



RENASA  
INSURANCE COMPANY LIMITED

# SECTIONAL TITLE POLICY



FOR BODY CORPORATE AND HOME  
OWNERS ASSOCIATIONS  
RESIDENTIAL RISKS



**INDEX**

<b>GENERAL:</b>	<b>PAGE NR:</b>
<b>GENERAL EXCEPTIONS, CONDITIONS AND PROVISIONS</b>	<b>2</b>
<b>DEFINITIONS</b>	<b>10</b>
<b>SECTIONAL TITLE POLICY</b>	
<b>SUB SECTION A: PROPERTY: BUILDINGS AND COMMON PROPERTY</b>	<b>12</b>
<b>SUB SECTION B: LOSS OF RENT</b>	<b>16</b>
<b>SUB SECTION C: PUBLIC SUPPLY CONNECTIONS</b>	<b>17</b>
<b>SUB SECTION D: OFFICE CONTENTS</b>	<b>17</b>
<b>SUB SECTION E: MONEY</b>	<b>17</b>
<b>SUB SECTION F: GLASS</b>	<b>19</b>
<b>SUB SECTION G: PUBLIC LIABILITY</b>	<b>19</b>
<b>SUB SECTION H: TRUSTEES LIABILITY</b>	<b>21</b>
<b>SUB SECTION I: FIDELITY GUARANTEE</b>	<b>22</b>
<b>SUB SECTION J: BUSINESS ALL RISKS</b>	<b>23</b>
<b>SUB SECTION K: EMPLOYERS LIABILITY</b>	<b>24</b>
<b>SUB SECTION L: MACHINERY BREAKDOWN</b>	<b>25</b>
<b>SUB SECTION M: ACCIDENTAL DAMAGE</b>	<b>26</b>
<b>SASRIA:</b>	
<b>FIRE, LOSS OF RENT, MONEY, BUSINESS ALL RISK</b>	<b>28</b>

**Sections A to N: Sectional Title Policy:**

Underwritten by Renasa Insurance Company Limited, Registration No. 1998/000916/06, FSP License No. 15491

**Section B: SASRIA**

Underwritten by SASRIA SOC Ltd, Registration No. 1979/000287/06, FSP License No. 39117



## GENERAL EXCEPTIONS, CONDITIONS AND PROVISIONS

Subject to the terms, exceptions, conditions and provisions (precedent or otherwise), and in consideration of, and conditional upon, the prior payment of the premium by or on behalf of the insured and receipt thereof by or on behalf of Renasa Insurance Company Limited (herein after called the company), the company agrees to indemnify or compensate the insured by payment or, at the option of the company, by replacement, re-instatement or repair in respect of the defined events occurring during the period of insurance and as otherwise provided under the policy up to the sums insured, limits of indemnity, compensation and other amounts specified. Where more than one insurance company or insurer participates in this insurance, the expression "company" shall be amended to "insurers" wherever it appears in this policy. In this event, the percentage share of each insurer will be as expressed in the schedule of this policy and the liability of each such insurer individually shall be limited to the percentage share set against its name. Specific exceptions, conditions and provisions shall override general exceptions, conditions and provisions.

### GENERAL EXCEPTIONS

#### 1. War, riot and terrorism

- (A) This policy does not cover loss of or damage to property related to or caused by:
- (i) civil commotion, labour disturbances, riot, strike, lockout or public disorder or any act or activity which is calculated or directed to bring about any of the foregoing;
  - (ii) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war;
- (a) mutiny, military rising, military or usurped power, martial law or state of siege, or any other event or cause which determines the proclamation or maintenance of martial law or state of siege;
- (b) insurrection, rebellion or revolution;
- (i) 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;
  - (ii) 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;
  - (iii) any attempt to perform any act referred to in clause (iv) or (v) above;
  - (iv) the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in clause A(i), (ii), (iii), (iv), (v) or (vi) above. If the company alleges that, by reason of clause A(i), (ii), (iii), (iv), (v), (vi) or (vii) of this exception, loss or damage is not covered by this policy, the burden of proving the contrary shall rest on the insured.
- (B) This policy does not cover loss or damage caused directly or indirectly by or through or in consequence of any occurrence for which a fund has been established in terms of the War Damage Insurance and Compensation Act, 1976 (No. 85 of 1976) or any similar Act operative in any of the territories to which this policy applies.
- (C) Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision not included herein which would otherwise override a General Exception, this policy does not cover loss of or damage to property or expense of whatsoever nature directly or indirectly caused by, arising out of or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any sequence to the loss, damage or expense.

For the purpose of this General Exception 1(C) an act of terrorism includes, without limitation, the use of violence or force or the threat thereof whether as an act harmful to human life or not, by any person or group of persons, whether acting alone or on behalf of or in connection with any organisation or government or any other person or body of persons, committed for political, religious, personal or ideological reasons or purposes including any act committed with the intention to influence any government or for the purpose of inspiring fear in the public or any section thereof.

If the company alleges that, by reason of clause 1(C) of this exception, loss or damage is not covered by this policy, the burden of proving the contrary shall rest on the insured.

#### 2. Nuclear

This policy does not cover any legal liability, death, injury, loss, damage, costs or expenses whatsoever or any consequential loss directly or indirectly caused by or contributed to by or arising from:

- (i) ionising radiations or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the combustion or use of nuclear fuel;
- (ii) nuclear material, nuclear fission or fusion, nuclear radiation;
- (iii) nuclear explosives or any nuclear weapons;
- (iv) nuclear waste in whatever form;

regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

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



**3. Computer losses**

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

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

- (a) loss or destruction of or damage to any property whatsoever (including a computer) or any loss or expense whatsoever resulting or arising therefrom;
  - (b) any legal liability of whatsoever nature;
  - (c) any consequential loss;
- directly or indirectly caused by or contributed to by or consisting of or arising from the incapacity or failure of any computer, correctly or at all.

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

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

**Special Extension to General Exception 3**

A. Loss or destruction of or damage to the insured property by fire, explosion, lightning, earthquake or by the special perils referred to below or indemnified by the Glass, Employer’s Liability, Stated Benefits, Group Personal Accident or Motor section is not excluded by this General Exception.

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

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

} Unless so described and specifically insured as a separate item

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

- B. General Exception 3 also does not apply to consequential loss as insured by any Business Interruption indemnity provided by this policy to the extent that such consequential loss results from damage to insured property by the perils referred to in Special Extension A above.
- C. This Special extension will not insure any loss destruction, damage or consequential loss if it would not have been insured in the absence of this Computer Losses General Exception and this Special Extension.
- D. This Special Extension shall not apply to any Public Liability indemnity.

**4. Asbestos (applicable to Public Liability Section, Employers Liability Section and Public Liability).**

Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision which would otherwise override a general exception, this policy does not cover legal liability, loss, damage, costs and expenses whatsoever or any consequential loss directly or indirectly caused by, arising out of, resulting from, in consequence of, in any way involving, or to the extent contributed to by, the hazardous nature of asbestos in whatever form or quantity.

**5. Detention, confiscation and forfeiture**

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



**6. Pollution and contamination exclusion**

1. This policy does not cover any loss, damage, costs or expense directly or indirectly arising from contamination, pollution, soot, deposition, impairment with dust, chemical precipitation, adulteration, poisoning, impurity, epidemic or disease or due to any limitation or prevention of the use of objects because of hazards to health.
2. This exclusion does not apply if such loss or damage arises as a direct consequence of
  - a. the perils
    - (i) fire, lightning, explosion, impact of aircraft
    - (ii) vehicle impact, sonic boom.
    - (iii) accidental escape of water from tank apparatus or pipes
    - (iv) malicious damage
    - (v) storm, hail.
    - (vi) flood, inundation
    - (vii) earthquake
    - (viii) landslide, subsidence
    - (ix) snow pressure, avalancheor
  - b. physical damage of the type insured by the original policy which occurred on the insured premises.
3. If a peril not excluded from the original policy arises directly from pollution and/or contamination any loss or damage arising directly from that peril shall be covered.  
All other terms and conditions of the policy shall be unaltered and especially the exclusions shall not be superseded by this clause.

**7. Terrorism contamination and explosive exclusion**

It is agreed, that regardless of any contributory causes, this policy does not cover any loss, damage, costs or expenses directly or indirectly arising out of

- a) biological or chemical contamination
  - b) missiles, bombs, grenades, explosives
- due to any act of terrorism.

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

For the purpose of a) "contamination" means the contamination, poisoning or prevention and/or limitation of use of objects due to the effects of chemical and/or biological substances.

If the insurer alleges that by reason of this exclusion, any loss, damages, cost or expense is not covered by this policy the burden of proving the contrary shall rest on the insured.

**8. Infectious epidemic exclusion**

This insurance excludes any loss, damage, cost or expense, directly or indirectly arising out of, contributed to by, or resulting from any infectious epidemic/pandemic and/or which may lead to:

- a) the imposition of quarantine or restriction in movement of people or animals by any national or international body or agency; and /or
- b) any travel advisory or warning being issued by a national or international body or agency and in respect of a) or b) any fear or threat thereof (whether actual or perceived).

For the purpose of this clause Infectious Epidemics shall mean the sudden, unexpected, large-scale manifestation of an initially locally contained, infectious disease relating to people which spreads very rapidly and with great virulence.

If the insurer alleges that by reason of this exclusion, any loss, damages, cost or expense is not covered by this policy the burden of proving the contrary shall rest on the insured.

**9. Sanction limitation and exclusion clause**

This insurance shall not be deemed to provide cover and the company 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 that company to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom, United States of America or Germany.

**10. Consequential loss**

This policy does not cover consequential loss or damage of any kind whatsoever except loss of rent as provided by Sub-Section Rent.



## GENERAL CONDITIONS

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

This policy shall be voidable with regard to that portion of the Property Insured in priority to the Policy as a whole if:

- a) there is misrepresentation, misdescription or non-disclosure of any material particular to the risk
- b) there is alteration after the commencement of this insurance;
  - (i) whereby the insured's interest ceases except by operation of law unless such alteration has been agreed to by the company
  - (ii) the risk of accident, loss or damage is increased unless such alteration has been agreed to by the company
- c) the insured breaches any warranty or condition.

### 2. Other insurance

If, at the time of any event giving rise to a claim under this policy, an insurance exists with any other insurers covering the insured against the defined events, the company shall be liable to make good only a rateable proportion of the amount payable by or to the insured in respect of such event. If any such other insurance is subject to any condition of average, this policy, if not already subject to any condition of average, shall be subject to average in like manner.

