six) consecutive hours.

You must provide proof to Us that the damage was caused by breakdown or malfunction of refrigeration equipment.

We will not pay if the load is transported in a refrigerated shipping container.

MERX VALUE ADDED PRODUCTS

11 Damage to insured property Excess Reducer (if included in the Schedule)

This section insures Your Goods in Transit Damage to insured property excess which is payable in terms of Your Goods in Transit section limited to the Sum Insured stated in the Schedule.

Specific Conditions of cover:

You must have a valid claim in terms of the Goods in Transit section of Your policy.

The damage must be more than the minimum excess You are responsible for.

12 Hijack Excess Reducer (if included in the Schedule)

This section insures Your Goods in Transit Hijack excess which is payable in terms of Your Goods in Transit section limited to the Sum Insured stated in the Schedule.

Specific Conditions of cover:

You must have a valid claim in terms of the Goods in Transit section of Your policy.
The damage must be more than the minimum excess You are responsible for.

BUSINESS ALL RISKS

DEFINITIONS APPLICABLE TO THE BUSINESS ALL RISKS SECTION OF YOUR POLICY

Unattended vehicle	unattended vehicle shall mean any vehicle being used by You or any principal, partner, director or employee of You where such person is not in a position to keep the vehicle under constant observation and at the same time have a reasonable prospect of preventing any unauthorised interference with the vehicle
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Defined events

Loss of or damage to the whole or part of the property described in the schedule while anywhere in the world by any accident or misfortune not otherwise excluded provided that You shall be responsible for the excess stated in the schedule in respect of each and every event.

Specific condition

Average

If the total value of property insured which is not separately and individually specified is, at the time of the happening of any loss or damage to such property, of greater value than the sum insured thereon, You shall be considered as being You own insurer for the difference and shall bear a rateable share of the amount of the loss or damage. Each item of the schedule covering such property shall be separately subject to this condition.

Specific exceptions

We shall not be liable for

- 1. Bill of lading**
loss of or damage to goods consigned under a bill of lading;
- 2. Breakdown or derangement**
mechanical, electronic or electrical breakdown, failure, breakage or derangement unless caused by an accident or misfortune not otherwise excluded;
- 3. Cash**
loss of or damage to cash, bank and currency notes, coins, bonds, coupons, stamps, negotiable instruments, title deeds, manuscripts or securities of any kind;
- 4. Cleaning or repair**
loss of or damage to property resulting from or caused by its undergoing a process of cleaning, repair, dyeing, bleaching, alteration or restoration;
- 5. Fraud**
loss of or damage to property resulting from or caused by the dishonesty of any principal, partner, director or employee of You whether acting alone or in collusion with others;
- 6. Inherent vice**
loss of or damage to property resulting from or caused by inherent vice or defect, vermin, insects, damp, mildew or rust;

7. Theft from unattended vehicles

loss or damage resulting from or caused by 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 or exit from such locked vehicle or building is accompanied by forcible and violent entry or exit.

If You can demonstrate through video surveillance footage (or any other conclusive proof) that an attempt was made to lock the vehicle using the vehicle remote but that the locking mechanism was blocked by thieves using an electronic device, such evidence shall be deemed to satisfy the requirement for a completely closed and securely locked vehicle;

This exception will not apply to loss or damage which may occur as a result of an accident involving a road vehicle rendering any principal or employee or entrusted person incapable of retaining possession or control of the property on account of bodily injury sustained;

8. Wear and tear

wear and tear or gradual deterioration (including the gradual action of light or climatic or atmospheric conditions) unless following an accident or misfortune not otherwise excluded.

Clauses extensions and limitations

1. Increase in cost of working extension (if stated in the schedule to be included)

The insurance under this item is limited to expenditure not otherwise recoverable under this section, necessarily and reasonably incurred as a result of loss of or damage to property for which payment is made or liability therefore is admitted under this section, for the purpose of maintaining the normal operation of the business.

