

# ACCIDENTAL DAMAGE SECTION

## DEFINED EVENTS

### 1. Accidental damage (Basic) (if stated as included in the schedule)

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 the Business All Risks and Machinery Breakdown sections or in terms of power surge as insured under the Fire, Buildings Combined and Office Contents sections) listed in the index of this policy.

The amount payable for all loss or damage arising out of one original cause or source shall not exceed the insured amount stated, and notwithstanding General condition 2, this section shall not be called into contribution for any defined event for which more specific insurance has been arranged.

### 2. Accidental damage (Leakage) (if stated as included in the schedule)

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.

## DEFINITION

**First loss** shall mean an insured amount as selected by the Insured that is less than the Total Asset Value of the Insured Property.

**Insured property** shall mean any tangible property belonging to the Insured or held in trust or on commission or for which they are responsible other than:

1. current coin (including Krugerrands and similar coins), bank and currency notes, travellers and other cheques, money and postal orders, current unused postage, revenue and holiday pay stamps, credit card vouchers, and other certificates, documents or instruments of a negotiable nature;
2. furs, jewellery, bullion, precious and semi-precious metals and stones, curiosities, rare books and works of art;
3. property in transit by air, inland waterway or sea;
4. railway locomotives, rolling stock and other railway property, aircraft, watercraft, mechanically or electrically propelled vehicles, motor cycles, mobile plant, caravans and trailers;
5. 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;
6. electronic data-processing equipment and external data media (punch cards, tape disks and the like) and the information they contain;
7. property in the course of construction, erection or dismantling including materials or supplies related thereto;
8. property in the possession of customers under lease, rental, credit or suspensive sale agreements;
9. glass, china, earthenware, marble and other fragile or brittle objects

unless stated in the schedule to be insured.

**Premises** shall mean the premises insured and reflected in the Fire, Buildings Combined and Office Contents section schedules.

**Total asset value** as reflected in the schedule shall be a declaration by the Insured of the maximum value of the Insured Property during the period of insurance.

# SPECIFIC EXCLUSIONS

In respect of Defined event 1 only, the Company shall not be liable for:

1. any peril excluded or circumstance precluded from any other insurance available from the Company at inception hereof or for any first amount payable due by the Insured under such insurance, or for any reduction of amount payable under any claim due to the application of average;
2. 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;
3. detention, confiscation, attachment, destruction or requisition by any lawfully constituted authority or other judicial process;
4. 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;
5. loss of or damage to Insured Property caused by:
  - 5.1 any fraudulent scheme, trick, device or false pretence practised on the Insured (or any person having custody of the Insured Property) or fraud or the dishonesty of any principal or agent of the Insured;
  - 5.2 overheating, implosion, cracking, fracturing, weld failure, nipple leakage or other failure. This exclusion applies only to vessels, pipes, tubes or similar apparatus;
  - 5.3 breakdown, electrical, electronic and/or mechanical derangement;
  - 5.4 altering, bleaching, cleaning, dyeing, manufacture, repair, restoring, servicing, renovating, testing or any other work thereon;
  - 5.5 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;
  - 5.6 denting, chipping, scratching or cracking not affecting the operation of the item;
  - 5.7 termites, moths, insects, vermin, inherent vice, fumes, flaws, latent defect, fluctuations in atmospheric or climatic conditions or the action of light;
6. settlement or bedding down, ground heave or cracking of structures or the removal or weakening of support to any Insured Property;
7. loss of or damage to chemicals, oils, liquids, fluids, gases or fumes due to leakage or discharge from its container;
8. loss or damage resulting from leakage or discharge of chemicals, oils, fluids, gases or fumes;
9. loss of or damage to Insured Property due to the failure of and/or the deliberate withholding and/or lack of supplies of water, steam, gas, electricity, fuel or refrigerant;
10. collapse of plant and machinery, buildings and structures (other than shelving or storage platforms).

and in respect of both Defined events 1 and 2:

11. **Specific property exclusion** (if stated as being applicable in the schedule)

The property listed or described in the schedule against this exclusion shall be added to the list of excluded property of the Insured Property definition.

# CLAUSES AND EXTENSIONS

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) subject to any insured amounts or first amounts payable stated in the schedule under each extension.

## Additional costs

In respect of buildings, plant and machinery insured, the insured amount includes:

1. any costs incurred, due to the necessity to comply with building or other regulations of any public authority, in repair or reinstatement following an insured event, provided that such costs do not include:
  - 1.1 anything for which notice had been served on the Insured prior to the insured event;
  - 1.2 anything connected with undamaged property or undamaged portions of property;
  - 1.3 rates, taxes, duties, development and other charges payable under the said regulations due to capital appreciation of the Insured Property;
2. fees for the examination of municipal or other plans;
3. costs incurred in the necessary demolition, removal of debris (including undamaged contents) and the erection and maintenance of hoardings during demolition and rebuilding, provided that the Company shall not be liable for any costs and expenses:
  - 3.1 incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site;
  - 3.2 arising from pollution or contamination of property not insured by this policy/section.
4. the professional fees of architects, quantity surveyors and other consultants;
5. charges levied by any authorised fire brigade for their services;

but the Company shall not be liable under 1, 2, or 4 unless the lost or damaged property is replaced or reinstated without undue delay nor under 4 for any expenses in connection with the preparation of the Insured's claim.

## Mortgagees

From the date of notification in writing of such interests to the Company, the Company shall accept the interest of a mortgagee or others with an insurable interest in the Insured Property and such interests shall not be prejudiced due to the act or omission of the mortgagor without the mortgagee's knowledge provided that, the mortgagee advises the Company as soon as such act or omission comes to his knowledge and agrees to be responsible for any additional premium resulting from the Company assuming any increased hazard.

## Railway and other subrogation

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

## Restricted cover

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

## Tenants

The Insured shall not be prejudiced by the act of any tenant in the premises owned by the Insured or in which the Insured is a co-tenant or of the owner of any premises of which the Insured is a tenant, provided that the Company is notified as soon as the Insured becomes aware of such act and pays any additional premium resulting from the Company assuming any additional hazard.

# CONDITIONS

1. **Average** (applicable if the insured amount and the Total Asset Value as reflected in the schedule are equal)

If, on the occurrence of an insured event, the value of the Insured Property is greater than the insured amount thereon, the Insured shall be considered his own insurer for the difference and shall bear a

rateable proportion of the loss accordingly.

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

**2. First loss average** (applicable if the insured amount in the schedule is less than the Total Asset Value reflected in the schedule)

If, at the time of any loss or damage arising, the total value of the property described by each item does not exceed the Total Asset Value stated in the schedule then this insurance shall be declared free of average, but if the total value of such property shall be greater than the Total Asset Value stated in the schedule, the Insured shall be considered as being their own insurer for the difference and the Company shall be liable only for such proportion of the First Loss insured amount as the aforementioned sums shall bear to the total value not exceeding in all the total insured amount by each item.

**3. Reinstatement** (if stated as being applicable in the schedule)

The basis upon which the amount payable is to be calculated following an insured event to buildings, plant and machinery shall be the cost of replacing or reinstating on the same site property of the same kind or type but not superior to nor more extensive than such Insured Property when new, provided that:

- 3.1 the work of replacement or reinstatement (which may be carried out on another site and in any manner suitable to requirements of the Insured subject to the liability of the Company not being thereby increased) must be commenced and carried out with reasonable despatch otherwise no payment beyond the amount that would have been payable if this condition had not been incorporated in this section shall be made;
- 3.2 the Company shall not be liable for any payment beyond the amount that would have been payable if this condition had not been incorporated in this section, until expenditure has been incurred by the Insured in replacing or reinstating the lost or damaged Insured Property;
- 3.3 nothing herein shall override the Average condition or the First loss average condition (whichever is applicable), other than the method of determining the value of the Insured Property for the purposes of such condition's calculations which shall, as set out above, be the cost of replacing or reinstating on the same site property of the same kind or type but not superior to nor more extensive than such Insured Property when new;
- 3.4 this condition shall not apply if:
  - 3.4.1 the Insured fail to intimate to the Company within six months of the insured event or such further time as the Company may allow in writing their intention to replace or reinstate the lost or damaged Insured Property;
  - 3.4.2 the Insured are unable or unwilling to replace or reinstate the lost or damaged Insured Property on the same or another site.



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## DEFINITIONS

**First loss** shall mean an insured amount as selected by the Insured that is less than the Total Asset Value of the Insured Property.

**Insured property** shall mean any tangible property belonging to the Insured or held in trust or on commission or for which they are responsible other than:

1. current coin (including Krugerrands and similar coins), bank and currency notes, travellers and other cheques, money and postal orders, current unused postage, revenue and holiday pay stamps, credit card vouchers, and other certificates, documents or instruments of a negotiable nature;
2. furs, jewellery, bullion, precious and semi-precious metals and stones, curiosities, rare books and works of art;
3. property in transit by air, inland waterway or sea;
4. railway locomotives, rolling stock and other railway property, aircraft, watercraft, mechanically or electrically propelled vehicles, motor cycles, mobile plant, caravans and trailers;
5. 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;
6. electronic data-processing equipment and external data media (punch cards, tape disks and the like) and the information they contain;
7. property in the course of construction, erection or dismantling including materials or supplies related thereto;
8. property in the possession of customers under lease, rental, credit or suspensive sale agreements;
9. glass, china, earthenware, marble and other fragile or brittle objects;
10. wine and related products;
11. wine tanks, wine barrels, bottles or any other wine receptacles;
12. cat walks, structures and related property in the wine industry;
13. machinery, separators, press bags, piping and relevant equipment used in the wine making process

unless stated in the schedule to be insured.

**Premises** shall mean the premises insured and reflected in the Fire, Buildings Combined and Office Contents section schedules.

**Total asset value** as reflected in the schedule shall be a declaration by the Insured of the maximum value of the Insured Property during the period of insurance.

## SPECIFIC EXCLUSIONS

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1. any peril excluded or circumstance precluded from any other insurance available from the Company at inception hereof or for any first amount payable due by the Insured under such insurance, or for any reduction of amount payable under any claim due to the application of average;
2. 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;
3. detention, confiscation, attachment, destruction or requisition by any lawfully constituted authority or other judicial process;
4. 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;
5. loss of or damage to Insured Property caused by:
  - 5.1 any fraudulent scheme, trick, device or false pretence practised on the Insured (or any person having custody of the Insured Property) or fraud or the dishonesty of any principal or agent of the Insured;
  - 5.2 overheating, implosion, cracking, fracturing, weld failure, nipple leakage or other failure. This exclusion applies only to vessels, pipes, tubes or similar apparatus;
  - 5.3 breakdown, electrical, electronic and/or mechanical derangement;
  - 5.4 altering, bleaching, cleaning, dyeing, manufacture, repair, restoring, servicing, renovating, testing or any other work thereon;
  - 5.5 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;
  - 5.6 denting, chipping, scratching or cracking not affecting the operation of the item;
  - 5.7 termites, moths, insects, vermin, inherent vice, fumes, flaws, latent defect, fluctuations in atmospheric or climatic conditions or the action of light;
6. settlement or bedding down, ground heave or cracking of structures or the removal or weakening of support to any Insured Property;
7. loss of or damage to chemicals, oils, liquids, fluids, gases or fumes due to leakage or discharge from its container;
8. loss or damage resulting from leakage or discharge of chemicals, oils, fluids, gases or fumes;
9. loss of or damage to Insured Property due to the failure of and/or the deliberate withholding and/or lack of supplies of water, steam, gas, electricity, fuel or refrigerant;
10. collapse of plant and machinery, buildings and structures (other than shelving or storage platforms).

and in respect of both Defined events 1 and 2:

11. **Specific property exclusion** (if stated as being applicable in the schedule)

The property listed or described in the schedule against this exclusion shall be added to the list of excluded property of the Insured Property definition.

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## Additional costs

In respect of buildings, plant and machinery insured, the insured amount includes:

1. any costs incurred, due to the necessity to comply with building or other regulations of any public authority, in repair or reinstatement following an insured event, provided that such costs do not include:
  - 1.1 anything for which notice had been served on the Insured prior to the insured event;
  - 1.2 anything connected with undamaged property or undamaged portions of property;
  - 1.3 rates, taxes, duties, development and other charges payable under the said regulations due to capital appreciation of the Insured Property;
2. fees for the examination of municipal or other plans;
3. costs incurred in the necessary demolition, removal of debris (including undamaged contents) and the erection and maintenance of hoardings during demolition and rebuilding, provided that the Company shall not be liable for any costs and expenses:
  - 3.1 incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site;
  - 3.2 arising from pollution or contamination of property not insured by this policy/section.
4. the professional fees of architects, quantity surveyors and other consultants;
5. charges levied by any authorised fire brigade for their services;

but the Company shall not be liable under 1, 2, or 4 unless the lost or damaged property is replaced or reinstated without undue delay nor under 4 for any expenses in connection with the preparation of the Insured's claim.

## Mortgagees

From the date of notification in writing of such interests to the Company, the Company shall accept the interest of a mortgagee or others with an insurable interest in the Insured Property and such interests shall not be prejudiced due to the act or omission of the mortgagor without the mortgagee's knowledge provided that, the mortgagee advises the Company as soon as such act or omission comes to his knowledge and agrees to be responsible for any additional premium resulting from the Company assuming any increased hazard.

## Railway and other subrogation

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

## Restricted cover

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

## Tenants

The Insured shall not be prejudiced by the act of any tenant in the premises owned by the Insured or in which the Insured is a co-tenant or of the owner of any premises of which the Insured is a tenant, provided that the Company is notified as soon as the Insured becomes aware of such act and pays any additional premium

resulting from the Company assuming any additional hazard.

## CONDITIONS

1. **Average** (applicable if the insured amount and the Total Asset Value as reflected in the schedule are equal)

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

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

2. **First loss average** (applicable if the insured amount in the schedule is less than the Total Asset Value reflected in the schedule)

If, at the time of any loss or damage arising, the total value of the property described by each item does not exceed the Total Asset Value stated in the schedule then this insurance shall be declared free of average, but if the total value of such property shall be greater than the Total Asset Value stated in the schedule, the Insured shall be considered as being their own insurer for the difference and the Company shall be liable only for such proportion of the First Loss insured amount as the aforementioned sums shall bear to the total value not exceeding in all the total insured amount by each item.

3. **Reinstatement** (if stated as being applicable in the schedule)

The basis upon which the amount payable is to be calculated following an insured event to buildings, plant and machinery shall be the cost of replacing or reinstating on the same site property of the same kind or type but not superior to nor more extensive than such Insured Property when new, provided that:

- 3.1 the work of replacement or reinstatement (which may be carried out on another site and in any manner suitable to requirements of the Insured subject to the liability of the Company not being thereby increased) must be commenced and carried out with reasonable despatch otherwise no payment beyond the amount that would have been payable if this condition had not been incorporated in this section shall be made;
- 3.2 the Company shall not be liable for any payment beyond the amount that would have been payable if this condition had not been incorporated in this section, until expenditure has been incurred by the Insured in replacing or reinstating the lost or damaged Insured Property;
- 3.3 nothing herein shall override the Average condition or the First loss average condition (whichever is applicable), other than the method of determining the value of the Insured Property for the purposes of such condition's calculations which shall, as set out above, be the cost of replacing or reinstating on the same site property of the same kind or type but not superior to nor more extensive than such Insured Property when new;
- 3.4 this condition shall not apply if:
  - 3.4.1 the Insured fail to intimate to the Company within six months of the insured event or such further time as the Company may allow in writing their intention to replace or reinstate the lost or damaged Insured Property;
  - 3.4.2 the Insured are unable or unwilling to replace or reinstate the lost or damaged Insured Property on the same or another site.

# ACCOUNTS RECEIVABLE SECTION

## DEFINED EVENTS

Loss in consequence of the Insured being unable to trace or establish the outstanding debit balances in whole or part due to them following loss or damage as a result of accident or misfortune (hereinafter termed Damage) to the Insured's books of account or other business books or records whilst at:

1. the building(s) on the Insured's premises stated in the schedule or;
2. the residence of any director, partner or employee of the Insured or;
3. the premises of any accountant of the Insured or,
4. any other place of safety if, because of imminent danger of their destruction, such books of account or other business books or records are removed from the premises stated above (including such emergency removal or while being returned to the premises stated above thereafter)

provided that:

1. the Insured shall notify the Company in writing within 30 days of any removal as set out in 4 above;
2. the liability of the Company shall not exceed the insured amount stated in the schedule; and
3. the basis of indemnity will be as set out under the "Basis of settlement" clause.

The Company will also pay all reasonable collection costs and expenses incurred by the Insured in excess of normal collection costs and expenses made necessary because of such Damage.

## DEFINITIONS

**Outstanding debit balances:** Shall mean the total declared in the statement last given under the provisions of the "Declaration" clause adjusted for:

1. bad debts;
2. amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the Damage) to customers' accounts in the period between the date to which said last statement relates and the date of the Damage and
3. any abnormal condition of trade which had or could have had a material effect on the business;

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

## SPECIFIC EXCLUSIONS

The Company will not pay for:

1. loss resulting from Damage to the books of account or other business books or records caused by:
  - 1.1 wear and tear or gradual deterioration or moths or vermin;
  - 1.2 detention, seizure or confiscation by any lawfully constituted authority;
  - 1.3 electrical or electronic or magnetic injury, disturbances or erasure unless the Insured maintains the duplicate records referred to in the Duplicate records clause of this section.
2. loss caused by fraud or dishonesty of any principal, director, partner or employee of the Insured.

## CLAUSES AND EXTENSIONS

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is



amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule).

## Accountants

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

## Basis of settlement

The insurance under this section is limited to the loss sustained by the Insured in respect of outstanding debit balances directly due to the Damage and the amount payable shall not exceed

the difference between **the outstanding debit balances** and **the total of the amounts received or traced in respect thereof**

plus

the additional expenditure incurred in tracing and establishing customers' debit balances after the Damage provided that,

1. the maximum liability of the Company shall not exceed the insured amount irrespective of the amount contained in any declarations made as set out in point 3 of the Declaration clause;
2. if the insured amount under this item is less than the outstanding debit balances, the amount payable shall be proportionately reduced.

**Declaration** (if stated as being applicable by the word "Yes" next to "Declaration condition" in the schedule)

The Insured is to set the insured amount at a level so as to represent the maximum anticipated Outstanding debit balances at any one time during the period of insurance. The responsibility shall remain with the Insured during the period of insurance to notify the Company in writing should an increase in the insured amount be required due to Outstanding debit balances exceeding the insured amount. Declarations received as set out hereunder exceeding the insured amount shall not be considered a formal request to increase the insured amount.

The Insured shall at intervals as set out in the schedule against "declaration basis", provide the Company with a signed statement showing the total amount outstanding in customers' accounts as set out in the Insured's accounts at that point in time.

In consideration of the premium under this section being provisional in that a deposit premium is charged based on a percentage (as stated in the schedule against "deposit premium %") of the required premium, the premium will be adjusted as follows:

On the expiry of each period of insurance (or after twelve consecutive months from the inception or anniversary date if this policy is paid monthly by debit order), the actual premium for the past period shall be re-calculated based on the average amount of the declarations received and a premium adjustment made provided that:

1. such re-calculation shall be performed without the deposit premium percentage being applied to such average amount;
2. for the purposes of calculating the average amount, any amount declared that exceeds the insured amount shall be limited to the insured amount and premium shall not be payable on that part of any declaration that is in excess of the insured amount;
3. the Company shall in the event of a loss, irrespective of the value of any declarations received, not be liable for more than the insured amount as stated in the schedule;
4. if the actual premium is greater than the provisional premium, the Insured shall pay the difference to the Company and if it is less, the difference shall be repaid to the Insured, but such repayment shall not exceed 33,3% of the provisional premium paid.

**Riot and strike (other than RSA and Namibia)** (if stated as included in the schedule)

This section is extended to cover loss or Damage directly occasioned by or through or in consequence of:

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



provided that this extension does not cover:

1. loss or Damage occurring in the Republic of South Africa and Namibia;
2. consequential or indirect loss or Damage of any kind or description whatsoever;
3. loss or Damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;
4. loss or Damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
5. loss or Damage related to or caused by any occurrence referred to in General exclusion1 (A) (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If the Company alleges that, by reason of provisos 1, 2, 3, 4 or 5, loss or Damage is not covered by this extension, the burden of proving the contrary shall rest on the Insured.

**Transit** (if stated as included in the schedule)

The insurance under this section includes loss as defined to the Insured's books of account or other business books or records whilst in transit to or from the premises or residence of any director, partner, employee or accountant of the Insured.

## CONDITIONS

**Duplicate records** (if stated as applicable in the schedule)

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

**Protection (Fire resistant safe)** (if stated as applicable in the schedule)

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

# BUILDINGS COMBINED SECTION

## DEFINED EVENTS

1. **Damage to the whole or part of the Property** as described in the schedule, owned by the Insured or for which they are responsible by the insured perils reflected below but only if such perils are stated in the schedule as being included.
2. **Liability** (if stated as included in the schedule): Damages for which the Insured shall become legally liable to pay consequent upon accidental death of or bodily injury to or illness of any person (hereinafter termed Injury) or accidental loss of or physical damage to tangible property (hereinafter termed Damage) occurring during the period of insurance in, on or about the Property insured and arising from the Insured's ownership thereof.

## DEFINITIONS

**Property:** Unless otherwise agreed and noted in the schedule shall be restricted to:

1. Buildings including all outbuildings thereto all constructed of brick, stone, concrete or metal on metal framework and roofed with slate, tiles, metal, concrete or asbestos;
  2. Carports constructed of brick, stone, concrete or metal on metal framework and roofed with slate, tiles, metal, concrete or asbestos;
  3. Sporting and recreational structures;
  4. The owner or the landlord's fixtures and fittings secured to the property described in 1, 2 and 3 above whilst therein and thereon;
  5. Walls (except dam walls), gates, gate motors, gate and fence posts, fences, water tanks and septic tanks;
  6. Concrete, tarred or paved surfaces but limited to roads, driveways, parking areas and pathways;
  7. The owner or landlord's fixtures and fittings secured to the property described in 5 and 6 above;
- provided that the property in 5 and 6 above is restricted to property in the immediate vicinity of the property described in 1 and 2 above.

## INSURED PERILS (but only those perils stated as "included" in the schedule)

**Note:** Some insured perils will have their own specific insured amounts stated in the schedule in which case such perils are subject to such stated insured amount. Other insured perils will not have their own specific insured amounts stated in the schedule in which case such insured perils will be subject to the insured amount of the item to which they relate in the schedule.

**Fire** including damage caused by smoke arising directly out of such fire.

**Lightning or thunderbolt** including damage caused by power surges arising directly from such lightning strikes.

**Explosion.**

**Earthquake** whether arising from mining operations or otherwise and including damage caused by tidal waves or tsunamis arising directly from such earthquake.

**Weather and water.** For the purpose of this peril weather damage shall mean damage caused by storm, wind, water, hail or snow.

This peril does not cover:

1. loss or damage to Property arising from its undergoing any process necessarily involving the use or application of water;
2. loss or damage to Property caused by tidal wave or tsunami originating from earthquake;
3. loss or damage to Property being retaining walls unless so described and specifically insured as a separate item in the schedule;
4. wear and tear or gradual deterioration;
5. loss or damage to Property caused or aggravated by subsidence or landslip;
6. loss or damage to Property caused or aggravated 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 damage.

**Impact.** For the purposes of this peril impact shall mean impact by:

1. aircraft and other aerial devices or articles dropped therefrom (including sonic shock waves or any other damage caused by aircraft);
2. rocks, stones or boulders (other than impact caused by landslip, the deliberate or wilful or wanton act of any person committed with the intention of causing such damage or impact by meteorites, asteroids or similar bodies entering the earth's atmosphere);
3. animals, trees, aeriels, satellite dishes or vehicles excluding damage to such animals, trees, aeriels, satellite dishes or vehicles or property in or on such vehicles.

**Malicious damage.** For the purposes of this peril malicious damage shall mean damage directly occasioned by or through or in consequence of the deliberate or wilful or wanton act of any person committed with the intention of causing such damage other than damage to:

1. movable Property which is
  - 1.1 stolen;
  - 1.2 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
  - 3.1 the removal or partial removal or any attempt thereof;
  - 3.2 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 this peril does not cover:

1. damage related to or caused by fire or explosion;
2. consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured;

3. damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation;
4. damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
5. damage related to or caused by any occurrence referred to in General exclusion 1 (A) (i), (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If the Company alleges that, by reason of provisos 1 to 5 above, loss or damage is not covered by this peril, the burden of proving the contrary shall rest on the Insured.

If any building(s) insured or containing insured Property becomes unoccupied for 30 consecutive days or more, during the initial 30 day unoccupancy period the Insured shall be responsible for the first amount payable reflected in the schedule next to "First amount payable: % of claim (additional amount during 30 day unoccupancy period)".

If the unoccupancy period exceeds 30 consecutive days, this peril is suspended as regards the Property affected from day 31 unless the Insured before the occurrence of any malicious damage obtains the written agreement of the Company to continue with this peril. Any extension of cover and the terms shall be at the sole discretion of the Company. If the Company provides such written agreement to waive this suspension of cover, the Insured shall be responsible for the first amount payable reflected in the schedule next to "First amount payable: % of claim (additional amount during any unoccupancy period exceeding 30 days)" for any loss occurring during any agreed extended period.

**Theft (forcible and violent entry into or exit from).** Theft (or any attempt thereat) of building fixtures and fittings contained inside the buildings or outbuildings described in point 1 of the definition of Property provided such theft is accompanied by forcible and violent entry into or exit from such buildings.

This peril includes damage to:

1. such buildings following the forcible and violent entry or exit;
2. the property described in point 5 of the Property definition caused whilst first gaining access to the premises before breaking into the insured buildings or exiting thereafter.

If any building(s) insured or containing insured Property becomes unoccupied for 30 consecutive days or more, during the initial 30 day unoccupancy period the Insured shall be responsible for the first amount payable reflected in the schedule next to "First amount payable: % of claim (additional amount during 30 day unoccupancy period)".

If the unoccupancy period exceeds 30 consecutive days, this peril is suspended as regards the Property affected from day 31 unless the Insured before the occurrence of any theft obtains the written agreement of the Company to continue with this peril. Any extension of cover and the terms shall be at the sole discretion of the Company. If the Company provides such written agreement to waive this suspension of cover, the Insured shall be responsible for the first amount payable reflected in the schedule next to "First amount payable: % of claim (additional amount during any unoccupancy period exceeding 30 days)" for any loss occurring during any agreed extended period.

**Accidental damage – Sanitary ware.** Accidental damage to sanitary ware of the insured buildings including but not limited to baths, wash basins, sinks, lavatory pans, cisterns, pedestals and splash backs.

**Subsidence and landslip.** If in the schedule against this peril the type of cover is reflected as "extended" then this peril does not include:

1. damage to drains, water courses, boundary walls, garden walls, retaining walls, gates, posts or

fences unless specifically insured as a separate item in the schedule indicating that this peril is included;

2. damage caused or attributable to faulty design or construction of, or the removal or weakening of support to any building situated at the insured premises;
3. damage caused or attributable to workmen engaged in making any structural alterations, additions or repairs to any building situated at the insured premises;
4. damage caused or attributable to excavation on or under land other than excavations in the course of mining operations;
5. consequential loss of any kind whatsoever except loss of rent when specifically insured under this section.

If in the schedule against this peril the type of cover is reflected as "**limited**" then this peril in addition to points 1 to 5 also does not include:

6. damage to screen walls, driveways, paving, swimming pool surrounds and tennis courts;
7. damage caused or attributable to contraction/ shrinkage and/ or expansion of soil caused by the moistness/ dampness or moisture content of such soil as experienced in clay and other similar soils;
8. damage caused by or attributable to inadequate compaction of backfill.

In any action, suit or other proceeding where the Company alleges that, by reason of exclusions 1 to 8 any damage is not covered by this peril, the burden of proving the contrary shall be upon the Insured.

**Power surge** provided that this peril does not cover power surges arising from lightning.

**Riot and strike (other than RSA and Namibia).** For the purposes of this peril riot and strike shall mean damage directly occasioned by or through or in consequence of:

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

Provided that this peril does not cover:

1. loss or damage occurring in the Republic of South Africa and Namibia;
2. consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured;
3. loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;
4. loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
5. loss or damage related to or caused by any occurrence referred to in General exclusion 1 (A) (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If the Company alleges that, by reason of provisos 1 to 5 above, loss or damage is not covered by this peril, the burden of proving the contrary shall rest on the Insured.

**Theft of landlord's fixtures and fittings** being the property described in points 4 and 7 of the definition of Property.

In addition, this peril includes damage to the property described under points 1, 2, 3, 5 and 6 of the definition of Property caused:

1. whilst first gaining access to the premises, buildings or structures during such theft or whilst exiting thereafter;
2. in the process of detaching or removing the said fixtures and fittings from the Property it was secured to.

If any building(s) insured or containing insured Property becomes unoccupied for 30 consecutive days or more, during the initial 30 day unoccupancy period the Insured shall be responsible for the first amount payable reflected in the schedule next to "First amount payable: % of claim (additional amount during 30 day unoccupancy period)".

If the unoccupancy period exceeds 30 consecutive days, this peril is suspended as regards the Property affected from day 31 unless the Insured before the occurrence of any theft obtains the written agreement of the Company to continue with this peril. Any extension of cover and the terms shall be at the sole discretion of the Company. If the Company provides such written agreement to waive this suspension of cover, the Insured shall be responsible for the first amount payable reflected in the schedule next to "First amount payable: % of claim (additional amount during any unoccupancy period exceeding 30 days)" for any loss occurring during any agreed extended period.

**Accidental damage – Glass.** Accidental breakage of:

1. glass in windows, skylights, doors, fanlights and verandas;
2. mirror glass

forming fixed parts of the insured building(s).

**Accidental damage – Glass of stoves and ovens.** Accidental damage to glass forming part of any stove or oven being a built in fixture of the insured buildings.

**Accidental damage – Machinery.** Sudden and unforeseen accidental damage to the machinery of swimming pools, Jacuzzis, boreholes (excluding windmills), sprinkle irrigation systems, electric gates and garage doors but excluding damage caused by or arising from wear and tear or gradual deterioration.

**Accidental damage – Aerials, masts and satellite dishes.** Accidental damage to aerials, masts (including lightning masts) and satellite dishes.

**External signs, blinds and canopies.** Damage to:

1. external signs, blinds, canopies, signs and signposts on the Insured's premises the property of the Insured or for which he is responsible;
2. signs and signposts advertising the insured establishment being the property of the Insured or for which he is responsible situated on the Insured's pavement;

by any insured peril that is reflected as included under an insured building at the particular premises on the schedule.

**Leakage of oils and chemicals** (in the form of liquids, fluids, gases or fumes) from tanks, pipes or apparatus but excluding loss or damage as a result of leakage due to wear and tear or other gradually operating causes of the tanks, pipes or apparatus.

Loss of such oils or chemicals shall be included in the cover under this peril provided that only oils and chemicals in tanks, pipes or apparatus forming an integral part of the insured Property will be covered under this section.

If "first loss" is shown in the schedule against "leakage option", for the purposes of this peril only the following shall be substituted for the average condition hereinafter expressed:



"If the Property insured is, at the commencement of any damage to such Property by discharge or leakage, collectively of greater value than the insured amount stated in the schedule directly under such item, then the Company shall be liable under this peril only for that proportion of the first loss insured amount stated in the schedule under this peril as the insured amount against the item bears to the total value of such Property and the Insured shall be considered as being their own insurer for the difference and shall bear a rateable share of the loss accordingly. Every item, if more than one, to which this peril applies shall be separately subject to this condition."

## SPECIFIC CONDITIONS

### Average

If the Property insured is, at the commencement of any damage to such Property by any peril insured against, collectively of greater value than the insured amount 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 not apply to any loss for the following insured perils and extensions:

1. Theft of landlord's fixtures and fittings insured peril
2. Accidental damage - Aerials, masts and satellite dishes insured peril
3. Accidental damage – Glass insured peril
4. Accidental damage – Glass of stoves and ovens insured peril
5. Accidental damage – Machinery insured peril
6. Accidental damage – Sanitary ware insured peril
7. Deterioration of foodstuffs – All risks
8. External signs, blinds and canopies
9. Power surge insured peril
10. Water pipes extension

### Insured amount – Liability (defined event 2)

The maximum amount payable by the Company as limited by the insured amount in the schedule shall be 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.

## SPECIFIC EXCLUSIONS

The Company will not indemnify the Insured under the defined event Liability in respect of:

1. Injury or Damage sustained by:
  - 1.1 any member of the same household as the Insured;
  - 1.2 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;
  - 1.3 any other person resulting from the ownership of or use by or on behalf of the Insured of mechanically propelled vehicles (except pedal cycles and lawnmowers);
2. Damage to property:
  - 2.1 belonging to the Insured;

- 2.2 in the custody or control of the Insured or any employee of the Insured;
- 2.3 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. 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 exclusion shall not apply where such seepage, pollution or contamination is caused by a sudden, unintended and unforeseen occurrence (this exclusion shall not extend the policy to cover any liability which would not have been insured under this policy in the absence of this exclusion);
5. 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 exclusion shall not extend the policy to cover any liability which would not have been insured under this policy in the absence of this exclusion);
6. fines, penalties, punitive, exemplary or vindictive damages;
7. damages in respect of judgments 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;
8. costs and expenses of litigation recovered by any claimant from the Insured which are not incurred in and recoverable in the area described in 7 above.

## CLAUSES AND EXTENSIONS

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) subject to any insured amounts or first amounts payable stated in the schedule under each extension.

### **Capital additions** (if stated as included in the schedule)

The insurance under this section covers alterations, additions and improvements (but not appreciation in value in excess of the insured amount(s) to the Property for an amount not exceeding the percentage (as stated in the schedule) of the insured amount thereon, it being understood that the Insured undertakes to advise the Company each quarter (or each month if the premium is paid monthly by debit order) of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

### **Cost of demolition** (if stated as included in the schedule)

The insurance under this section includes costs necessarily incurred by the Insured in respect of the demolition of property insured and/or the removal of debris and in providing, erecting and maintaining hoardings required during demolition, site clearing and/or building operations following damage to the Property insured by a defined event, provided that the total amount recoverable shall not exceed the insured amount 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** (if stated as included in the schedule)

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.

**Geysers, water containers, water tanks, water apparatus or water pipes** (if stated as included in the schedule)

Bursting and other accidental damage to the above property (hereinafter in this extension and in the schedule called geysers) of the Insured installed in and forming part of the buildings or structures as stated in the schedule provided that:

1. this extension does not cover loss caused by structural defects, faulty design or poor workmanship of the above property;
2. only geysers declared and stated in the schedule are covered under this extension;
3. only water pipes connected to and within 1 meter of any insured geyser, water container, water tank or water apparatus are covered by this extension;
4. the Specific Condition of average is for the purpose of this extension restated to read:

“If the actual number of geysers in existence is, at the commencement of any bursting or other accidental damage to such Property, more than the number of geysers stated in the schedule, then the Insured shall bear a rateable share of the loss in proportion that the number stated in the schedule bears to the actual number in existence. Every building containing geysers insured in terms of this extension and every type of geyser, if more than one is stated in the schedule, shall be separately subject to this condition.”

**Geyser maintenance** (if stated as included in the schedule)

This section is extended to provide cover for the cost of repair or replacement of defective elements, thermostats or valves.

**Inflation escalation** (if stated as included in the schedule)

To provide for inflation the insured amounts of the insured Property as stated in the schedule are automatically increased as follows:

**During the period of insurance:** During the period of insurance (or the twelve consecutive months from the inception or anniversary date if this policy is not an annual contract), the insured amount(s) shall be increased by that portion of the percentage specified in the schedule against “First year %” which the number of days since the commencement of such period bears to the whole of such period. Unless agreed otherwise, these provisions shall only apply to the insured amount(s) in force at the commencement of the period of insurance.

**After the period of insurance:** If following a claim any reinstatement or replacement process to the insured Property has not been completed by the end of the period of insurance, further inflationary costs incurred beyond the control and influence of the Insured up until final reinstatement or replacement has been completed will be covered by the Company as set out below:

**Second year %:** If stated in the schedule, the insured amount that existed during the period of insurance in which the claim occurred (as increased by the provision set out above under “during the period of insurance”), shall be increased further by the percentage specified in the schedule against “Second year %”.

**Third year %:** If stated in the schedule and if the reinstatement or replacement has not been completed 12 months after the period of insurance during which the claim occurred has elapsed, the insured amount as inflated by the “Second year %” shall be increased further by the percentage specified in the schedule against “Third year %”.

**Fourth year %:** If stated in the schedule and if the reinstatement or replacement has not been completed 24 months after the period of insurance during which the claim occurred has elapsed, the insured amount as inflated by the "Third year %" shall be increased further by the percentage specified in the schedule against "Fourth year %".

**Fifth year %:** If stated in the schedule and if the reinstatement or replacement has not been completed 36 months after the period of insurance during which the claim occurred has elapsed, the insured amount as inflated by the "Fourth year %" shall be increased further by the percentage specified in the schedule against "Fifth year %".

At each renewal date, the Insured shall notify the Company of the amount(s) to be insured for the forthcoming period of insurance and any revised inflationary protection percentage(s). In default thereof, the insured amount(s) shall remain as they were in the previous period of insurance as if the inflationary increases in terms of this clause had not been applied.

### **Liability** (applicable if Liability is reflected as included in the schedule)

1. Where more than one Insured is named in the schedule, the Company will indemnify each Insured separately and not jointly and any liability arising between such Insureds shall be treated as though separate policies had been issued to each, provided that the aggregate liability of the Company shall not exceed the insured amount stated in the schedule.
2. Provided that the aggregate liability of the Company is not increased beyond the insured amount stated in the schedule, the Company will also indemnify as though a separate policy had been issued to each:
  - 2.1 in the event of the death of the Insured, any personal representative of the Insured in respect of liability incurred by the Insured;
  - 2.2 any 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.
3. In respect of the Liability defined event only, General exclusion 1 is deleted and replaced by the following:

"The Liability defined event does not cover injury, damage or liability directly or indirectly caused by, related to or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, military or usurped power."
4. If, at the time of any event giving rise to a claim under the Liability defined event, indemnity is also provided under any other insurance, the Liability defined event 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.
5. Notwithstanding Specific exclusion 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 the Liability defined event includes such legal liability to the extent that indemnity would have been granted under this defined event had the said employees been under a contract of service to the Insured and not the security firm, but not exceeding the insured amount stated in the schedule against Liability.

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.

### **Mortgagee**

The interest of any mortgagee in the insurance under this section shall not be prejudiced by any act or omission on the part of the mortgagor without the mortgagee's knowledge. The mortgagee shall, however, inform the Company as soon as any such act or omission comes to his knowledge and shall be responsible for any additional premium payable from the date any increased hazard shall, in terms of this clause, be assumed by the Company.

**Municipal plans scrutiny fee** (if stated as included in the schedule)

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

**Prevention of access** (if stated as included in the schedule)

If property within the radius of the premises stated in the schedule is lost or damaged by an insured peril 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 the percentage (as reflected in the schedule against "Insured amount (%)") of the insured amount 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.

**Professional fees** (if stated as included in the schedule)

The insurance of the insured Property includes professional fees, including but not limited to architects' and quantity surveyors' fees (for estimates, plans, specifications, quantities, tenders and supervision) necessarily incurred in the reinstatement or replacement of the Property insured following damage by an insured peril, but in no case exceeding the percentage stated in the schedule of the amount payable in respect of such damage and provided that the total amount recoverable shall not exceed the insured amount 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.

**Public authorities' requirements** (if stated as included in the schedule)

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

1. the amount recoverable under this extension shall not include:
  - 1.1 the cost incurred in complying with any of the aforesaid regulations
    - 1.1.1 in respect of damage occurring prior to granting of this clause;
    - 1.1.2 in respect of damage not insured by this section;
    - 1.1.3 under which notice has been served upon the Insured prior to the happening of the damage;
    - 1.1.4 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;
  - 1.2 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;
  - 1.3 the amount of any rate, tax, duty, development or other charge or assessment arising from capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid regulations;
2. the work of repairing or rebuilding must be commenced and carried out with reasonable despatch and may be carried out wholly or partially upon another site (if the aforesaid regulations so necessitate) subject to the liability of the Company under this clause not being thereby increased;
3. if the liability of the Company under any item of this section apart from this clause shall be reduced by the application of any of the terms, exclusions and conditions of this section, then the liability of the Company under this clause in respect of any such item shall be reduced in like proportion;



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

### **Public supply connections** (if stated as included in the schedule)

This section is extended to cover accidental damage to water, sewerage, gas, electricity and telecommunication connections the property of the Insured or for which they are legally responsible:

1. between the insured building and the public supply or mains;
2. between a borehole, water tank or other water source and the insured buildings, but only if supplying water solely for domestic use.

### **Railway and other subrogation**

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

### **Reinstatement value conditions**

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

provided that:

1. the work of replacement or reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the Insured subject to the liability of the Company not being thereby increased) must be commenced and carried out with reasonable despatch, otherwise no payment beyond the amount which would have been payable if these reinstatement value conditions had not been incorporated herein, shall be made;
2. until expenditure has been incurred by the Insured in replacing or reinstating the Property, the Company shall not be liable for any payment in excess of the amount which would have been payable if these conditions had not been incorporated herein;
3. if, at the time of replacement or reinstatement, the sum representing the cost which would have been incurred in replacement or reinstatement if the whole of the insured Property had been damaged, exceeds the insured amount thereon at the commencement of any damage to such Property by a defined event, then the Insured shall be considered as being their own insurer for the excess and shall bear a rateable proportion of the loss accordingly. Each item of this section (if more than one) to which these conditions apply shall be separately subject to this provision;
4. these conditions shall be without force or effect and the amount payable will revert to the reasonable market value if:
  - 4.1 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;
  - 4.2 the Insured is unable or unwilling to replace or reinstate the Property on the same or another site.

### **Rent** (if stated as included in the schedule)

Loss of rent as a result of the Property insured being so damaged (by any of the perils specified in the schedule as "included") as to be rendered untenable (including partially untenable) but only for the period necessary for reinstatement (and for an amount not exceeding the percentage as stated in the schedule against "Insured amount (%)") of the insured amount on the affected Property. The basis of calculation shall be the rent payable immediately preceding the damage or its equivalent in rental value.



### **Temporary removal** (if stated as included in the schedule)

Except in so far as otherwise insured, landlord's fixtures and fittings are covered while temporarily removed to any other premises including transit by road, rail or inland waterway anywhere within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi and Mozambique provided that:

1. unless such temporary removal is for the purpose of cleaning, renovation, repair or similar process, the liability of the Company shall not exceed the percentage (as stated in the schedule) of the applicable building's insured amount;
2. the amount payable under this extension shall not exceed the amount that would have been payable had the loss occurred on the part of the premises from which the Property is temporarily removed.

### **Tenants**

The Company's liability to the Insured shall not be affected by any act or omission on the part of any tenant (other than the Insured) without the Insured's knowledge. The Insured shall, however, inform the Company as soon as any such act or omission which is a contravention of any of the terms, exclusions or conditions of this section comes to their knowledge and will be responsible for any additional premium payable from the date any increased hazard shall be assumed by the Company.

### **Water pipes** (if stated as included in the schedule)

Bursting and other accidental damage to water pipes the property of the Insured installed in and forming part of the buildings or structures as stated in the schedule provided that:

1. this extension does not cover structural defects, faulty design, poor workmanship, wear and tear or gradual deterioration (including the gradual action of light or climatic or atmospheric conditions) of any water pipe(s);
2. only water pipes beyond 1 meter of any geyser, water container, water tank or water apparatus are covered by this extension.

## **ADDITIONAL EXTENSIONS FOR GUESTHOUSES AND LODGES**

Subject to separate insured amounts and first amounts payable as reflected under each extension in the schedule, the following additional extensions apply only to that part of the risk that relates to the guesthouse and/or lodge on the insured Premises if insured under this section:

### **Death of horses** (if stated as included in the schedule)

The Company will pay up to the insured amount in the schedule for any one event for death of or injury to horses directly resulting from any insured perils reflected as included under the particular premises on the schedule whether or not other insured Property is lost or damaged at the same time.

### **Gardens and water features** (if stated as included in the schedule)

The Company will pay for costs incurred by the Insured in restoring landscaped gardens and water features damaged by:

1. the insured perils fire, lightning, thunderbolt, explosion, earthquake, weather and water, impact and malicious damage provided that such insured perils are reflected as included under the particular premises on the schedule;
2. any emergency service/s operating at the insured premises as a result of such insured peril.

# ADDITIONAL PERILS FOR GUESTHOUSES AND LODGES

Subject to being reflected as included in the schedule, the following additional perils apply only to that part of the risk that relates to the guesthouse and/or lodge on the insured Premises if insured under this section:

**Accidental damage - Household goods and appliances.** Accidental damage to household electrical and gas appliances including air conditioning units, burglar alarms and built-in stoves;

**Deterioration of foodstuffs – all risks.** The Company will pay for accidental deterioration of foodstuffs from any cause but excluding:

1. damage as a result of the deliberate withholding of power by a supply authority;
2. consequential loss.

**Public supply of electricity (total or partial failure).** Loss or damage caused by the total or partial failure of the public supply of electricity to the premises of the Insured provided that this peril does not cover loss or damage resulting from damage directly or indirectly caused by:

1. drought;
2. pollution of water;
3. shortage of fuel or water;
4. a fault on any part of the installation belonging to the premises;
5. the exercise of an authority, empowered by law to supply electricity, of its power to withhold or restrict supply unless such withholding or restriction is directly attributable to damage to property of such authority.

The Company shall not be liable in terms of this extension unless such interruption or interference extends beyond 24 hours.

**Refrigerant fumes.** The action of refrigerant fumes which have escaped from the unit provided that this extension does not cover:

1. loss or damage caused by a deliberate act by the supply authority or the exercise by any supply authority of its power to withhold or restrict the supply of electricity and/or gas unless such withholding or restriction is directly attributable to damage to property of such authority;
2. consequential loss.

# BUSINESS ALL RISKS SECTION

## DEFINED EVENTS

Loss of or damage to the whole or part of the property described in the schedule, being the property of the Insured or for which the Insured is responsible, by any accident or misfortune not otherwise excluded while:

1. Anywhere in the world (if so stated in the schedule against "Defined location") or;
2. Contained in any building (if so stated in the schedule against "Defined location") or;
3. In a specific building at a specific premises (if so stated in the schedule against "Defined location").

## SPECIFIC EXCLUSIONS

The Company shall not be liable for:

1. loss of or damage to property resulting from or caused by:
  - 1.1 theft from any unattended vehicle in the custody or control of the Insured or any principal, partner, director or employee of the Insured unless the property is contained in a completely closed and securely locked vehicle or the vehicle itself is housed in a securely locked building and entry to or exit from such locked vehicle or building is accompanied by forcible and violent entry or exit provided that
    - 1.1.1 if the Insured can demonstrate through video surveillance footage (or any other conclusive proof) that an attempt was made to lock the vehicle, such evidence shall be deemed to satisfy the locked vehicle and forcible and violent entry or exit requirement for any loss out of the vehicle;
    - 1.1.2 this exclusion will not apply where the vehicle has been involved in an accident or other incident where due to the circumstances beyond the control of the driver and passengers, the property has to be left unattended and cannot be secured as required;
  - Specific exclusion 1.1 can upon request be waived by the Company on specific insured articles subject to the first amount payable of such articles as reflected in the schedule being doubled. This waiver will be recorded in the schedule per insured article as follows:

If "Theft (non-forcible entry into an unattended vehicle)" is reflected as "included" then specific exclusion 1.1 is waived for the specific article but if "Theft (non-forcible entry into an unattended vehicle)" is reflected as "not included" then specific exclusion 1.1 remains as being applicable to the specific item;
  - 1.2 its undergoing a process of cleaning, repair, dyeing, bleaching, alteration or restoration;
  - 1.3 inherent vice or defect, vermin, insects, damp, mildew or rust;
  - 1.4 the dishonesty of any principal, partner, director or employee of the Insured whether acting alone or in collusion with others;
  - 1.5 detention, confiscation or requisition by customs or other officials or authorities but this exclusion shall not apply to damage discovered on the return of the property of the Insured if the Insured can provide evidence to the satisfaction of the Company that such detention, confiscation or requisition was unjust and without any offence being committed;
2. wear and tear or gradual deterioration (including the gradual action of light or climatic or atmospheric conditions) unless following an accident or misfortune not otherwise excluded;
3. mechanical, electronic or electrical breakdown, failure, breakage or derangement unless caused by an accident or misfortune not otherwise excluded;
4. loss of or damage to cash, bank and currency notes, coins, bonds, coupons, stamps, negotiable instruments, title deeds, manuscripts or securities of any kind;
5. loss of or damage to goods consigned under a bill of lading.
6. the first amount payable stated in the schedule in respect of each and every event except a loss resulting

from fire, lightning or explosion.

## SPECIFIC CONDITIONS

### 1. Average condition

If the total value of property insured which is not separately and individually specified (in the schedule against "Specified" it will reflect as "No" to indicate such property) is at the time of the happening of any loss or damage to such property, of greater value than the insured amount thereon, the Insured shall be considered as being his own insurer for the difference and shall bear a rateable share of the amount of the loss or damage. Each item of the schedule covering such property shall be separately subject to this condition.

### 2. Replacement value condition (if stated as applicable in the schedule)

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

2.1 the replacement of the property by similar property in a condition equal to, but not better nor more extensive than its condition when new

or

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

provided that if, at the time of replacement or repair, the sum representing the cost which would have been incurred in replacement if the whole of the property had been lost, destroyed or damaged beyond repair exceeds the insured amount 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.

## CLAUSES AND EXTENSIONS

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) subject to any insured amounts or first amounts payable stated in the schedule under each extension.

### Disposal of salvage (if stated as included in the schedule)

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

### Fire extinguishing charges (if stated as included in the schedule)

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

### Increase in cost of working extension (if stated as included in the schedule)

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

### Riot and strike (other than RSA and Namibia) extension (if stated as included in the schedule)

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

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

provided that this extension does not cover:

1. loss or damage occurring in the Republic of South Africa or Namibia;
2. consequential or indirect loss or damage of any kind or description whatsoever;
3. loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;
4. loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
5. loss or damage related to or caused by any occurrence referred to in General exclusion 1 (A) (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If the Company alleges that, by reason of provisos 1 to 5 above, loss or damage is not covered by this section, the burden of proving the contrary shall rest on the Insured.

For internal broker use only - subject to minor changes from time to time

# BUSINESS INTERRUPTION SECTION

## DEFINED EVENTS

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

1. the Fire section of this policy;
2. the Buildings Combined section of this policy;
3. the Office Contents section of this policy;
4. any other material damage insurance covering the interest of the Insured;

but only if such payment or admission of liability is in respect of loss or damage to the insured property by one of the insured perils as listed hereunder (loss by such perils shall hereinafter be termed "Damage") and as defined in the Fire, Buildings Combined or Office Contents sections of this policy:

- Fire;
- Lightning or thunderbolt;
- Explosion;
- Earthquake;
- Weather and water;
- Impact;
- Leakage from any sprinkler, drencher system or fire extinguishing installation/appliance;
- Subsidence and landslide;
- Malicious damage;
- Riot and strike (other than RSA and Namibia);
- Power surge;
- Leakage of oils and chemicals.

Liability shall be deemed to have been admitted if such payment is precluded solely because the Insured is required to bear the first portion of the loss in the form of a First Amount Payable.

The Company will indemnify the Insured as set out in the wording below and based on the information contained in the schedule.

## DEFINITIONS

**Annual gross rentals:** Shall mean the Gross Rentals during the 12 months immediately before the date of the Damage but adjusted further as set out in memorandum 1 below.

**Annual revenue/fees:** Shall mean the Revenue/fees during the 12 months immediately before the date of the Damage but adjusted further as set out in memorandum 1 below.

**Annual turnover:** Shall mean the Turnover during the 12 months immediately before the date of the Damage but adjusted further as set out in memorandum 1 below.



**Gross rentals:** Shall mean the money paid or payable to the Insured by tenants in respect of rental of the premises and for services rendered.

**Gross profit (additions basis):** Shall mean the sum produced by adding to the Net Profit the amount of the Insured Standing Charges or, if there is no Net Profit, the amount of the Insured Standing Charges less such proportion of any net trading loss as the amount of the Insured Standing Charges bears to all the standing charges of the business.

**Gross profit (difference basis):** Shall mean the amount by which

1. the sum of the Turnover and the amount of the closing stock shall exceed
2. the sum of the amount of the opening stock and the amount of the Uninsured Costs.

The amount of the opening and closing stocks shall be arrived at in accordance with the Insured's normal accountancy methods, due provision being made for depreciation.

**Indemnity period:** Shall mean the period during which the results of the business shall be affected in consequence of the Damage beginning with the commencement of the Damage and ending not later than the number of months thereafter stated in the schedule.

**Insured standing charges:** Shall mean the charges of the items as specified in the schedule (the words and expressions used shall have the meaning usually given to them in the books of account of the Insured).

**Net profit:** Shall mean the net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the business of the Insured at the premises after due provision has been made for all standing and other charges including depreciation, but before the deduction of any taxation chargeable on profits.

**Plant material:** Shall mean vines and related infrastructure including but not limited to trellis, uprights and sprinklers.

**Rate of gross profit:** Shall mean the rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Damage but adjusted further as set out in memorandum 1 below.

**Rate of standing charges:** Shall mean the percentage that the Insured Standing Charges bears to the Turnover during the financial year immediately before the date of the Damage but adjusted further as set out in memorandum 1 below.

**Revenue/fees:** Shall mean the money paid or payable to the Insured for goods sold and for services rendered in the course of the business at the premises.

**Standard gross rentals:** Shall mean the Gross Rentals during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period but adjusted further as set out in memorandum 1 below.

**Standard revenue/fees:** Shall mean the Revenue/fees during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period but adjusted further as set out in memorandum 1 below.

**Standard turnover:** Shall mean the Turnover during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period but adjusted further as set out in memorandum 1 below.

**Standing charges only basis:** Shall mean the amount of those Insured Standing Charges that are incurred and remain payable but, if there is no Net Profit, the amount of the Insured Standing Charges less such proportion of any net trading loss as the amount of the Insured Standing Charges bears to all the standing charges of the business.

**Turnover:** Shall mean the money paid or payable to the Insured for goods sold and delivered and for services rendered in the course of the business at the premises.

**Uninsured costs:** Shall mean the costs of the items as specified in the schedule (the words and expressions used shall have the meaning usually attached to them in the books of account of the Insured).

## MEMORANDUM

1. Annual Gross Rentals, Annual Revenue, Annual Turnover, Rate of Gross Profit, Rate of Standing Charges, Standard Gross Rentals, Standard Revenue and Standard Turnover as defined shall be adjusted as necessary to provide for the trend of the business and for variations or other circumstances affecting the business either before or after the Damage or which would have affected the business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relative period after the Damage.
2. If the Damage occurs before the completion of the first year's trading of the business at the premises, the value of Annual Gross Rentals, Annual Revenue, Annual Turnover, Rate of Gross Profit, Rate of Standing Charges, Standard Gross Rentals, Standard Revenue and Standard Turnover shall be calculated by using values proportionate to the results obtained during the period between the commencement of the business and the date of Damage.
3. If, during the Indemnity Period, goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on their behalf, the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover, Revenue or Gross Rentals, during the Indemnity Period.
4. Applicable only to "Gross Profit additions basis" and/or "Standing Charges only basis": If any standing charges of the business are not insured under this section, then in computing the amount of increase in cost of working recoverable under either of these basis, that proportion only of the additional expenditure shall be brought into account which the sum of the Net Profit and the Insured Standing Charges bears to the sum of the Net Profit and all the standing charges. But if there is no Net Profit, that proportion only of the additional expenditure shall be brought into account which the Insured Standing Charges less any net trading loss bears to all the standing charges of the business less any net trading loss.

## SPECIFIC CONDITIONS

1. The insurance under this section shall cease if the business is wound up or carried on by a liquidator or judicial manager or is permanently discontinued, except with the written agreement of the Company.
2. On the happening of any Damage in consequence of which a claim may be made under this section, the Insured shall, in addition to complying with General conditions 6 and 7, with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimise or check any interruption of or interference with the business or to avoid or diminish the loss, and in the event of a claim being made under this section shall, not later than 30 days after the expiry of the Indemnity Period, or within such further time as the Company may in writing allow, at their own expense deliver to the Company in writing a statement setting forth particulars of their claim together with details of all other insurance covering the loss or any part of it or consequential loss of any kind resulting therefrom. No claim under this section shall be payable unless the terms of this specific condition have been complied with and, in the event of non-compliance therewith in any respect, any payment on account of the claim already made shall be repaid to the Company forthwith.

# SPECIFIC EXCLUSIONS

In consideration of a facility existing under:

1. the Fire, Buildings Combined and Office Contents sections in respect of Damage from power surge;
2. the Electronic Equipment section (in respect of Damage from theft on a first loss basis) as referred to in the Electronic equipment extension hereunder;
3. the Glass section as referred to in the Glass extension hereunder;
4. the Goods in Transit section as referred to in the Goods in transit extension hereunder
5. the Money section as referred to in the Money extension hereunder;
6. the Theft section as referred to in the Theft extension hereunder

for the Insured to elect to insure the insured property for an insured amount less than the full value thereof, the Company shall not be liable under this section for any extended interruption period purely because the Insured does not have the financial means or access to acquire the required funds to replace or repair the Damaged property that is not fully insured.

## GROSS PROFIT - difference basis (if stated as included in the schedule)

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

1. **reduction in Turnover;** and
2. **increase in cost of working;**

and the amount payable as indemnity hereunder shall be:

1. **in respect of reduction in Turnover**, the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall, in consequence of the Damage, fall short of the Standard Turnover;
2. **in respect of increase in cost of working**, the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided;

less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the business payable out of Gross Profit as may cease or be reduced in consequence of the Damage, provided that the amount payable shall be proportionately reduced if the insured amount in respect of Gross Profit is less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover where the maximum Indemnity Period is 12 months or less, or the appropriate multiple of the Annual Turnover where the maximum Indemnity Period exceeds 12 months.

## GROSS PROFIT - additions basis (if stated as included in the schedule)

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

1. **reduction in Turnover;** and
2. **increase in cost of working;**

and the amount payable as indemnity hereunder shall be:

1. **in respect of reduction in Turnover**, the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall, in consequence of the Damage, fall short of the Standard Turnover;
2. **in respect of increase in cost of working**, the additional expenditure (subject to the provisions of

memorandum 4) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided;

less any sum saved during the Indemnity Period in respect of such of the Insured Standing Charges as may cease or be reduced in consequence of the Damage, provided that the amount payable shall be proportionately reduced if the insured amount in respect of Gross Profit is less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover where the maximum Indemnity Period is 12 months or less, or the appropriate multiple of the Annual Turnover where the maximum Indemnity Period exceeds 12 months.

## **GROSS RENTALS** (if stated as included in the schedule)

The insurance under this item is limited to:

1. **loss of Gross Rentals**; and
2. **increase in cost of working**;

and the amount payable as indemnity hereunder shall be

1. **in respect of loss of Gross Rentals**, the amount by which the Gross Rentals during the Indemnity Period shall in consequence of the Damage fall short of the Standard Gross Rentals;
2. **in respect of increase in cost of working**, the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Gross Rentals which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the amount of the loss of Gross Rentals thereby avoided;

less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the business payable out of Gross Rentals as may cease or be reduced in consequence of the Damage, provided that the amount payable shall be proportionately reduced if the insured amount in respect of Gross Rentals is less than the Annual Gross Rentals where the maximum Indemnity Period is 12 months or less, or the appropriate multiple of the Annual Gross Rentals where the maximum Indemnity Period exceeds 12 months.

## **REVENUE/FEES** (if stated as included in the schedule)

The insurance under this item is limited to:

1. **loss of Revenue/fees**; and
2. **increase in cost of working**;

and the amount payable as indemnity hereunder shall be

1. **in respect of loss of Revenue/fees**, the amount by which the Revenue/fees during the Indemnity Period shall, in consequence of the Damage, fall short of the Standard Revenue/fees;
2. **in respect of increase in cost of working**, the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Revenue/fees which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the amount of loss of Revenue/fees thereby avoided;

less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the business payable out of Revenue/fees as may cease or be reduced in consequence of the Damage, provided that the amount payable shall be proportionately reduced if the insured amount in respect of Revenue/fees is less than the Annual Revenue/fees where the maximum Indemnity Period is 12 months or less, or the appropriate multiple of the Annual Revenue/fees where the maximum Indemnity Period exceeds 12 months.

## **REVENUE/FEES FOR PLANT MATERIAL** (if stated as included in the schedule)

The insurance under this item is limited to:

1. **loss of Revenue/Fees**; and
2. **increase in cost of working**;

and the amount payable as indemnity hereunder shall be

1. **in respect of loss of Revenue/Fees**, the amount by which the Revenue/Fees during the Indemnity Period shall, in consequence of the Damage, fall short of the Standard Revenue/Fees;
2. **in respect of increase in cost of working**, the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Revenue/Fees which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the amount of loss of Revenue/Fees thereby avoided;

less any sum saved during the indemnity period in respect of such of the charges and expenses of the business payable out of Revenue/Fees as may cease or be reduced in consequence of the Damage, provided that the amount payable shall be proportionately reduced if the insured amount in respect of Revenue/Fees is less than the Annual Revenue/Fees where the maximum Indemnity Period is 12 months or less, or the appropriate multiple of the Annual Revenue/Fees where the maximum Indemnity Period exceeds 12 months.

## **STANDING CHARGES ONLY BASIS** (if stated as included in the schedule)

The insurance under this item is limited to the loss incurred by the Insured in respect of the payment of Insured Standing Charges due to:

1. **reduction in Turnover**; and
2. **increase in cost of working**;

and the amount payable as indemnity hereunder shall be

1. **in respect of reduction in Turnover**, the sum produced by applying the Rate of Standing Charges to the amount by which the Turnover during the Indemnity Period shall, in consequence of the Damage, fall short of the Standard Turnover;
2. **in respect of increase in cost of working**, the additional expenditure (subject to the provisions of memorandum 4) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the sum produced by applying the Rate of Standing Charges to the amount of the reduction thereby avoided;

less any sum saved during the Indemnity Period in respect of such of the Insured Standing Charges as may cease or be reduced in consequence of the Damage, provided that the amount payable shall be proportionately reduced if the insured amount in respect of the Insured Standing Changes is less than the sum produced by applying the Rate of Standing Charges to the Annual Turnover where the maximum Indemnity Period is 12 months or less, or the appropriate multiple of the Annual Turnover where the maximum Indemnity Period exceeds 12 months.

## **ADDITIONAL INCREASE IN COST OF WORKING** (if stated as included in the schedule)

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



## **WAGES** (if stated as included in the schedule)

The insurance under this item is limited to the loss incurred by the Insured by the payment of wages for a period beginning with the occurrence of the Damage and ending not later thereafter than the specified number of weeks in the schedule next to the term "Wages indemnity period (weeks)".

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

## **WAGES FOR PLANT MATERIAL** (if stated as included in the schedule)

The insurance under this item is limited to the loss incurred by the Insured by the payment of wages for a period beginning with the occurrence of the Damage and ending not later thereafter than the specified number of weeks in the schedule next to the term "Wages indemnity period (weeks)".

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

## **FINES AND PENALTIES** (if stated as included in the schedule)

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

## **FINES AND PENALTIES FOR BREACH OF CONTRACT FOR PLANT MATERIAL** (if stated as included in the schedule)

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

## **WINE STOCKS** (if stated as included in the schedule)

The insurance under this item is limited to Damage to Wine stocks owned by the Insured or for which they are responsible provided that:

1. The Insured has insured other property under the Fire section;
2. Damage to wine stocks is restricted to those insured perils that have been selected as insured



under the Fire section for such other property;

3. The following as contained under the Fire section apply to this insured item:
  - 3.1 Specific condition of average;
  - 3.2 Brands and labels (only if stated in the Fire section as included);
  - 3.3 Disposal of salvage clause (only if stated in the Fire section as included);
  - 3.4 Workman's clause.

## CLAUSES AND EXTENSIONS

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) subject to any insured amounts or first amounts payable stated in the schedule under each extension.

### **Accidental damage** (if stated as included in the schedule)

The following defined event is added:

"Loss following interruption or interference with the business in consequence of damage occurring during the period of insurance at the premises in respect of which payment has been made or liability admitted under defined event 1 of the Accidental Damage section of this policy (also to be termed Damage) provided that:

1. the provision under any item of this section that the payment will be reduced proportionately if the amount insured by the item is not adequate, is deleted in respect of this defined event;
2. the Company shall not pay more than the insured amount stated in the schedule of the Accidental Damage section for both this section and the Accidental Damage section combined."

### **Accountants clause**

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

### **Accumulated stocks clause**

In adjusting any loss, account shall be taken and an equitable allowance made if any shortage in turnover or revenue due to the Damage is postponed by reason of the Turnover or Revenue being temporarily maintained from accumulated stocks.

### **Anchor tenants** (if stated as included in the schedule)

Loss as insured by this section resulting from interruption of or interference with the business in consequence of Damage (as within defined) at the premises of those anchor tenants stated in the schedule in the same complex as that occupied by the Insured and which results in a cessation or diminution of trade due to the temporary falling away of custom, shall be deemed to be loss resulting from Damage to the Insured's property at the premises.

### **Departmental clause**

If the business is conducted in departments or branches, the independent trading results of which are

ascertainable, the provisions under items Gross Profit, Gross Rentals, Revenue/Fees, Revenue/Fees for plant material or Standing Charges only basis relating to reduction in Turnover/ Gross Rentals/ Revenue and increase in cost of working, shall apply separately to each department or branch affected by the Damage, except that if the insured amount by the relative item is less than the aggregate of the Annual Gross Rentals, Annual Revenue, sums produced by applying the Rate of Gross Profit / Rate of Standing Charges for each department or branch, whether or not affected by the Damage, to the relative Annual Turnover thereof (proportionately increased if the number of months referred to in the definition of Indemnity Period exceeds 12), the amount payable shall be proportionately reduced.

**Deposit premium clause** (only applicable if the words "Deposit premium (%)" and a percentage amount are reflected in the schedule under the items mentioned below)

In consideration of the premium by the items Gross Profit, Gross Rentals, Revenue/Fees, Revenue/Fees for plant material or Standing Charges only basis being provisional in that it is calculated on the percentage (as stated in the schedule) of the insured amount, the premium is subject to adjustment on expiry of each period of insurance (or after twelve consecutive months from the inception date or anniversary date if this policy is paid by monthly debit order) as follows:

In the event of the Gross Profit/ Gross Rentals/ Revenue/Fees earned or Standing Charges incurred (increased proportionately if the number of months referred to in the definition of Indemnity Period exceeds 12) during the financial year most nearly concurrent with any period of insurance (or the equivalent twelve consecutive months from the inception date or anniversary date if this policy is paid monthly by debit order) being less or greater than the percentage (as stated in the schedule) of the insured amount thereon, a pro rata return or additional premium not exceeding 33 $\frac{1}{3}$  per cent of the provisional premium paid for such period of insurance will be made in respect of the difference.

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

### **Deposit premium clause (wine stocks)**

In consideration of the premium on the Wine stocks item being provisional in that it is calculated on the percentage (as stated in the schedule) of the insured amount, the premium is subject to adjustment on expiry of each period of insurance (or after twelve consecutive months from the inception date or anniversary date if this policy is paid by monthly debit order) with the full value of the wine held in stock and sold during that period.

If, after the occurrence of damage, it is found that the amount of the last declaration is less than the amount that ought to have been declared, then the amount which would have been recoverable by the Insured shall be reduced in such proportion as the amount of the said declaration bears to the amount that ought to have been declared or to the insured amount, whichever is the lesser amount. The provisions of this condition shall, if applicable, operate cumulatively with the provisions of the specific condition relating to average.

The liability of the Company shall not exceed the insured amount and premium shall not be receivable on values in excess thereof.

### **Electronic equipment** (if stated as included in the schedule)

In respect of this extension only the defined events of this section are restated to read:

"Loss following interruption of or interference with the business in consequence of damage occurring during the period of insurance in respect of which payment has been made or liability admitted under the Electronic Equipment section of this policy (such damage under the Electronic Equipment section shall also in this section be termed "Damage") and liability shall be deemed to have been admitted under the Electronic Equipment section if such payment is precluded solely because the Insured is required to bear the first portion of the loss in the form of a First Amount Payable."

The Company will indemnify the Insured under this extension as set out in the remainder of the wording of this section and based on the information contained in the schedule.

### **Glass** (if stated as included in the schedule)

In respect of this extension only the defined events of this section are restated to read:

“Loss following interruption of or interference with the business in consequence of damage occurring during the period of insurance in respect of which payment has been made or liability admitted under the Glass section of this policy (such damage under the Glass section shall also in this section be termed “Damage”) and liability shall be deemed to have been admitted under the Glass section if such payment is precluded solely because the Insured is required to bear the first portion of the loss in the form of a First Amount Payable.”

The Company will indemnify the Insured under this extension as set out in the remainder of the wording of this section and based on the information contained in the schedule.

### **Goods in transit** (if stated as included in the schedule)

In respect of this extension only the defined events of this section are restated to read:

“Loss following interruption of or interference with the business in consequence of damage occurring during the period of insurance in respect of which payment has been made or liability admitted under the Goods in Transit section of this policy (such damage under the Goods in Transit section shall also in this section be termed “Damage”) and liability shall be deemed to have been admitted under the Goods in Transit section if such payment is precluded solely because the Insured is required to bear the first portion of the loss in the form of a First Amount Payable.”