### 3(a) Cancellation

This policy or any section may be cancelled at any time by the company giving 30 days' notice in writing (or such other period as may be mutually agreed) or by the insured giving immediate notice. On cancellation by the insured, the company shall be entitled to retain the customary short period or minimum premium for the period the policy or section has been in force. On cancellation by the company, the insured shall be entitled to claim a pro-rata proportion of the premium for the remainder of the period of insurance from the date of cancellation.

### 3(b) Continuation of cover (where premiums are payable by debit order, transmission account or annually in advance)

The premium is due in advance and if it is not received by the Company by due date as set out below this insurance shall be deemed to have been cancelled at midnight on the last day of the preceding period of insurance (of the first non-payment) unless the insured can show that failure to make payment was an error on the part of his bank or other paying agent.

If you place a stop payment on your premium this policy will automatically be cancelled from the date the premium was due to be paid.

No claims are payable or will be considered where there is outstanding premium due to the Company

#### Monthly policy:

The premium must be paid on the first day of every month, unless otherwise agreed in writing. If we do not receive your first premium on the due date the policy will be cancelled with immediate effect.

If we do not receive your second or subsequent premiums by the due date a 30 (thirty) day grace period will be granted by the Company from such due date for the payment of the outstanding premium. A debit order will be submitted at the next due date for collection in respect of the unpaid debit order and the premium for the next month. If full payment of the double debit is not received your policy will be cancelled automatically from the original due date.

Should you have a claim(-s) during the grace period of 30 (thirty) days, the Company will not process any claim(-s) until you have paid all of the outstanding premiums.

#### Annual policy:

The premium is due and payable on or before the inception or renewal date as the case may be. If we do not receive the premium within 15 (fifteen) days after the due date the policy will lapse automatically and cover will terminate from 24h00 on the day before the due date.

Should the policy lapse it will not be reinstated and/or cover backdated should payment be tendered after the grace period of 15 (fifteen) days and a new policy will be issued with an inception date of that when premium was received.

### 4. Prevention of loss



The insured shall take all responsible steps and precautions to prevent accidents or losses and shall exercise all reasonable precautions for the maintenance and safety of the property including but not limited to compliance and adherence to laws and regulations which are material to the risk.

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

The entire electrical installation at the premises must comply fully with the appropriate SANS 10142-1:2006 Code of Practice Regulation. In addition, the electrical installation must be certified as required by the Occupational and Safety Act Regulations.

**5. Claims**

- (a) On the happening of any event which may result in a claim under this policy the insured shall, at their own expense
  - (i) give notice thereof to the company as soon as reasonably possible but not later than 30 days after the event and provide particulars of any other insurance covering such events as are hereby insured;
  - (ii) as soon as practicable after the event inform the police of any claim involving theft or (if required by the company) loss of property, and take all practicable steps to discover the guilty party and to recover the stolen or lost property;
  - (iii) do not carry out any repairs unless absolutely necessary in order to prevent further loss or damage or unless authorised by the company
  - (iv) give the company such proofs, information and sworn declarations as the company may require and forward to the company immediately any notice of claim or any communication, writ, summons or other legal process issued or commenced against the insured in connection with the event giving rise to the claim,
- (b) No claim shall be payable after the expiry of 24 months or such further time as the company may allow from the happening of any event unless the claim is the subject of pending legal action or is a claim in respect of the insured's legal liability to a third party.
- (c) No claim shall be payable unless the insured claims payment by serving legal process on the company within 6 months of the rejection of the claim in writing and pursues such proceedings to finality.
- (d) If, after the payment of a claim in terms of this policy in respect of lost or stolen property, the property (the subject matter of the claim) or any part thereof is located, the insured shall render all assistance in the identification and physical recovery of such property if called on to do so by the company, provided that the insured's reasonable expenses in rendering such assistance shall be reimbursed by the company. Should the insured fail to render assistance in terms of this condition when called upon to do so, the insured shall immediately become liable to repay to the company all amounts paid in respect of the claim.

**6. Company's rights after an event**

- (a) On the happening of any event in respect of which a claim is or may be made under this policy, the company and every person authorised by it may, without thereby incurring any liability and without diminishing the right of the company to rely upon any conditions of this policy:
  - (i) take, enter or keep possession of any damaged property and deal with it in any reasonable manner. This condition shall be evidence of the leave and licence of the insured to the company to do so. The insured shall not be entitled to abandon any property to the company whether taken possession of by the company or not;
  - (ii) take over and conduct in the name of the insured the defence or settlement of any claim and prosecute in the name of the insured for its own benefit any claim for indemnity or damages or otherwise, and shall have full discretion in the conduct of any proceedings and in the settlement of any claim. No admission, statement, offer, promise, payment or indemnity shall be made by the insured without the written consent of the company.
- (b) The insured shall, at the expense of the company, do and permit to be done all such things as may be necessary or reasonably required by the company for the purpose of enforcing any rights to which the company shall be, or would become, subrogated upon indemnification of the insured, whether such things shall be required before or after such indemnification.
- (c) In respect of any section of this policy under which an indemnity is provided for liability to third parties, the company may, upon the happening of any event, pay to the insured the limit of indemnity provided in respect of such event or any lesser sum of which the claim or claims arising from such event can be settled, and the company shall thereafter not be under further liability in respect of such event.

**7(a) Fraud**

If any claim or part thereof under this policy is in any way fraudulent, or if any fraudulent means or devices are used by the insured or anyone acting on the insured's behalf to obtain a benefit under this policy (whether successfully or not), or if any event is caused by or arises out of the insured's intentional conduct, or any person acting on the insured's behalf or with the insured's connivance and/or any fraudulent information and/or documentation, whether created by the insured or any other

party is provided by the insured or acting on the insured's behalf or with the insured's connivance to the company in substantiation or support of any claim under this policy and whether or not the claim itself is fraudulent, and/or the quantum, in whole or part,



of any claim is exaggerated by any degree whatsoever by the insured or anyone acting on the insured's behalf or with the insured's connivance, for any reason whatsoever and whether or not the claim itself is fraudulent then, any and all benefit afforded in terms of this policy in respect of such claim shall be forfeited and the company shall have no liability whatsoever to the insured or any other party in respect of such claim in its totality.

**7(b) Deliberate acts**

The company will not be liable for loss, damage or bodily injury deliberately caused by the insured or any person acting in collusion with the insured

**8. Reinstatement of cover after loss**

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

**9. Breach of conditions**

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

**10. No rights to other persons**

Unless otherwise provided, nothing in this policy shall give any rights to any person other than the insured. Any extension providing indemnity to any person other than the insured shall not give any rights of the claim to such person, the intention being that the insured shall claim on behalf of such person. The receipt of the insured shall in every case be a full discharge to the company.

**11. Limitations and amendments**

The company may introduce limitations and amendments to the policy contract by giving 30 days written notice thereof to the insured's last known address.

**GENERAL PROVISIONS**

**A. Claims preparation costs**

The company will pay any amount actually expended by the insured in producing and certifying any particulars or details required in terms of General Condition 5 but limited to R 15 000 or the sum stated in the schedule.

**B. Payments on account**

Payments on account may be made to the insured at the discretion of the company.

**C. First amount payable**

Except where provided for specifically in any section, the amount payable for each and every loss, damage or liability shall be reduced by the first amount payable shown in the schedule for the applicable defined event.

**D. Members**

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

**E. Liability under more than one section**

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

**F. Meaning of words**

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

**G. Premium payment**

Premium is payable on or before the inception date or renewal date, as the case may be. The company shall not be obliged to accept premium tendered to it after inception date or renewal date as the case may be, but may do so upon such terms as its sole discretion may determine.

**H. Court Jurisdiction**

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

**I. Schedule sums insured blank**

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

- (i) left blank or has no monetary amount stipulated against it
- (ii) reflected as nil or not applicable or not covered or no indemnity extended





this means the defined event or circumstance shown in the schedule is not insured by the policy.

**J. Security firms**

If any employee of a security firm employed by the insured under a contract causes loss or damage, the company agrees, in terms of the said contract the insured may not claim against the said security firm, not to exercise its rights of recourse against the said security firm.

The company shall not raise as a defence to any valid claim submitted under any section or sub-section of this policy that the company's rights have been prejudiced by the terms of any contract entered into between the insured and any security provider relating to the protection of the insured property.

**K. Value added tax**

(a) Definition:

VAT shall mean the amount of value added tax payable by the insured or the company to the Revenue authorities in the Republic of South Africa at the ruling rate.

(b) VAT inclusive condition:

It is understood and agreed that the monetary amounts as reflected in the sums insured and/or limits of indemnity shall be applied to:

(i) the indemnity or amounts payable in terms of this policy and to which sums the terms, provisions, conditions and limitations of this policy shall apply; and

(ii) value added tax at the current rate as promulgated in legislation relating thereto.

Subject to such sums insured/limits of indemnity being adequate to embrace the amounts reflected under (a) and (b) above, the company will, to the extent that the insured is accountable to the tax authorities for value added tax in respect of any payment in terms of this policy, include the amount of such tax in the final settlement of any claim in terms of the policy, provided that the total amount payable for any defined event and value added tax related thereto shall not exceed the sum insured/limit of indemnity set against such defined event.

In circumstances referred to herein under which the insured is required to bear the first amount of any loss (the first amount payable), such amount shall also be inclusive of value added tax in like manner to the sum insured/limit of indemnity referred to above.

Further, in the event of a change in the rate of VAT during the period of insurance, sums insured, limits of indemnity, and if appropriate, premiums, shall be adjusted automatically.

**L. Holding covered**

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

**M. Schedule changes to policy wording**

The policy wording contains a description of cover, conditions, terms and exclusions. The schedule attached to the policy wording describes the cover chosen by you, as well as the applicable conditions and may amend or override certain terms, conditions and clauses in the policy wording.

**N. Change of Occupancy Warranty:**

The buildings insured under this Section are to be occupied and used solely for the purpose advised to the company at the outside of insurance or for any other occupation or purpose only if it had been advised and agreed to by the insurer.

**O. It is warranted that:**

a) all fire protection equipment and emergency escapes will be clearly indicated with SABS approved signage, installed in such a manner that it is clearly visible from all directions,

b) stairways and other emergency escape routes will be provided with emergency lighting, linked to an independent power source,

c) each building / floor will be provided with additional fire protection equipment as may be required by the insured.