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

Specific Exception 7 (Theft from unattended vehicles) shall not apply to goods contained in a completely closed and securely locked vehicle where You maintain that the vehicle was locked but no evidence of forcible and violent entry or exit from the vehicle exists, provided that:

- 2.1. the police case number is supplied to the company;
- 2.2. after the deduction of the excess specified in the schedule, the liability of the company is further restricted to 75% of the claim with a maximum of R20 000 in respect of any one event.

3. Replacement value condition

The basis upon which the amount payable is to be calculated shall be either

- 3.1. the replacement of the property by similar property in a condition equal to, but not better nor more extensive than, its condition when new
- or
- 3.2. the repair of the property to a condition substantially the same as, but not better than, its condition when new

provided that if, at the time of replacement or repair, the sum representing the cost which would have been incurred in replacement if the whole of the property had been lost, destroyed or damaged beyond repair exceeds the sum insured thereon at the commencement of the loss or damage, then You shall be considered as being Your own insurer for the difference and shall bear a rateable proportion of the loss accordingly

4. Riot and strike extension (if stated in the schedule to be included)

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

- 4.1. civil commotion, labour disturbances, riot, strike or lockout;
- 4.2. the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in 4.1 above;

provided that this extension does not cover loss or damage occurring in the Republic of South Africa or Namibia;

PUBLIC LIABILITY (CLAIMS MADE BASIS)

Definitions

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

1. Damage

damage shall mean accidental loss of or physical damage to tangible property

2. Injury

injury shall mean accidental death of or bodily injury to or illness of any person

3. Territorial limits

territorial limits shall mean anywhere in the world but not in connection with

3.1. any business carried on by You at or from premises outside or

3.2. any contract for the performance of work outside the Republic of South Africa, Botswana, Malawi, Lesotho, Namibia, Swaziland and Zimbabwe.

Defined events

Damages which You 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 You in writing during the period of insurance.

The limit of indemnity

The amount payable, inclusive of any legal costs recoverable from You by a claimant or any number of claimants and all other costs and expenses incurred with the company's consent for any one event or series of events with one original cause or source, shall not exceed the limit of indemnity stated in the schedule.

Specific conditions

1. Cancellation or non-renewal

In the event of cancellation or non-renewal of the policy,

1.1. any claim resulting from a reported event, first made in writing against You during the 36 months immediately following cancellation or non-renewal shall be treated as having been made against You on the same day that You reported the event. If the claimant is a minor, the period of 36 months will be extended until the expiry of 12 months after the attainment of majority by the claimant

1.2. You may report an event in terms of general condition 4 (Claims) to the company for up to 15 days after cancellation or non-renewal, provided

1.2.1. such event occurred during the period of insurance

1.2.2. any subsequent claim first made in writing against You as a result of such event shall be treated as if it had first been made on the last day preceding cancellation or non-renewal and is subject to the 36-month period specified in 1.1 above.

2. Reported event

Any claim first made in writing against You as a result of a defined event reported in terms of general condition 4 (Claims) (hereinafter termed reported event) shall be treated as if it had first been made against You on the same day that You reported the event to the company.

3. Series of claims by one or more claimants

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

3.1. on the date that the event was reported by You in terms of general condition 4 (Claims)

or

3.2. if You were 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 You.

Specific exceptions

The company will not indemnify You in respect of

1. Aircraft

liability consequent upon injury or damage caused by or through or in connection with

1.1. the refuelling of aircraft;

1.2. the ownership, possession, maintenance, operation or use of aircraft or an airline;

1.3. the ownership, hire or leasing of any airport, airstrip or helicopter pad;

2. Defective workmanship

liability consequent upon injury or damage occurring after the completion and handing over of any work and caused by or through or in connection with any defect or error in or omission from such work;

2. Excess

You shall be responsible for the excess as stated in the schedule in respect of any one claim or number of claims arising from all events of a series consequent upon or attributable to any one source or original cause. The provisions of this clause shall apply to claims arising from damage and shall apply to costs and expenses incurred by You;