The Company will indemnify the Insured under this extension as set out in the remainder of the wording of this section and based on the information contained in the schedule.

### **Loss of trade** (if stated as included in the schedule)

Loss as insured by this section resulting from interruption of or interference with the business in consequence of Damage (as within defined) to property forming part of, or contained in, the complex of which the Insured's premises forms part, which results in a cessation or diminution of trade to the Insured's business due to temporary falling away of potential custom whether the premises or property of the Insured therein shall be damaged or not, shall be deemed to be loss resulting from Damage to the Insured's property at the premises.

### **Money** (if stated as included in the schedule)

In respect of this extension only the defined events of this section are restated to read:

“Loss following interruption of or interference with the business in consequence of damage occurring during the period of insurance in respect of which payment has been made or liability admitted under the Money section of this policy (such damage under the Money section shall also in this section be termed “Damage”) and liability shall be deemed to have been admitted under the Money section if such payment is precluded solely because the Insured is required to bear the first portion of the loss in the form of a First Amount Payable.”

The Company will indemnify the Insured under this extension as set out in the remainder of the wording of this section and based on the information contained in the schedule.

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

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

1. only the meaning of output or the meaning of Turnover shall be operative in connection with any one event resulting in interruption;
2. if the meaning of output be used

2.1 then the accumulated stocks clause shall be inoperative;

2.2 then memorandum 3 directly after the definitions shall read:

“If, during the Indemnity Period, goods shall be manufactured or processed other than at the premises for the benefit of the business either by the Insured or by others on behalf of the Insured, the sale or transfer of such goods shall be brought into account in arriving at the output during the Indemnity Period.”

## Salvage sale clause

If the Insured shall hold a salvage sale during the Indemnity Period the second point 1 of the Gross Profit item shall, for the purposes of such claim, read as follows:

1. **in respect of reduction in Turnover**, the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period (less the Turnover of the salvage sale) shall, in consequence of the Damage, fall short of the Standard Turnover, from which sum shall be deducted the Gross Profit actually earned from the salvage sale.

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

In respect of this extension only the defined events of this section are restated to read:

“Loss following interruption of or interference with the business in consequence of damage occurring during the period of insurance in respect of which payment has been made or liability admitted under the Theft section of this policy (such damage under the Theft section shall also in this section be termed “Damage”) and liability shall be deemed to have been admitted under the Theft section if such payment is precluded solely because the Insured is required to bear the first portion of the loss in the form of a First Amount Payable.”

The Company will indemnify the Insured under this extension as set out in the remainder of the wording of this section and based on the information contained in the schedule.

## Wine cellar clause

Where the business activities include a wine cellar, the definition of Revenue for that part of the business relating to the wine cellar is amended to include the wine stock as follows:

- Net payment calculated on tonnage supplied/used
- Plus – Fixed Costs
- Plus – Co-operative commission for specific pool
- Plus – Expenditures already incurred
- Minus – Any amount saved during the Indemnity Period in respect of such costs and expenditures of the business which has been suspended or lessened due to the damage.

## Extensions to other premises

Loss as insured by this section resulting from interruption of or interference with the business in consequence of Damage (as within defined) at the undernoted situations or to property as undernoted shall be deemed to be loss resulting from Damage to property used by the Insured at the premises, provided that Extensions to other premises do not apply to the Electronic equipment extension, Glass extension, Money extension or Theft extension.

### • Additional premises

In the event of the Insured occupying or having property at any newly added premises within the Republic of South Africa or Namibia for the purpose of the business during the currency of this section, such newly added premises shall be deemed to be included in those specified here subject to notification to the Company as soon as reasonably practicable and to adjustment of the premium, if necessary.

- **Contract sites**

Any situation within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique not in the occupation of the Insured where the Insured is carrying out a contract.

- **Prevention of access** (if stated as included in the schedule)

Property within the radius stated in the schedule of the **Insured's premises** (provided such property is still within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique), destruction of or Damage to which shall prevent or hinder the use of the premises or access thereto, whether the premises or property of the Insured therein shall be damaged or not.

- **Prevention of access – extended cover** (if stated as included in the schedule)

Property within the radius stated in the schedule of the **premises** (provided such property is still within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique), destruction of or Damage to which shall prevent or hinder the use of the premises or access thereto, whether the premises or property of the Insured therein shall be damaged or not.

For the purpose of this extension “**premises**” shall mean:

1. The premises of those specified suppliers/sub-contractors in the “Specified suppliers/sub-contractors” extension, but only if such extension is stated as included in the schedule;
2. The premises of unspecified suppliers but only if the “Unspecified suppliers” extension is stated as included in the schedule;
3. Property of the Insured in storage as insured by the “Storage, transit and vehicles” extension;
4. Contract sites as insured by the “Contract sites” extension;
5. The premises of those specified customers in the “Specified customers” extension, but only if such extension is stated as included in the schedule;
6. The premises of unspecified customers, but only if the “Unspecified customers” extension is stated as included in the schedule;
7. Public Utilities premises but only if the “Public utilities - insured perils” or “Public Utilities – extended cover” extensions are stated as included in the schedule;
8. Public telecommunications premises but only if the “Public telecommunications - insured perils” or “Public telecommunications - extended cover” extensions are stated as included in the schedule.

- **Public telecommunications – insured perils** (if stated as included the schedule)

1. Property at the premises of any public authority which is empowered by law to supply a telecommunications facility to the Insured;
2. The transmission facilities network of the public authority mentioned in 1 above.

provided the property described above is within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique.

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

Property at electricity generating stations, sub-stations or transmission networks, gasworks including the related gas distribution network, water purification plants, pumping stations, aqueducts and pipelines (provided such property it is still within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique) of an authority empowered by law to supply water, gas or electricity for consumption by the public and which results in an interruption of water, gas or electricity to the premises of the Insured.

- **Specified customers** (if stated as included in the schedule)



The premises of the customers specified in the schedule subject to the dependency factor(s) and insured amount(s) stated in the schedule per customer.

- **Specified suppliers** (if stated as included in the schedule)

The premises of the suppliers and sub-contractors specified in the schedule subject to the dependency factor(s) and insured amount(s) stated in the schedule per supplier/sub-contractor.

- **Storage, transit and vehicles**

Property of the Insured whilst stored or whilst in transit by air, road, rail or inland waterway or being motor vehicles of the Insured elsewhere than at the premises in the occupation of the Insured provided such property it is still within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique.

- **Unspecified customers** (if stated as included in the schedule)

The premises of any of the Insured's direct customers not specified under the specified customers extension provided such premises is within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique and subject to the dependency factor and insured amount stated in the schedule which shall be the maximum per customer.

- **Unspecified suppliers** (if stated as included in the schedule)

The premises of any of the Insured's direct suppliers, manufacturers or processors of components, goods or materials not specified under the specified suppliers/sub-contractors extension provided such premises is within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique and subject to the dependency factor and insured amount stated in the schedule which shall be the maximum per supplier. For the purposes of this extension, the premises of any public supply undertaking from which the Insured obtains electricity, gas or water shall not be considered a supplier and shall not be included in the cover provided.

### **Public telecommunications – extended cover** (if stated as included in the schedule)

Loss as insured resulting from interruption of or interference with the business in consequence of the failure of the public telecommunication facilities to the premises of the Insured shall be deemed to have resulted from Damage (as defined herein) provided this extension does not cover loss resulting from Damage directly or indirectly caused by:

1. drought;
2. a fault on any part of the installation at the premises belonging to the Insured;
3. a decision by any authority to legally withhold the telecommunication facility from the Insured unless such decision is directly attributable to Damage to property of such authority;
4. any event described in the General exclusions of the General section but cover as provided for under the Malicious Damage peril of this policy is not excluded;
5. any event to Public telecommunication facilities situated outside of the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique.

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

### **Public utilities – extended cover** (if stated in the schedule to be included)

Loss as insured resulting from interruption of or interference with the business in consequence of total or partial failure of the public supply of water, gas or electricity to the premises of the Insured shall be deemed to have resulted from Damage (as defined herein) provided that this extension does not cover loss resulting from Damage directly or indirectly caused by:



1. drought;
2. pollution of water;
3. shortage of fuel or water;
4. a fault on any part of the installation at the premises belonging to the Insured;
5. the exercise of an authority empowered by law to supply water, gas or electricity of its power to withhold or restrict supply unless such withholding or restriction is directly attributable to Damage to property of such authority;
6. any event described in the General exclusions of the General section but cover provided by the Malicious Damage peril of this policy is not excluded;
7. any event to Public Utilities situated outside of the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique.

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

## ADDITIONAL EXTENSIONS FOR GUESTHOUSES AND LODGES

The following additional extensions apply only to that part of the risk that relates to the guesthouse and/or lodge on the insured Premises if insured under this section:

### **Auxiliary power failure** (if stated as included in the schedule)

Loss as insured by this section resulting from interruption of or interference with the business in consequence of the failure of the auxiliary power plant to operate in the event of the failure of the main electricity supply grid from which the Insured normally receive their power shall be deemed to have resulted from Damage (as within defined) provided that this extension does not cover loss resulting from Damage directly or indirectly caused by:

1. lack of maintenance or failure to test such equipment on a weekly basis;
2. normal wear and tear or gradual deterioration;
3. a shortage of fuel or the incorrect supply of fuel;
4. a flat battery or battery failure at the time of starting the equipment.

### **Cancellation of bookings** (if stated as included in the schedule)

This section is extended to cover the loss of the value of deposits received for the reservation or booking of accommodation in consequence of returning such deposit/s following curtailment of the relevant booking due to a cause listed below provided that such deposits cannot be recovered from any other source by or on behalf of the person/s cancelling or curtailing:

1. Accidental injury, illness or death of:
  - 1.1 the person for whom the accommodation was booked or any person with whom he/she has arranged to travel;
  - 1.2 a close relative, fiancé or close business colleague of the guest.
2. Pregnancy of the guest's spouse;
3. Compulsory quarantine or jury in a court of law applying to the guest or any person with whom he has arranged to travel;
4. The permanent residence of the guest being lost or damaged by fire, storm, wind, water, hail, snow, earthquake or theft or any attempt thereat, necessitating his/her return home;

5. Any official requirement by a lawfully established authority for the guest to attend emergency duty in military, medical or public service;

provided that the Company shall not be liable for claims where at the time that the booking was made:

1. the guest was aware of any medical condition or set of circumstances which could reasonably be expected to give rise to the booking being cancelled or curtailed;
2. any person whose condition gives rise to the claim was receiving or who was on a waiting list for or had knowledge of the need for in-patient treatment at a hospital or nursing home;
3. any person whose condition gives rise to a claim was travelling against the advice of a medical practitioner;
4. any person whose condition gives rise to a claim was travelling for purposes of obtaining medical treatment abroad;
5. Any person whose condition gives rise to a claim was, during the 12 months prior, suffering from any chronic and/or recurring illness of a serious nature which had necessitated consultation or treatment.

### **Contingent Business Interruption (CBI)** (if stated as included in the schedule)

Damage (as within defined) is deemed to include loss following the interruption of or the interference with the business as a result of:

1. murder, suicide, armed robbery or malicious activities at the Insured's premises;
2. food or drink poisoning at the Insured's premises;
3. closure of the premises due to noxious fumes within the radius stated in the schedule of the Insured's premises, on the order of the competent local, municipal, regional or government authority responsible for the area;
4. adverse weather conditions within the radius stated in the schedule of the Insured's premises, of sufficient intensity and/or strength with the potential to cause damage to property or injury to persons;
5. pollution of any sea, beach, waterway, dam or river within the radius stated in the schedule of the Insured's premises;
6. shark or wild animal attack within the radius stated in the schedule of the Insured's premises;
7. bombing within the radius stated in the schedule of the Insured's premises;
8. closure of the premises due to vermin, pest or defective sanitary arrangements at the Insured's premises on the order of the competent local, municipal, regional or government authority responsible for the area;
9. contagious or infectious notifiable disease within the radius stated in the schedule of the Insured's premises provided that the municipal, regional, local or government authority responsible for the area has declared a notifiable medical condition or communicable disease to exist within the area and/or has imposed quarantine regulations and/or has acted to restrict access to the area in terms of any local, municipal, regional or national law, by-law or regulation pertaining to public health and safety;
10. summons of the Insured or the Insured's directors, partners or employees to appear as a witness in court proceedings.

For the purposes of this extension:

1. "Indemnity Period" shall mean the period commencing with the occurrence of 1, 2, 4, 5, 6, 7 or 10 above or for 3, 8 and 9 the date on which restrictions on the premises were applied and ending not later than the number of months reflected in the schedule against "Indemnity Period" for this extension;
2. "Insured's premises" shall mean those locations listed in the schedule as the Insured's premises and shall not include the premises of any premises under the "extension to other premises" extension or any other extension notwithstanding that this insurance may otherwise be extended to include such premises;

3. "contagious or infectious notifiable disease" shall mean illness sustained to any person resulting from any human infectious or human contagious disease, an outbreak of which the municipal, regional, local or government authority has stipulated shall be notified to them excluding Acquired Immune Deficiency Syndrome (AIDS) or AIDS related condition.

The cover granted by this extension does not include any costs arising from cleaning repair recall or checking the Insured's premises.

### **Liquor licence** (if stated as included in the schedule)

Loss as insured by the section resulting from interruption of or interference with the business in consequence of a licence granted in respect of the premises for the sale of retail of excisable liquors becoming suspended or forfeited at any time during the period of insurance under the provisions of the appropriate legislation governing such licences or refused renewal after due application for such renewal to the appropriate authority if such suspension, forfeiture or refused renewal being occasioned by reasons beyond the control of the Insured provided that:

1. if the Insured shall be entitled to obtain payment of compensation under the provisions of any act of parliament in respect of the refusal to renew the licence no claim shall arise under this section;
2. in the event of death, bankruptcy, incapacity, desertion of the premises or conviction for any offence where such conviction affects the character or reputation of the convicted person with respect to his honesty, moral standing or sobriety of the tenant, manager, occupier or licensee the Insured shall where practicable and at the request of the Company procure a suitable person to replace him and one to whom the justice will transfer the licence or grant the licence by way of renewal;
3. if the forfeiture of or refusal to renew the licence be occasioned wholly or partly by or through the misconduct or procurement or connivance or neglect or omission of the Insured or by any omission of the Insured to take any step necessary for keeping the licence in force no claim shall arise under this section unless the Insured or any other claimant hereunder shall prove to the reasonable satisfaction of the Company that such matter was beyond his or their power or control;
4. if the refused renewal, suspension or forfeiture of the licence arises directly or indirectly from any scheme of town or country planning improvement or redevelopment compulsory purchase or from an amendment of the law affecting the grant, surrender, refusal to renew, suspension or forfeiture of licences no claim shall arise under this section;
5. the Insured shall on becoming aware of any:
  - 5.1 complaint against the premises or the control thereof;
  - 5.2 proceedings against or conviction of the licensee, manager, tenant or occupier of the premises for any breach of licensing law or any matter whatsoever whereby the character or reputation of the person concerned is affected or called into question with regard to his honesty, moral standing or sobriety;
  - 5.3 transfer or proposed transfer of the licence;
  - 5.4 alteration in the purpose for which the premises are used;
  - 5.5 objection to renewal or other circumstances which may endanger the licence or renewal thereof

immediately give notice thereof in writing to the Company and supply such additional information and give such assistance as the Company may reasonably require.

### **Loss of attraction of key tourist attractions** (if stated as included in the schedule)

Loss as insured by this section resulting from interruption of or interference with the business in consequence of Damage (as herein defined) at the premises of those key tourist attraction/s listed in the schedule shall be deemed to be loss resulting from Damage (as defined herein) to property used by the Insured at the premises.

### **Loss of game** (if stated as included in the schedule)

Loss as insured by the section resulting from interruption of or interference with the business in consequence of the death of game by a bush fire or wild fire shall be deemed to have resulted from Damage (as within defined) provided that such events are confined to events happening in the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique.

### **Rail, road and air services** (if stated as included in the schedule)

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

1. at the premises and property of any rail service;
2. at the premises and property of any airport or terminal facility including aircraft;
3. at the premises of any shipping terminal or cargo loading facility;
4. to any road, tunnel, bridge or service accessory relating thereto;
5. to any road vehicle belonging to a customer of the Insured or a road transportation service.

Provided that:

1. such Damage has not been brought about by the direct or indirect action of any party which shall include any strikes, labour disturbances, malicious damage or intent thereof or political interference;
2. should such interruption or interference arise from mechanical or electrical or electronic breakdown there shall be no liability under this extension for interruption or interference with the business unless such interruption or interference extends beyond 24 hours from commencement thereof;
3. such Damage is restricted to only those premises situated, or property within the confines of the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique.

### **Ventilation failure** (if stated as included in the schedule)

Loss as insured by the section resulting from interruption of or interference with the business in consequence of the failure of any ventilation system which controls the cooling or heating requirements of the Insured's premises shall be deemed to have resulted from Damage (as within defined) provided that should such interruption or interference arise from mechanical or electrical or electronic breakdown there shall be no cover under this extension.

# BUSINESS INTERRUPTION SECTION

## DEFINED EVENTS

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

1. the Fire section of this policy;
2. the Buildings Combined section of this policy;
3. the Office Contents section of this policy;
4. any other material damage insurance covering the interest of the Insured;

but only if such payment or admission of liability is in respect of loss or damage to the insured property by one of the insured perils as listed hereunder (loss by such perils shall hereinafter be termed "Damage") and as defined in the Fire, Buildings Combined or Office Contents sections of this policy:

- Fire;
- Lightning or thunderbolt;
- Explosion;
- Earthquake;
- Weather and water;
- Impact;
- Leakage from any sprinkler, drencher system or fire extinguishing installation/appliance;
- Subsidence and landslide;
- Malicious damage;
- Riot and strike (other than RSA and Namibia);
- Power surge;
- Leakage of oils and chemicals.

Liability shall be deemed to have been admitted if such payment is precluded solely because the Insured is required to bear the first portion of the loss in the form of a First Amount Payable.

The Company will indemnify the Insured as set out in the wording below and based on the information contained in the schedule.

## DEFINITIONS

**Annual gross rentals:** Shall mean the Gross Rentals during the 12 months immediately before the date of the Damage but adjusted further as set out in memorandum 1 below.

**Annual revenue/fees:** Shall mean the Revenue/fees during the 12 months immediately before the date of the Damage but adjusted further as set out in memorandum 1 below.

**Annual turnover:** Shall mean the Turnover during the 12 months immediately before the date of the Damage but adjusted further as set out in memorandum 1 below.

**Gross rentals:** Shall mean the money paid or payable to the Insured by tenants in respect of rental of the premises and for services rendered.

**Gross profit (additions basis):** Shall mean the sum produced by adding to the Net Profit the amount of the Insured Standing Charges or, if there is no Net Profit, the amount of the Insured Standing Charges less such proportion of any net trading loss as the amount of the Insured Standing Charges bears to all the standing charges of the business.

**Gross profit (difference basis):** Shall mean the amount by which

1. the sum of the Turnover and the amount of the closing stock shall exceed
2. the sum of the amount of the opening stock and the amount of the Uninsured Costs.

The amount of the opening and closing stocks shall be arrived at in accordance with the Insured's normal accountancy methods, due provision being made for depreciation.

**Indemnity period:** Shall mean the period during which the results of the business shall be affected in consequence of the Damage beginning with the commencement of the Damage and ending not later than the number of months thereafter stated in the schedule.

**Insured standing charges:** Shall mean the charges of the items as specified in the schedule (the words and expressions used shall have the meaning usually given to them in the books of account of the Insured).

**Net profit:** Shall mean the net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the business of the Insured at the premises after due provision has been made for all standing and other charges including depreciation, but before the deduction of any taxation chargeable on profits.

**Rate of gross profit:** Shall mean the rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Damage but adjusted further as set out in memorandum 1 below.

**Rate of standing charges:** Shall mean the percentage that the Insured Standing Charges bears to the Turnover during the financial year immediately before the date of the Damage but adjusted further as set out in memorandum 1 below.

**Revenue/fees:** Shall mean the money paid or payable to the Insured for goods sold and for services rendered in the course of the business at the premises.

**Standard gross rentals:** Shall mean the Gross Rentals during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period but adjusted further as set out in memorandum 1 below.

**Standard revenue/fees:** Shall mean the Revenue/fees during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period but adjusted further as set out in memorandum 1 below.

**Standard turnover:** Shall mean the Turnover during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period but adjusted further as set out in memorandum 1 below.

**Standing charges only basis:** Shall mean the amount of those Insured Standing Charges that are incurred and remain payable but, if there is no Net Profit, the amount of the Insured Standing Charges less such proportion of any net trading loss as the amount of the Insured Standing Charges bears to all the standing charges of the business.

**Turnover:** Shall mean the money paid or payable to the Insured for goods sold and delivered and for services rendered in the course of the business at the premises.



**Uninsured costs:** Shall mean the costs of the items as specified in the schedule (the words and expressions used shall have the meaning usually attached to them in the books of account of the Insured).

## MEMORANDUM

1. Annual Gross Rentals, Annual Revenue, Annual Turnover, Rate of Gross Profit, Rate of Standing Charges, Standard Gross Rentals, Standard Revenue and Standard Turnover as defined shall be adjusted as necessary to provide for the trend of the business and for variations or other circumstances affecting the business either before or after the Damage or which would have affected the business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relative period after the Damage.
2. If the Damage occurs before the completion of the first year's trading of the business at the premises, the value of Annual Gross Rentals, Annual Revenue, Annual Turnover, Rate of Gross Profit, Rate of Standing Charges, Standard Gross Rentals, Standard Revenue and Standard Turnover shall be calculated by using values proportionate to the results obtained during the period between the commencement of the business and the date of Damage.
3. If, during the Indemnity Period, goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on their behalf, the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover, Revenue or Gross Rentals, during the Indemnity Period.
4. Applicable only to "Gross Profit additions basis" and/or "Standing Charges only basis": If any standing charges of the business are not insured under this section, then in computing the amount of increase of cost of working recoverable under either of these basis, that proportion only of the additional expenditure shall be brought into account which the sum of the Net Profit and the Insured Standing Charges bears to the sum of the Net Profit and all the standing charges. But if there is no Net Profit, that proportion only of the additional expenditure shall be brought into account which the Insured Standing Charges less any net trading loss bears to all the standing charges of the business less any net trading loss.

## SPECIFIC CONDITIONS

1. The insurance under this section shall cease if the business is wound up or carried on by a liquidator or judicial manager or is permanently discontinued, except with the written agreement of the Company.
2. On the happening of any Damage in consequence of which a claim may be made under this section, the Insured shall, in addition to complying with General conditions 6 and 7, with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimise or check any interruption of or interference with the business or to avoid or diminish the loss, and in the event of a claim being made under this section shall, not later than 30 days after the expiry of the Indemnity Period, or within such further time as the Company may in writing allow, at their own expense deliver to the Company in writing a statement setting forth particulars of their claim together with details of all other insurance covering the loss or any part of it or consequential loss of any kind resulting therefrom. No claim under this section shall be payable unless the terms of this specific condition have been complied with and, in the event of non-compliance therewith in any respect, any payment on account of the claim already made shall be repaid to the Company forthwith.

## SPECIFIC EXCLUSIONS

In consideration of a facility existing under:

1. the Fire, Buildings Combined and Office Contents sections in respect of Damage from power surge;
2. the Electronic Equipment section (in respect of Damage from theft on a first loss basis) as referred to in the Electronic equipment extension hereunder;
3. the Glass section as referred to in the Glass extension hereunder;
4. the Goods in Transit section as referred to in the Goods in transit extension hereunder
5. the Money section as referred to in the Money extension hereunder;
6. the Theft section as referred to in the Theft extension hereunder

for the Insured to elect to insure the insured property for an insured amount less than the full value thereof, the Company shall not be liable under this section for any extended interruption period purely because the Insured does not have the financial means or access to acquire the required funds to replace or repair the Damaged property that is not fully insured.

## **GROSS PROFIT - difference basis** (if stated as included in the schedule)

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

1. **reduction in Turnover;** and
2. **increase in cost of working;**

and the amount payable as indemnity hereunder shall be:

1. **in respect of reduction in Turnover**, the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall, in consequence of the Damage, fall short of the Standard Turnover;
2. **in respect of increase in cost of working**, the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided;

less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the business payable out of Gross Profit as may cease or be reduced in consequence of the Damage, provided that the amount payable shall be proportionately reduced if the insured amount in respect of Gross Profit is less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover where the maximum Indemnity Period is 12 months or less, or the appropriate multiple of the Annual Turnover where the maximum Indemnity Period exceeds 12 months.

## **GROSS PROFIT - additions basis** (if stated as included in the schedule)

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

1. **reduction in Turnover;** and
2. **increase in cost of working;**

and the amount payable as indemnity hereunder shall be:

1. **in respect of reduction in Turnover**, the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall, in consequence of the Damage, fall short of the Standard Turnover;
2. **in respect of increase in cost of working**, the additional expenditure (subject to the provisions of memorandum 4) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided;

less any sum saved during the Indemnity Period in respect of such of the Insured Standing Charges as may cease or be reduced in consequence of the Damage, provided that the amount payable shall be proportionately reduced if the insured amount in respect of Gross Profit is less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover where the maximum Indemnity Period is 12 months or less, or the appropriate multiple of the Annual Turnover where the maximum Indemnity Period exceeds 12 months.

## **GROSS RENTALS** (if stated as included in the schedule)

The insurance under this item is limited to:

1. **loss of Gross Rentals;** and
2. **increase in cost of working;**

and the amount payable as indemnity hereunder shall be

1. **in respect of loss of Gross Rentals**, the amount by which the Gross Rentals during the Indemnity Period shall in consequence of the Damage fall short of the Standard Gross Rentals;
2. **in respect of increase in cost of working**, the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Gross Rentals which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the amount of the loss of Gross Rentals thereby avoided;

less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the business payable out of Gross Rentals as may cease or be reduced in consequence of the Damage, provided that the amount payable shall be proportionately reduced if the insured amount in respect of Gross Rentals is less than the Annual Gross Rentals where the maximum Indemnity Period is 12 months or less, or the appropriate multiple of the Annual Gross Rentals where the maximum Indemnity Period exceeds 12 months.

## **REVENUE/FEES** (if stated as included in the schedule)

The insurance under this item is limited to:

1. **loss of Revenue/fees;** and
2. **increase in cost of working;**

and the amount payable as indemnity hereunder shall be

1. **in respect of loss of Revenue/fees**, the amount by which the Revenue/fees during the Indemnity Period shall, in consequence of the Damage, fall short of the Standard Revenue/fees;
2. **in respect of increase in cost of working**, the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Revenue/fees which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the amount of loss of Revenue/fees thereby avoided;

less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the business payable out of Revenue/fees as may cease or be reduced in consequence of the Damage, provided that the amount payable shall be proportionately reduced if the insured amount in respect of Revenue/fees is less than the Annual Revenue/fees where the maximum Indemnity Period is 12 months or less, or the appropriate multiple of the Annual Revenue/fees where the maximum Indemnity Period exceeds 12 months.

## **STANDING CHARGES ONLY BASIS** (if stated as included in the schedule)

The insurance under this item is limited to the loss incurred by the Insured in respect of the payment of Insured Standing Charges due to:

1. **reduction in Turnover;** and
2. **increase in cost of working;**

and the amount payable as indemnity hereunder shall be

1. **in respect of reduction in Turnover**, the sum produced by applying the Rate of Standing Charges to the amount by which the Turnover during the Indemnity Period shall, in consequence of the Damage, fall short of the Standard Turnover;
2. **in respect of increase in cost of working**, the additional expenditure (subject to the provisions of memorandum 4) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the sum produced by applying the Rate of Standing Charges to the amount of the reduction thereby avoided;

less any sum saved during the Indemnity Period in respect of such of the Insured Standing Charges as may cease or be reduced in consequence of the Damage, provided that the amount payable shall be proportionately reduced if the insured amount in respect of the Insured Standing Charges is less than the sum produced by applying the Rate of Standing Charges to the Annual Turnover where the maximum Indemnity Period is 12 months or less, or the appropriate multiple of the Annual Turnover where the maximum Indemnity Period exceeds 12 months.

## **ADDITIONAL INCREASE IN COST OF WORKING** (if stated as included in the schedule)

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

## **WAGES** (if stated as included in the schedule)

The insurance under this item is limited to the loss incurred by the Insured by the payment of wages for a period beginning with the occurrence of the Damage and ending not later thereafter than the specified number of weeks in the schedule next to the term "Wages indemnity period (weeks)".

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

## **FINES AND PENALTIES** (if stated as included in the schedule)

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

## **CLAUSES AND EXTENSIONS**

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover

under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) subject to any insured amounts or first amounts payable stated in the schedule under each extension.

### **Accidental damage** (if stated as included in the schedule)

The following defined event is added:

“Loss following interruption or interference with the business in consequence of damage occurring during the period of insurance at the premises in respect of which payment has been made or liability admitted under defined event 1 of the Accidental Damage section of this policy (also to be termed Damage) provided that:

1. the provision under any item of this section that the payment will be reduced proportionately if the amount insured by the item is not adequate, is deleted in respect of this defined event;
2. the Company shall not pay more than the insured amount stated in the schedule of the Accidental Damage section for both this section and the Accidental Damage section combined.”

### **Accountants clause**

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

### **Accumulated stocks clause**

In adjusting any loss, account shall be taken and an equitable allowance made if any shortage in Turnover or Revenue due to the Damage is postponed by reason of the Turnover or Revenue being temporarily maintained from accumulated stocks.

### **Anchor tenants** (if stated as included in the schedule)

Loss as insured by this section resulting from interruption of or interference with the business in consequence of Damage (as within defined) at the premises of those anchor tenants stated in the schedule in the same complex as that occupied by the Insured and which results in a cessation or diminution of trade due to the temporary falling away of custom, shall be deemed to be loss resulting from Damage to the Insured's property at the premises.

### **Departmental clause**

If the business is conducted in departments or branches, the independent trading results of which are ascertainable, the provisions under items Gross Profit, Gross Rentals, Revenue/Fees or Standing Charges only basis relating to reduction in Turnover/ Gross Rentals/ Revenue and increase in cost of working, shall apply separately to each department or branch affected by the Damage, except that if the insured amount by the relative item is less than the aggregate of the Annual Gross Rentals, Annual Revenue, sums produced by applying the Rate of Gross Profit / Rate of Standing Charges for each department or branch, whether or not affected by the Damage, to the relative Annual Turnover thereof (proportionately increased if the number of months referred to in the definition of Indemnity Period exceeds 12), the amount payable shall be proportionately reduced.

### **Deposit premium clause** (only applicable if the words “Deposit premium (%)” and a percentage amount are reflected in the schedule under the items mentioned below)

In consideration of the premium by the items Gross Profit, Gross Rentals, Revenue/Fees or Standing Charges only basis being provisional in that it is calculated on the percentage (as stated in the schedule)



of the insured amount, the premium is subject to adjustment on expiry of each period of insurance (or after twelve consecutive months from the inception date or anniversary date if this policy is paid by monthly debit order) as follows:

In the event of the Gross Profit/ Gross Rentals/ Revenue/Fees earned or Standing Charges incurred (increased proportionately if the number of months referred to in the definition of Indemnity Period exceeds 12) during the financial year most nearly concurrent with any period of insurance (or the equivalent twelve consecutive months from the inception date or anniversary date if this policy is paid monthly by debit order) being less or greater than the percentage (as stated in the schedule) of the insured amount thereon, a pro rata return or additional premium not exceeding 33⅓ per cent of the provisional premium paid for such period of insurance will be made in respect of the difference.

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

### **Electronic equipment** (if stated as included in the schedule)

In respect of this extension only the defined events of this section are restated to read:

“Loss following interruption of or interference with the business in consequence of damage occurring during the period of insurance in respect of which payment has been made or liability admitted under the Electronic Equipment section of this policy (such damage under the Electronic Equipment section shall also in this section be termed “Damage”) and liability shall be deemed to have been admitted under the Electronic Equipment section if such payment is precluded solely because the Insured is required to bear the first portion of the loss in the form of a First Amount Payable.”

The Company will indemnify the Insured under this extension as set out in the remainder of the wording of this section and based on the information contained in the schedule.

### **Glass** (if stated as included in the schedule)

In respect of this extension only the defined events of this section are restated to read:

“Loss following interruption of or interference with the business in consequence of damage occurring during the period of insurance in respect of which payment has been made or liability admitted under the Glass section of this policy (such damage under the Glass section shall also in this section be termed “Damage”) and liability shall be deemed to have been admitted under the Glass section if such payment is precluded solely because the Insured is required to bear the first portion of the loss in the form of a First Amount Payable.”

The Company will indemnify the Insured under this extension as set out in the remainder of the wording of this section and based on the information contained in the schedule.

### **Goods in transit** (if stated as included in the schedule)

In respect of this extension only the defined events of this section are restated to read:

“Loss following interruption of or interference with the business in consequence of damage occurring during the period of insurance in respect of which payment has been made or liability admitted under the Goods in Transit section of this policy (such damage under the Goods in Transit section shall also in this section be termed “Damage”) and liability shall be deemed to have been admitted under the Goods in Transit section if such payment is precluded solely because the Insured is required to bear the first portion of the loss in the form of a First Amount Payable.”

The Company will indemnify the Insured under this extension as set out in the remainder of the wording of this section and based on the information contained in the schedule.

### **Loss of trade** (if stated as included in the schedule)

Loss as insured by this section resulting from interruption of or interference with the business in consequence of Damage (as within defined) to property forming part of, or contained in, the complex of which the Insured's premises forms part, which results in a cessation or diminution of trade to the Insured's business due to temporary falling away of potential custom whether the premises or property



of the Insured therein shall be damaged or not, shall be deemed to be loss resulting from Damage to the Insured's property at the premises.

## **Money** (if stated as included in the schedule)

In respect of this extension only the defined events of this section are restated to read:

"Loss following interruption of or interference with the business in consequence of damage occurring during the period of insurance in respect of which payment has been made or liability admitted under the Money section of this policy (such damage under the Money section shall also in this section be termed "Damage") and liability shall be deemed to have been admitted under the Money section if such payment is precluded solely because the Insured is required to bear the first portion of the loss in the form of a First Amount Payable."

The Company will indemnify the Insured under this extension as set out in the remainder of the wording of this section and based on the information contained in the schedule.

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

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

1. only the meaning of output or the meaning of Turnover shall be operative in connection with any one event resulting in interruption;
2. if the meaning of output be used
  - 2.1 then the accumulated stocks clause shall be inoperative;
  - 2.2 then memorandum 3 directly after the definitions shall read:

"If, during the Indemnity Period, goods shall be manufactured or processed other than at the premises for the benefit of the business either by the Insured or by others on behalf of the Insured, the sale or transfer of such goods shall be brought into account in arriving at the output during the Indemnity Period."

## **Salvage sale clause**

If the Insured shall hold a salvage sale during the Indemnity Period the second point 1 of the Gross Profit item shall, for the purposes of such claim, read as follows:

1. **in respect of reduction in Turnover** the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period (less the Turnover of the salvage sale) shall, in consequence of the Damage, fall short of the Standard Turnover, from which sum shall be deducted the Gross Profit actually earned from the salvage sale.

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

In respect of this extension only the defined events of this section are restated to read:

"Loss following interruption of or interference with the business in consequence of damage occurring during the period of insurance in respect of which payment has been made or liability admitted under the Theft section of this policy (such damage under the Theft section shall also in this section be termed "Damage") and liability shall be deemed to have been admitted under the Theft section if such payment is precluded solely because the Insured is required to bear the first portion of the loss in the form of a First Amount Payable."

The Company will indemnify the Insured under this extension as set out in the remainder of the wording of this section and based on the information contained in the schedule.

## **Extensions to other premises**

Loss as insured by this section resulting from interruption of or interference with the business in

consequence of Damage (as within defined) at the undernoted situations or to property as undernoted shall be deemed to be loss resulting from Damage to property used by the Insured at the premises, provided that Extensions to other premises do not apply to the Electronic equipment extension, Glass extension, Money extension or Theft extension.

- **Additional premises**

In the event of the Insured occupying or having property at any newly added premises within the Republic of South Africa or Namibia for the purpose of the business during the currency of this section, such newly added premises shall be deemed to be included in those specified here subject to notification to the Company as soon as reasonably practicable and to adjustment of the premium, if necessary.

- **Contract sites**

Any situation within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique not in the occupation of the Insured where the Insured is carrying out a contract.

- **Prevention of access** (if stated as included in the schedule)

Property within the radius stated in the schedule of the **Insured's premises** (provided such property is still within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique), destruction of or Damage to which shall prevent or hinder the use of the premises or access thereto, whether the premises or property of the Insured therein shall be damaged or not.

- **Prevention of access – extended cover** (if stated as included in the schedule)

Property within the radius stated in the schedule of the **premises** (provided such property is still within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique), destruction of or Damage to which shall prevent or hinder the use of the premises or access thereto, whether the premises or property of the Insured therein shall be damaged or not.

For the purpose of this extension “**premises**” shall mean:

1. The premises of those specified suppliers/sub-contractors in the “Specified suppliers/sub-contractors” extension, but only if such extension is stated as included in the schedule;
2. The premises of unspecified suppliers, but only if the “Unspecified suppliers” extension is stated as included in the schedule;
3. Property of the Insured in storage as insured by the “Storage, transit and vehicles” extension;
4. Contract sites as insured by the “Contract sites” extension;
5. The premises of those specified customers in the “Specified customers” extension, but only if such extension is stated as included in the schedule;
6. The premises of unspecified customers, but only if the “Unspecified customers” extension is stated as included in the schedule;
7. Public Utilities premises but only if the “Public utilities - insured perils” or “Public Utilities – extended cover” extensions are stated as included in the schedule;
8. Public telecommunications premises but only if the “Public telecommunications - insured perils” or “Public telecommunications - extended cover” extensions are stated as included in the schedule.

- **Public telecommunications – insured perils** (if stated as included the schedule)

1. Property at the premises of any public authority which is empowered by law to supply a telecommunications facility to the Insured;
2. The transmission facilities network of the public authority mentioned in 1 above.

provided the property described above is within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique.

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

Property at electricity generating stations, sub-stations or transmission networks, gasworks including the related gas distribution network, water purification plants, pumping stations, aqueducts and pipelines (provided such property it is still within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique) of an authority empowered by law to supply water, gas or electricity for consumption by the public and which results in an interruption of water, gas or electricity to the premises of the Insured.

- **Specified customers** (if stated as included in the schedule)

The premises of the customers specified in the schedule subject to the dependency factor(s) and insured amount(s) stated in the schedule per customer.

- **Specified suppliers** (if stated as included in the schedule)

The premises of the suppliers and sub-contractors specified in the schedule subject to the dependency factor(s) and insured amount(s) stated in the schedule per supplier/sub-contractor.

- **Storage, transit and vehicles**

Property of the Insured whilst stored or whilst in transit by air, road, rail or inland waterway or being motor vehicles of the Insured elsewhere than at the premises in the occupation of the Insured provided such property it is still within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique.

- **Unspecified customers** (if stated as included in the schedule)

The premises of any of the Insured's direct customers not specified under the specified customers extension provided such premises is within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique and subject to the dependency factor and insured amount stated in the schedule which shall be the maximum per customer.

- **Unspecified suppliers** (if stated as included in the schedule)

The premises of any of the Insured's direct suppliers, manufacturers or processors of components, goods or materials not specified under the specified suppliers/sub-contractors extension provided such premises is within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique and subject to the dependency factor and insured amount stated in the schedule which shall be the maximum per supplier. For the purposes of this extension, the premises of any public supply undertaking from which the Insured obtains electricity, gas or water shall not be considered a supplier and shall not be included in the cover provided.

### **Public telecommunications – extended cover** (if stated as included in the schedule)

Loss as insured resulting from interruption of or interference with the business in consequence of the failure of the public telecommunication facilities to the premises of the Insured shall be deemed to have resulted from Damage (as defined herein) provided this extension does not cover loss resulting from Damage directly or indirectly caused by:

1. drought;
2. a fault on any part of the installation at the premises belonging to the Insured;
3. a decision by any authority to legally withhold the telecommunication facility from the Insured unless such decision is directly attributable to Damage to property of such authority;
4. any event described in the General exclusions of the General section but cover as provided for under the Malicious Damage peril of this policy is not excluded;

5. any event to Public telecommunication facilities situated outside of the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique.

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

### **Public utilities – extended cover** (if stated in the schedule to be included)

Loss as insured resulting from interruption of or interference with the business in consequence of total or partial failure of the public supply of water, gas or electricity to the premises of the Insured shall be deemed to have resulted from Damage (as defined herein) provided that this extension does not cover loss resulting from Damage directly or indirectly caused by:

1. drought;
2. pollution of water;
3. shortage of fuel or water;
4. a fault on any part of the installation at the premises belonging to the Insured;
5. the exercise of an authority empowered by law to supply water, gas or electricity of its power to withhold or restrict supply unless such withholding or restriction is directly attributable to Damage to property of such authority;
6. any event described in the General exclusions of the General section but cover provided by the Malicious Damage peril of this policy is not excluded;
7. any event to Public Utilities situated outside of the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique.

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

## **ADDITIONAL EXTENSIONS FOR GUESTHOUSES AND LODGES**

The following additional extensions apply only to that part of the risk that relates to the guesthouse and/or lodge on the insured Premises if insured under this section:

### **Auxiliary power failure** (if stated as included in the schedule)

Loss as insured by this section resulting from interruption of or interference with the business in consequence of the failure of the auxiliary power plant to operate in the event of the failure of the main electricity supply grid from which the Insured normally receive their power shall be deemed to have resulted from Damage (as within defined) provided that this extension does not cover loss resulting from Damage directly or indirectly caused by:

1. lack of maintenance or failure to test such equipment on a weekly basis;
2. normal wear and tear or gradual deterioration;
3. a shortage of fuel or the incorrect supply of fuel;
4. a flat battery or battery failure at the time of starting the equipment.

### **Cancellation of bookings** (if stated as included in the schedule)

This section is extended to cover the loss of the value of deposits received for the reservation or booking of accommodation in consequence of returning such deposit/s following curtailment of the

relevant booking due to a cause listed below provided that such deposits cannot be recovered from any other source by or on behalf of the person/s cancelling or curtailing:

1. Accidental injury, illness or death of:
  - 1.1 the person for whom the accommodation was booked or any person with whom he/she has arranged to travel;
  - 1.2 a close relative, fiancé or close business colleague of the guest.
2. Pregnancy of the guest's spouse;
3. Compulsory quarantine or jury in a court of law applying to the guest or any person with whom he has arranged to travel;
4. The permanent residence of the guest being lost or damaged by fire, storm, wind, water, hail, snow, earthquake or theft or any attempt thereat, necessitating his/her return home;
5. Any official requirement by a lawfully established authority for the guest to attend emergency duty in military, medical or public service;

provided that the Company shall not be liable for claims where at the time that the booking was made:

1. the guest was aware of any medical condition or set of circumstances which could reasonably be expected to give rise to the booking being cancelled or curtailed;
2. any person whose condition gives rise to the claim was receiving or who was on a waiting list for or had knowledge of the need for in-patient treatment at a hospital or nursing home;
3. any person whose condition gives rise to a claim was travelling against the advice of a medical practitioner;
4. any person whose condition gives rise to a claim was travelling for purposes of obtaining medical treatment abroad;
5. Any person whose condition gives rise to a claim was, during the 12 months prior, suffering from any chronic and/or recurring illness of a serious nature which had necessitated consultation or treatment.

### **Contingent Business Interruption (CBI)** (if stated as included in the schedule)

Damage (as within defined) is deemed to include loss following the interruption of or the interference with the business as a result of:

1. murder, suicide, armed robbery or malicious activities at the Insured's premises;
2. food or drink poisoning at the Insured's premises;
3. closure of the premises due to noxious fumes within the radius stated in the schedule of the Insured's premises, on the order of the competent local, municipal, regional or government authority responsible for the area;
4. adverse weather conditions within the radius stated in the schedule of the Insured's premises, of sufficient intensity and/or strength with the potential to cause damage to property or injury to persons;
5. pollution of any sea, beach, waterway, dam or river within the radius stated in the schedule of the Insured's premises;
6. shark or wild animal attack within the radius stated in the schedule of the Insured's premises;
7. bombing within the radius stated in the schedule of the Insured's premises;
8. closure of the premises due to vermin, pest or defective sanitary arrangements at the Insured's premises on the order of the competent local, municipal, regional or government authority responsible for the area;
9. contagious or infectious notifiable disease within the radius stated in the schedule of the Insured's premises provided that the municipal, regional, local or government authority responsible for the area has declared a notifiable medical condition or communicable disease to exist within the area and/or has imposed quarantine regulations and/or has acted to restrict access to the area in terms of any local, municipal, regional or national law, by-law or regulation pertaining to public health and



safety;

10. summons of the Insured or the Insured's directors, partners or employees to appear as a witness in court proceedings.

For the purposes of this extension:

1. "Indemnity Period" shall mean the period commencing with the occurrence of 1, 2, 4, 5, 6, 7 or 10 above or for 3, 8 and 9 the date on which restrictions on the premises were applied and ending not later than the number of months reflected in the schedule against "Indemnity Period" for this extension;
2. "Insured's premises" shall mean those locations listed in the schedule as the Insured's premises and shall not include the premises of any premises under the "extension to other premises" extension or any other extension notwithstanding that this insurance may otherwise be extended to include such premises;
3. "contagious or infectious notifiable disease" shall mean illness sustained to any person resulting from any human infectious or human contagious disease, an outbreak of which the municipal, regional, local or government authority has stipulated shall be notified to them excluding Acquired Immune Deficiency Syndrome (AIDS) or AIDS related condition.

The cover granted by this extension does not include any costs arising from cleaning repair recall or checking the Insured's premises.

### **Liquor licence** (if stated as included in the schedule)

Loss as insured by the section resulting from interruption of or interference with the business in consequence of a licence granted in respect of the premises for the sale of retail of excisable liquors becoming suspended or forfeited at any time during the period of insurance under the provisions of the appropriate legislation governing such licences or refused renewal after due application for such renewal to the appropriate authority if such suspension, forfeiture or refused renewal being occasioned by reasons beyond the control of the Insured provided that:

1. if the Insured shall be entitled to obtain payment of compensation under the provisions of any act of parliament in respect of the refusal to renew the licence no claim shall arise under this section;
2. in the event of death, bankruptcy, incapacity, desertion of the premises or conviction for any offence where such conviction affects the character or reputation of the convicted person with respect to his honesty, moral standing or sobriety of the tenant, manager, occupier or licensee the Insured shall where practicable and at the request of the Company procure a suitable person to replace him and one to whom the justice will transfer the licence or grant the licence by way of renewal;
3. if the forfeiture of or refusal to renew the licence be occasioned wholly or partly by or through the misconduct or procurement or connivance or neglect or omission of the Insured or by any omission of the Insured to take any step necessary for keeping the licence in force no claim shall arise under this section unless the Insured or any other claimant hereunder shall prove to the reasonable satisfaction of the Company that such matter was beyond his or their power or control;
4. if the refused renewal, suspension or forfeiture of the licence arises directly or indirectly from any scheme of town or country planning improvement or redevelopment compulsory purchase or from an amendment of the law affecting the grant, surrender, refusal to renew, suspension or forfeiture of licences no claim shall arise under this section;
5. the Insured shall on becoming aware of any:
  - 5.1 complaint against the premises or the control thereof;
  - 5.2 proceedings against or conviction of the licensee, manager, tenant or occupier of the premises for any breach of licensing law or any matter whatsoever whereby the character or reputation of the person concerned is affected or called into question with regard to his honesty, moral standing or sobriety;
  - 5.3 transfer or proposed transfer of the licence;
  - 5.4 alteration in the purpose for which the premises are used;

5.5 objection to renewal or other circumstances which may endanger the licence or renewal thereof

immediately give notice thereof in writing to the Company and supply such additional information and give such assistance as the Company may reasonably require.

### **Loss of attraction of key tourist attractions** (if stated as included in the schedule)

Loss as insured by this section resulting from interruption of or interference with the business in consequence of Damage (as herein defined) at the premises of those key tourist attraction/s listed in the schedule shall be deemed to be loss resulting from Damage (as defined herein) to property used by the Insured at the premises.

### **Loss of game** (if stated as included in the schedule)

Loss as insured by the section resulting from interruption of or interference with the business in consequence of the death of game by a bush fire or wild fire shall be deemed to have resulted from Damage (as within defined) provided that such events are confined to events happening in the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique.

### **Rail, road and air services** (if stated as included in the schedule)

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

1. at the premises and property of any rail service;
2. at the premises and property of any airport or terminal facility including aircraft;
3. at the premises of any shipping terminal or cargo loading facility;
4. to any road, tunnel, bridge or service accessory relating thereto;
5. to any road vehicle belonging to a customer of the Insured or a road transportation service.

Provided that:

1. such Damage has not been brought about by the direct or indirect action of any party which shall include any strikes, labour disturbances, malicious damage or intent thereof or political interference;
2. should such interruption or interference arise from mechanical or electrical or electronic breakdown there shall be no liability under this extension for interruption or interference with the business unless such interruption or interference extends beyond 24 hours from commencement thereof;
3. such Damage is restricted to only those premises situated, or property within the confines of the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi or Mozambique.

### **Ventilation failure** (if stated as included in the schedule)

Loss as insured by the section resulting from interruption of or interference with the business in consequence of the failure of any ventilation system which controls the cooling or heating requirements of the Insured's premises shall be deemed to have resulted from Damage (as within defined) provided that should such interruption or interference arise from mechanical or electrical or electronic breakdown there shall be no cover under this extension.

# BUSINESS INTERRUPTION SECTION

## DEFINED EVENTS

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

1. the Fire section of this policy;
2. the Buildings Combined section of this policy;
3. the Office Contents section of this policy;
4. any other material damage insurance covering the interest of the Insured;

**but only if such payment or admission of liability is in respect of loss or damage to the insured property by one of the insured perils as listed hereunder** (loss by such perils shall hereinafter be termed "Damage") and as defined in the Fire, Buildings Combined or Office Contents sections of this policy:

- Fire;
- Lightning or thunderbolt;
- Explosion;
- Earthquake;
- Weather and water;
- Impact;
- Leakage from any sprinkler, drencher system or fire extinguishing installation/appliance;
- Subsidence and landslide;
- Malicious damage;
- Riot and strike (other than RSA and Namibia);
- Power surge;
- Leakage of oils and chemicals.

Liability shall be deemed to have been admitted if such payment is precluded solely because the Insured is required to bear the first portion of the loss in the form of a First Amount Payable.

The Company will indemnify the Insured as set out in the wording below and based on the information contained in the schedule.

## DEFINITIONS

**Annual gross rentals:** Shall mean the Gross Rentals during the 12 months immediately before the date of the Damage but adjusted further as set out in memorandum 1 below.

**Annual revenue/fees:** Shall mean the Revenue/fees during the 12 months immediately before the date of the Damage but adjusted further as set out in memorandum 1 below.

**Annual turnover:** Shall mean the Turnover during the 12 months immediately before the date of the Damage but adjusted further as set out in memorandum 1 below.

**Gross rentals:** Shall mean the money paid or payable to the Insured by tenants in respect of rental of the premises and for services rendered.

**Gross profit (additions basis):** Shall mean the sum produced by adding to the Net Profit the amount of the Insured Standing Charges or, if there is no Net Profit, the amount of the Insured Standing Charges less such proportion of any net trading loss as the amount of the Insured Standing Charges bears to all the standing charges

of the business.

**Gross profit (difference basis):** Shall mean the amount by which

1. the sum of the Turnover and the amount of the closing stock shall exceed
2. the sum of the amount of the opening stock and the amount of the Uninsured Costs.

The amount of the opening and closing stocks shall be arrived at in accordance with the Insured's normal accountancy methods, due provision being made for depreciation.

**Indemnity period:** Shall mean the period during which the results of the business shall be affected in consequence of the Damage beginning with the commencement of the Damage and ending not later than the number of months thereafter stated in the schedule.

**Insured standing charges:** Shall mean the charges of the items as specified in the schedule (the words and expressions used shall have the meaning usually given to them in the books of account of the Insured).

**Net profit:** Shall mean the net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the business of the Insured at the premises after due provision has been made for all standing and other charges including depreciation, but before the deduction of any taxation chargeable on profits.

**Rate of gross profit:** Shall mean the rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Damage but adjusted further as set out in memorandum 1 below.

**Rate of standing charges:** Shall mean the percentage that the Insured Standing Charges bears to the Turnover during the financial year immediately before the date of the Damage but adjusted further as set out in memorandum 1 below.

**Revenue/fees:** Shall mean the money paid or payable to the Insured for goods sold and for services rendered in the course of the business at the premises.

**Standard gross rentals:** Shall mean the Gross Rentals during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period but adjusted further as set out in memorandum 1 below.

**Standard revenue/fees:** Shall mean the Revenue/fees during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period but adjusted further as set out in memorandum 1 below.

**Standard turnover:** Shall mean the Turnover during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period but adjusted further as set out in memorandum 1 below.

**Standing charges only basis:** Shall mean the amount of those Insured Standing Charges that are incurred and remain payable but, if there is no Net Profit, the amount of the Insured Standing Charges less such proportion of any net trading loss as the amount of the Insured Standing Charges bears to all the standing charges of the business.

**Turnover:** Shall mean the money paid or payable to the Insured for goods sold and delivered and for services rendered in the course of the business at the premises.

**Uninsured costs:** Shall mean the costs of the items as specified in the schedule (the words and expressions used shall have the meaning usually attached to them in the books of account of the Insured).

## MEMORANDUM

1. Annual Gross Rentals, Annual Revenue, Annual Turnover, Rate of Gross Profit, Rate of Standing Charges, Standard Gross Rentals, Standard Revenue and Standard Turnover as defined shall be adjusted as necessary to provide for the trend of the business and for variations or other circumstances affecting the business either before or after the Damage or which would have affected the business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relative period after the Damage.
2. If the Damage occurs before the completion of the first year's trading of the business at the premises, the value of Annual Gross Rentals, Annual Revenue, Annual Turnover, Rate of Gross Profit, Rate of Standing

Charges, Standard Gross Rentals, Standard Revenue and Standard Turnover shall be calculated by using values proportionate to the results obtained during the period between the commencement of the business and the date of Damage.

3. If, during the Indemnity Period, goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on their behalf, the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover, Revenue or Gross Rentals, during the Indemnity Period.
4. Applicable only to "Gross Profit additions basis" and/or "Standing Charges only basis": **If any standing charges of the business are not insured under this section, then in computing the amount of increase of cost of working recoverable under either of these basis, that proportion only of the additional expenditure shall be brought into account which the sum of the Net Profit and the Insured Standing Charges bears to the sum of the Net Profit and all the standing charges. But if there is no Net Profit, that proportion only of the additional expenditure shall be brought into account which the Insured Standing Charges less any net trading loss bears to all the standing charges of the business less any net trading loss.**

## SPECIFIC CONDITIONS

1. **The insurance under this section shall cease if the business is wound up or carried on by a liquidator or judicial manager or is permanently discontinued**, except with the written agreement of the Company.
2. On the happening of any Damage in consequence of which a claim may be made under this section, the Insured shall, in addition to complying with General conditions 6 and 7, with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimise or check any interruption of or interference with the business or to avoid or diminish the loss, and in the event of a claim being made under this section shall, not later than 30 days after the expiry of the Indemnity Period, or within such further time as the Company may in writing allow, at their own expense deliver to the Company in writing a statement setting forth particulars of their claim together with details of all other insurance covering the loss or any part of it or consequential loss of any kind resulting therefrom. **No claim under this section shall be payable unless the terms of this specific condition have been complied with and, in the event of non-compliance therewith in any respect, any payment on account of the claim already made shall be repaid to the Company forthwith.**

## SPECIFIC EXCLUSIONS

In consideration of a facility existing under:

1. the Fire, Buildings Combined and Office Contents sections in respect of Damage from power surge;
2. the Electronic Equipment section (in respect of Damage from theft on a first loss basis) as referred to in the Electronic equipment extension hereunder;
3. the Glass section as referred to in the Glass extension hereunder;
4. the Goods in Transit section as referred to in the Goods in transit extension hereunder
5. the Money section as referred to in the Money extension hereunder;
6. the Theft section as referred to in the Theft extension hereunder

**for the Insured to elect to insure the insured property for an insured amount less than the full value thereof, the Company shall not be liable under this section for any extended interruption period purely because the Insured does not have the financial means or access to acquire the required funds to replace or repair the Damaged property that is not fully insured.**

## GROSS PROFIT - difference basis (if stated as included in the schedule)

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

1. **reduction in Turnover;** and
2. **increase in cost of working;**

and the amount payable as indemnity hereunder shall be:



1. **in respect of reduction in Turnover**, the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover **during the Indemnity Period** shall, in consequence of the Damage, fall short of the Standard Turnover;
2. **in respect of increase in cost of working**, the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, **but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided**;

less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the business payable out of Gross Profit as may cease or be reduced in consequence of the Damage, **provided that the amount payable shall be proportionately reduced if the insured amount in respect of Gross Profit is less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover where the maximum Indemnity Period is 12 months or less, or the appropriate multiple of the Annual Turnover where the maximum Indemnity Period exceeds 12 months.**

## **GROSS PROFIT - additions basis** (if stated as included in the schedule)

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

1. **reduction in Turnover**; and
2. **increase in cost of working**;

and the amount payable as indemnity hereunder shall be:

1. **in respect of reduction in Turnover**, the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover **during the Indemnity Period** shall, in consequence of the Damage, fall short of the Standard Turnover;
2. **in respect of increase in cost of working**, the additional expenditure (subject to the provisions of memorandum 4) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, **but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided**;

less any sum saved during the Indemnity Period in respect of such of the Insured Standing Charges as may cease or be reduced in consequence of the Damage, **provided that the amount payable shall be proportionately reduced if the insured amount in respect of Gross Profit is less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover where the maximum Indemnity Period is 12 months or less, or the appropriate multiple of the Annual Turnover where the maximum Indemnity Period exceeds 12 months.**

## **GROSS RENTALS** (if stated as included in the schedule)

The insurance under this item is limited to:

1. **loss of Gross Rentals**; and
2. **increase in cost of working**;

and the amount payable as indemnity hereunder shall be

1. **in respect of loss of Gross Rentals**, the amount by which the Gross Rentals **during the Indemnity Period** shall in consequence of the Damage fall short of the Standard Gross Rentals;
2. **in respect of increase in cost of working**, the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Gross Rentals which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, **but not exceeding the amount of the loss of Gross Rentals thereby avoided**;

less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the business payable out of Gross Rentals as may cease or be reduced in consequence of the Damage, **provided that the amount payable shall be proportionately reduced if the insured amount in respect of Gross Rentals is less than the Annual Gross Rentals where the maximum Indemnity Period is 12 months or less, or the appropriate multiple of the Annual Gross Rentals where the maximum Indemnity Period exceeds 12 months.**

## REVENUE/FEES (if stated as included in the schedule)

The insurance under this item is limited to:

1. **loss of Revenue/fees**; and
2. **increase in cost of working**;

and the amount payable as indemnity hereunder shall be

1. **in respect of loss of Revenue/fees**, the amount by which the Revenue/fees **during the Indemnity Period** shall, in consequence of the Damage, fall short of the Standard Revenue/fees;
2. **in respect of increase in cost of working**, the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Revenue/fees which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, **but not exceeding the amount of loss of Revenue/fees thereby avoided**;

less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the business payable out of Revenue/fees as may cease or be reduced in consequence of the Damage, **provided that the amount payable shall be proportionately reduced if the insured amount in respect of Revenue/fees is less than the Annual Revenue/fees where the maximum Indemnity Period is 12 months or less, or the appropriate multiple of the Annual Revenue/fees where the maximum Indemnity Period exceeds 12 months.**

## STANDING CHARGES ONLY BASIS (if stated as included in the schedule)

The insurance under this item is limited to the loss incurred by the Insured in respect of the payment of Insured Standing Charges due to:

1. **reduction in Turnover**; and
2. **increase in cost of working**;

and the amount payable as indemnity hereunder shall be

1. **in respect of reduction in Turnover**, the sum produced by applying the Rate of Standing Charges to the amount by which the Turnover **during the Indemnity Period** shall, in consequence of the Damage, fall short of the Standard Turnover;
2. **in respect of increase in cost of working**, the additional expenditure (subject to the provisions of memorandum 4) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, **but not exceeding the sum produced by applying the Rate of Standing Charges to the amount of the reduction thereby avoided**;

less any sum saved during the Indemnity Period in respect of such of the Insured Standing Charges as may cease or be reduced in consequence of the Damage, **provided that the amount payable shall be proportionately reduced if the insured amount in respect of the Insured Standing Charges is less than the sum produced by applying the Rate of Standing Charges to the Annual Turnover where the maximum Indemnity Period is 12 months or less, or the appropriate multiple of the Annual Turnover where the maximum Indemnity Period exceeds 12 months.**

## ADDITIONAL INCREASE IN COST OF WORKING (if stated as included in the schedule)

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

## WAGES (if stated as included in the schedule)

The insurance under this item is limited to the loss incurred by the Insured by the payment of wages for a period beginning with the occurrence of the Damage and **ending not later thereafter than the specified number of weeks in the schedule** next to the term "Wages indemnity period (weeks)".

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

## **FINES AND PENALTIES** (if stated as included in the schedule)

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

## **CLAUSES AND EXTENSIONS**

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) **subject to any insured amounts or first amounts payable stated in the schedule under each extension.**

### **Accidental damage** (if stated as included in the schedule)

The following defined event is added:

“Loss following interruption or interference with the business in consequence of damage occurring during the period of insurance at the premises in respect of which payment has been made or liability admitted under defined event 1 of the Accidental Damage section of this policy (also to be termed Damage) provided that:

1. the provision under any item of this section that the payment will be reduced proportionately if the amount insured by the item is not adequate, is deleted in respect of this defined event;
2. **the Company shall not pay more than the insured amount stated in the schedule of the Accidental Damage section for both this section and the Accidental Damage section combined.”**

### **Accountants clause**

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

### **Accumulated stocks clause**

In adjusting any loss, account shall be taken and an equitable allowance made if any shortage in Turnover or Revenue due to the Damage is postponed by reason of the Turnover or Revenue being temporarily maintained from accumulated stocks.

### **Anchor tenants** (if stated as included in the schedule)

Loss as insured by this section resulting from interruption of or interference with the business in consequence of Damage (as within defined) at the premises of those anchor tenants stated in the schedule in the same complex as that occupied by the Insured and which results in a cessation or diminution of trade due to the temporary falling away of custom, shall be deemed to be loss resulting from Damage to the Insured’s property at the premises.

### **Departmental clause**

If the business is conducted in departments or branches, the independent trading results of which are ascertainable, the provisions under items Gross Profit, Gross Rentals, Revenue/Fees or Standing Charges only basis relating to reduction in Turnover/ Gross Rentals/ Revenue and increase in cost of working, shall apply separately to each department or branch affected by the Damage, **except that if the insured amount by the**

relative item is less than the aggregate of the Annual Gross Rentals, Annual Revenue, sums produced by applying the Rate of Gross Profit / Rate of Standing Charges for each department or branch, whether or not affected by the Damage, to the relative Annual Turnover thereof (proportionately increased if the number of months referred to in the definition of Indemnity Period exceeds 12), the amount payable shall be proportionately reduced.

**Deposit premium clause** (only applicable if the words “Deposit premium (%)” and a percentage amount are reflected in the schedule under the items mentioned below)

In consideration of the premium by the items Gross Profit, Gross Rentals, Revenue/Fees or Standing Charges only basis being provisional in that it is calculated on the percentage (as stated in the schedule) of the insured amount, the premium is subject to adjustment on expiry of each period of insurance (or after twelve consecutive months from the inception date or anniversary date if this policy is paid by monthly debit order) as follows:

In the event of the Gross Profit/ Gross Rentals/ Revenue/Fees earned or Standing Charges incurred (increased proportionately if the number of months referred to in the definition of Indemnity Period exceeds 12) during the financial year most nearly concurrent with any period of insurance (or the equivalent twelve consecutive months from the inception date or anniversary date if this policy is paid monthly by debit order) being less or greater than the percentage (as stated in the schedule) of the insured amount thereon, a pro rata return or additional premium not exceeding 33⅓ per cent of the provisional premium paid for such period of insurance will be made in respect of the difference.

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

**Electronic equipment** (if stated as included in the schedule)

In respect of this extension only the defined events of this section are restated to read:

“Loss following interruption of or interference with the business in consequence of damage occurring during the period of insurance in respect of which payment has been made or liability admitted under the Electronic Equipment section of this policy (such damage under the Electronic Equipment section shall also in this section be termed “Damage”) and liability shall be deemed to have been admitted under the Electronic Equipment section if such payment is precluded solely because the Insured is required to bear the first portion of the loss in the form of a First Amount Payable.”

The Company will indemnify the Insured under this extension as set out in the remainder of the wording of this section and based on the information contained in the schedule.

**Glass** (if stated as included in the schedule)

In respect of this extension only the defined events of this section are restated to read:

“Loss following interruption of or interference with the business in consequence of damage occurring during the period of insurance in respect of which payment has been made or liability admitted under the Glass section of this policy (such damage under the Glass section shall also in this section be termed “Damage”) and liability shall be deemed to have been admitted under the Glass section if such payment is precluded solely because the Insured is required to bear the first portion of the loss in the form of a First Amount Payable.”

The Company will indemnify the Insured under this extension as set out in the remainder of the wording of this section and based on the information contained in the schedule.

**Goods in transit** (if stated as included in the schedule)

In respect of this extension only the defined events of this section are restated to read:

“Loss following interruption of or interference with the business in consequence of damage occurring during the period of insurance in respect of which payment has been made or liability admitted under the Goods in Transit section of this policy (such damage under the Goods in Transit section shall also in this section be termed “Damage”) and liability shall be deemed to have been admitted under the Goods in Transit section if such payment is precluded solely because the Insured is required to bear the first portion of the loss in the form of a First Amount Payable.”

The Company will indemnify the Insured under this extension as set out in the remainder of the wording of this section and based on the information contained in the schedule.

**Loss of trade** (if stated as included in the schedule)

Loss as insured by this section resulting from interruption of or interference with the business in consequence of Damage (as within defined) to property forming part of, or contained in, the complex of which the Insured's premises forms part, which results in a cessation or diminution of trade to the Insured's business due to temporary falling away of potential custom whether the premises or property of the Insured therein shall be damaged or not, shall be deemed to be loss resulting from Damage to the Insured's property at the premises.

## Money (if stated as included in the schedule)

In respect of this extension only the defined events of this section are restated to read:

"Loss following interruption of or interference with the business in consequence of damage occurring during the period of insurance in respect of which payment has been made or liability admitted under the Money section of this policy (such damage under the Money section shall also in this section be termed "Damage") and liability shall be deemed to have been admitted under the Money section if such payment is precluded solely because the Insured is required to bear the first portion of the loss in the form of a First Amount Payable."

The Company will indemnify the Insured under this extension as set out in the remainder of the wording of this section and based on the information contained in the schedule.

## Output (alternative basis) clause

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

1. only the meaning of output or the meaning of Turnover shall be operative in connection with any one event resulting in interruption;
2. if the meaning of output be used
  - 2.1 then the accumulated stocks clause shall be inoperative;
  - 2.2 then memorandum 3 directly after the definitions shall read:

"If, during the Indemnity Period, goods shall be manufactured or processed other than at the premises for the benefit of the business either by the Insured or by others on behalf of the Insured, the sale or transfer of such goods shall be brought into account in arriving at the output during the Indemnity Period."

## Salvage sale clause

If the Insured shall hold a salvage sale during the Indemnity Period the second point 1 of the Gross Profit item shall, for the purposes of such claim, read as follows:

1. **in respect of reduction in Turnover** the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period (less the Turnover of the salvage sale) shall, in consequence of the Damage, fall short of the Standard Turnover, from which sum shall be deducted the Gross Profit actually earned from the salvage sale.

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

In respect of this extension only the defined events of this section are restated to read:

"Loss following interruption of or interference with the business in consequence of damage occurring during the period of insurance in respect of which payment has been made or liability admitted under the Theft section of this policy (such damage under the Theft section shall also in this section be termed "Damage") and liability shall be deemed to have been admitted under the Theft section if such payment is precluded solely because the Insured is required to bear the first portion of the loss in the form of a First Amount Payable."

The Company will indemnify the Insured under this extension as set out in the remainder of the wording of this section and based on the information contained in the schedule.

## Extensions to other premises

Loss as insured by this section resulting from interruption of or interference with the business in consequence of Damage (as within defined) at the undernoted situations or to property as undernoted shall be deemed to be loss resulting from Damage to property used by the Insured at the premises, **provided that Extensions to other premises do not apply to the Electronic equipment extension, Glass extension, Money extension or Theft extension.**



- **Additional premises**

In the event of the Insured occupying or having property at any newly added premises within the Republic of South Africa or Namibia for the purpose of the business during the currency of this section, such newly added premises shall be deemed to be included in those specified here subject to notification to the Company as soon as reasonably practicable and to adjustment of the premium, if necessary.

- **Contract sites**

Any situation within the Republic of South Africa, Namibia, Botswana, Lesotho, Kingdom of Eswatini, Zimbabwe, Malawi or Mozambique not in the occupation of the Insured where the Insured is carrying out a contract.

- **Prevention of access** (if stated as included in the schedule)

Property **within the radius stated in the schedule** of the **Insured's premises (provided such property is still within the Republic of South Africa, Namibia, Botswana, Lesotho, Kingdom of Eswatini, Zimbabwe, Malawi or Mozambique)**, destruction of or Damage to which shall prevent or hinder the use of the premises or access thereto, whether the premises or property of the Insured therein shall be damaged or not.