**P. It is hereby warranted:**

a) that all fire protection equipment will be inspected and serviced at intervals not exceeding 12 (twelve) months by an accredited service provider.

b) It is a condition of this warranty that all records of the services of the equipment will be kept.

No claims in respect of any loss, damage or liability resulting from fire shall be payable unless this warranty has been complied with.

**Q. Lifts and Elevators Warranty**



It is warranted that all lifts and elevators that are installed in the building insured shall be in full working order and that a full service agreement is in place with an approved service provider.

No liability whatsoever shall attach to any lift and/or elevator that does not comply with this warranty.

**R. Swimming Pool warranty**

It is warranted that all gates that grant access to any swimming pool on the premises will be closed and locked at all times when not in use.

It is further warranted that no children under the age of 12 years will be allowed to use the swimming pool without adult supervision being present.

**S. National Building Regulations**

All property belonging to the Insured and which is insured in terms of this policy must comply with the National Buildings Regulations and plans submitted to and approved by the Local Authority as at the relevant time.

**T. Suspension of Insurance Cover**

The Company may at their option suspend insurance cover relative to any section of the Schedule in the event of:

- (a) the Insureds failure to comply with any statutory or building requirements, and
- (b) any condition to which the policy may be subjected in to in writing by the company and thereafter directed to the insured of their appointed representative.



## DEFINITIONS

1. **The Act** - the Sectional Titles Act No. 95 of 1986, as amended by the Sectional Titles Amendment Act No. 63 of 1991 and any subsequent amendment or regulations.
2. **Business** - the duty of a Body Corporate in terms of the Act and the registered rules agreed by it.
3. **Who is the Insured** - in relation to a building and land on which such building is situated and for their respective rights and interests: (i) the Body Corporate, (ii) the unit owners, (iii) the Trustees, (iv) employees of the Body Corporate (**but not any agent/manager thereof**) and (v) any registered financial institution that have a financial interest in any unit. (Refer Section 36(10) of the Act).
4. **Building(s)**  

The building(-s) contained in the registered Sectional Title Scheme specified in the schedule at the situation as stated in the schedule being constructed of brick, stone or concrete or metal on metal framework and roofed with slate, tiles, metal, concrete or asbestos (**unless otherwise declared by you and stated in the schedule**), including fixtures and fittings therein and thereon, plant, equipment and other structures and improvements of a permanent nature, walls (except dam walls) gates, posts and fences (except hedges), brick, tarred, concrete or paved roads, driveways, parking areas and paths, fire extinguishing equipment and railway sidings, all the property of the Body Corporate.

Buildings include:

  - a) outbuildings
  - b) elevators, escalators and inclinators
  - c) ducted air conditioners, intercom systems, built-in stoves, ovens, and hot water systems
  - d) built-in cupboards and bathroom fixtures and fittings
  - e) awnings and blinds that are external to the building
  - f) satellite dishes and antennas used for receiving radio and/or television signals, lapa's, [standard and thatch]
  - g) swimming pools, sporting and recreational structures
  - h) marinas, wharves, pontoons or similar structures which are used for non-commercial purposes and at which fuel is neither stored nor distributed
  - i) services, such as, electricity, telecommunications and water, owned by the Body Corporate or for which the Body Corporate is responsible
  - j) Unit Owner's and common property permanent fixtures and fittings
  - k) Common Property – movable and immovable property owned by the Body Corporate at the situation and **do not include** vehicles (except ride on mowers and golf carts used on the premises only), caravans, trailers, watercraft, aircraft, or any accessories in or on any of them, any appliance, equipment, furnishings, or furniture which is in open air and is not designed to be used or kept in open air, livestock, the personal or business property of any Unit Owners or Occupants and computer equipment not belonging to the Body Corporate
5. **Owner** - all registered owners of a unit, including the spouse and children of the owner normally resident with the owner and who have a legal right by marriage, birth or other contractual arrangement.
6. **Scheme** - the Sectional Titles Development Scheme.
7. **Section** - a section shown as such on the sectional plan bearing the number stated in the schedule.
8. **Common property** - in relation to the scheme means:
  - a) the land included in the scheme;
  - b) such part of the building(s) not included in a section;
  - c) land referred to in section 25 of the Act;
  - d) property insured which does not form part of a section and described on the sectional plan stated in the schedule.
9. **Unit** - a section with its undivided share in the common property apportioned to it in accordance with its participation quota.
10. **Participation Quota in the Common Property** - the participation quota of a section or of the owner of a section shall be the proportion designated in the Sectional Plan and/or Rules of the Controlling Body.
11. **Trustees** - the elected trustees of the Body Corporate.
12. **Employee** - Any employee of the Body Corporate but excluding Managing or Administration Agents, persons under the age of 16 and older than 75 and persons not under the direct control and supervision of the Insured.



13. **The insured** - the insured shall be the Body Corporate (including its Trustees) and shall include all owners and all mortgagees of registered mortgage bonds over the units in the scheme for their respective rights and interests.(hereinafter referred to as You/Your/Yourself/Co-insured).
14. **Geyser** means the geyser unit, drip tray and pan, control valves, stop cock, pipes within two meters of the geyser unit, the draw cock, safety valve and vacuum breaker all fitted to the building(s) insured under the Property Section.
15. **Subsidence** is the sudden and unforeseen downward movement of a site on which the building was erected due to a cause unconnected with the loading of the building itself.
16. **Landslip** is the downward and/or sideways movement of sloping ground resulting from the action of self-weight stresses and imposed loadings exceeding the available strength of the ground.
17. **Settlement** is the downward movement of a site due to the application of super-imposed loading from the building or a failure of the ground compaction and/or foundations.
18. **Retaining walls** is a structure specifically designed to restrain soil to an unnatural slope. In the event of a claim the insurer may ask the insured to provide the plans and specifications of the architect or consulting engineer who designed the wall.
19. **SABS** - means South African Bureau of Standards.
20. **Security gates and burglar bars** – gates and burglar bars specifically made for the purposes of securing the risk and constructed of 10 mm in diameter or equivalent solid steel bars
21. **This policy wording and the schedule shall be read together as one contract and any word or term to which a specific meaning has been attached shall carry such specific meaning wherever it appears.**



## SUB SECTION A: BUILDINGS AND COMMON PROPERTY

### Defined events

Loss or damage caused by the perils shown below to:

- (a) **the buildings** situated as stated in the schedule including,
- (b) **unit owners and common property fixtures and fittings** therein and thereon,
- (c) **common property** including plant, equipment and other structures and improvements of a permanent nature, walls (**except dam walls of any kind**), gates, posts and fences (except hedges), brick, tarred, concrete or paved roads, driveways, parking areas and paths, fire-extinguishing equipment, signage and landscaping being trees, shrubs, lawns **excluding golf course greens**, plants, fountains, rockwork and substations in the immediate surroundings of the premises on condition that it is the actual property of the Body Corporate .

### Insured Perils

- 1) Fire, lightning, thunderbolt, subterranean fire, explosion, meteorite impact.
- 2) Storm, wind, water, hail or snow other than
  - (a) that arising from its undergoing any process necessarily involving the use or application of water
  - (b) wear and tear or gradual deterioration
  - (c) loss or damage
    - (i) to retaining walls
    - (ii) caused or aggravated by subsidence or landslide
    - (iii) caused by the insured's failure to take all reasonable precautions for the maintenance and safety of the property insured and for the minimisation of any destruction or damage
    - (iv) mildew, damp, a rise in the underground water table, rising damp, rust, corrosion or rot.
- 3) Earthquake.
- 4) Aircraft and other aerial devices or articles dropped therefrom.
- 5) Impact by animals, trees, aerials, satellite dishes or vehicles.
- 6) Bursting, overflowing or escape of water or oil from **external** tanks, apparatus or pipes, fixed water or oil-fired heating installation and/or fire-fighting appliance, (excluding damage to such tanks, apparatus or pipes, fixed water or oil-fired heating installation and fire-fighting appliance) and excluding damage as a result of wear and tear and gradual deterioration. **Solar panels and fittings are excluded.**
- 7) Bursting, leaking or overflowing of **internal** geysers and/or domestic water apparatus and the damage to the geysers or apparatus, it's fittings and the attached pipes and miscellaneous fittings within one meter thereof.
- 8) Theft (or any attempt thereat) accompanied by forcible and violent entry into or exit from such building. If any building insured or containing the insured property becomes unoccupied for more than 30 consecutive days, this peril is suspended as regards the property affected, unless the insured, before the occurrence of loss or damage, obtains the written agreement of the company to continue this peril during the period of the initial un-occupancy of 30 consecutive days the insured shall become a co-insurer with the company and shall bear a rateable proportion of any damage equal to 20 percent of the claim before deduction of any first amount payable.
- 9) Loss or damage to the insured property due to a power surge caused by/following lightning strike or power failure.
  - (a) The maximum amount payable in terms of this extension will be R10 000 each and every claim per unit and/or common property and R30 000 per claim or in the aggregate per year of insurance.
  - (b) The Insured shall bear the first R1 500 of each claim.
  - (c) This extension will not cover losses or damage to insured property which is (a) subject to a products guarantee, manufacturers guarantee, service contract, purchase contract, purchase agreement and where such guarantee or contract provides indemnity or (b) being used as a tool of trade (c) the household contents of the owner and/or occupant and/or tenant of the insured property.
- 10) Accidental breakage to or collapse of radio or television aerials, satellite dishes, aerial fittings or masts.
- 11) Accidental damage to or breakage of glass or sanitary ware such as fixed glass in windows, doors, fanlights, skylights, greenhouses, conservatories and verandas, fixed wash-basins, pedestals, sinks, lavatory pans, splash-backs and cisterns (excluding denting, chipping, scratching or cracking not affecting the operation of the item) up to a maximum of R1000 per event and subject to an first amount payable of R250 per claim / per item.
- 12) Sudden and unforeseen physical loss or damage, not exceeding R5 000 in all and subject to an excess of R500 per claim / event, to the machinery of swimming pools, saunas, spa baths, Jacuzzis, automatic gates, garage doors, escalators and lifts, as well as borehole pumps, air-conditioning plant, hoists, transformers and electrical switchgear, in domestic use, installed at the premises caused by
  - (a) the crushing or stress from pressure
  - (b) the sudden breakage or burning out of any part of the plant, including overheating or collapse of bearings arising from electrical or mechanical breakdown.