4. Events not reported

4.1. any claim arising from an event known to You

4.1.1. which is not reported to the company in terms of general condition 4 (Claims);

4.1.2. prior to inception of this section;

4.2. any claim (in the event of cancellation or non-renewal of this section) not first made in writing against You within the 36-month period (or extended period in respect of minors) as specified in specific condition 1 (Cancellation or non-renewal);

5. Fines and penalties

finer, penalties, punitive, exemplary or vindictive damages;

6. Injury to any person employed by You

liability consequent upon injury to any person employed by You under a contract of service or apprenticeship and arising from and in the course of such employment by You;

7. Jurisdiction

7.1. damages in respect of judgements delivered or obtained in the first instance otherwise than by a court of competent jurisdiction within the Republic of South Africa, Botswana, Lesotho Namibia, and Swaziland;

7.2. costs and expenses of litigation recovered by any claimant from You which are not incurred in and recoverable in the area described in 7.1 above;

8. Liability assumed by agreement

liability assumed by agreement (other than under Your own standard conditions of contract)

unless liability would have attached to You notwithstanding such agreement;

9. Pollution

- 9.1. liability in respect of injury, damage or loss of use of property directly or indirectly caused by seepage, pollution or contamination, provided always that this exception shall not apply where such seepage, pollution or contamination is caused by a sudden, unintended and unforeseen occurrence;
- 9.2. the cost of removing, nullifying or cleaning up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unforeseen occurrence.

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

10. Products

liability consequent upon injury or damage caused by or through or in connection with goods or products (including containers and labels) sold or supplied and happening elsewhere than on premises occupied by You other than food and drink supplied incidentally for consumption on the premises;

11. Professional advice

liability consequent upon injury or damage 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 Your direction;

12. Property belonging to You

damage to property belonging to You;

13. Property in the custody or control of You

damage to property in the custody or control of You or any of Your employees;

14. Property on which You are working

damage to that part of any property on which You are or has been working if such damage results directly from such work;

15. Vehicles

liability consequent upon injury or damage caused by or through or in connection with the ownership, possession or use by or on behalf of You of any mechanically propelled vehicle (other than a pedal cycle or lawnmower or any pedestrian controlled garden equipment) or trailer or of any watercraft, locomotive or rolling stock, provided that this exception shall not relieve the company of liability to indemnify You 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;

16. Weakening of support

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

Clauses, extensions and limitations

1. Additional insured

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

- 1.1. in the event of Your death, any personal representative of You in respect of liability incurred by You
- 1.2. any partner or director or employee of You (if You so requests) against any claim for which You are entitled to indemnity under this insurance

- 1.3. to the extent required by the conditions of any contract (and notwithstanding specific exception 8 (Liability assumed by agreement), and in connection with any liability arising from the performance of the contract, any employer named in any contract entered into by You for the purposes of the business
- 1.4. 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 You for the benefit of Your employees,
 - 1.4.1. any officer or member thereof
 - 1.4.2. any visiting sports team or member thereof provided that
 - 1.1. the aggregate liability of the company is not increased beyond the limits of indemnity stated in the schedule
 - 1.2. any person or organisation to which this extension applies is not entitled to indemnity under any other policy
 - 1.3. the indemnity under 1.1, 1.2 and 1.3 applies only in respect of liability for which You would have been entitled to indemnity if the claim had been made against You.

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.

2. Car parks

Notwithstanding the provisions of specific exception 13 (Property in the custody or control of You) the company will indemnify You in respect of liability as herein provided arising from loss of or damage to vehicles and their contents and accessories, the property of Your tenants, customers, visitors or employees using parking facilities provided by You.

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

Specific exceptions 2 (Defective workmanship) and 14 (Property on which You are working) are deleted.