- **Prevention of access – extended cover** (if stated as included in the schedule)

Property **within the radius stated in the schedule** of the **premises (provided such property is still within the Republic of South Africa, Namibia, Botswana, Lesotho, Kingdom of Eswatini, Zimbabwe, Malawi or Mozambique)**, destruction of or Damage to which shall prevent or hinder the use of the premises or access thereto, whether the premises or property of the Insured therein shall be damaged or not.

For the purpose of this extension “**premises**” shall mean:

1. The premises of those specified suppliers/sub-contractors in the “Specified suppliers/sub-contractors” extension, **but only if such extension is stated as included in the schedule**;
2. The premises of unspecified suppliers, **but only if the “Unspecified suppliers” extension is stated as included in the schedule**;
3. Property of the Insured in storage as insured by the “Storage, transit and vehicles” extension;
4. Contract sites as insured by the “Contract sites” extension;
5. The premises of those specified customers in the “Specified customers” extension, **but only if such extension is stated as included in the schedule**;
6. The premises of unspecified customers, **but only if the “Unspecified customers” extension is stated as included in the schedule**;
7. Public Utilities premises **but only if the “Public utilities - insured perils” extension is stated as included in the schedule**;
8. Public telecommunications premises **but only if the “Public telecommunications - insured perils” extension is stated as included in the schedule**.

- **Public telecommunications – insured perils** (if stated as included the schedule)

1. Property at the premises of any public authority which is empowered by law to supply a telecommunications facility to the Insured;
2. The transmission facilities network of the public authority mentioned in 1 above.

**provided the property described above is within the Republic of South Africa, Namibia, Botswana, Lesotho, Kingdom of Eswatini, Zimbabwe, Malawi or Mozambique.**

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

Property at electricity generating stations, sub-stations or transmission networks, gasworks including the related gas distribution network, water purification plants, pumping stations, aqueducts and pipelines **(provided such property it is still within the Republic of South Africa, Namibia, Botswana, Lesotho, Kingdom of Eswatini, Zimbabwe, Malawi or Mozambique)** of an authority empowered by law to supply water, gas or electricity for consumption by the public and which results in an interruption of water, gas or electricity to the premises of the Insured.

- **Specified customers** (if stated as included in the schedule)

The premises of the customers specified in the schedule **subject to the dependency factor(s) and insured**

amount(s) stated in the schedule per customer.

- **Specified suppliers** (if stated as included in the schedule)

The premises of the suppliers and sub-contractors specified in the schedule **subject to the dependency factor(s) and insured amount(s) stated in the schedule per supplier/sub-contractor.**

- **Storage, transit and vehicles**

Property of the Insured whilst stored or whilst in transit by air, road, rail or inland waterway or being motor vehicles of the Insured elsewhere than at the premises in the occupation of the Insured **provided such property it is still within the Republic of South Africa, Namibia, Botswana, Lesotho, Kingdom of Eswatini, Zimbabwe, Malawi or Mozambique.**

- **Unspecified customers** (if stated as included in the schedule)

The premises of any of the Insured's direct customers not specified under the specified customers extension **provided such premises is within the Republic of South Africa, Namibia, Botswana, Lesotho, Kingdom of Eswatini, Zimbabwe, Malawi or Mozambique and subject to the dependency factor and insured amount stated in the schedule which shall be the maximum per customer.**

- **Unspecified suppliers** (if stated as included in the schedule)

The premises of any of the Insured's direct suppliers, manufacturers or processors of components, goods or materials not specified under the specified suppliers/sub-contractors extension **provided such premises is within the Republic of South Africa, Namibia, Botswana, Lesotho, Kingdom of Eswatini, Zimbabwe, Malawi or Mozambique and subject to the dependency factor and insured amount stated in the schedule which shall be the maximum per supplier. For the purposes of this extension, the premises of any public supply undertaking from which the Insured obtains electricity, gas or water shall not be considered a supplier and shall not be included in the cover provided.**

## ADDITIONAL EXTENSIONS FOR GUESTHOUSES AND LODGES

The following additional extensions apply only to that part of the risk that relates to the guesthouse and/or lodge on the insured Premises if insured under this section:

### **Auxiliary power failure** (if stated as included in the schedule)

Loss as insured by this section resulting from interruption of or interference with the business in consequence of the failure of the auxiliary power plant to operate in the event of the failure of the main electricity supply grid from which the Insured normally receive their power shall be deemed to have resulted from Damage (as within defined) **provided that this extension does not cover loss resulting from Damage directly or indirectly caused by:**

1. **lack of maintenance or failure to test such equipment on a weekly basis;**
2. **normal wear and tear or gradual deterioration;**
3. **a shortage of fuel or the incorrect supply of fuel;**
4. **a flat battery or battery failure at the time of starting the equipment.**

### **Cancellation of bookings** (if stated as included in the schedule)

This section is extended to cover the loss of the value of deposits received for the reservation or booking of accommodation in consequence of returning such deposit/s following curtailment of the relevant booking due to a cause listed below **provided that such deposits cannot be recovered from any other source** by or on behalf of the person/s cancelling or curtailing:

1. Accidental injury, illness or death of:
  - 1.1 the person for whom the accommodation was booked or any person with whom he/she has arranged to travel;
  - 1.2 a close relative, fiancé or close business colleague of the guest.
2. **Pregnancy of the guest's spouse;**

3. Compulsory quarantine or jury in a court of law applying to the guest or any person with whom he has arranged to travel;
4. The permanent residence of the guest being lost or damaged by fire, storm, wind, water, hail, snow, earthquake or theft or any attempt thereat, necessitating his/her return home;
5. Any official requirement by a lawfully established authority for the guest to attend emergency duty in military, medical or public service;

**provided that the Company shall not be liable for claims where at the time that the booking was made by:**

1. **the guest was aware of any medical condition or set of circumstances which could reasonably be expected to give rise to the booking being cancelled or curtailed;**
2. **any person whose condition gives rise to the claim was receiving or who was on a waiting list for or had knowledge of the need for in-patient treatment at a hospital or nursing home;**
3. **any person whose condition gives rise to a claim was travelling against the advice of a medical practitioner;**
4. **any person whose condition gives rise to a claim was travelling for purposes of obtaining medical treatment abroad;**
5. **Any person whose condition gives rise to a claim was, during the 12 months prior, suffering from any chronic and/or recurring illness of a serious nature which had necessitated consultation or treatment.**

### **Contingent Business Interruption (CBI)** (if stated as included in the schedule)

Damage (as within defined) is deemed to include loss following the interruption of or the interference with the business as a result of:

1. murder, suicide, armed robbery or malicious activities at the Insured's premises;
2. food or drink poisoning at the Insured's premises;
3. closure of the premises due to noxious fumes **within the radius stated in the schedule** of the Insured's premises, on the order of the competent local, municipal, regional or government authority responsible for the area;
4. adverse weather conditions **within the radius stated in the schedule** of the Insured's premises, of sufficient intensity and/or strength with the potential to cause damage to property or injury to persons;
5. pollution of any sea, beach, waterway, dam or river **within the radius stated in the schedule** of the Insured's premises;
6. shark or wild animal attack **within the radius stated in the schedule** of the Insured's premises;
7. bombing **within the radius stated in the schedule** of the Insured's premises;
8. closure of the premises due to vermin, pest or defective sanitary arrangements at the Insured's premises on the order of the competent local, municipal, regional or government authority responsible for the area;
9. contagious or infectious notifiable disease **within the radius stated in the schedule** of the Insured's premises provided that the municipal, regional, local or government authority responsible for the area has declared a notifiable medical condition or communicable disease to exist within the area and/or has imposed quarantine regulations and/or has acted to restrict access to the area in terms of any local, municipal, regional or national law, by-law or regulation pertaining to public health and safety;
10. summons of the Insured or the Insured's directors, partners or employees to appear as a witness in court proceedings.

For the purposes of this extension:

1. "Indemnity Period" shall mean the period commencing with the occurrence of 1, 2, 4, 5, 6, 7 or 10 above or for 3, 8 and 9 the date on which restrictions on the premises were applied and ending not later than the number of months reflected in the schedule against "Indemnity Period" for this extension;
2. "Insured's premises" shall mean those locations listed in the schedule as the Insured's premises and **shall not include the premises of any premises under the "extension to other premises" extension or any other extension** notwithstanding that this insurance may otherwise be extended to include such premises;
3. "contagious or infectious notifiable disease" shall mean illness sustained to any person resulting from any human infectious or human contagious disease, an outbreak of which the municipal, regional, local or government authority has stipulated shall be notified to them excluding Acquired Immune Deficiency Syndrome (AIDS) or AIDS related condition.

**The cover granted by this extension does not include any costs arising from cleaning repair recall or checking the Insured's premises.**

## **Liquor licence** (if stated as included in the schedule)

Loss as insured by the section resulting from interruption of or interference with the business in consequence of a licence granted in respect of the premises for the sale of retail of excisable liquors becoming suspended or forfeited at any time during the period of insurance under the provisions of the appropriate legislation governing such licences or refused renewal after due application for such renewal to the appropriate authority if such suspension, forfeiture or refused renewal being occasioned by reasons beyond the control of the Insured provided that:

1. **if the Insured shall be entitled to obtain payment of compensation under the provisions of any act of parliament in respect of the refusal to renew the licence no claim shall arise under this section;**
2. in the event of death, bankruptcy, incapacity, desertion of the premises or conviction for any offence where such conviction affects the character or reputation of the convicted person with respect to his honesty, moral standing or sobriety of the tenant, manager, occupier or licensee the Insured shall where practicable and at the request of the Company procure a suitable person to replace him and one to whom the justice will transfer the licence or grant the licence by way of renewal;
3. **if the forfeiture of or refusal to renew the licence be occasioned wholly or partly by or through the misconduct or procurement or connivance or neglect or omission of the Insured or by any omission of the Insured to take any step necessary for keeping the licence in force no claim shall arise under this section** unless the Insured or any other claimant hereunder shall prove to the reasonable satisfaction of the Company that such matter was beyond his or their power or control;
4. **if the refused renewal, suspension or forfeiture of the licence arises directly or indirectly from any scheme of town or country planning improvement or redevelopment compulsory purchase or from an amendment of the law affecting the grant, surrender, refusal to renew, suspension or forfeiture of licences no claim shall arise under this section;**
5. the Insured shall on becoming aware of any:
  - 5.1 complaint against the premises or the control thereof;
  - 5.2 proceedings against or conviction of the licensee, manager, tenant or occupier of the premises for any breach of licensing law or any matter whatsoever whereby the character or reputation of the person concerned is affected or called into question with regard to his honesty, moral standing or sobriety;
  - 5.3 transfer or proposed transfer of the licence;
  - 5.4 alteration in the purpose for which the premises are used;
  - 5.5 objection to renewal or other circumstances which may endanger the licence or renewal thereofimmediately give notice thereof in writing to the Company and supply such additional information and give such assistance as the Company may reasonably require.

## **Loss of attraction of key tourist attractions** (if stated as included in the schedule)

Loss as insured by this section resulting from interruption of or interference with the business in consequence of Damage (as herein defined) at the premises of those key tourist attraction/s listed in the schedule shall be deemed to be loss resulting from Damage (as defined herein) to property used by the Insured at the premises.

## **Loss of game** (if stated as included in the schedule)

Loss as insured by the section resulting from interruption of or interference with the business in consequence of the death of game by a bush fire or wild fire shall be deemed to have resulted from Damage (as within defined) **provided that such events are confined to events happening in the Republic of South Africa, Namibia, Botswana, Lesotho, Kingdom of Eswatini, Zimbabwe, Malawi or Mozambique.**

## **Rail, road and air services** (if stated as included in the schedule)

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

1. at the premises and property of any rail service;
2. at the premises and property of any airport or terminal facility including aircraft;
3. at the premises of any shipping terminal or cargo loading facility;
4. to any road, tunnel, bridge or service accessory relating thereto;

5. to any road vehicle belonging to a customer of the Insured or a road transportation service.

**Provided that:**

1. such Damage has not been brought about by the direct or indirect action of any party which shall include any strikes, labour disturbances, malicious damage or intent thereof or political interference;
2. should such interruption or interference arise from mechanical or electrical or electronic breakdown there shall be no liability under this extension for interruption or interference with the business unless such interruption or interference extends beyond 24 hours from commencement thereof;
3. such Damage is restricted to only those premises situated, or property within the confines of the Republic of South Africa, Namibia, Botswana, Lesotho, Kingdom of Eswatini, Zimbabwe, Malawi or Mozambique.

**Ventilation failure** (if stated as included in the schedule)

Loss as insured by the section resulting from interruption of or interference with the business in consequence of the failure of any ventilation system which controls the cooling or heating requirements of the Insured's premises shall be deemed to have resulted from Damage (as within defined) **provided that should such interruption or interference arise from mechanical or electrical or electronic breakdown there shall be no cover under this extension.**



# BUSINESS INTERRUPTION SECTION

## DEFINED EVENTS

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

1. the Fire section of this policy;
2. the Buildings Combined section of this policy;
3. the Office Contents section of this policy;
4. any other material damage insurance covering the interest of the Insured;

**but only if such payment or admission of liability is in respect of loss or damage to the insured property by one of the insured perils as listed hereunder** (loss by such perils shall hereinafter be termed "Damage") and as defined in the Fire, Buildings Combined or Office Contents sections of this policy:

- Fire;
- Lightning or thunderbolt;
- Explosion;
- Earthquake;
- Weather and water;
- Impact;
- Leakage from any sprinkler, drencher system or fire extinguishing installation/appliance;
- Subsidence and landslide;
- Malicious damage;
- Riot and strike (other than RSA and Namibia);
- Power surge;
- Leakage of oils and chemicals.

Liability shall be deemed to have been admitted if such payment is precluded solely because the Insured is required to bear the first portion of the loss in the form of a First Amount Payable.

The Company will indemnify the Insured as set out in the wording below and based on the information contained in the schedule.

## DEFINITIONS

**Annual gross rentals:** Shall mean the Gross Rentals during the 12 months immediately before the date of the Damage but adjusted further as set out in memorandum 1 below.

**Annual revenue/fees:** Shall mean the Revenue/fees during the 12 months immediately before the date of the Damage but adjusted further as set out in memorandum 1 below.

**Annual turnover:** Shall mean the Turnover during the 12 months immediately before the date of the Damage but adjusted further as set out in memorandum 1 below.

**Gross rentals:** Shall mean the money paid or payable to the Insured by tenants in respect of rental of the premises and for services rendered.

**Gross profit (additions basis):** Shall mean the sum produced by adding to the Net Profit the amount of the

Insured Standing Charges or, if there is no Net Profit, the amount of the Insured Standing Charges less such proportion of any net trading loss as the amount of the Insured Standing Charges bears to all the standing charges of the business.

**Gross profit (difference basis):** Shall mean the amount by which

1. the sum of the Turnover and the amount of the closing stock shall exceed
2. the sum of the amount of the opening stock and the amount of the Uninsured Costs.

The amount of the opening and closing stocks shall be arrived at in accordance with the Insured's normal accountancy methods, due provision being made for depreciation.

**Indemnity period:** Shall mean the period during which the results of the business shall be affected in consequence of the Damage beginning with the commencement of the Damage and ending not later than the number of months thereafter stated in the schedule.

**Insured standing charges:** Shall mean the charges of the items as specified in the schedule (the words and expressions used shall have the meaning usually given to them in the books of account of the Insured).

**Net profit:** Shall mean the net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the business of the Insured at the premises after due provision has been made for all standing and other charges including depreciation, but before the deduction of any taxation chargeable on profits.

**Plant material:** Shall mean vines and related infrastructure including but not limited to trellis, uprights and sprinklers.

**Rate of gross profit:** Shall mean the rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Damage but adjusted further as set out in memorandum 1 below.

**Rate of standing charges:** Shall mean the percentage that the Insured Standing Charges bears to the Turnover during the financial year immediately before the date of the Damage but adjusted further as set out in memorandum 1 below.

**Revenue/fees:** Shall mean the money paid or payable to the Insured for goods sold and for services rendered in the course of the business at the premises.

**Standard gross rentals:** Shall mean the Gross Rentals during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period but adjusted further as set out in memorandum 1 below.

**Standard revenue/fees:** Shall mean the Revenue/fees during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period but adjusted further as set out in memorandum 1 below.

**Standard turnover:** Shall mean the Turnover during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period but adjusted further as set out in memorandum 1 below.

**Standing charges only basis:** Shall mean the amount of those Insured Standing Charges that are incurred and remain payable but, if there is no Net Profit, the amount of the Insured Standing Charges less such proportion of any net trading loss as the amount of the Insured Standing Charges bears to all the standing charges of the business.

**Turnover:** Shall mean the money paid or payable to the Insured for goods sold and delivered and for services rendered in the course of the business at the premises.

**Uninsured costs:** Shall mean the costs of the items as specified in the schedule (the words and expressions used shall have the meaning usually attached to them in the books of account of the Insured).

## MEMORANDA

1. Annual Gross Rentals, Annual Revenue, Annual Turnover, Rate of Gross Profit, Rate of Standing Charges,

Standard Gross Rentals, Standard Revenue and Standard Turnover as defined shall be adjusted as necessary to provide for the trend of the business and for variations or other circumstances affecting the business either before or after the Damage or which would have affected the business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relative period after the Damage.

2. If the Damage occurs before the completion of the first year's trading of the business at the premises, the value of Annual Gross Rentals, Annual Revenue, Annual Turnover, Rate of Gross Profit, Rate of Standing Charges, Standard Gross Rentals, Standard Revenue and Standard Turnover shall be calculated by using values proportionate to the results obtained during the period between the commencement of the business and the date of Damage.
3. If, during the Indemnity Period, goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on their behalf, the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover, Revenue or Gross Rentals, during the Indemnity Period.
4. Applicable only to "Gross Profit additions basis" and/or "Standing Charges only basis": **If any standing charges of the business are not insured under this section, then in computing the amount of increase in cost of working recoverable under either of these basis, that proportion only of the additional expenditure shall be brought into account which the sum of the Net Profit and the Insured Standing Charges bears to the sum of the Net Profit and all the standing charges. But if there is no Net Profit, that proportion only of the additional expenditure shall be brought into account which the Insured Standing Charges less any net trading loss bears to all the standing charges of the business less any net trading loss.**

## SPECIFIC CONDITIONS

1. **The insurance under this section shall cease if the business is wound up or carried on by a liquidator or judicial manager or is permanently discontinued, except with the written agreement of the Company.**
2. On the happening of any Damage in consequence of which a claim may be made under this section, the Insured shall, in addition to complying with General conditions 6 and 7, with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimise or check any interruption of or interference with the business or to avoid or diminish the loss, and in the event of a claim being made under this section shall, not later than 30 days after the expiry of the Indemnity Period, or within such further time as the Company may in writing allow, at their own expense deliver to the Company in writing a statement setting forth particulars of their claim together with details of all other insurance covering the loss or any part of it or consequential loss of any kind resulting therefrom. **No claim under this section shall be payable unless the terms of this specific condition have been complied with and, in the event of non-compliance therewith in any respect, any payment on account of the claim already made shall be repaid to the Company forthwith.**

## SPECIFIC EXCLUSIONS

In consideration of a facility existing under:

1. the Fire, Buildings Combined and Office Contents sections in respect of Damage from power surge;
2. the Electronic Equipment section (in respect of Damage from theft on a first loss basis) as referred to in the Electronic equipment extension hereunder;
3. the Glass section as referred to in the Glass extension hereunder;
4. the Goods in Transit section as referred to in the Goods in transit extension hereunder
5. the Money section as referred to in the Money extension hereunder;
6. the Theft section as referred to in the Theft extension hereunder;

**for the Insured to elect to insure the insured property for an insured amount less than the full value thereof, the Company shall not be liable under this section for any extended interruption period purely because the Insured does not have the financial means or access to acquire the required funds to replace or repair the Damaged property that is not fully insured.**

## **GROSS PROFIT - difference basis** (if stated as included in the schedule)

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

1. **reduction in Turnover;** and
2. **increase in cost of working;**

and the amount payable as indemnity hereunder shall be:

1. **in respect of reduction in Turnover**, the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover **during the Indemnity Period** shall, in consequence of the Damage, fall short of the Standard Turnover;
2. **in respect of increase in cost of working**, the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, **but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided;**

less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the business payable out of Gross Profit as may cease or be reduced in consequence of the Damage, **provided that the amount payable shall be proportionately reduced if the insured amount in respect of Gross Profit is less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover where the maximum Indemnity Period is 12 months or less, or the appropriate multiple of the Annual Turnover where the maximum Indemnity Period exceeds 12 months.**

## **GROSS PROFIT - additions basis** (if stated as included in the schedule)

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

1. **reduction in Turnover;** and
2. **increase in cost of working;**

and the amount payable as indemnity hereunder shall be:

1. **in respect of reduction in Turnover**, the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover **during the Indemnity Period** shall, in consequence of the Damage, fall short of the Standard Turnover;
2. **in respect of increase in cost of working**, the additional expenditure (subject to the provisions of memorandum 4) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, **but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided;**

less any sum saved during the Indemnity Period in respect of such of the Insured Standing Charges as may cease or be reduced in consequence of the Damage, **provided that the amount payable shall be proportionately reduced if the insured amount in respect of Gross Profit is less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover where the maximum Indemnity Period is 12 months or less, or the appropriate multiple of the Annual Turnover where the maximum Indemnity Period exceeds 12 months.**

## **GROSS RENTALS** (if stated as included in the schedule)

The insurance under this item is limited to:

1. **loss of Gross Rentals;** and
2. **increase in cost of working;**

and the amount payable as indemnity hereunder shall be

1. **in respect of loss of Gross Rentals**, the amount by which the Gross Rentals **during the Indemnity Period** shall in consequence of the Damage fall short of the Standard Gross Rentals;

2. **in respect of increase in cost of working**, the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Gross Rentals which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, **but not exceeding the amount of the loss of Gross Rentals thereby avoided**;

less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the business payable out of Gross Rentals as may cease or be reduced in consequence of the Damage, **provided that the amount payable shall be proportionately reduced if the insured amount in respect of Gross Rentals is less than the Annual Gross Rentals where the maximum Indemnity Period is 12 months or less, or the appropriate multiple of the Annual Gross Rentals where the maximum Indemnity Period exceeds 12 months.**

## **REVENUE/FEES** (if stated as included in the schedule)

The insurance under this item is limited to:

1. **loss of Revenue/fees**; and
2. **increase in cost of working**;

and the amount payable as indemnity hereunder shall be

1. **in respect of loss of Revenue/fees**, the amount by which the Revenue/fees **during the Indemnity Period** shall, in consequence of the Damage, fall short of the Standard Revenue/fees;
2. **in respect of increase in cost of working**, the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Revenue/fees which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, **but not exceeding the amount of loss of Revenue/fees thereby avoided**;

less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the business payable out of Revenue/fees as may cease or be reduced in consequence of the Damage, **provided that the amount payable shall be proportionately reduced if the insured amount in respect of Revenue/fees is less than the Annual Revenue/fees where the maximum Indemnity Period is 12 months or less, or the appropriate multiple of the Annual Revenue/fees where the maximum Indemnity Period exceeds 12 months.**

## **REVENUE/FEES FOR PLANT MATERIAL** (if stated as included in the schedule)

The insurance under this item is limited to:

1. **loss of Revenue/Fees**; and
2. **increase in cost of working**;

and the amount payable as indemnity hereunder shall be

1. **in respect of loss of Revenue/Fees**, the amount by which the Revenue/Fees **during the Indemnity Period** shall, in consequence of the Damage, fall short of the Standard Revenue/Fees;
2. **in respect of increase in cost of working**, the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Revenue/Fees which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, **but not exceeding the amount of loss of Revenue/Fees thereby avoided**;

less any sum saved during the indemnity period in respect of such of the charges and expenses of the business payable out of Revenue/Fees as may cease or be reduced in consequence of the Damage, **provided that the amount payable shall be proportionately reduced if the insured amount in respect of Revenue/Fees is less than the Annual Revenue/Fees where the maximum Indemnity Period is 12 months or less, or the appropriate multiple of the Annual Revenue/Fees where the maximum Indemnity Period exceeds 12 months.**

## **STANDING CHARGES ONLY BASIS** (if stated as included in the schedule)



The insurance under this item is limited to the loss incurred by the Insured in respect of the payment of Insured Standing Charges due to:

1. **reduction in Turnover**; and
2. **increase in cost of working**;

and the amount payable as indemnity hereunder shall be

1. **in respect of reduction in Turnover**, the sum produced by applying the Rate of Standing Charges to the amount by which the Turnover **during the Indemnity Period** shall, in consequence of the Damage, fall short of the Standard Turnover;
2. **in respect of increase in cost of working**, the additional expenditure (subject to the provisions of memorandum 4) necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, **but not exceeding the sum produced by applying the Rate of Standing Charges to the amount of the reduction thereby avoided**;

less any sum saved during the Indemnity Period in respect of such of the Insured Standing Charges as may cease or be reduced in consequence of the Damage, **provided that the amount payable shall be proportionately reduced if the insured amount in respect of the Insured Standing Charges is less than the sum produced by applying the Rate of Standing Charges to the Annual Turnover where the maximum Indemnity Period is 12 months or less, or the appropriate multiple of the Annual Turnover where the maximum Indemnity Period exceeds 12 months.**

## **ADDITIONAL INCREASE IN COST OF WORKING** (if stated as included in the schedule)

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

## **WAGES** (if stated as included in the schedule)

The insurance under this item is limited to the loss incurred by the Insured by the payment of wages for a period beginning with the occurrence of the Damage and **ending not later thereafter than the specified number of weeks in the schedule** next to the term "Wages indemnity period (weeks)".

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

## **WAGES FOR PLANT MATERIAL** (if stated as included in the schedule)

The insurance under this item is limited to the loss incurred by the Insured by the payment of wages for a period beginning with the occurrence of the Damage and **ending not later thereafter than the specified number of weeks in the schedule** next to the term "Wages indemnity period (weeks)".

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

## **FINES AND PENALTIES** (if stated as included in the schedule)

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

## **FINES AND PENALTIES FOR BREACH OF CONTRACT FOR PLANT MATERIAL** (if stated as included in the schedule)

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

## **WINE STOCKS** (if stated as included in the schedule)

The insurance under this item is limited to Damage to Wine stocks owned by the Insured or for which they are responsible provided that:

1. The Insured has insured other property under the Fire section;
2. **Damage to wine stocks is restricted to those insured perils that have been selected as insured under the Fire section for such other property;**
3. The following as contained under the Fire section apply to this insured item:
  - 3.1 **Specific condition of average;**
  - 3.2 Brands and labels (only if stated in the Fire section as included);
  - 3.3 Disposal of salvage clause (only if stated in the Fire section as included);
  - 3.4 Workman's clause.

## **CLAUSES AND EXTENSIONS**

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) **subject to any insured amounts or first amounts payable stated in the schedule under each extension.**

### **Accidental damage** (if stated as included in the schedule)

The following defined event is added:

“Loss following interruption or interference with the business in consequence of damage occurring during the period of insurance at the premises in respect of which payment has been made or liability admitted under defined event 1 of the Accidental Damage section of this policy (also to be termed Damage) provided that:

1. the provision under any item of this section that the payment will be reduced proportionately if the amount insured by the item is not adequate, is deleted in respect of this defined event;
2. **the Company shall not pay more than the insured amount stated in the schedule of the Accidental Damage section for both this section and the Accidental Damage section combined.”**

### **Accountants clause**

Any particulars or details contained in the Insured's books of account or other business books or documents which may be required by the Company under this section for the purpose of investigating or verifying any claim hereunder, may be produced and certified by the Insured's auditors or professional accountants, and their

certificate shall be prima facie evidence of the particulars and details to which it relates.

## Accumulated stocks clause

In adjusting any loss, account shall be taken and an equitable allowance made if any shortage in turnover or revenue due to the Damage is postponed by reason of the Turnover or Revenue being temporarily maintained from accumulated stocks.

## Anchor tenants (if stated as included in the schedule)

Loss as insured by this section resulting from interruption of or interference with the business in consequence of Damage (as within defined) at the premises of those anchor tenants stated in the schedule in the same complex as that occupied by the Insured and which results in a cessation or diminution of trade due to the temporary falling away of custom, shall be deemed to be loss resulting from Damage to the Insured's property at the premises.

## Departmental clause

If the business is conducted in departments or branches, the independent trading results of which are ascertainable, the provisions under items Gross Profit, Gross Rentals, Revenue/Fees, Revenue/Fees for plant material or Standing Charges only basis relating to reduction in Turnover/ Gross Rentals/ Revenue and increase in cost of working, shall apply separately to each department or branch affected by the Damage, **except that if the insured amount by the relative item is less than the aggregate of the Annual Gross Rentals, Annual Revenue, sums produced by applying the Rate of Gross Profit / Rate of Standing Charges for each department or branch, whether or not affected by the Damage, to the relative Annual Turnover thereof (proportionately increased if the number of months referred to in the definition of Indemnity Period exceeds 12), the amount payable shall be proportionately reduced.**

## Deposit premium clause (only applicable if the words "Deposit premium (%)" and a percentage amount are reflected in the schedule under the items mentioned below)

In consideration of the premium by the items Gross Profit, Gross Rentals, Revenue/Fees, Revenue/Fees for plant material or Standing Charges only basis being provisional in that it is calculated on the percentage (as stated in the schedule) of the insured amount, the premium is subject to adjustment on expiry of each period of insurance (or after twelve consecutive months from the inception date or anniversary date if this policy is paid by monthly debit order) as follows:

In the event of the Gross Profit/ Gross Rentals/ Revenue/Fees earned or Standing Charges incurred (increased proportionately if the number of months referred to in the definition of Indemnity Period exceeds 12) during the financial year most nearly concurrent with any period of insurance (or the equivalent twelve consecutive months from the inception date or anniversary date if this policy is paid monthly by debit order) being less or greater than the percentage (as stated in the schedule) of the insured amount thereon, a pro rata return or additional premium not exceeding 33 $\frac{1}{3}$  per cent of the provisional premium paid for such period of insurance will be made in respect of the difference.

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

## Deposit premium clause (wine stocks)

In consideration of the premium on the Wine stocks item being provisional in that it is calculated on the percentage (as stated in the schedule) of the insured amount, the premium is subject to adjustment on expiry of each period of insurance (or after twelve consecutive months from the inception date or anniversary date if this policy is paid by monthly debit order) with the full value of the wine held in stock and sold during that period.

If, after the occurrence of damage, it is found that the amount of the last declaration is less than the amount that ought to have been declared, then the amount which would have been recoverable by the Insured shall be reduced in such proportion as the amount of the said declaration bears to the amount that ought to have been declared or to the insured amount, whichever is the lesser amount. The provisions of this condition shall, if applicable, operate cumulatively with the provisions of the specific condition relating to average.

The liability of the Company shall not exceed the insured amount and premium shall not be receivable on values

in excess thereof.

### **Electronic equipment** (if stated as included in the schedule)

In respect of this extension only the defined events of this section are restated to read:

“Loss following interruption of or interference with the business in consequence of damage occurring during the period of insurance in respect of which payment has been made or liability admitted under the Electronic Equipment section of this policy (such damage under the Electronic Equipment section shall also in this section be termed “Damage”) and liability shall be deemed to have been admitted under the Electronic Equipment section if such payment is precluded solely because the Insured is required to bear the first portion of the loss in the form of a First Amount Payable.”

The Company will indemnify the Insured under this extension as set out in the remainder of the wording of this section and based on the information contained in the schedule.

### **Glass** (if stated as included in the schedule)

In respect of this extension only the defined events of this section are restated to read:

“Loss following interruption of or interference with the business in consequence of damage occurring during the period of insurance in respect of which payment has been made or liability admitted under the Glass section of this policy (such damage under the Glass section shall also in this section be termed “Damage”) and liability shall be deemed to have been admitted under the Glass section if such payment is precluded solely because the Insured is required to bear the first portion of the loss in the form of a First Amount Payable.”

The Company will indemnify the Insured under this extension as set out in the remainder of the wording of this section and based on the information contained in the schedule.

### **Goods in transit** (if stated as included in the schedule)

In respect of this extension only the defined events of this section are restated to read:

“Loss following interruption of or interference with the business in consequence of damage occurring during the period of insurance in respect of which payment has been made or liability admitted under the Goods in Transit section of this policy (such damage under the Goods in Transit section shall also in this section be termed “Damage”) and liability shall be deemed to have been admitted under the Goods in Transit section if such payment is precluded solely because the Insured is required to bear the first portion of the loss in the form of a First Amount Payable.”

The Company will indemnify the Insured under this extension as set out in the remainder of the wording of this section and based on the information contained in the schedule.

### **Loss of trade** (if stated as included in the schedule)

Loss as insured by this section resulting from interruption of or interference with the business in consequence of Damage (as within defined) to property forming part of, or contained in, the complex of which the Insured's premises forms part, which results in a cessation or diminution of trade to the Insured's business due to temporary falling away of potential custom whether the premises or property of the Insured therein shall be damaged or not, shall be deemed to be loss resulting from Damage to the Insured's property at the premises.

### **Money** (if stated as included in the schedule)

In respect of this extension only the defined events of this section are restated to read:

“Loss following interruption of or interference with the business in consequence of damage occurring during the period of insurance in respect of which payment has been made or liability admitted under the Money section of this policy (such damage under the Money section shall also in this section be termed “Damage”) and liability shall be deemed to have been admitted under the Money section if such payment is precluded solely because the Insured is required to bear the first portion of the loss in the form of a First Amount Payable.”

The Company will indemnify the Insured under this extension as set out in the remainder of the wording of this section and based on the information contained in the schedule.

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

At the option of the Insured, the term “output” may be substituted for the term “Turnover” and, for the purposes of

this section, output shall mean the sale or transfer value, as shown in the Insured's books, of goods manufactured or processed by the Insured at the premises, provided that:

1. only the meaning of output or the meaning of Turnover shall be operative in connection with any one event resulting in interruption;
2. if the meaning of output be used
  - 2.1 then the accumulated stocks clause shall be inoperative;
  - 2.2 then memorandum 3 directly after the definitions shall read:

"If, during the Indemnity Period, goods shall be manufactured or processed other than at the premises for the benefit of the business either by the Insured or by others on behalf of the Insured, the sale or transfer of such goods shall be brought into account in arriving at the output during the Indemnity Period."

## Salvage sale clause

If the Insured shall hold a salvage sale during the Indemnity Period the second point 1 of the Gross Profit item shall, for the purposes of such claim, read as follows:

1. **in respect of reduction in Turnover**, the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period (less the Turnover of the salvage sale) shall, in consequence of the Damage, fall short of the Standard Turnover, from which sum shall be deducted the Gross Profit actually earned from the salvage sale.

## Theft (if stated as included in the schedule)

In respect of this extension only the defined events of this section are restated to read:

"Loss following interruption of or interference with the business in consequence of damage occurring during the period of insurance in respect of which payment has been made or liability admitted under the Theft section of this policy (such damage under the Theft section shall also in this section be termed "Damage") and liability shall be deemed to have been admitted under the Theft section if such payment is precluded solely because the Insured is required to bear the first portion of the loss in the form of a First Amount Payable."

The Company will indemnify the Insured under this extension as set out in the remainder of the wording of this section and based on the information contained in the schedule.

## Wine cellar clause

Where the business activities include a wine cellar, the definition of Revenue for that part of the business relating to the wine cellar is amended to include the wine stock as follows:

- Net payment calculated on tonnage supplied/used
- Plus – Fixed Costs
- Plus – Co-operative commission for specific pool
- Plus – Expenditures already incurred
- Minus – Any amount saved during the Indemnity Period in respect of such costs and expenditures of the business which has been suspended or lessened due to the damage.

## Extensions to other premises

Loss as insured by this section resulting from interruption of or interference with the business in consequence of Damage (as within defined) at the undernoted situations or to property as undernoted shall be deemed to be loss resulting from Damage to property used by the Insured at the premises, **provided that Extensions to other premises do not apply to the Electronic equipment extension, Glass extension, Money extension or Theft extension.**

### • Additional premises

In the event of the Insured occupying or having property at any newly added premises within the Republic of South Africa or Namibia for the purpose of the business during the currency of this section, such newly added premises shall be deemed to be included in those specified here subject to notification to the Company as soon as reasonably practicable and to adjustment of the premium, if necessary.



- **Contract sites**

Any situation within the Republic of South Africa, Namibia, Botswana, Lesotho, Kingdom of Eswatini, Zimbabwe, Malawi or Mozambique not in the occupation of the Insured where the Insured is carrying out a contract.

- **Prevention of access** (if stated as included in the schedule)

Property **within the radius stated in the schedule** of the **Insured's premises (provided such property is still within the Republic of South Africa, Namibia, Botswana, Lesotho, Kingdom of Eswatini, Zimbabwe, Malawi or Mozambique)**, destruction of or Damage to which shall prevent or hinder the use of the premises or access thereto, whether the premises or property of the Insured therein shall be damaged or not.

- **Prevention of access – extended cover** (if stated as included in the schedule)

Property **within the radius stated in the schedule** of the **premises (provided such property is still within the Republic of South Africa, Namibia, Botswana, Lesotho, Kingdom of Eswatini, Zimbabwe, Malawi or Mozambique)**, destruction of or Damage to which shall prevent or hinder the use of the premises or access thereto, whether the premises or property of the Insured therein shall be damaged or not.

For the purpose of this extension “**premises**” shall mean:

1. The premises of those specified suppliers/sub-contractors in the “Specified suppliers/sub-contractors” extension, **but only if such extension is stated as included in the schedule**;
2. The premises of unspecified suppliers **but only if the “Unspecified suppliers” extension is stated as included in the schedule**;
3. Property of the Insured in storage as insured by the “Storage, transit and vehicles” extension;
4. Contract sites as insured by the “Contract sites” extension;
5. The premises of those specified customers in the “Specified customers” extension, **but only if such extension is stated as included in the schedule**;
6. The premises of unspecified customers, **but only if the “Unspecified customers” extension is stated as included in the schedule**;
7. Public Utilities premises **but only if the “Public utilities - insured perils” extension is stated as included in the schedule**;
8. Public telecommunications premises **but only if the “Public telecommunications - insured perils” extension is stated as included in the schedule**.

- **Public telecommunications – insured perils** (if stated as included in the schedule)

1. Property at the premises of any public authority which is empowered by law to supply a telecommunications facility to the Insured;
2. The transmission facilities network of the public authority mentioned in 1 above.

**provided the property described above is within the Republic of South Africa, Namibia, Botswana, Lesotho, Kingdom of Eswatini, Zimbabwe, Malawi or Mozambique.**

- **Public utilities – insured perils** (if stated as included in the schedule)

Property at electricity generating stations, sub-stations or transmission networks, gasworks including the related gas distribution network, water purification plants, pumping stations, aqueducts and pipelines **(provided such property it is still within the Republic of South Africa, Namibia, Botswana, Lesotho, Kingdom of Eswatini, Zimbabwe, Malawi or Mozambique)** of an authority empowered by law to supply water, gas or electricity for consumption by the public and which results in an interruption of water, gas or electricity to the premises of the Insured.

- **Specified customers** (if stated as included in the schedule)

The premises of the customers specified in the schedule **subject to the dependency factor(s) and insured amount(s) stated in the schedule per customer.**

- **Specified suppliers** (if stated as included in the schedule)

The premises of the suppliers and sub-contractors specified in the schedule **subject to the dependency factor(s) and insured amount(s) stated in the schedule per supplier/sub-contractor.**

- **Storage, transit and vehicles**

Property of the Insured whilst stored or whilst in transit by air, road, rail or inland waterway or being motor vehicles of the Insured elsewhere than at the premises in the occupation of the Insured **provided such property it is still within the Republic of South Africa, Namibia, Botswana, Lesotho, Kingdom of Eswatini, Zimbabwe, Malawi or Mozambique.**

- **Unspecified customers** (if stated as included in the schedule)

The premises of any of the Insured's direct customers not specified under the specified customers extension **provided such premises is within the Republic of South Africa, Namibia, Botswana, Lesotho, Kingdom of Eswatini, Zimbabwe, Malawi or Mozambique and subject to the dependency factor and insured amount stated in the schedule which shall be the maximum per customer.**

- **Unspecified suppliers** (if stated as included in the schedule)

The premises of any of the Insured's direct suppliers, manufacturers or processors of components, goods or materials not specified under the specified suppliers/sub-contractors extension **provided such premises is within the Republic of South Africa, Namibia, Botswana, Lesotho, Kingdom of Eswatini, Zimbabwe, Malawi or Mozambique and subject to the dependency factor and insured amount stated in the schedule which shall be the maximum per supplier. For the purposes of this extension, the premises of any public supply undertaking from which the Insured obtains electricity, gas or water shall not be considered a supplier and shall not be included in the cover provided.**

## **ADDITIONAL EXTENSIONS FOR GUESTHOUSES AND LODGES**

The following additional extensions apply only to that part of the risk that relates to the guesthouse and/or lodge on the insured Premises if insured under this section:

- **Auxiliary power failure** (if stated as included in the schedule)

Loss as insured by this section resulting from interruption of or interference with the business in consequence of the failure of the auxiliary power plant to operate in the event of the failure of the main electricity supply grid from which the Insured normally receive their power shall be deemed to have resulted from Damage (as within defined) **provided that this extension does not cover loss resulting from Damage directly or indirectly caused by:**

1. **lack of maintenance or failure to test such equipment on a weekly basis;**
2. **normal wear and tear or gradual deterioration;**
3. **a shortage of fuel or the incorrect supply of fuel;**
4. **a flat battery or battery failure at the time of starting the equipment.**

- **Cancellation of bookings** (if stated as included in the schedule)

This section is extended to cover the loss of the value of deposits received for the reservation or booking of accommodation in consequence of returning such deposit/s following curtailment of the relevant booking due to a cause listed below **provided that such deposits cannot be recovered from any other source** by or on behalf of the person/s cancelling or curtailing:

1. Accidental injury, illness or death of:
  - 1.1 the person for whom the accommodation was booked or any person with whom he/she has arranged to travel;
  - 1.2 a close relative, fiancé or close business colleague of the guest.
2. Pregnancy of the guest's spouse;
3. Compulsory quarantine or jury in a court of law applying to the guest or any person with whom he has arranged

to travel;

4. The permanent residence of the guest being lost or damaged by fire, storm, wind, water, hail, snow, earthquake or theft or any attempt thereat, necessitating his/her return home;
5. Any official requirement by a lawfully established authority for the guest to attend emergency duty in military, medical or public service;

**provided that the Company shall not be liable for claims where at the time that the booking was made:**

1. **the guest was aware of any medical condition or set of circumstances which could reasonably be expected to give rise to the booking being cancelled or curtailed;**
2. **any person whose condition gives rise to the claim was receiving or who was on a waiting list for or had knowledge of the need for in-patient treatment at a hospital or nursing home;**
3. **any person whose condition gives rise to a claim was travelling against the advice of a medical practitioner;**
4. **any person whose condition gives rise to a claim was travelling for purposes of obtaining medical treatment abroad;**
5. **Any person whose condition gives rise to a claim was, during the 12 months prior, suffering from any chronic and/or recurring illness of a serious nature which had necessitated consultation or treatment.**

### **Contingent Business Interruption (CBI)** (if stated as included in the schedule)

Damage (as within defined) is deemed to include loss following the interruption of or the interference with the business as a result of:

1. murder, suicide, armed robbery or malicious activities at the Insured's premises;
2. food or drink poisoning at the Insured's premises;
3. closure of the premises due to noxious fumes **within the radius stated in the schedule** of the Insured's premises, on the order of the competent local, municipal, regional or government authority responsible for the area;
4. adverse weather conditions **within the radius stated in the schedule** of the Insured's premises, of sufficient intensity and/or strength with the potential to cause damage to property or injury to persons;
5. pollution of any sea, beach, waterway, dam or river **within the radius stated in the schedule** of the Insured's premises;
6. shark or wild animal attack **within the radius stated in the schedule** of the Insured's premises;
7. bombing within the radius stated in the schedule of the Insured's premises;
8. closure of the premises due to vermin, pest or defective sanitary arrangements at the Insured's premises on the order of the competent local, municipal, regional or government authority responsible for the area;
9. contagious or infectious notifiable disease **within the radius stated in the schedule** of the Insured's premises provided that the municipal, regional, local or government authority responsible for the area has declared a notifiable medical condition or communicable disease to exist within the area and/or has imposed quarantine regulations and/or has acted to restrict access to the area in terms of any local, municipal, regional or national law, by-law or regulation pertaining to public health and safety;
10. summons of the Insured or the Insured's directors, partners or employees to appear as a witness in court proceedings.

For the purposes of this extension:

1. "Indemnity Period" shall mean the period commencing with the occurrence of 1, 2, 4, 5, 6, 7 or 10 above or for 3, 8 and 9 the date on which restrictions on the premises were applied and ending not later than the number of months reflected in the schedule against "Indemnity Period" for this extension;
2. "Insured's premises" shall mean those locations listed in the schedule as the Insured's premises and **shall not include the premises of any premises under the "extension to other premises" extension or any other extension** notwithstanding that this insurance may otherwise be extended to include such premises;
3. "contagious or infectious notifiable disease" shall mean illness sustained to any person resulting from any human infectious or human contagious disease, an outbreak of which the municipal, regional, local or government authority has stipulated shall be notified to them excluding Acquired Immune Deficiency Syndrome (AIDS) or AIDS related condition.

The cover granted by this extension does not include any costs arising from cleaning, repair, recall or checking the Insured's premises.

### **Liquor licence** (if stated as included in the schedule)

Loss as insured by the section resulting from interruption of or interference with the business in consequence of a licence granted in respect of the premises for the sale of retail of excisable liquors becoming suspended or forfeited at any time during the period of insurance under the provisions of the appropriate legislation governing such licences or refused renewal after due application for such renewal to the appropriate authority if such suspension, forfeiture or refused renewal being occasioned by reasons beyond the control of the Insured provided that:

1. **if the Insured shall be entitled to obtain payment of compensation under the provisions of any act of parliament in respect of the refusal to renew the licence no claim shall arise under this section;**
2. in the event of death, bankruptcy, incapacity, desertion of the premises or conviction for any offence where such conviction affects the character or reputation of the convicted person with respect to his honesty, moral standing or sobriety of the tenant, manager, occupier or licensee the Insured shall where practicable and at the request of the Company procure a suitable person to replace him and one to whom the justice will transfer the licence or grant the licence by way of renewal;
3. **if the forfeiture of or refusal to renew the licence be occasioned wholly or partly by or through the misconduct or procurement or connivance or neglect or omission of the Insured or by any omission of the Insured to take any step necessary for keeping the licence in force no claim shall arise under this section** unless the Insured or any other claimant hereunder shall prove to the reasonable satisfaction of the Company that such matter was beyond his or their power or control;
4. **if the refused renewal, suspension or forfeiture of the licence arises directly or indirectly from any scheme of town or country planning improvement or redevelopment compulsory purchase or from an amendment of the law affecting the grant, surrender, refusal to renew, suspension or forfeiture of licences no claim shall arise under this section;**
5. the Insured shall on becoming aware of any:
  - 5.1 complaint against the premises or the control thereof;
  - 5.2 proceedings against or conviction of the licensee, manager, tenant or occupier of the premises for any breach of licensing law or any matter whatsoever whereby the character or reputation of the person concerned is affected or called into question with regard to his honesty, moral standing or sobriety;
  - 5.3 transfer or proposed transfer of the licence;
  - 5.4 alteration in the purpose for which the premises are used;
  - 5.5 objection to renewal or other circumstances which may endanger the licence or renewal thereofimmediately give notice thereof in writing to the Company and supply such additional information and give such assistance as the Company may reasonably require.

### **Loss of attraction of key tourist attractions** (if stated as included in the schedule)

Loss as insured by this section resulting from interruption of or interference with the business in consequence of Damage (as herein defined) at the premises of those key tourist attraction/s listed in the schedule shall be deemed to be loss resulting from Damage (as defined herein) to property used by the Insured at the premises.

### **Loss of game** (if stated as included in the schedule)

Loss as insured by the section resulting from interruption of or interference with the business in consequence of the death of game by a bush fire or wild fire shall be deemed to have resulted from Damage (as within defined) **provided that such events are confined to events happening in the Republic of South Africa, Namibia, Botswana, Lesotho, Kingdom of Eswatini, Zimbabwe, Malawi or Mozambique.**

### **Rail, road and air services** (if stated as included in the schedule)

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

1. at the premises and property of any rail service;
2. at the premises and property of any airport or terminal facility including aircraft;

3. at the premises of any shipping terminal or cargo loading facility;
4. to any road, tunnel, bridge or service accessory relating thereto;
5. to any road vehicle belonging to a customer of the Insured or a road transportation service.

**Provided that:**

1. such Damage has not been brought about by the direct or indirect action of any party which shall include any strikes, labour disturbances, malicious damage or intent thereof or political interference;
2. should such interruption or interference arise from mechanical or electrical or electronic breakdown there shall be no liability under this extension for interruption or interference with the business unless such interruption or interference extends beyond 24 hours from commencement thereof;
3. such Damage is restricted to only those premises situated, or property within the confines of the Republic of South Africa, Namibia, Botswana, Lesotho, Kingdom of Eswatini, Zimbabwe, Malawi or Mozambique.

**Ventilation failure** (if stated as included in the schedule)

Loss as insured by the section resulting from interruption of or interference with the business in consequence of the failure of any ventilation system which controls the cooling or heating requirements of the Insured's premises shall be deemed to have resulted from Damage (as within defined) **provided that should such interruption or interference arise from mechanical or electrical or electronic breakdown there shall be no cover under this extension.**



# COMMERCIAL UMBRELLA LIABILITY SECTION

## DEFINED EVENTS

Damages which the Insured shall become legally liable to pay consequent upon Injury, Damage, Malice or Negligent Advice which occur in the course of or in connection with the Business within the Territorial Limits.

## DEFINITIONS

### Business

The Business of the Insured as stated in the schedule of this section as being included.

### Costs and expenses

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

1. in the defence or settlement of any claim under this section of the policy or any action or prosecution brought against the Insured in respect of Injury or Damage or other liability as insured in terms of this section of the policy.
2. in the representation at any inquest or accident inquiry in respect of Injury which may form the subject of indemnity under this section of the policy and/or in defending any proceedings in a Court of applicable jurisdiction in respect of matters which may form the subject of indemnity by this section of the policy.

### Damage

Loss of or damage to tangible property, conversion, trespass, nuisance or wrongful interference with the enjoyment of rights over tangible property.

### Injury

Death, injury, illness (mental or physical), disease, false imprisonment or arrest of or to any person.

### Malice

Malicious legal proceedings, malicious falsehood, defamation or infringement of copyright, title, slogan or idea.

### Negligent advice

Incorrect or inadequate advice given in the promotion of the Insured's products, but without expectation or receipt of any other reward.

### Product

Any article after it has left the custody or control of the Insured which has been designed, specified, formulated, manufactured, constructed, installed, sold, supplied, distributed, treated, serviced, altered or repaired by or on behalf of the Insured.

### Underlying insurance

shall mean cover in force in terms of:

1. the Public Liability section of this policy or;
2. Motor third party liability as insured under the Motor, Motor Fleet or Motor Industry Risks section of this policy or;
3. the Employers' Liability section of this policy or;
4. any liability extension on any section of this policy providing cover to property, including the Building Combined section;

including any extensions to the Underlying Insurance in 1 to 4 above that are stated as included in the schedule of the Underlying Insurance. Where cover for the extension to the Underlying insurance has not been included, no cover is provided for that extended cover by any of the Bases of Indemnification of this Umbrella Liability section.

## LIMITS OF INDEMNITY

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

Where more than one period of insurance of this policy, following its renewal or replacement may apply to an originating cause or source, the Company's liability will be limited to the maximum Limit of Indemnity for any one such period of insurance. If the premium is paid monthly by debit order, the words "period of insurance" are amended to read "for any one period of 12 consecutive months from the inception or anniversary date".

Where the Insured is, in addition to this section, insured in his individual name under the Personal Legal Liability section and/or Personal Umbrella Liability section of this policy, the Company will indemnify the business and individual separately and not jointly, provided that the aggregate liability of the Company shall not exceed the sum of the Limit of Indemnity stated in the schedule for the Personal Legal Liability section and Personal Umbrella Liability or, alternatively the sum of the Limit of Indemnity of the Public Liability section and Commercial Umbrella section whichever is the higher.

## TERRITORIAL LIMITS

Anywhere in the world but not in respect of any judgement, award or settlement made within countries which operate under the laws of the United States of America or Canada (or to any order made anywhere in the world to enforce such judgement, award or settlement either in whole or in part).

## BASIS OF INDEMNIFICATION

The Defined Events of this section provide indemnity as defined under Basis 1, 2 and 3 below:

### **Basis 1: Excess layer protection** (if stated as included in the schedule)

This basis provides indemnity within the Defined Events of this section where the claim is covered by the terms of the Underlying Insurance but only to the extent that the claim is not met by such Underlying Insurance solely because of the inadequacy of the underlying limit of indemnity

provided that:

1. the cover provided by the Excess Layer Protection is subject to the same terms, exclusions and conditions as the Underlying Insurance;
2. the Excess Layer Protection provides indemnity in excess of the limit of indemnity stated in the Schedule in respect of the Underlying Insurance, except where such limit of indemnity has been reduced or exhausted by reason of claims, in which case this insurance pays in excess of the First Amount Payable (if any) of the Underlying Insurance;
3. where the limit of indemnity of the Underlying Insurance is exhausted by previous claims, the Company will interpret this section as if the Underlying Insurance had still been in force;
4. where the Underlying Insurance states that generally or in respect of specified claims the limit of indemnity is the aggregate of all indemnifiable claims occurring or made during the period of insurance of the Underlying Insurance, then the limit of indemnity under this section is declared to be on an identical basis as the Underlying Insurance.

## **Basis 2: Difference in conditions protection** (if stated as included in the schedule)

This Basis provides indemnity within the Defined Events of this Section where the claim is within the Defined Events of the Underlying Insurance but where such claim is rejected because of a policy term, condition or exclusion of the Underlying Insurance

provided that:

1. where a claim under the Underlying Insurance is not covered by an exclusion in the Underlying Insurance but could have been covered by an optional extension in the Underlying Insurance (as listed in the Schedule), then this Basis 2: Difference in Conditions Protection will not respond;
2. if a claim is covered in terms of the Defined Events of the Underlying Insurance, but such Underlying Insurance is exhausted by reason of other claims and where, in the opinion of the Company, such claim would have been excluded by the Underlying Insurance by reason of a term, exclusion or condition, then the provisions of this Difference In Conditions protection will apply (other than where an optional extension was available to include the cover under the Underlying Insurance as described under 1 above);
3. the Company will follow the provisions of the Defined Events of the Underlying Insurance in determining the basis on which the Insured is indemnified by this clause of this section, being either:
  - 3.1 in respect of Injury, Damage or Malice occurring or Negligent Advice given during the period of this section (Losses Occurring), or
  - 3.2 in respect of claims made against the Insured during the period of this section following Injury, Damage, Malice or Negligent Advice (Claims Made);
4. if a claim is rejected by the Company on the Underlying Insurance on the basis of an exclusion relating to the failure of a product to perform as specified, warranted or guaranteed, or to fulfill its intended purpose and such Underlying Insurance is on a losses occurring basis and the circumstances of the claim is such that the Insured or the Company cannot mutually agree when the loss occurred, then the Company will deal with the claim on the basis that the loss occurred when the claimant first notified the Insured of a circumstance or an event which subsequently gave rise to an indemnifiable claim;
5. the Difference In Conditions protection does not provide indemnity where a claim is excluded by the wording of the Defined Events of the Underlying Insurance, except where a claim is excluded by the Underlying Insurance:
  - 5.1 solely on the grounds that the Injury or Damage was not accidental by nature, or did not arise out of an accident;
  - 5.2 solely on the grounds that temporary loss of use of property or reduction in value of property did not constitute damage within the Defined Events of the Underlying Insurance.

## **Basis 3: Additional risks protection** (if stated as included in the schedule)

This basis provides indemnity where the claim is outside the scope of the Defined Events of any Underlying Insurance but within the scope of Defined Events of this section

provided that:

1. a claim is not the subject of indemnity by any other policy of insurance, is not covered or coverable (either in whole or in part) by the Excess Layer Protection or the Difference In Conditions Protection and falls within the Defined Events of this section;
2. the indemnity granted by the Additional Risks Protection is limited to claims made against the Insured during the period of insurance of this section, or events or circumstances notified by the Insured to the Company during such period of insurance which subsequently give rise to claims being made;
3. the indemnity limit of this section in respect of cover granted by the Additional Risks Protection is limited to the aggregate of all claims made during the period of insurance of this section, or event or circumstances notified by the Insured to the Company during such period which subsequently give rise to claims being made (if the premium is paid monthly by debit order, the words "period of insurance" are amended to read "for any one period of 12 consecutive months from the inception or anniversary date");
4. no indemnity is provided by the Additional Risks Protection where the Company declined to grant indemnity in terms of the Underlying Insurance in respect of a claim on the grounds that the Injury, Damage, Malice, Negligent Advice or event did not occur or the claim was not made during the period of insurance (as the case may be).

# CLAUSES AND EXTENSIONS

## Additional Insured

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

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

provided that:

1. the aggregate liability of the Company is not increased beyond the Limits of Indemnity stated in the schedule;
2. any person or organisation to which this extension applies is not entitled to indemnity under any other policy
3. the indemnity under 1, 2 and 3 above applies only in respect of liability for which the Insured would have been entitled to indemnity if the claim had been made against the Insured;
4. each party to whom the indemnity under this extension applies shall observe, fulfil and be subject to the terms, exclusions and conditions (both general and specific) of this insurance in so far as they can apply.

## 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 Insureds shall be treated as though separate policies had been issued to each, provided that the aggregate liability of the Company shall not exceed the Limit of Indemnity stated in the schedule.

## SPECIFIC EXCLUSIONS (applicable to all Bases of Indemnification)

The Company will not indemnify the Insured in respect of:

1. fines, penalties, punitive, exemplary or vindictive damages;
2.
  - 2.1 liability in respect of Injury, Damage or loss of use of property directly or indirectly caused by Pollution, provided always that this exclusion shall not apply where such Pollution is caused by a sudden, unintended and unforeseen occurrence;
  - 2.2 the cost of removing, nullifying or cleaning up substances resulting from Pollution unless the Pollution is caused by a sudden, unintended and unforeseen occurrence.

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

3. any Injury, Damage, Malice or Negligent Advice which occurs prior to the Retroactive Date which is applicable to the Underlying Insurance;
4. liability arising out of any circumstance or event known to the Insured:
  - 4.1 which is not reported to the Company in terms of General condition 6; and/or
  - 4.2 prior to inception of this section;
5. liability consequent upon Injury, Damage, Malice or Negligent Advice arising out of any deliberate, conscious or intentional disregard by the Insured or the Insured's management of the need to take reasonable precautions to prevent any event or circumstance which may give rise to a claim;
6. any fine imposed or penalty incurred as a consequence of the commission of a criminal offence;

7. any benefits for which the Insured is liable under any relevant workmen's compensation, unemployment compensation or disability benefits law and/or similar law and/or scheme;
8. so much of any compensation or claim as falls within the scope of any compulsory motor vehicle insurance enactment. This exclusion shall apply notwithstanding that no insurance under such enactment is in force or has been effected;
9. any costs necessary to repair, replace, recondition or modify any Product or part thereof and/or for the loss of use of any Product or part thereof;
10. any liability arising out of the recall of any Product or part thereof;
11. any liability arising out of performance warranties or guarantees or clauses stipulating liquidating damages or penalties, except to the extent that it is proved that such liability would have existed in the absence of such contractual provision;
12. any liability for personal Injury caused or contributed to by prolonged exposure to substances, factors or circumstance peculiar to any particular employment or occupation;
13. any liability for motor third party liability unless such liability is in excess of the Underlying Insurance and is indemnifiable there under;
14. any liability arising out of the carriage of passengers for hire or reward or the carriage of fare paying passengers;
15. liability for loss or damage including detrimental change and any consequence therefrom to any electronic data;
16. liability for any unfair labour practice including but not limited to unfair dismissal within the meaning of the Labour Relations Act No. 66 of 1995 as amended, or any Act passed in substitution thereof;
17. Injury or Damage happening in the United States of America or Canada caused by or through or in connection with any goods or Products sold or supplied by or to the order of the Insured, if such goods or Products have, to the Insured's knowledge, been exported to the United States of America or Canada by or on behalf of the Insured or such sale or resale should reasonably be contemplated by the Insured;
18. any liability if the transport of hazardous substances was not in compliance with chapter VIII of the National Road Traffic Act 1996 (Act No 93 of 1996) as amended, or any Act passed in substitution thereof;
19. liability arising out of any deliberate or intentional act of the Insured, any employee of the Insured or any person for whom the Insured would be vicariously liable;
20. acts, errors or omissions of the directors or officers of the Insured when acting in their capacity as such or in the provision by the Insured of professional services which shall include giving advice, any action taken or work done by the Insured when carrying on their functions in any capacity involving special skill or knowledge in their calling or the failure to discharge any obligations pursuant thereto. This exclusion does not apply to Negligent Advice;
21. any liability arising from fire spreading to any veld or forest from any premises owned, used, hired or leased by the Insured, unless at the time of the fire the Insured complies with the regulations of the National Veld and Forest Fire Act No 101 of 1998 (as amended or any Act passed in substitution thereof) in respect of the premises from which the fire spread;
22. any liability arising from fire spreading to any sugar cane or timber plantation from any premises owned, used, hired or leased by the Insured;
23. any liability arising from the bursting or overflowing of any dam with a safety risk as defined in the National Water Act 36 of 1998 (as amended or any Act passed in substitution thereof);
24. any liability arising from Products intended to be installed and installed in, or intended to form part of and forming part of, an aircraft;
25. any liability arising from any defect in any Product or any part thereof of which the Insured was aware prior to the inception of this section;
26. any claim or claims whether actual or alleged howsoever arising in connection with or based upon or arising from or in any way involving actual or alleged unlawful competition, unfair practices, abuse of monopoly power, cartel activities or as may otherwise arise from or be based upon or relate to any breach of a provision of the Competition Act no. 89 of 1998 (as amended or any Act passed in substitution thereof) or any similar provision, act or regulation as may be in force in any jurisdiction or country in which the Insured's liability arose;



27. any liability arising from Damage to property in the Insured's care, custody or control where the Insured or any employee of the Insured receives payment for the storage of such property as part of the Business of the Insured;
28. any liability that has been specifically excluded in the schedule of the Underlying Insurance.

## **ADDITIONAL SPECIFIC EXCLUSIONS** (only applicable to 2. Difference In Conditions Protection and 3. Additional Risks Protection).

The Company will not indemnify the Insured in respect of:

1. any liability for or arising out of the ownership, hire purchase or leasing of any aircraft, watercraft or hovercraft (other than watercraft not exceeding 15,25 metres in length and then only whilst on inland waterways) by or on behalf of the Insured;
2. any liability for or arising out of the repair, maintenance, refuelling or defuelling of any aircraft, watercraft or hovercraft undertaken by or on behalf of the Insured as a revenue producing activity;

Additional Specific Exclusions 1 and 2 do not apply to liability for death, injury, illness or disease of or to employees of the Insured arising out of such employment;

3. seepage, pollution or contamination being the natural consequence of the operation or existence of the Business;
4. Damage to property owned, leased or hired by or under hire purchase or on loan to the Insured or otherwise in the Insured's care, custody or control other than premises (or the contents thereof) temporarily occupied by the Insured for work therein or other property temporarily in the Insured's possession for work thereon (but no indemnity is granted for Damage to the property on which the insured is working and which arises out of such work);
5. any liability where the indemnity is available under the Underlying Insurance by means of an optional extension and where in the Underlying Insurance it shows the optional extension as "not included" in the schedule of such Underlying Insurance.

## **SPECIFIC CONDITIONS**

1. Any dispute between the Insured and the Company in connection with or arising out of this section shall be decided exclusively in accordance with the law of the Republic of South Africa and exclusively by a competent court of the High Court of South Africa.  
The Insured undertakes that they will not institute action against the Company nor bring joint proceeding against the Company in the Court of any country other than the Republic of South Africa.
2. The insurance under this section shall cease if the Business is wound up, put in business rescue or carried on by a liquidator or judicial manager or is permanently discontinued, except with the written agreement of the Company.
3. The indemnity granted by this section is conditional upon the Underlying Insurance (as defined) remaining in force throughout the period of insurance of this section.
4. If, at the time of any event giving rise to a claim under this section, indemnity is also provided under any other insurance, other than a policy to specifically provide indemnity in excess of this policy, this section shall not be drawn into contribution with such other insurance. The provisions of this condition shall apply notwithstanding that the aforesaid policy be voidable or that the Company be entitled to avoid liability for an occurrence which has given rise to a claim under such other policy.

# CYBER SECTION

## DEFINED EVENTS

Costs, loss or Third Party Claims incurred by, or made on, the Insured's operations domiciled within the Territorial Limits and arising directly due to a Cyber Incident, Cyber Crime, Cyber Extortion or a Data Breach **which occurred on or after the Retroactive date** shown in the schedule **but limited to the cover provided under Defined Events 1 to 4 below.**

### 1. Data breach response and restoration

The Company will:

- 1.1 pay on behalf of the Insured, any reasonable and necessary costs resulting from an actual or suspected Data Breach:
  - 1.1.1 for an Expert to investigate and report to the Insured on the Data Breach;
  - 1.1.2 to comply with any data protection legislation (such as notifying any Supervisory Authority or Data Subjects);
  - 1.1.3 to purchase credit and identity theft monitoring services for the benefit of Data Subjects affected by a Data Breach, **subject to the prior written consent of the Company**;
  - 1.1.4 for an Expert to manage and protect the reputation of the Insured **up until a maximum of 60 days** after the Data Breach; and
  - 1.1.5 for Legal Defence Costs incurred to respond to or defend action taken by any Supervisory Authority.
- 1.2 reimburse the Insured for any legally insurable administrative fines and penalties imposed by any Supervisory Authority as a direct result of the Data Breach.
- 1.3 pay on behalf of the Insured, any reasonable and necessary costs to restore the Insured's Data and Software after a Data Breach to the closest possible condition in which they were immediately before the Data Breach.

### 2. Business interruption (if stated as included in the schedule)

The Company will pay for the Insured's Reduction of Gross Profit **during the Interrupted Period** which has been directly caused by a Cyber Incident.

### 3. Cyber extortion and cyber crime (if stated as included in the schedule)

The Company will reimburse the Insured for:

- 3.1 any Ransom paid by the Insured **(provided the payment of such Ransom is legally permissible and the Insured has received the prior written consent of the Company to make such Ransom payment)** and any reasonable and necessary costs to resolve Cyber Extortion. At the request of the Company, the Insured must notify any relevant law enforcement authorities of the Cyber Extortion;
- 3.2 any loss of money as a direct result of Cyber Crime.

### 4. Third party liability (if stated as included in the schedule)

#### 4.1 Confidentiality and privacy liability

The Company will reimburse any sums the Insured becomes legally liable to pay arising from:

- 4.1.1 a Third Party Claim or a claim against the Insured by an Employee for a Data Breach relating to Confidential Information or Personal Data of a Third Party, or

- 4.1.2 subject to the provisions of Specific Exclusion 11, an infringement of any data protection laws, including any Legal Defence Costs relating to the above incurred **with the Company's prior written consent**.

## 4.2 Network security liability

The Company will reimburse any sums:

- 4.2.1 the Insured becomes legally liable to pay arising from a Third Party Claim made against the Insured for a Data Breach, Theft of Data or a DoS Attack on a Third Party's Computer Systems, which is directly caused by a Malicious Act or Malware on the Insured's Computer Systems that the Insured failed to prevent, and

- 4.2.2 any Legal Defence Costs relating to the above incurred **with the Company's prior written consent**.

## 4.3 Media liability

The Company will reimburse any sums the Insured becomes legally liable to pay arising from the Insured's Online Media Activities that directly causes a Third Party Claim for:

- 4.3.1 defamation;

- 4.3.2 breach of copyright, title, slogan, trademark, trade name, service mark, service name or domain name;  
or

- 4.3.3 breach or interference of privacy rights;

including any Legal Defence Costs relating to the above incurred **with the Company's prior written consent**.

# DEFINITIONS

Each word or term defined below that appears elsewhere in this section's wording, will commence in capital letters for easy identification that it is a defined word or term.

**Computer Network:** means one or more Computer Systems which are connected or otherwise able to exchange Data.

**Computer Systems:** means the information technology and communications systems (such as Hardware, Infrastructure, Software, or Electronic Media) used for the purpose of creating, accessing, processing, protecting, monitoring, storing, retrieving, displaying or transmitting Data.

**Confidential Information:** means any form of commercially sensitive business and/or trade secrets not publicly available, whether or not such information is marked as 'confidential'.

**Continuing Standing Charges:** means any fixed costs which continue to be payable in full by the Insured **during the Indemnity Period**.

**Cyber Crime:** means Theft of money from the Insured as a direct result of a Third Party's unauthorised electronic transfer from the Insured's bank account or alteration of Data on the Insured's Computer Systems where the Insured is unable to recover such sums.

**Cyber Extortion:** means any credible threat by a Third Party to cause a Defined Event to occur unless a Ransom is paid or any demand for a Ransom by a Third Party to end a Cyber Incident caused by the Third Party.

**Cyber Incident:** means Malicious Act, Malware, Human Error, DoS Attack, Theft of Data, having an impact on the Insured's Computer System or the Computer System of a Service Provider or a reasonable suspicion of the same.

**Data:** means any digital information, irrespective of the way it is used or displayed (such as text, figures, images, video or software) stored outside the random access memory.

**Data Breach:** means a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, Personal Data or Confidential Information transmitted, stored or otherwise processed on the Insured's Computer Systems or the Computer System of a Service Provider.