**Geyser warranties**

a. It is a condition precedent to the company accepting liability that:

- (i) **the geyser is installed in accordance with SABS specifications (0254) as replaced and/or amended.** If the insured is unable to prove that the geyser was installed in accordance with the SABS specifications the **first amount payable will be increased by an additional R1 500 (One thousand Five hundred Rand) per claim,**
- (ii) the insured has completed and submitted the manufacturer's approved installer's document to the manufacturer and
- (iii) only the manufacture or its authorised agent is permitted to effect repairs and/or replacement while the geyser is under the manufacturer's guarantee/warranty.

b. It is **warranted** that geysers will be fitted with:

- (i) **dripping trays** and
- (ii) **drainage pipes**

failing which there will be no cover for any consequential damage following the bursting and overflowing of any geyser installation.

**Elevator / lift warranties**

It is hereby **warranted** that all lifts and elevators that are installed in the building insured shall be in full working order and that a full-service agreement is in place with an approved service provider. [No liability whatsoever shall attach to any lift / elevator that does not comply with this warranty].

**Thatch Warranties**

If the insured building has (a) a thatch roof or (b) a thatched building or lapa:

- (a) that is closer than 5m to the insured building and
- (b) the area thereof equals or exceeds more than 10% of the total square meters of the insured building's roof area then (c) **the building will be considered to be a thatch risk,**

and as such the following requirements will apply and be warranted as being installed and/or implemented:

- (i) at least one SABS approved lightning conductor will be compulsory where the thatch building floor area is equal to or exceeds 50m<sup>2</sup>
- (ii) at least one 5 kg handheld fire extinguisher must be available, wall mounted and accessible at all times
- (iii) all chimneys will be fitted with spark arrestors
- (iv) thatch must be treated with fire retardant chemicals

**Specific condition: Average**

If the rebuilding cost of the property insured is, at the commencement of any damage to such property by any peril insured against, collectively of greater value than the sum insured thereon, then the insured shall be considered as being their own insurer for the difference and shall bear a rateable share of the loss accordingly. Every item, if more than one, shall be separately subject to this condition. This condition shall apply to the individual units and not to the property as a whole.

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

The following peril is added - damage caused by subsidence or landslip provided that the insured shall bear the first portion of each and every claim up to an amount calculated at 1 percent of the sum insured on the property or R1 000 or any amount shown on the schedule, whichever is the greater for the purposes hereof, any damage insured shall be deemed to have been caused by fire provided that this extension does not cover:

- (a) damage to drains, watercourses, boundary walls, garden walls, retaining walls, gates, posts or fences unless specifically insured
- (b) damage caused by or attributable to
  - (i) faulty design or construction of, or the removal or weakening of support to, any building situated at the insured premises;
  - (ii) workmen engaged in making any structural alterations, additions or repairs to any building situated at the insured premises;
  - (iii) excavation on or under land other than excavations in the course of mining operations.
- (c) consequential loss of any kind whatsoever except loss of rent. In any action, suit or other proceeding where the company alleges that, by reason of the provisions of this extension, any damage is not covered by this insurance, the burden of proving the contrary shall rest on the insured.



**Escalation extension**

The sum insured in respect of buildings as defined in this policy will be increased as follows:

- (a) during the period of insurance by that proportion of the percentage specified against "current Insurance period" in the schedule, which the number of days from the inception date to date of loss bears to the period of insurance;
- (b) on the happening of a loss by an Insured Peril as detailed in Sub Section A of this policy, the sum Insured as at the time of the loss shall be increased by the percentage specified on the policy schedule.

**Leakage extension**

Damage caused by discharge or leakage from fire extinguishing installations/appliances.

**Damage by wild baboons or wild monkeys**

The insured will be compensated for loss of or damage to the insured property caused by wild baboons or wild monkeys. Compensation is limited to 2% of the insured amount or the amount shown on the schedule whichever is the greater. The insured will be responsible for the greater of the first amount payable shown on the schedule or R1 000 of each and every loss.

**Malicious damage extension**

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

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

Provided that this extension does not cover

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

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

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

During the period of the initial un-occupancy of 30 consecutive days the insured shall become a co-insurer with the company and shall bear a proportion of any damage equal to 20 percent of the claim before deduction of any first amount payable.

**Watchmen extension**

The company will indemnify the insured for the costs reasonably incurred in employing watchmen following an event which may give rise to a claim, provided that the indemnity limit of this extension shall not exceed R 10 000 for each and every claim.

**Clauses**

**Architects' and other professional fees clause**

The insurance under Section A includes professional fees (for estimates, plans, specifications, quantities, tenders and supervision) necessarily incurred in the reinstatement or replacement of the property insured following damage by a defined event, but in no case exceeding 15 percent of the amount payable in respect of such damage and provided that the total amount recoverable shall not exceed the sum insured on the property affected. The amount payable in respect of such fees shall not include expenses incurred in connection with the preparation of the insured's claim.

**Capital additions clause**

The insurance under this policy covers alterations, additions and improvements (but not appreciation in value in excess of the sum(s) insured) to the property for an amount not exceeding 15 percent of the sum insured thereon, it being understood that the insured undertakes to advise the company each quarter of such alterations, additions and improvements, and to pay the appropriate additional premium thereon.



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

The insurance under this policy includes costs necessarily incurred by the insured in respect of the demolition of property insured and/or the removal of debris and in providing, erecting and maintaining hoardings required during demolition, site clearing and/or building operations following damage to the property insured by a defined event, provided that the total amount recoverable shall not exceed the sum insured on the property affected.

The company will not pay for any costs or expenses

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

**Fire extinguishing charges clause**

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

**Mortgagee clause – banks and financial institutions**

1. This insurance as to the interest of the Mortgagee(s) in the buildings, improvements, landlords’ fixtures and rent insured only shall not be invalidated by:
  - (a) any act or neglect of the Body Corporate or any of the Owners of units as defined in the Sectional Titles Act No. 95 of 1986 as amended or replaced from time to time, or
  - (b) by any misrepresentation or non-disclosure by the Body Corporate or any of the Owners of the units at the time when the Insurance is effected or renewed or during the currency thereof, or
  - (c) by the alienation of the property, or
  - (d) by the occupation thereof for purposes more hazardous than are permitted by the Policy provided that
    - (i) such act, neglect, misrepresentation, non-disclosure, alienation or occupation shall have been effected without the knowledge or privity of the Mortgagee(s) and
    - (ii) the Mortgagee(s) shall notify the company of the happening or existence of such act, neglect, misrepresentation, non-disclosure, alienation or occupation as soon as same shall come to his or her knowledge;
    - (iii) the Mortgagee(s) shall, on reasonable demand, pay the additional charge for any increase of hazard thereby created according to the established scale of rates, for the time such increased hazard may be, or shall have been, assumed by the company during the continuance of the Insurance, and
    - (iv) any compensation payable in terms of this section shall be payable direct to the Mortgagee(s) of the particular unit in the order of preference of their bonds up to the value allocated to the particular unit in this Policy or the aggregate of the amounts due by the unit owner to the mortgagees under their mortgage bonds, whichever is the lesser.
2. All and any amounts becoming payable by the company under this insurance policy as a result of damage to or destruction of the buildings, improvements or Landlords’ fixtures shall, unless otherwise resolved or ordered in terms of Section 48 of the Sectional Title Act to be wholly applied to the reinstatement of such damage. If it is resolved or ordered in terms of Section 48 of the Sectional Title Act that such damage should not be reinstated, the proceeds of any claim applicable to the unit shall be made in the first place to the Mortgagee(s) of the particular unit in the Policy or the aggregate of the amounts due by the unit owner to the mortgagees under their mortgage bonds, whichever is the lesser.

**Municipal plans scrutiny fee clause**

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

**Public authorities’ requirements clause**

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

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





3. if the liability of the company under any item of this policy apart from this clause shall be reduced by the application of any of the terms, exceptions and conditions of this section, then the liability of the company under this clause in respect of any such item shall be reduced in like proportion
4. the total amount recoverable under any item of this policy shall not exceed the sum insured thereby.

**Railway and other subrogation clause**

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

**Reinstatement value conditions clause**

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

1. the work of replacement or reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the insured subject to the liability of the company not being thereby increased) must be commenced and carried out with reasonable despatch, otherwise no payment beyond the amount which would have been payable if these reinstatement value conditions had not been incorporated herein shall be made
2. until expenditure has been incurred by the insured in replacing or reinstating the property, the company shall not be liable for any payment in excess of the amount which would have been payable if these conditions had not been incorporated herein
3. if, at the time of replacement or reinstatement, the sum representing the cost which would have been incurred in replacement or reinstatement if the whole of the insured property had been damaged exceeds the sum insured thereon at the commencement of any damage to such property by a defined peril, then the insured shall be considered as being their own insurer for the excess and shall bear a rateable proportion of the loss accordingly. Each unit of the list of units (if more than one) to which these conditions apply shall be separately subject to this provision.
4. These conditions shall be without force or effect if
  - (a) the insured fails to intimate to the company within six months of the date of damage, or such further time as the company may in writing allow, their intention to replace or reinstate the property
  - (b) the insured is unable or unwilling to replace or reinstate the property on the same or another site.

**Temporary removal clause**

Except in so far as otherwise insured, landlords’ fixtures and fittings are covered while temporarily removed to any other premises, including transit by road, rail or inland waterway anywhere within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi, provided that the amount payable under this clause shall not exceed that which would have been payable had the loss occurred on the premises from which the property is temporarily removed.

**Tenants/owners clause**

The insurance shall not be invalidated by any act or omission on the part of an owner of a unit (except if committed by all the owners in collusion or except in respect of damage belonging to the owner whose act or omission caused the damage) or a tenant thereof (without the insured’s or owner’s knowledge), provided that the insured or owner notifies the company as soon as such act or omission comes to their knowledge and pays on demand the appropriate additional premium.

**SUB SECTION B: LOSS OF RENT**

**1. Loss of rent/levies receivable from tenants**

Loss of rent/levies as a result of the property insured damaged by any of the perils specified as to be rendered untenable (including partially untenable), but only for the period necessary for reinstatement and for an amount not exceeding 25 percent of the sum insured on the affected unit or section of the property. The basis of calculation shall be the rent/levies payable immediately preceding the damage.