The amount payable under this extension, inclusive of any legal costs recoverable from You by a claimant or any number of claimants and all other costs and expenses incurred with the company's consent, for any one event or series of events with one original cause or source or during any one (annual) period of insurance (being the period of twelve consecutive months from the inception date or anniversary date), shall not exceed in the aggregate the limit of indemnity for this extension stated in the schedule.

Additional specific exceptions (applicable to defective workmanship liability)

This extension does not cover liability

- 4.1. Aircraft
arising from any work on any aircraft or part thereof;
- 4.2. Cost of rectifying or recalling
for the cost of rectifying or recalling defective work;
- 4.3. Defective design
arising from defective design;
- 4.4. Handing over
arising prior to the handing over of such work;

4.5. Inefficacy arising from inefficacy of such work or because the work did not produce the result anticipated or claimed.

5. Emergency medical expenses

The company will indemnify You for all reasonable expenses incurred by You 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 You in terms of this section.

6. Employees' and visitors' property

Specific exception 13 (Property in the custody or control of You) shall not apply to property belonging to any partner, director or employee of You or any visitor to Your premises.

7. EU liability (if stated in the schedule to be included)

Subject otherwise to the terms and conditions and limitations, the following changes are made to this section of the policy in respect of injury or damage (as insured by the products liability extension) which results from goods or products exported to any European Union (EU) country or any European Free Trade Association (EFTA) country.

- 7.1. Specific exception 7 (Jurisdiction) shall not apply to damages or costs and expenses of litigation recovered by any claimant in respect of judgements delivered in the first instance in courts of the EU or EFTA
- 7.2. In respect of these goods or products (other than raw materials), You shall
 - 7.2.1. implement and maintain a system in terms of which these goods or products can be clearly identified by batch number or serial number or date stamp or other similar manner
 - 7.2.2. note and maintain a record of the date on which the actual goods or products were first put into circulation.This record shall be maintained so as to provide the required detail for a minimum period of 10 years after the goods or products were first put into circulation.
- 7.3. The information mentioned in 7.2 together with all supporting documentation, shall be made available to the company or their nominee at any time on request.
- 7.4. In respect of this indemnity, You shall be responsible for the excess shown in the schedule for this extension.

8. Extended reporting option

At the Your option 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 You may report an event in terms of general condition 4 (Claims) for a period to be agreed, but in no circumstances exceeding 36 months (hereinafter referred to as extended reporting period) provided that

- 8.1. this option may only be exercised in the event of the company cancelling or refusing to renew this section
- 8.2. this option must be exercised by You in writing within 30 days of cancellation or non-renewal
- 8.3. once exercised, the option cannot be cancelled by either You or the company
- 8.4. You have not obtained insurance equal in scope and cover to this section as expiring
- 8.5. the company shall only be liable for a defined event which occurred after the retroactive date but prior to date of cancellation or non-renewal

- 8.6. claims first made against You or any reported event by You 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
- 8.7. 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
- 8.8. any claim made, following a reported event during the extended reporting period, which is first made against You in writing more than 36 months after the last day preceding cancellation or non-renewal, shall not be subject to indemnification by this extension. If the claimant is a minor, the period of 36 months is extended until the expiry of 12 months after the attainment of majority by the claimant.

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

If You so requests, the company will indemnify any employee, partner or director of You against costs and expenses not exceeding the amount stated in the schedule incurred by or on behalf of such person with the consent of the company in the defence of any criminal action brought against such person in the course of his occupation with You arising from an alleged contravention of the statutes as herein defined during the period of insurance

provided that

- 9.1. in the case of an appeal, the company shall not indemnify such person unless a senior counsel approved by the company shall advise that such appeal should, in his opinion, succeed
- 9.2. the company shall not indemnify such person in respect of any fine or penalty imposed by any magistrate or judge or any loss consequent thereon
- 9.3. such person shall, as though he were You, 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.

The Statutes

The Occupational Health and Safety Act No. 85 of 1993 (as amended), The Mines and Works Act No. 27 of 1956 (as amended), The Electricity Act No. 41 of 1987 (as amended), and/or any other Act or Ordinance pertaining to the supply of Electricity all as read in conjunction with the Criminal Procedure Act No. 51 of 1977 (as amended).