**Data Subject:** means any identified or identifiable natural person who is the subject of Personal Data.

**Directors and Officers:** means any of the Insured's past, present or future directors, officers or senior

management.

**DoS Attack:** means any Malicious Act causing total or partial deprivation, disruption or unavailability of the Insured's Computer Systems or the Insured's Computer Network by an overloading stream of requests, including distributed denial-of-service attacks.

**Electronic Media:** means any information technology devices (such as external drives, CD-ROMs, DVD-ROMs, magnetic tapes or disks, USB sticks) that are used to record and store Data.

**Employee:** means any person performing services or providing labour for the Insured under an express or implied employment contract. This includes external staff hired by the Insured to provide services, working within the Insured's operational structure and under the Insured's functional authority. **This excludes Directors and Officers.**

**Expert:** means any person or legal entity appointed by or in consultation with the Company and/or the Incident Response Provider (such as a forensic accountant, lawyer or public relations consultant).

**Hardware:** means the physical components of any Computer Systems used to store, transmit, process, read, amend or control Data, including Electronic Media.

**Human Error:** means any negligent or inadvertent information technology operating error (such as the choice of Software to be used, a set-up error, or any inappropriate one-off operation) by an Employee.

**Incident Response Provider:** means AVeS Cyber Security (Pty) Ltd (Reg. No. 2001/028605/07) with telephonic contact details of **0861 000 373**.

**Indemnity period:** means the period starting after the Insured's Computer Systems commenced to be partly or wholly unavailable and **ending not later than ninety (90) days later.**

**Infrastructure:** means any communication equipment, air conditioning, uninterrupted power supply installations, standalone generators, frequency inverter units, transformers and any other facilities that are used to maintain the functioning of electronic facilities that support Computer Systems and Data.

**Internet:** means the worldwide public data network that allows the transmission of Data.

**Internet Service:** means services to enable the use of the internet, such as

1. Internet service providers responsible for the provision of Services, Hardware and technical equipment for accessing and use/operation of the Internet;
2. domain name system service providers;
3. other Internet and external network service providers responsible for Internet exchanges, Tier 1 network providers; and,
4. cable network, satellite and radio communication network operators.

**Insured:** means in addition to the Insured stated in the schedule, includes the Insured's Directors and Officers.

**Insured's Computer Systems:** means Computer Systems under the Insured's control owned, leased, licensed or hired by the Insured.

**Interrupted Period:** means the period of time commencing **after the Waiting Period**, during which the Insured's Computer Systems or the Computer Systems of a Service Provider continue to be partly or wholly unavailable and **ending on the earlier of**

1. **seven (7) days after the Insured's Computer Systems are wholly available again; or,**
2. **the end of the Indemnity Period.**

**Legal Defence Costs:** means any costs, expenses and/or fees for Experts, investigations, court appearances, arbitrations or other dispute resolution processes, surveys, examination and/or procedures that are necessary for the Insured's civil, commercial, administrative and/or criminal defence. **This does not include the Insured's general expenses (such as salaries and overheads).**

**Malicious Act:** means any unauthorised or illegal act intending to cause harm or to gain access to, or disclose Data from, Computer Systems or Computer Networks through the use of any Computer System or Computer Network.

**Malware:** means any unauthorised or illegal Software or code (such as viruses, spyware, computer worms, Trojan horses, rootkits, ransomware, keyloggers, dialers and rogue security Software) designed to cause harm or to gain access to or disrupt Computer Systems or Computer Networks.

**North America:** means the United States of America (being the 50 States of the Union plus the District of Columbia), Canada and any territory operating under the laws of or subject to the jurisdiction of courts of the aforementioned territories.

**Online Media Activities:** means any text, images, videos or sound distributed via the Insured's website, social media presence or e-mail.

**Personal Data:** means any information relating to a Data Subject, who can be identified, directly or indirectly, in relation to other information (such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person) as defined by any applicable data protection laws.

**Ransom:** means any money, bitcoins or other digital currency.

**Reduction of Gross Profit:** means an Expert's reasonable and documented projection of the net profit or loss before taxes the Insured would have earned, taking into account previous trading patterns and market conditions, plus any continuing Standing Charges, less any net profit the Insured actually earned (adjusted for any reasonable increased costs of working or cost savings made) **during the Interrupted Period**.

**Service Provider:** means any Third Party, except those providing electricity, satellite, cable, gas, water or other utility providers, telecommunications and Internet Services, that provides services pursuant to a written contract with the Insured.

**Services:** means any services for the processing, maintenance, protection or storage of the Insured's Hardware, Infrastructure, electronic Data or computer Software.

**Software:** means any digital standard, customised or individual developed program, or application held or run by a Computer System that comprises a set of instructions that are capable, when incorporated in a machine readable medium, of causing a machine with information processing capabilities to indicate, perform or achieve a particular function, task or result.

**Supervisory Authority:** means any supervisory authority, independent public authority, regulator, government organisation or statutory body authorised to enforce statutory obligations in relation to the control or processing of Personal Data in accordance with the Insured's respective applicable Data protection laws.

**Terrorism:** means any acts committed for political, religious, ideological or similar purposes, including the intention to influence any government and/or to put the public, or any section of the public, in fear.

**Theft:** means any Malicious Act of illegitimately copying or obtaining, for example, Confidential Information, Data or Personal Data, from Computer Systems.

**Third Party:** means any person or legal entity other than the Insured or Employees of the Insured.

**Third Party Claim:** means any demand or assertion by a Third Party against the Insured for damages or enforcement of a right before an administrative, arbitration, civil, commercial or criminal court.

**Waiting Period:** means the period of time as stated in the schedule commencing on a Cyber Incident which directly causes the Insured's Computer Systems to be partly or wholly unavailable.

## LIMITS OF INDEMNITY

**The total amount payable (inclusive of any costs, expenses, Legal Defence Costs as well as any payment made by the Company to the Incident Response Provider), for**

- any claim or number of claims for any one event or series of events with one originating cause or source, will not exceed the Limit of Indemnity stated in the schedule against "Limit of indemnity (per event)";**
- all claims during any one (annual) Period of Insurance will not exceed the Limit of Indemnity stated in the schedule against "Limit of indemnity (per period of insurance)".**

In the event of any one originating cause giving rise to a claim or series of claims which form the subject of indemnity by more than one Defined Event under this Section, each Defined Event will apply separately and be subject to its own separate Limit of Indemnity **provided always that the total aggregate amount of the Company's liability shall**



be limited to the highest Limit of Indemnity available under any one of the Defined Events affording indemnity for the claim or series of claims.

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

## SPECIFIC EXCLUSIONS

The Company will not be liable for any claim arising directly, or indirectly from, or contributed to by, the following:

1. any Cyber Incident, Cyber Crime, Cyber Extortion or Data Breach occurring prior to the Retroactive Date stated in the schedule;
2. any Third Party Claim made in North America;
3. failure, interruption, degradation or outage of Infrastructure of a Third Party or Service Provider that is not under the Insured's control (including communications, Internet Service, satellite, cable, electricity, gas, water or other utility providers);
4. Terrorism;
5. strike, riot or civil commotion;
6. war, including any state of hostile conflict (whether declared or not) that is carried on by force of arms and/or violence to resolve a matter of dispute between two or more states or nations, including acts of war such as invasion, insurrection, revolution, military coup or cyberwar;
7. discharge, dispersal, seepage, migration, release or escape of hazardous substances, contaminants or pollutants;
8. seizure, confiscation, demand, destruction or damage to the Insured's Computer System, due to the action, requirement or order of any government, regulator, court or other body acting within its lawful authority;
9. use of illegal or unlicensed Software;
10. fault, defect, error or omission in design, plan or specification of the Insured's Computer Systems making them unfit for purpose;
11. the Insured's conduct which is malicious, dishonest, deliberate or reckless;
12. loss of or damage to tangible property and any losses that are consequential in nature, including the loss of use of tangible property;
13. if paying, insuring and/or providing any benefit to the Insured would result in the Company breaching any sanction, prohibition or restriction under United Nations or the trade or economic sanctions, laws or regulations of the European Union, Federal Republic of Germany, United Kingdom or the United States of America;
14. where the Insured has failed to take reasonable steps to co-operate with, or prevent the imposition of an order, instruction or directive by any Supervisory Authority arising directly or indirectly from a Defined Event;
15. fines, punitive damages or penalties of whatever nature (this Specific Exclusion shall not apply to Defined Event 1.2 but only to the extent that cover is specifically provided thereunder);
16. investment or trading losses including without limitation any inability to sell, transfer or otherwise dispose of securities;
17. scheduled downtime, planned outages or idle period of Computer Systems or parts of Computer Systems;
18. failure by the Insured or a Service Provider to make a payment due or renew or extend any lease, contract, licence, or order to supply goods or services;
19. bodily injury, psychological harm (other than distress), trauma, illness or death;
20. theft, breach or disclosure of intellectual property such as patents, trademarks, copyrights (this Specific Exclusion shall not apply to Defined Event 4.3 Media Liability but only to the extent that cover is specifically provided thereunder);

21. **Third Party Claims made by or on behalf of:** any legal entity with effective control over the Insured; any of the Insured's subsidiaries; any legal entity over which the Insured or the Insured's subsidiaries have effective control; any person holding a majority shareholding interest over the Insured; any legal entity in which the Insured has a financial interest, irrespective of amount; or any partnership or joint-venture to which the Insured is a party;
22. **Services that a Service Provider has subcontracted to a Third Party;**
23. **any negligent or inadvertent information technology operating error by a Service Provider or its staff;**
24. **contractual liability which exceeds liability which would otherwise arise in the absence of such contract(s);**
25. **inaccurate, inadequate or incomplete description of any goods or services or their price;**
26. **ex gratia or discretionary settlements or gestures of goodwill for Third Parties including discounts, service credits, rebates, price reductions, coupons, prizes, awards or other contractual or non-contractual incentives, promotions or inducements;**
27. **publication on any website where content can be published without registration, or any website or content that is not directly controlled by the Insured;**
28. **failure to remove website or webpage data controlled by the Insured after receiving a complaint or request from a Third Party;**
29.
  - a. any Cyber Incident, Cyber Crime, Cyber Extortion or Data Breach reported to insurers of any other policy attaching to a period prior to the Period of Insurance;
  - b. any Third Party Claims made prior to the Period of Insurance; or
  - c. any Cyber Incident, Cyber Crime, Cyber Extortion or Data Breach discovered by the Insured or that should reasonably have been discovered by the Insured before the Period of Insurance;
30. **negligent advice, design, specifications, formula or other breach of professional duty;**
31. **In-game currencies, crypto-currencies, reward points and air miles;**
32. **loss or theft of a Third Party's money or property in the Insured's care, custody or control;**
33. **that portion of any loss payable under Defined Event 2 that occurs during the Waiting Period.**

## SPECIFIC CONDITIONS

### 1. Assignment

The Insured may not assign any legal rights or interests in this section without the prior written consent of the Company.

### 2. Claim reporting

General Condition 6.1.1 is cancelled and restated as follows:

It is a condition of this section that the Insured must as soon as reasonably practicable and at their own expense report in writing

- 2.1 any actual or suspected Data Breach, Cyber Incident, Cyber Extortion, or Cyber Crime which may result in a claim under this policy to the Incident Response Provider and the Company;
- 2.2 any Third Party Claim or circumstance which may give rise to a Third Party Claim to the Company.

### 3. Cancellation

If a claim has been reported to the Company, no pro-rata refund of premium will be repayable under this section upon cancellation of this policy or this section for the period from the effective date of the cancellation to the end of the period of insurance.

### 4. Confidentiality

The Insured must not disclose the existence of this policy except to senior management or professional advisers of the Insured or where under a legal obligation to do so or for tender purposes unless the Company has given its prior written consent. **The Company at its sole discretion, may decline to pay a claim for Cyber Extortion** or may cancel the cover immediately from the date that any such disclosure

is made that is in contravention to this Specific Condition.

## 5. First amount(s) payable

- 5.1 If the Company has directly indemnified any Third Party, the Insured must immediately reimburse the Company for the amount of the applicable First amount payable that was included in such indemnification; or
- 5.2 If the Company so requires, the Insured must pay the First amount payable directly to the Third Party to comply with any settlement;
- 5.3 If a single event (or events arising from the same original cause) results in a claim being payable under more than one Defined Event, only one First amount payable shall be payable by the Insured which will be the highest of the respective applicable First amounts payable reflected in the schedule. For the purposes of determining the First amount payable in terms of this Specific Condition, the uninsured amount under the Waiting Period of Defined Event 2 is deemed to be a First amount payable.

## 6. General Exclusions 3 (Computer losses) and 6 (Cyber exclusion)

The above General Exclusions will not apply to this section **but only to the extent that cover is specifically provided under the Defined Events of this section and not otherwise excluded by a Specific exclusion of this section or limited in any way by any other limiting provision of this section.**

## 7. Incident Service Provider claims process and services provided

- 7.1 The Insured must report the happening or suspected happening of a Defined Event to the Incident Service Provider as required by Specific Condition 2.1;
- 7.2 The Insured will receive acknowledgement of the reported incident;
- 7.3 The Insured will receive support and guidance through the incident management process until the incident is finalised;
- 7.4 The incident management and co-ordination function of the Incident Service Provider will create, track and monitor progress of all cyber security incidents, including communication between Public Relations and Legal organisations on behalf of the Insured;
- 7.5 Remote and onsite incident response will assist the Insured with technical incident response activities (off-site or on-site) to appropriately assess, remediate and handle the incident in consultation with the Insured;
- 7.6 The Incident Service Provider's Digital Forensics and Incident Response (DFIR) Services leverage extensive knowledge and experience as a trusted security advisor in the region to drive and support incident response activities during or following a cyber security incident;
- 7.7 The Insured will have access to the 24x7x365 Hotline for Cyber emergencies and general queries relating to this section;

## 8. Information disclosure

Any information supplied by the Insured or on behalf of the Insured (where by proposal form or otherwise) will be the basis of this section's contract of insurance. The Insured must notify the Company, as soon as reasonably practicable, of any material change in risk of which the Insured becomes aware or ought reasonably to be aware, including without limitation any acquisition by or of the Insured during the policy period. **The Company will not pay for any Defined Event resulting from any material change in risk unless the Company has agreed in writing to that material change in risk beforehand and received adequate additional premium as determined by the Company.**

The Company has recorded answers obtained to questions about the insured business and its processes and procedures relating to this section's cover. These are reflected in this section's schedule and the Insured is in terms of the requirements of this Specific Condition, specifically required to inform the Company in writing of any changes or inaccuracies in the reflected information.

## 9. Inspection and audit

The Company or any Experts or Company representatives may inspect and/or audit the Insured (including but not limited to the Insured's premises, records, Computer Systems or Computer Network) and/or as far as is possible, any Service Provider, at any reasonable time and during the period of insurance and up to one year of expiry or cancellation of this policy or this section of the policy. The Insured must provide all

relevant details and information that the Company may require.

## **10. Insured's obligations on the happening or suspected happening of a Defined Event**

In addition to any requirements specified under General Conditions 6 and 7, it is a condition precedent of this section that the Insured:

- 10.1 must provide to the Company with evidence demonstrating the occurrence and description of the likely consequences of any Defined Event;
- 10.2 must take all reasonable and necessary measures to minimise the duration and effect of any Defined Event;
- 10.3 must do and permit to be done all such things as may be practicable to establish the cause and extent of the Defined Event;
- 10.4 must preserve any Hardware, Software and Data and make these available to the Company or the Incident Response Provider;
- 10.5 must comply with any reasonable recommendations made by the Company or the Incident Response Provider;
- 10.6 must not (without the Company's prior written consent), admit liability for, pay, settle or prejudice any Third Party Claim;**
- 10.7 must assist the Company in investigating, defending and settling any Third Party Claim, and assist any lawyer or other Expert appointed by the Company on the Insured's behalf to defend the Third Party Claim;
- 10.8 at the Company's expense, co-operate with and assist the Company when required including providing information and securing the co-operation and attendance in court of witnesses employed by the Insured;
- 10.9 at the Company's expense, enforce any legal rights the Insured or the Company may have against any Third Party who may be liable to the Insured for a Cyber Incident, including giving the Company authority to bring court proceedings in the Insured's name against a Third Party and to settle those proceedings;
- 10.10 at the Company's expense, execute any documents that the Company requires to secure the Company's rights under this policy.

## **11. Law and jurisdiction.**

This section will be governed by the laws of the Republic of South Africa whose courts will have jurisdiction in any dispute between the Insured and the Company.

## **12. Laws or regulations**

If any provision of this section conflicts with the laws or regulations of any jurisdiction in which this policy applies, this section must be varied by the parties to comply with such laws or regulations. No indemnity is payable where such indemnity is illegal in terms of such laws or regulations.

## **13. Operation of cover**

**Cover under this section is conditional on the following:**

- 13.1 Non Third Party Claims: The Defined Event must have occurred within the Territorial Limits and be first discovered by the Insured and reported to the Incident Response Provider and the Company during the period of insurance.**
- 13.2 Third Party Claims: The claim must first be made against the Insured within the Territorial Limits during the period of insurance and reported to the Company during the period of insurance.**

Any circumstance of which the Insured becomes aware of and reports to the Company during the period of insurance which results in a Third Party Claim will be deemed to have been reported and the Third Party Claim made during the period of insurance.

## **14. Other Insurance**

General Condition 2 is cancelled and restated as follows: **The Company will not pay any claim if the**

**Insured is covered for that claim by another insurance policy. It is a further condition of this section that the Insured may not insure any First amount payable or Waiting Period applicable under this section under any other insurance policy.**

## **15. Severability**

Any unenforceable provision of this section will not affect any other provisions and, if practicable, will be replaced with an enforceable provision with the same or similar intent as that unenforceable provision.

## **16. Variations**

Other than as set out in General Condition 13, variations to this section require the prior written agreement of the parties.

## **17. Obligatory risk management services**

It is a condition precedent of this section that the Insured:

- 17.1 activates the Obligatory Risk Management Services referred to in the schedule within 7 days of incepting cover under this section and remains so activated for the duration of the Period of Insurance;
- 17.2 takes all steps to comply with any reasonable risk mitigation action plans or alerts issued by the Obligatory Risk Management Services. In the event that the Insured does not comply with this clause 17.2, the Limit of indemnity shall be reduced to 80% of the amount reflected in the schedule.



# DETERIORATION OF STOCK SECTION

## DEFINED EVENTS

Deterioration of Stock caused by unforeseen physical loss of or damage (not otherwise excluded) to Cold Rooms.

## DEFINITIONS

**Cold Rooms** shall mean any receptacle including but not limited to cold rooms, fridges and freezers (and their motors, compressors, pumps, fans, condensers, controlling and monitoring apparatus or any other equipment forming an integral part of the receptacle necessary for its proper operation) on the Premises where such receptacles have the capability of regulating or maintaining a constant temperature so as to prevent Deterioration of the insured Stock.

**Controlled Atmosphere Chambers** shall mean a Cold Room that also regulates the mixture or concentration of gases.

**Deterioration** shall include deterioration, putrefaction or contamination of Stock resulting in it no longer being fit for human consumption or for its intended function or purpose.

**Premises** shall be restricted to the address as described in the schedule of this section.

**Stock** shall mean contents as stated in the schedule, the property of the Insured or for which the Insured is legally liable for whilst in Cold Rooms on the Premises.

**Waiting Period** shall mean the time period immediately following cessation or interruption of cooling during which, with the Cold Room left sealed, no Deterioration would take place.

## SPECIFIC EXCLUSIONS

The Company shall not be liable for:

1. loss arising within the Waiting Period stated in the schedule, unless Deterioration is caused by contamination as a result of leakage of the refrigerant or by accidental freezing of goods or unless fresh goods that have not yet reached the prescribed refrigeration temperature are affected thereby;
2. loss to the Stock stored arising as a result of shrinkage, inherent defects or diseases, natural Deterioration or natural putrefaction;
3. loss arising from improper storage, damage to packing material, insufficient circulation of air or non-uniformity of temperature;
4. loss caused by temporary repair to the Cold Rooms carried out without the Company's consent;
5. penalties for delay, consequential loss or damage or liability of any nature whatsoever;
6. loss or damage directly or indirectly caused by, or arising out of, or aggravated by:
  - 6.1 the wilful act or gross negligence of the Insured or his representatives;
  - 6.2 fire, lightning, chemical explosion, extinguishing of a fire or subsequent demolition, aircraft or other aerial devices or articles dropped therefrom, theft or attempts thereat, collapse of buildings, flood, inundation, earthquake, subsidence, landslip, avalanche, hurricane, cyclone, volcanic eruption or other natural catastrophes.

## SPECIFIC CONDITIONS

1. Stock is not stored in Controlled Atmosphere Chambers.
2. At the time of the loss or damage the Stock must have been stored in the Cold Rooms.
3. The insured amount is to be based on the estimated maximum selling price obtainable for the Stock based on the maximum stock that will be stored in the Cold Room(s) at any one time during the period of insurance. The responsibility shall remain with the Insured during the period of insurance to notify the Company in writing should an increase in the insured amount be required due to stock levels exceeding the insured amount. Declarations received

as set out hereunder exceeding the insured amount shall not be considered a formal request to increase the insured amount.

4. The Insured shall declare to the Company in writing the value of their Stock in Cold Rooms on the last day of each month and shall make such declaration within 30 days thereof. Should no declaration be received by the Company for a particular month, for the purposes of the calculation in 5 below, the Company will use the insured amount as having been deemed declared.
5. After each period of insurance (or after twelve consecutive months from the inception date or anniversary date if the policy is paid by debit order on a monthly basis), the premium shall subject to 6 below be re-calculated on the average declared amount, namely the total of the values declared or deemed to have been declared, divided by the number of declarations due to have been made. If the resultant premium differs from the premium paid, the difference shall be refunded to the Insured but the amount of the refund shall not exceed 50 per cent of the premium originally paid.
6. Any declaration received exceeding the insured amount shall be noted in the books of the Company as being limited to the insured amount as stated in the schedule for determining the average declared amount as set out in 5 above. Premium shall not be payable on that part of any declaration that is in excess of the insured amount.
7. The Company shall in the event of a loss, irrespective of the value of any declarations received, not be liable for more than the insured amount as stated in the schedule;
8. The Insured is to maintain up to date records (stock book) in which the type, quantity and value of the Stock stored in each Cold Rooms is entered.
9. Stock book copies and monthly declarations shall be regarded as forming an integral part of this policy.
10. All claims shall, subject to the insured amount not being exceeded, be settled on the basis of the value stated in the monthly declaration (or the last stock book entry) immediately prior to the occurrence of the loss or the selling price that would have been obtainable whichever is the lesser. When determining the indemnity, the Company shall take into consideration all circumstances that may influence the amount of indemnity, such as proceeds from a sale of Stock as well as storage costs saved due to the termination of the storage.  
  
If, after the occurrence of a partial loss, it is found that the last monthly declaration preceding the loss is less than the amount that ought to have been declared, then the amount which would have been recoverable by the Insured shall be reduced in such proportion as the amount of the said last monthly declaration bears to the amount that ought to have been declared.
11. Where such Deterioration necessitates by law destruction and disposal of the Stock prior to the Company being able to investigate any claim, a Certificate of Condemnation must be obtained by the Insured from the appropriate Local Authority for such Stock to be destroyed.
12. In cases where Deterioration is alleged to have impaired the value of the Stock, reasonable proof of impairment of value must be submitted by the Insured in respect of such Stock.

## CONDITIONS

If stated in the schedule to be applicable, cover is conditional on compliance with:

### **Automatic alarm system**

It is a condition that the Cold Rooms are connected to an automatic alarm system that:

1. is constantly monitored so that a person can provide an alert should the temperature deviate from the acceptable parameters; or
2. sends an automated alert to at least one of the Insured's permanent employees should the temperature deviate from the acceptable parameters.

### **Continuous supervision**

It is a condition that the Cold Rooms are under constant supervision by qualified personnel.

### **Full back-up equipment**

It is a condition that the Insured is to keep a full supply of any operating parts and components that are subject to wear and tear, breakdown or that need periodic servicing and replacement if such parts are not readily available locally or would normally take longer than the Waiting Period to obtain.

### **Standby generator**

It is a condition that a standby generator which automatically starts when there is a failure of the electrical power supply is to be installed on the premises. It is warranted that such generator is to be tested at least every two weeks and full detailed results of such tests are to be kept and made available to the Company upon request.

### **Temperature measurements**

It is a condition that during the entire period of storage, the Insured is to record in a logbook the condition of the insured Stock and at least three temperature readings per day from each Cold Room.

### **Verification of Cold Room temperature monitoring devices**

It is a condition that the accuracy of temperature monitoring devices used by the Insured is to be verified by means of a calibrated, independent reference thermometer at least every 14 days.

## **ADDITIONAL OPTIONAL COVER**

### **Increase in cost of working** (if stated as included in the schedule)

The amount payable shall be the additional expenditure necessarily and reasonably incurred by the Insured (including costs incurred in obtaining alternative storage facilities) as a direct consequence of:

1. Unforeseen physical loss of or damage to Cold Rooms;
2. Interruption of the public power supply if selected to be insured below

wholly and exclusively incurred for the purpose of preventing or minimising Deterioration of Stock but not exceeding the lesser of:

1. the amount that would otherwise have been payable by the Company for the deteriorated Stock or;
2. the insured amount stated in the schedule against this item

provided that the following increased cost of working is not covered:

1. any expenditure incurred after the indemnity period stated in the schedule where such indemnity period is deemed to commence upon the happening of the unforeseen physical loss of or damage to Cold Rooms or if insured, the interruption of the public power supply;
2. any expenditure incurred during the no claim period stated in the schedule against this item.

### **Interruption of public power supply** (if stated as included in the schedule)

Deterioration of Stock up to the Insured Amount stated in the schedule against this item in consequence of the total or partial interruption of the public supply of power to the Premises of the Insured provided that:

1. only continuous interruptions lasting longer than the duration in hours stated in the schedule are covered;
2. this shall not cover loss directly or indirectly caused by:
  - 2.1 drought;
  - 2.2 pollution of water;
  - 2.3 shortage of fuel or water;
  - 2.4 a fault on any part of the installation at the premises belonging to the Insured;
  - 2.5 the exercise of an authority empowered by law to supply power to withhold or restrict supply unless such withholding or restriction is directly attributable to damage to property of such authority.

# ELECTRONIC EQUIPMENT

## SUB-SECTION A – MATERIAL DAMAGE

### DEFINED EVENTS

Physical loss of or damage to the property insured described in the schedule from any cause not otherwise excluded whilst

1. at work, at rest or whilst being dismantled for the purposes of cleaning, inspection or overhaul anywhere within that part of the building occupied by the Insured at the insured premises described in the schedule or whilst temporarily removed to any other building;
2. in transit including loading and unloading or whilst temporarily stored at any premises en route;
3. away from the insured premises stated in the schedule anywhere in the world if the insured property is a laptop, tablet or other similar portable electronic equipment designed to be carried by person;
4. at or away from the insured premises stated in the schedule and whilst at work or at rest in any location (other than in a building) or vehicle provided that the insured property is of a specialist nature designed to operate or exist in such location or vehicle;
5. at the premises of any supplier or repairer of such equipment for the purposes of cleaning or repair.

### DEFINITIONS

**New Property** as referred to under “total loss” under “basis of indemnification” shall mean property purchased when new no more than seven (7) years (or such extended period as may be approved by the Company in writing) prior to the insured event, it being expressly agreed that in applying this definition upgrades and enhancements will be taken into account in arriving at an indemnifiable amount and the age of the property insured.

**Market value** as referred to under “total loss” under “basis of indemnification” shall mean the current day purchase price of second-hand/used property of equal performance and/or capacity to the property lost or damaged and of substantially similar condition. Where no similar property is available, Market Value shall be calculated by deducting from the current new replacement value of the nearest equivalent property, an amount representing:

1. 20% (twenty percent) for the first year after the date of purchase and
2. 10% (ten percent) per year for each succeeding year

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

### BASIS OF INDEMNIFICATION

Subject always to the insured amounts in the schedule, the basis of indemnification shall be as set out under either **partial loss**, **total loss**, **theft first loss** and **average** as follows:

#### A. PARTIAL LOSS

If the property insured suffers damage that can be repaired, the basis of indemnification shall be the restoration expenses reasonably and necessarily incurred to restore the damaged property to working order including dismantling, re-erection, transportation, removal of damaged property insured (but less the value of the remains) and, where applicable importation duties, provided that

1. the value of damaged parts which can be used will be deducted;
2. the costs of any alteration, addition, improvement or overhaul carried out at the time of repair are not recoverable under this sub-section;

3. if, without the consent of the Company, temporary repairs are carried out by the Insured in the interests of safety or to minimize further loss or damage to the property insured, the cost of such temporary repairs will be borne by the Company. In the event that the temporary repairs aggravate the loss or cause additional loss or damage to the property insured, any additional costs so incurred or consequence arising therefrom will be for the account of the Insured;
4. where the damage is restricted to a part or parts of an insured item, the Company shall not be liable for an amount greater than the value of such part or parts which are lost or damaged allowed for within the insured amount.

## B. TOTAL LOSS

Subject always to the insured amounts in the schedule, the basis of indemnification in the event of a total loss where the property is totally lost or destroyed shall be as set out under either **New Property** or **Property other than New Property** as follows:

**New Property** (as defined): the basis of indemnification of new property shall be the cost of replacing or reinstating on the same site with New Property of equal performance and/ or capacity or, if such be impossible, its replacement by New Property having the nearest equivalent performance and/or capacity to the property lost or damaged including dismantling, re-erection, transportation, removal of damaged property insured (but less the value of the remains) and, where applicable importation duties, provided always 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 dispatch otherwise no payment exceeding the Market Value of the property insured immediately before the damage shall be made;
2. until expenditure has been incurred by the Insured in replacing or reinstating the property insured, the Company shall not be liable for any payment in excess of the amount which would have been payable if the basis of indemnity was on a Market Value basis;
3. the basis of indemnity shall revert to a Market Value basis if:
  - 3.1 the Insured fails to intimate to the Company within six (6) months of the date upon which the damage occurred (or such further time as the Company may in writing allow) their intention to replace or reinstate the property insured;
  - 3.2 the Insured is unable or unwilling to replace or reinstate the property insured on the same or another site;
4. at the sole option of the Company, following commercial and technical appraisal by a representative of the Company, the period referred to in the definition of New Property may be extended (on an annual basis from renewal date) subject always to such extension of the period being admitted by memorandum to this section.

**Property other than New Property:** the basis of indemnification shall be the Market Value (as defined) of the property insured immediately before the loss or damage. At the option of the Company, the property insured shall be regarded as totally destroyed if the repair costs as set out under Partial loss above equal or exceed its Market Value immediately before the damage.

## C. THEFT FIRST LOSS (if stated as included in the schedule)

Subject to specific exclusion 9, theft from the building(s) stated in the schedule against "theft first loss" shall be limited to the lesser of the amount arrived at in terms of "Total Loss" above or the insured amount stated against "theft first loss" in the schedule.

## D. AVERAGE

In respect of either Total or Partial losses (but not "theft first loss") above, if at the time of repair, replacement or reinstatement, the sum representing the cost which would have been incurred in repair, replacement or reinstatement if the whole of the property insured had been lost or damaged exceeds the insured amount thereon at the time of any loss of or damage to such property, then the Insured shall be considered as being their own insurer for the difference and shall bear a rateable proportion of the loss or damage accordingly. Each item of this section (if more than one) to which these conditions apply shall be separately subject to this provision.



# SPECIFIC EXCLUSIONS TO SUB-SECTION A

The Company will not be liable to indemnify the Insured irrespective of the original cause in respect of:

1. the first amount payable as stated in the schedule under sub-section A, of each and every event giving rise to a claim. Where more than one item of property insured suffers physical loss or damage in the same event, only one first amount payable shall apply being the highest single amount applicable to such property insured;
2. derangement unless accompanied by physical damage otherwise covered by this section;
3. loss or damage recoverable in terms of any maintenance and/or leasing agreement effected by or on behalf of the Insured covering the insured equipment;
4. faults or defects known to the Insured (or their responsible employees) at the time this insurance was arranged or during the currency of the insurance and not disclosed to the Company, or any consequences thereof;
5. wastage of material or the like or wearing out of any part of the property insured caused by or naturally resulting from ordinary usage or working or other gradual deterioration, development of poor contacts or scratching of painted or polished surfaces of a cosmetic nature;
6. parts having a short life such as (but not limited to) bulbs, batteries, valves, contacts, X-ray tubes, cathode ray tubes, thermionic emission tubes, fuses and sacrificial buffer circuits. If such parts are damaged as a result of physical loss or damage as provided for by this sub-section to other parts of the property insured, the Company shall indemnify the Insured for the residual value prior to the loss of such exchangeable parts;
7. the cost of reproducing data and/or programs whether recorded on cards, tapes, discs or otherwise;
8. loss of use of the property or other consequential loss, damage or liability of whatsoever nature other than losses specifically provided for herein;
9. loss by theft or by disappearance of the property insured from that part of the building occupied by the Insured at the insured premises described in the schedule unless accompanied by forcible and violent entry into or exit (or any attempt thereat) or as a result of theft or any attempt thereat, following violence or threat of violence provided that this exclusion shall not apply to laptops, tablets or other similar portable electronic equipment designed to be carried by person;
10. theft from any unattended vehicle in the custody or control of the Insured or any principal, partner, director or employee of the Insured unless the property is contained in a completely closed and securely locked vehicle or the vehicle itself is housed in a securely locked building and entry to or exit from such locked vehicle or building is accompanied by forcible and violent entry or exit provided that:
  - 10.1 if the Insured can demonstrate through video surveillance footage (or any other conclusive proof) that an attempt was made to lock the vehicle, such evidence shall be deemed to satisfy the locked vehicle and forcible and violent entry or exit requirement for any loss out of the vehicle;
  - 10.2 this exclusion will not apply where the vehicle has been involved in an accident or other incident where due to the circumstances beyond the control of the driver and passengers, the property has to be left unattended and cannot be secured as required.

Specific exclusion 10 can upon request, before any loss, be deleted by the Company on specific insured equipment items subject to the first amount payable of such articles as reflected in the schedule being doubled. This waiver will be recorded in the schedule per insured equipment item as follows:

If "Theft (non-forcible entry into an unattended vehicle)" is reflected as "included" then specific exclusion 10 is waived for the specific insured equipment item but if "Theft (non-forcible entry into an unattended vehicle)" is reflected as "not included" then specific exclusion 10 remains as being applicable to the specific insured equipment item;

## CLAUSES AND EXTENSIONS

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which



shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) subject to any insured amounts or first amounts payable stated in the schedule under each extension.

### **Capital additions and currency fluctuations** (if stated as included in the schedule)

The indemnity by this section shall include:

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

Provided that the increase covered under this extension shall not exceed the percentage (as stated in the schedule against this extension) of the total of all insured amounts of sub-section A specified in the schedule, it being agreed that the Insured will advise the Company of such purchases after the expiry of each period of insurance (or the 12 consecutive months from the inception or anniversary date if this policy is paid monthly by debit order) and pay the appropriate premium thereon but not exceeding 50% of the difference between the original premium and the new premium.

### **Clearance costs** (if stated as included in the schedule)

Costs necessarily and reasonably incurred by the Insured in respect of demolition or dismantling of property and/ or removal of debris and in providing, erecting and maintaining hoardings and other similar structures required during demolition, dismantling, debris removal and reconstruction following indemnifiable loss of or damage to such property, provided that the total amount recoverable does not exceed the percentage (as stated against this extension in the schedule) of the total amount of the claim.

### **Express delivery and overtime** (if stated as included in the schedule)

Extra charges for express delivery, airfreight, overtime, Sunday and holiday rates of wages payable in respect of the necessary and reasonable additional costs incurred by the Insured for effecting repairs or replacement approved by the Company, limited to the percentage (stated in the schedule) of the amount which the repair or replacement would have cost had these additional costs not been incurred.

### **Fire extinguishing charges** (if stated as included in the schedule)

If any public authority empowered to do so shall charge the Insured with any costs arising from their activities of extinguishing or fighting of fire, such costs will be deemed to be damage to the property insured and will be payable in addition to any other payment for which the Company may be liable in terms of this insurance, provided that the Insured is legally liable for such costs and the insured property was in danger from the fire.

### **Hire purchase/finance agreements**

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

### **Power surge and lightning strikes clause**

If in the schedule next to any first amount payable it refers to "Power surge and lightning strike - with surge protection" or "Power surge and lightning strike - without surge protection" then surge protection shall mean:

The property insured is protected on all conductive services (for example, power supply plugs, telecommunication lines and data lines) that enter or leave the insured premises as specified by "SABS Code of Practice" for surge protection.

### **Professional fees** (if stated as included in the schedule)

Professional fees necessarily and reasonably incurred in the repair or reinstatement of property following indemnifiable loss or damage, provided that the amount payable in respect of such fees does not exceed the

percentage [as stated in the schedule against "Insured amount (% of claim)"] of the total amount of the claim, but shall not include expenses incurred in connection with the preparation of the Insured's claim.

### **Riot and strike (other than RSA and Namibia)** (if stated as included in the schedule)

This section is extended to cover loss or damage directly occasioned by or through or in consequence of

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

provided that this extension does not cover:

1. loss or damage occurring in the Republic of South Africa or Namibia;
2. consequential or indirect loss or damage of any kind or description whatsoever;
3. loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;
4. loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
5. loss or damage related to or caused by any occurrence referred to in General exclusion 1 (A) (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If the Company alleges that, by reason of provisos 1 to 5 above, loss or damage is not covered by this section, the burden of proving the contrary shall rest on the Insured.

### **Tenants**

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

## **SUB-SECTION B – CONSEQUENTIAL LOSS**

### **DEFINED EVENTS**

Loss as set out under:

1. Gross profit - difference basis;
2. Gross profit – additions basis;
3. Increase in cost of working;
4. Reinstatement of data.

### **DEFINITIONS**

**Annual turnover:** The turnover (revenue) (gross rentals) during the twelve months immediately before the date of the Damage to which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations or other circumstances affecting the business either before or after the Damage or which would have affected the business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relative period after the Damage. If the Damage occurs before the completion of the first year's trading of the business at the premises, the value shall be calculated by using values proportionate to the results obtained during the period between the commencement of the business and the date of Damage.

**Damage:** Loss or damage occurring during the period of insurance to the property insured under sub-section A and in respect of which payment has been made or liability admitted under sub-section A. Liability shall be deemed to have been admitted if such payment is precluded solely because the Insured is required to bear the

first portion of the loss.

**Failure of electricity supply:** Failure of the public supply of electricity at the terminal ends of the service feeders in the premises from any accidental cause other than:

1. the deliberate act of the Insured or any supply authority;
2. drought or shortage of fuel at any electricity utility.

**Gross profit (additions basis):** The sum produced by adding to the net profit the amount of the insured standing charges or, if there is no net profit, the amount of the insured standing charges less such proportion of any net trading loss as the amount of the insured standing charges bears to all the standing charges of the business.

**Gross profit (difference basis):** The amount by which the sum of the turnover and the amount of the closing stock shall exceed the sum of the amount of the opening stock and the amount of the uninsured costs.

The amount of the opening and closing stocks shall be arrived at in accordance with the Insured's normal accountancy methods, due provision being made for depreciation.

**Indemnity period:** The period during which the results of the business shall be affected in consequence of the Damage beginning after the no claim period and ending not later than the number of months thereafter stated in the schedule.

**Insured standing charges:** Shall mean the charges of the items as specified in the schedule (the words and expressions used shall have the meaning usually given to them in the books of account of the Insured).

**Net profit:** Shall mean the net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the business of the Insured at the premises after due provision has been made for all standing and other charges including depreciation, but before the deduction of any taxation chargeable on profits.

**No claim period:** The initial period as stated in the schedule following the Damage during which the Company shall not be liable for any loss relating to such period. The no claim period shall not apply to Damage directly caused by fire, storm (excluding lightning), subsidence, wind or the collapse of buildings.

**Rate of gross profit:** The rate of gross profit earned on the turnover during the financial year immediately before the date of the Damage to which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations or other circumstances affecting the business either before or after the Damage or which would have affected the business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relative period after the Damage. If the Damage occurs before the completion of the first year's trading of the business at the premises, the value shall be calculated by using values proportionate to the results obtained during the period between the commencement of the business and the date of Damage.

**Standard turnover:** The turnover during that period in the 12 months immediately before the date of the Damage which corresponds with the indemnity period to which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations or other circumstances affecting the business either before or after the Damage or which would have affected the business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relative period after the Damage. If the Damage occurs before the completion of the first year's trading of the business at the premises, the value shall be calculated by using values proportionate to the results obtained during the period between the commencement of the business and the date of Damage.

**Turnover:** The money paid or payable to the Insured for goods sold and delivered and for services rendered in the course of the business at the premises.

**Uninsured costs:** As specified in the schedule (the words and expressions used shall have the meaning usually attached to them in the books of account of the Insured).

# COVER

## 1. GROSS PROFIT - difference basis (if Gross profit is stated as included in the schedule and if the basis is reflected in the schedule as "Difference basis")

Loss following interruption of or interference with the business in consequence of Damage to the insured equipment items reflected in the schedule against this item but limited to loss of gross profit due to:

1.1 reduction in turnover; and

1.2 increase in cost of working;

and the amount payable as indemnity hereunder shall be

- (i) in respect of reduction in turnover the sum produced by applying the Rate of gross profit to the amount by which the Turnover during the Indemnity period shall, in consequence of the Damage, fall short of the Standard turnover;
- (ii) in respect of increase in cost of working the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which, but for that expenditure, would have taken place during the Indemnity period in consequence of the Damage, but not exceeding the sum produced by applying the Rate of gross profit to the amount of the reduction thereby avoided;

less any sum saved during the Indemnity period in respect of such of the charges and expenses of the business payable out of Gross profit as may cease or be reduced in consequence of the Damage, provided that the amount payable shall be proportionately reduced if the insured amount in respect of Gross profit is less than the sum produced by applying the Rate of gross profit to the Annual turnover where the maximum Indemnity period is 12 months or less, or the appropriate multiple of the Annual turnover where the maximum Indemnity period exceeds 12 months.

## 2. GROSS PROFIT - additions basis (if Gross profit is stated as included in the schedule and if the basis is reflected in the schedule as "Additions basis")

Loss following interruption of or interference with the business in consequence of Damage to the insured equipment items reflected in the schedule against this item but limited to loss of Gross profit due to:

2.1 reduction in turnover; and

2.2 increase in cost of working;

and the amount payable as indemnity hereunder shall be

- (i) in respect of reduction in turnover the sum produced by applying the Rate of gross profit to the amount by which the Turnover during the Indemnity period shall, in consequence of the Damage, fall short of the Standard turnover;
- (ii) in respect of increase in cost of working the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which, but for that expenditure, would have taken place during the Indemnity period in consequence of the Damage, but not exceeding the sum produced by applying the Rate of gross profit to the amount of the reduction thereby avoided;

less any sum saved during the Indemnity period in respect of such of the Insured standing charges as may cease or be reduced in consequence of the Damage, provided that the amount payable shall be proportionately reduced if the insured amount in respect of Gross profit is less than the sum produced by applying the Rate of gross profit to the Annual turnover where the maximum Indemnity period is 12 months or less, or the appropriate multiple of the Annual turnover where the maximum Indemnity period exceeds 12 months.

### MEMORANDUM (applicable to Gross Profit – additions basis)

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

### **3. Increase in cost of working** (if stated as included in the schedule)

The insurance under this item is limited to the additional expenditure necessarily and reasonably incurred by the Insured during the Indemnity period in consequence of

1. Damage; or
2. a Failure of electricity supply to the insured premises

for the sole purpose of avoiding or diminishing the interruption of or interference with the normal business of the Insured, less any sum saved during the indemnity period in respect of such of the charges and expenses of the business as may cease or be reduced in consequence of such event(s).

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

1. the cover provided for in item 4 of this sub-section;
2. the intrinsic value (including reinstatement value) of the property insured by sub-section A of this section.

### **4. Reinstatement of data** (if stated as included in the schedule)

Costs and expenses necessarily and reasonably incurred by the Insured for the reconstitution or recompilation of data and/or programs recorded on or stored in data-carrying media which are lost as a result of accidental erasure (which shall include the events defined in the indemnity clause to sub-section A of this section), by theft or by the deliberate wilful or wanton intention of causing the cancellation or corruption of data or programs as provided for in the sub-section A of this section.

Provided that:

- 4.1 the indemnity shall not extend to nor include such costs incurred due to program errors, incorrect entry or the inadvertent cancellation or corruption of data and/or programs;
- 4.2 in respect of each and every event or series of events arising out of or in connection with one original cause or source indemnifiable by this item, the Insured shall bear the amount stated in the schedule as the first amount payable;
- 4.3 where the Insured elects to insure programs (software), a schedule of such programs shall be lodged with the Company at the commencement of each period of insurance.

## **SPECIFIC EXCLUSIONS TO SUB-SECTION B**

The Company will not be liable to indemnify the Insured irrespective of the original cause in respect of:

1. Fines and penalties for breach of contract for late or non-completion of orders or any penalties of whatsoever nature;
2. Consequential loss of whatsoever nature unless specifically provided for herein;

## **CONDITIONS**

1. Notwithstanding any indemnity period or no claim period reflected in the schedule, in respect of any loss arising out of a Failure of electricity supply (if insured), the indemnity period shall be restricted to 45 days after such failure and a minimum no claim period of 12 hours shall apply.
2. In the event of the payment by the Company of any sum or sums in discharge of the Company's liability in terms of this sub-section, the insured amount(s) shall automatically be reinstated for the remainder of the current period of insurance. The Insured shall pay to the Company the additional premium required by the Company calculated pro rata from the day of the Damage to the end of the period of insurance.
3. In respect of Gross Profit, cover shall cease if the business is wound up or carried on by a liquidator or judicial manager or is permanently discontinued, except with the written agreement of the Company.
4. On the happening of any Damage in consequence of which a claim may be made under this Gross Profit if insured, the Insured shall, in addition to complying with General conditions 6 and 7, with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimise or check any interruption of or interference with the business or to avoid or diminish the loss, and in the event of a claim being made under this section shall, not later than 30 (thirty) days after the expiry of the indemnity period, or within such further time as the Company may in writing allow, at their own expense deliver to the



Company in writing a statement setting forth particulars of their claim together with details of all other insurance covering the loss or any part of it or consequential loss of any kind resulting therefrom. No claim under Gross Profit shall be payable unless the terms of this specific condition have been complied with and, in the event of non-compliance therewith in any respect, any payment on account of the claim already made shall be repaid to the Company forthwith.

5. If, during the indemnity period, goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the Insured or by others on their behalf, the money paid or payable in respect of such sales or services shall be brought into account in arriving at the turnover during the indemnity period.

## CLAUSES AND EXTENSIONS

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) subject to any insured amounts or first amounts payable stated in the schedule under each extension.

### Accountants clause

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

### Accumulated stocks clause

In adjusting any loss, account shall be taken and an equitable allowance made if any shortage in turnover or revenue due to the Damage is postponed by reason of the turnover or revenue being temporarily maintained from accumulated stocks.

### Departmental clause

If the business is conducted in departments or branches, the independent trading results of which are ascertainable, the provisions under Gross profit relating to reduction in Turnover and Increase in cost of working, shall apply separately to each department or branch affected by the Damage, except that if the insured amount by the relative item is less than the aggregate of the sums produced by applying the Rate of gross profit for each department or branch, whether or not affected by the Damage, to the relative Annual turnover thereof (proportionately increased if the number of months referred to in the definition of Indemnity period exceeds 12), the amount payable shall be proportionately reduced.

### Deposit premium clause

If in the schedule next to deposit premium the percentage is less than one hundred percent then this shall mean that the premium charged by the Company is provisional and is temporarily discounted in that the premium is multiplied by the per cent stated in the schedule until the actual Gross profit earned for the period of insurance is known.

In such case at the expiry of each period of insurance (or after twelve consecutive months from the inception date or anniversary date if this policy is paid by monthly debit order) the Insured shall declare the actual Gross profit earned as certified by the Insured's auditors (increased proportionately if the number of months referred to in the definition of Indemnity period exceeds 12) during the financial year most nearly concurrent with the period of insurance (or the equivalent twelve consecutive months from the inception date or anniversary date if this policy is paid monthly by debit order).

A pro rata refund or additional premium for such past period of insurance will be made based on the actual Gross profit earned but without the percentage mentioned above being applied provided that if the actual Gross profit earned exceeds the insured amount, any additional premium due to the Company shall be calculated on the insured amount.

In the event of a claim being made under Gross profit, the maximum amount payable shall be restricted to the insured amount stated in the schedule notwithstanding any declaration being made that exceeds the insured amount.



## **Prevention of access** (if stated as included in the schedule)

The cover provided in terms of Gross profits – difference basis, Gross profits - addition basis and Increased cost of working (if stated as “included” on the schedule) is extended as follows:

If, during the indemnity period, the business at the premises be interrupted or interfered with in consequence of the Insured being prevented from having access to the property insured situated at the premises caused by damage to property within a radius as stated in the schedule of the insured premises as described in the schedule by fire, lightning, explosion, storm, tempest, flood, water inundation, earthquake or impact by vehicles, the Company shall indemnify the Insured for loss resulting from such interruption or interference in accordance with the provisions and limitations contained therein.

Provided that:

1. the Insured is not entitled to indemnity as provided for in this extension under any other policy or section of this policy;
2. this extension shall not be brought into contribution with any other policy or section of this policy bearing a like extension.

## **Reinstatement**

Notwithstanding anything to the contrary contained in this sub-section, it is hereby declared and agreed that, in the event of any interruption, following loss or damage, being aggravated by:

1. the Insured being unable or unwilling to replace or reinstate property destroyed or damaged, or failing to carry out such replacement or reinstatement within a reasonable time, or
2. addition, alteration or improvements being effected to the property insured on the occasion of its repair,

the Company's liability under this section shall be related solely to the business interruption which would have arisen in the absence of 1 and 2 above.

## **Salvage sale clause**

If the Insured shall hold a salvage sale during the indemnity period, the reduction in Turnover part of the wording of the Gross profit item shall, for the purposes of such claim, read as follows:

“in respect of reduction in Turnover the sum produced by applying the Rate of gross profit to the amount by which the Turnover during the Indemnity period (less the Turnover for the period of the salvage sale) shall, in consequence of the Damage, fall short of the Standard turnover, from which sum shall be deducted the Gross profit actually earned during the period of the salvage sale.”

## **Telecommunications services** (if stated as included in the schedule)

Subject to the insured amount, no claim period and Indemnity period stated in the schedule against this extension, consequential loss as provided for under Gross profit, Increased cost of working or Reinstatement of data arising from accidental damage to any property (including access lines) of the telecommunications service provider is included, provided that the insurance under this extension shall not cover loss occasioned by the deliberate act of any telecommunications authority or by the exercise of such telecommunications authority of its power to withhold or restrict access to its lines.

## **SUB-SECTIONS A AND B**

The following is applicable to both sub-sections A and B:

## **EXCLUSIONS**

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

# CLAUSES AND EXTENSIONS

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) subject to any insured amounts or first amounts payable stated in the schedule under each extension.

## **Incompatibility cover** (if stated as included in the schedule)

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

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

provided always that

1. the costs provided for in 1, 2 and 3 above shall be necessarily and reasonably incurred to maintain normal working conditions;
2. such additional costs shall be incurred as a direct consequence of indemnifiable loss or damage in terms of sub-section A or Reinstatement of data under sub-section B;
3. the cover afforded hereunder shall be restricted to
  - 1.1 parts or components of the electronic system which are not indemnifiable under sub-section A hereof;
  - 1.2 programs or data reinstated not indemnifiable under Reinstatement of data of sub-section B;
4. the indemnity by this extension shall, in respect of any one event, be limited in the aggregate to the percentage [as stated in the schedule against "insured amount (%)"] of the applicable total insured amount under sub-section A and Reinstatement of data of sub-section B but limited to the amount reflected in the schedule against "Insured amount (maximum)".

# EMPLOYERS' LIABILITY SECTION

## 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 within the territorial limits and on or after the retroactive date shown in the schedule, and which results in a claim or claims first being made against the Insured in writing during the period of insurance.

## THE LIMIT OF INDEMNITY

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

## TERRITORIAL LIMITS

Anywhere in the world but not in connection with:

1. any business carried on by the Insured at or from premises outside, or
2. any contract for the performance of work outside

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

## SPECIFIC EXCLUSIONS

This section does not cover:

1. 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;
2. liability for disease or impairment attributable to a gradually operating cause which does not arise from a sudden and identifiable accident or event;
3. fines, penalties, punitive, exemplary or vindictive damages;
4. 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;
5. costs and expenses of litigation recovered by any claimant from the Insured which are not incurred in and recoverable in the areas described in 4 above;
6. any claim arising from an event known to the Insured:
  - 6.1 which is not reported to the Company in terms of General condition 6;
  - 6.2 prior to inception of this section;
7. 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.

## 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 this section:

- 2.1 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;
- 2.2 the Insured may report an event in terms of General condition 6 to the Company for up to 30 days after cancellation or non-renewal, provided that:
- 2.2.1 such event occurred during the period of insurance;
- 2.2.2 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 2.1 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:
- 3.1 on the date that the event was reported by the Insured in terms of General condition 6, or
- 3.2 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.

## CLAUSES AND EXTENSIONS

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause.

### Additional Insured

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

1. in the event of the death of the Insured, any personal representative of the Insured in respect of liability incurred by the Insured;
2. any partner or director or employee of the Insured (if the Insured so requests) against any claim for which the Insured is entitled to indemnity under this insurance;
3. to the extent required by the conditions of any contract (and notwithstanding Specific exclusion 1), and in connection with any liability arising from the performance of the contract, any employer named in any contract entered into by the Insured for the purposes of the business in so far as that employer is liable to the employee for death or bodily injury (including illness) resulting from the negligence of the Insured or the Insured's employees;
4. in respect of the activities of any social or sports club, welfare organisation, first aid, fire or ambulance service, canteen or the like, belonging to or formed by the Insured for the benefit of their employees,
  - 4.1 any officer or member thereof;
  - 4.2 any visiting sports team or member thereof

Provided that:

- (i) the aggregate liability of the Company is not increased beyond the Limits of Indemnity stated in the Schedule;
- (ii) any person or organisation to which this extension applies is not entitled to indemnity under any other policy;
- (iii) the indemnity under 1, 2 and 3 above applies only in respect of liability for which the Insured would have been entitled to indemnity if the claim had been made against the Insured;
- (iv) the Insured arranges with the employer under 3 above for the conduct and control of all claims to be vested in the Company.

For the purposes of this extension, each party to whom the indemnity hereunder applies shall observe, fulfil and be subject to the terms, exclusions and conditions (both general and specific) of this insurance in so far as they can apply.

### Extended reporting option

At the option of the Insured and subject to payment of an additional premium to be determined and subject to all

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

1. this option may only be exercised in the event of the Company cancelling or refusing to renew this section;
2. this option must be exercised by the Insured in writing within 30 days of cancellation or non-renewal;
3. once exercised, the option cannot be cancelled by either the Insured or the Company;
4. the Insured has not obtained insurance equal in scope and cover to this section as expiring;
5. the Company shall only be liable for a defined event which occurred after the retroactive date but prior to date of cancellation or non-renewal;
6. claims first made against the Insured or any reported events by the Insured during the extended reporting period shall be treated as if they were first made or reported on the last day preceding the cancellation or non-renewal;
7. the total amount payable by the Company for claims made or reported events during the extended reporting period shall not have the effect of increasing the limit of indemnity applicable as on the last day preceding the cancellation or non-renewal;
8. any claim made, following a reported event during the extended reporting period, which is first made against the Insured in writing more than 48 months after the last day preceding cancellation or non-renewal, shall not be subject to indemnification by this extension. If the claimant is a minor, the period of 48 months is extended until the expiry of 12 months after the attainment of majority by the claimant.

## MEMORANDUM

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

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



# EMPLOYMENT PRACTICES LIABILITY

## DEFINED EVENTS

Damages which the Insured shall become legally liable to pay arising out of any Employment Practices in respect of any current or former Employees, Deemed Employees or applicants for employment which occurred within the Territorial Limits on or after the retroactive date stated in the schedule, and which results in a Claim or Claims first being made against the Insured in writing during the period of insurance.

## DEFINITIONS

**Business** shall mean and be restricted to no more than that as stated in the schedule of this policy.

**Claim** shall mean written or oral notice presented by:

1. any current or former Employee, Deemed Employee or applicant for employment by the Insured; or
2. any administrative or regulatory agency, attorney or agent on behalf of such person in 1 above, that the Insured is responsible for Damages arising out of any Employment Practices. Claim includes any civil proceedings brought before the Commission for Conciliation, Mediation and Arbitration (CCMA) and/or the Labour Court or any other duly constituted court within the Republic of South Africa, in which either Damages are alleged or fact finding will take place, when either is the actual or alleged result of any Employment Practices to which this insurance applies. This includes:
  - 2.1 an arbitration proceeding in which such Damages are claimed and to which the Insured submits with the Company's consent;
  - 2.2 any alternative dispute resolution proceeding in which such Damages are claimed and to which the Insured submits with the Company's consent; or
  - 2.3 any administrative proceedings instituted before the CCMA or Labour Court in terms of the Labour Relations Act, No. 66 of 1995 (as amended, or any Act passed in substitution thereof), insofar as they may be applicable to Employment Practices covered under this section.

**Damages** shall mean monetary amounts to which this insurance applies and which the Insured is legally obligated to pay by way of a final judgement, adjudication, determination or award, or as a settlement to which the Company has agreed in writing.

Damages include:

1. the capital amount of any judgement, adjudication, determination, award or settlement;
2. any interest payable on that capital amount; and
3. the plaintiff's legal costs.

Damages do not include:

1. civil, criminal, administrative or other fines or penalties, including any portion of a judgement or award that represents a multiple of the compensatory amount, punitive, constitutional, exemplary or vindictive damages;
2. equitable relief, injunctive or interdict relief, declarative relief or any other relief or recovery other than monetary amounts, unless specifically provided herein;
3. judgements or awards because of conduct which is, or is deemed, uninsurable by law;
4. any payments which the Insured is obliged to pay pursuant to an express obligation, whether under a statute, contract of employment or otherwise (except back pay arising from reinstatement or reemployment) in the event of termination of employment, including payment instead of notice.

**Deemed employee** shall mean a person who is not an Employee as defined herein, but is considered as such by operation of law due to the degree of control and supervision provided by the Insured. This term may include the following workers, but only when they are considered as the Insured's Employees by operation of law: contract workers; leased workers; temporary workers; volunteers; employees of independent contractors or any individual who is an independent contractor; or non-executive directors.

**Defence costs** shall mean payments or costs for the investigation, settlement, or defence of any Claim, including:

1. lawyer fees and all other legal expenses;
2. reasonable expenses incurred by the Insured at the Company's request to assist the Company in the investigation or defence of any Claim, including actual loss of earnings because of time off from work.

**Employee** shall mean any person while employed under a contract, oral or in writing, of service or apprenticeship with the Insured, but Employee does not include any Deemed Employee.

**Employment practices** shall mean any of the actual or alleged practices listed below which are directed against any of the Insured's current or former Employees, Deemed Employees or applicants for employment by the Insured, and for which remedy is sought in terms of the common law or in terms of the Labour Relations Act, No. 66 of 1995 (as amended, or any Act passed in substitution thereof), the Employment Equity Act, No. 55 of 1998 (as amended, or any Act passed in substitution thereof), and any rules, regulations and codes of practice as promulgated in terms of those Acts:

1. unfair refusal to employ a qualified applicant for employment;
2. unfair conduct relating to employment, promotion, demotion or training;
3. unfair suspension or other disciplinary action short of dismissal;
4. unfair dismissal including but not limited to constructive dismissal and operational terminations;
5. unfair discrimination, whether direct or indirect, including victimisation which may include discrimination on the grounds of race, gender, sex, pregnancy, marital status, family responsibility, ethnic or social origin, colour, sexual orientation, age, disability, religion, HIV status, conscience, belief, political opinion, culture, language, and birth as provided for in terms of the Employment Equity Act, No. 55 of 1998, or as subsequently amended or any Act passed in substitution thereof;
6. employment related sexual harassment; or
7. oral or written publication of material that, defames or violates or invades the right of privacy.

**Event** shall mean and include, but not limited to, any Employment Practices and any known, direct or indirect, facts or circumstances which may give rise to a claim under this section.

**Insured** shall mean and include:

1. the Insured as reflected in the schedule (including any person, persons, partnership, corporation or other entity also reflected as the Insured in the schedule) but only with respect to the conduct of the insured Business;
2. any current and former principals, partners, members or directors, officers and Employees of the Insured described in 1 above but only with respect to their duties as principals, partners, directors, officers and Employees of the Insured as described in 1 above;
3. any heirs, executors, administrators, assignees or legal representatives of any Insured referred to in 1 or 2 above, in the event of the death, bankruptcy or incapacity of such Insured, but only to the extent that cover under this section would have been available to such Insured;
4. any organisation the Insured newly acquires or forms, other than a partnership or joint venture, and over which the Insured maintains ownership or majority interests if there is no other similar insurance available to that organization provided that:
  - 4.1 the Insured must provide written notice to the Company of such acquisition or formation within 30 days of the effective date of the Insured's acquisition or formation;
  - 4.2 cover does not apply to any Employment Practices that occurred before the Insured acquired or formed the organisation;
  - 4.3 cover under this provision is afforded only until the 30th day after the Insured acquires or forms the organisation;
  - 4.4 after the end of the 30-day period in 4.3 above, cover will only apply if the new organisation is included

by endorsement and any additional premium due, if any, is paid.

No person or organisation is an Insured with respect to the conduct of any current or past partnership, or joint venture that is not named as an Insured in the schedule.

**Territorial limits** shall mean:

1. the Republic of South Africa;
2. anywhere in the world with respect to the activities of a person whose place of employment is in the territorial limits described in 1 above, while he or she is away for a short time on the Insured's Business provided that the Insured's responsibility to pay Damages is determined in a suit (or in any other type of civil proceeding as described under the definition of Claim) on the merits in, and first brought in the Republic of South Africa under the substantive laws of the Republic of South Africa.

**Wilful or Wilfulness** shall mean acting or failing to act, with intentional or reckless disregard for the consequences of the act or failure to act.

## THE LIMIT OF INDEMNITY

The liability of the Company under this section including:

1. all Damages which the Insured shall become legally liable to pay as per the Defined Events;
2. all Defence Costs indemnifiable under this section;
3. all other costs incurred by the Company where the Company exercises its rights in terms of General Condition 7;
4. any interest accrued and payable in terms of the Prescribed Rate of Interest Act, No. 55 of 1975 (as amended, or any Act passed in substitution thereof);

for any one Event or series of Events with one original cause or source or during any one period of insurance, shall not exceed in the aggregate the limit of indemnity stated in the schedule. If the premium is paid monthly by debit order, the words "period of insurance" are amended to read "for any one period of 12 consecutive months from the inception or anniversary date".

## SPECIFIC EXCLUSIONS

The Company will not indemnify the Insured for any liability arising out of any Claim(s) alleging, arising out of, or based on, or attributable to, or in any way involving directly or indirectly any:

1. breach of any express obligation:
  - 1.1 under any contract of employment, whether individual or collective. However, this does not apply to liabilities that the Insured would have in the absence of such contract of employment; or
  - 1.2 under any statute, contract of employment or otherwise, to make payments in the event of termination of employment, including payment instead of notice and/or redundancy payments;
2. 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;
3. laws relating to:
  - 3.1 Workers Compensation and Employers' Liability, disability benefits, unemployment compensation, or any similar laws, however this exclusion shall not apply to any Claim based upon, arising from, or in consequence of any actual or alleged retaliatory treatment of the claimant by the Insured on account of the claimant's exercise of rights pursuant to any such law;
  - 3.2 the Basic conditions of Employment Act, No. 75 of 1997 (as amended, or any Act passed in substitution thereof), the Skills Development Act, No. 97 of 1998 (as amended, or any Act passed in substitution thereof), the Occupational Health and Safety Act, No. 85 of 1993 (as amended, or any Act passed in substitution thereof), the Mine Health and Safety Act, No. 29 of 1996 (as amended, or any Act passed in substitution thereof), or any act arising solely out of a right conferred by the Constitution of the Republic of South Africa Act, No. 108 of 1996 (as amended). This exclusion also applies to any rules or regulations promulgated under any of the foregoing and amendments thereto or any similar provisions of any law and to that part of any Damages awarded for the cost or replacement of any insurance benefits due to, or alleged to be due to any current or former Employee;
  - 3.3 the Promotion of Equality and Prevention of Unfair Discrimination Act, No. 4 of 2000 (as amended, or any Act passed in substitution thereof), the Prevention of Illegal Eviction from and Unlawful

Occupation of Land Act, No.19 of 1998 (as amended, or any Act passed in substitution thereof) and the Extension of Security of Tenure Act, No. 62 of 1997 (as amended, or any Act passed in substitution thereof). This exclusion also applies to any rules and regulations promulgated under any of the foregoing and amendments thereto, or any similar provisions of any law;

- 3.4 contracts alleged to be harsh, unfair, unconscionable or contrary to public interest;
  - 3.5 the administration of any employee benefit plan including but not limited to, pension, provident and retirement funds, medical schemes and deferred compensation and/or stock/share options. This includes fiduciary liability and any other liability under any such laws;
  - 3.6 the establishment or regulation of collective bargaining rights.
- 4 oral or written publication of material, if such material:
- 4.1 was published by or at the direction of the Insured with knowledge of its falsity; or
  - 4.2 was first published before the retroactive date stated in the schedule;
- 5 conduct relating to or failure to comply with any law or any governmental or administrative order or regulation or any order or award of any court or tribunal if the act or failure was:
- 5.1 by the Insured or with the Insured's consent; and
  - 5.2 determined by a judgement or final adjudication to be dishonest, criminal, fraudulent or Wilful.
- For the purposes of this exclusion the dishonesty, crime, fraud or Wilfulness of an Insured shall not be imputed to any other Insured;
- 6 death or physical injury to the body, mental injury, sickness or disease of any sort including, but not limited to, post traumatic stress syndrome, and sickness or disease of any sort sustained by any person as a result of, or arising out of, or in any way connected with any cause whatsoever;
- 7 Employment Practices which occur when or after:
- 7.1 the Insured file for or are placed in bankruptcy, winding-up or liquidation; or
  - 7.2 any other business entity acquires an ownership interest in the Insured or Business which is greater than fifty percent;
- 8 costs of complying with physical modifications to the Insured's premises or any changes to the Insured's business operations as may be mandated by the Employment Equity Act, No 55 of 1998 (as amended, or any Act passed in substitution thereof) or any similar legislation;
- 9 lockout, strike, picketing, related worker replacement(s) or other similar actions resulting from labour disputes or labour negotiations, including any claim for just and equitable compensation in terms of the Labour Relations Act, No. 66 of 1995 (as amended, or any Act passed in substitution thereof);
10. 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;
11. costs and legal expenses recovered by any claimant from the Insured which are not incurred in and recoverable in the area described in 10 above;
- 12 Claim arising from any Event which Event was known to, or which reasonably ought to have been known by, or which was suspected by, the Insured:
- 12.1 which Event is not reported in writing to the Company in terms of General condition 6;
  - 12.2 which Event occurred and was completed prior to the inception of this section;
- 13 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;
- 14 legal liability caused by, arising out of, or in any way contributed to by any Employment Practices occurring within the Territorial Limits and at any time prior to the retroactive date stated in the schedule, and which same Employment Practices continued after the retroactive date and resulted in a Claim or Claims first being made against the Insured in writing during the period of insurance;
- 15 first amount payable stated in the schedule which shall be applicable for each and every Claim, or any number of Claims arising from all Events of a series consequent upon or attributable to any one source or original cause. If there should be no Damages paid in respect of any Claim the Insured is still obliged to pay the applicable first amount for any Defence Costs incurred by the Company and the limit of indemnity shall be reduced by such payment.

## SPECIFIC CONDITIONS

1. Any Claim first made 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:
  - 2.1 any Claim resulting from a reported Event, first made 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;
  - 2.2 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:
    - 2.2.1 such Event occurred during the period of insurance;
    - 2.2.2 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 2.1 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 in writing against the Insured:
  - 3.1 on the date that the Event was reported by the Insured in terms of General condition 6, or
  - 3.2 if the Insured was not aware of any Event or could not reasonably be expected to be aware of such Events, or did not suspect an Event which could have given rise to a Claim, on the date that the first Claim of the series was first made against the Insured;
4. The Insured's right and duties under this section may not be transferred without the Company's prior written consent;
5. Subject to Specific exclusion 7.1, the bankruptcy, winding-up or liquidation of the Insured or of the Insured's estate will not relieve the Company of its obligations under this section.

## CLAUSES AND EXTENSIONS

### Extended reporting option

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

1. this option may only be exercised in the event of the Company cancelling or refusing to renew this section;
2. this option must be exercised by the Insured in writing within 30 days of cancellation or non-renewal;
3. once exercised, the option cannot be cancelled by either the Insured or the Company;
4. the Insured has not obtained insurance equal in scope and cover to this section as expiring;
5. the Company shall only be liable for a defined event which occurred after the retroactive date but prior to date of cancellation or non-renewal;
6. Claims first made against the Insured or any reported Events by the Insured during the extended reporting period shall be treated as if they were first made or reported on the last day preceding the cancellation or non-renewal;
7. the total amount payable by the Company for Claims made or reported Events during the extended reporting period shall not have the effect of increasing the limit of indemnity applicable as on the last day preceding the cancellation or non-renewal;
8. any Claim, following a reported Event during the extended reporting period, which is first made against the Insured more than 48 months after the last day preceding cancellation or non-renewal, shall not be subject to indemnification by this extension. If the claimant is a minor, the period of 48 months is extended until the expiry of 12 months after the attainment of majority by the claimant.