**2. Owners alternative accommodation**

In consequence of the property being so damaged by any of the perils specified as to be rendered untenable, the company will indemnify the insured in respect of the reasonable cost of equivalent alternative accommodation up to a limit of 25 percent of the sum insured on the affected unit. The indemnity period shall be limited to the period necessary for the reinstatement of the unit. The insurance provided herein does not cover any loss which at the time of happening of such loss is insured by or would, but for the existence of this policy, be insured by any other policy except in respect of any excess beyond the amount which would have been payable under the policy had this insurance not been effected.

**Prevention of access extension**

If property (not being land, roads, culverts and/or bridges) within a 10km radius of the premises stated in the schedule is lost or damaged by a peril defined in Sub- Section A during the period of insurance and this prevents or hinders the use of or access to the property insured by this section, the company will pay any loss of rent the insured may incur as a result thereof up to an amount not exceeding 25 percent of the sum insured on the affected property. The loss of rent calculation will be based on the rent payable immediately preceding the loss or damage or its equivalent rental value.



**Specific Exclusion**

We will not pay for rent while the buildings insured by this policy are in course of erection and/or completion and/or alteration not necessitated by a loss in terms of the insured perils, until final completion of the contract.

**SUB SECTION C: PUBLIC SUPPLY CONNECTIONS**

Accidental damage to water, sewerage, gas, electricity and telecommunication connections the property of the insured or which they are legally responsible, between the property insured and the public supply connections.

**SUB SECTION D: OFFICE CONTENTS**

**Defined events**

1. Loss or damage to the contents including electronic data processing equipment and landlord's fixtures and fittings the property of the insured or for which they are responsible and, unless otherwise stated in the schedule, to the extent that the same is not otherwise insured, property owned by trustees or employee of the insured up to an amount of R2500 per person while contained in the offices situated as stated in the schedule (hereinafter called the office premises) by any of the perils specified in A: Contents.
2. Loss of or damage to the whole or part of the property defined in B: Documents and the consequences thereof insured under C: Legal Liability Documents.
3. Loss and/or expenditure described in D: Increased Cost of Working.

**Definition**

Electronic data processing equipment includes computers, printers and all related hardware, peripherals and computer software and the information or data stored therein or thereon.

**A. Contents**

1. Fire, lightning, thunderbolt, subterranean fire, explosion.
2. Storm, wind, water, hail or snow excluding loss of or damage to property arising from its undergoing any process necessarily involving the use or application of water.
3. Earthquake but excluding loss of or damage to property in the underground workings of any mine.
4. Aircraft and other aerial devices or articles dropped therefrom.
5. Impact by animals, trees, aerials, satellite dishes or vehicles excluding damage to such animals, trees, aerials, satellite dishes or vehicles or property in or on such vehicles.
6. Accidental breakage of mirror glass, plate glass tops to furniture or fixed glass forming part of any article of furniture.
7. Theft accompanied by forcible and violent entry into or exit from the office or any attempt thereat or because of theft (or any attempt thereat) following violence or threat of violence.

**Limitations clause**

The company's liability under this sub-section is restricted in respect of documents, manuscripts, business books, plans, designs, patterns, models and moulds to the value of materials and sums expended in labour.

**B. Documents**

Loss of or damage to documents normally kept at the office premises by any peril not specifically excluded.

**Definition**

The term documents shall mean

Films, tapes, addressograph plates, books, records, maps, plans, drawings, abstracts, deeds, wills, mortgages, agreements, manuscripts, letters, certificates, documents and similar written, printed or otherwise inscribed papers and documents used by the insured in the business and owned by them or for which they are responsible excluding money, current postage or revenue stamps, cancelled and uncanceled coupons, securities, bearer bonds, cheques, drafts and any written order to pay a sum certain in money and any written evidence of indebtedness or obligation and all property carried or held as samples or for sale or for delivery after sale and computer software and computer data carrying media unless otherwise stated in the schedule.

**Limitations clause**

The company's liability under this sub-section is limited to all costs, charges and expenses incurred by the insured in replacing or restoring such documents up to an amount of R10 000 or the amount shown on the policy schedule whichever is the greater.

**C. Legal Liability Documents**

Legal liability as a direct consequence of loss of or damage to documents as defined in B and in respect of which payment, reinstatement or repair has been made or liability admitted by the company under B unless such payment reinstatement repair or liability has not been made or admitted solely because the insured is required to bear the first portion of the loss.

**Specific exception (applicable to Legal Liability)**

This sub-section does not cover liability

- (i) assumed by the insured under any contract, undertaking or agreement where such liability would not have attached to the insured in the absence of such contract, undertaking or agreement.



- (ii) consequent upon injury or damage arising out of the malicious acts, deliberate, conscious and intentional disregard by the insured, insured's management of the need to take reasonable precautions to prevent any event or circumstances which may give rise to a claim.

**D. Increase in cost of working**

Any additional expenditure not otherwise provided for in this section reasonably incurred by the insured for the purposes of maintaining the normal operation of the business in consequence of loss or damage in respect of which payment, reinstatement or repair has been made or liability therefore admitted by the company under sub-sections A or C.

The indemnity under this sub-section shall not exceed 25% of the sum insured on all contents of the office premises affected.

**Clauses and extensions**

**Fire extinguishing charges clause**

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

**Locks and keys clause**

In addition to the limit of indemnity stated in the schedule, the company will indemnify the insured in respect of the cost of replacing locks and keys to any insured office premises following upon the disappearance of any key to such premises or following upon the insured having reason to believe that any unauthorised person may be in possession of a duplicate of such key.

Provided that

- (i) the company's liability shall not exceed R1 000 in respect of any once event
- (ii) the company shall not be liable for the first R100 of each and every event.

**SUB SECTION E: MONEY**

**Defined events**

Loss of or damage to money (as defined) occurring in the Republic of South Africa, except if otherwise specified.

**Definitions**

**Money** shall mean cash, bank and currency notes, cheques, postal orders, money orders, current negotiable postage, revenue and holiday stamps, credit card vouchers and documents, certificates or other instruments of a negotiable nature, the property of the insured or for which they are responsible.

**Receptacle** shall mean any safe, strong room, strongbox, till, cash register, cash box or other receptacle for money or any franking machine.

**Indemnity**

the company will indemnify the insured for loss or damage to money, receptacles and clothing arising from one occurrence or a series consequent upon or attributable to one source or original cause provided that the company's liability shall not exceed (money, receptacles and clothing together) the specific limits stated in the schedule under Money.

**Extensions**

**1. Locks and keys**

In addition to any payment in respect of a defined event, the company will indemnify the insured in respect of the cost of replacing locks and keys to any receptacle at the insured premises following upon the disappearance of any key to such receptacle or following upon the insured having reason to believe that any unauthorised person may be in possession of a duplicate of such key.

Provided that

- (iii) the company's liability shall not exceed R1000 in respect of any one event
- (iv) the company shall not be liable for the first R200 of each and every event.

**2. Skeleton keys**

The insurance under this section extends to cover loss of or damage to the property insured caused or accompanied by entry to receptacles by use of a skeleton key or other similar device (excluding a duplicate key) provided that the insured shall establish to the satisfaction of the company that a skeleton key or device was used

**Money in Transit Warranty**

It is warranted that the transport of money by the Insured to and from the bank shall be uninterrupted and direct. Failure to comply with this warranty will invalidate cover. Theft of money from an unattended vehicle is excluded in its totality.

**Specific exceptions**

The company shall not be liable for loss of or damage to money

- (1) arising from dishonesty of any trustee or person or persons in the employ of the insured not discovered within 14 working days of the occurrence thereof;
- (2) arising from shortage due to error or omission;
- (3) arising from the use of keys to any safe or strongroom unless the keys are obtained by violence or threats of violence to any person.;



- (4) in an unlocked safe or strongroom whilst the portion of the premises containing such safe or strongroom is unattended but this exception will not apply if it can be shown to the satisfaction of the company that the keyholder to the safe or strongroom deliberately left it unlocked with the intention of allowing the money to be stolen;
- (5) not contained in a locked safe or strongroom whilst the portion of the premises containing such money is unattended but this exception will not apply if it can be shown to the satisfaction of the company that the person(s) responsible for the money deliberately left it outside the safe or strong room with the intention of allowing it to be stolen;
- (6) in any vehicle being used by the insured unless a trustee or employee of the insured is actually in such vehicle or, if not such vehicle, is within 5 metres of it in a position from which the vehicle is clearly visible. This exception shall not apply following an accident involving such vehicle rendering the said person incapacitated.

## **SUB SECTION F: GLASS**

### **Defined events**

Loss of or damage to internal and external glass (including mirrors) forming part of the building exterior or common property, signwriting and treatment thereon at the insured premises as stated in the schedule, the property of the insured or for which they are responsible.

Following loss of or damage to glass the company will also indemnify the insured for

1. the cost of such boarding up as may be reasonably necessary;
2. damage to frames, fixtures and fittings, burglar alarm strips, wires and vibrators as a direct result of such loss or damage;
3. the cost of removal and reinstallation of fixtures and fittings necessary for the replacement of the glass;
4. the cost of employment of a watchman service prior to replacement of glass or boarding up or the repair of the burglar alarm system, unless payable under any other insurance arranged by the insured;

provided that the liability of the company shall not exceed the sum insured as stated and for all other costs and expenses provided for by this section and resulting from one occurrence or series of occurrences attributable to one source or original clause and in the aggregate the sum of R5 000.

### **Specific condition**

#### **Definition of glass**

Unless specifically agreed glass shall mean;

- (i) all glass (including mirrors) insured by this section is presumed to be plain plate/float glass not exceeding 6 mm in thickness, whether coated with a film or not;
- (ii) laminated safety glass not exceeding 8 mm in thickness;
- (iii) glass counter tops situated in the common property areas.

### **Specific exceptions**

The company shall not be liable for

1. loss or damage which is insured by, or would, but for the existence of this section, be insured, by any fire insurance, except in respect of any excess beyond the amount which would have been payable under such fire insurance had the insurance under this section not been effected,
2. glass which, at inception of this insurance, is cracked or broken unless cover has been agreed by the company
3. defacement or damage other than fracture through the entire thickness of the glass or any laminate thereof.

## **SUB SECTION G: PUBLIC LIABILITY**

### **Defined Events**

Damages for which the insured shall become legally liable to pay consequent upon death of or bodily injury to or illness of any person (hereinafter termed injury) or loss of or physical damage to tangible property (hereinafter termed damage) occurring during the period of insurance in, on or about the property insured and arising from the insured's ownership of the property insured.