10. Liability by agreement

Notwithstanding the provisions of specific exceptions 8 (Liability assumed by agreement), 13 (Property in the custody or control of You) and 15 (Vehicles), this section extends to indemnify You

- 10.1. against liability assumed by You 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
- 10.2. against liability arising from loss of or damage to property belonging to Transnet while in Your custody or control
- 10.3. 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 You at any railway siding.

11. Products liability (if stated in the schedule to be included)

Notwithstanding anything to the contrary contained in specific exception 10 (Products), the company will indemnify You in respect of defined events happening anywhere in the territories stated in the schedule elsewhere than at premises occupied by You, and caused by goods or products (including containers and labels) sold or supplied (including wrongful delivery and delivery of incorrect goods) by You in connection with the business.

The amount payable under this extension, inclusive of any legal costs recoverable from You by a claimant or any number of claimants, and all other costs and expenses incurred with the company's consent, for any one event or series of events with one original cause or source or during any one (annual) period of insurance (being the period of twelve consecutive months from the inception date or anniversary date), 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

11.1. Aircraft

arising from goods or products intended to be installed and installed in, or intended to form part of and forming part of, an aircraft;

11.2. Cost of demolition

for the cost of demolition, breaking out, dismantling, delivery, rebuilding, supply and installation of the goods or products (including containers and labels) and any other property essential to such repair, alteration or replacement unless physically damaged by the goods or products;

11.3. Cost of repair

for the cost of repair, alteration, recall or replacement of the goods or products (including containers and labels) causing injury or damage;

11.4. Defective design

arising from defective or faulty design, formula, plan or specification, but if You is a retailer specific exceptions 11.4 (Defective design) and 11.5 (Inefficacy) do not apply if Your activities are wholly restricted to sales, distribution and/or marketing (including any marketing advisory service accompanying the products) of the product, and Your activities do not include final preparation which means repackaging, packing, labelling, cleaning or provision of operating instructions prior to sale to Your original customers, nor include any enhancement, amendment or alteration to the product;

11.5 Inefficacy

arising from inefficacy or failure to conform to specification, unless such inefficacy or failure is due to negligence in the following of such specification;

11.6. United States of America or Canada

in respect of injury or damage happening in the United States of America or Canada caused by or through or in connection with any goods or products sold or supplied by or to the order of You, if such goods or products have, to Your knowledge, been exported to the United States of America or Canada by or on behalf of You.

12. Security firms

Notwithstanding specific exception 8 (Liability assumed by agreement), if in terms of a contract with a security firm engaged to protect Your property in the course of the business stated in the schedule or persons, You becomes legally liable for the acts or omissions of the employees of the security firm in the course of their employment, then this section includes such legal liability to the extent that indemnity would have been granted under this section had the said employees been under a contract of service to You and not the security firm, but not exceeding the limit of liability stated in the schedule.

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

13. Tenant's liability

Specific exceptions 13 (Property in Your custody or control) and 15 (Vehicles) of this section shall not apply to premises occupied by You as tenant (but not as the owner) thereof.

14. Tool of trade

Specific exception 15 (Vehicles) 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 You covering the same liability.

15. Unattached trailers

Specific exception 15 (Vehicles) 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

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

16. War

In respect of this section only, general exception 7 (War, riot and terrorism) 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.

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

The defined events are extended to include damages

- 17.1. resulting from wrongful arrest (including assault in connection with such wrongful arrest)
 - 17.2. in respect of defamation
- provided always that the amount payable in terms of this extension, inclusive of any legal costs recoverable from You by a claimant or any number of claimants and all other costs and expenses incurred with the company's consent for any one occurrence, shall not exceed the limit of indemnity stated in the schedule for this extension and in the aggregate during any one (annual) period of insurance (being the period of twelve consecutive months from the inception date or anniversary date), double this amount.