# FIDELITY SECTION

## DEFINED EVENTS

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

provided that:

1. (a) the Company is not liable for all losses which occurred more than 24 months prior to discovery;  
(b) all losses are discovered not later than 12 months after the termination of:
  - (i) this section, or
  - (ii) this section in respect of any insured Employee concerned in a loss, or
  - (iii) the employment of the insured Employee or the last of the insured Employees concerned in a losswhichever occurs first;
2. BLANKET BASIS (applicable if this basis is reflected in the schedule) - the liability of the Company for all losses shall not exceed the insured amount stated in the schedule whether involving any one Employee or any number of Employees acting in collusion or independently of each other;
3. NAMED OR POSITION BASIS (applicable if this basis is reflected in the schedule) - the liability of the Company for all losses involving any Employee shall not exceed the insured amount stated opposite his name in the schedule or, if he is unnamed, the insured amount stated opposite the position held by him in the business as stated in the schedule;
4. 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 insured amount stated in the schedule. If the period of insurance is less than 12 months the Company's liability is limited to the sum stated in the schedule during any 12-month period of insurance calculated from inception or renewal;
5. the term "dishonest personal financial gain" shall not include gain by an Employee in the form of salary, salary increases, fees, commissions, bonuses, promotions or other emoluments.
6. if the premium is paid monthly by debit order, the liability of the Company during any one period of 12 consecutive months from the inception or anniversary date shall not exceed the insured amount stated in the schedule at the said inception or anniversary date as the case may be (or double the insured amount if the "Reduction/Reinstatement of insured amount clause" applies). If the insured amount is increased during the period of insurance, the 12 consecutive months applies from the anniversary date. Any reinstatement between the date of increase and the anniversary date shall not exceed twice the insured amount.

## DEFINITION

**Employee** shall mean:

1. any person while employed under a contract of service with or apprenticeship to the Insured;
2. any person while hired or seconded from any other party into the service of the Insured;

who the Insured has the right at all times to govern, control and direct in the performance of his work in the course of the business of the Insured and who, if this section is on a named and/or position basis, is described in the schedule by name and/or by the position held by him in the business.



## SPECIFIC EXCLUSIONS

1. The Company shall not be liable for loss resulting from or contributed to by any defined event by:
  - 1.1 any partner in or of the Insured to the extent that such partner would benefit by indemnity granted under this policy;
  - 1.2 any principal, director or member of the Insured unless such director or member is also an Employee;
  - 1.3 any Employee from the time the Insured shall become aware that such Employee has committed any fraud or dishonesty;
2. The Company shall not be liable for any consequential losses of any kind following losses referred to under defined events.
3. This section does not cover any company or other legal entity acquired during the period of insurance.
4. The Company shall not be liable for any defined event if it results from the dishonest
  - 4.1 manipulation of
  - 4.2 input into
  - 4.3 suppression of input into
  - 4.4 destruction of
  - 4.5 alteration ofany computer program, system, data or software by any insured Employee who is employed in the Insured's electronic data-processing department or area.

This exclusion does not apply to insured Employees who are employed in the electronic data-processing department/area of any non-networked micro/personal computer.
5. The Company shall only be liable to the extent of the participation/shareholding of any uninvolved partners/principals/directors or members for an insured event in which any partner/principal/director or member of the Insured is or has been directly involved.

This specific exclusion only applies to partnerships, proprietary companies or close corporations.

## SPECIFIC CONDITIONS

1. The Insured shall institute and/or maintain and continue to employ in every material manner all such systems of check and control, accounting and clerical procedures and methods of conducting his business as has been represented to the Company but the Insured may:
  - 1.1 change the remuneration and conditions of service of any Employee;
  - 1.2 in respect of any Employee who is described in the schedule by name, change his duties and position;
  - 1.3 in respect of any Employee who is described in the schedule only by the position held by him, remove such Employee and place in his position any other person who falls within the definition of Employee;
  - 1.4 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 for the uninsured loss, less the actual cost of effecting the same. Any remainder shall be due to the Company as reimbursement up to the amount paid under the claim and any remaining amount thereafter will be due to the Insured for reimbursement for any first amount payable.

## CLAUSES AND EXTENSIONS

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which

shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) subject to any insured amounts or first amounts payable stated in the schedule under each extension.

## **Accountants**

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

## **Computer losses** (if stated as included in the schedule)

In consideration of the Insured having completed a satisfactory questionnaire, specific exclusion 4 is deleted.

## **Costs of recovery** (if stated as included in the schedule)

If the Insured shall sustain any loss to which this section applies which exceeds the insured amount hereunder, the Company will, in addition to the insured amount, pay to the Insured costs and expenses necessarily incurred with the consent of the Company (which consent shall not be unreasonably withheld) for the recovery or attempted recovery from the Employee in respect of whom the claim is made, of that part of the loss which exceeds the insured amount hereunder. All amounts recovered by the Insured in excess of the said part of the loss shall be for the benefit of the Company up to the amount of the claim paid by the Company and any remaining amount will thereafter be due to the Insured as reimbursement of any first amount payable paid by the Insured.

## **Extended cover for past Employees**

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

## **Legal fees** (if stated as included in the schedule)

The Company will indemnify the Insured for all reasonable legal fees, costs and expenses incurred and paid by the Insured in the defence of any demand, claim, suit or legal proceeding which the Insured establishes to the satisfaction of the Company, resulted directly and solely from an insured defined event under this section that is not otherwise excluded under this section.

## **Losses discovered more than 24 months after being committed** (if stated as included in the schedule)

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

- control
- fraud, dishonesty and theft detection

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

1. proviso 1(a) of the defined events (which limits cover to that part of losses discovered within 24 months) and proviso 6 of the superseded insurance extension clause (if applicable) are deleted;
2. if any defined event is discovered more than 12 months after it was committed, the first amounts payable are amended to the amounts stated in the schedule against this extension.
3. notwithstanding 2 above, the Insured may opt to claim only for that part of the loss which was discovered within 12 months, in which case the first amount payable applicable for that period will apply.

## **Losses discovered more than 24 months after being committed, but not more than 36 months thereafter** (if stated as included in the schedule)

1. Proviso 1(a) of the defined events is restated to read:
  1. (a) the Company is not liable for all losses which occurred more than 36 months prior to discovery.
2. If this policy section includes the superseded policy clause, the period referred to in proviso 6 thereof is increased from 24 months to 36 months.

3. if any defined event is discovered more than 12 months after it was committed, the first amounts payable are amended to the amounts stated in the schedule against this extension.
4. notwithstanding 3 above, the Insured may opt to claim only for that part of the loss which was discovered within 12 months, in which case the first amount payable applicable for that period will apply.

**Reduction/Reinstatement of insured amount** (if stated as included in the schedule)

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

1. the maximum amount payable by the Company for all insured Employees shall not exceed double the insured amount shown in the schedule;
2. the Insured pays additional premium calculated in terms of the following formula:

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

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

The words "annual premium" in the above calculation are amended to read "twelve times the monthly premium" for policies paid monthly by debit order.

**Restoring of records or documents** (if stated as included in the schedule)

The Company will indemnify the Insured for all costs and expenses incurred by the Insured in replacing and/or restoring any computer files and data media documents, manuscripts, business books, plans, design specifications or programs destroyed, damaged or missing due to the actions of an Employee in the course of committing an act covered by an insured defined event under this section that is not otherwise excluded under this section.

**Retroactive cover (no previous policy in force)** (if stated as included in the schedule)

This section will also apply to defined events as insured herein which occurred up to the number of months as stated in the schedule prior to inception of this section but not more than 24 months prior to discovery, provided the events are discovered within the shorter period of 12 months of the termination of the employment of the Employee concerned or 12 months of the expiry of this section.

**Superseded insurance** (if stated as included in the schedule)

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

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

# MEMORANDA

1. In the event of the discovery of any loss resulting from a defined event, the Insured may, notwithstanding anything to the contrary contained in General condition 6, refrain from reporting the matter to the police but shall do so immediately should the Company or legislation require such action to be taken.
2. Non-disclosure of his own fraud or dishonesty or that of others with whom he is in collusion by the person signing any proposal form or giving renewal or other instructions shall not prejudice any claim under this section.
3. General exclusions 1 and 2 and General condition 9 do not apply to this section.
4. If the insured amount shall be increased at any time, such increased amount shall apply only to defined events committed after the date of such increase.
5. Any first amount payable under this section shall be applicable and calculated the same irrespective whether any single defined event arises out of the action of one Employee or any number of Employees acting in collusion.

For internal broker use only - subject to minor changes from time to time

# FIRE SECTION

## DEFINED EVENTS

Damage to the whole or part of the property described in the schedule, owned by the Insured or for which they are responsible, including alterations by the Insured as tenants to the buildings and structures by the insured perils reflected below but only if such perils are stated in the schedule as being included.

## DEFINITIONS

**Buildings:** Unless otherwise agreed and noted in the schedule shall be restricted to buildings constructed of brick, stone, concrete or metal on metal framework and roofed with slate, tiles, metal, concrete or asbestos and shall include landlord's fixtures and fittings therein and thereon, walls (except dam walls), gates, gate and fence posts and fences.

**Contents:** Shall mean plant, machinery, landlord's fixtures and fittings for which the Insured is responsible and all other contents but excluding Stock and property more specifically insured.

**Item(s):** Shall mean Buildings, Rent, Contents, Stock (each of which shall be considered separate items) or any other specific item(s) stated in the schedule as being insured.

**Stock:** Shall mean stock and materials in trade being finished goods, work in progress or raw materials still to undergo any process of manufacture.

## INSURED PERILS (but only those perils stated as included in the schedule)

**Note:** Some insured perils will have their own specific insured amounts stated in the schedule in which case such perils are subject to such stated insured amount. Other insured perils will not have their own specific insured amounts stated in the schedule in which case such insured perils will be subject to the insured amount of the item to which they relate in the schedule.

**Fire** including damage caused by smoke arising directly out of such fire. Damage to property occasioned by its undergoing any heating or drying process is not covered by this peril unless such damage is caused by a fire that is independent and external to such heating or drying process;

**Lightning or thunderbolt** including damage caused by power surges arising directly from such lightning strikes;

**Explosion;**

**Earthquake** whether arising from mining operations or otherwise and including damage caused by tidal waves or tsunamis arising directly from such earthquake. Damage to property in the underground workings of any mine caused by earthquake is not covered by this peril.

**Weather and water.** For the purpose of this peril weather damage shall mean damage caused by storm, wind, water, hail or snow.

This peril does not cover damage to property:

1. arising from its undergoing any process necessarily involving the use or application of water;
2. caused by tidal wave or tsunami originating from earthquake;
3. in the underground workings of any mine;
4. in the open (other than buildings, structures and plant designed to exist or operate in the open) unless so described and specifically insured as a separate item in the schedule;
5. in any structure not completely roofed unless so described and specifically insured as a separate item in the schedule;



6. being retaining walls unless so described and specifically insured as a separate item in the schedule;

This peril does not cover:

1. wear and tear or gradual deterioration;
2. damage caused or aggravated by:
  - 2.1 leakage or discharge from any sprinkler or drencher system in the buildings insured hereby or in buildings containing property insured hereby;
  - 2.2 subsidence or landslip;
  - 2.3 the Insured's failure to take all reasonable precautions for the maintenance and safety of the property insured and for the minimisation of any damage.

**Impact.** For the purposes of this peril impact shall mean impact by:

1. aircraft and other aerial devices or articles dropped therefrom (including sonic shock waves or any other damage caused by aircraft);
2. rocks, stones or boulders (other than impact caused by landslip, the deliberate or wilful or wanton act of any person committed with the intention of causing such damage or impact by meteorites, asteroids or similar bodies entering the earth's atmosphere);
3. 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.

### **Leakage from any sprinkler, drencher system or fire extinguishing installation**

**/appliance.** If "first loss" is shown in the schedule against "leakage option", for the purposes of this peril only the following shall be substituted for the average condition hereinafter expressed:

"If the property insured is, at the commencement of any damage to such property by discharge or leakage, collectively of greater value than the insured amount stated in the schedule directly under such item, then the Company shall be liable under this peril only for that proportion of the first loss insured amount stated in the schedule under this peril as the insured amount against the item bears to the total value of such property and the Insured shall be considered as being their own insurer for the difference and shall bear a rateable share of the loss accordingly. Every item, if more than one, to which this peril applies shall be separately subject to this condition."

**Subsidence and landslip.** If in the schedule against this peril the type of cover is reflected as "**extended**" then this peril does not include:

1. damage to drains, water courses, boundary walls, garden walls, retaining walls, gates, posts or fences unless specifically insured as a separate item in the schedule indicating that this peril is included;
2. damage caused or attributable to faulty design or construction of, or the removal or weakening of support to any building situated at the insured premises;
3. damage caused or attributable to workmen engaged in making any structural alterations, additions or repairs to any building situated at the insured premises;
4. damage caused or attributable to excavation on or under land other than excavations in the course of mining operations;
5. consequential loss of any kind whatsoever except loss of rent when specifically insured under this section.

If in the schedule against this peril the type of cover is reflected as "**limited**" then this peril in addition to points 1 to 5 also does not include:

6. damage to screen walls, driveways, paving, swimming pool surrounds and tennis courts;
7. damage caused or attributable to contraction/ shrinkage and/ or expansion of soil caused by the moistness/ dampness or moisture content of such soil as experienced in clay and other similar soils;
8. damage caused by or attributable to inadequate compaction of backfill.

In any action, suit or other proceeding where the Company alleges that, by reason of exclusions 1 to 8 any damage is not covered by this peril, the burden of proving the contrary shall be upon the Insured.

**Malicious damage.** For the purposes of this peril malicious damage shall mean damage directly

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

1. movable property which is
  - 1.1 stolen;
  - 1.2 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
  - 3.1 the removal or partial removal or any attempt thereof;
  - 3.2 the demolition or partial demolition or any attempt thereofthe said immovable property or any part thereof with the intention of stealing any part thereof;

provided this peril does not cover:

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

If the Company alleges that, by reason of provisos 1 to 5 above, loss or damage is not covered by this peril, the burden of proving the contrary shall rest on the Insured.

If any building(s) insured or containing insured property becomes unoccupied for 30 consecutive days or more, during the initial 30 day unoccupancy period the Insured shall be responsible for the first amount payable reflected in the schedule next to "First amount payable: % of claim (additional amount during 30 day unoccupancy period)".

If the unoccupancy period exceeds 30 consecutive days, this peril is suspended as regards the property affected from day 31 unless the Insured before the occurrence of any malicious damage obtains the written agreement of the Company to continue with this peril. Any extension of cover and the terms shall be at the sole discretion of the Company. If the Company provides such written agreement to waive this suspension of cover, the Insured shall be responsible for the first amount payable reflected in the schedule next to "First amount payable: % of claim (additional amount during any unoccupancy period exceeding 30 days)" for any loss occurring during any agreed extended period.

**Riot and strike (other than RSA and Namibia).** For the purposes of this peril riot and strike shall mean damage directly occasioned by or through or in consequence of:

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

Provided that this peril does not cover:

1. loss or damage occurring in the Republic of South Africa and Namibia;
2. consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured;

3. loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;
4. loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
3. loss or damage related to or caused by any occurrence referred to in General exclusion 1 (A) (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If the Company alleges that, by reason of provisos 1 to 5 above, loss or damage is not covered by this peril, the burden of proving the contrary shall rest on the Insured.

**Power surge** provided that this peril does not cover power surges arising from lightning.

**Leakage of oils and chemicals** (in the form of liquids, fluids, gases or fumes) from tanks, pipes or apparatus but excluding loss or damage as a result of leakage due to wear and tear or other gradually operating causes of the tanks, pipes or apparatus.

Loss of such oils or chemicals shall be included in the cover under this peril provided that:

1. If buildings are insured under this section, only oils and chemicals in tanks, pipes or apparatus forming an integral part of such buildings will be covered;
2. If contents are insured under this section, only oils and chemicals in tanks, pipes or apparatus as falling under contents will be covered.

If "first loss" is shown in the schedule against "leakage option", for the purposes of this peril only the following shall be substituted for the average condition hereinafter expressed:

"If the property insured is, at the commencement of any damage to such property by discharge or leakage, collectively of greater value than the Insured amount stated in the schedule directly under such item, then the Company shall be liable under this peril only for that proportion of the first loss insured amount stated in the schedule under this peril as the insured amount against the item bears to the total value of such property and the Insured shall be considered as being their own insurer for the difference and shall bear a rateable share of the loss accordingly. Every item, if more than one, to which this peril applies shall be separately subject to this condition."

## SPECIFIC EXCLUSIONS

1. This section does not cover volcanic eruption or other convulsion of nature (other than subterranean fire which will be covered under the fire peril if indicated as "included" in the schedule).
2. Unless specifically included, this insurance does not cover damage to property which at the time thereof is insured by or would, but for the existence of this insurance, be insured by any marine policy(ies), except in respect of any excess beyond the amount which would have been payable under the marine policy(ies) had this insurance not been effected.

## SPECIFIC CONDITIONS

### Average

If the property insured is, at the commencement of any damage to such property by any peril insured against, collectively of greater value than the insured amount 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 not apply to any loss for the following insured perils and extensions:

1. Power surge insured peril;
2. Water pipes extension.

**Stock declaration condition** (if stated as being applicable by the word “Yes” next to “Stock declaration condition” in the schedule)

In respect of stock and materials in trade insured under this section being subject to the stock declaration conditions, a deposit premium is charged calculated as a percentage (as stated in the schedule) of the required premium had this condition not been included, subject to the following specific conditions:

1. The Insured is to set the insured amount at a level so as to represent the maximum that stock values should reach during the period of insurance. The responsibility shall remain with the Insured during the period of insurance to notify the Company in writing should an increase in the insured amount be required due to stock levels exceeding the insured amount. Declarations received as set out hereunder exceeding the insured amount shall not be considered a formal request to increase the insured amount;
2. The Insured shall declare to the Company in writing the market value of their stock and materials in trade on the last day of each month/quarter (as stated in the schedule) and shall make such declaration within 30 days thereof, otherwise they shall be deemed to have declared the insured amount as stated in the schedule on such property as the market value thereof;
3. After each period of insurance (or twelve consecutive months from the inception date or anniversary date if this policy is not an annual contract), the premium shall subject to 4 below be re-calculated on the average declared amount, namely the total of the values declared or deemed to have been declared, divided by the number of declarations due to have been made. If the resultant premium differs from the deposit premium, the difference shall be payable by or to the Insured as the case may be, but the amount payable by the Company shall not exceed 50 per cent of the provisional premium;
4. Any monthly/quarterly declaration received exceeding the insured amount shall be noted in the books of the Company as being limited to the insured amount as stated in the schedule for determining the average declared amount as set out in 3 above. Premium shall not be payable on that part of any declaration that is in excess of the insured amount;
5. The Company shall in the event of a loss, irrespective of the value of any monthly/quarterly declarations received, not be liable for more than the insured amount as stated in the schedule;
6. Any claim hereunder shall be settled on the basis of the market value immediately anterior to the damage but in all cases the liability of the Company shall be limited as set out in 5 above;
7. If, after the occurrence of damage, it is found that the amount of the last declaration is less than the amount that ought to have been declared, then the amount which would have been recoverable by the Insured shall be reduced in such proportion as the amount of the said declaration bears to the amount that ought to have been declared or to the insured amount, whichever is the lesser amount. The provisions of this condition shall, if applicable, operate cumulatively with the provisions of the specific condition relating to average;
8. In consideration of the insurance not being reduced by the amount of any loss, the Insured shall pay additional premium on the amount of the loss from the date thereof to expiry of the period of insurance and such extra premium shall not be taken into account in, and shall be distinct from, the final adjustment premium;
9. The above specific conditions shall apply separately to each stock item (if more than one) that is noted in the schedule as being subject to the stock declaration condition.

### **Storage and processing of hay, fodder and chaff**

In respect of the perils of fire and explosion it is a condition that all flammable material and vegetation in a radius of at least 5 (five) meters of any building or structure used for the storage or processing of hay, fodder or chaff at all times be hoed and/or graded and that the waste material removed from the area.

## **CLAUSES AND EXTENSIONS**

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) subject to any insured amounts or first amounts payable stated in the schedule under each extension.

### **All other contents** (if stated as included in the schedule)

The term “contents” reflected in the schedule and as herein defined is extended to include personal effects, tools and pedal cycles, the property of the Insured or directors or employees of the Insured whilst on the Insured’s premises but only in so far as such property is not otherwise insured.

## **Alterations and misdescription**

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

### **Brands and labels** (if stated as included in the schedule)

In the event of damage by an insured peril to insured property carrying a brand name, trade mark or label or where the sale of such property in any way carries a guarantee or where the sale of such property might have an adverse effect upon the market value of similar property, the Company agrees to remove all such brand names, trademarks, labels or guarantee before disposing of and determining the value of the salvage. It is further agreed that, on containers from which the brand name, trade mark, label or guarantee cannot be removed, the contents shall be removed to plain containers. In the event of loss or damage to labels or names, the amount payable shall be the cost of relabeling and/or reconditioning the property.

### **Capital additions** (if stated as included in the schedule)

The insurance under this section covers alterations, additions and improvements (but not appreciation in value in excess of the insured amount(s) to the property other than stock and materials in trade for an amount not exceeding the percentage (as stated in the schedule) of the insured amount thereon, it being understood that the Insured undertakes to advise the Company each quarter (or each month if the premium is paid monthly by debit order) of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

### **Cost of demolition** (if stated as included in the schedule)

The insurance under this section includes costs necessarily incurred by the Insured in respect of the demolition of buildings and machinery and/or the removal of debris (including stock debris) and in providing, erecting and maintaining hoardings required during demolition, site clearing and/or building operations following damage to the property insured by an insured peril, provided that the total amount recoverable shall not exceed the insured amount 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 or section.

## **Designation of property**

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

### **Disposal of salvage** (if stated as included in the schedule)

Without diminishing the rights of the Company to rely on the provisions of the general conditions in the event of a loss, the Company agrees that it will not sell or otherwise dispose of any property which is the subject of a claim hereunder without the consent of the Insured provided that the Insured can establish to the satisfaction of the Company that to do so will prejudice their interests in which event the Company agrees to give the Insured first option to repurchase such property at its fair intrinsic value or market value whichever is the greater.

The Insured shall not be entitled under the provisions of this clause to abandon any property to the Company whether taken possession of by the Company or not.

## **Documents**

The Company's liability under contents (if insured) in respect of documents, manuscripts, business books, plans, computer systems records and media, designs, patterns, models and moulds is restricted to the value of materials and the cost of labour in originally creating such material or in reinstating such material and shall not include the value of the content or information thereof or therein to the Insured.

### **Fire extinguishing charges** (if stated as included in the schedule)

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.

**Geysers, water containers, water tanks, water apparatus or water pipes** (if stated as included in the schedule)

Bursting and other accidental damage to the above property (hereinafter in this extension and in the schedule called geysers) of the Insured installed in and forming part of the buildings or structures as stated in the schedule provided that:

1. this extension does not cover loss caused by structural defects, faulty design or poor workmanship of the above property;
2. only geysers declared and stated in the schedule are covered under this extension;
3. only water pipes connected to and within 1 meter of any insured geyser, water container, water tank or water apparatus are covered by this extension;
4. the Specific Condition of average is for the purpose of this extension restated to read:

"If the actual number of geysers in existence is, at the commencement of any bursting or other accidental damage to such Property, more than the number of geysers stated in the schedule, then the Insured shall bear a rateable share of the loss in proportion that the number stated in the schedule bears to the actual number in existence. Every building containing geysers insured in terms of this extension and every type of geyser, if more than one is stated in the schedule, shall be separately subject to this condition."

**Inflation escalation** (if stated as included in the schedule)

To provide for inflation the insured amounts of buildings and/or contents (but not stock) as stated in the schedule are automatically increased as follows:

**During the period of insurance:** During the period of insurance (or the twelve consecutive months from the inception or anniversary date if this policy is not an annual contract), the insured amount(s) shall be increased by that portion of the percentage specified in the schedule against "First year %" which the number of days since the commencement of such period bears to the whole of such period. Unless agreed otherwise, these provisions shall only apply to the insured amount(s) in force at the commencement of the period of insurance.

**After the period of insurance:** If following a claim any reinstatement or replacement process to the insured property has not been completed by the end of the period of insurance, further inflationary costs incurred beyond the control and influence of the Insured up until final reinstatement or replacement has been completed will be covered by the Company as set out below:

**Second year %:** If stated in the schedule, the insured amount that existed during the period of insurance in which the claim occurred (as increased by the provision set out above under "during the period of insurance"), shall be increased further by the percentage specified in the schedule against "Second year %".

**Third year %:** If stated in the schedule and if the reinstatement or replacement has not been completed 12 months after the period of insurance during which the claim occurred has elapsed, the insured amount as inflated by the "Second year %" shall be increased further by the percentage specified in the schedule against "Third year %".

**Fourth year %:** If stated in the schedule and if the reinstatement or replacement has not been completed 24 months after the period of insurance during which the claim occurred has elapsed, the insured amount as inflated by the "Third year %" shall be increased further by the percentage specified in the schedule against "Fourth year %".

**Fifth year %:** If stated in the schedule and if the reinstatement or replacement has not been completed 36 months after the period of insurance during which the claim occurred has elapsed, the insured amount as inflated by the "Fourth year %" shall be increased further by the percentage specified in the schedule against "Fifth year %".

At each renewal date, the Insured shall notify the Company of the sum(s) to be insured for the forthcoming period of insurance and any revised inflationary protection percentage(s). In default thereof, the insured amount(s) shall

remain as they were in the previous period of insurance as if the inflationary increases in terms of this clause had not been applied.

### **Money and stamps** (if stated as included in the schedule)

The Company's liability under contents (if insured) in respect of money and stamps is restricted to the insured amount stated in the schedule under this clause.

### **Mortgagee**

The interest of any mortgagee in the insurance under this section shall not be prejudiced by any act or omission on the part of the mortgagor without the mortgagee's knowledge. The mortgagee shall, however, inform the Company as soon as any such act or omission comes to his knowledge and shall be responsible for any additional premium payable from the date any increased hazard shall, in terms of this clause, be assumed by the Company.

### **Municipal plans scrutiny fee** (if stated as included in the schedule)

If buildings are reflected in the schedule as being insured, cover includes municipal plans scrutiny fees provided that the total amount recoverable under any building shall not exceed the insured amount as stated in the schedule on the building affected.

### **Professional fees** (if stated as included in the schedule)

The insurance of buildings and contents as reflected in the schedule and as herein defined includes professional fees, including but not limited to architects' and quantity surveyors' 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 the percentage stated in the schedule of the amount payable in respect of such damage and provided that the total amount recoverable shall not exceed the insured amount 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.

### **Public authorities' requirements**

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

1. the amount recoverable under this clause shall not include
  - 1.1 the cost incurred in complying with any of the aforesaid regulations
    - 1.1.1 in respect of damage occurring prior to granting of this clause;
    - 1.1.2 in respect of damage not insured under this section;
    - 1.1.3 under which notice has been served upon the Insured prior to the happening of the damage;
    - 1.1.4 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;
  - 1.2 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;
  - 1.3 the amount of any rate, tax, duty, development or other charge or assessment arising from capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid regulations;
2. the work of repairing or rebuilding must be commenced and carried out with reasonable despatch and may be carried out wholly or partially upon another site (if the aforesaid regulations so necessitate) subject to the liability of the Company under this clause not being thereby increased;
3. if the liability of the Company under any item of this section apart from this clause shall be reduced by the application of any of the terms, exclusions and conditions of this section, then the liability of the Company under this clause in respect of any such item shall be reduced in like proportion;
4. the total amount recoverable under any item of this section shall not exceed the insured amount thereby.

## **Public supply connections** (if stated as included in the schedule)

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

## **Railway and other subrogation**

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

## **Reinstatement value conditions**

In the event of property other than stock being damaged, the basis upon which the amount payable is to be calculated shall be the cost of replacing or reinstating on the same site property of the same kind or type but not superior to nor more extensive than the insured property when new,

provided that:

1. the work of replacement or reinstatement (which may be carried out upon another site and in any manner suitable to requirements of the Insured subject to the liability of the Company not being thereby increased) must be commenced and carried out with reasonable despatch, otherwise no payment, beyond the amount which would have been payable if these reinstatement value conditions had not been incorporated herein, shall be made;
2. until expenditure has been incurred by the Insured in replacing or reinstating the property, the Company shall not be liable for any payment in excess of the amount which would have been payable if these conditions had not been incorporated herein;
3. if, at the time of replacement or reinstatement, the sum representing the cost which would have been incurred in replacement or reinstatement if the whole of the insured property had been damaged, exceeds the insured amount thereon at the commencement of any damage to such property by a defined event, then the Insured shall be considered as being their own insurer for the excess and shall bear a rateable proportion of the loss accordingly. Each item of this section (if more than one) to which these conditions apply shall be separately subject to this provision;
4. these conditions shall be without force or effect and the amount payable will revert to the reasonable market value if:
  - 4.1 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, his intention to replace or reinstate the property;
  - 4.2 the Insured is unable or unwilling to replace or reinstate the property on the same or another site.

## **Rent**

If rent is reflected as being insured in the schedule, the Company will pay the amount of rent receivable, rent payable or rental value (as the case may be) defined hereunder in the event of the premises stated in the schedule being rendered untenable during the period reflected in the schedule in consequence of damage by an insured peril.

**Rent receivable** – the actual rent receivable by the Insured at the time of the event in respect of the aforesaid premises or on such part of the same as may then be let.

**Rent payable** – the actual rent payable by the Insured to the owner or landlord of the said premises.

**Rental value** – the actual rental value of the said premises.

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

## **Replacement conditions – alternative (design capacity)**

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

1. provisos 1 to 4 of the reinstatement value conditions apply equally to this clause;
2. in applying the provisions of proviso 3 of the reinstatement value conditions, the cost (as provided for in proviso 3) "which would have been incurred in replacement or reinstatement if the whole of the insured property had been damaged" will be increased by such amount payable under the alternative replacement clause which is in excess of that which would have been payable under the reinstatement value conditions clause, had it been possible to reinstate or replace the property in terms thereof.

### **Temporary removal** (if stated as included in the schedule)

Except in so far as it is otherwise insured the property insured is covered whilst temporarily removed elsewhere on the premises stated in the schedule or to any other premises including transit by road, rail or inland waterway anywhere within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi and Mozambique provided that:

1. unless such temporary removal is for the purpose of cleaning, renovation, repair or similar process, the liability of the Company shall not exceed the percentage (as stated in the schedule) of the applicable item's insured amount;
2. the amount payable under this clause shall not exceed the amount that would have been payable had the loss occurred on the part of the premises from which the property is temporarily removed.

### **Tenants**

The Company's liability to the Insured shall not be affected by any act or omission on the part of any owner of a building or any tenant (other than the Insured) without the Insured's knowledge. The Insured shall, however, inform the Company as soon as such act or omission which is a contravention of any of the terms, exclusions or conditions of this section comes to their knowledge and will be responsible for any additional premium payable from the date any increased hazard shall be assumed by the Company.

### **Vehicle loads** (if stated as included in the schedule)

If any insured property is left loaded on a vehicle within the premises described in the schedule of this section the Company will indemnify the Insured in respect of loss of or damage to that property caused by any of the insured perils that are stated as being included for the premises and subject otherwise to the terms, conditions and exclusions of such perils.

### **Water pipes** (if stated as included in the schedule)

Bursting and other accidental damage to water pipes the property of the Insured installed in and forming part of the buildings or structures as stated in the schedule provided that:

1. this extension does not cover structural defects, faulty design, poor workmanship, wear and tear or gradual deterioration (including the gradual action of light or climatic or atmospheric conditions) of any water pipe(s);
2. only water pipes beyond 1 meter of any geyser, water container, water tank or water apparatus are covered by this extension.

### **Workman**

The Company's liability to the Insured shall not be affected by any act or omission on the part of any labourer, contractor or employee without the Insured's knowledge. The Insured shall, however, inform the Company as soon as such act or omission which is a contravention of any of the terms, exclusions or conditions of this section comes to their knowledge and will be responsible for any additional premium payable from the date any increased hazard shall be assumed by the Company.

# FIRE ON VELD SECTION

## DEFINED EVENTS

Damage to the whole or part of the Insured Property owned by the Insured or for which they are responsible situated at the premises stated in the schedule by:

1. fire, lightning or thunderbolt, subterranean fire or explosion but excluding damage to such property occasioned by its undergoing any heating or drying process;
2. the deliberate or willful or wanton act of any person committed with the intention of causing such damage.

## DEFINITIONS

**Grazing capacity (GC)** shall mean the productivity of the grazeable / browseable portion of a homogeneous unit of vegetation expressed as the area of land required to maintain a Large Stock Unit (LSU) over an extended number of years without deterioration to vegetation or soil.

**Indemnity period (IP)** shall for the purposes of this section mean the period selected by the Insured, as stated in the schedule, representing the maximum period for which compensation will be paid by the Company commencing from the date of the occurrence of the Defined Event and ending not later than the number of months thereafter stated in the schedule again the Indemnity Period.

**Insured amount** of the Insured Property for the purposes of this section shall mean and be calculated as follows per premises stated in the schedule:

$$\text{Insured amount} = \frac{\text{Value of LSU}}{\text{GC}} \times \frac{\text{Hectares of premises}}{\text{IP}}$$

**Insured property** shall mean rangelands, pastures and crop residues owned by the Insured or for which they are responsible and used for animal consumption.

**Large stock unit (LSU)** shall mean one animal that can be classified as cattle with a mass of 450kg and which can gain 0,5kg per day on forage with a digestible energy percentage of 55%.

**Value of LSU** shall mean the estimated average value in Rand of one commercial LSU at the commencement of the current period of insurance.

## BASIS OF CLAIMS SETTLEMENT

In the event of a claim following an insured Defined Event, the basis of settlement by the Company shall be calculated as follows:

1. The reasonable and necessary cost of feed purchased to replace or subsidize any lost Grazing capacity (GC) of the Insured Property;
2. for a period not exceeding the indemnity period;



3. for an amount not exceeding the Insured Amount stated in the schedule;
4. less the first amount payable stated in the schedule;
5. reduced further by the result of the average condition calculation.

## **SPECIFIC CONDITIONS**

### **Average**

If the Insured Property is, at the commencement of any damage to such property by any Defined Event insured against, collectively of greater value than the Insured Amount 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.

### **Claims reporting**

Notwithstanding anything on the contrary in General Conditions 6, the Insured will be responsible to report insured damage to the Company within 3 (three) days after such damage has occurred and must provide particulars of any other insurance covering such events as are hereby insured.

### **National Veld and Forestry Act**

Cover is subject to compliance by the Insured with the provisions of the National Veld and Forestry Act, Act 101 of 1998 (as amended over time) as if it has been incorporated in this policy. The Insured must be a member of an active Fire Protection Association (FPA) or alternatively a Farmer's Union (FU) if no FPA exists.

### **Minimum premium upon cancellation by the Insured**

If the Insured requests that this section be cancelled (or an item within this section be deleted) mid-term during the period of insurance and the method of premium payment is once per annum, such premium shall be considered the minimum premium and this section will be cancelled (or the item deleted) without any refund of premium.

If the method of payment is by monthly debit order, cover will cease as requested but the section (or item) will remain active on the policy until the next annual anniversary date, allowing for the collection of the remainder of the premium, it being a requirement that the minimum premium is equal to 12 months premium from the previous annual anniversary date of the policy.

### **Prevention**

Reasonable and sound measures must be in place for the prevention/control of fires. A fire break of at least 15m wide must be made around residential units and rubbish dumps on the insured farm or premises at all times.

### **Waiting period**

Upon receipt of the first instruction to issue this section for the first time or upon instruction to reinstate this section following a previous cancellation of cover, there shall be a 7 day waiting period before cover commences. Such period shall remain uninsured and any Defined Event that may start in such period and continue in duration beyond the 7 day waiting period shall remain uninsured in its entirety.

# SPECIFIC EXCLUSIONS

This section does not cover:

1. damage caused by or attributed to or arising from or as a result of volcanic eruptions or other convulsion of nature;
2. the actual value, physical state or quality of the rangeland;
3. loss in production value due to secondary damage or retarded growth that may occur due to any reason whatsoever;
4. arson by the Insured or anyone acting on their behalf or with their knowledge or consent;
5. damage to Insured Property that is within five (5) kilometres of:
  - 5.1 any National roads (N-roads);
  - 5.2 Communal grounds;
  - 5.3 the closest neighbouring country border;
  - 5.4 any residential suburb;
  - 5.5 any informal settlement.

# GAME SECTION

## DEFINED EVENTS

Death or humane killing of the Insured Animal(s) occurring during the period of insurance whilst situated on the Insured Premises by:

1. **All risks of mortality** (if stated as the type of cover in the schedule)

any accidental event or illness but excluding death of the Insured Animal(s) caused by or arising directly or indirectly from:

1.1 Chemical Immobilisation;

1.2 Dystocia;

1.3 Malignant Catarrhal Fever if the Insured Animal is a Buffalo;

1.4 the Insured Animal(s) being transported by any means of conveyance.

or

2. **Limited cover** (if stated as the type of cover in the schedule)

a direct result of fire, lightning or explosion

## Definitions

**Chemical immobilisation** shall for the purposes of this section mean the non-consumptive hunting or darting of the Insured Animal, specifically for the treatment of illness or injuries or for management purposes, by means of administering a chemical substance or drug through a ballistic injection or dart and the further administering of the antidote and the subsequent release of the animal.

**Dystocia** shall for the purpose of this section mean obstructed labour preventing natural delivery without outside intervention caused by, but not limited to, the positioning or size of the fetus, size or problems with or blockages of the birth canal of the mother, size of the pelvic area of the mother.

**Insured animal(s)** shall be restricted to those animal(s) reflected in the schedule that correspond with the "game species" and "gender" stated in the schedule and where so specified in the schedule, are identifiable by means of the ear tag identification code, a photo showing distinct markings or a microchip number.

**Insured premises** shall mean within the perimeter of the premises stated in the schedule for the particular item.

## BASIS OF SETTLEMENT

In the event of a claim following the death of the Insured Animal(s), subject to the insured amount not being exceeded and any first amount payable, the basis of settlement will be as reflected in the schedule next to each item and will be either:

1. **Invoice price:** The price the Insured paid for the Insured Animal(s) as evidenced in the original purchase invoice. In the event of a failure to produce the purchase invoice cover will revert to the reasonable market value (as set out below) of the Insured Animal(s).

or

2. **Auction price:** The price the Insured paid for the Insured Animal(s) as evidenced in the auction purchase documentation. In the event of a failure to produce the auction purchase documentation cover will revert to the reasonable market value (as set out below) of the Insured Animal(s).

or

3. **Reasonable market value:** The price payable in the market for the Insured Animal(s) of the same species, age, gender, colour and condition as the Insured Animal(s) immediately prior to the death of the said animal(s).

or

4. **Agreed value:** The value as agreed between the Insured and the Company. Such agreed value shall remain valid until the next renewal date (or annual anniversary date if the policy is paid by monthly debit order) and the basis of settlement will revert to the reasonable market value for the new period of insurance if there is no written agreement between the Insured and the Company to extend the current agreed value or to a revised agreed value.

## SPECIFIC EXCLUSIONS

In addition to the exclusions under the Defined Events, the Company will not be liable in respect of losses directly or indirectly resulting from or arising out of:

1. Any wilful, malicious or purposeful injury or poisoning by the Insured or any employee or representative or any other person, performed with the knowledge and permission of the Insured;
2. Any event relating to or resulting from:
  - 2.1 voluntary surrender of ownership due to fraudulent schemes or any other false pretense;
  - 2.2 poaching including rhino poaching for their horn;
  - 2.3 theft;
  - 2.4 predation;
  - 2.5 failure to take reasonable care and precaution;
3. intentional slaughter or destruction of the Insured Animal(s) in compliance with the requirements of any statute or any order of a government department, local authority or person having authority in the matter except:
  - 3.1 if the Company have expressly and in writing agreed to the destruction of the animal;
  - 3.2 in the case of injuries or disease that necessitates immediate slaughter for humane reasons and where a qualified veterinary surgeon appointed by the Company certifies in writing that the suffering is incurable and of such an extent that slaughter is unavoidableprovided that the Company shall be given the opportunity to have a post mortem examination carried out by a qualified veterinary surgeon appointed by the Company should the Company so desire;
4. if the Insured Animal(s) are outside the perimeter of the Insured Premises unless such relocation is notified in writing to the Company and is agreed to by the Company in writing;
5. the Insured Animal(s) being herded, rounded up or captured for an auction either on the Insured Premises or in preparation for transportation to an auction at another premises;
6. death caused directly or indirectly by or in consequence of:
  - 6.1 any surgical operations unless conducted by a qualified veterinary surgeon and certified by him to have been necessary due solely to an accident, disease or illness directly caused by an insured Defined Event or any insured extension hereunder and that such surgical operation is carried out in an attempt to preserve the Insured Animal's life;
  - 6.2 the administration of any medication unless by a qualified veterinary surgeon or an experienced person under supervision by him. The qualified veterinary surgeon must have certified that such medication was administered as a prophylactic or had been necessary due to an accident, disease or illness directly caused by an insured Defined Event or any insured extension hereunder. For the purpose of this exclusion, the term medication shall include any drug, hormone, vitamin, protein or any other substance other than unadulterated food or drink;
  - 6.3 consequential loss however arising, delay, loss of market, depreciation or changes brought about by natural causes;
7. Insured animal(s) whilst outside of the Republic of South Africa.

## SPECIFIC CONDITIONS

1. If the Insured Animals are, at the commencement of any defined event or extension insured against herein, collectively of greater value than the insured amount 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 only be applicable if the "Basis" as stated in the schedule reads "Unspecified with a maximum value per animal".

2. It is a condition of this section for Defined Event 1 that the cover for death from any cause (other than as a direct result of fire, lightning or explosion) will only commence 30 days after the Insured Animal(s) is introduced to the farm.
3. It is a condition of this section for Defined Event 1 (other than death as a direct result of fire, lightning or explosion) that the Insured Animal(s) must be identifiable by means of microchips, ear tags or photos showing distinct markings.
4. It is a condition of this section for Defined Event 1 (other than death as a direct result of fire, lightning or explosion) that at the commencement of this insurance each Insured Animal is in sound health and is free from any ailment, illness, disease, lameness, injury or disability.
5. Upon death of a calf where the cow and calf was specified and insured under for Defined Event 1 with one combined insured amount, the Company's liability for the calf shall not exceed 20% of the combined insured amount.
6. The Insured shall at all times exercise all reasonable care and safeguard the Insured Animal(s) against loss or danger of loss, accident or illness and shall comply with all reasonable regulations and directions given by the Company or by a qualified veterinary surgeon employed by the Company.
7. The Insured Animal(s) shall not be permanently removed from the Insured Premises stated in the schedule without the Company's written consent.
8. Cover is conditional upon the adherence to all legislation including but not limited to statutes, regulations and by-laws of any government under whose jurisdiction the animal falls in connection with the transport, handling and holding of game. The Insured is to provide evidence of such compliance upon the request of the Company.
9. If the basis reflected in the schedule reads "Unspecified with a maximum value per animal" then it is a condition that unless otherwise agreed in writing by the Company, the Insured must declare and insure all animals fitting the descriptions of "games species" and "gender" as stated in the schedule for the particular item. The Company will agree to exclude certain animals for reasons such as existing ill health or injury.
10. In the event of an occurrence which gives rise to a claim or which might give rise to a claim:
  - 10.1 Illness or accident of the Insured Animal(s): The Insured must give notice within 24 hours to the Company of any illness or accident to any Insured Animal(s). The Insured must, at his own expense, immediately provide for adequate attendance and treatment by a Veterinary Surgeon whose report must be furnished to the Company together with the completed claim form within 14 days. If the Insured Animal(s) have recently been in transit, the conveyance note signed on receipt of the animals must accompany the claim documentation.
  - 10.2 Death of the Insured Animal(s): The Insured must give notice within 24 hours to the Company of the death of any Insured Animal(s). The Insured shall give the Company the opportunity to examine the carcass and shall not cut or dispose of the carcass before the expiry of 24 hours after such notice has been given to the Company unless required in compliance with any applicable legislation or regulations. The Insured shall, within 14 days of such death, supply the Company with a completed claim form together with all other information as may be required including, at his own expense, a qualified veterinary surgeon's certificate indicating the cause of death and satisfactory proof of the death, identity and value of the animal.
  - 10.3 If the Company alleges that the death of the animal is from an excluded cause, the burden of proving the contrary shall rest with the Insured.
  - 10.4 If the Company admits the claim, after the period in 10.2, the Insured may dispose of the carcass to best advantage and the amount realised on disposal of the carcass shall be offset against the amount of the claim.
11. Where the Insured has applied to the Company, through a written application form (the proposal form), such information disclosed therein shall be deemed to be incorporated in this section.
12. If the Company accepts liability for any claim submitted, in respect of any first amount payable stated in the schedule:
  - 12.1 the Insured shall be responsible for such first amount payable but such first amount payable shall also be considered payment for any salvage due for the meat, skin and trophy;
  - 12.2 should no salvage exist the full first amount payable is still payable by the Insured and no reduction will be made due to the fact that no salvage exists.



13. nothing in 12.1 shall imply that the Insured shall have automatic right over any salvage and elephant tusks or rhinoceros horns may not be retained as salvage by the Insured.
14. In the event of rhinoceros and elephant, the Insured shall deliver the rhinoceros horn or elephant tusks to a National Parks Board determined by the Company within a reasonable time from acceptance of liability and the Company shall not be liable to pay any claim prior to the said delivery of the rhinoceros horn or elephant tusks. Written proof must be sent to the Company after such delivery of the horn or tusks.
15. The minimum age for cover under this section for any Insured Animal is 3 months, provided the age of each Insured Animal is identifiable prior to cover being granted. The maximum age for antelope species is 15 years and for buffalo and rhinoceros 25 years.
16. It is a condition of this section for Defined Event 1 that a Veterinarian certificate, per animal, confirming the Insured Animal(s) are healthy and free from any visible illness, disease, lameness, injury or physical impairment, must be provided to the Company within 5 days from inception of cover or within such period agreed upon in writing by the Company. A Veterinarian certificate will not be required if it can be proved that uninterrupted cover was provided on the Insured Animal by means of a preceding Transit policy from the Company on which a Veterinarian already issued a certificate stating the animal was healthy and disease free.
17. All benefit under this section in respect of Insured Animal(s) shall cease immediately once such animal is no longer owned by the Insured.

## CLAUSES AND EXTENSIONS

Subject otherwise to the terms, exclusions and conditions of this section and the General Section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) subject to any insured amounts or first amounts payable stated in the schedule under each extension.

### **Capture costs** (if stated as included in the schedule)

This section is extended to provide cover for the reasonable costs and expenses incurred by the Insured that are necessary for the capture of the Insured Animal(s) after outbreak/escape of the Insured Animal(s) provided that:

1. the Insured Animal(s) must be identifiable by means of:
  - 1.1 Microchips or
  - 1.2 ear tags or
  - 1.3 pictures showing distinct markings;
2. cover under this extension is subject to the same first amount payable applicable to the insured item under which the Insured Animal(s) is covered;
3. the maximum liability of the Company under this extension is limited to the lesser of:
  - 3.1 actual costs incurred but limited to the percentage (as stated in the schedule) of the insured amount of the escaped Insured Animal(s), or;
  - 3.2 the monetary amount stated in the schedule under this extension against "insured amount (maximum)";
4. the Game capture process of the Insured Animal(s) must be conducted by a qualified game capturer and handling enterprise;
5. the Insured can substantiate all of the costs incurred;
6. this extension does not cover capture costs due to the outbreak/escape of Insured Animal(s) arising from or as a consequence of Chemical Immobilisation activities;
7. no amount will be payable by the Company under this extension if the Insured Animal(s) are not found and captured.

### **Carcass removal** (if stated as included in the schedule)

Subject to the insured amount stated in the schedule, this section is extended to provide cover for the actual costs necessarily incurred by the Insured in respect of the clearing up and removal of a carcass or carcasses

following the death of any animal(s) insured under this section.

**Chemical immobilisation** (if stated as included in the schedule)

Exclusion 1.1 of Defined Event 1 is deleted and this section is hereby extended to provide cover for:

1. Death or humane killing of the Insured Animal(s) caused by or as a result of:
  - 1.1 accidental external injury(s) sustained whilst undergoing Chemical Immobilisation;
  - 1.2 any negative reaction resulting from the administration of the chemical drug while undergoing Chemical Immobilisation including any negative reaction as a result of any other unknown prior medical condition;
2. Death intentionally caused by a Professional Hunter, during the Chemical Immobilisation activities, purely in order to save human lives.

**Specific exclusions applicable to this extension**

This extension does not include cover for:

1. Death of the Insured Animal(s) where such death only occurs more than 72 hours after when the Insured Animal(s) underwent Chemical Immobilisation;
2. Death directly or indirectly caused by or as a result of psychological deviations, illness, ailments or temperature abnormalities (other than as provided for under 1.2 above);
3. Any Chemical Immobilisation for medical reasons or surgical procedures unless done by a qualified Veterinarian.

**Specific conditions applicable to this extension**

Cover under this extension is subject to the following Specific conditions:

1. Insured Animals may only undergo Chemical Immobilisation for management purposes once in any 6 month period. Records of each Chemical Immobilisation must be kept by the Insured and provided to the Company in the event of a claim.
2. Where the Insured Animal(s) experience any life threatening reaction as a direct result of the chemical agent, accident or injury during or as a result of Chemical Immobilisation, the Insured Animal(s) must be treated by a Veterinarian in such a way that the liability of the Company is not prejudiced.
3. The capture and release medicines, drugs and chemical agents used, must be suitable for the Insured Animal(s) and must be chosen, prepared and administered by a Veterinarian, unless otherwise agreed to by the Company.
4. The Insured must keep comprehensive notes of any Chemical Immobilisation undertaken and provide it to the Company upon request, in the event of a claim.
5. In the event of a claim, comprehensive written reports by the Veterinarian and the Professional Hunter describing the details of the loss must be kept and provided to the Company.

**Dystocia** (if stated as included in the schedule)

Exclusion 1.2 of Defined Event 1 is deleted provided that:

1. the first amount payable reflected under this extension in the schedule is an additional first amount payable, payable by the Insured in addition to any other first amount payable reflected in the schedule for the game;
2. death as a result of Dystocia during transit remains excluded.

**Fatal injury** (if stated as included in the schedule)

This section is extended to include compensation for death of any employee of the Insured, as a result of an injury sustained from any action by an Insured Animal(s), provided that:

1. the death must occur within 3 months of the said injury;
2. compensation will be paid to the directors, executors or administrators of the deceased employee's estate;
3. compensation is limited to the amounts stated in the schedule per person, per event and per period of insurance (if the premium is paid monthly by debit order, the words "per period of insurance" are amended to read "for any one period of 12 consecutive months from the policy inception or policy annual anniversary date")

## **Veterinary expenses** (if stated as included in the schedule)

Cover under this section is extended to include the cost of Veterinarian fees incurred for the treatment of the Insured Animal(s) solely for the prevention of the Death of an Insured Animal by an otherwise insured loss under this section provided that:

1. the maximum amount payable by the Company per Insured Animal shall not exceed the percentage (as stated in the schedule under this extension) of the insured amount of the Insured Animal;
2. if more than one Insured Animal is affected in a single event or multiple events arising out of a single cause, the maximum amount payable under this extension is limited to the amount reflected in the schedule under this extension next to "insured amount (per event)";
3. the maximum amount payable by the Company under this extension shall be limited in the aggregate during any one period of insurance (if the premium is paid monthly by debit order, the words "per period of insurance" are amended to read "for any one period of 12 consecutive months from the policy inception or policy annual anniversary date") to the amount stated in the schedule under this extension next to "insured amount (per period of insurance)";
4. the Insured Animal had already been injured or contracted a disease insured by a defined event or insured extension and not as a purely preventative action for possible future diseases or insured losses;
5. the injury or disease is of a nature or severity that would have resulted in the death of the Insured Animal had the veterinary intervention not been taken by the Insured;
6. a veterinary certificate confirming points 4 and 5 be provided to the Company together with the claim form and other claim documentation;
7. the injury occurred or the disease was contracted during the period of insurance and after this extension incepted;
8. no first amount payable shall apply to this extension;
9. the Insured Animal survives.

# GENERAL SECTION

Subject to the terms, exclusions and conditions (precedent or otherwise) and in consideration of, and conditional upon, the prior payment of the premium by or on behalf of the Insured and receipt thereof by or on behalf of the Company, the Company specified in the schedule agrees to indemnify or compensate the Insured by payment or, at the option of the Company, by replacement, reinstatement or repair in respect of the defined events occurring during the period of insurance and as otherwise provided under the sections of this policy up to the insured amounts, 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.

## GENERAL DEFINITIONS

In this policy, unless a more specific definition exists or the surrounding context requires the ordinary meaning of the word to be used, the following shall mean:

**Company:** shall mean Santam Limited.

**Condition:** shall mean an obligation the Insured must fulfil to enjoy continued cover or receive the benefits of a claim. It may also, if the context so indicates, mean a more onerous term imposed by the Company.

**Defined event:** shall mean the basic insurance cover offered under each section as modified by extensions, conditions and exclusions.

**Exclusion:** shall mean what is not covered by this policy, remains uninsured and what shall remain for the Insured's own account in the event of a loss.

**Extension:** shall mean an extension of cover to the basic cover provided by the defined events or that may otherwise be excluded by an Exclusion. Extensions can be identified under each section of this policy under the headings "Clauses and Extensions" or "Extensions".

**First amount payable:** shall mean the first portion of every loss, damage or liability which shall remain an uninsured amount payable by the Insured in respect of each and every claim.

**Insured amount:** shall mean the amount selected by the Insured or any limitation imposed by the Company and reflected in the policy schedule as representing the maximum liability of the Company inclusive of Value Added Tax in the event of a claim for that particular insured event or item but reducible by any applicable first amounts payable, terms, conditions and exclusions. This maximum can be for any one loss, for any number of losses arising out of one event, for any number of losses during any one period of insurance or otherwise as indicated in the policy wordings or schedules. Some sections may refer to the "limit of indemnity" or "compensation" and use of such words shall have the same meaning as "insured amount" where the context so implies.

## POLICY INTERPRETATION

This policy is to be interpreted as follows:

- Sections:** Unless one section specifically makes reference to another section in the wording, each section has been drafted as a separate standalone section and must be read and interpreted as such. One section must not be used in an attempt to interpret the intended cover under another section. The General section however applies to the entire policy and must be read in conjunction with each of the other sections when interpreting such sections. Any General Definition, Exclusion, Condition or Provision as contained in this general section shall apply to all of the more specific sections unless specifically indicated as deleted, amended or replaced in such more specific section.
- Policy wording and policy schedule:** The Company will provide the Insured with a policy wording and a policy schedule as evidence of the insurance contract and the terms, conditions, exclusions and limitations of the insurance protection provided. The schedule (and any endorsements thereto), the policy wording and any communications from the Company are to be read together to determine the cover provided or excluded. If there is inconsistency between the policy schedule and the policy wording then the policy schedule is deemed to override the policy wording. The policy schedules will make reference to the version of the policy wording that is in force at any point in time.

3. **Meaning of words:** Any word or expression to which a specific meaning has been given in the policy schedules, any endorsement thereto or the policy wording shall bear such meaning wherever it may appear.
4. **Included / not included:** The schedule will indicate whether an insured peril or an Extension has been selected to be insured by the use of the word "included" or where no cover has been selected to be in force by the words "not included".
5. **Extensions:** Some extensions will have their own insured amounts or first amounts payable and these will be stated in the schedule. These amounts will apply irrespective whether the extension wording refers to such amounts or not. The cover provided under all extensions will be subject to the terms, conditions, exclusions and limitations otherwise contained in the policy unless such extension specifically indicates that such term, condition, exclusion or limitation has been cancelled, deleted or amended by the extension.
6. **Section, premises, building or item level cover:** The schedules of the various sections may reflect the cover provided (being cover, exclusions, conditions, clauses and extensions) separately at these different levels. Where so reflected, with the exception of first amounts payable, the following interpretation approach is to apply:
  - 6.1 **Section cover information:** Cover, exclusions, conditions, clauses and extensions reflected under this heading on the schedule as being included or applicable shall apply to the entire section.
  - 6.2 **Premises cover information under a section:** Cover, exclusions, conditions, clauses and extensions reflected under this heading on the schedule as being included or applicable shall apply to all cover provided for the specific named or reflected premises only. The absence of repeating section level cover, exclusions, conditions, clauses and extensions under the specific premises shall not be interpreted to mean that they have been deleted;
  - 6.3 **Building or item cover information under a premises or section:** Cover, exclusions, conditions, clauses and extensions reflected under this heading on the schedule as being included or applicable shall apply to all cover provided for the specific named or reflected building or item only. The absence of repeating section or premises level cover, exclusions, conditions, clauses and extensions under the specific building or item shall not be interpreted to mean that they have been deleted;
7. **First amounts payable:** To determine the applicable first amount payable, unless specifically indicated to the contrary, the following approach is to apply:
  - 7.1 **Section level first amount payable:** Any first amount payable if reflected in the schedule at a section level shall apply to all such claims payable under the section unless there is a more specific first amount payable reflected as set out in 7.2 to 7.4 below in which case such more specific first amount payable shall apply instead
  - 7.2 **Premises first amount payable:** Any first amount payable if reflected in the schedule at a premises level shall apply to all such claims payable for the cover under the reflected premises:
    - and shall replace the first amount payable reflected at a section level but the absence of a first amount payable being reflected in the schedule for the premises shall not be interpreted to mean that any reflected section level first amount payable is deleted.
    - unless there is a more specific first amount payable reflected as set out in 7.3 and 7.4 below.
  - 7.3 **Building or item first amount payable:** Any first amount payable if reflected in the schedule for a specific building or item shall apply to all such claims payable for the cover under the reflected building or item:
    - and shall replace the first amount payable reflected at a premises or section level but the absence of a first amount payable being reflected in the schedule for the building or item shall not be interpreted to mean that any reflected premises or section level first amount payable is deleted.
    - unless there is a more specific first amount payable reflected as set out in 7.4 below.
  - 7.4 **Specific insured peril, clause or extension first amount payable:** Any first amount payable if reflected in the schedule for a specific insured peril, clause or extension shall apply to all such claims payable for the cover under the reflected insured peril, clause or extension and shall replace the first amount payable reflected at a building, item, premises or section level but the absence of a first amount payable reflected in the schedule for the insured peril, clause or extension shall not be interpreted to mean that any reflected building, item, premises or section level first amount payable is deleted.

## GENERAL EXCLUSIONS



## 1. War, riot and terrorism

- (A) This policy does not cover loss of or damage to property related to or caused by:
- (i) civil commotion, labour disturbances, riot, strike, lockout or public disorder or any act or activity which is calculated or directed to bring about any of the foregoing;
  - (ii) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war;
  - (iii) (a) mutiny, popular uprising, military rising, military or usurped power, martial law or state of siege, or any other event or cause which determines the proclamation or maintenance of martial law or state of siege;  
(b) insurrection, rebellion or revolution;
  - (iv) any act (whether on behalf of any organisation, body or person or group of persons) calculated or directed to overthrow or influence any State or Government or any provincial, local or tribal authority with force or by means of fear, terrorism or violence;
  - (v) any act which is calculated or directed to bring about loss or damage in order to further any political aim, objective or cause, or to bring about any social or economic change, or in protest against any State or Government or any provincial, local or tribal authority, or for the purpose of inspiring fear in the public or any section thereof;
  - (vi) any attempt to perform any act referred to in clause (iv) or (v) above;
  - (vii) the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in clause A (i), (ii), (iii), (iv), (v) or (vi) above.

If the Company alleges that, by reason of clause A(i), (ii), (iii), (iv), (v), (vi) or (vii) of this exclusion, 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 exclusion, this policy does not cover loss of or damage to property or expense of whatsoever nature directly or indirectly caused by, arising out of or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any sequence to the loss, damage or expense.

For the purpose of this General exclusion 1(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 exclusion, loss or damage is not covered by this policy, the burden of proving the contrary shall rest on the Insured.

## 2. Nuclear (not applicable to Fidelity and Group Personal Accident sections)

This policy does not cover any legal liability, loss, damage, cost or expense whatsoever or any consequential loss directly or indirectly caused by or contributed to by or arising from:

- 2.1 ionising radiations or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the combustion or use of nuclear fuel;
- 2.2 nuclear material, nuclear fission or fusion, nuclear radiation;
- 2.3 nuclear explosives or any nuclear weapon;



2.4 nuclear waste in whatever form;

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

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

### 3. Computer losses

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

3.1 loss or destruction of or damage to any property whatsoever (including a computer) or any loss or expense whatsoever resulting or arising therefrom;

3.2 any legal liability of whatsoever nature;

3.3 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

1. 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
2. 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 to correctly process such data in regard to or in connection with any such date, or
3. 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
4. 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.

This exclusion shall not apply to:

1. loss or destruction of or damage to the insured property by fire, explosion, lightning, earthquake, storm, wind, water, hail, snow, aircraft or other aerial devices dropped therefrom, impact by animals, trees, aerials, satellite dishes or vehicles;
2. the Glass, Employer's Liability, Group Personal Accident or Motor sections;
3. 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 1 above

provided that 1, 2 and 3 above:

1. will not insure any loss, destruction, damage or consequential loss if such loss is not indicated as an included peril, extension or section in this policy;
2. will not insure any loss, destruction, damage or consequential loss if such loss would not have been insured in the absence of this Computer Losses General exclusion or points 1,2 or 3 above;
3. shall not apply to any Public Liability indemnity.

### 4. **Asbestos** (Applicable to the Public Liability and Employers' Liability sections and Liability of the Buildings Combined section).

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

## 5. Sanctions

The Company shall not be liable to provide any cover, pay any claim, provide any benefit or provide any indemnification under this policy if the Insured is listed, or is included by the respective authorities as a sanctioned, or prohibited entity or individual to do business with or indemnify, under the United Nations resolutions or any trade or economic sanctions, laws or regulations of the European Union, the United Kingdom, the United States of America or South Africa.

# GENERAL CONDITIONS

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

## 1. Misrepresentation, misdescription and non-disclosure

Misrepresentation, misdescription or non-disclosure in any material particular shall render voidable the particular item, section or sub-section of the policy, as the case may be, affected by such misrepresentation, misdescription or non-disclosure.

## 2. Other insurance

If, at the time of any event giving rise to a claim under this policy, insurance exists with any other insurer(s) 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. 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, subject to General condition 4.

## 4. Adjustment of premium

If the premium for any section of this policy has been calculated on any estimated figures, the Insured shall, after the expiry of each period of insurance (or after twelve consecutive months from the inception date or anniversary date if the premium is paid monthly), furnish the Company with such particulars and information as the Company may require for the purpose of recalculation of the premium for such period. Any difference shall be paid by or to the Insured as the case may be.

## 5. Prevention of loss

The Insured shall take all reasonable steps and precautions to prevent accidents or losses.

## 6. Claims

6.1 On the happening of any event which may result in a claim under this policy the Insured shall, at their own expense:

6.1.1 give notice thereof to the Company as soon as reasonably possible and provide particulars of any other insurance covering such events as are hereby insured;

6.1.2 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;

6.1.3 as soon as practicable after the event submit to the Company full details in writing of any claim;

6.1.4 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;

6.1.5 give the Company such proof, information and sworn declarations as the Company may require.

6.2 No claim (other than a claim under the Business Interruption, Fidelity, or Group Personal Accident sections or the Personal Accident (assault) extension under the Money section, if applicable) shall be payable after the expiry of 24 months or such further time as the Company may allow from the happening of any event unless the claim is the subject of pending legal action or is a claim in respect of the Insured's legal liability to a third party.

6.3 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.

6.4 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.

## 7. Company's rights after an event

7.1 On the happening of any event in respect of which a claim is or may be made under this policy, the Company and every person authorised by them may, without thereby incurring any liability and without diminishing the right of the Company to rely upon any conditions of this policy;

7.1.1 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;

7.1.2 take over and conduct in the name of the Insured the defence or settlement of any claim and prosecute in the name of the Insured for their own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any claim. No admission, statement, offer, promise, payment or indemnity shall be made by the Insured without the written consent of the Company.

7.2 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.

7.3 In respect of any section of this policy under which an indemnity is provided for liability to third parties, the Company may, upon the happening of any event, pay to the Insured the limit of indemnity provided in respect of such event or any lesser sum for which the claim or claims arising from such event can be settled and the Company shall thereafter not be under further liability in respect of such event.

## 8. Fraud

If any claim under this policy is in any respect fraudulent or if any fraudulent means or devices are used by the Insured or anyone acting on their behalf or with their knowledge or consent to obtain any benefit under this policy or if any event is occasioned by the wilful act or with the connivance of the Insured, the benefit afforded under this policy in respect of any such claim shall be forfeited.

**9. Reinstatement of cover after loss** (not applicable to stock on a declaration basis nor to any section where it is stated to be not applicable)

In consideration of insured amounts 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.

**10. 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.

**11. No rights to other persons**

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

**12. Collective insurances**

If this insurance is a collective insurance then the following amendment is made to General condition 6.1.4 above:

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

and General condition 7 is substituted by the following:

“7. Company’s rights after an event

7.1 On the happening of any event in respect of which a claim is or may be made under this policy the leading Insurer and every person authorised by them may, without thereby incurring any liability and without diminishing the right of the Insurers to rely upon any conditions of this policy,

7.1.1 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 leading Insurer on behalf of all Insurers to do so. The Insured shall not be entitled to abandon any property to the Insurers whether taken possession of by the leading Insurer or not

7.1.2 take over and conduct in the name of the Insured the defence or settlement of any claim and prosecute in the name of the Insured for their own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any claim. No admission, statement, offer, promise, payment or indemnity shall be made by the Insured without the written consent of the leading Insurer.

7.2 The Insured shall, at the expense of the Insurers, do and permit to be done all such things as may be necessary or reasonably required by the Insurers for the purpose of enforcing any rights to which the Insurers shall be or would become subrogated upon indemnification of the Insured whether such things shall be required before or after such indemnification.

7.3 In respect of any section of this policy under which an indemnity is provided for liability to third parties, the Insurers may, in the case of any event, pay to the Insured the limit of indemnity provided in respect of such event or any lesser sum for which the claim or claims arising from such event can be settled and the Insurers shall thereafter not be under further liability in respect of such event.”

**13. Amendment by the Company to the cover provided or terms charged**

The Company may improve the cover or the terms charged under this policy without providing prior notice of such change provided such change is to the benefit of the Insured. Other amendments required by the Company will be implemented:

- 13.1 mainly at the annual renewal/anniversary date; or
- 13.2 by exception, at any other time by giving 30 days' notice in writing of the Company's intent to do so.

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

The premium is due in advance as stated in the Premium Payment General Provision but notwithstanding this, where premium is payable by a bank debit order:

- 14.1 If the premium is not paid to the Company upon request (on submission of the debit order against the payer's bank account) then the Insured will still have cover for the month for which no premium has been received, unless the premium has been deliberately stopped by the Insured in which case the policy will be cancelled with immediate effect and no cover will be in place. Where the premium has not deliberately been stopped, the premium is therefore still due to the Company and can be settled in cash at any office of the Company.
- 14.2 At the next request for payment two debit orders will be submitted (if the outstanding premium has not been settled in cash); the unpaid one, as well as the one for the new month. If any debit order is paid, this money will be used to settle the original outstanding premium.
- 14.3 When an event occurs which results in a claim during the month for which the premium has not been paid, the Insured will be required to first settle the outstanding premium before the claim can be processed.
- 14.4 If the premium for two consecutive months (on submission of two debit orders) is not paid, then the policy will be cancelled with retrospective effect from midnight on the last day to where the Company had received premium. No further request for premium payment will be made.
- 14.5 If the premium is paid annually in advance by means of one debit order and that debit order is returned unpaid, then the Insured will continue to have cover for one further month. The debit order for the outstanding premium will be requested again in the following month. If it is again unpaid, the policy will be cancelled from the inception date if the policy is a new policy or from the renewal date to which the unpaid premium relates.

#### **15. Period of grace for the payment of premiums**

Except as provided for in 14 above, cover under this policy is subject to the prior payment of the premium by or on behalf of the Insured and receipt thereof by or on behalf of the Company. If the Insured is a policyholder that falls under the protection offered by the Policyholder Protection Rules (as made under section 55 of the Short-term Insurance Act of 1998), the Insured is hereby provided with a 15 day period of grace in which to pay any premiums due provided that:

- 15.1 this 15 day premium payment grace period shall not apply over and above any extended period as provided for in 14 above (the Insured shall benefit either under 14 above or in terms of this condition – whichever is more beneficial to the Insured);
- 15.2 if a claim is submitted for an event that occurred after any premium due date but within this 15 day premium payment grace period, the Insured will be required to first settle the outstanding premium before the claim can be processed.
- 15.3 if the agreed policy premium payment frequency is monthly and the policy is a new policy, the 15 day premium payment grace period shall only apply to premiums due from the second month of the currency of the policy.

## **GENERAL PROVISIONS**

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

### **1. Payments on account**

In respect of any section where amounts recoverable from the Company are delayed pending finalisation of any claim, payments on account may be made to the Insured, if required, at the discretion of the Company.



## 2. **First amount payable**

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

## 3. **Members**

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

## 4. **Cover 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.

## 5. **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 it at its sole discretion may determine.

## 6. **Holding covered**

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

## 7. **Security firms**

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

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

## 8. **Value Added Tax**

Unless specifically stated to the contrary, all insured amounts, limits of cover and premiums reflected in this policy are inclusive of VAT at the current legislated VAT rate. First amounts payable are calculated based on the VAT inclusive claim but are not otherwise subject to VAT.