### **The Limit of Indemnity**

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

### **Specific Exceptions**

The company will not indemnify the insured under this section in respect of

1. injury or damage sustained by
  - (a) any trustee or member of the same household as the insured;
  - (b) any person employed by the insured under a contract of service or apprenticeship and arising directly from and in the course of such employment by the insured;
  - (c) any other person resulting from the ownership of or use by or on behalf of the insured of mechanically propelled vehicles (except pedal cycles, lawnmowers or golf carts belonging to the insured and used on the insured premises).
2. damage to property



- (a) (i) belonging to the insured
- (ii). in the custody or control of the insured or any employee of the insured
- (b) caused by vibration or by the removal or weakening of or interference with support to any land, building or other structure.
- 3. liability assumed by agreement, unless liability would have attached to the insured notwithstanding such agreement.
- 4. (a) liability in respect of injury, damage or loss of use of property directly or indirectly caused by seepage, pollution or contamination, provided always that this exception shall not apply where such seepage, pollution or contamination is caused by a sudden, unintended and unforeseen occurrence
- (b) the cost of removing, nullifying or cleaning up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unforeseen occurrence

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

- 5. fines, penalties, punitive, exemplary or vindictive damages.
- 6. (a) damages in respect of judgements delivered or obtained in the first instance otherwise than by a court or competent jurisdiction within the Republic of South Africa, Namibia, Botswana, Lesotho and Swaziland;
- (b) costs and expenses of litigation recovered by any claimant from the insured which are not incurred in and recoverable in the area described in 6(a) above.
- 7. liability consequent upon injury or damage caused by or through or in connection with the ownership, hire or leasing of any airport, airstrip or helicopter pad.
- 8. liability consequent upon injury or damage arising out of the malicious acts, deliberate, conscious and intentional disregard by the insured, insured's management of the need to take reasonable precautions to prevent any event or circumstances which may give rise to a claim.

**Extension: Additional insured**

Provided that the aggregate liability of the company is not increased beyond the limit of indemnity stated, the company will also indemnify as though a separate policy had been issued to each:

- (a) in the event of the death of the insured, any personal representative of the insured in respect of liability incurred by the insured;
- (b) any trustee, partner or director or member or employee of the insured (if the insured so requests) against any claim for which the insured is entitled to indemnity under this insurance.

For the purpose 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.

**Nursery school, creche and pre/after school liability exclusions**

It is hereby warranted that no liability whatsoever shall attach to a nursery school that is situated on any property insured in terms of this policy.

For the purposes of this warranty the school shall be described as the premises of the school, the staff that are employed by this school as well as the learners/pupils who attend the school and third parties that visit or attend the premises for any reason whatsoever.

**Elevator / lift warranties – liability cover excluded unless complied with**

No liability whatsoever shall attach to any lift or elevator if the conditions of the “Elevator and Lifts Warranty” were not complied with.

**Cross liability**

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

**Emergency medical expenses**

The company will indemnify the insured for all reasonable expenses not exceeding R50 000 for any one event and R100 000 in any one (annual) period of insurance incurred by the insured for such immediate medical treatment as may be necessary at the time of an accident causing injury to any person who may be the subject of a claim for indemnity by the insured in terms of this section.

**Employees and visitor's property**

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

**Legal defence costs**

If the insured so requests, the company will indemnify any employee, partner, trustee or director of the insured against costs and expenses not exceeding R50 000 for any one event and R100 000 in any one (annual) period of insurance and incurred by and on behalf of such a person with the consent of the company in the defense of any criminal action brought against such person in the course of his occupation with the insured arising from an alleged contravention of the statutes as herein defined during the period of insurance, provided that

- (i) in the case of an appeal, the company shall not indemnify such person unless a senior counsel approved by the company shall advise that such appeal should, in his opinion, succeed



- (ii) the company shall not indemnify such person in respect of any fine or penalty imposed by any magistrate or judge or any loss consequent thereon
- (iii) such person shall, as though he were the insured, observe, fulfil and be subject to the terms, exceptions and conditions of this policy and this section thereof in so far as they can apply.

**The Statutes**

The Occupational Health and Safety Act No. 85 of 1993 (as amended)  
 The Electricity Act No. 40 of 1958 (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).

**Other insurance**

If, at the time of any event giving rise to a claim under this section, indemnity is also provided under any other insurance, this section shall not be drawn into contribution with such other insurance except in respect of any excess over and above the amount payable by such other insurance.

**Security firms**

Notwithstanding Specific exception 3, if, in terms of a contract with a security firm engaged in the course of the insured's business (as owner of the premises specified in the schedule) to protect the insured's property at the premises stated in the schedule, the insured becomes legally liable for the acts or omissions of the employees of the security firm in the course of their employment at these premises, then this section includes such legal liability to the extent that indemnity would have been granted under this section had the said employees been under a contract of service to the insured and not the security firm, but not exceeding the limit of liability stated in the schedule for this section.

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

**Wrongful arrest and defamation**

The defined events are extended to include damages

- (i) resulting from wrongful arrest (including assault in connection with such wrongful arrest)
- (ii) in respect of defamation

provided always that the limits of indemnity as stated shall not exceed R 50 000 under each of (i) and (ii) and R 100 000 in any one (annual) period of insurance.

**SUB SECTION H: TRUSTEES LIABILITY**

**Defined Events**

All sums that the Body Corporate and/or Trustee(s) shall become legally liable to pay arising out of the wrongful act of a trustee by the actual or alleged breach of trust, breach of duty, neglect, error, misstatement, misleading statement, omission or other act wrongfully committed or attempted by a trustee which arises solely by reason of the particular trustee acting in a capacity as a trustee of the Body Corporate provided that the company's limit of liability for this insurance (including costs and expenses) shall not exceed the amount stated in the schedule for any one event and in any one (annual) period of insurance.

**Specific Exceptions**

The company will not indemnify the insured in respect of:

- 1 any liability for the payment of VAT.
- 2 any remuneration or other monies for which the body corporate or trustee(s) is/are legally liable.
- 3 any indemnity claimed or claimable in terms of any other insurance.
- 4 any trustee(s) committing any wrongful act(s) knowing such action(s) to be illegal, fraudulent or of malicious intent, but this exception shall not apply to any innocent party affected by such act(s).
- 5 fines, penalties, punitive, exemplary or vindictive damage.
- 6 the greater of the first R 5 000 of each and every claim.
- 7 death, disease, illness or bodily injury to any person other than an employee of the body corporate
- 8 damage to property unless arising out of advice or omission to perform a professional duty
- 9 damages in respect of judgements delivered or obtained otherwise than by a court of jurisdiction within the Republic of South Africa.
- 10 litigation costs and expenses incurred by any claimant outside the jurisdiction of the courts of the Republic of South Africa.
- 11 any claim arising from an event known to the insured
  - (a) prior to the inception of this insurance;
  - (b) which is not reported to the company in terms of General condition 5
- 12 the consequences of any circumstances known to the insured at inception of this insurance cover and which might reasonably be expected to produce a claim, unless in advance by the insured and accepted by the company
- 13 any claim (in the event of cancellation or non-renewal of this insurance) not first made in writing against the insured within the 48 month period (or extended period in respect of minors) as specified in Specific Condition 2.



**Specific Conditions**

1. Any claim first made in writing against the insured as a result of a defined event reported in terms of General Condition 5 (hereinafter termed reported event) shall be treated as if it had first been made against the insured on the same day as the insured reported the event to the company.
2. In the event of the cancellation or non-renewal of the extension
  - (a) any claim resulting from a reported event, first made in writing against the insured during the 48 months immediately following cancellation or non-renewal shall be treated as having been made against the insured on the same day as the insured reported the event to the company. If the claimant is a minor, the period of 48 months will be extended until the expiry of 12 months after the attainment of majority by the claimant.
  - (b) the insured may report an event in terms of General condition 5 to the company for up the 15 days after cancellation or non-renewal
    - (i) such event having occurred during the period of insurance
    - (ii) any subsequent claim first made in writing against the insured as a result of such event shall be treated as if had first been made on the last day preceding cancellation or non-renewal and is subject to the 48 months period specified in 2(a) above
3. Any series of claims made against the insured by one or more than one claimant during the period of insurance consequent upon one or more event or series of events with one original cause or source shall be treated as if they had all been made against the insured (a) on the date that the event was reported by the insured in terms of General Condition 5. or (b) if the insured was not aware of any event which could have given rise to a claim, on the date that the first claim or series was first made against the insured.

**Definitions**

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

**SUB SECTION I: FIDELITY GUARANTEE**

**Defined Events**

1. Loss of money and/or other property belonging to the insured or for which they are responsible stolen by an insured trustee(-s) or employee during the currency of this section
2. Direct financial loss sustained by the insured as a result of fraud or dishonesty of an insured trustees or employee all of which occurs during the currency of this section which results in dishonest personal financial gain for the trustee or employee concerned other than gain in the form of salary, salary increases, fees, commissions, bonuses, promotions or other emoluments provided that
  - (i) all losses are discovered not later than twelve months after the termination of:
    - (i) this section, or
    - (ii) this section in respect of any trustee or insured employee concerned in a loss, or
    - (iii) the employment of the insured employee or the last of the insured employees concerned in a loss whichever occurs first;
  - (ii) renewal of this insurance from period to period or any extension of any period of insurance shall not have the effect of accumulating or increasing the liability of the company beyond the sum insured stated in the schedule. If the period of insurance is less than 12 months the company's liability is limited to the sum stated in the schedule during any twelve month period of insurance calculated from inception or renewal.
  - (iii) the amount payable during any one period of twelve (12) consecutive months from inception or anniversary date shall not exceed the sum stated at inception or anniversary date as the case may be. If the sum insured is increased, the twelve (12) consecutive months applies from the anniversary date.

**Definition**

**For the purposes of this insurance:**

**1. Employee shall mean**

- (a) a trustee or number of trustees of The Body Corporate;
- (b) any person while employed under a contract of service with or apprenticeship to the insured and so declared to the company;
- (c) any person while hired or seconded from any other party into the service of the insured; who the insured has the right at all times to govern, control and direct in the performance of his work in the course of the business of the insured and so declared to the company.

**2. Person shall mean**

an employee employed by the insured under a contract of service and who functions under the direct supervision and control of the insured.