# GENERAL COVERS

## 1. **Claims preparation costs** (if stated as included in the schedule of each section)

The insurance by each section of this policy is extended to include costs reasonably incurred by the Insured in producing and certifying any particulars or details required by the Company in terms of General condition 6 or to substantiate the amount of any claim, provided that the liability of the Company for such costs in respect of any one claim shall not exceed the insured amounts stated in the schedule of each section.

## 2. **Locks and keys** (if stated as included in the schedule)

In addition to any payment in respect of a defined event under this policy, the Company will, subject to the insured amounts and first amounts payable stated in the General section schedule, indemnify the Insured in respect of the cost of replacing locks, keys, access cards or remote control units to any building at the insured premises following upon the disappearance of any key, access card or remote control unit to such building(s) or following upon the Insured having reason to believe that any unauthorised person may be in possession of a duplicate of such key, card or remote control unit provided that:



- 2.1 cover is restricted to buildings containing property of the Insured where such property is insured under any section of this policy for theft out of such buildings;
- 2.2 in respect of access cards or remote control units, cover is restricted to the reasonable costs of reprogramming of the access cards, remote control units or the system where it is not necessary to replace the access cards or remote control units.

3. **Removal of fallen trees** (if stated as included in the schedule)

This policy is extended to include the costs of removing trees from the Insured's premises that have fallen due to a specific event involving fire, lightning, earthquake, weather, water, impact, malicious damage or subsidence and landslip whether such trees have caused damage to insured property or not, provided that:

- 3.1 property belonging to the Insured is covered against such events under the Fire, Buildings Combined, Office Contents, Houseowners or Householders sections under this policy at the specific premises;
- 3.2 the cover provided hereunder shall not operate where such trees were dead prior to such event or were subject to prior rot, decay or disease affecting the strength and stability of the tree(s);
- 3.3 where "per period of insurance" is reflected in the schedule and the policy is paid monthly by debit order, this shall mean for twelve consecutive months from the inception or anniversary date.

4. **Security costs** (if stated as included in the schedule)

The Company will pay up to the insured amount stated in the General section schedule for costs actually and necessarily incurred in employing security services to protect or attempt to protect the insured property following an insured event including the cost of boarding up or temporary repairs or repair of the burglar alarm system following such insured event provided that such insured property is insured against theft under one or more sections under this policy.

5. **Trauma counselling** (if stated as included in the schedule)

Expenses incurred, not otherwise covered, for trauma treatment by a registered professional counsellor if the Insured, a director, member or an employee of the Insured requires treatment due to hijacking or attempted hijacking, armed hold-up or as a result of violence or threat of violence during theft, fire or farm-attacks provided that:

- 5.1 such counselling is restricted to counselling following hijacking or attempted hijacking, armed hold-up or as a result of violence or threat of violence during theft, fire or farm-attacks happening on the premises of the Insured or involving the property of the Insured and provided such property and premises are insured under one or more sections of this policy against these losses;
- 5.2 the liability of the Company shall not exceed per person or per event the insured amounts stated in the General section schedule.

# GLASS SECTION

## DEFINED EVENTS

Loss of or damage to internal and external glass (including mirrors), signwriting and treatment thereon of those buildings at the insured premises as stated in the schedule, the property of the Insured or for which they are responsible provided that the liability of the Company shall not exceed the insured amount as stated in the schedule against "Accidental damage to glass".

## DEFINITION

**Glass:** Unless specifically agreed and stated in the schedule to the contrary, all glass (other than mirrors) insured by this section shall be plain plate/ float glass whether coated with a film or not or laminated safety glass.

## ADDITIONAL COVER

### **Express delivery and other charges** (if stated as included in the schedule)

Following loss of or damage to glass as set out in the defined events, the Company will also indemnify the Insured for additional costs incurred for the express delivery of replacement glass by road/rail or airfreight and overtime charges incurred for its fitting up to the insured amount stated in the schedule.

### **Other costs and expenses** (if stated as included in the schedule)

Following loss of or damage to glass as set out in the defined events, the Company will also indemnify the Insured for:

1. the cost of such boarding up or other temporary repairs as may be reasonably necessary;
2. damage to shop fronts, frames, window displays (including fixtures and fittings), burglar alarm strips, wires and vibrators as a direct result of such loss or damage;
3. the cost of removal and reinstallation of fixtures and fittings necessary for the replacement of the glass;
4. the cost of employment of a watchman service prior to 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 in the aggregate for all other costs and expenses as set out in 1,2,3 and 4 above, the amount stated in the schedule for any one occurrence or series of occurrences attributable to one source or original cause.

## SPECIFIC CONDITIONS

1. The maximum amount payable by the Company is limited to the insured amount stated in the schedule and if in the schedule against "Basis" it states "All buildings on the premises", it shall mean that the insured amount shall be the maximum amount payable by the Company for any one event for all buildings on the premises combined and not to each building individually.

## SPECIFIC EXCLUSIONS

The Company shall not be liable for:

1. loss or damage which is insured by, or would, but for the existence of this section, be insured by any fire insurance, except in respect of any excess beyond the amount which would have been payable under such fire insurance had the insurance under this section not been effected, but this specific exclusion shall not apply to loss or damage for which the Insured is responsible as tenant and not as owner;

2. glass forming part of stock in trade;
3. glass which, at inception of this insurance, is cracked or broken unless cover has been agreed by the Company;
4. defacement or damage other than fracture through the entire thickness of the glass or any laminate thereof.

## CLAUSES AND EXTENSIONS

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule).

### **Advertising signs, blinds and canopies** (if stated as included in the schedule)

This section is extended to include cover for loss or damage to external advertising signs, blinds and canopies including signwriting and treatment thereon manufactured of glass, plastic, perspex or similar brittle material at the insured premises as stated in the schedule, the property of the Insured or for which they are responsible provided that the liability of the Company for this additional property shall not exceed the insured amount stated in the schedule against this extension.

### **Riot and strike (other than RSA and Namibia)** (if stated as included in the schedule)

This section is extended to cover loss or damage directly occasioned by or through or in consequence of:

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

provided that this extension does not cover:

1. loss or damage occurring in the Republic of South Africa or Namibia;
2. consequential or indirect loss or damage of any kind or description whatsoever;
3. loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;
4. loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
5. loss or damage related to or caused by any occurrence referred to in General exclusion 1 (A) (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If the Company alleges that by reason of provisos 1, 2, 3, 4 or 5, loss or damage is not covered by this section, the burden of proving the contrary shall rest on the Insured.

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

### **Sanitary ware** (if stated as included in the schedule)

This section is extended to include cover for loss or damage to sanitary ware being fixtures or fittings of the insured building(s) at the premises stated in the schedule provided that the liability of the Company for this additional property shall not exceed the insured amount stated in the schedule against this extension.

### **Special replacement** (if stated as included in the schedule)

If, following loss or damage insured by this section, the Insured is obliged in terms of the National Building Regulations or similar legislation to replace the damaged glass with glass of a superior quality, then:

1. such increased glass replacement costs shall be covered by this section provided that the total liability of the Company shall not be increased beyond the insured amount stated in the schedule against "Accidental damage to glass";
2. any increased or additional costs for frames or other items as insured under "Other costs and expenses" following the replacement of glass by superior glass shall be covered provided "Other costs and expenses" is

reflected as “included” in the schedule and provided further that the total liability of the Company for these additional costs shall not be increased beyond the insured amount stated in the schedule against this cover.

*For internal broker use only - subject to minor changes from time to time*

# GOODS IN TRANSIT SECTION

## DEFINED EVENTS

1. Loss of or damage to the whole or part of any commodity described in the schedule, owned by the Insured or for which they are responsible, in the course of transit by the means of conveyance or other means incidental thereto and caused by:
  - 1.1 **All risks** (if stated as the type of cover in the schedule)  
Any accident or misfortune not otherwise excluded.
  - 1.2 **Fire, explosion, collision, overturning of the means of conveyance** (if stated as the type of cover in the schedule)
  - 1.3 **Theft following fire, explosion, collision, overturning of the means of conveyance** (if stated as the type of cover in the schedule)
  - 1.4 **Hijacking of the means of conveyance** (if stated as the type of cover in the schedule)
  - 1.5 **Theft of the means of conveyance** (if stated as the type of cover in the schedule)
  - 1.6 **Theft (the means of conveyance is not stolen or hijacked at the same time)** (if stated as the type of cover in the schedule)
2. **Pesticides, herbicides and/or fertilizers used during transit** (if stated as included in the schedule)  
Loss of or damage to pesticides, herbicides and fertilizers by any accident or misfortune not otherwise excluded whilst transported in or on a means of conveyance on the Insured's premises including during the application process to crops and land from or by the means of conveyance.

## DEFINITIONS

**Annual carry** as reflected in the schedule is the estimated value of goods that will be transported during the period of insurance. If the premium is paid monthly by debit order, the words "period of insurance" is amended to read "for any one period of 12 consecutive months from the inception or anniversary date".

**Hi-jacking** shall mean seizure of the means of conveyance containing the insured property resulting in the seizure of the insured property contained in or on such conveyance where such seizure is accomplished by means of violence on or against the person or persons who, at the time of such seizure, are in actual lawful control of the conveyance and the insured property.

**Overturning** is deemed to include derailment of the means of conveyance whether or not there is actual overturning.

## MEMORANDA

1. In respect of defined event 1, transit shall be deemed to commence from the time of loading the property described in the schedule on the means of conveyance (including carrying to any conveyance), continue with transportation to the destination (including temporary storage not exceeding 120 hours in the course of the journey) and end when off-loaded and delivered at any building or place of storage at the intended destination premises.
2. If any intended recipient shall refuse to accept the transported property, transit shall be deemed to continue and the insurance in respect of such property shall continue in force until the property is delivered back at the premises of the sender by any means of conveyance, provided that the Insured shall take all reasonable



steps to ensure that the property is returned as soon as is reasonably possible.

3. Where the means of conveyance is by specified vehicle, the insurance under this section shall apply to property on any vehicle temporarily used in place thereof while a specified vehicle is undergoing repair or servicing, which replacement vehicle is not the property of the Insured or leased or hired by them under a lease or suspensive sale agreement.
4. In the event of breakdown of the means of conveyance during transit or if, for any reason beyond the Insured's control, the property is endangered, nothing contained herein shall debar the utilisation of any other form of transport to assist completion of the transit and the insurance afforded shall not be affected thereby.
5. Any first amounts payable stated in the schedule shall not apply if the claim results from fire, lightning or explosion.
6. The liability of the Company for all losses or damage arising from any one defined event shall not exceed the "Limit per load" per item as reflected in the schedule, plus the insured amounts payable for any extensions.
7. Liability of the Company in respect of livestock and game (if insured) is restricted to death of the insured animal as a result of and occurring within 7 days a defined event.
8. Where the Company determines the premium based on the annual carry of the Insured, it is a requirement that at the beginning of each period of insurance that the Insured provide an estimate of the expected annual carry for the new period of insurance. Where the premium is so determined, the Insured shall provide a declaration of the actual annual carry at the end of the period of insurance and the Company shall re-calculate the actual premium due for such past period of insurance and either refund the Insured or charge an additional premium as the case may be. For the purpose of this requirement, if the policy is paid by monthly debit order, period of insurance shall mean the twelve consecutive months from the inception or anniversary date.

## SPECIFIC EXCLUSIONS

The Company shall not be liable for:

1. loss or damage resulting from or caused by:
  - 1.1 theft from any unattended vehicle in the custody or control of the Insured or any principal, partner, director or employee of the Insured unless the property is contained in a completely closed and securely locked vehicle or the vehicle itself is housed in a securely locked building and entry to or exit from such locked vehicle or building is accompanied by forcible and violent entry to or exit therefrom;
  - 1.2 inherent vice or defect, vermin, insects, damp, mildew or rust;
  - 1.3 the dishonesty of any principal, partner, director or employee of the Insured whether acting alone or in collusion with others;
  - 1.4 detention, confiscation or requisition by customs or other officials or authorities;
  - 1.5 or arising whilst in transit by sea or inland transit incidental thereto;
  - 1.6 breakdown of refrigeration equipment;
2. wear and tear or gradual deterioration (including the gradual action of light or climatic or atmospheric conditions) unless following an accident or misfortune not otherwise excluded;
3. mechanical, electronic or electrical breakdown, failure, breakage or derangement of the insured property unless following an accident or misfortune not otherwise excluded;
4. loss of or damage to
  - 4.1 cash, bank and currency notes, coins, bonds, coupons, stamps, negotiable instruments, title deeds, manuscripts or securities of any kind;
  - 4.2 property outside the territorial limits stated in the schedule;
  - 4.3 property otherwise insured or which would, but for the existence of this section, be insured by any other insurance except in respect of any excess beyond the amount which would have been payable under such other insurance, had the insurance under this section not been effected;

5. consequential loss of any kind, delay, loss of market, depreciation or changes brought about by natural causes.

In respect of **livestock** and **game** (if insured) the Company shall in addition to the above not be liable for:

6. claims for death or loss of the insured animal as a result of:

6.1 fire, lightning or explosion unless during the actual course of transit;

6.2 inoculation, castration, docking or surgical operation or parturition or its consequences or pregnancy;

6.3 jumping;

6.4 straying.

7. death of the insured animal if under the age of 3 months;

8. destruction in compliance with the requirements of any statute or any order of a government department or any local authority;

9. unfitness for or incapacity to fulfil the functions or duties for which the animal is kept;

10.any accident sustained during transit by air or by sea;

11.intentional slaughter whether by or under the order of any government or public or local authority or any person having jurisdiction in the matter except:

11.1 if the Company has expressly and in writing agreed to the destruction of the animal;

11.2 in the case of injuries that necessitates immediate slaughter for humane reasons and where a qualified veterinary surgeon appointed by the Insured certifies in writing that the suffering is incurable and of such an extent that slaughter is unavoidable provided that if the Company choose to have a post mortem examination carried out by a qualified veterinary surgeon appointed by the Company at the Company's expense the Company may do so;

12.death caused directly or indirectly by:

12.1 any surgical operations unless conducted by a qualified veterinary surgeon and certified by him to have been necessary due solely to an accident, disease or illness and that such surgical operation is carried out in an attempt to preserve the animal's life;

12.2 the administration of any medication unless by a qualified veterinary surgeon or an experienced person directed by him. The qualified veterinary surgeon must have certified that such medication was administered as a prophylactic or had been necessary due to an accident, disease or illness. For the purpose of this exclusion the term medication shall include any drug, hormone, vitamin, protein or any other substance other than unadulterated food or drink;

12.3 death due to starvation or malnutrition;

12.4 trampling or suffocation due to overloading of any vehicle which is being used to transport the insured animal;

13.liability to any third party.

## **SPECIFIC CONDITIONS AND WARRANTIES IN RESPECT OF LIVESTOCK AND GAME (if insured)**

1. The Insured shall at all times exercise all reasonable care and safeguard the insured animals against loss or danger of loss, accident or illness and shall comply with all reasonable regulations and directions given by the Company or by a qualified veterinary surgeon employed by the Company;

2. The Insured will immediately notify the Company of any accident to or loss of any animal insured by this section and shall at the Insured's expense immediately provide for adequate attendance and treatment of any animal;

3. The Insured shall comply with all laws rules and regulations relating to the transportation of animals;

4. General Condition 6.1.1 is restated to read "give the Company immediate notice of such event and provide

particulars of any other insurance covering such events as are hereby insured”;

5. the Insured shall at his own expense, within 14 days after such event, supply the Company with a completed claim form together with all other information as the Company may require including any qualified veterinary surgeon's certificates, photos and satisfactory proof of the death, identity and value of the animal;
6. if the Company alleges that the death of the animal is from an excluded cause, the burden of proving the contrary shall rest with the Insured;
7. if the Company admits the claim, the Insured may dispose of the carcass to best advantage and the amount realised on disposal of the carcass shall be offset against the amount of the claim;
8. it is warranted that at the commencement of this insurance each animal insured is in sound health and is free from any ailment, illness, disease, lameness, injury or disability.

## CLAUSES AND EXTENSIONS

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) subject to any insured amounts or first amounts payable stated in the schedule under each extension.

### **Debris removal** (if stated as included in the schedule)

The insurance under this section includes costs necessarily incurred by the Insured up to the insured amount stated in the schedule against this extension in respect of the clearing up and removal of debris following damage to the means of conveyance or to the property thereon.

### **Disposal of salvage**

Without diminishing the rights of the Company to rely on the provisions of the general conditions in the event of a loss, the Company agrees that it will not sell or otherwise dispose of any property which is the subject of a claim hereunder without the consent of the Insured provided that the Insured can establish to the satisfaction of the Company that to do so will prejudice their interests in which event the Company agrees to give the Insured first option to repurchase such property at its fair intrinsic value or market value whichever is the greater.

The Insured shall not be entitled under the provisions of this clause to abandon any property to the Company whether taken possession of by the Company or not.

### **Fire extinguishing charges** (if stated as included in the schedule)

If the property described in the schedule is lost or damaged by fire whilst in course of a transit insured by this section the Company will in addition to indemnifying the Insured for such loss or damage pay for the cost of extinguishing or attempting to extinguish such fire provided that the maximum amount payable under this extension shall not exceed the insured amount stated in the schedule against this extension.

### **Riot and strike (other than RSA and Namibia)** (if stated as included in the schedule)

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

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

provided that this extension does not cover:

1. loss or damage occurring in the Republic of South Africa and Namibia;
2. consequential or indirect loss or damage of any kind or description whatsoever;
3. loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;

4. loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
5. loss or damage related to or caused by any occurrence referred to in General exclusion 1 (A) (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.
6. loss or damage in any other country listed below the heading "Country – Riot and Strike excluded" in the schedule under this extension. If the Company has not excluded any other country from the cover provided by this extension the above mentioned heading will not reflect in the schedule.

If the Company alleges that, by reason of provisos 1 to 6 above, loss or damage is not covered by this section, the burden of proving the contrary shall rest on the Insured.

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# GOODS IN TRANSIT SECTION

## DEFINED EVENTS

1. Loss of or damage to the whole or part of any commodity described in the schedule, owned by the Insured or for which they are responsible, in the course of transit by the means of conveyance or other means incidental thereto and caused by:
  - 1.1 **All risks** (if stated as the type of cover in the schedule)  
Any accident or misfortune not otherwise excluded.
  - 1.2 **Fire, explosion, collision, overturning of the means of conveyance** (if stated as the type of cover in the schedule)
  - 1.3 **Theft following fire, explosion, collision, overturning of the means of conveyance** (if stated as the type of cover in the schedule)
  - 1.4 **Hijacking of the means of conveyance** (if stated as the type of cover in the schedule)
  - 1.5 **Theft of the means of conveyance** (if stated as the type of cover in the schedule)
  - 1.6 **Theft (the means of conveyance is not stolen or hijacked at the same time)** (if stated as the type of cover in the schedule)
2. **Pesticides, herbicides and/or fertilizers used during transit** (if stated as included in the schedule)  
Loss of or damage to pesticides, herbicides and fertilizers by any accident or misfortune not otherwise excluded whilst transported in or on a means of conveyance on the Insured's premises including during the application process to crops and land from or by the means of conveyance.

## DEFINITIONS

**Annual carry** as reflected in the schedule is the estimated value of goods that will be transported during the period of insurance. If the premium is paid monthly by debit order, the words "period of insurance" is amended to read "for any one period of 12 consecutive months from the inception or anniversary date".

**Hi-jacking** shall mean seizure of the means of conveyance containing the insured property resulting in the seizure of the insured property contained in or on such conveyance where such seizure is accomplished by means of violence on or against the person or persons who, at the time of such seizure, are in actual lawful control of the conveyance and the insured property.

**Overturning** is deemed to include derailment of the means of conveyance whether or not there is actual overturning.

## MEMORANDA

1. In respect of defined event 1, transit shall be deemed to commence from the time of loading the property described in the schedule on the means of conveyance (including carrying to any conveyance), continue with transportation to the destination (including temporary storage not exceeding 120 hours in the course of the journey or if the commodity is wine, temporary storage not exceeding 168 hours in the course of the journey) and end when off-loaded and delivered at any building or place of storage at the intended destination premises.
2. If any intended recipient shall refuse to accept the transported property, transit shall be deemed to continue and the insurance in respect of such property shall continue in force until the property is delivered back at

the premises of the sender by any means of conveyance, provided that the Insured shall take all reasonable steps to ensure that the property is returned as soon as is reasonably possible.

3. Where the means of conveyance is by specified vehicle, the insurance under this section shall apply to property on any vehicle temporarily used in place thereof while a specified vehicle is undergoing repair or servicing, which replacement vehicle is not the property of the Insured or leased or hired by them under a lease or suspensive sale agreement.
4. In the event of breakdown of the means of conveyance during transit or if, for any reason beyond the Insured's control, the property is endangered, nothing contained herein shall debar the utilisation of any other form of transport to assist completion of the transit and the insurance afforded shall not be affected thereby.
5. Any first amounts payable stated in the schedule shall not apply if the claim results from fire, lightning or explosion.
6. The liability of the Company for all losses or damage arising from any one defined event shall not exceed the "Limit per load" per item as reflected in the schedule, plus the insured amounts payable for any extensions.
7. Liability of the Company in respect of livestock and game (if insured) is restricted to death of the insured animal as a result of and occurring within 7 days a defined event.
8. Where the Company determines the premium based on the annual carry of the Insured, it is a requirement that at the beginning of each period of insurance that the Insured provide an estimate of the expected annual carry for the new period of insurance. Where the premium is so determined, the Insured shall provide a declaration of the actual annual carry at the end of the period of insurance and the Company shall re-calculate the actual premium due for such past period of insurance and either refund the Insured or charge an additional premium as the case may be. For the purpose of this requirement, if the policy is paid by monthly debit order, period of insurance shall mean the twelve consecutive months from the inception or anniversary date.

## SPECIFIC EXCLUSIONS

The Company shall not be liable for:

1. loss or damage resulting from or caused by:
  - 1.1 theft from any unattended vehicle in the custody or control of the Insured or any principal, partner, director or employee of the Insured unless the property is contained in a completely closed and securely locked vehicle or the vehicle itself is housed in a securely locked building and entry to or exit from such locked vehicle or building is accompanied by forcible and violent entry to or exit therefrom;
  - 1.2 inherent vice or defect, vermin, insects, damp, mildew or rust;
  - 1.3 the dishonesty of any principal, partner, director or employee of the Insured whether acting alone or in collusion with others;
  - 1.4 detention, confiscation or requisition by customs or other officials or authorities;
  - 1.5 or arising whilst in transit by sea or inland transit incidental thereto;
  - 1.6 breakdown of refrigeration equipment;
2. wear and tear or gradual deterioration (including the gradual action of light or climatic or atmospheric conditions) unless following an accident or misfortune not otherwise excluded;
3. mechanical, electronic or electrical breakdown, failure, breakage or derangement of the insured property unless following an accident or misfortune not otherwise excluded;
4. loss of or damage to
  - 4.1 cash, bank and currency notes, coins, bonds, coupons, stamps, negotiable instruments, title deeds, manuscripts or securities of any kind;
  - 4.2 property outside the territorial limits stated in the schedule;
  - 4.3 property otherwise insured or which would, but for the existence of this section, be insured by any other insurance except in respect of any excess beyond the amount which would have been payable



under such other insurance, had the insurance under this section not been effected;

5. consequential loss of any kind, delay, loss of market, depreciation or changes brought about by natural causes.

In respect of **livestock** and **game** (if insured) the Company shall in addition to the above not be liable for:

6. claims for death or loss of the insured animal as a result of:
  - 6.1 fire, lightning or explosion unless during the actual course of transit;
  - 6.2 inoculation, castration, docking or surgical operation or parturition or its consequences or pregnancy;
  - 6.3 jumping;
  - 6.4 straying.
7. death of the insured animal if under the age of 3 months;
8. destruction in compliance with the requirements of any statute or any order of a government department or any local authority;
9. unfitness for or incapacity to fulfil the functions or duties for which the animal is kept;
10. any accident sustained during transit by air or by sea;
11. intentional slaughter whether by or under the order of any government or public or local authority or any person having jurisdiction in the matter except:
  - 11.1 if the Company has expressly and in writing agreed to the destruction of the animal;
  - 11.2 in the case of injuries that necessitates immediate slaughter for humane reasons and where a qualified veterinary surgeon appointed by the Insured certifies in writing that the suffering is incurable and of such an extent that slaughter is unavoidable provided that if the Company choose to have a post mortem examination carried out by a qualified veterinary surgeon appointed by the Company at the Company's expense the Company may do so;
12. death caused directly or indirectly by:
  - 12.1 any surgical operations unless conducted by a qualified veterinary surgeon and certified by him to have been necessary due solely to an accident, disease or illness and that such surgical operation is carried out in an attempt to preserve the animal's life;
  - 12.2 the administration of any medication unless by a qualified veterinary surgeon or an experienced person directed by him. The qualified veterinary surgeon must have certified that such medication was administered as a prophylactic or had been necessary due to an accident, disease or illness. For the purpose of this exclusion the term medication shall include any drug, hormone, vitamin, protein or any other substance other than unadulterated food or drink;
  - 12.3 death due to starvation or malnutrition;
  - 12.4 trampling or suffocation due to overloading of any vehicle which is being used to transport the insured animal;
13. liability to any third party;

## **SPECIFIC CONDITIONS AND WARRANTIES IN RESPECT OF LIVESTOCK AND GAME (if insured)**

1. The Insured shall at all times exercise all reasonable care and safeguard the insured animals against loss or danger of loss, accident or illness and shall comply with all reasonable regulations and directions given by the Company or by a qualified veterinary surgeon employed by the Company;
2. The Insured will immediately notify the Company of any accident to or loss of any animal insured by this section and shall at the Insured's expense immediately provide for adequate attendance and treatment of any animal;
3. The Insured shall comply with all laws rules and regulations relating to the transportation of animals;

4. General Condition 6.1.1 is restated to read “give the Company immediate notice of such event and provide particulars of any other insurance covering such events as are hereby insured”;
5. the Insured shall at his own expense, within 14 days after such event, supply the Company with a completed claim form together with all other information as the Company may require including any qualified veterinary surgeon’s certificates, photos and satisfactory proof of the death, identity and value of the animal;
6. if the Company alleges that the death of the animal is from an excluded cause, the burden of proving the contrary shall rest with the Insured;
7. if the Company admits the claim, the Insured may dispose of the carcass to best advantage and the amount realised on disposal of the carcass shall be offset against the amount of the claim;
8. it is warranted that at the commencement of this insurance each animal insured is in sound health and is free from any ailment, illness, disease, lameness, injury or disability.

## CLAUSES AND EXTENSIONS

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) subject to any insured amounts or first amounts payable stated in the schedule under each extension.

### **Debris removal** (if stated as included in the schedule)

The insurance under this section includes costs necessarily incurred by the Insured up to the insured amount stated in the schedule against this extension in respect of the clearing up and removal of debris following damage to the means of conveyance or to the property thereon.

### **Disposal of salvage**

Without diminishing the rights of the Company to rely on the provisions of the general conditions in the event of a loss, the Company agrees that it will not sell or otherwise dispose of any property which is the subject of a claim hereunder without the consent of the Insured provided that the Insured can establish to the satisfaction of the Company that to do so will prejudice their interests in which event the Company agrees to give the Insured first option to repurchase such property at its fair intrinsic value or market value whichever is the greater.

The Insured shall not be entitled under the provisions of this clause to abandon any property to the Company whether taken possession of by the Company or not.

### **Fire extinguishing charges** (if stated as included in the schedule)

If the property described in the schedule is lost or damaged by fire whilst in course of a transit insured by this section the Company will in addition to indemnifying the Insured for such loss or damage pay for the cost of extinguishing or attempting to extinguish such fire provided that the maximum amount payable under this extension shall not exceed the insured amount stated in the schedule against this extension.

### **Riot and strike (other than RSA and Namibia)** (if stated as included in the schedule)

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

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

provided that this extension does not cover:

1. loss or damage occurring in the Republic of South Africa and Namibia;
2. consequential or indirect loss or damage of any kind or description whatsoever;
3. loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of

any process or operation;

4. loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
5. loss or damage related to or caused by any occurrence referred to in General exclusion 1 (A) (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.
6. loss or damage in any country listed below the heading "Country – Riot and Strike excluded" in the schedule under this extension. If the Company has not excluded any country from the cover provided by this extension the above mentioned heading will not reflect in the schedule.

If the Company alleges that, by reason of provisos 1 to 6 above, loss or damage is not covered by this section, the burden of proving the contrary shall rest on the Insured.

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# GREENS AND IRRIGATION SYSTEMS

## DEFINED EVENTS

1. Damage to Irrigation Systems as defined at the premises stated in the schedule, either by the perils contained in the "Specified Perils only" definition (if stated as included in the schedule) or by the cover provided under "All Risks (specified perils included)" as defined (if stated as included in the schedule);
2. Liability of the Insured to third parties as more fully set out below under the definition Liability to third parties (but only if Liability to third parties is stated as included in the schedule).

## DEFINITIONS

**All risks (specified perils included)** shall mean accidental physical loss of or damage to irrigation systems from any cause but excluding:

1. loss or damage caused by or arising out of detention, confiscation, attachment, destruction or requisition by any lawfully constituted authority or other judicial process;
2. loss or damage for which a supplier, contractor or repairer is responsible either by law or under contract;
3. loss or damage caused by or arising out of any fraudulent scheme, trick, device or false pretence practised on the Insured (or any person having custody of the insured property) or fraud or the dishonesty of any principal or agent of the Insured;
4. loss or damage caused by or arising out of overheating, implosion, cracking, fracturing, weld failure, nipple leakage or other failure of any vessels, pipes, tubes or similar apparatus;
5. loss or damage caused by or arising out of any altering, bleaching, cleaning, dyeing, manufacturing, repairing, restoring, servicing, renovating, testing or any other work thereon;
6. loss or damage caused by or arising out of any 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;
7. loss or damage caused by or arising out of termites, moths, insects, vermin, inherent vice, fumes, flaws, latent defect, fluctuations in atmospheric or climatic conditions or the action of light;
8. loss of or damage to chemicals, oils, liquids, fluids, gases or fumes due to leakage or discharge from their container;
9. loss or damage resulting from leakage or discharge of chemicals, oils, fluids, gases or fumes;
10. loss or damage caused by or arising out of the exercise of any authority empowered by law to supply water, gas or electricity of its power to withhold or restrict supply unless such withholding or restriction is directly attributable to damage to property of such authority;
11. loss or damage caused by or arising out of failure of and/ or the deliberate withholding and/or lack of supplies of water, steam, gas, electricity, fuel or refrigerant;
12. loss or damage caused by or arising out of drought.

**Specified perils only** shall mean and include loss or damage to the insured item by:

- Fire (including damage caused by smoke arising directly out of such fire);
- Lightning or thunderbolt (including damage caused by power surges arising directly from such lightning strikes);
- Explosion;

- Earthquake (whether arising from mining operations or otherwise and including damage caused by tidal waves or tsunamis arising directly from such earthquake);
- Impact (as more fully and separately defined);
- Malicious damage (as more fully and separately defined);
- Weather and water (as more fully and separately defined);

**Impact** as referred to under the "Specified perils only" definition shall mean and include impact by:

1. aircraft and other aerial devices or articles dropped therefrom (including sonic shock waves or any other damage caused by aircraft);
2. rocks, stones or boulders (other than impact caused by landslip, the deliberate or wilful or wanton act of any person committed with the intention of causing such damage or impact by meteorites, asteroids or similar bodies entering the earth's atmosphere);
3. 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.

**Irrigation systems (agricultural pivots)** if stated in the schedule as the insured item type shall mean and include:

- full set of towers;
- centre point (hub) and truss;
- overhang;
- tyres on each tower;
- power unit/control panel at the centre point;
- all other equipment that is attached to and forming part of the towers.

but excluding:

- pumps, whether they are used exclusively for the pivot or not;
- power cable extensions, either above or underground, from the centre point to the public supply;
- any power unit/power point that does not form part of the towers or are attached to the centre point.

**Irrigation systems (golf courses and other sporting grounds/fields and/or gardens)** if stated in the schedule as the insured item type shall mean and include all components making up the installed irrigation system such as pipes, sprinklers, sprinkler heads, pumps and pump houses but excluding dams and dam walls.

**Liability to third parties** shall mean damages which the Insured shall become legally liable to pay consequent upon:

1. death of or bodily injury to any person, but excluding death of or bodily injury to any person in the employ of the Insured arising from and in the course of such employment or being a member of the same household as the Insured;
2. damage to property other than property belonging to the Insured or held in trust by or in the custody or control of the Insured

caused by any Irrigation systems (agricultural pivots) as defined that is insured under this section in terms of defined event 1 but excluding liability for:

1. any claim arising from contractual liability, unless such liability would have attached to the Insured notwithstanding such contractual agreement;
2. any consequential loss.

**Malicious damage** as referred to under the "Specified perils only" definition shall mean damage directly occasioned by or through or in consequence of the deliberate or wilful or wanton act of any person committed with the intention of causing such damage other than damage to insured property which is:

1. stolen;
2. damaged in an attempt to remove it or part of it from the premises stated in the schedule with the intention

of stealing any part thereof

provided that this Specified peril does not cover:

1. damage related to or caused by fire or explosion;
2. consequential or indirect loss or damage of any kind or description whatsoever;
3. damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation;
4. damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
5. damage related to or caused by any occurrence referred to in General exclusion 1 (A) (i), (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If the Company alleges that, by reason of proviso 1 to 5 above, loss or damage is not covered by this peril, the burden of proving the contrary shall rest on the Insured.

**Weather and water** as referred to under the "Specified perils only" definition shall mean storm, wind, water, hail or snow but excluding:

1. damage to any insured item arising from its undergoing any process necessarily involving the use or application of water;
2. damage to any insured item caused by tidal wave or tsunami originating from earthquake;
3. damage to any insured item being retaining walls unless so described as a specifically included item in the schedule being part of the Greens;
4. wear and tear or gradual deterioration;
5. damage to any insured item caused or aggravated by subsidence or landslip;
6. damage to any insured item caused or aggravated by the Insured's failure to take all reasonable precautions for the maintenance and safety of the insured items and for the minimisation of any damage.

## SPECIFIC EXCLUSIONS

This section does not cover:

1. volcanic eruption or other convulsion of nature (other than subterranean fire);
2. damage to property occasioned by its undergoing any heating or drying process;
3. damage to property which at the time thereof is insured by or would, but for the existence of this insurance, be insured by any marine policy(ies), except in respect of any excess beyond the amount that would have been payable under the marine policy(ies) had this insurance not been effected.

## SPECIFIC CONDITIONS

### 1. Average

If, on the occurrence of an insured event under defined events 1, the value of the insured property is greater than the insured amount thereon, the Insured shall be considered his own insurer for the difference and shall bear a rateable proportion of the loss accordingly. Each item, if more than one, shall be separately subject to this specific condition.

### 2. Insured amount for defined event 2

The liability of the Company under defined event 2 for any one occurrence or series of occurrences arising from one cause or event in connection with any one insured item of Irrigation systems (agricultural pivots) shall not exceed the insured amount stated in the schedule against "Liability to third parties" which shall be inclusive of any costs, charges, expenses and legal costs recoverable from the Insured by a claimant or any number of claimants or incurred by the Company or incurred by the Insured with the Company's prior consent:

2.1 in the defence or settlement of any claim for Liability to third parties or any action or prosecution



brought against the Insured in respect of death, bodily injury or damage to property as insured in terms of defined event 2;

- 2.2 in the representation at any inquest or accident inquiry in respect of death or bodily injury which may form the subject of indemnity under defined event 3 and/or in defending any proceedings in a Court of Competent Jurisdiction in respect of matters which may form the subject of indemnity by defined event 2.

### 3. Reinstatement

The basis upon which the amount payable under defined event 1 is to be calculated following an insured event shall be the cost of replacing or reinstating on the same site property of the same kind or type but not superior to nor more extensive than such insured property when new, provided that:

- 3.1 the work of replacement or reinstatement (which may be carried out on another site and in any manner suitable to the requirements of the Insured subject to the liability of the Company not being thereby increased) must be commenced and carried out with reasonable despatch otherwise no payment beyond the amount that would have been payable if this memorandum had not been incorporated in this section shall be made;
- 3.2 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;
- 3.3 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 lost or damaged exceeds the insured amount thereon at the commencement of any damage, the Insured shall be considered their own insurer for the difference and shall bear a rateable share of loss accordingly. Each item, if more than one, to which this condition applies shall be separately subject to this provision;
- 3.4 this condition shall be without force or effect and the amount payable will revert to the reasonable market value if:
- 3.4.1 the Insured fails to intimate to the Company within six months of the insured event or such further time as the Company may allow in writing their intention to replace or reinstate the lost or damaged insured property;
- 3.4.2 the Insured is unable or unwilling to replace or reinstate the lost or damaged insured property on the same or another site.

## CLAUSES AND EXTENSIONS

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) subject to any insured amounts or first amounts payable stated in the schedule under each extension.

### **Capital additions** (if stated as included in the Schedule)

The insurance under this section covers alterations, additions and improvements, but not appreciation in value in excess of the insured amount(s) to insured Greens for an amount not exceeding the percentage (as stated in the schedule) of the insured amount thereon, it being understood that the Insured undertakes to advise the Company each quarter (or each month if the premium is paid monthly by debit order) of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

### **Cost of demolition** (if stated as included in the Schedule)

The insurance under this section includes costs necessarily incurred by the Insured in respect of the demolition of the property insured under defined event 1 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 insured amount 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 or section.

### **Fire extinguishing charges** (if stated as included in the schedule)

Any costs relating to the extinguishing or fighting of fire, shall be deemed to be damage to the property insured under defined event 1 and shall be payable in addition to any other payment for which the Company may be liable under these defined events provided the Insured is legally liable for such costs and the insured property was in danger from the fire.

### **Freezing, frost and change of temperature** (if stated as included in the schedule)

This section is extended to cover loss of or damage to the insured Irrigation systems (agricultural pivots) due to freezing, frost or change in temperature, provided that:

1. the Irrigation system is equipped to drain automatically when the temperature drops below 2,5°C;
2. only damage to the superstructure is covered (sprinklers or sprinkler piping is excluded from the scope of cover under this extension).

### **Municipal plans scrutiny fee** (if stated as included in the schedule)

The insurance under defined event 1 includes municipal plans scrutiny fees provided that the total amount recoverable under any item shall not exceed the insured amount as stated in the schedule on the affected item.

### **Public authorities' requirements**

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

1. the amount recoverable under this clause shall not include:
  - 1.1 the cost incurred in complying with any of the aforesaid regulations
    - 1.1.1 in respect of damage occurring prior to granting of this clause;
    - 1.1.2 in respect of damage not insured under this section;
    - 1.1.3 under which notice has been served upon the Insured prior to the happening of the damage;
    - 1.1.4 in respect of undamaged property or undamaged portions of property;
  - 1.2 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;
  - 1.3 the amount of any rate, tax, duty, development or other charge or assessment arising from capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid regulations;
2. the work of repairing or rebuilding must be commenced and carried out with reasonable despatch and may be carried out wholly or partially upon another site (if the aforesaid regulations so necessitate) subject to the liability of the Company under this clause not being thereby increased;
3. if the liability of the Company under any item of this section apart from this clause shall be reduced by the application of any of the terms, exclusions and conditions of this section, then the liability of the Company under this clause in respect of any such item shall be reduced in like proportion;
4. the total amount recoverable under any item of this section shall not exceed the insured amount thereby.

# GROUP PERSONAL ACCIDENT SECTION

## DEFINED EVENTS

Bodily injury caused by accidental, violent, external and visible means to the Insured Person.

The Company will pay to the Insured, on behalf of the Insured Person or his estate, the compensation stated in the schedule in the event of accidental bodily injury to any Insured Person directly and independently of all other causes resulting within 24 calendar months in death or disability as specified in the schedule under the heading "Circumstances".

## DEFINITIONS

**Accumulation limit** shall mean the maximum liability of the Company (including any insured extensions) for all Insured Persons arising out of any one event or series of events with a single cause.

**Annual earnings** shall mean the annual rate of wage, salary and cost of living allowance being paid or allowed by the Insured to the Insured Person at the time of accidental bodily injury, plus overtime, house rents, food allowances, commissions and other considerations of a constant character paid or allowed by the Insured to the Insured Person during the 12 months immediately preceding the date of accidental bodily injury.

**Annual earnings basis** shall mean that the compensation will be based on the Annual Earnings of the Insured Person.

**Average weekly earnings** shall mean one fifty-second part of Annual earnings.

**Fixed amount basis** shall mean that the compensation will be based on the amount stated in the schedule.

**Insured Person** shall mean any principal, partner, director or employee of the Insured specified in the schedule.

**Maximum limit any one Insured Person** shall mean the maximum liability of the Company for any one Insured Person (including any insured extensions) arising out of any one event or series of events with a single cause.

**Medical expenses** shall mean all costs and expenses necessarily incurred for artificial aids, prostheses, medical, surgical, dental, nursing home or hospital treatment (including costs and expenses incurred in emergency transportation or freeing the Insured Person if trapped or bringing the Insured Person to a place of safety) as a result of bodily injury and incurred within 24 months of the defined event.

**Permanent Disability** shall mean the bodily injuries reflected under the table below headed "Compensation for Permanent Disability".

**Temporary Total Disability** shall mean a temporary total and absolute incapacity from following the usual business or occupation.

**Vehicle** shall mean any vehicle designed or adapted for propulsion or haulage on a road by means of fuel, gas or electricity, including a trailer, a caravan, an agricultural or any other implement designed or adapted to be drawn by such vehicle.

## COMPENSATION FOR PERMANENT DISABILITY

Compensation for each bodily injury will be calculated by multiplying the compensation for Permanent Disability as reflected in the policy schedule by the percentage reflected under the Percentage of Compensation heading below:

Description of Permanent Disability	Percentage of compensation
(a) loss by physical separation at or above the wrist or ankle of one or more limbs .....	100
(b) permanent and total loss of	

whole eye .....	100
sight of eye .....	100
sight of eye except perception of light .....	100
(c) permanent and total loss of hearing	
both ears .....	100
one ear .....	35
(d) permanent and total loss of speech .....	100
(e) injuries resulting in permanent total incapacity from following the usual occupation or any other occupation for which the Insured Person is fitted for by knowledge or training .....	100
(f) loss of four fingers .....	80
(g) loss of thumb or part thereof (provided at least an entire phalange is lost) .....	30
(h) loss of any other finger or part thereof (provided at least an entire phalange is lost) – per finger .....	15
(i) loss of metacarpals – per metacarpal .....	5
(j) loss of toes	
all on one foot .....	35
per toe or part thereof (provided at least an entire phalange is lost) .....	7
(k) permanent disfigurement resulting from accidental external burns to the combined surface area of the face and neck - 100% surface area disfigurement .....	75
remaining parts of the body other than the face and neck - 100% surface area disfigurement.....	50

## OPTIONAL COVER LIMITATIONS

1. **Business limitation** (if stated as being applicable in the schedule)  
This section applies only in respect of accidental bodily injury to the Insured Person arising from and in the course of his employment in the business.
2. **Business limitation including commuting to and from work** (if stated as being applicable in the schedule)  
This section applies only in respect of accidental bodily injury to the Insured Person arising from and in the course of his employment in the business including, if so stated in the schedule, direct travel to and from work and the residence of the Insured Person.
3. **Vehicle related accidents only** (if stated as being applicable in the schedule)  
This section applies only in respect of accidental bodily injury to the Insured Person arising from an event involving a Vehicle whether such Insured Person was a driver of or passenger in such Vehicle, or a pedestrian.

## PROVISOS

It is declared and agreed that:

1. the Company shall not be liable to pay, for death or disability resulting from an accident or series of accidents arising from one cause in respect of any one Insured Person, more than the compensation payable for death or Permanent Disability (whichever is the higher) plus any compensation payable for Temporary Total Disability and Medical Expenses;
2. where the injury leading to Permanent Disability is not specified, the Company will pay such sum as, in their opinion, is consistent with the above descriptions of Permanent Disability;
3. in respect of permanent disfigurement resulting from accidental external burns (k), if less than 100% surface area disfigurement occurs, the Company will pay such proportion of 75% or 50% respectively which the actual surface area disfigurement bears to 100% surface area disfigurement. The Company shall not be liable to pay for any claim unless the burns disfigurement exceeds 10% of the area of either, the face and neck, or 10% of the rest of the body (other than the face and neck);

4. permanent total loss of use of part of the body shall be treated as loss of such part;
5. the maximum percentage of compensation payable for Permanent Disability resulting from an accident or series of accidents arising from one cause in respect of any one Insured Person shall be 100%;
6. the compensation specified in the schedule for Temporary Total Disability shall be payable for not more than the maximum number of weeks stated in the schedule and such payment shall cease as soon as the injury causing the incapacity has healed as far as is reasonably possible, notwithstanding that permanent disability may remain;
7. if following bodily injury the Insured requests the Company to pay the Insured Person directly, any compensation payable by the Company on an Annual Earnings Basis for any period of Temporary Total Disability or for Medical Expenses shall be reduced by an amount equal to the compensation received or receivable by or on behalf of such Insured Person under any workmen's compensation enactment;
8. after suffering accidental bodily injury for which compensation may be payable under this section, the Insured Person shall, when reasonably required by the Company to do so, submit to medical examination and undergo any treatment specified. The Company shall not be liable to make any payment unless this proviso is complied with to its satisfaction;
9. General Conditions 2 and 9 do not apply to this section;
10. in respect of this section only, General Exclusion 1 is deleted and replaced by the following:
 

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

## CLAUSES AND EXTENSIONS

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) subject to any limits of compensation or first amounts payable stated in the schedule under each extension. Where more than one extension provides the same or similar cover, the Insured shall be entitled to claim under only one extension for the portion of cover that is the same.

### **Bereavement expenses** (if stated as included in the schedule)

In the event of the death of the Insured Person, the Company will pay the limit of compensation as specified in Schedule against this extension in addition to the compensation payable for the accidental death of such Insured Person.

### **Disappearance**

In the event of the disappearance of any Insured Person in circumstances which satisfy the Company that he has sustained injury to which this section applies, and that such injury has resulted in the death of such Insured Person, the Company will, for the purposes of the insurance afforded by this section, presume his death provided that if, after the Company shall have made payment hereunder in respect of such Insured Person's presumed death, he is found to be alive, such payment shall forthwith be refunded by the Insured to the Company.

### **Emergency transportation/Search and rescue** (if stated as included in the schedule)

The Company will pay reasonable costs and expenses necessarily incurred for:

1. emergency transportation of an Insured Person to a medical facility following a Defined Event;
2. search, rescue, freeing of the Insured Person if trapped and bringing an Insured Person to a place of safety following a Defined Event or to prevent a Defined Event from occurring

provided that:

1. the Company will not be liable under 2 above if an Insured Person is found in circumstances which are unlikely to result in a Defined Event occurring;
2. the liability of the Company shall not exceed the limit of compensation stated in the schedule against this extension for any one Insured Person.



## **Exposure**

Bodily injury shall be deemed to include injury caused by starvation, thirst and/or exposure to the elements, directly or indirectly resulting from mishap.

## **Hijacking, abduction or kidnapping** (if stated as included in the schedule)

If Temporary Total Disability is insured, the Company will treat any abduction, hijacking or kidnapping of an Insured Person as an insured event for the purposes of the Temporary Total Disability and Medical Expenses benefits provided that:

1. the Temporary Total Disability benefit is limited to the lesser of the period of the abduction, hijacking or kidnapping and eight weeks;
2. no benefit shall be payable if any member of the Insured Person's immediate family is involved in the abduction/hijacking/kidnapping as a principal or accessory.

## **Life support machinery**

Notwithstanding anything contained in the defined events, the 24-month period stated therein shall not include any period or periods where the death of the Insured Person is delayed solely by the use, for periods of not less than three consecutive days, of life support machinery, equipment or apparatus.

## **Mobility** (if stated as included in the schedule)

If the Insured Person suffers Permanent Disability for which compensation is payable by the Company and as the direct result of such Permanent Disability the Insured Person is permanently dependent on a wheelchair for mobility the Company will pay for:

1. a mechanically propelled wheelchair;
2. the modification of the controls to such Insured Person's motor vehicle and if necessary the fitting of wheelchair loading equipment;
3. alterations to such Insured Person's residence to facilitate the use of such wheelchair

provided that:

1. the liability of the Company shall not exceed the limit of compensation stated in the schedule against this extension for any one Insured Person;
2. the limit of compensation stated in the schedule against this extension shall be payable in addition to any compensation payable for Permanent Disability.

## **Passive war** (if stated as included in the schedule)

Notwithstanding anything to the contrary contained in proviso 10, bodily injury shall be deemed to include injury to the Insured Person caused by, related to or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, insurrection, rebellion, revolution, military or usurped power.

Provided that the Company shall not be liable to pay compensation as a result of the Insured Person directly and / or actively taking part or engaging in aforementioned activities whilst serving in any armed force or otherwise, save, where applicable, only to the extent of taking such actions or steps as are reasonably required to protect himself, his family or the property of his employer.

If the Company alleges that, by reason of the proviso, the bodily injury to the Insured Person is not covered by this extension, the burden of proving the contrary shall rest on the Insured.

## **Rehabilitation** (if stated as included in the schedule)

Where the Company has paid a claim for Permanent Disability and as a direct result of that disability an Insured Person is unable to follow his usual occupation but can be retrained to carry out another occupation at the business of the Insured, the Company will also pay for the retraining costs, plus any costs incurred in adjusting the Insured Person's workplace, provided that:

1. the liability of the Company in respect of an accident or series of accidents arising from one cause will not exceed the limit of compensation stated in the schedule against this extension for any one Insured Person;
2. the limit of compensation stated in the schedule against this extension shall be payable in addition to any compensation payable for Permanent Disability.



### **Repatriation costs** (if stated as included in the schedule)

In the event of the death or serious accidental bodily injury of an Insured Person occurring away from the Insured Person's normal place of residence, the Company will pay for the reasonable and necessary expenses for the repatriation of the Insured Person (or the body of the Insured Person in the event of death) to his normal place of residence provided that:

1. the death or serious accidental bodily injury claim is covered by this section;
2. the liability of the Company shall not exceed the limit of compensation stated in the schedule against this extension for any one Insured Person;
3. the limit of compensation stated in the schedule against this extension shall be payable in addition to any compensation payable for death or Permanent Disability;
4. if there is a claim for serious bodily injury, the prior consent of the Company to repatriate the Insured Person must be obtained.

### **Trauma costs** (if stated as included in the schedule)

If following a defined event paid or payable by the Company, an Insured Person should sustain psychological trauma necessitating counselling by a qualified psychiatrist or psychologist, the Company will pay for the Insured Person's counselling expenses provided that:

1. the liability of the Company in respect of an accident or series of accidents arising from one cause will not exceed the limit of compensation stated in the schedule against this extension for any one Insured Person;
2. the limit of compensation stated in the schedule against this extension shall be payable in addition to any compensation payable for the defined event that necessitated the counselling.

## **SPECIFIC EXCLUSIONS**

The Company shall not be liable to pay compensation in respect of any Insured Person:

1. that is older or younger than the maximum or minimum ages under Age Limitation or any Age Limitation waiver stated in the schedule;
2. while he is travelling by air other than as a passenger and not as a member of the crew or for the purpose of any trade or technical operation therein or thereon;
3. by his suicide or intentional self -injury;
4. caused solely by an existing physical defect or infirmity of the Insured Person;
5. as a result of the influence of alcohol, drugs or narcotics upon the Insured Person unless administered by a member of the medical profession (other than himself) or unless prescribed by and taken in accordance with the instructions of a member of the medical profession (other than himself);
6. as a result of his participation in any riot, civil commotion or terrorism;
7. while he is, or as a result of his, engaging in
  - 7.1 motor cycling (including motor tricycling) whether as a driver or passenger but this exclusion shall not apply if it is on the business of the Insured;
  - 7.2 motor quadracycling (quad biking) whether as a driver or passenger but this exclusion shall not apply if it is on the business of the Insured;
  - 7.3 racing of any kind involving the use of any power-driven
    - 7.3.1 vehicle
    - 7.3.2 vessel
    - 7.3.3 craft;
  - 7.4 mountaineering necessitating the use of ropes, winter sports involving snow or ice, polo on horseback, steeplechasing, professional football or hang-gliding.

# HOUSEHOLDERS

## DEFINED EVENTS

Loss or Damage to the whole or part of the Contents as defined and as described in the schedule, owned by the Insured or any Co-insured or for which they are responsible by the insured perils reflected below but only if such perils are stated in the schedule as being included.

## DEFINITIONS

**Co-insured** shall mean the spouse of the Insured and any other member of the family of the Insured or member of the family of the spouse of the Insured, provided the aforesaid member is normally residing with the Insured.

**Contents** shall mean household goods, personal effects of every description and fixtures and fittings all whilst contained in the buildings of the Insured's Private Residence and Domestic Outbuildings as stated in the schedule but excluding:

1. fixtures and fittings belonging to the owner of the Buildings;
2. Money

**Domestic Outbuildings** shall mean the building(s) of all domestic rooms, private garages and private outbuildings being on the same premises as and used solely in connection with but not directly communicating with the Insured's Private Residence.

**Insured's Private Residence** shall mean the building of the Insured's private dwelling house/flat which is constructed and situated as stated in the schedule.

**Money** shall mean cash, cheques, traveller's cheques, postal orders, money orders, travel and other tickets, gift vouchers/cards and current postage stamps.

## INSURED PERILS (but only those perils stated as included in the schedule)

**Note:** Some insured perils will have their own specific insured amounts stated in the schedule in which case such perils are subject to such stated insured amount. Other insured perils will not have their own specific insured amounts stated in the schedule in which case such insured perils will be subject to the insured amount of the item to which they relate in the schedule.

**Fire** including damage caused by smoke arising directly out of such fire;

**Lightning or thunderbolt** including damage caused by power surges arising directly from such lightning strikes;

**Explosion;**

**Earthquake** whether arising from mining operations or otherwise and including damage caused by tidal waves or tsunamis arising directly from such earthquake;

**Weather and water.** For the purpose of this peril weather damage shall mean damage caused by storm, wind, water, hail or snow.

This peril does not cover:

1. loss or damage to Contents arising from its undergoing any process necessarily involving the use or application of water;
2. loss or damage to Contents caused by tidal wave or tsunami originating from earthquake;
3. wear and tear or gradual deterioration;
4. loss or damage to Contents caused or aggravated by subsidence or landslip;

5. loss or damage to Contents caused or aggravated by the Insured's failure to take all reasonable precautions for the maintenance and safety of the Contents insured and for the minimisation of any damage;
6. loss or damage to Contents in any structure not completely roofed.

**Impact.** For the purposes of this peril impact shall mean impact by:

1. aircraft and other aerial devices or articles dropped therefrom (including sonic shock waves or any other damage caused by aircraft);
2. rocks, stones or boulders (other than impact caused by landslip, the deliberate or wilful or wanton act of any person committed with the intention of causing such damage or impact by meteorites, asteroids or similar bodies entering the earth's atmosphere);
3. 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.

**Malicious damage.** For the purposes of this peril malicious damage shall mean damage directly occasioned by or through or in consequence of the deliberate or wilful or wanton act of any person committed with the intention of causing such damage other than damage to:

1. movable Contents which is:
  - 1.1 stolen;
  - 1.2 damaged in an attempt to remove it or part of it from any premises owned or occupied by the Insured
2. movable or immovable Contents 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 Contents owned by the Insured occasioned by or through or in consequence of:
  - 3.1 the removal or partial removal or any attempt thereof;
  - 3.2 the demolition or partial demolition or any attempt thereof of the said immovable Contents or any part thereof with the intention of stealing any part thereof;

the said immovable Contents or any part thereof with the intention of stealing any part thereof;

provided this peril does not cover:

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

If the Company alleges that, by reason of provisos 1 to 5 above, loss or damage is not covered by this peril, the burden of proving the contrary shall rest on the Insured.

If the Insured's Private Residence becomes unoccupied for 30 consecutive days or more, during the initial 30 day unoccupancy period the Insured shall be responsible for the first amount payable reflected in the schedule next to "First amount payable: % of claim (additional amount during 30 day unoccupancy period)".

If the unoccupancy period exceeds 30 consecutive days, this peril is suspended as regards the Property affected from day 31 unless the Insured before the occurrence of any malicious damage obtains the written agreement of the Company to continue with this peril. Any extension of cover and the terms shall be at the sole discretion of the Company. If the Company provides such written agreement to waive this suspension of cover, the Insured shall be responsible for the first amount payable reflected in the schedule next to "First amount payable: % of claim (additional amount during any unoccupancy period exceeding 30 days)" for any loss occurring during any agreed extended period.

**Theft or any attempt thereat** from the Insured's Private Residence or Domestic Outbuildings but excluding:

1. theft (or any attempt thereat) whilst the buildings or any part thereof be lent, let or sub-let unless such theft (or any attempt thereat) is accompanied by breaking into or out of the buildings by actual, visible and forcible means. For the purposes of this insured peril the accommodation of paying guests, boarders or lodgers not exceeding three in number shall not be deemed to be lending, letting or sub-letting of the buildings;
2. theft (or any attempt thereat) from any Domestic Outbuildings unless such theft (or any attempt thereat) is accompanied by breaking into or out of such Domestic Outbuildings by actual, visible and forcible means.

**Theft from Domestic Outbuildings (non-visible and non-forcible means).** Theft (or any attempt thereat) from the Domestic Outbuildings where such theft or attempted theft is not accompanied by breaking into or out of such Domestic Outbuildings by actual, visible and forcible means.

The insured amount under this peril is calculated based on a percentage of the Contents insured amount and will increase or decrease with any changes in the Contents insured amount.

**Accidental damage – Contents.** Accidental loss of or damage to Contents whilst in the Insured's Private Residence, Domestic Outbuildings or on the premises on which the aforesaid buildings are situated provided that the Company shall not be liable under this peril in respect of:

1. loss of or damage:
  - 1.1 which is payable or insurable under any other insured peril or extension under this section whether or not such peril or extension has been insured by the Insured;
  - 1.2 due to depreciation or gradual causes such as but not limited to wear and tear, rust, mildew, corrosion and decay;
  - 1.3 caused by household pests such as but not limited to rodents, ants and moths;
  - 1.4 caused by a cleaning, repairing or restoration process;
  - 1.5 of or to tools, gardening implements, garden furniture or automatic swimming pool apparatus;
  - 1.6 of or to portable computer equipment or cellular telephones;
2. accidental damage, cracking or scratching of glass, glassware, sanitary ware, mirrors or other similar breakable articles whether part of any piece of furniture or appliance or not (this exclusion shall not apply where any furniture or otherwise insured item containing the glass suffers other damage in the same incident which is covered by this peril and the damaged glass forms part of the overall damage);
3. the cost of reproduction or repair of data;
4. mechanical, electrical or electronic breakdown.

**Accidental damage – Glass.** Accidental breakage of:

1. glass, glassware, mirrors, plate glass tops forming part of furniture or any appliance (hereinafter in this peril referred to as glass) inside the Insured's Private Residence or Domestic Outbuildings but not forming part of the building(s);
2. glass forming part of the building(s) that the Insured is legally responsible for as tenant and not as owner and where the Insured is not required to insure the rest of building(s) against any other perils;

provided the Company shall not be liable for:

1. defacement, scratching or chipping unless there is a fracture through the entire thickness of the glass or any laminate thereof;
2. accidental damage to sanitary ware.

**Accidental damage – Sanitary ware.** Accidental damage to sanitary ware of the Insured's Private Residence and Domestic Outbuildings including but not limited to baths, wash basins, sinks, lavatory pans, cisterns, pedestals and splash backs provided that:

1. cover is restricted to such sanitary ware the Insured is legally responsible for as tenant and not as owner and where the Insured is not required to insure the rest of the building(s) against any other peril;
2. the Company shall not be liable for chipping, scratching and disfiguration of the sanitary ware.

**Subsidence and landslip.** If in the schedule against this peril the type of cover is reflected as "**extended**" then this peril does not include:

1. damage caused or attributable to faulty design or construction of, or the removal or weakening of support to

- any building situated at the insured premises;
2. damage caused or attributable to workmen engaged in making any structural alterations, additions or repairs to any building situated at the insured premises;
  3. damage caused or attributable to excavation on or under land other than excavations in the course of mining operations;
  4. consequential loss of any kind whatsoever except loss of rent when specifically insured under this section.

If in the schedule against this peril the type of cover is reflected as "**limited**" then this peril in addition to points 1 to 4 above also does not include:

5. damage caused or attributable to contraction/shrinkage and/or expansion of soil caused by the moistness/dampness or moisture content of such soil as experienced in clay and other similar soils;
6. damage caused by or attributable to inadequate compaction of backfill.

In any action, suit or other proceeding where the Company alleges that, by reason of exclusions 1 to 6 any damage is not covered by this peril, the burden of proving the contrary shall be upon the Insured.

**Collapse or breakage of aerial systems and satellite dishes.** Collapse or breakage of aerials, aerial masts or satellite dishes provided that if the same cover under the Houseowners section applies to the same event, compensation will be paid under the Houseowners section.

**Leakage of oils from oil heaters.** Loss or damage to the insured Contents following accidental leakage of oil from fixed oil fired heating installations.

**Riot and strike (other than RSA and Namibia).** For the purposes of this peril riot and strike shall mean damage directly occasioned by or through or in consequence of:

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

Provided that this peril does not cover:

1. loss or damage occurring in the Republic of South Africa and Namibia;
2. consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured;
3. loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;
4. loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
5. loss or damage related to or caused by any occurrence referred to in General exclusion 1 (A) (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If the Company alleges that, by reason of provisos 1 to 5 above, loss or damage is not covered by this peril, the burden of proving the contrary shall rest on the Insured.

**Accidental damage - Mechanical/electrical/electronic breakdown** of the insured Contents.

**Theft of property in the open** but restricted to:

1. theft of Contents during the process of removal consequent upon permanent change of residence or whilst in transit to or from any bank safe deposit or furniture depository which is registered for the storage of goods and;
2. whilst within the territorial limits of the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi and Mozambique.

The insured amount under this peril is calculated based on a percentage of the Contents insured amount and will increase or decrease with any changes in the Contents insured amount.

**Theft out of a vehicle** but restricted to:

1. Contents but excluding Contents which are insurable under "Clothing and personal effects" of the Personal



All risks section;

2. Contents in a vehicle whilst within the territorial limits of the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi and Mozambique;
3. Vehicles that are not left unattended and unlocked.

For the purposes of this peril "Clothing and personal effects" shall mean clothing, spectacles, contact lenses, hearing aids, pens, pencils, cosmetics and their cases, cigarette cases and lighters, jewels and jewellery, personal ornaments, watches, furs, articles of gold or silver and other articles similar to the aforementioned that are usually carried by or on a person, electric and other razors, umbrellas, handbags, cases, pocket calculators, pocket computer devices such as electronic diaries, portable projectors and other portable photographic equipment, portable radios and portable tape decks or compact disc players, binoculars, firearms, sports equipment as well as trunks, suitcases and other containers in which the property is kept whilst travelling; baby equipment such as prams and children's car seats.

**Power surge** provided that this peril does not cover power surges arising from lightning.

## CLAUSES AND EXTENSIONS

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) subject to any insured amounts or first amounts payable stated in the schedule under each extension.

**Contents of refrigerators and deep freezers** (if stated as included in the schedule)

Subject to the insured amount stated in the schedule against this extension the Company will indemnify the Insured following accidental spoiling of the contents of refrigerators or freezers (including freezing-rooms and cold stores) inside the Insured's Private Residence or Domestic Outbuildings caused by a change in temperature provided that the Company shall not be liable for:

1. spoiling due to any intentional power cut or load shedding (unless the duration of the power cut or load shedding exceeds 24 hours) by any municipality or power supply authority;
2. spoiling caused by someone adjusting the temperature control;
3. spoiling as a result of a power cut due to non-payment for any power supply or the non-purchase of power or any type of fuel.

The insured amount under this extension is calculated based on a percentage of the Contents insured amount and will increase or decrease with any changes in the Contents insured amount.

**Cost of demolition** (if stated as included in the schedule)

The insurance under this section includes costs necessarily incurred by the Insured in respect of the removal of debris of insured Contents from the Insured's Private Residence, Domestic Outbuildings and the area immediately adjacent to such site provided that the total amount recoverable shall not exceed the insured amount on the property affected.

**Credit cards, credit vouchers and SIM cards (for use in cellphones)** (if stated as included in the schedule)

Subject to the insured amount stated in the schedule against this extension the Company will indemnify the Insured following the unlawful use by a person, not related to or employed by the Insured, of:

1. credit cards or credit vouchers officially issued by a credit institution in the Insured's name, provided that all terms and conditions under which the credit cards and credit vouchers were issued have been complied with;
2. SIM cards issued in the name of the Insured.

**Damage to property by baboons** (if stated as included in the schedule)

Subject to the insured amount and any first amount payable stated in the schedule against this extension the Company will indemnify the Insured for loss or damage to the insured Contents caused by the acts of wild baboons or wild monkeys.



### **Damage to property by wild animals (excluding baboons)** (if stated as included in the schedule)

Subject to the insured amount and any first amount payable stated in the schedule against this extension the Company will indemnify the Insured for loss or damage to the insured Contents caused by the acts of wild animals but excluding damage caused by wild baboons or wild monkeys.

### **Death of the Insured** (if stated as included in the schedule)

Subject to the insured amount stated in the schedule against this extension the Company will pay compensation if the Insured or a member of his immediate family die within 90 days of an injury sustained in the Insured's Buildings or on the Insured's premises through fire or attack by thieves.

### **Fire extinguishing charges** (if stated as included in the schedule)

Any costs relating to the extinguishing or fighting of fire, shall be deemed to be damage to the insured Contents 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.

### **Full house** (if stated as included in the schedule)

The Company will indemnify the Insured up to the insured amount stated in the schedule incurred by the Insured for costs arising in the event of the Insured scoring a full-house in bowls on a bowling green, affiliated to a provincial union, in terms of the recognised rules of bowls provided that the full house must be achieved by the Insured, playing as amateurs, in an official competition, as part of a team of two, three or four, scoring a full house, with all eight or nine bowls to count. The full house must be confirmed in writing by the secretary of the bowling club.

### **Gardens and water features** (if stated as included in the schedule)

Subject to the insured amount and any first amount payable stated in the schedule against this extension the Company will indemnify the Insured for costs incurred by the Insured as tenant and not as owner and for which he is responsible in restoring landscaped gardens and water features damaged by:

1. any insured peril that is reflected as included under the particular premises on the schedule whether or not other Insured Property is lost or damaged at the same time or;
2. any emergency service(s) operating at the insured premises as a result of such insured peril.

### **Hole-in-one** (if stated as included in the schedule)

The Company will indemnify the Insured up to the insured amount stated in the schedule incurred by the Insured for costs arising in the event of the Insured hitting a hole-in-one in golf, on a recognised golf course, in terms of the recognised rules of golf provided that the hole-in-one must be achieved by the Insured, playing as amateurs in an official game/tournament, and confirmed in writing by the secretary of the golf club.

### **Inconvenience cover** (if stated as included in the schedule)

The Company will pay the insured amount stated in the schedule to the Insured in respect of any miscellaneous inconvenience costs incurred as a result of the insured Contents suffering a total loss by an insured peril of this section. This payment will be in addition to any other payment for which the Company may be liable and no substantiating invoices or documentation will be required for these expenses.

### **Insured property away from the insured premises**

If and in so far as the Contents insured under this section are not otherwise insured, this section is extended to cover such Contents that are removed from the Insured's Private Residence and Domestic Outbuildings and are:

1. situated in any private dwelling house/flat, hotel, inn, boarding house, club, nursing home, hospital, school or college or university or other similar educational institution, all the aforementioned in which the Insured or Co-insured(s) may be temporarily residing at the time of the loss or damage;
2. deposited for safe custody in any hotel, inn, boarding house, club (other than lock-up premises), bank, safe deposit, or furniture depository which is registered for the storage of goods;
3. temporarily in the residential section of any occupied private dwelling house/flat;
4. in the building of any laundry or other trade for the purpose of making up, alteration, renovation, repair, cleaning or dyeing;

5. in the building of any office, business or trade where the Insured or Co-insured(s) are employed;
6. in transit or temporarily elsewhere than the places mentioned in 1 to 5 above against loss or damage caused by the insured perils of fire, lightning, and explosion;

provided that:

1. at all times the places referred to in 1 to 6 above are situated within the territorial limits of the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi and Mozambique;
2. cover away from the insured premises as set out in 1 to 5 above is restricted to the same insured perils that are stated as included in the schedule for the particular insured premises from which such Contents were removed from;
3. theft (or any attempt thereat) from any building mentioned in 4 and 5 of this extension is not insured unless such theft (or any attempt thereat) is accompanied by breaking into or out of such building by actual, visible and forcible means.

**Insured property on the premises while not in any building** (if stated as included in the schedule)

Subject to the insured amount stated in the schedule cover is extended to include loss of or damage to Contents outside the Insured's Private Residence and Domestic Outbuildings but on the premises on which the Insured's Private Residence is situated. This extension is restricted to Contents designed to exist outside of buildings or in the open including but not limited to laundry, garden furniture, gardening implements (except gardening implements normally being controlled by a driver), gardening tools and automatic swimming pool cleaning apparatus. If the Insured is the tenant of the residence, the Insured's satellite dish which is installed on the premises is covered under this extension.

The insured amount under this extension is calculated based on a percentage of the Contents insured amount and will increase or decrease with any changes in the Contents insured amount.

**Loss of money** (if stated as included in the schedule)

Subject to the insured amount stated in the schedule cover is extended to include loss of or damage to the Insured's or a Co-insured's Money whilst inside the Insured's Private Residence and caused by any of the insured perils that are stated in the schedule as being included. Theft of Money must be accompanied by breaking into or out of the Insured's Private Residence by actual, visible and forcible means. The insured amount shall apply per event irrespective of how many Co-insured's Money is lost or damaged in addition to the Insured's Money in the same event.

**Loss of water** (if stated as included in the schedule)

The Company will pay up to the insured amount for charges raised by a local authority for water lost through leakage from pipes on the Insured's property provided that:

1. The consumption reading must be at least 50 percent more than the average of the previous four readings;
2. The Insured take immediate steps to repair the pipe(s) affected on discovery of a leak (by physical evidence or on receipt of an abnormally high water account).

This extension does not cover:

1. The cost to trace and to repair leaking pipes;
2. More than two separate incidents in any period of twelve months;
3. Loss of water:
  - 3.1 as a result of leaking taps, water heating apparatus or toilet systems;
  - 3.2 from swimming pool structures or inlet or outlet pipes thereof;
  - 3.3 whilst the property is unoccupied for a period in excess of 60 consecutive days.

**Medical expenses** (if stated as included in the schedule)

Subject to the insured amount (per person) stated in the schedule against this extension the Company will pay for medical expenses not otherwise insured for accidental bodily injury sustained by:

1. any person, excluding the Insured or a Co-insured or a person in the Insured's or Co-insured's service, caused directly by the Insured's or a Co-insured's domestic animal kept on the Insured's premises;
2. the Insured's or a Co-insured's guest or visitor, caused directly by a defect in the buildings or premises;

3. the Insured's or a Co-insured's domestic employee which results from and in the course of their service. provided that such expenses are not covered under any medical insurance.

**Newly acquired contents** (if stated as included in the schedule)

If the Insured has acquired additional Contents during the period of insurance (if the premium is paid monthly by debit order, the words "period of insurance" is amended to read "for any one period of 12 consecutive months from the inception or anniversary date) and has in error, not increased the Contents insured amount, the Company will indemnify the Insured under this extension for loss or damage by the insured perils to such newly acquired Contents provided that:

1. the Insured can prove that the acquisition of such Contents did occur during the period of insurance;
2. the indemnity provided under this extension is limited to the lesser of:
  - 2.1 the extent of the shortfall that the Insured is not covered under the Contents item due to the insured amount being inadequate or by the application of average being applied; or
  - 2.2 the insured amount of this extension.

**Personal effects of domestic workers** (if stated as included in the schedule)

Subject to the insured amount stated in the schedule against this extension the Company will provide indemnity for loss or damage caused by an insured peril to the personal effects that belong to any servant in the full-time employment of the Insured or Co-insured(s) while the personal effects are contained inside the Insured's Private Residence or Domestic Outbuildings provided that:

1. such personal effects are not otherwise insured;
2. loss or damage by theft (or any attempt thereat) shall be excluded unless such theft (or any attempt thereat) is accompanied by breaking into or out of the buildings by actual, visible and forcible means.

The insured amount under this extension is calculated based on a percentage of the Contents insured amount and will increase or decrease with any changes in the Contents insured amount.

**Personal effects of guests** (if stated as included in the schedule)

Subject to the insured amount stated in the schedule against this extension the Company will indemnify the Insured for loss or damage caused by an insured peril to the personal effects that belong to any visitor of the Insured or Co-insured(s) while the personal effects are contained inside the Insured's Private Residence provided such personal effects are not otherwise insured.

The insured amount under this extension is calculated based on a percentage of the Contents insured amount and will increase or decrease with any changes in the Contents insured amount.

**Rent** (if stated as included in the schedule)

The Company will indemnify the Insured for loss of rent actually incurred by the Insured in consequence of the Insured's Private Residence being so damaged (by an insured peril that is stated as being included in the schedule) as to be rendered uninhabitable and reasonable additional expenses necessarily incurred by the Insured at a hotel or boarding house, but only in respect of the period necessary for reinstatement. The liability of the Company under this extension shall not exceed the % (stated in the schedule against this extension) of the insured amount of the insured Contents.

**Storage costs of Contents after damage** (if stated as included in the schedule)

Subject to the insured amount stated in the schedule against this extension, the Company will indemnify the Insured for necessary storage costs incurred by the Insured to safeguard the Insured's Contents after the occurrence of an insured peril specified in the schedule as being included.

The insured amount under this extension is calculated based on a percentage of the Contents insured amount and will increase or decrease with any changes in the Contents insured amount.

**Temporary increase of the insured amount** (if stated as included in the schedule)

The insured amount for Contents under this section will be increased by the % stated in the schedule under this extension from 15 December to the 31 January.

The increase benefit provided by this extension shall be in addition to the increase benefit provided by the extension "Increase in peak periods" (if insured) but both this extension and the "Increase in peak periods" extension shall be calculated on the Contents insured amount before any increase benefits of these two

extensions.

### **Tracing of water leaks** (if stated as included in the schedule)

The Company will indemnify the Insured up to the insured amount stated in the schedule for:

1. the reasonable cost of tracing the source of any water, gas or oil leak in the buildings of the Insured's Private Residence and Domestic Outbuildings;
2. repairs to damaged floors, walls and ceilings where such damage was incurred in opening up such structures to trace the leak where the Insured is responsible for such repairs as tenant and not as owner;

provided that the Company shall not be liable under this extension:

1. where the first sign of the leakage was observed before the inception of this extension;
2. for the cost of repairing the leak.

### **Transport of groceries and household goods** (if stated as included in the schedule)

Subject to the insured amount and any first amount payable stated in the schedule against this extension, the Company will pay for loss of or damage to groceries and household goods which the Insured or a Co-insured transports after the purchase thereof along a reasonably direct route to the Insured's Private Residence.

### **Trauma treatment – General** (if stated as included in the schedule)

Subject to the insured amount stated in the schedule against this extension the Company will pay for medical expenses, not otherwise insured for trauma treatment by a psychologist if the Insured or a Co-insured needs treatment due to theft, fire or farm attacks which occurs in the Insured's Private Residence or Domestic Outbuildings or on the Insured's premises. The insured amount shall apply per event irrespective of how many Co-insureds need treatment in addition to the Insured following the same event.

### **Veterinary expenses** (if stated as included in the schedule)

Subject to the insured amount stated in the schedule against this extension the Company will pay for veterinary expenses following injury which the Insured's domestic pet (excluding animals kept for private consumption purposes or for commercial use) sustained in an accident involving a motor vehicle.

## **ADDITIONAL EXTENSIONS FOR B & B'S OR GUESTHOUSES**

The extensions below only apply if the Insured operates a B & B or guesthouse from the Insured's Private Residence or Domestic Outbuildings and only if the Insured lives in the Private Residence on a permanent basis.

### **Cleaning and dry-cleaning of guests' property** (if stated as included in the schedule)

Subject to the insured amount stated in the schedule against this extension the Company will indemnify the Insured for liability arising from accidental loss or damage to guests' laundry while their laundry is being cleaned or dry-cleaned by the Insured or upon the Insured's instruction by a third party.

### **Increase in peak periods** (if stated as included in the schedule)

The insured amount of Contents shown in the schedule for this section will be increased by the % reflected in the schedule for:

1. long weekends;
2. during festivals in the vicinity of the Insured's Private Residence;
3. during school holidays shown on the official provincial school calendar.

The increase benefit provided by this extension over December / January shall be in addition to the increase benefit provided by the extension "Temporary increase of the insured amount" (if insured) but both this extension and the "Temporary increase of the insured amount" extension shall be calculated on the Contents insured amount before any increase benefits of these two extensions.

### **Personal effects of paying guests** (if stated as included in the schedule)

Subject to the insured amount stated in the schedule against this extension the Company will indemnify the Insured for loss or damage caused by an insured peril to the personal effects (excluding Money and any items of an exchangeable nature) that belong to paying guests while the personal effects are inside the Insured's Private Residence provided such personal effects are not otherwise insured.

### **Stock in trade** (if stated as included in the schedule)

The definition of Contents is extended to include stock-in-trade provided the Contents insured amount shown in the schedule is adequate. If the insured amount is not adequate and this extension is reflected in the schedule as included, average will be applied on the basis that the insured amount should have been adequate to include stock-in-trade.

### **Trauma treatment of paying guests** (if stated as included in the schedule)

Subject to the insured amount stated in the schedule against this extension the Company will indemnify the Insured for any fees charged by a registered professional counsellor for the treatment of trauma suffered by a paying guest if the paying guest needs treatment due to theft, burglary, hijacking, farm attacks or fire that occurred on the Insured's premises. The Company will not indemnify the Insured for expenses recovered from any other insurance or facility.

## **SPECIFIC EXCLUSIONS**

1. The following property shall not be deemed to be insured Contents and shall therefore not be covered under this section:
  - 1.1 property more specifically insured;
  - 1.2 any property, irrespective of whether it will be processed or not, which was obtained or is being obtained with the sole purpose of such property later being disposed of in a business transaction (other than as specifically provided for in the stock in trade extension for B & B's or Guesthouses if indicated in the schedule as included);
  - 1.3 any property consigned under a bill of lading;
  - 1.4 any property outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi and Mozambique;
  - 1.5 Money, securities for Money, deeds, bonds, bills of exchange, promissory notes, negotiable and other documents of any kind, stamps of any kind (including inter alia stamp collections), manuscripts, rare books, medals and coins of any kind (including inter alia coin collections), other than as provided for under the extension "Loss of money" if indicated in the schedule as included;
  - 1.6 vehicles of any kind (including self-propelled gardening implements normally being controlled by a driver but excluding pedal cycles which are not mechanically or electrically driven/ assisted) and any part (including but not limited to any spare wheel, tool, spare part and accessory) of such vehicles whilst in or on or attached to such vehicles;
  - 1.7 vessels or watercraft of any kind (including canoes) and any part (including but not limited to any tool, spare part, accessory and outboard motor) thereof;
  - 1.8 aircraft and other aerial devices of any kind and any part (including but not limited to any tool, spare part and accessory) thereof;
  - 1.9 animals.
2. This section does not cover:
  - 2.1 any consequential or indirect loss or damage of any kind or description whatsoever, except loss of rent as expressly provided in the "Rent" extension if indicated in the schedule as included;
  - 2.2 any loss or damage resulting from or caused by detention, confiscation or requisition by customs or other officials or authorities;
  - 2.3 any loss or damage resulting from any exchange, cash or credit sale agreement, including theft under false pretense and/or fraud.
3. The Company shall not be liable under this section in respect of loss or damage for which provision is made in any guarantee or service contract or in any purchase or hire/lease or hire-purchase or financing agreement or any other agreement of whatever nature regarding the insured Contents or any part thereof.



# SPECIFIC CONDITIONS

## 1. Average

If the insured Contents are, at the commencement of any damage to such Contents by any peril insured against, collectively of greater value than the insured amount 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 not apply to any loss for the following insured perils:

- 1.1 Accidental damage - Contents;
- 1.2 Accidental damage – Glass;
- 1.3 Accidental damage – Sanitary ware
- 1.4 Accidental damage – Mechanical/electrical/electronic breakdown
- 1.5 Power surge

## 2. Basis of settlement

In the event of loss of or damage to the insured Contents by any of the perils insured against under this section, the basis upon which indemnity is to be calculated shall be the cost of replacing the lost or damaged property or part of it with similar new property, limited always to the insured amount as stated in the schedule.

The Company will afford indemnity under this section by, at the Company's own option:

- 2.1 either paying the value of the lost or damaged insured Contents to the Insured in cash;
- 2.2 or replacing the lost or damaged insured Contents;
- 2.3 or repairing the damaged insured Contents;
- 2.4 or applying any combination of 2.1 to 2.3 above.

## 3. Insured amount of insured perils

The maximum liability of the Company for any insured peril is:

- 3.1 the insured amount stated in the schedule for the specific insured peril; or
- 3.2 if there is no specific insured amount for the particular insured peril then the maximum liability shall be the Contents insured amount in the schedule of the specific item under which the peril appears.

## 4. More than one private residence insured

If the Contents of two or more of the Insured's Private Residences and their respective Domestic Outbuildings are insured under this section as separate items with their own Contents insured amounts, the terms, limitations, exclusions and conditions contained in this section shall apply separately to the Contents of each of such Private Residences and their respective Domestic Outbuildings as if the Contents of each of such Private Residences and their respective Domestic Outbuildings had been insured under a separate policy.

## 5. Valuables limitation (if stated as applicable in the schedule)

Valuables such as furs, precious and semi-precious metals and stones and articles manufactured therefrom are limited to one third of the Contents insured amount.



# HOUSEOWNERS SECTION

## DEFINED EVENTS

Loss or Damage to the whole or part of the Insured Property as defined and as described in the schedule, owned by the Insured or for which they are responsible by the insured perils reflected below but only if such perils are stated in the schedule as being included.

## DEFINITIONS

**Insured Property** shall mean the property situated at the premises stated in the schedule comprising of:

1. the building of the private dwelling house and unless otherwise agreed by the Company and noted in the schedule, constructed of brick, stone, concrete or metal on metal framework and roofed with slate, tiles, metal, concrete or asbestos;
2. any outbuildings being domestic's room(s), private garages and other private outbuildings which do not interlead with the main private dwelling in 1 above constructed of the materials mentioned in 1 above unless otherwise agreed by the Company and noted in the schedule;
3. any carports constructed of the materials mentioned in 1 above unless otherwise agreed by the Company and noted in the schedule;
4. any fixed ornamental structures;
5. any private sporting and recreational structures such as tennis courts, swimming pools (except portable swimming pools), spa baths and saunas;
6. any machinery relating to the property in 5 above such as swimming pool and spa bath pumps;
7. any borehole machinery supplying water solely for domestic purposes;
8. any aerials, masts (including lightning conductors) and satellite dishes;
9. any boundary and other walls, gateposts, gates (including the machinery thereof), fences (other than hedges);
10. any paved or surfaced areas (including driveways) of brick, concrete, asphalt or stone (not gravel);
11. fixtures and fittings belonging to the owner of the aforesaid property but only whilst such fixtures and fittings are in or on the aforesaid property;
12. any septic tanks and installed rainwater tanks;
13. any dams provided such dams are used solely for domestic purposes;
14. any fixed electric generators;
15. any public supply or mains connections to the extent that they are catered for in the remainder of this section.

Provided always that if two or more private dwelling houses are insured under this section the terms, limitations, exclusions and conditions contained herein shall apply separately to each Insured Property as if each had been insured under a separate policy.

## INSURED PERILS (but only those perils stated as included in the schedule)

**Note:** Some insured perils will have their own specific insured amounts stated in the schedule in which case such perils are subject to such stated insured amount. Other insured perils will not have their own specific insured amounts stated in the schedule in which case such insured perils will be subject to the insured amount of the item to which they relate in the schedule.

**Fire** including damage caused by smoke arising directly out of such fire;

**Lightning or thunderbolt** including damage caused by power surges arising directly from such lightning strikes;

**Explosion;**

**Earthquake** whether arising from mining operations or otherwise and including damage caused by tidal waves or tsunamis arising directly from such earthquake;

**Weather and water.** For the purpose of this peril weather damage shall mean damage caused by storm, wind, water, hail or snow.

This peril does not cover:

1. loss or damage to Insured Property arising from its undergoing any process necessarily involving the use or application of water;
2. loss or damage to Insured Property caused by tidal wave or tsunami originating from earthquake;
3. loss or damage to Insured Property being retaining walls unless so described and specifically insured as a separate item in the schedule;
4. wear and tear or gradual deterioration;
5. loss or damage to Insured Property caused or aggravated by subsidence or landslip;
6. loss or damage to Insured Property caused or aggravated 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 damage;
7. loss or damage to Insured Property in the open (other than buildings, structures and plant designed to exist or operate in the open) unless so described and specifically insured as a separate item in the schedule.

**Impact.** For the purposes of this peril impact shall mean impact by:

1. aircraft and other aerial devices or articles dropped therefrom (including sonic shock waves or any other damage caused by aircraft);
2. rocks, stones or boulders (other than impact caused by landslip, the deliberate or wilful or wanton act of any person committed with the intention of causing such damage or impact by meteorites, asteroids or similar bodies entering the earth's atmosphere);
3. 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.

**Malicious damage.** For the purposes of this peril malicious damage shall mean damage directly occasioned by or through or in consequence of the deliberate or wilful or wanton act of any person committed with the intention of causing such damage other than damage to:

1. movable Property which is:
  - 1.1 stolen;
  - 1.2 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:
  - 3.1 the removal or partial removal or any attempt thereof;
  - 3.2 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 this peril does not cover:

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

If the Company alleges that, by reason of provisos 1 to 5 above, loss or damage is not covered by this peril, the burden of proving the contrary shall rest on the Insured.

If any building(s) insured or containing insured Property becomes unoccupied for 30 consecutive days, this peril is suspended as regards the Property affected from day 31 unless the Insured before the occurrence of damage obtains the written agreement of the Company to continue with this peril. If the Company provides such written agreement to waive this suspension of cover, the Insured shall be responsible for the first amount payable reflected in the schedule next to "First amount payable: % of claim (during any unoccupancy period exceeding 30 days)" for any loss occurring during any agreed extended period.

During the period of the initial unoccupancy of 30 consecutive days (whether agreement as set out above is obtained from the Company or not), the Insured shall be responsible for the first amount payable reflected in the schedule next to "First amount payable: % of claim (additional amount during 30 day unoccupancy period)".

**Theft or any attempt thereat of fixtures and fittings** belonging to the owner of the insured buildings whilst such fixtures and fittings are in or on the insured buildings (as described under 1 and 2 of the Insured Property definition), but excluding theft or any attempt thereat whilst the insured buildings are lent, let or sub-let in whole or in part unless such theft or any attempt thereat is accompanied by breaking into or out of the insured buildings by actual, visible and forcible means. For the purposes of this insured peril the accommodation of paying guests, boarders or lodgers not exceeding three in number shall not be deemed to be lending, letting or sub-letting of the insured buildings.

**Accidental damage – Buildings.** Accidental damage to buildings but excluding loss, destruction or damage caused by or resulting from:

1. wear and tear;
2. depreciation;
3. electrical or mechanical breakdown;
4. rust, mildew, moth, vermin or insects;
5. scratching, denting or chipping;
6. the Insured's own domestic pets;
7. any gradually operating cause;
8. any process of dyeing, cleaning or renovating;
9. the action of light or atmospheric conditions;
10. confiscation or detention by any process of law.

**Accidental damage – Glass.** Accidental breakage of:

1. glass in windows, skylights, doors, fanlights and verandas;
2. mirror glass

provided that:

1. such glass is fixed parts of the insured building(s) as described in 1 and 2 of the Insured Property definition;
2. the buildings must be furnished and occupied at the time of the breakage;
3. chipping, scratching and disfiguration of the glass is not covered.

**Accidental damage – Sanitary ware.** Accidental damage to sanitary ware of the insured buildings including but not limited to baths, wash basins, sinks, lavatory pans, cistern, pedestals and splash backs provided that:

1. such sanitary ware is fixed parts of the insured building(s) as described in 1 and 2 of the Insured Property definition;
2. the buildings must be furnished and occupied at the time of the breakage;
3. chipping, scratching and disfiguration of the sanitary ware is not covered.

**Breaking into or out of the insured building** as described in 1 and 2 of the Insured Property definition or any attempt thereat by actual, visible and forcible means.

**Subsidence and landslip.** If in the schedule against this peril the type of cover is reflected as "extended"

then this peril does not include:

1. damage to drains, water courses, boundary walls, garden walls, retaining walls, gates, posts or fences unless specifically insured as a separate item in the schedule indicating that this peril is included;
2. damage caused or attributable to faulty design or construction of, or the removal or weakening of support to any building situated at the insured premises;
3. damage caused or attributable to workmen engaged in making any structural alterations, additions or repairs to any building situated at the insured premises;
4. damage caused or attributable to excavation on or under land other than excavations in the course of mining operations;
5. consequential loss of any kind whatsoever except loss of rent when specifically insured under this section.

If in the schedule against this peril the type of cover is reflected as "**limited**" then this peril in addition to points 1 to 5 above also does not include:

6. damage to screen walls, driveways, paving, swimming pool surrounds and tennis courts;
7. damage caused or attributable to contraction/ shrinkage and/ or expansion of soil caused by the moistness/ dampness or moisture content of such soil as experienced in clay and other similar soils;
8. damage caused by or attributable to inadequate compaction of backfill.

In any action, suit or other proceeding where the Company alleges that, by reason of exclusions 1 to 8 any damage is not covered by this peril, the burden of proving the contrary shall be upon the Insured.

**Collapse or breakage of aerial systems and satellite dishes.** Collapse or breakage of aerials, aerial masts or satellite dishes.

**Leakage of oils from oil heaters.** Loss or damage to the Insured Property following accidental leakage of oil from fixed oil fired heating installations.

**Riot and strike (other than RSA and Namibia).** For the purposes of this peril riot and strike shall mean damage directly occasioned by or through or in consequence of:

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

Provided that this peril does not cover:

1. loss or damage occurring in the Republic of South Africa and Namibia;
2. consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured;
3. loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;
4. loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
5. loss or damage related to or caused by any occurrence referred to in General exclusion 1 (A) (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If the Company alleges that, by reason of provisos 1 to 5 above, loss or damage is not covered by this peril, the burden of proving the contrary shall rest on the Insured.

**Accidental damage – fixed machinery.** Sudden and unexpected accidental damage to machinery of swimming pools, Jacuzzis, boreholes (excluding windmills), saunas, sprinkle irrigation systems, electric gates and garage doors, air-conditioners, burglar alarms, security surveillance equipment, solar power generation systems and panels as well as electric power generators, walk-in refrigerators, cold rooms and freezers, central vacuum cleaning systems and built in stoves used solely for domestic purposes but excluding damage caused by or arising from wear and tear, depreciation or gradual deterioration.

**Theft of electricity cables or water pipes.** Theft of electricity cables or water pipes the property of the Insured or for which the Insured is legally responsible between:

1. the public supply or public mains and the insured buildings as described in 1 and 2 of the Insured Property definition;
2. a borehole, water tank or other water source and the insured buildings as described in 1 and 2 of the Insured Property definition but only if supplying water solely for domestic use.

Provided that only the electricity cables and water pipes within a 200 meter radius from the main dwelling are covered.

**Power surge** provided that this peril does not cover power surges arising from lightning.

## SPECIFIC EXCLUSIONS

1. This section does not cover any consequential or indirect loss or damage of any kind or description whatsoever, except loss of rent as expressly provided for in the Rent extension.

## SPECIFIC CONDITIONS

### 1. Average

If the Insured Property is, at the commencement of any damage to such Property by any peril insured against, collectively of greater value than the insured amount 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 not apply to any loss for the following insured perils and extensions:

1. Theft or any attempt thereof of fixtures and fittings;
2. Accidental damage – Glass;
3. Accidental damage – Sanitary ware;
4. Accidental damage – Fixed machinery;
5. Power surge;
6. Water pipes.

### 2. Reinstatement value conditions

In the event of the Insured Property being damaged, the basis upon which indemnity is calculated is the cost to replace the lost or damaged property or part thereof with similar new property, limited to the insured amount stated in the schedule.

## CLAUSES AND EXTENSIONS

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) subject to any insured amounts or first amounts payable stated in the schedule under each extension.

### **Capital additions** (if stated as included in the schedule)

The insurance under this section covers alterations, additions and improvements (but not appreciation in value in excess of the insured amount(s)) to the Insured Property for an amount not exceeding the percentage (as stated in the schedule) of the insured amount thereon, it being understood that the Insured undertakes to advise the Company each quarter (or each month if the premium is paid monthly by debit order) of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

### **Cost of demolition** (if stated as included in the Schedule)

The insurance under this section includes costs necessarily incurred by the Insured in respect of the demolition of buildings 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 an insured peril,



provided that the total amount recoverable shall not exceed the insured amount 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 or section.

**Cover before property transfer** (if stated as included in the Schedule)

The Company will indemnify the Insured for loss or damage to Insured Property caused by an insured peril for the period between the Insured signing a Deed of Sale and the transfer of the property into the Insured's name by the Deeds Office.

This only covers property the Insured buys and specifically insures in terms of this policy.

This cover will not apply if the property insured by the seller or on the seller's behalf.

**Credit cards, credit vouchers and SIM cards (for use in cell phones)** (if stated as included in the schedule)

The Company will indemnify the Insured following the unlawful use by a person, not related to or employed by the Insured, of:

1. credit cards or credit vouchers officially issued by a credit institution in the Insured's name, provided that all terms and conditions under which the credit cards and credit vouchers were issued have been complied with;
2. SIM cards issued in the name of the Insured.

**Damage to property by baboons** (if stated as included in the schedule)

The Company will indemnify the Insured for loss or damage to the Insured Property caused by the acts of wild baboons or wild monkeys.

**Damage to property by wild animals (excluding baboons)** (if stated as included in the schedule)

The Company will indemnify the Insured for loss or damage to the Insured Property caused by the acts of wild animals but excluding damage caused by wild baboons or wild monkeys.

**Emergency accommodation** (if stated in the schedule to be included)

The insurance under this section is extended, subject to the insured amounts stated in the schedule, to include the actual and necessary cost of emergency accommodation in the event of the Insured Property being totally destroyed or damaged to an extent that it is not fit to live in by an insured peril.

**Fire extinguishing charges clause** (if stated in the schedule to be included)

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.

**Full house** (if stated as included in the schedule)

The Company will indemnify the Insured up to the insured amount stated in the schedule incurred by the Insured for costs arising in the event of the Insured scoring a full-house in bowls on a bowling green, affiliated to a provincial union, in terms of the recognised rules of bowls provided that the full house must be achieved by the Insured, playing as amateurs, in an official competition, as part of a team of two, three or four, scoring a full house, with all eight or nine bowls to count. The full house must be confirmed in writing by the secretary of the bowling club.

**Gardens and water features** (if stated as included in the schedule)

The Company will indemnify the Insured for costs incurred by the Insured in restoring landscaped gardens and water features damaged by:

1. any insured peril that is reflected as included under the particular premises on the schedule whether or not



- other Insured Property is lost or damaged at the same time or;
- any emergency service(s) operating at the insured premises as a result of such insured peril.

**Geysers, water containers, water tanks, water apparatus or water pipes** (if stated as included in the schedule)

Bursting and other accidental damage to the above property (hereinafter in this extension and in the schedule called geysers) of the Insured installed in and forming part of the buildings or structures as described in 1 and 2 of the Insured Property definition and as stated in the schedule provided that:

- this extension does not cover structural defects, faulty design or poor workmanship of the above property;
- only geysers declared and stated in the schedule are covered under this extension;
- only water pipes connected to and within 1 meter of any insured geyser, water container, water tank or water apparatus are covered by this extension;
- the Specific Condition of average is for the purpose of this extension restated to read:

If the actual number of geysers in existence is, at the commencement of any bursting or other accidental damage to such Property, more than the number of geysers stated in the schedule, then the Insured shall bear a rateable share of the loss in proportion that the number stated in the schedule bears to the actual number in existence. Every building containing geysers insured in terms of this extension and every type of geyser, if more than one is stated in the schedule, shall be separately subject to this condition.

**Geyser maintenance** (if stated as included in the schedule)

This section is extended to provide cover for the cost of repair or replacement of defective elements, thermostats or valves.

**Hole-in-one** (if stated as included in the schedule)

The Company will indemnify the Insured up to the insured amount stated in the schedule incurred by the Insured for costs arising in the event of the Insured hitting a hole-in-one in golf, on a recognised golf course, in terms of the recognised rules of golf provided that the hole-in-one must be achieved by the Insured, playing as amateurs in an official game/tournament, and confirmed in writing by the secretary of the golf club.

**Inconvenience cover** (if stated as included in the schedule)

The Company will pay the insured amount stated in the schedule to the Insured in respect of any miscellaneous inconvenience costs incurred as a result of the Insured Property suffering a total loss by an insured peril of this section. This payment will be in addition to any other payment for which the Company may be liable and no substantiating invoices or documentation will be required for these expenses.

**Inflation escalation** (if stated as included in the schedule)

To provide for inflation the insured amounts of the Insured Property as stated in the schedule are automatically increased as follows:

**During the period of insurance:** During the period of insurance (or the twelve consecutive months from the inception or anniversary date if this policy is not an annual contract), the insured amount(s) shall be increased by that portion of the percentage specified in the schedule against "First year %" which the number of days since the commencement of such period bears to the whole of such period. Unless agreed otherwise, these provisions shall only apply to the insured amount(s) in force at the commencement of the period of insurance.

**After the period of insurance:** If following a claim any reinstatement or replacement process to the insured Property has not been completed by the end of the period of insurance, further inflationary costs incurred beyond the control and influence of the Insured up until final reinstatement or replacement has been completed will be covered by the Company as set out below:

**Second year %:** If stated in the schedule, the insured amount that existed during the period of insurance in which the claim occurred (as increased by the provision set out above under "during the period of insurance"), shall be increased further by the percentage specified in the schedule against "Second year %".

**Third year %:** If stated in the schedule and if the reinstatement or replacement has not been completed 12 months after the period of insurance during which the claim occurred has elapsed, the insured amount

as inflated by the "Second year %" shall be increased further by the percentage specified in the schedule against "Third year %".

**Fourth year %:** If stated in the schedule and if the reinstatement or replacement has not been completed 24 months after the period of insurance during which the claim occurred has elapsed, the insured amount as inflated by the "Third year %" shall be increased further by the percentage specified in the schedule against "Fourth year %".

**Fifth year %:** If stated in the schedule and if the reinstatement or replacement has not been completed 36 months after the period of insurance during which the claim occurred has elapsed, the insured amount as inflated by the "Fourth year %" shall be increased further by the percentage specified in the schedule against "Fifth year %".

At each renewal date, the Insured shall notify the Company of the amount(s) to be insured for the forthcoming period of insurance and any revised inflationary protection percentage(s). In default thereof, the insured amount(s) shall remain as they were in the previous period of insurance as if the inflationary increases in terms of this clause had not been applied.

### **Loss of water** (if stated as included in the schedule)

The Company will pay up to the insured amount for charges raised by a local authority for water lost through leakage from pipes on the Insured's property provided that:

1. The consumption reading must be at least 50 percent more than the average of the previous four readings;
2. The Insured take immediate steps to repair the pipe(s) affected on discovery of a leak (by physical evidence or on receipt of an abnormally high water account).

This extension does not cover:

1. The cost to trace and to repair leaking pipes;
2. More than two separate incidents in any period of twelve months;
3. Loss of water:
  - 3.1 as a result of leaking taps, water heating apparatus or toilet systems;
  - 3.2 from swimming pool structures or inlet or outlet pipes thereof;
  - 3.3 whilst the property is unoccupied for a period in excess of 60 consecutive days.

### **Mortgagee**

The interest of any mortgagee in the insurance under this section shall not be prejudiced by any act or omission on the part of the mortgagor without the mortgagee's knowledge. The mortgagee shall, however, inform the Company as soon as any such act or omission comes to his knowledge and shall be responsible for any additional premium payable from the date any increased hazard shall, in terms of this clause, be assumed by the Company.

### **Municipal plans scrutiny fee** (if stated as included in the schedule)

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

### **Professional fees** (if stated as included in the schedule)

The insurance of the Insured Property includes professional fees, including but not limited to architects' and quantity surveyors' fees (for estimates, plans, specifications, quantities, tenders and supervision) necessarily incurred in the reinstatement or replacement of the Insured Property following damage by an insured peril, but in no case exceeding the percentage stated in the schedule of the amount payable in respect of such damage and provided that the total amount recoverable shall not exceed the insured amount 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.

### **Public authorities' requirements** (if stated as included in the schedule)

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

that:

1. the amount recoverable under this extensions shall not include:
  - 1.1 the cost incurred in complying with any of the aforesaid regulations
    - 1.1.1 in respect of damage occurring prior to granting of this clause;
    - 1.1.2 in respect of damage not insured by this section;
    - 1.1.3 under which notice has been served upon the Insured prior to the happening of the damage;
    - 1.1.4 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;
  - 1.2 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;
  - 1.3 the amount of any rate, tax, duty, development or other charge or assessment arising from capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid regulations;
2. the work of repairing or rebuilding must be commenced and carried out with reasonable despatch and may be carried out wholly or partially upon another site (if the aforesaid regulations so necessitate) subject to the liability of the Company under this clause not being thereby increased;
3. if the liability of the Company under any item of this section apart from this clause shall be reduced by the application of any of the terms, exclusions and conditions of this section, then the liability of the Company under this clause in respect of any such item shall be reduced in like proportion;
4. the total amount recoverable under any item of this section shall not exceed the insured amount thereby.

#### **Public supply connections** (if stated as included in the schedule)

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

#### **Rent** (if stated as included in the schedule)

Loss of rent as a result of the Insured Property being so damaged (by any of the perils specified in the schedule as "included") as to be rendered untenable (including partially untenable) but only for the period necessary for reinstatement (and for an amount not exceeding the percentage as stated in the schedule against "Insured amount (%)") of the insured amount on the affected Property. The basis of calculation shall be the rent payable (of the unfurnished buildings) immediately preceding the damage or its equivalent in rental value.

#### **Special alterations** (if stated as included in the schedule)

The Company will, subject to the insured amount stated in the schedule, indemnify the Insured for the fair and reasonable cost of alterations to the insured buildings as described in 1 and 2 of the Insured Property definition if these are necessary because the Insured has had an accident that causes bodily injury and leaves the Insured permanently bound to a wheelchair provided such accident occurs during the period of this policy.

#### **Tracing of water leaks** (if stated as included in the schedule)

The Company will indemnify the Insured up to the insured amount stated in the schedule for:

1. the reasonable cost of tracing the source of any water, gas or oil leak in the insured buildings as described in 1 and 2 of the Insured Property definition;
2. repairs to damaged floors, walls and ceilings where such damage was incurred in opening up such structures to trace the leak;

provided that the Company shall not be liable under this extension:

1. where the first sign of the leakage was observed before the inception of this extension;
2. for the cost of repairing the leak.

### **Temporary removal** (if stated as included in the schedule)

Except in so far as otherwise insured, landlord's fixtures and fittings are covered while temporarily removed elsewhere on the premises or to any other premises including transit by road, rail or inland waterway anywhere within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi and Mozambique provided that:

1. unless such temporary removal is for the purpose of cleaning, renovation, repair or similar process, the liability of the Company shall not exceed the percentage (as stated in the schedule) of the applicable buildings insured amount;
2. the amount payable under this extension shall not exceed the amount that would have been payable had the loss occurred on the part of the premises from which the Property is temporarily removed.

### **Tenants**

If a tenant of the insured buildings does something or omits to do something without the Insured's knowledge, which is in contradiction to the terms, exclusions and conditions of this policy, the Insured's cover will not be invalidated. The Insured must advise the Company of the act or omission as soon as the Insured becomes aware of it and will be responsible for any additional premium payable from the date any increased hazard shall be assumed by the Company.

### **Water pipes** (if stated as included in the schedule)

Bursting and other accidental damage to water pipes the property of the Insured installed in and forming part of the buildings or structures as stated in the schedule provided that:

1. this extension does not cover structural defects, faulty design, poor workmanship, wear and tear or gradual deterioration (including the gradual action of light or climatic or atmospheric conditions) of any water pipe(s);
2. only water pipes beyond 1 meter of any geyser, water container, water tank or water apparatus are covered by this extension.

# LIVESTOCK SECTION

## DEFINED EVENTS

Death of the Insured Animal(s) occurring during the period of insurance whilst situated on the Insured Premises by:

1. **All risks of mortality** (if stated as the type of cover in the schedule)

any accident, illness or disease but excluding death of the Insured Animal(s) caused by or arising directly or indirectly from:

- 1.1 theft;
- 1.2 straying;
- 1.3 the insured animal(s) being transported by any means of conveyance;
- 1.4 Blue tongue;
- 1.5 Gall-sickness;
- 1.6 Heart-water fever;
- 1.7 Pulpy kidney;
- 1.8 Red water fever.

or

2. **Limited cover** (if stated as the type of cover in the schedule)

a direct result of fire, lightning or explosion

## DEFINITIONS

**Droving** shall for the purposes of this section mean the moving of Insured Animal(s) from one Insured Premises to another Insured Premises on foot.

**Insured animal(s)** shall be restricted to those animal(s) reflected in the schedule that correspond with the "type of animal", "breed" and "gender" stated in the schedule and where so specified in the schedule, are identifiable by means of branding, the ear tag identification code, a photo showing distinct markings or a microchip identification code.

**Insured premises** shall mean within the perimeter of the premises stated in the schedule for the particular item.

## BASIS OF SETTLEMENT

In the event of a claim following the death of the Insured Animal(s), subject to the insured amount not being exceeded and any first amount payable, the basis of settlement will be as reflected in the schedule next to each item and will be either:

1. **Invoice price:** The price the Insured paid for the Insured Animal(s) as evidenced in the original purchase invoice. In the event of a failure to produce the purchase invoice cover will revert to the reasonable market value (as set out below) of the Insured Animal(s).

or

2. **Auction price:** The price the Insured paid for the Insured Animal(s) as evidenced in the auction purchase documentation. In the event of a failure to produce the auction purchase documentation cover will revert to the reasonable market value (as set out below) of the Insured Animal(s).

or

3. **Reasonable market value:** The price payable in the market for the Insured Animal(s) of the same age, gender, pedigree, colour and condition as the Insured Animal(s) immediately prior to the death of the said

animal(s).

or

4. **Agreed value:** The value as agreed between the Insured and the Company. Such agreed value shall remain valid until the next renewal date (or annual anniversary date if the policy is paid by monthly debit order) and the basis of settlement will revert to the reasonable market value for the new period of insurance if there is no written agreement between the Insured and the Company to extend the current agreed value or to a revised agreed value.

## SPECIFIC EXCLUSIONS

In addition to the exclusions under the Defined Events, the Company will not be liable:

1. under Defined Event 1 for more than 65% of any loss in respect of claims arising from accidental bloating, plant poisoning or poisoning arising from feeding and/or watering and/or dipping;
2. for intentional slaughter or destruction of the Insured Animal(s) in compliance with the requirements of any statute or any order of a government department, local authority or person having authority in the matter except:
  - 2.1 if the Company have expressly and in writing agreed to the destruction of the animal;
  - 2.2 in the case of injuries that necessitates immediate slaughter for humane reasons and where a qualified veterinary surgeon appointed by the Insured certifies in writing that the suffering is incurable and of such an extent that slaughter is unavoidable provided that if the Company choose to have a post mortem examination carried out by a qualified veterinary surgeon appointed by the Company at the Company's expense, the Company may do so;
3. for death, loss or destruction of the Insured Animal(s) due to unfitness for or incapacity to fulfil the functions or duties for which the animal is kept;
4. if the Insured Animal(s) are outside the perimeter of the Insured Premises (other than as provided for under any extension under this section) unless such relocation is notified in writing to the Company and is acknowledged by the Company in writing;
5. for death caused directly or indirectly by or in consequence of:
  - 5.1 any surgical operations unless conducted by a qualified veterinary surgeon and certified by him to have been necessary due solely to an accident, disease or illness and that such surgical operation is carried out in an attempt to preserve the Insured Animal's life;
  - 5.2 the administration of any medication unless by a qualified veterinary surgeon or an experienced person directed by him. The qualified veterinary surgeon must have certified that such medication was administered as a prophylactic or had been necessary due to an accident, disease or illness insured by this section. For the purpose of this exclusion, the term medication shall include any drug, hormone, vitamin, protein or any other substance other than unadulterated food or drink;
  - 5.3 death due to starvation or malnutrition;
  - 5.4 malicious or wilful injury caused by the Insured or any person acting on behalf of the Insured;
  - 5.5 consequential loss however arising, delay, loss of market, depreciation or changes brought about by natural causes;
6. if the Insured animal(s) are outside the borders of the Republic of South Africa.

## SPECIFIC CONDITIONS

1. If the property insured is, at the commencement of any damage to such property by any defined event or extension insured against herein, collectively of greater value than the insured amount 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 only be applicable if the "Basis" as stated in the schedule reads "Unspecified with a maximum value per animal".
2. The Insured warrants that at the commencement of this insurance each Insured Animal is in sound health and is free from any ailment, illness, disease, lameness, injury or disability.
3. All benefit under this section in respect of Insured Animal(s) shall cease immediately once such animal is no



longer owned by the Insured.

4. The Insured shall at all times exercise all reasonable care and safeguard the Insured Animal(s) against loss or danger of loss, accident or illness and shall comply with all reasonable regulations and directions given by the Company or by a qualified veterinary surgeon employed by the Company.
5. The Insured will immediately notify the Company of any accident or illness to any Insured Animal(s) and shall at the Insured's expense immediately provide for adequate attendance and treatment by a qualified veterinary surgeon.

If the Company so require the Insured will supply the Company with a report by the attending qualified veterinary surgeon on the condition of the Insured Animal(s).

6. The Insured Animal(s) shall not be permanently removed from the Insured premises stated in the schedule without the Company's written consent.
7. The Insured undertakes to comply with all laws, rules and regulations relating to the district where the Insured Animal(s) is kept and, in the event of a claim, to provide the Company with evidence of such compliance.
8. If the basis reflected in the schedule reads "Unspecified with a maximum value per animal" then it is a condition that unless otherwise agreed in writing by the Company, the Insured must declare and insure all animals fitting the descriptions of "type of animal", "breed" and "gender" as stated in the schedule for the particular item. The Company will agree to exclude certain animals for reasons such as existing ill health or injury.
9. In the event of an occurrence which gives rise to a claim or which might give rise to a claim the Insured shall give the Company immediate notice of such event:
  - 9.1 In the event of death of any Insured Animal(s), the Insured shall give the Company the opportunity to examine the carcass and shall not cut or dispose of the carcass before the expiry of 24 hours after such notice has been given to the Company.
  - 9.2 The Insured shall, within 14 days of such event, supply the Company with a completed claim form together with all other information as may be required including, at his own expense, a qualified veterinary surgeon's certificate indicating the cause of death and satisfactory proof of the death, identity and value of the animal.
  - 9.3 If the Company alleges that the death of the animal is from an excluded cause, the burden of proving the contrary shall rest with the Insured.
  - 9.4 If the Company admits the claim and after the period in 9.1, the Insured may dispose of the carcass to best advantage and the amount realised on disposal of the carcass shall be offset against the amount of the claim.

## CLAUSES AND EXTENSIONS

Subject otherwise to the terms, exclusions and conditions of this section and the General Section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) subject to any insured amounts or first amounts payable stated in the schedule under each extension.

### **Accidental event cover in addition to Limited cover** (if stated as included in the schedule)

The cover as provided for under defined event 2 (Limited cover) is extended to include death of the Insured Animal(s) caused by:

1. any accident caused by an external violent and visible event but excluding an event otherwise excluded by a specific exclusion under this section or any general exclusion in the General Section;
2. foreign objects accidentally consumed by the Insured Animal(s);
3. accidental poisoning and bloating, provided that the Company will not be liable for more than 65% of any claim;
4. attacks by dogs and wild animals.

### **Blue tongue** (if stated as included in the schedule)

Exclusion 1.4 under Defined Event 1 is deleted and this section is extended to cover death of the Insured Animal(s) as a result of Blue Tongue provided that the Insured Animal(s) has been inoculated against blue tongue not more than twelve months prior to the death of the Insured Animal(s) and that the serum used was correctly stored and used in accordance with the directions of use.

Evidence of such inoculation shall be supplied to the Company before the Company will admit any claim and shall be in the form of either a certificate from a qualified veterinary surgeon or, where the Insured administered the inoculation, a certificate signed by the Insured and witnessed by a neighbouring farmer who shall also have witnessed the administration of the inoculation.

### **Calf extension** (if stated as included in the schedule)

This section is extended to automatically cover the calf or twin calves (born by an Insured Animal) that are more than 24 hours but less than 6 months old during the period of insurance or at inception of cover with the Company. The Company's liability under this extension for the calf or calves shall not exceed the percentage (as stated in the schedule) of the insured amount of the insured cow.

In the event of twins, if only one calf dies no claim shall be payable in terms of this extension.

### **Capture costs** (if stated as included in the schedule)

This section is extended to provide cover for the reasonable costs and expenses incurred by the Insured that are necessary for the capture of the Insured Animal(s) after outbreak/escape of the Insured Animal(s) provided that:

1. the Insured Animal(s) must be identifiable by means of:
  - 1.1 Microchips or
  - 1.2 ear tags or
  - 1.3 pictures or markings such as but not limited to branding or tattoos;
2. cover under this extension is subject to the same first amount payable applicable to the insured item under which the Insured Animal(s) is covered;
3. the maximum liability of the Company under this extension is limited to the lesser of:
  - 3.1 actual costs incurred but limited to the percentage (as stated in the schedule) of the insured amount of the escaped Insured Animal(s), or;
  - 3.2 the monetary amount stated in the schedule under this extension against "Insured amount (maximum)";
4. the Insured can substantiate all of the costs incurred;
5. no amount will be payable by the Company under this extension if the Insured Animal(s) are not found and captured.

### **Carcass removal** (if stated as included in the schedule)

Subject to the insured amount stated in the schedule, this section is extended to provide cover for the actual costs necessarily incurred by the Insured in respect of the clearing up and removal of a carcass or carcasses following the death of any animal(s) insured under this section.

### **Droving extension**

Notwithstanding that cover is restricted to the confines of the Insured Premises, cover is extended to include the Insured Animal(s) during droving from one Insured Premises to another Insured Premises (if more than one are stated in the schedule for the particular item) provided such droving does not result in the Insured Animal(s) leaving the borders of the Republic of South Africa.

### **Gall-sickness** (if stated as included in the schedule)

Exclusion 1.5 under Defined Event 1 is deleted and this section is extended to cover death of the Insured Animal(s) as a result of Gall-sickness.

### **Heart-water fever** (if stated as included in the schedule)

Exclusion 1.6 under Defined Event 1 is deleted and this section is extended to cover death of the Insured Animal(s) as a result of Heart-water fever.

### **Infertility** (if stated as included in the schedule)

If the Insured Animal(s) is a bull and such bull is proved by production to be infertile or has a morphology percentage of less than 70% as a result of accidental external and violent means or as a result of illness sustained or contracted during the period of insurance, the Company shall, after the lapse of 3 months from the notification of infertility, pay the Insured the difference between the amount realised on the disposal or sale of the bull and the amount for which the bull is insured provided that the Company shall not be liable for any claims for consequential loss however this may arise nor for claims for prolapse of the penis.

### **Plant poisoning** (if stated as included in the schedule)

The amount of 65% stated in:

1. Specific exclusion 1;
2. Accidental event cover in addition to Limited cover (if insured and stated as included in the schedule)

is increased to 100%.

### **Pulpy kidney** (if stated as included in the schedule)

Exclusion 1.7 under Defined Event 1 is deleted and this section is extended to cover death of the Insured Animal(s) as a result of Pulpy kidney provided that the Insured Animal(s) has been inoculated against enterotoxaemia not more than six months prior to the death of the Insured Animal(s) with serum that was correctly stored and was used in accordance with the directions of use.

Evidence of such inoculation shall be supplied to the Company before the Company will admit any claim and shall be in the form of either a certificate from a qualified veterinary surgeon or, where the Insured administered the inoculation, a certificate signed by the Insured and witnessed by a neighbouring farmer who shall also have witnessed the administration of the inoculation.

### **Red water fever** (if stated as included in the schedule)

Exclusion 1.8 under Defined Event 1 is deleted and this section is extended to cover death of the Insured Animal(s) as a result of Red water fever.

### **Special show cover** (if stated as included in the schedule)

This section is extended to cover death of the Insured Animal(s) whilst away from the Insured Premises at any show commencing from the time the Insured Animal(s) are unloaded at the show grounds up until the time they are loaded on the means of conveyance for departure from the show grounds but excluding such loading and unloading.

### **Stud animal(s) transit cover**

If stud animal(s) are insured for "All risks of mortality", this section is extended to cover the death of such animal(s) whilst in transit by road or rail (including loading at the point of departure and unloading at the destination) from the Insured Premises to any premises for breeding purposes or to any show(s) and the return trip provided in addition to the specific exclusions of this section, this extension will not provide cover:

1. whilst in transit outside the borders of the Republic of South Africa, Namibia, Botswana, Zimbabwe, Swaziland, Lesotho and Mozambique;
2. for trampling or suffocation due to overloading of any vehicle which is being used to transport the Insured Animal(s);
3. for death as a result of or arising from jumping;
4. for death arising during the transit out of inoculation, any surgical procedure, parturition or its consequences or pregnancy;
5. for death as a result of panic.

### **Theft** (if stated as included in the schedule)

Exclusion 1.1 under Defined Event 1 is deleted and this section is extended to include theft or attempted theft of the Insured Animal(s) provided that:

1. in the event of a claim the Insured will immediately inform the police and take whatever steps are necessary to assist in the recovery of such Insured Animal(s);
2. a police reference number is supplied with the claim form;
3. the Company will not pay for any claims for the theft of Insured Animal(s) if such theft is not reported to the Company within 14 days of such theft.

### **Transportation costs** (if stated as included in the schedule)

In the event of a valid claim, the Company will:

1. upon receipt of substantiating documentation, pay for the reasonable transportation costs incurred of transporting a replacement animal(s) to the Insured Premises; or
2. with the Company's consent, should the Insured elect not to replace the deceased Insured Animal(s) and such deceased animal(s) was acquired no longer than 12 months prior to its/their death, upon receipt of substantiating documentation, the Company will pay for the reasonable transportation costs that the Insured originally incurred transporting the Insured Animal(s) to the Insured Premises at the time of purchasing such Insured Animal(s)

provided that the maximum amount payable by the Company:

1. per Insured Animal shall not exceed the percentage of the purchase price of the Insured Animal as stated in the schedule under this extension against "Maximum insured amount per animal (% of the purchase price of the Insured Animal)" and;
2. if more than one Insured Animal is involved in the same event, shall be the amount reflected in the schedule under this extension next to "Insured amount (per event)".

### **Veterinary expenses** (if stated as included in the schedule)

Cover under this section is extended to include the cost of Veterinarian fees incurred for the treatment of the Insured Animal(s) solely for the prevention of the Death of an Insured Animal by an otherwise insured loss under this section provided that:

1. the maximum amount payable by the Company per Insured Animal shall not exceed the percentage (as stated in the schedule under this extension) of the insured amount of the Insured Animal;
2. if more than one Insured Animal is affected in a single event or multiple events arising out of a single cause, the maximum amount payable under this extension is limited to the amount reflected in the schedule under this extension next to "Insured amount (per event)";
3. the maximum amount payable by the Company under this extension shall be limited in the aggregate during any one period of insurance (if the premium is paid monthly by debit order, the words "per period of insurance" are amended to read "for any one period of 12 consecutive months from the inception or anniversary date") to the amount stated in the schedule under this extension next to "Insured amount (per period of insurance)";
4. the Insured Animal had already been injured or contracted a disease insured by a defined event or insured extension and not as a purely preventative action for possible future diseases or insured losses;
5. the injury or disease is of a nature or severity that would have resulted in the death of the Insured Animal had the veterinary intervention not been taken by the Insured;
6. a veterinary certificate confirming points 4 and 5 be provided to the Company together with the claim form and other claim documentation;
7. the injury occurred or the disease was contracted during the period of insurance;
8. no first amount payable shall apply to this extension;
9. the Insured Animal survives.

### **Weather and water cover in addition to Limited cover** (if stated as included in the schedule)

The cover as provided for under defined event 2 (Limited cover) is extended to include death of the Insured

Animal(s) caused as a direct result by:

1. storm;
2. wind;
3. water;
4. hail;
5. snow;

including freezing to death of the Insured Animal(s) as a consequence of 1 to 5 above.

*For internal broker use only - subject to minor changes from time to time*

# LOSS OF/OR DAMAGE: WINE AND RELATED EQUIPMENT

## DEFINED EVENTS

- 1. Accidental damage – Wine and related products** (if stated as included in the schedule)
- 2. Accidental damage – Wine tanks, wine barrels, bottles or any wine receptacles** (if stated as included in the schedule)
- 3. Accidental damage – Cat walks, structures and related property** (if stated as included in the schedule)
- 4. Accidental damage – Machinery, separators, press bags, piping and relevant equipment** (if stated as included in the schedule)

Accidental physical loss of or damage to the insured property of defined events 1 to 4 above (but only if stated as included in the schedule) being the property of the Insured or held in trust or commission or for which they are responsible at or about the premises but not:

- if otherwise insured
- for which insurance is available in terms of the following sections:
  - Fire section
  - Buildings Combined section
  - Office Contents section
  - Business Interruption section
  - Electronic Equipment section
  - Machinery Breakdown section
  - Deterioration of Stock section
  - Fidelity section
- where cover is obtainable under any Marine policy
- loss of/or damage to wine in transit except in transit by means of forklifts between buildings on the insured premises.

- 5. Accidental damage (leakage) for the Wine industry** (if stated as included in the schedule)

Accidental physical loss of or damage to the insured property of the Insured or for which he is responsible caused by discharge or leakage from tanks, pipes or apparatus of chemicals, oils, liquids, fluids, gases or fumes (other than wine and related products and glycol), including loss of such chemicals, oils, liquids, fluids, gases or fumes but excluding loss or damage resulting from wear and tear or other gradually operating causes of the tanks, pipes or apparatus.

## DEFINITIONS

**Premises** shall mean the premises insured and reflected in the Fire, Buildings Combined and Office Contents section schedules.



# SPECIFIC EXCLUSIONS (applicable to defined events 1 to 4)

The Company shall not be liable for:

1. any peril excluded or circumstance precluded from the following sections:

Fire section

Buildings Combined section

Office Contents section

Business Interruption section

Electronic Equipment section

Machinery Breakdown section

Deterioration of Stock section

Fidelity section

at inception hereof or for any first amount payable due by the Insured under such insurance, or for any reduction of amount payable under any claim due to the application of average;

2. 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;
3. detention, confiscation, attachment, destruction or requisition by any lawfully constituted authority or other judicial process;
4. 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;
5. loss of or damage to insured property caused by:
  - 5.1 any fraudulent scheme, trick, device or false pretence practised on the Insured (or any person having custody of the insured property) or fraud or the dishonesty of any principal, or agent of the Insured;
  - 5.2 overheating, implosion, cracking, fracturing, weld failure, nipple leakage or other failure. This exclusion applies only to containers in which wine is transported, pipes, tubes or similar apparatus;
  - 5.3 breakdown, electrical, electronic and/or mechanical derangement;
  - 5.4 altering, bleaching, cleaning, dyeing, manufacture, repair, restoring, servicing, renovating, testing or any other work thereon;
  - 5.5 denting, chipping, scratching or cracking not affecting the operation of the item;
  - 5.6 termites, moths, insects, vermin. This exclusion will not apply to wine and related products.
  - 5.7 inherent vice, fumes, flaws, latent defect, fluctuations in atmospheric or climatic conditions or the action of light.
6. damage to property as a result of:
  - 6.1 fault or defect in its design, formula, specification, drawing, plan, materials,
  - 6.2 faulty or defective workmanship or professional advice,
  - 6.3 normal maintenance,
  - 6.4 gradual deterioration, depreciation, corrosion, rust,
  - 6.5 its own wear and tear,
  - 6.6 frost;
7. damage to property as a result of:
  - 7.1 oxidation or other chemical action or reaction, change in temperature, expansion or humidity,

- 7.2 fermentation or germination, dampness, dryness,
- 7.3 wet or dry rot,
- 7.4 shrinkage,
- 7.5 evaporation,
- 7.6 loss of weight,
- 7.7 pollution,
- 7.8 change in colour, flavour, texture or finish;

(unless caused by sudden unforeseen incident not otherwise excluded).

- 8. settlement or bedding down, ground heave or cracking of structures or the removal or weakening of support to any insured property;
- 9. loss or damage:
  - 9.1 to chemicals, oils, liquids, fluids (other than wine and related products and Glycol), gases or fumes due to leakage or discharge from its container;
  - 9.2 resulting from leakage or discharge of chemicals, oils, fluids (other than wine and related products and Glycol), gases or fumes.
- 10. failure of and/or the deliberate withholding and/or lack of suppliers of water, steam, gas, electricity, fuel or refrigerant;
- 11. loss of or damage to wine and related products following the use of defective or unsuitable grapes in the manufacturing process;
- 12. delivery or recall costs;
- 13. commissions;
- 14. consequential loss of any nature whatsoever;
- 15. theft of wine in bottles or boxes except as a result of theft accompanied by forcible and violent entry into or exit from any building or any attempt thereat.
- 16. any defect in wine where the defect can be traced back to the stabilisation process.

## SPECIFIC CONDITIONS

### Average – defined events 1 to 4

If, at the time of any loss or damage, the total value of the property described by each item does not exceed the total value stated in the schedule then this insurance shall for the particular item be declared free of average, but if the total value of such property shall be greater than the total value stated in the schedule, the Insured shall be considered as being their own insurer for the difference and the Company shall be liable only for such proportion of the insured amount as the aforementioned sums stated in the schedule shall bear to the total value.

### Average – defined event 5

If, at the time of any loss or damage, the value of the insured property is greater than the insured amount thereon the Insured shall be considered his own insurer for the difference and shall bear a rateable proportion of the loss accordingly. Each item, if more than one, shall be separately subject to this memorandum.

### Basis of settlement – Wine and related products

In the event of loss or damage to Wine and related products, the basis of settlement will be determined as follows:

- 1. Estate wines - the fixed value as determined by the Insured, inclusive of the cost of bottling (where applicable);
- 2. Export wine already sold and for which payment has already been received – the contract price inclusive of the cost of bottling (where applicable).

All of the above will take into account any savings that may be applicable (for example but not limited to savings on bottling costs and/or labelling and/or labour).

Insured amounts are to be calculated in terms of 1 and 2 above and where applicable is to include customs and excise duties.

### **Basis of settlement – Any other insured property**

In the event of loss or damage to any property other than wine and related products, the basis of settlement will be determined as follows:

The basis upon which the amount payable is to be calculated shall be either the replacement of the property by similar property in a condition equal to, but not better nor more extensive than its condition when new

or

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

provided that if, at the time of replacement or repair, the sum representing the cost which would have been incurred in replacement if the whole of the property had been lost, destroyed or damaged beyond repair exceeds the insured amount 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.

### **Other insurance**

Notwithstanding General condition 2, this section shall not be called into contribution for any defined event for which more specific insurance has been arranged.

### **Wine and related products compliance warranty**

It is warranted that:

1. cover for loss or damage arising due to the fermentation of sulphuric sweet moss is subject to the following:
  - 1.1 the SO<sub>2</sub> composition may not be less than 1200 mg/l;
  - 1.2 an analysis of the SO<sub>2</sub> composition of the sweet moss must be done at least once a week and a record thereof is to be kept;
  - 1.3 sweet moss shall be stored in stainless steel tanks with 316 stainless steel hoops, fiberglass or glazed cement tanks and/or glazed soft steel tanks;
  - 1.4 storage tanks must be filled to capacity at all times.
2. export wine is analysed in accordance with the standards laid down by the purchaser. Analyses must be performed by the "SGS" or alternatively the VI at Nietvoorbij Experimental Farm or an internationally accredited laboratory.
3. sealed samples (minimum of 12 bottles per holding tank) of all bulk export wine that is to be bottled overseas is kept by the Insured for a minimum period of six months.
4. all export wine complies in all respects with the legal requirements of the country to which it is exported.

## **CLAUSES AND EXTENSIONS**

### **Additional costs**

In respect of buildings, plant and machinery insured, the insured amount includes:

1. any costs incurred, due to the necessity to comply with building or other regulations of any public authority, in repair or reinstatement following an insured event, provided that such costs do not include:
  - 1.1 anything for which notice had been served on the Insured prior to the insured event;
  - 1.2 anything connected with undamaged property or undamaged portions of property;
  - 1.3 rates, taxes, duties, development and other charges payable under the said regulations due to capital appreciation of the Insured Property;
2. fees for the examination of municipal or other plans;

3. costs incurred in the necessary demolition, removal of debris (including undamaged contents) and the erection and maintenance of hoardings during demolition and rebuilding, provided that the Company shall not be liable for any costs and expenses:
  - 3.1 incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site;
  - 3.2 arising from pollution or contamination of property not insured by this policy/section.
4. the professional fees of architects, quantity surveyors and other consultants;
5. charges levied by any authorised fire brigade for their services;

but the Company shall not be liable under 1, 2, or 4 unless the lost or damaged property is replaced or reinstated without undue delay nor under 4 for any expenses in connection with the preparation of the Insured's claim.

### **Mortgagee**

From the date of notification in writing of such interests to the Company, the Company shall accept the interest of a mortgagee or others with an insurable interest in the Insured Property and such interests shall not be prejudiced due to the act or omission of the mortgagor without the mortgagee's knowledge provided that, the mortgagee advises the Company as soon as such act or omission comes to his knowledge and agrees to be responsible for any additional premium resulting from the Company assuming any increased hazard.

### **Railway and other subrogation**

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

### **Tenants**

The Insured shall not be prejudiced by the act of any tenant in the premises owned by the Insured or in which the Insured is a co-tenant or of the owner of any premises of which the Insured is a tenant, provided that the Company is notified as soon as the Insured becomes aware of such act and pays any additional premium resulting from the Company assuming any additional hazard.

# MACHINERY BREAKDOWN

## DEFINED EVENTS

1. Damage to the Insured Machinery as described in sub-section A.
2. Loss following interruption of or interference with the business as described and calculated in sub-section B.

## SUB-SECTION A – MATERIAL DAMAGE

Damage to the Insured Machinery whilst:

- 1 at work or at rest;
- 2 being dismantled for the purpose of cleaning, inspection, repair or overhaul;
- 3 in the course of being moved (including any dismantling) to another position;
- 4 being re-erected after 2 or 3 above;

all whilst within the building(s) on the Premises stated in the schedule, provided that in respect of any newly installed or acquired Insured Machinery, insurance cover only starts after the initial performance acceptance tests have been successfully completed.

## DEFINITIONS

**Damage** shall mean any accidental, unforeseen and sudden physical loss or damage to the Insured Machinery from any cause not otherwise excluded and that necessitates replacement or repair of the Insured Machinery to ensure its continued operation.

**Insured Machinery** shall be restricted to the machines (or any parts thereof) described in the schedule for sub-section A.

**Market Value** shall mean the purchase price as determined at the date of the Damage of secondhand or used machinery of the same kind or type and of equal performance and/or capacity (but not superior to or more extensive than the Insured Machinery) in a substantially similar condition to the Insured Machinery immediately prior to the Damage. Where no similar machine is available, Market Value shall be calculated by deducting from the current New Replacement Value of the Insured Machinery, a reasonable amount as determined by the Company for depreciation.

**New Replacement Value** shall mean the amount necessary for replacing or reinstating the Insured Machinery on the Premises with brand new machinery of the same kind or type and of equal performance and/or capacity but not superior to or more extensive than the Insured Machinery including all associated costs such as:

1. reasonable installation and testing costs on the Premises;
2. any normal freight costs;
3. any customs duties.

**Partial Loss** shall mean that the Insured Machinery can if so determined by the Company, be repaired to a working order and condition similar to that which existed immediately prior to the Damage provided the repair costs do not exceed the Market Value of the Insured Machinery.

**Premises** shall be restricted to the address as described in the schedule of this section.

**Salvage** shall mean the remains of damaged Insured Machinery after a Total Loss, ownership of which reverts to the Company upon settlement of a claim in terms of this section.

**Total Loss** shall mean that the Insured Machinery is totally destroyed or destroyed to an extent that the repairs described under Partial Loss exceed the Market Value. At the sole option of the Company the Insured

Machinery can be declared as a Total Loss in other circumstances where it is economically viable for the Company do so provided that the Insured is not financially prejudiced by such decision.

## **BASIS OF LOSS SETTLEMENT**

Subject to the insured amount of each piece of Insured Machinery not being exceeded, the Company may at its option repair, reinstate or replace any damaged Insured Machinery or pay an equivalent amount in cash using the following claim calculation methods:

### **Total Loss calculation** (equipment not older than 3 years from the date of manufacture):

The New Replacement Value of the damaged Insured Machinery as determined by the Company

#### **Less**

Any Salvage value (if at the request of the Insured and agreed by the Company the Salvage is kept by the Insured)

#### **Plus**

The cost of removing the damaged Insured Machinery

#### **Reduced**

By the Average calculation

#### **Less**

The First Amount Payable.

### **Total Loss calculation** (equipment older than 3 years from the date of manufacture):

The Market Value of the damaged Insured Machinery

#### **Less**

Any Salvage value (if at the request of the Insured and agreed by the Company the Salvage is kept by the Insured)

#### **Plus**

The cost of removing the damaged Insured Machinery

#### **Plus**

Reasonable installation and testing costs as determined by the Company of any replacement machinery (or part thereof)

#### **Reduced**

By the Average calculation

#### **Less**

The First Amount Payable.

### **Partial Loss calculation:**

Dismantling, repair and re-erection costs (or if agreed to by the Company the repairs are effected by the Insured, the labour costs of the Insured based on the customary daily rates of wages in the district plus any reasonable overhead charges incurred), new parts (without any deduction for depreciation except as set out in Specific Exclusion 6), normal freight and customs duties

#### **Plus**

The reasonable cost as determined by the Company of removing from the Premises any damaged portions of the Insured Machinery that cannot be repaired

#### **Less**

Any Salvage value (if at the request of the Insured and agreed by the Company the Salvage is kept by the Insured)

#### **Plus**

Any reasonable installation and testing costs as determined by the Company



## Reduced

By the Average calculation

## Less

The First Amount Payable.

# SPECIFIC EXCLUSIONS

The Company shall not be liable under this sub-section for:

1. Damage caused by or due to impact by animals, vehicles, aircraft or other aerial devices or objects dropped therefrom, sonic shock waves, fire, direct or indirect lightning strikes, explosion, extinguishing of a fire, subsidence, landslide, rockfall, wind, hurricane, typhoon, cyclone, storm, snow, water or any discharge from any sprinkler or drencher system, flood, inundation, hail, tidal wave, tsunami, earthquake, volcanic eruption or other convulsions of nature, theft or attempts thereat, collapse of buildings;
2. Demolition, dismantling or clearance of debris costs following any of the above;
3. Damage that arises from experiments, intentional overloading, overhauls or tests requiring the imposition of abnormal conditions or any Damage arising out of any wilful act or wilful negligence of the Insured or its management;
4. Damage due to the misapplication of tools;
5. Damage due to corrosion, erosion, wasting or wearing of any part of machinery caused by ordinary use of working and any other continuous chemical or atmospheric influence, rust, mud, boiler scale or other deposits or other gradual wear and tear or deterioration;
6. Damage to and/or the cost of exchangeable parts and tools or parts that by their use and/or nature suffer a high rate of wear and depreciation such as (but not limited to) bits, cutters, knives, saw blades, dies, moulds, patterns, rollers, sieves, chains, belts, ropes, conveyor bands or belts, drill bits, jointing and packing material, crushers, parts made of glass, porcelain or ceramics, wires, hoses, rubber, textile or plastic linings and bands, brushes, tyres and burner nozzles.

If however any of these parts or tools are damaged as a result of Damage to other parts of the Insured Machinery as provided for by this insurance, the Company shall indemnify the Insured for the residual value of such parts or tools. For the purposes of this exclusion, residual value shall mean the proportional value, as determined by the Company, representing the remaining lifespan of such items had the insured loss not happened;

7. Consumable items of Insured Machinery such as (but not limited to) lubricants, fuels, catalysts, cooling substances, cleaning products, oils and chemicals;
8. Damage that is covered under any manufacturer or supplier's warranty or guarantee or for which a manufacturer, supplier, contractor or repairer is responsible either by law or under contract;
9. Damage due to or aggravated by any pre-existing faults or defects of the Insured Machinery at the time of commencement of this section or at any time thereafter when additional items of Insured Machinery are added to this section and where such pre-existing fault or defect is within the knowledge of the Insured or its management;
10. Damage to foundations, masonry, refractories or brick linings of furnaces, ovens or firing grids;
11. Consequential loss, damage or liability of any nature;
12. Damage to the Insured Machinery caused by an authority empowered by law to supply water, gas or electricity, withholding or restricting such supplies due to:
  - 12.1 The Insured failing to pay any utility bills or breaching any other contractual conditions with such suppliers;
  - 12.2 A need for such authority to implement load shedding or other scheduled interruptions;
13. Additional costs of alterations, additions, improvements, maintenance or overhauls carried out at the same time of any repair following Damage;
14. Further or subsequent Damage if Insured Machinery is kept in operation after Damage without being repaired to the satisfaction of the Company;
15. Temporary repairs and any consequences arising therefrom that increase the total cost of repairs unless the Company has authorized such temporary repairs.

# SPECIFIC CONDITIONS

## 1. Average and insured amount(s)

Irrespective of the age of the Insured Machinery, it is a requirement of this section that the insured amount(s) is/are at all times equal to the New Replacement Value of the Insured Machinery plus the removal costs of damaged Insured Machinery.

If the insured amount is less than the amount required to be insured, the Company shall pay only in such proportion as the insured amount bears to the amount required to be insured in terms of this condition. Every item (if more than one) shall be separately subject to this condition.

## 2. Claims

On the happening of any Damage the Insured shall in addition to complying with General condition 6:

1. take all reasonable steps to minimize the extent of such Damage;
2. preserve any damaged or defective parts for inspection by the Company.

The Insured shall be entitled to carry out emergency minor temporary repairs or replacement to ensure the continuation of the operations or safety of the Insured Machinery, but in all other cases a representative of the Company shall have the opportunity of inspecting the Damage before any repairs or alterations are effected. Such provisional repair costs will be borne by the Company if such repairs constitute part of the final repairs and do not increase the total repair costs.