**Specific exceptions**

1. The company shall not be liable for:-
  - (a) loss resulting from or contributed to by any defined event by;
    - (i) trustee and or any employee from the time the insured shall become aware that such trustee or employee has committed any fraud or dishonesty;
  - (b) any consequential losses of any kind following losses referred to under defined events;
  - (c) the first amount payable.
2. This section does not cover any company or other legal entity associated with the insured during the period of insurance.
3. The company shall not be liable for any defined event if it results from the dishonest:-
  - (i) manipulation of
  - (ii) input into
  - (iii) suppression of input into
  - (iv) destruction of
  - (v) alteration of any computer programme, system, data or software by any trustee and/or insured employee who is employed in the insured's electronic data processing department or area.

This exception does not apply to trustees or insured employees who are employed in the electronic data processing department/area of any non-networked micro/personal computer.

**Specific conditions**

1. The insured shall institute and/or maintain and continue to employ in every material manner all such systems of check and control, accounting and clerical procedures and methods of conducting his business as has been declared to the company but the insured may:
  - (a) change the remuneration and conditions of service of any trustee or employee with the approval of the governing body;
  - (b) in respect of any trustee or employee change his duties and position;
  - (c) in respect of any trustee or employee remove such trustee or employee and place in that position any other person who falls within the definition of trustee or employee and agreed to by the governing body;
  - (d) make such other changes as are approved beforehand in writing by the insured's auditors.
2. If the insured shall sustain any loss to which this section applies which exceeds the amount payable hereunder in respect of such loss, the insured shall be entitled to all recoveries (except from suretyship, insurance, reinsurance, security or indemnity taken or effected by the company or for the amount of any first amount payable) by whomsoever made on account of such loss until fully reimbursed, less the actual cost of effecting the same, and any remainder shall be applied to the reimbursement of the company and the insured to the extent of his coinsurance in terms of item (b) of the compulsory first amount payable clause.

**Costs of recovery extension**

If the insured shall sustain any loss to which this section applies which exceeds the sum insured hereunder, the company will, in addition to the sum insured, pay to the insured costs and expenses not exceeding R25 000 per claim/event or in the aggregate per annum, necessarily incurred with the consent of the company (which shall not be unreasonably withheld) for the recovery or attempted recovery from the trustee or employee in respect of whose dishonest or fraudulent act the claim is made, of that part of the loss which exceeds the sum insured hereunder. All amounts recovered by the insured in excess of the said part of the loss shall be for the benefit of the company and the insured to the extent of his coinsurance in terms of item (b) the compulsory first amount payable clause.

**SUB SECTION J: BUSINESS ALL RISKS**

**Defined events**

Loss of or damage to the whole or part of the property described in the schedule by any accident or misfortune not otherwise excluded.

**Specific exceptions**

The company shall not be liable for:-

1. loss of or damage to property resulting from or caused by:
  - (a) theft from any unattended vehicle in the custody or control of the insured or any trustee, principal, partner, director or employee of the insured unless the property is contained in a completely closed and securely locked vehicle or the vehicle itself is housed in a securely locked building and entry to or exit from such locked vehicle or building is accompanied by forcible and violent entry or exit;
  - (b) its undergoing a process of cleaning, repair, dyeing, bleaching, alteration or restoration;
  - (c) inherent vice or defect, vermin, insects, damp, mildew or rust;
  - (d) the dishonesty of any trustee or employee of the insured whether acting alone or in collusion with others;
  - (e) permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
  - (f) loss occasioned by error or omission in receipts payments, accountancy, disappearance, shortages if such disappearance is only discovered when making of or checking against the inventory;
  - (g) the first amount payable as stated.





2. wear and tear or gradual deterioration (including the gradual action of light or climatic or atmospheric conditions) unless following an accident or misfortune not otherwise excluded;
3. mechanical, electronic or electrical breakdown, failure, breakage or derangement unless caused by an accident or misfortune not otherwise excluded;
4. loss of or damage to cash, bank and currency notes, coins, bonds, coupons, stamps, negotiable instrument, title deeds, manuscripts or securities of any kind;
5. loss of or damage to goods consigned under a bill of lading.

**Specific conditions**

**Repair, Replacement or Cash in Lieu payment**

The company may in its discretion repair, replace or pay cash in lieu in respect of claims submitted for damaged or lost goods.

The basis upon which the amount payable or costs to repair or replace is to be calculated shall be either:

(i) 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

(ii) the repair of the property to a condition substantially the same as, but not better than, its condition when new

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

**SUB SECTION K: EMPLOYERS LIABILITY**

**Defined events**

Damages which the insured shall become legally liable to pay consequent upon death of or bodily injury to or illness of any person employed under a contract of service or apprenticeship with the insured, which occurred in the course of and in connection with such person's employment by the insured, and which results in a claim or claims first being made against the insured in writing during the period of insurance.

**The limit of indemnity**

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

**Specific exceptions**

This section does not cover

- (a) liability assumed by the insured under any contract, undertaking or agreement where such liability would not have attached to the insured in the absence of such contract, undertaking or agreement
- (b) liability for disease or impairment attributable to a gradually operating cause which does not arise from a sudden and identifiable accident or event
- (c) fines, penalties, punitive, exemplary or vindictive damages
- (d) (i) damages in respect of judgements delivered or obtained in the first instance otherwise than by a court of competent jurisdiction within the Republic of South Africa, Namibia, Botswana, Lesotho and Swaziland
  - (ii) costs and expenses of litigation recovered by any claimant from the insured which are not incurred in and recoverable in the area described in (d) (i) above
- (e) any claim arising from an event known to the insured
  - (i) which is not reported to the company in terms of General Condition 6
  - (ii) prior to inception of this section
- (f) Any claim (in the event of cancellation or non-renewal of this section) not first made in writing against the insured within the 48 month period (or extended period in respect of minors) as specified in Specific condition 2
- (g) injury or damage arising out of the malicious acts, deliberate, conscious and intentional disregard by the insured, insured's management of the need to take reasonable precautions to prevent any event or circumstances which may give rise to a claim
- (h) injury, damage or liability directly or indirectly caused by, related to or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, military or usurped power.



**Specific conditions**

1. Any claim first made in writing against the insured as a result of a defined event reported in terms of General condition 6 (hereinafter termed reported event) shall be treated as if it had first been made against the insured on the same day that the insured reported the event to the company.
2. In the event of cancellation or non-renewal of the policy
  - (a) any claim resulting from a reported event, first made in writing against the insured during the 48 months immediately following cancellation or non-renewal shall be treated as having been made against the insured on the same day that the insured reported the event. If the claimant is a minor, the period of 48 months will be extended until the expiry of 12 months after the attainment of majority by the claimant
  - (b) the insured may report an event in terms of General condition 6 to the company for up to 15 days after cancellation or non-renewal, provided that
    - (i) such event occurred during the period of insurance
    - (ii) any subsequent claim first made in writing against the insured as a result of such event shall be treated as if it had first been made on the last day preceding cancellation or non-renewal and is subject to the 48 month period specified in 2(a) above.
3. Any series of claims made against the insured by one or more than one claimant during any period of insurance consequent upon one event or series of events with one original cause or source shall be treated as if they all had first been made against the insured
  - (a) on the date that the event was reported by the insured in terms of General condition 6
 

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

**SUB SECTION L: MACHINERY BREAKDOWN**

**Defined events**

Any unforeseen and sudden physical damage to the machinery defined under definitions from any cause whilst it is:-

1. at work or at rest;
2. being dismantled for the purpose of cleaning, inspection and overhaul or removal to another position or in the course of these operations themselves or subsequent re-erection within the Insured's premises.

**Definitions**

Machinery means:-

- (i) air-conditioning plant, electrical switchgear and transformers;
- (ii) lift, escalator, hoist room machinery, equipment, electrical switchgear, shafting and transformers;
- (ii) swimming pool motors, sauna motors, spa bath motors, jacuzzi motors, borehole motors, automatic gate motors, garage door- motors, all forming part of the buildings insured and situated within the premises and immediate surroundings on condition that it is the actual property of the Body Corporate forming part of the buildings insured under Sub Section A.

**Basis of indemnity**

1. If the damage can be repaired the company will pay the cost of restoration to working order based on the customary daily rates of wages in the district and normal freight erection and custom dues.
2. If the insured item is totally destroyed the company will pay the market value of the item immediately before the accident and the cost of removing the damaged machinery less the value of the remains. The insured item shall be regarded as totally destroyed if the repair costs as defined in 1 above equal or exceed its market value immediately before the accident limited to the sum insured shown in the schedule.
3. The company may at its option repair reinstate or replace any damaged machinery or pay the amount of the damage in cash.

**Specific exceptions**

1. Irrespective of the original cause the Company will not pay for:-
  - (a) first amount payable specified in the schedule or policy wording whichever is the greater, each and every occurrence
  - (b) damage due to:
    - (i) fire, lightning, explosion and fire extinguishing of a fire, direct lightning, strikes, explosion;
    - (ii) theft, collapse of buildings, impact by animals, vehicles, aircraft, other aerial devices or objects dropped therefrom, sonic shock waves;
    - (iii) water, water which escapes from water containing apparatus including leakage or discharge from any sprinkler or drencher system;
    - (iv) subsidence, landslide, storm, flood, inundation, hail, snow, earthquake, volcanic eruption or other convulsions of nature or any subsequent dismantling.



- (c) damage resulting from experiments overloads or tests requiring the imposition of abnormal conditions;
  - (d) damage due to the misapplication of tools;
  - (e) wearing away wastage of material or the like or wearing away or wearing out of any part of the machinery caused by or naturally resulting from ordinary usage or working or other gradual deterioration;
  - (f) expendable parts and tools - if these parts or tools are damaged as a result of an accident to other parts of the machinery insured as provided for by this insurance the company shall indemnify the insured for the residual value of such parts or tools;
  - (g) express delivery overtime, extra charges for express delivery, overtime, Sunday and holiday rates of wages unless specially provided for herein;
  - (h) the value of damaged parts which can be used in any way whatsoever;
    - (i) additions costs of alterations additions improvements and overhauls carried out on the occasion of a repair;
    - (ii) temporary repairs and any consequences arising therefrom unless the company has authorised the temporary repairs.
2. foundations masonry refractories the machinery described in the schedule does not include any foundations masonry or refractories unless specifically mentioned.
  3. partial damage where damage is restricted to a part or parts of an insured item the company will not be liable to pay a greater amount than the value of the part or parts allowed for in the sum insured plus dismantling re-erection and freight expenses.

**Specific conditions**

**1. Access**

The insured shall allow the authorised representatives of the company to examine the insured machinery at any reasonable time. if during the inspection any new facts of a nature likely to render the risk more than usually hazardous are observed the Insured must at the request of the company restore the risk to normal within a reasonable time failing which the company may suspend cover in whole or in part until the risk is restored to normal.

**2. Insured value**

The sum insured for each item of machinery specified in the Schedule must be equal to the installed new replacement value at all times.

**4. Average**

If at the time of the damage the sum insured is lower than the installed new replacement value then the Insured will be considered to be his/her own insurer for the difference and will bear a rateable share of the loss accordingly. Every item of machinery will be separately subject to this condition.

**5. Maintenance**

The machinery described in the schedule of this section shall be subject to regular and adequate maintenance processes undertaken by a maintenance contract with qualified specialist maintenance service providers and/or the technicians of the manufacturer.

**SUB SECTION N: ACCIDENTAL DAMAGE**

**Defined events**

Accidental physical loss of or damage to the insured property at or about the premises not otherwise insured or for which insurance is available and described (whether incorporated in this policy or not) in terms of any section (other than business All Risks) listed in the index of this policy.

Accidental physical loss of or damage to the insured property caused by discharge or leakage from tanks, pipes or apparatus of chemicals, oils, liquids, fluids, gases or fumes (including loss of such chemicals, oils, liquids, fluids, gases or fumes) other than loss or damage resulting from wear and tear or other gradually operating causes of the tanks, pipes or apparatus.

The amount payable for all loss or damage arising out of one original cause or source shall not exceed the sum stated in the schedule and this section shall not be called into contribution for any defined event for which more specific insurance has been arranged.

**Specific exceptions to the cover**

The company shall not be liable for:-

- (a) any peril excluded or circumstance precluded from any other insurance available from the company at inception hereof or for any excess payable by the insured under such insurance, or for any reduction of amount payable under any claim due to the application of average;
- (b) more than the individual value of any item forming part of a pair, set or collection without regard to any special value such item may have as part of such pair, set or collection;
- (c) unexplained disappearance or shortage only revealed during or after an inventory or errors or omissions in receipts, payments or accounting, or misfiling or misplacing of information;
- (d) loss of or damage to insured property caused by:



- (i) any fraudulent scheme, trick, device or false pretence practiced on the insured (or any person having custody of the insured property) or fraud or the dishonesty of any principal or agent of the insured;
  - (ii) overheating, implosion, cracking, fracturing, weld failure, nipple leakage or other failure. This exception applies only to vessels, pipes, tubes or similar apparatus;
  - (iii) breakdown, electrical, electronic and/or mechanical derangement;
  - (iv) altering, bleaching, cleaning, dyeing, manufacture, repair, restoring, servicing, renovating, testing or any other work thereon
  - (v) fault or defect in its design, formula, specification, drawing, plan, materials, workmanship or professional advice, normal maintenance, gradual deterioration, depreciation, corrosion, rust, oxidation or other chemical action or reaction, frost, change in temperature, expansion or humidity, fermentation or germination, dampness, dryness, wet or dry rot, shrinkage, evaporation, loss of weight, contamination, pollution, change in colour, flavour, texture or finish or its own wear and tear;
  - (vi) denting, chipping, scratching or cracking not affecting the operation of the item;
  - (vii) termites, moths, insects, vermin, inherent vice, fumes, flaws, latent defect, fluctuations in atmospheric or climatic condition, the action of light;
- (e) settlement or bedding down, ground heave or cracking of structures or the removal or weakening of support to any insured property;
  - (f) (i) loss of or damage to chemicals, oils, liquids, fluids, gases or fumes due to leakage or discharge from its container;  
(ii) loss or damage resulting from leakage or discharge of chemicals, oils, fluids, gases or fumes;
  - (g) failure of and/or the deliberate withholding and/or lack of supplies of water, steam, gas, electricity, fuel or refrigerant;
  - (h) collapse of plant and machinery, buildings and structures (other than shelving or storage platforms).

**Insured property**

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

- (a) bank and currency notes, coin (including Krugerrands and similar coins) or any other type of document or instrument that may constitute money in any form whether negotiable or not;
- (b) furs, jewellery, bullion, precious and semi-precious metals and stones, curiosities, rare books and works of art;
- (c) property in transit by air, inland waterway or sea;
- (d) railway locomotives, rolling stock and other railway property, aircraft, watercraft, mechanically or electrically propelled vehicles, motor cycles, mobile plant, caravans and trailers;
- (e) standing or felled trees, crops, animals, land (including topsoil, backfill, drainage and culverts), driveways, pavements, roads, runways, dams, reservoirs, canals, pipelines (external to the premises), tunnels, cables (external to the premises), cableways, bridges, docks, jetties, wharves, piers, excavations, property below the ground or explosives;
- (f) electronic data processing equipment of any kind including the information it may contain;
- (g) property in the course of construction, erection or dismantling including materials or supplies related thereto;
- (h) property in the possession of customers under lease, rental, credit or suspensive sale agreements;
- (i) glass, china, earthenware, marble and other fragile or brittle objects unless stated in the schedule to be insured under this section.



## SASRIA FIRE

Underwritten by SASRIA LIMITED

Reg. No. 1979/000287/06

### POLICY FOR SPECIAL RISKS INSURANCE

In consideration of the prior payment of the premium stated in the underlying policy schedule and the receipt thereof by or on behalf of Sasria Limited, (hereinafter called the company) and subject to the underlying policy being current and valid at the effective date as stated in the schedule, the company will by payment or at its option by reinstatement or repair indemnify the insured during the Period of Insurance up to an amount not exceeding the total sum insured in respect of each item and not exceeding in the aggregate during the period of insurance, the total insured value, or the aggregate limits of liability as stated in the proviso hereunder, whichever is the less against loss of or damage to the property insured directly related to or caused by:

- (i) 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;
  - (ii) 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;
  - (iii) any riot, strike or public disorder, or ;
- any act or activity which is calculated or directed to bring about a riot, strike or public disorder;
- (iv) any attempt to perform any act referred to in clause (i), (ii) or (iii) above;
  - (v) the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in clause (i), (ii), (iii) or (iv) above.

#### Note:

In this policy, the term "Public Disorder" shall be deemed to include civil commotion, labour disturbances or lockouts. provided that:

Notwithstanding anything to the contrary, where One Insured is insured by one or more current and valid insurance (other than Contract Works and/or Construction Plant and or Motor) issued by or on behalf of the company, the annual aggregate liability of the company under all such Insurances shall be limited to the sum of R500 million (five hundred million Rand), or up to R1,5 billion, if the Insured has chosen the optional Excess of Loss R 1 billion cover, where the property insured is in the Republic of South Africa.

For this purpose One Insured shall mean:

Any single One Insured, a holding company and all its subsidiaries (as contemplated exclusively by the Companies Act, 1973) or subsidiary of the holding company

In the case of One Insured other than companies, the company reserves the right to determine who the One Insured is for this purpose.

provided further that this insurance does not cover:

- (a) consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured, which shall be limited to a period not exceeding that required to render the building tenable;
- (b) loss or damage resulting from total or partial cessation of work, or the retardation or interruption or cessation of any process or operation;
- (c) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisitioning by any lawfully constituted authority.

#### Nuclear/Chemical/Biological Terrorism Exclusion

it is agreed that, regardless of any contributory cause(s), this insurance does not cover loss (es) in any way caused or contributed to by an act of terrorism involving the use or release or the threat thereof of any nuclear weapon or device or chemical or biological agent.

For the purpose of this exclusion an act of terrorism means an act, including but not limited to the use of force or violence and / or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or personal purposes or reasons including the intention to influence any government and/or to put the public, or any section of the public in fear. If it is alleged that by reason of this exclusion any loss (es) is not covered by this policy the burden of providing the contrary shall be upon the insured.

#### Special Conditions

1. It is a condition precedent to any liability that at the time of the happening of any occurrence given rise to a loss in terms of this policy there shall be in force the Underlying policy covering the interest of the Insured in all the property insured by this policy against loss or damage by fire.
2. All the terms, conditions, exclusions, exceptions and warranties applicable to the underlying policy, other than:
  - (a) Exception A(i), A(iii)(b), A(iv), A(v), A(vi) and A(vii) to the extent that A(vii) refers to A(i), A(iii)(b), A(iv), A(v) and A(vi); and
  - (b) the Burden of Proof Clause set out in Exception A to the extent that such clause refers to the exceptions listed in (a) above;
  - (c) any excess, deductible or similar payment to be met by the Insured in terms of the Underlying policy;



(d) the Sasria policy incorporates the Terms, Conditions, Exceptions, Exclusions and Warranties of the underlying policy to which it attaches. It does not automatically incorporate the extensions. In order to cater for the Extensions, the Sasria sum insured must be increased by the value of the extension and a premium charged for the said extension. In this instance a schedule showing a breakdown of all additional covers included (together with the sum insured) must be attached to the policy, shall be deemed to be incorporated in this policy and shall as a condition precedent to any liability hereunder relate to and be complied with by the Insured accordingly.

**Memorandum**

The reference to exceptions A(i), A(iii)(b), A(v), A(vi) and A(vii) and to the Burden of Proof clause in exception A is a reference to those exceptions as they appear in the Standard S.A.I.A. exceptions which the nominated Insurer is obliged to incorporate in his policy. Should the numbering in the underlying policy not correspond with the numbering of the Standard S.A.I.A. exceptions the above references shall apply to the corresponding exceptions in the underlying policy mutatis mutandis.

- (1) if the property covered in terms of the schedule shall at the commencement of any destruction of or damage to such property by any peril insured hereby be collectively of greater value than the total sum insured stated herein, then the Insured shall be considered as his own insurer for the difference and shall bear a rateable share of the loss accordingly. Every item, if more than one, shall be separately subject to this consideration.
- (2) any adjustment of premium clause or condition in the underlying policy shall not be applicable to this policy.
- (3) no alteration of this policy is valid unless signed by a director of the company.
- (4) any Reinstatement Value Conditions in the underlying policy shall be applicable to this policy except insofar as it relates to motor vehicles.
- (5) the cover granted by this policy shall apply to property situated in the Republic of South Africa.