## 3. First Amount(s) Payable

Claims under this sub-section are subject to the First Amount Payable as reflected in the schedule against each Insured Machinery but if more than one item of Insured Machinery stated in the schedule is damaged in one occurrence, the Insured shall not be called upon to bear more than one First Amount Payable provided that the highest First Amount Payable of those damaged insured items will apply.

## 4. Loss prevention and minimisation

The Insured shall:

1. take all reasonable steps to maintain the Insured Machinery in efficient working order and ensure that no item of Insured Machinery is intentionally or recklessly overloaded;
2. comply with the manufacturers' instructions for operating, inspection and maintenance of the Insured Machinery;
3. ensure the operators and maintenance staff of the Insured Machinery are sufficiently trained and qualified;
4. comply with any government, statutory, municipal and all other binding regulations in force concerning the safe operation and maintenance of the Insured Machinery. A breach of this condition shall not affect any claim payment unless such breach caused the Damage or increased the amount of the Damage.

## 5. Material alterations

Notice of any intended alteration to or departure from existing conditions must be given to the Company in writing as soon as possible but only if such changes would increase the risk of Damage to the Insured Machinery. Examples of such changes may include but are not limited to:

1. alterations, additions or modifications to the Insured Machinery;
2. departure from existing operating conditions or recommended operating conditions of the manufacturer or supplier of the Insured Machinery;
3. changes in maintenance frequencies, the scope of maintenance activities or the use of unqualified or under qualified maintenance staff or operators.

Upon notification of any changes the Company will confirm whether cover will continue or not and if cover can continue, any revised terms and conditions that may apply. Any claim in respect of loss or Damage that may arise before such notice is given shall, if it would have been accepted by the Company, be handled in accordance with the Company's normal conditions, exclusions and first amount payable for risks of a similar nature, provided the Insured agrees to pay the increased premium that may be required in respect of the

altered risk.

## 6. Reinstatement or Replacement

Reinstatement or replacement on a New Replacement Value basis as provided for under the total loss calculation for Insured Machinery not older than 3 years is conditional on:

1. the work of replacement or reinstatement (which may be carried out at other premises and in any manner suitable to the requirements of the Insured subject to the liability of the Company not being thereby increased) being commenced and carried out without unreasonable delay;
2. the Insured confirming to the Company within 6 months of the date of Damage (or such further time as the Company may in writing allow), his intention to replace or reinstate the Insured Machinery;
3. the Insured being able and willing to replace or reinstate the Insured Machinery on the same or another site;

failing which no payment beyond the amount which would have been payable if the basis of calculation was on a Market Value basis will be made.

## 7. Risk inspection

Representatives of the Company shall at any reasonable time have the right to inspect and examine the risk and the Insured shall provide the representatives of the Company with all details and information necessary for the assessment of the risk.

## 8. Service contract

If a service contract for the Insured Machinery is in existence as recorded in the schedule, it is a condition that such contract is to remain in force unless notified to the Company in writing beforehand that the contract is going to be cancelled or replaced.

# CLAUSES AND EXTENSIONS

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) subject to any insured amounts or first amounts payable stated in the schedule under each extension.

### **Alternative replacement (design capacity)** (if stated as included in the schedule)

In the event of Damage resulting in a Total Loss and it is not possible to replace such Insured Machinery with machinery that has an equivalent measurable function, capacity or output then the Company will pay the cost of replacing such machinery with machinery the quality, capacity, function or output of which is as near as possible but not inferior to that of the original property, provided that:

1. The Insured Amount as stated in the schedule shall remain the maximum amount payable by the Company;
2. The Average condition calculation will be amended so that the value of the Insured Machinery will be based on the installed New Replacement Value of the alternative machinery agreed upon in the claim.

### **Capital additions** (if stated as included in the schedule)

This section covers alterations, additions and improvements (but not appreciation in value in excess of the insured amount) to the Insured Machinery for an amount not exceeding the percentage (%) reflected in the schedule of the Insured Amount under the applicable item provided that:

1. the Insured advises the Company each quarter (or each month if the premium is paid monthly by debit order) of such alterations, additions and improvements and pays any additional premium thereon;
2. the protection provided under this clause for any newly acquired or installed machinery is restricted to machinery of a like nature to the existing Insured Machinery;
3. the protection provided under this clause for any newly acquired or installed machinery only starts after the initial performance acceptance tests have been successfully completed;
4. all protection under this clause for alterations, additions and improvements made in the quarter (or the month if the premium is paid monthly by debit order) ceases at the end of the quarter (or at the end of the month if the premium is paid monthly by debit order) if a formal instruction to amend the schedule to include such

changes has not been received by the Company by the end of the quarter (or the end of the month if the premium is paid monthly by debit order).

### **Equipment in the open**

Cover is restricted to Insured Machinery whilst in the building(s) stated in the schedule unless disclosed and noted in the schedule to the contrary and provided further that such Insured Machinery is designed to operate in the open.

### **Express delivery and overtime** (if stated as included in the schedule)

Where required to maintain the operations of the Insured, the insurance under this section covers extra charges for overtime, night work, work on public holidays and express freight (excluding airfreight) provided that:

1. such extra charges are incurred in connection with the repair of Damage to the Insured Machinery as insured under this section;
2. the maximum amount payable for these charges shall not exceed the percentage (%) reflected in the schedule of the Insured Amount of the damaged item of Insured Machinery;
3. such charges are agreed to by the Company prior to being incurred.

### **Lubricating products** (if stated as included in the schedule)

Specific exclusion 7 is deleted provided that the maximum amount payable for lubricating products and other consumable items following Damage to the Insured Machinery shall not exceed the Insured Amount stated in the schedule against this extension. For the purposes of this extension, should the Insured Machinery be refrigerant plant, the cover provided hereunder shall include the necessary replacement of refrigerant following Damage to such Insured Machinery.

### **Riot and strike (other than RSA and Namibia)** (if stated as included in the schedule)

This section is extended to cover damage directly occasioned by or through or in consequence of:

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

Provided that this extension does not cover:

1. loss or damage occurring in the Republic of South Africa and Namibia;
2. consequential or indirect loss or damage of any kind or description whatsoever;
3. loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;
4. loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
5. loss or damage related to or caused by any occurrence referred to in General exclusion 1 (A) (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence;

If the Company alleges that, by reason of provisos 1 to 5 above, loss or damage is not covered by this section, the burden of proving the contrary shall rest on the Insured.

## **SUB-SECTION B – CONSEQUENTIAL LOSS**

The Company will pay to the Insured as indemnity under this sub-section for loss following interruption of or interference with the Business in consequence of Damage to the Insured Machinery occurring during the period of insurance at the Premises stated in the schedule and as set out under the applicable Gross Profit basis under the basis of loss settlement section below.

## **DEFINITIONS**

**Annual turnover** shall mean the Turnover during the twelve months immediately before the date of the Damage to which such adjustments shall be made as may be necessary to provide for the trend of the Business

and for variations or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relative period after the Damage. If the Damage occurs before the completion of the first year's trading of the Business at the Premises, the value shall be calculated by using values proportionate to the results obtained during the period between the commencement of the Business and the date of Damage.

**Business** shall mean the Insured's business as stated in the schedule of this policy.

**Damage** shall mean Damage as defined under sub-section A but restricted to Damage in respect of which payment has been made or liability admitted by the Company under sub-section A of this section. For the purposes of this definition, liability shall be deemed to have been admitted under sub-section A if such payment is precluded solely because the Insured is required to bear the first portion of the loss in the form of a first amount payable.

**Dependency percentage** as reflected in the schedule next to each item of Insured Machinery shall mean that the Insured has declared that, as an approximation, the generation of the stated Gross Profit insured amount is dependent on such item of Insured Machinery to the extent of such stated percentage.

**Gross profit (additions basis)** shall mean the sum produced by adding to the Net Profit the amount of the Insured Standing Charges or, if there is no Net Profit, the amount of the Insured Standing Charges less such proportion of any net trading loss as the amount of the Insured Standing Charges bears to all the standing charges of the Business.

**Gross profit (difference basis)** shall mean the amount by which the sum of the Turnover and the amount of the closing stock shall exceed the sum of the amount of the opening stock and the amount of the Uninsured Costs.

The amount of the opening and closing stocks shall be arrived at in accordance with the Insured's normal accountancy methods, due provision being made for depreciation.

**Indemnity period** shall mean the period during which the results of the Business shall be affected in consequence of the Damage beginning after the No Claim Period and ending not later than the number of months thereafter stated in the schedule under the Indemnity Period.

**Insured Machinery** shall be restricted to the machines (or any parts thereof) described in the schedule for sub-section B.

**Insured standing charges** shall mean the charges of the items as specified in the schedule (the words and expressions used shall have the meaning usually given to them in the books of account of the Insured).

**Net profit** shall mean the net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the Business of the Insured at the Premises after due provision has been made for all standing and other charges including depreciation, but before the deduction of any taxation chargeable on profits.

**No claim period** shall mean the initial period as stated in the schedule following the Damage during which the Company shall not be liable for any loss of Gross Profit relating to such period.

**Rate of gross profit** shall mean the rate of Gross Profit earned on the Turnover during the financial year immediately before the date of the Damage to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations or other circumstances affecting the Business either before or after the Damage or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relative period after the Damage. If the Damage occurs before the completion of the first year's trading of the Business at the Premises, the value shall be calculated by using values proportionate to the results obtained during the period between the commencement of the Business and the date of Damage.

**Standard turnover** shall mean the Turnover during that period in the 12 months immediately before the date of the Damage which corresponds with the Indemnity Period to which such adjustments shall be made as may be necessary to provide for the trend of the Business and for variations or other circumstances affecting the

Business either before or after the Damage or which would have affected the Business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which, but for the Damage, would have been obtained during the relative period after the Damage. If the Damage occurs before the completion of the first year's trading of the Business at the Premises, the value shall be calculated by using values proportionate to the results obtained during the period between the commencement of the Business and the date of Damage.

**Standby machinery** as reflected in the schedule next to each item of Insured Machinery shall mean that the Insured has declared that standby machinery is in existence and is operational and ready to take over the function of such Insured Machinery item in the event of Damage.

**Turnover** shall mean the money paid or payable to the Insured for goods sold and delivered and for services rendered in the course of the Business at the Premises.

**Uninsured costs** shall mean the costs of the items specified in the schedule (the words and expressions used shall have the meaning usually attached to them in the books of account of the Insured).

## BASIS OF LOSS SETTLEMENT

Subject to the insured amount in the schedule not being exceeded:

**Gross profit - difference basis** (if stated as included in the schedule and the Gross Profit basis is stated as "Difference" in the schedule)

Loss following interruption of or interference with the Business in consequence of Damage to the Insured Machinery reflected in the schedule under this item but limited to loss of Gross Profit due to:

1. **reduction in Turnover;** and
2. **increase in cost of working;**

and the amount payable as indemnity hereunder shall be

1. **in respect of reduction in Turnover** the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall, in consequence of the Damage, fall short of the Standard Turnover;
2. **in respect of increase in cost of working** the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided;

less any sum saved during the Indemnity Period in respect of such of the charges and expenses of the Business payable out of Gross Profit as may cease or be reduced in consequence of the Damage, provided that the amount payable shall be proportionately reduced if the insured amount in respect of Gross Profit is less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover where the maximum Indemnity Period is 12 months or less, or the appropriate multiple of the Annual Turnover where the maximum Indemnity Period exceeds 12 months.

**Gross profit - additions basis** (if stated as included in the schedule and the Gross Profit basis is stated as "Additions" in the schedule)

Loss following interruption of or interference with the Business in consequence of Damage to the Insured Machinery reflected in the schedule against this item but limited to loss of Gross Profit due to:

1. **reduction in Turnover;** and
2. **increase in cost of working;**

and the amount payable as indemnity hereunder shall be

1. **in respect of reduction in Turnover** the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period shall, in consequence of the Damage, fall short of the Standard Turnover;



2. **in respect of increase in cost of working** the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Turnover which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Damage, but not exceeding the sum produced by applying the Rate of Gross Profit to the amount of the reduction thereby avoided;

less any sum saved during the Indemnity Period in respect of such of the Insured Standing Charges as may cease or be reduced in consequence of the Damage, provided that the amount payable shall be proportionately reduced if the insured amount in respect of Gross Profit is less than the sum produced by applying the Rate of Gross Profit to the Annual Turnover where the maximum Indemnity Period is 12 months or less, or the appropriate multiple of the Annual Turnover where the maximum Indemnity Period exceeds 12 months.

## LOSS SETTLEMENT MEMORANDA

1. If any standing charges of the Business are not insured under this section, then in computing the amount recoverable hereunder as increase in cost of working, that proportion only of the additional expenditure shall be brought into account which the sum of the Net Profit and the Insured Standing Charges bears to the sum of the Net Profit and all the standing charges. This memorandum shall apply to Gross Profit – Additions Basis only.
2. If during the Indemnity Period goods shall be sold or services shall be rendered elsewhere than at the insured Premises for the benefit of the Business either by the Insured or by others on his behalf, the money paid or payable in respect of such sales or services shall be brought into account in arriving at the Turnover during the Indemnity Period.
3. In the event of any interruption, following Damage, being aggravated or prolonged by:
  - 3.1 the Insured being unable or unwilling to replace or reinstate destroyed or damaged Insured Machinery, or failing to carry out such replacement or reinstatement within a reasonable time;
  - 3.2 addition, alteration, overhaul, servicing or improvements being effected to the Insured Machinery on the occasion of its repair following Damage,
  - 3.3 lack of capital or inability to raise capital by the Insured to fund any large first amounts payable or underinsurance average calculations under sub-section A resulting in delays or the prevention of the repair or replacement of damaged Insured Machinery;
  - 3.4 any restrictions on reconstruction methods imposed by any public authority;
  - 3.5 any gazetted law of the Republic of South Africa, including any exchange control regulation, directed against any other country;
  - 3.6 any law of a foreign country or international law directed against the Republic of South Africa;
  - 3.7 any economic sanctions, conventions, trade embargoes, boycotts, strikes or actions directed against the Republic of South Africathe Company's liability under this sub-section shall be restricted solely to the business interruption which would have arisen in the absence of the above circumstances.
4. If the Insured shall hold a salvage sale during the Indemnity Period, the reduction in Turnover part of the wording of the Gross Profit item shall, for the purposes of such claim, read as follows:

**in respect of reduction in Turnover** the sum produced by applying the Rate of Gross Profit to the amount by which the Turnover during the Indemnity Period (less the Turnover for the period of the salvage sale) shall, in consequence of the Damage, fall short of the Standard Turnover, from which sum shall be deducted the Gross Profit actually earned during the period of the salvage sale.
5. If during a period of 6 months immediately following the recommissioning of the Insured Machinery and plant after Damage the Insured derives benefit from deferred sales or from increased production and/or profits as a consequence of an interruption of or interference with the Business, such benefits shall be taken into account in determining the amount payable as indemnity under this sub-section.

## SPECIFIC EXCLUSIONS

This sub-section does not cover consequential loss of whatsoever nature (including but not limited to destruction, deterioration, damage to raw materials, semi-finished or finished products even if the consequence of Damage to Insured Machinery) other than as provided for under loss of Gross Profit as provided for hereunder.

# SPECIFIC CONDITIONS

## 1. Business rescue or liquidation

The insurance under this sub-section shall cease if the Business is wound up or carried on by a liquidator or judicial manager or is permanently discontinued, except with the written agreement of the Company.

## 2. Claims or possible claims

On the happening of any Damage in consequence of which a claim may be made under this sub-section:

1. the Insured shall, in addition to complying with General conditions 6 and 7, immediately notify the Company of the aforesaid occurrence and send the Company written confirmation thereof within 48 hours after the aforesaid occurrence;
2. the Insured shall with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimise or check any interruption of or interference with the Business or to avoid or diminish the loss;
3. as far as may be reasonably practicable without causing any increase in the period of interruption or interference with the Business, the Insured shall take precautions to preserve anything that might prove necessary or useful by way of evidence in connection with any claim;
4. the Insured shall discontinue the use of any damaged Insured Machinery unless the Company authorised otherwise, and the Company shall not be liable in respect of any further interruption or interference with the Business arising out of the continued use of any damaged Insured Machinery without the Company having given its consent in writing to such use until the aforesaid Insured Machinery has been repaired to the satisfaction of the Company;

and in the event of a claim being made under this sub-section the Insured shall, not later than 30 days after the expiry of the Indemnity Period, or within such further time as the Company may in writing allow, at their own expense deliver to the Company:

5. in writing a statement setting forth particulars of their claim together with details of all other insurance covering the loss or any part of it or consequential loss of any kind resulting therefrom;
6. such books of account and other business books, documents, proofs, information, explanation and other evidence as may be reasonably required by the Company for the purpose of investigating or verifying the claim, together with (if required) a statutory declaration regarding the truth of the claim and of any matters connected with the claim.

No claim under this sub-section shall be payable unless the terms of this specific condition have been complied with and, in the event of non-compliance therewith in any respect, any payment on account of the claim already made shall be repaid to the Company forthwith.

## 3. Material alterations

The Insured shall as soon as possible notify the Company in writing of any material change in the risk and cause at his own expense such additional precautions to be taken as circumstances may require, and the scope of cover and/or premium shall, if necessary, be adjusted accordingly.

## 4. Risk inspection

Representatives of the Company shall at any reasonable time have the right to inspect and examine the risk and the Insured shall provide the representatives of the Company with all details and information necessary for the assessment of the risk.

## 5. Reasonable care and loss prevention

The Insured shall exercise all reasonable care:

1. in the selection of employment and supervision of all employees;
2. in the prevention of any Damage;
3. in ensuring compliance with any statutory regulations and manufacturer's recommendations.

## 6. Standby machinery and dependency percentages

Where in the schedule next to any Insured Machinery it indicates that:

1. there is Standby Machinery, it is a condition that such Standby Machinery is to be retained in a fully operational condition ready to take over the function of the damaged Insured Machinery to which it relates. If such Standby Machinery is not maintained in an efficient working condition and available for immediate use or if conditions or circumstances change that would prevent or reduce the effectiveness of such Standby Machinery then this is to be communicated to the Company in writing immediately this becomes known to the Insured;
2. there is a Dependency Percentage of less than 100%, it is a condition that any change in this percentage be communicated to the Company in writing immediately this becomes known to the Insured.

The Company reserves the right to amend the premium charged or terms and conditions (including the continuance) of the insurance under this sub-section in these circumstances.

## CLAUSES AND EXTENSIONS

### Accountants clause

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

### Accumulated stocks clause

In adjusting any loss, account shall be taken and an equitable allowance made if any shortage in Turnover due to the Damage is postponed by reason of the Turnover being temporarily maintained from accumulated stocks.

### Departmental clause

If the Business is conducted in departments or branches, the independent trading results of which are ascertainable, the provisions under Gross Profit relating to reduction in Turnover and increase in cost of working, shall apply separately to each department or branch affected by the Damage, except that if the insured amount by the relative item is less than the aggregate of the sums produced by applying the Rate of Gross Profit for each department or branch, whether or not affected by the Damage, to the relative Annual Turnover thereof (proportionately increased if the number of months referred to in the definition of Indemnity Period exceeds 12), the amount payable shall be proportionately reduced.

### Deposit premium clause

If in the schedule next to deposit premium the percentage is less than one hundred percent then this shall mean that the premium charged by the Company is provisional and is temporarily discounted in that the premium is multiplied by the percentage stated in the schedule until the actual Gross Profit earned for the period of insurance is known.

In such case at the expiry of each period of insurance (or after twelve consecutive months from the inception date or anniversary date if this policy is paid by monthly debit order) the Insured shall declare the actual Gross Profit earned as certified by the Insured's auditors (increased proportionately if the number of months referred to in the definition of Indemnity Period exceeds 12) during the financial year most nearly concurrent with the period of insurance (or the equivalent twelve consecutive months from the inception date or anniversary date if this policy is paid monthly by debit order).

A pro rata refund or additional premium for such past period of insurance will be made based on the actual Gross Profit earned but without the percentage mentioned above being applied provided that if the actual Gross Profit earned exceeds the insured amount, any additional premium due to the Company shall be calculated on the insured amount.

In the event of a claim being made under Gross Profit, the maximum amount payable shall be restricted to the insured amount stated in the schedule notwithstanding any declaration being made that exceeds the insured amount.

### Output (alternative basis) clause

At the option of the Insured, the term "output" may be substituted for the term "Turnover" and, for the purposes of this sub-section, output shall mean the sale or transfer value, as shown in the Insured's books, of goods manufactured or processed by the Insured at the Premises, provided that:

1. only the meaning of output or the meaning of Turnover shall be operative in connection with any one event resulting in interruption;
2. if the meaning of output be used
  - 2.1 then the accumulated stocks clause shall be inoperative;
  - 2.2 then memorandum 2 under "loss settlement memoranda" shall read:

"If, during the Indemnity Period, goods shall be manufactured or processed other than at the Premises for the benefit of the Business either by the Insured or by others on behalf of the Insured, the sale or transfer of such goods shall be brought into account in arriving at the output during the Indemnity Period."

For internal broker use only - subject to minor changes from time to time

# MONEY SECTION

## DEFINED EVENTS

Loss of or damage to Money (as defined) occurring in the Republic of South Africa, Namibia, Lesotho, Botswana, Swaziland, Zimbabwe, Malawi and Mozambique provided that:

1. the liability of the Company for all loss or damage arising from all occurrences of a series consequent upon or attributable to one source or original cause shall not exceed the insured amounts or other specific limitations stated in the schedule;
2. irrespective of the number of specific items or limitations under which a claim is or can be lodged, the maximum liability of the Company for all loss or damage arising from all occurrences of a series consequent upon or attributable to one source or original cause shall not exceed for each insured premises the sum of the insured amounts of the Money major limit (as increased by any Seasonal limit) and Crossed cheques.

## DEFINITIONS

**Cash on delivery** as stated in the schedule shall mean Money (as defined) received by the Insured or the Insured's employees in payment for goods delivered at the time of such delivery of goods up until:

1. such Money is delivered into the building(s) stated in the schedule on the insured premises (thereafter the Money major limit shall apply), or;
2. such Money is deposited in the bank on the same day of receipt of such Money if the Money is taken to the bank first without first being taken to the premises in either 1 above or 3 below, or;
3. such Money is taken into any private residence of the Insured or the Insured's employees if such Money is not first taken into the building(s) in 1 above (thereafter whilst in such residence the "Money while in the private residence of the Insured, an employee, director or partner in or of the business" limit if different shall apply).

**Clothing** as stated in the schedule shall mean clothing and personal effects not otherwise insured belonging to the Insured or to any principal, partner, director or employee of the Insured.

**Collectors** as stated in the schedule shall mean Money (as defined) collected by the Insured's employees on the instruction of the Insured, whether as an official part of the job description of such employee or not (other than "Cash on delivery" as defined) from the time of such collection up until:

1. such Money is delivered into the building(s) stated in the schedule on the insured premises (thereafter the Money major limit shall apply), or;
2. such Money is deposited in the bank on the same day of receipt of such Money if the Money is taken to the bank first without first being taken to the premises in either 1 above or 3 below, or;
3. such Money is taken into any private residence of the Insured or the Insured's employees if such Money is not first taken into the building(s) in 1 above (thereafter whilst in such residence the "Money while in the private residence of the Insured, an employee, director or partner in or of the business" limit if different shall apply).

**Crossed cheques** as stated in the schedule shall include crossed money orders or crossed postal orders and any loss up to the insured amount for crossed cheques shall, subject to proviso 2 of the defined events, be payable in addition to any amount payable by the Company under any other item reflected on the schedule.

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

**Money major limit** as stated in the schedule shall mean all Money (as defined):

1. Up to the insured amount in the building(s) on the insured premises stated on the schedule (not catered for by any more specific item in the schedule for Money on the insured premises) but limited further by the safe grading condition limitation or any other condition limiting the insured amount whilst on the insured premises;
2. Up to the insured amount whilst in transit away from the insured premises within the territories stated in the defined events (not catered for by any more specific item in the schedule for money away from the insured

premises) but limited further by any Money in transit limitation(s) or any other conditions limiting the insured amount whilst away from the insured premises;

**Money taken away from the insured premises on a business trip** as stated in the schedule shall mean Money in the custody of a partner, director or employee of the Insured while away on a business trip anywhere in the world outside of the territories reflected in the Defined Events.

**Money while in the private residence of the Insured, an employee, director or partner in or of the business** as stated in the schedule shall mean Money of the business whilst temporarily in such residences provided that the SABS safe category restrictions reflected in the schedule under "Money contained in a locked safe or strong-room situated in a building at the insured premises outside the hours during which the commercial operations of the Insured are conducted" shall apply to Money in such private residence whilst the Insured, the employee, director or partner is not in the building of the private residence where the money is kept.

**Petrol attendants** as stated in the schedule shall mean loss of Money (as defined) in the custody and control of all petrol attendants whilst on the insured premises.

**Receptacles** as stated in the schedule shall mean any safe, strong-room, strong-box, till, cash register, cash box or other receptacle for Money or any franking machine.

**Seasonal limit** as stated in the schedule shall mean the period (as specified in the schedule) during which the Money major limit insured amount is replaced by the insured amount reflected in the schedule under Seasonal limit.

## CLAUSES AND EXTENSIONS

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) subject to any insured amounts or first amounts payable stated in the schedule under each extension.

### **Clothing** (if stated as included in the schedule)

In addition to any payment in respect of a defined event, the Company will indemnify the Insured in respect of Clothing (as defined) lost or damaged as a result of theft of Money or attempted theft of Money.

### **Extended Money definition** (if stated as included in the schedule)

The definition of Money is extended to include electronic monetary funds in a bank account of the Insured or electronic airtime, for which the Insured is legally liable, provided that:

1. Loss of electronic monetary funds and electronic airtime is restricted to a reduction of such funds due to:
  - 1.1 the Insured or any employee of the Insured being forced following violence or a threat of violence, to transfer such funds out of the Insured's bank account or to transfer such electronic airtime;
  - 1.2 theft of the Insured's bank cards;
  - 1.3 fraudulent use by a third party of the Insured's bank card number in conjunction with the card verification number/value to purchase goods;
  - 1.4 the Insured's bank card or details being replicated by means of skimming at an ATM or pay point and subsequently being used to purchase goods, withdraw or transfer funds out of the Insured's bank account;
  - 1.5 the Insured's bank account or online banking facility or access to such electronic airtime being hacked by a third party;
  - 1.6 the fraudulent activity of any principal, partner, director or person or persons in the employ of the Insured discovered within the period contained in Specific Exclusion 1 of this section;
  - 1.7 the Insured or an employee of the Insured through a scheme or trick being misled into transferring funds out of the bank account of the Insured or transferring electronic airtime;
2. The amount payable under this extension for any claim or number of claims during any one (annual) period of insurance (or twelve consecutive months from the inception date or anniversary date if this policy is paid monthly by debit order), shall not exceed in the aggregate the insured amount stated in the schedule against this extension;



3. The Insured immediately report any incident mentioned under 1 above including any loss or theft of a bank card to the relevant bank or the electronic airtime provider and immediately comply with all instructions of the bank to minimise further losses.
4. The Company shall not be liable under this extension for loss of or damage to electronic monetary funds or electronic airtime:
  - 4.1 where the Insured and employees of the Insured have not followed all of the bank or electronic airtime provider's security recommendations and requirements, including password and number protection both prior to and after any loss;
  - 4.2 that can be recovered from the Insured's bank, the electronic airtime provider or any other insurance;
  - 4.3 where proviso 3 has not been strictly complied with;
  - 4.4 arising out of an event described under 1.7 above and not discovered as being a fraudulent scheme or trick within 15 working days after the transfer of such funds.
  - 4.5 if the Insured did not have reputable and updated internet security software installed on the device at the time of any breach as set out under 1.5 above.

For the purposes of this extension, bank card shall include debit, credit, petrol or any other cards issued by the Insured's bank that can be used to withdraw, pay or transfer funds from the Insured's bank account.

### **Fraudulent payment to the Insured by means of a credit card** (if stated as included in the schedule)

This section is extended to include cover for any payment received by the Insured by means of a credit card that is subsequently discovered to be fraudulent provided that:

1. the Insured has attempted to recover such funds from the perpetrator and the relevant bank(s) but has been unsuccessful;
2. the loss and circumstances were immediately upon discovery reported to the police;
3. the Company shall not be liable under this extension for any amount that is covered under any other insurance and this extension shall not be called into contribution with any other such insurance;
4. The amount payable under this extension for any claim or number of claims during any one (annual) period of insurance (or twelve consecutive months from the inception date or anniversary date if this policy is paid monthly by debit order), shall not exceed in the aggregate the insured amount stated in the schedule against this extension;

### **Personal accident (assault)** (if stated as included in the schedule)

The term "defined events" in the Money section shall be deemed to include bodily injury, caused by accidental, violent, external and visible means as a result of theft, or any attempt thereat, to the Insured or to any principal, partner, director or employee of the Insured (hereinafter in this extension referred to as "such person") while such person is acting in the course of his duties in the Insured's employ.

The Company will pay to the Insured, on behalf of such person or his estate, the sum or sums stated below in the event of bodily injury to such person resulting within 24 calendar months in:

1. **Death:** the amount stated in the schedule per person;
2. **Permanent disability:**
  - 2.1 loss by physical separation at or above the wrist or ankle of one or more limbs: 100% of the death amount
  - 2.2 permanent and total loss of:
    - 2.2.1 the whole eye: 100% of the death amount
    - 2.2.2 sight of the eye: 100% of the death amount
    - 2.2.3 sight of eye except perception of light: 100% of the death amount
  - 2.3 permanent and total loss of hearing:
    - 2.3.1 in both ears: 100% of the death amount
    - 2.3.2 in one ear: 35% of the death amount
  - 2.4 permanent and total loss of speech: 100% of the death amount

- 2.5 injuries resulting in permanent total incapacity from following usual occupation or any other occupation for which such person is fitted by knowledge or training: 100% of the death amount
- 2.6 loss of four fingers: 80% of the death amount
- 2.7 loss of thumb or part thereof (provided at least an entire phalange is lost): 30% of the death amount
- 2.8 loss of any other finger or part thereof (provided at least an entire phalange is lost): 15% of the death amount (per finger)
- 2.9 loss of metacarpals: 5% of the death amount (per metacarpal)
- 2.10 loss of toes:
  - 2.10.1 all toes on one foot: 35% of the death amount
  - 2.10.2 per toe or part thereof (provided at least an entire phalange is lost): 7% of the death amount (per toe)
- 2.11 disfigurement from burns of:
  - 2.11.1 100% of the surface area of the head and neck: 75% of the death amount
  - 2.11.2 100% of the surface area of the remainder of the body other than the neck and face: 50% of the death amount.
3. **Temporary total disability** (from following usual business or occupation): the weekly sum specified in the schedule.
4. **Medical expenses:** The reasonable expenses incurred, up to the sum specified in the schedule, shall be payable in respect of medical, surgical, dental, nursing home or hospital treatment (including the cost of artificial aids and prostheses and the costs and expenses incurred in emergency transportation or freeing such person if trapped or bringing such person to a place of safety) incurred within 24 months of the defined event.

Provided that:

1. Where a permanent disability injury is not specified the Company will pay such sum as in its opinion is consistent with the above provisions;
2. Permanent total loss of use of part of the body shall be considered as loss of such part;
3. 100% of the death amount shall be the maximum percentage of compensation payable for permanent disability resulting from an accident or series of accidents arising from one cause in respect of any such person;
4. The Company shall not be liable to pay in respect of any one such person more than the Death amount plus the sums specified under items Temporary total disability and Medical expenses;
5. The sum specified under Temporary total disability shall be payable only for the duration of the incapacity of such person and shall not be payable for more than 104 weeks and such payment shall cease as soon as the injury causing the incapacity has healed as far as is reasonably possible notwithstanding that permanent disability may remain;
6. Compensation payable under item Medical expenses shall be reduced by an amount equal to the compensation received or receivable under any workmen's compensation enactment in respect of any treatment for which compensation is payable under Medical expenses;
7. This extension shall not apply to any such person under 15 or over 75 years of age;
8. After suffering bodily injury for which benefit may be payable under this extension, such person shall submit to medical examination and undergo any treatment specified. The Company shall not be liable to make any payment unless this proviso is complied with to its satisfaction;
9. General exclusion 2 and General conditions 2 and 9 do not apply to this extension;
10. In respect of this extension only, General exclusion 1 is deleted and replaced by the following:
 

“This extension does not cover death or bodily injury directly or indirectly caused by or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution or military or usurped power.”
11. Bodily injury shall be deemed to include injury caused by starvation, thirst and/or exposure to the elements directly or indirectly resulting from such person being the victim of theft or any attempt thereat;
12. In the event of disappearance of any such person in circumstances which satisfy the Company that he has sustained injury to which this personal accident (assault) extension applies and that such injury has resulted

in the death of such person, the Company will, for the purpose of the insurance afforded by this extension, presume his death provided that if, after the Company shall have made payment hereunder in respect of such person's presumed death, he is found to be alive, such payment shall forthwith be refunded by the Insured to the Company.

### **Receptacles** (if stated as included in the schedule)

In addition to any payment in respect of a defined event, the Company will indemnify the Insured in respect of Receptacles (as defined) lost or damaged as a result of theft of Money or attempted theft of Money.

### **Receptacles: Locks, keys and access cards** (if stated as included in the schedule)

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, keys and access cards to any Receptacle at the insured premises following upon the disappearance of any key or access card 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 or access card.

### **Riot and strike (other than RSA and Namibia)** (if stated as included in the schedule)

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

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

provided that this extension does not cover:

1. loss or damage occurring in the Republic of South Africa and Namibia;
2. consequential or indirect loss or damage of any kind or description whatsoever;
3. loss or damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation;
4. loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
5. loss or damage related to or caused by any occurrence referred to in General exclusion 1 (A), (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with such occurrence.

If the Company alleges that, by reason of provisos 1 to 5 above loss or damage is not covered by this section, the burden of proving the contrary shall rest on the Insured.

### **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.

## **SPECIFIC EXCLUSIONS**

The Company shall not be liable for loss of or damage to Money:

1. arising from dishonesty of any principal, partner, director or person or persons in the employ of the Insured not discovered within the number of days (as stated in the schedule) of the occurrence thereof;
2. arising from shortage due to error or omission;
3. arising from the use of keys to any safe or strong-room unless the keys
  - (a) are obtained by violence or threats of violence to any person;

- (b) are used by the key holder or some other person with the collusion of the key holder and the Insured can prove to the satisfaction of the Company that the key holder or such other person had used the keys to open the safe or strong-room;
4. in an unlocked safe or strong-room whilst the portion of the premises containing such safe or strong-room is unattended but this exclusion will not apply if it can be shown to the satisfaction of the Company that the key holder to the safe or strong-room deliberately left it unlocked with the intention of allowing the Money to be stolen;
  5. not contained in a locked safe or strong-room whilst the portion of the premises containing such Money is unattended but this exclusion 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 principal, partner, director or employee of the Insured is actually in such vehicle or, if not in such vehicle, is within 10 metres of it in a position from which the vehicle is clearly visible. This exclusion shall not apply following an accident involving such vehicle rendering the said person incapacitated.
  7. in respect of which a claim is payable, or would be payable but for any first amount payable or co-insured clause under the Fidelity section of the policy or any other fidelity insurance.
- Specific exclusions (3), (4), (5) and (6) do not apply up to an amount of R3 500 and such losses shall not be reduced by any first amount payable.

## SPECIFIC CONDITIONS

### 1. Basis

The maximum amount payable by the Company is limited to the insured amount stated in the schedule and if in the schedule against "Basis" it states "All buildings on the premises", it shall mean that the insured amount shall be the maximum amount payable by the Company for any one event for all buildings on the premises combined and not to each building individually.

### 2. Money contained in a locked safe or strong-room situated in a building at the insured premises outside the hours during which the commercial operations of the insured are conducted

Cover for money contained in a locked safe or strong-room situated in a building at the insured premises outside the hours during which the commercial operations of the Insured are conducted, is restricted to those monetary amounts reflected in the schedule next to any specified safe(s) and in the absence of any specified safe being reflected, to those monetary amounts reflected in the schedule next to the various SABS category ratings. For the purposes of this section, the schedule shall not be deemed to over-ride the policy wording to the extent that the Company's liability shall not exceed the Money major limit or the Seasonal limit for the premises concerned notwithstanding any higher amount reflected next to the SABS safe category in the schedule.

### 3. Special conditions applicable to cheques

#### First amount payable applicable to theft of cheques

Any loss or series of losses attributable to one original event which is payable under this section and which results from the theft of any cheque or cheques shall be reduced by a first amount payable as stated in the schedule ["% of claim (cheques not complying with the special conditions applicable to cheques)"] unless:

#### 1. Cheques drawn by the Insured:

- 1.1 the cheque has been drawn and crossed exactly in accordance with the undermentioned "Recommended Santam procedure for drawing and crossing of cheques" or any other superior method approved by Santam and the printed portion of the cheque (as opposed to the written or typed portion) has been printed by the bank itself or a printer licensed to print cheques by the Automatic Clearing Bureau, or;
- 1.2 the cheque has been dispatched to the payee by certified post or any post where the security is equal or superior to certified post.

2. Cheques drawn by someone other than the Insured and which were received by the Insured by post or direct by the cashier:
  - 2.1 such cheque has been crossed and marked “not negotiable” and marked “not transferable” immediately on receipt thereof by the Insured and
  - 2.2 the Insured is able to identify the drawer and amount of the cheque from their records.
3. Cheques of which the Insured is the true owner which were drawn by someone other than the Insured and posted to the Insured but not received
  - 3.1 the cheque has been drawn and crossed exactly in accordance with the undermentioned “Recommended Santam procedure for drawing and crossing of cheques” or any other superior method approved by Santam, or;
  - 3.2 the cheque was dispatched to the Insured by certified post or any post where security is equal or superior to certified post, or;
  - 3.3 the invoice of the Insured (to which the payment by cheque relates) contains a message (approved by the Company) on it recommending or requiring that the cheque be drawn in accordance with the undermentioned “Recommended Santam procedure for drawing and crossing of cheques”.

## RECOMMENDED SANTAM PROCEDURE

### For drawing and crossing of cheques and printing of blank cheques

#### 1. Drawing and crossing of cheques

One of the safest methods of drawing and crossing a cheque which is acceptable to banks is as noted hereunder. This method is recommended by Santam.

- 1.1 Delete the pre-printed words “or bearer”. This limits the possibility of the drawee bank paying out to a bearer who might not be entitled to payment.
- 1.2 If instead of “or bearer” your cheque has pre-printed on it “or order” these words must also be deleted.
- 1.3 Write on the face of the cheque the words “not transferable”.
- 1.4 Cross the cheque by drawing two parallel lines across the cheque.
- 1.5 Write the words “not negotiable” between the two parallel lines referred to in 1.4 above.
- 1.6 Ensure that the payee is accurately, properly and fully described. For example, where the payee is a company, its full name should be used: “RH Jones (Pty) Ltd”; not just “RH Jones”.

Where the bank account number or CC number of the payee is known this should be included after the name of the payee, for example, “RH Jones (Pty) Ltd, Co No: 69/123456” or “RH Jones (Pty) Ltd ABC Bank account no: 123456789”.

Whilst highly recommended it is not compulsory to use the bank account number of the payee.

- 1.7 In drawing the cheque no spaces should be left which would allow anyone to add extra words or figures.
- 1.8 An example of this method of drawing a cheque is attached as Annexure A.
- 1.9 On the front of the cheque the wording listed in Annexure B (last page of this section) should be printed. Please ensure that space is left on the rear of the cheque for bank stamps and endorsements.
- 1.10 All the markings on a cheque should be legible and clearly visible. Persons drawing cheques should not use abbreviated or different versions of the terminology used in the example. The words “not neg” and a crossing using a rubber stamp containing a rectangle rather than two parallel lines are worthless.
- 1.11 The method used to complete cheques should be one which makes an ink impression on the paper, such as handwriting, a typewriter or a dot matrix printer. The ribbon used on the printer/typewriter should be of the type which impregnates the paper with ink. Do not use:
  - 1.11.1 Old ribbons;
  - 1.11.2 laser printers which do not make an impression into the paper;



1.11.3 the “reverse printing technique”;

1.11.4 correctable type ribbons.

## 2. Printing of blank cheques

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

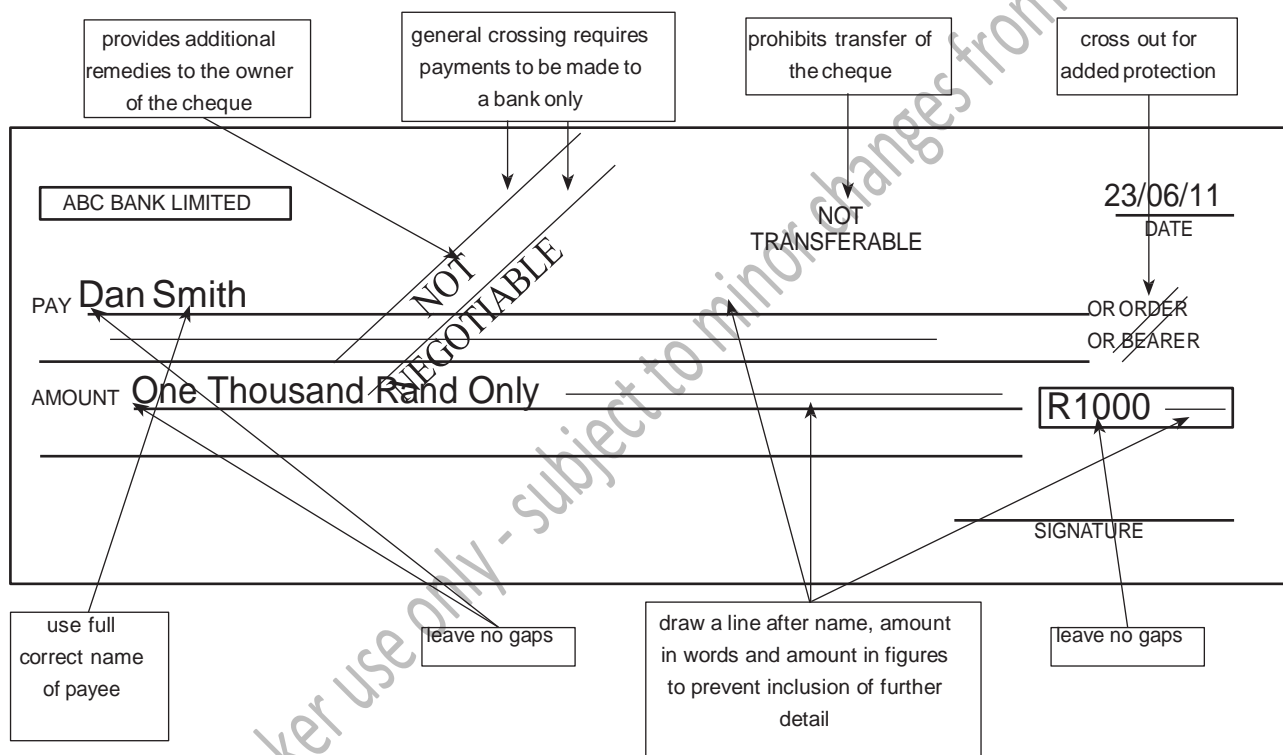
2.1 security paper (CBS1 or superior);

2.2 security designs;

2.3 special security inks compatible with the security paper/design;

2.4 methods which make it difficult for anyone to make a supply of blank cheques by photocopying the originals.

### Annexure A – Santam Recommended Cheque



### Annexure B – Santam Recommended Cheque

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

#### WARNING

To persons encashing this cheque or receiving it in exchange for any consideration:

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

NB THIS CHEQUE IS CROSSED AND MARKED “NOT NEGOTIABLE” AND “NOT TRANSFERABLE”.



# MOTOR FLEET SECTION

This wording has to be read in conjunction with the Motor General wording. The definitions, compulsory conditions, specific exclusions and clauses of the Motor General wording also apply to this section, unless specifically stated otherwise.

## DEFINITIONS

**Insured Vehicle:** shall mean any Vehicle

1. owned by the Insured, or
2. hired or leased to the Insured, or
3. operated by the Insured as replacement for any Vehicle in 1 or 2 above out of use for the purpose of overhaul, upkeep and/or repair provided that the Company's maximum liability shall not exceed the lesser of the Retail Value of the replacement vehicle or the maximum insured amount any one Vehicle stated in the schedule.

**Taxi:** shall mean a type of Vehicle for hire with a driver that is used by a single or small group of passengers to convey them to destinations of their choice.

**Tyre:** shall mean the part of a Vehicle that is usually made from solid or inflatable rubber, metal or wood that is in contact with the ground that carries the weight of the Vehicle. For the purpose of this section it also means track tyres fitted to specialised equipment.

**Write-Off:** shall mean that a Vehicle is damaged so extensively that, in the opinion of the Company, it is not economical to repair.

### Retail Value

1. For Vehicles listed in the auto dealers' guides, Retail Value shall mean the published retail value adjusted according to the guide's recommendations for odometer reading, overall condition, accessories and parts fitted to the Vehicle at the time of the loss or damage.
2. For Vehicles, Vehicle types and extras not listed in the auto dealers' guides, Retail Value shall be based on a minimum of three quotations obtained from the motor dealer market for a similar Vehicle of the same make and model in similar condition at the time of the loss or damage.

## SUB-SECTION 1 – DAMAGE TO THE INSURED VEHICLE

### DEFINED EVENTS

Loss of or damage to any Insured Vehicle as described in the schedule.

Provided that:

- (a) the maximum insured amount any one Vehicle is stated in the schedule and the maximum amount payable by the Company shall be the lesser of the maximum insured amount any one Vehicle or the Retail Value of the Vehicle at the time of the loss or damage;
- (b) in the event of any part (which shall include any spare wheel, tool, accessory and part) needed to repair or replace damage (insured against under sub-section 1 of this section) to the Insured Vehicle being unobtainable in the Republic of South Africa as a standard (ready manufactured) article the liability of the Company shall be

discharged by the payment of an amount equal to the value of the part (including the reasonable cost of freight) at the time of the accident but not in any case exceeding the part's price as stated in the manufacturer's last issued catalogue or price list;

- (c) the Company may, at its own option, repair, reinstate or replace the Vehicle or any part thereof and/or its accessories and parts or may pay in cash the amount of the loss or damage not exceeding the Retail Value of the Vehicle and/or its accessories and/or parts at the time of the loss or damage; subject to the Company's maximum liability as set out in proviso (a);
- (d) if, to the knowledge of the Company, the Vehicle is the subject of a suspensive sale or similar agreement and the Insured Vehicle is written off or stolen/hijacked and not recovered, the payment shall be made to the owner described therein whose receipt shall be a full and final discharge to the Company in respect of the loss or damage;
- (e) in the event of damage limited to only the windscreen, side or rear glass forming part of any Insured Vehicle, the Insured shall be responsible for the first amount payable applicable to motor glass stated in the schedule for each and every Event.

## EXCLUSIONS TO SUB-SECTION 1

The Company shall not be liable to pay for:

1. consequential loss as a result of any cause whatsoever;
2. depreciation in value whether arising from repairs following a Defined Event or otherwise;
3. wear and tear;
4. gradual deterioration;
5. mechanical, electronic or electrical breakdowns, failures or breakages;
6. damage to tyres by application of brakes or by road punctures, cuts or bursts;
7. damage to springs/shock absorbers due to inequalities of the road or other surface or to impact with the inequalities;
8. detention, confiscation or requisition by customs or other officials or authorities provided that this exclusion shall not apply to damage occurring during the detention, confiscation or requisition which is discovered on the return of the Vehicle to the Insured.

## EXTENSIONS TO SUB-SECTION 1

Subject otherwise to the terms, exclusions and conditions of this sub-section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if the extensions and clauses are stated as included in the schedule).

### **Damage to tyres** (if stated as included in the schedule)

Notwithstanding exclusion 6 of sub-section 1 the Company will indemnify the Insured for the total loss of and irreparable damage to the Vehicle's tyres as a result of damage caused by any unseen or concealed object whilst on the road or other surface.

Provided that:

- (a) this extension only applies to tractors, harvesters and implements used for agricultural purposes;
- (b) the Insured shall at his own expense have all damage and wear and tear assessed by one or more reputable tyre retreader or supplier to assess whether or not the tyre can be repaired;

- (c) the Company will replace the corresponding, undamaged tyre in a set of tyres only if required by the vehicle manufacturer;
- (d) wear and tear at the time of the loss or damage is not covered in terms of this extension;
- (e) the Company's liability shall not exceed the insured amount stated in the schedule for any one Event;
- (f) the Insured shall be responsible for the first amount payable stated in the schedule for each and every Event.

**Fire extinguishing charges** (if stated as included in the schedule)

The Company will pay in addition to the maximum insured amount any one Vehicle, any costs up to the insured amount stated in the schedule relating to the extinguishing or fighting of fire (including replacement or refilling of the Insured's fire extinguishers after being used in connection with the Insured Vehicle).

Provided that:

- (a) the Insured is legally liable for the costs;
- (b) the Insured Vehicle was on fire or in danger of fire.

**Keys** (if stated as included in the schedule)

The Company will indemnify the Insured in respect of the cost of replacing locks and keys, including the remote alarm controller and, if necessary, the reprogramming of any coded alarm system of any Insured Vehicle following upon the loss of or damage to any key or alarm controller of the Vehicle, or following upon damage to the Vehicle's locks in order to gain forced access to the Vehicle, or following upon the Insured having reason to believe that any unauthorised person may be in possession of a duplicate of the key or alarm controller.

Provided that:

- (a) no other damage has been caused to the Vehicle giving rise to a claim under the policy;
- (b) the Company's liability shall not exceed the insured amount stated in the schedule for any one Event;
- (c) the Insured shall be responsible for the first amount payable stated in the schedule for each and every Event;
- (d) the provisions of this sub-section relating to claim free groups shall not apply to any payment made under this extension.

**Loss of use** (if stated as included in the schedule)

Notwithstanding exclusion 1 of sub-section 1, the Company will indemnify the Insured for the loss of use of the Insured Vehicle following loss of or damage to the Insured Vehicle.

Provided that:

- (a) the loss or damage to the Vehicle is covered in terms of this policy;
- (b) where the Vehicle is
  1. stolen or hijacked and not recovered, or
  2. not drivable

cover will only commence once a claim has been registered with the Company;

- (c) where the Vehicle is
  1. damaged but still drivable, or
  2. stolen or hijacked and recovered with damage but still drivable

cover will only commence once the authorised repairer takes custody of the Vehicle to do the repair work;

- (d) loss or damage falling within the applicable first amount payable is not covered in terms of this extension;
- (e) compensation will end
  - 1. on the day of completion of the repairs by the authorised repairer; or
  - 2. on the day the agreement of loss is forwarded by the Company to the Insured;
- (f) notwithstanding proviso (e) above, indemnity by this extension shall not exceed the number of days stated in the schedule for any one Event;
- (g) the Company's liability per day shall not exceed the insured amount (per day) stated in the schedule.

**Motor hire** (if stated as included in the schedule)

The Company will provide the Insured with a rental vehicle similar but not inferior to the Vehicle available under the heading "Group" stated in the schedule if the Insured Vehicle is:

- 1. unusable or being repaired, or
- 2. a Write-Off, or
- 3. stolen or hijacked and not recovered.

Provided that:

- (a) a claim has been registered with the Company and the loss or damage is covered in terms of the policy;
- (b) the Insured Vehicle is a Vehicle as defined in vehicle definition 1.1 and 1.3;
- (c) the address where the rental vehicle will be delivered is within the borders of the RSA;
- (d) the rental vehicle will be provided until the time as
  - i. the Insured Vehicle has been satisfactorily repaired if repairs were economically viable, or
  - ii. the Insured Vehicle has been replaced, or
  - iii. the claim is settled in cash in case of a cash settlement, or
  - iv. the Insured Vehicle has been recovered and, if required, repaired if stolen and recovered with damage;
- (e) notwithstanding proviso (d) above, the rental vehicle will not be supplied for a period exceeding the maximum number of days stated in the schedule;
- (f) loss or damage falling within the applicable first amount payable is not covered in terms of this extension;
- (g) the Insured is responsible for a security deposit payable to the service provider when receiving the rental vehicle;
- (h) the Company shall be liable for the cost of delivery and pick up of the rental vehicle to and from the Insured.

Should the Insured be supplied with a rental vehicle outside the RSA, but within the territorial limits of the policy, the Insured may rent a Vehicle from a recognised rental company for his own account. Upon submission of an invoice the Company will reimburse the Insured for the rental costs provided that the rental cost per day shall not exceed the amount that the Company would have paid to provide the rental vehicle in the RSA when using its own service providers.

**Replacement of Vehicles**

In the event of the Insured Vehicle being a Write-Off or stolen and not recovered within a reasonable time, the Company will replace the Vehicle with a similar new Vehicle subject to the availability thereof.

Provided that:

- (a) this extension only applies to Vehicles defined in vehicle definitions 1.1 and 1.3;
- (b) the loss or damage occurs within 12 months of the date of first registration of the Vehicle;
- (c) the Insured Vehicle has not travelled more than 2,500 kilometres per month or 30,000 kilometres in total;
- (d) the Company shall not be liable for more than the maximum insured amount any one Vehicle stated in the schedule less the first amount payable.

**Riot and strike (other than RSA and Namibia) (if stated as included in the schedule)**

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

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

Provided that this extension does not cover:

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

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

The Company's liability for any loss or damage in respect of any one Vehicle is limited to the lesser of the maximum insured amount any one Vehicle stated in the schedule and the Retail Value of the Vehicle at the time of the loss or damage.

The Insured shall be responsible for the first amounts payable stated in the schedule under sub-section 1.

**Spare wheel first amount payable waiver (if stated as included in the schedule)**

The provisions relating to first amount payable shall not apply to any payment for loss of any spare wheel.

Provided that:

- (a) no other damage has been caused to the Vehicle giving rise to a claim under the policy;
- (b) the Company shall not be liable for loss caused by theft from any unattended Vehicle unless the spare wheel is contained in a securely locked driver's cabin or boot or attached to the permanent fitting provided by the vehicle manufacturer, 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;
- (c) the provisions of this sub-section relating to claim free groups shall not apply to any payment made under this extension.

**Temporary repairs (if stated as included in the schedule)**

The Insured may give instructions for repairs to be executed without the prior consent of the Company to the extent of but not exceeding the insured amount stated in the schedule for any one Event, provided that a detailed estimate is first obtained and immediately forwarded to the Company.

#### **Towing costs within the borders of RSA** (if stated as included in the schedule)

Where a Defined Event occurs inside the RSA, the Company will pay the reasonable cost of removal of the Insured Vehicle to the nearest Santam approved repairer within the RSA as well as the reasonable cost of protection, storage and delivery of the Insured Vehicle to the permanent address of the Insured within the territorial limits stated in the schedule after a Defined Event occurred.

#### **Towing costs outside the borders of RSA** (if stated as included in the schedule)

Where a Defined Event occurs outside the RSA, the Company will pay the cost of removal of the Insured Vehicle to the nearest border of the RSA or place of safety.

Provided that:

- (a) the Company's liability shall not exceed the insured amount stated in the schedule for any one Event;
- (b) the Company will pay the reasonable cost of the towing irrespective of whether the value of the claims arising from the incident falls within the first amount payable;
- (c) if the Insured Vehicle cannot be repatriated to the RSA on the grounds that the Vehicle is a Write-Off, the Company will deduct 15% from the settlement due to the Insured;
- (d) The Company shall not be liable to pay for government imposed duties, charges or stamps relating to the repatriation of the Vehicle.

The Company will also pay the reasonable cost of

1. moving the Vehicle from the RSA border to the nearest Santam approved repairer within the RSA;
2. protection, storage and delivery of the Insured Vehicle to the permanent address of the Insured within the territorial limits stated in the schedule

after a Defined Event occurred.

#### **Wreckage removal** (if stated as included in the schedule)

The Company will, in addition to the maximum insured amount any one Vehicle, indemnify the Insured for any costs relating to the clearing up and removal of debris and wreckage of the Insured Vehicle following a Defined Event, provided that the Company's liability shall not exceed the insured amount stated in the schedule for any one Event.

## **SUB-SECTION 2 – LIABILITY TO THIRD PARTIES**

### **DEFINED EVENTS**

The Company will indemnify the Insured in respect of any accident caused by or through or in connection with any Vehicle described in the schedule or in connection with the loading and/or unloading of the Vehicle in respect of which the Insured and/or any passenger becomes legally liable to pay all sums including the claimant's costs and expenses in respect of:

- (a) death of or bodily injury to any person;
- (b) damage to property.

The Company will also:

1. pay all costs and expenses incurred with their written consent, and shall be entitled at their discretion to arrange



for representation at any inquest or inquiry in respect of any death which may be the subject of indemnity under this sub-section, or for defending in any magistrate's court any criminal proceedings in respect of any act causing or relating to any Event which may be the subject of indemnity under this sub-section.

2. indemnify any person who is driving or using the Vehicle on the Insured's order or with the Insured's permission.

Provided that:

- (a) the person shall, as though he were the Insured, observe, fulfil and be subject to the terms, exclusions and conditions of this insurance in so far as they can apply;
- (b) the person driving the Vehicle has not been refused any motor insurance or continuance thereof by any insurer;
- (c) the person is not entitled to indemnity under any other policy except in respect of any amount not recoverable thereunder.

3. indemnify the Insured while personally driving or using any Vehicle that fits vehicle definition 1.1 or 1.3.

Provided that:

- (a) the Vehicle does not belong to the Insured;
- (b) the Vehicle is not leased or hired to the Insured under a lease or suspensive sale agreement;
- (c) the Insured is an individual;
- (d) a Vehicle is insured on this section that fits vehicle definition 1.1 or 1.3;
- (e) the Company shall not be liable for damage to the Vehicle while it is driven or used by the Insured.

4. indemnify the Insured in respect of liability arising from the towing by a Vehicle (other than for reward) of any other Vehicle or trailer (including liability in connection with the towed Vehicle or trailer), provided the Company shall not be liable for damage to the towed Vehicle or trailer or to property therein or thereon.

The Company's liability under sub-section 2 shall not exceed the insured amount stated in the schedule for any one Event.

## EXCLUSIONS TO SUB-SECTION 2

The Exclusions – liability to third parties on the Motor General section apply in addition to the exclusions stated here.

The Company shall not be liable for:

1. death of or bodily injury to any person being carried in or upon or entering or getting onto or alighting from any Insured Vehicle.

## EXTENSIONS TO SUB-SECTION 2

Subject otherwise to the terms, exclusions and conditions of this sub-section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if the extensions and clauses are stated as included in the schedule).

### **Passenger liability** (if stated as included in the schedule)

Exclusion 1 of sub-section 2 is hereby cancelled.

Provided that:

- (a) the Company's liability shall not exceed the insured amount stated in the schedule for any one Event;

- (b) the person is carried in or upon or entering or getting onto or alighting from a permanently enclosed passenger carrying compartment of the Insured Vehicle;
- (c) the Company shall not be liable under this extension if the territorial limitation in the schedule under this extension indicates "Inside RSA " and the Defined Event takes place outside the borders of the RSA.

**Passenger liability including open Vehicles** (if stated as included in the schedule)

Proviso (b) of the Passenger liability extension is hereby cancelled.

**Passenger liability – employees** (if stated as included in the schedule)

Notwithstanding exclusion 1 of sub-section 2 of this section and exclusion 1 of Exclusions – Liability to third parties of the Motor General section, the Company will indemnify the Insured for death of or bodily injury to an employee being carried in or upon, entering or getting onto or alighting from the Insured Vehicle.

Provided that:

- (a) this extension only applies to Vehicles as defined in vehicle definition 1.3, 1.4 and 2;
- (b) the employee was not carried in or upon, entering or getting onto or alighting from the Vehicle for any purpose related to his or her employment;
- (c) the Vehicle is fitted with railings on all sides of the load area;
- (d) the Company's liability shall not exceed the insured amount stated in the schedule for any one Event.

**Unauthorised passenger liability** (if stated as included in the schedule)

The indemnity under sub-section 2, notwithstanding exclusion 1 thereto, extends to cover the Insured's legal liability for death of or bodily injury to persons while being carried in or upon or entering or getting onto or alighting from any Insured Vehicle in contravention of the Insured's instructions to their driver not to carry passengers.

Provided that:

- (a) the Company's liability shall not exceed the insured amount stated in the schedule for any one Event.

## **SUB-SECTION 3 – INSURED VEHICLE OCCUPANTS**

Cover under this sub-section only applies if stated in the schedule as included.

**Driver repatriation** (if stated as included in the schedule)

If a claim is admitted under sub-section 1 and the Insured Vehicle is disabled as a result of the loss or damage, the Company will indemnify the Insured for:

1. the reasonable expenses necessarily incurred for overnight accommodation for the driver for a maximum of two nights;
2. transport of the driver of the Vehicle at the time of the loss or damage, from the place at which the Vehicle became disabled to the driver's normal place of residence in the RSA, or intended destination, or point of departure on this journey.

Provided that:

- (a) the destination is more than 100 kilometres from the place at which the Vehicle became disabled;
- (b) the Company's liability shall not exceed the insured amount stated in the schedule for any one Event.

**Medical expenses** (if stated as included in the schedule)

If an occupant of an Insured Vehicle, in direct connection with the Vehicle, sustains bodily injury by violent,

accidental, external and visible means, the Company will pay to the Insured the medical expenses incurred as a result of the injury, including any costs incurred to free the injured occupant from the Vehicle or to bring the injured occupant to a place where medical treatment can be given.

Provided that:

- (a) the Company's liability per person shall not exceed the insured amount stated in the schedule;
- (b) the Company's liability per Event shall not exceed the insured amount stated in the schedule;
- (c) the cover is limited to occupants of a private motor car or the permanently enclosed passenger carrying compartment of any other Vehicle;
- (d) the amount payable under this cover shall be reduced by any amount recoverable under any workmen's compensation enactment or similar legislation.

#### **Motor accident benefit – employees** (if stated as included in the schedule)

If an occupant of an Insured Vehicle is fatally injured in direct connection with the Insured Vehicle the Company will pay the insured amount per occupant stated in the schedule:

Provided that:

- (a) such occupant is a full-time employee of the Insured at the time of the Event;
- (b) death occurs within 90 days of the Event.

#### **Trauma** (if stated as included in the schedule)

The Company will pay for expenses incurred, not otherwise covered, by any member, director or employee of the Insured undergoing treatment by a registered professional counsellor following the person being psychologically traumatised as a direct result of violence or threat of violence during theft, attempted theft or hijack of any Insured Vehicle, provided that the Company's liability shall not exceed the insured amount stated in the schedule for any one Event.

## **EXTENSIONS APPLICABLE TO ALL SUB-SECTIONS**

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if the extensions and clauses are stated as included in the schedule)

#### **Carriage of paying passengers** (if stated as included in the schedule)

Specific exclusion 4(ii) in the Motor General section is hereby cancelled.

#### **Combine corn head and cutting platform**

The Company will indemnify the Insured in terms of Sub-sections 1 and 2 for any accident, injury, loss, damage or liability whilst combine corn heads and cutting platforms are attached to any insured combine or whilst temporary removed from any insured combine, provided that the corn head and cutting platform are not attached to any uninsured combine.

#### **Vehicles hired out** (if stated as included in the schedule)

Specific exclusion 4(i) in the Motor General section is hereby cancelled.

Provided that:

- (a) the Company shall not be liable to pay for loss of the Insured Vehicle if the Vehicle is rented out to a third party in terms of a rental agreement, whether the rental agreement is in writing or not, and the third party fails to return the

Insured Vehicle to the Insured in terms of the provisions of the rental agreement.

## SPECIFIC EXCLUSIONS

The specific exclusions of the Motor General section apply in addition to the specific exclusions stated here.

The Company shall not be liable under this section:

1. if the Insured Vehicle is used by the Insured for any purpose other than for the business purposes of the Insured or for social, domestic and pleasure purposes;
2. if the Insured Vehicle is used with the general knowledge and consent of the Insured, by anyone other than the Insured, for any purpose other than for the business purposes of the Insured or for social, domestic and pleasure purposes;
3. if the Insured Vehicle is in the possession, custody or control of a member of the motor trade for the purpose of being sold on behalf of the Insured.

## COMPULSORY CONDITIONS

The compulsory conditions in the Motor General section as well those stated below, always apply.

### Description of use

Cover of the Vehicle described in the schedule is conditional, where the type of auto is:

1. Private type motor cars for private use and the Vehicle is used with the general knowledge and consent of the Insured for purposes other than social, domestic and pleasure purposes; or
2. Bus – religious, educational institutions, old age homes and the Vehicle is used with the general knowledge and consent of the Insured for purposes other than transportation for religious or educational institutions or old age homes.

### Premium adjustment

The Insured shall submit to the Company at the end of each period of insurance a declaration of the total number and value of Insured Vehicles owned, hired or leased at the expiry date. This declaration shall include each Insured Vehicle's first year of registration, make, model, value, registration number, and its engine number, vehicle identification number or serial number. The Company shall, upon receipt of this declaration, make a premium adjustment of 50% (fifty percent) of the annual rate per Vehicle applied to the difference in the number and value of Insured Vehicles, in equal proportions, at inception or renewal and the number and value of Insured Vehicles declared.

## CONDITIONS

Conditions only apply if stated in the schedule as "applicable".

### Audio and/or visual equipment limitation (if stated as applicable in the schedule)

The Company will indemnify the Insured in respect of loss or damage to any audio, audio-visual, telephone and navigation equipment permanently fitted to the Insured Vehicle by someone other than the vehicle manufacturer.

Provided that:

- (a) the Company's liability shall not exceed the insured amount stated in the schedule for any one Event;
- (b) the Insured shall be responsible for the first amount payable stated in the schedule for each and every Event.

The Company will also indemnify the Insured in respect of any such equipment which has been removed from the Vehicle.

Provided that:

- (a) the equipment is designed to be removed or partly removed;
- (b) the equipment cannot function without the Vehicle.

## OPTIONAL EXCLUSIONS AND LIMITATIONS

These are exclusions or limitations of the cover provided by the section which only apply if indicated as such in the schedule.

### **Exclusion of motor glass cover** (if stated as applicable in the schedule)

The Defined Events under sub-section 1 is amended to exclude damage to any windscreen, side or rear glass forming part of the Insured Vehicle.

### **Exclusion of transportation of third party goods** (if stated as applicable in the schedule)

The Company shall not be liable under this section if the Insured Vehicle is used to carry goods not the property of the Insured.

### **Fraud exclusion** (if stated as applicable in the schedule)

The Company shall not be liable for loss of or damage to any Insured Vehicle which arises from or in connection with any exchange, cash or credit sale agreement, including theft under false pretence and/or fraud.

## OPTIONAL LIMITATIONS IN COVER

Limitations in cover are reflected in the type of cover selected per Insured Vehicle in the schedule.

### **Third party cover**

Sub-sections 1 and 3 are cancelled.

### **Third party, fire and theft cover**

The liability of the Company under sub-section 1 is restricted solely to loss or damage resulting from fire, self-ignition, lightning or explosion or by theft or any attempt thereat. Further, sub-section 3 is cancelled.

# MOTOR GENERAL SECTION

## DEFINITIONS

**Event:** unless stated otherwise, this means an event or series of events arising from one cause in connection with any one Insured Vehicle in respect of which indemnity is provided by this insurance.

**Vehicle:** shall mean

1. any self-propelled conveyance stated in the schedule, used on land but that does not run on rails and restricted to:
  - 1.1 private type motor cars (including sedans, cabriolets, sports utility vehicles, motorised caravans, station wagons and the like) designed or adapted to carry not more than 12 persons, including the driver;
  - 1.2 buses designed or adapted to carry more than 12 persons, including the driver;
  - 1.3 light commercial vehicles which are vehicles with gross vehicle mass of up to 3,500 kg designed or adapted to carry goods;
  - 1.4 commercial vehicles which are vehicles with gross vehicle mass exceeding 3,500 kg designed or adapted to carry goods;
  - 1.5 motor cycles which are vehicles with two or more wheels that are designed to be driven by the type of controls usually fitted to motor cycles;
  - 1.6 agricultural equipment, i.e. any agricultural vehicle which is not designed or adapted for the main purpose of transporting goods, including tractors and harvesters;
  - 1.7 special type vehicles which are vehicles manufactured or modified for specific commercial purposes such as digging, firefighting, lifting, loading, earth moving and the like and which are operated by skilled and trained operators and which are not insurable under vehicle definitions 1.1 to 1.6

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

Provided that

- (a) the accessory is on the vehicle at the time of the insured event;
  - (b) the insured amount of the vehicle stated in the schedule is adequate to include both the vehicle and the accessory;
2. any vehicle used on land without means of self-propulsion designed to be drawn by a self-propelled vehicle defined in 1 above, but excluding any parts or accessories not permanently fitted thereto.

## COVER PROVIDED BY THIS SECTION

Cover only applies if stated in the schedule as "included".

## CONTINGENT LIABILITY (if stated in the schedule to be included)

The company will

1. indemnify the Insured for claims made against them in respect of death of or bodily injury to any person, or



- damage to property resulting from any accident caused by or through or in connection with the loading or unloading of any Vehicle not the property of or provided by the Insured, being used by any partner or director or employee of the Insured (hereinafter in this extension referred to as the person), in respect of which the Insured and/or any passenger becomes legally liable to pay all sums including claimant's costs and expenses;
2. indemnify the person in the event of an accident arising in the course of the business and caused by or through or in connection with any Vehicle not belonging to him or to the Insured or leased or hired by either of them, but only in so far as the person has not been refused any motor insurance or continuance thereof by any insurer;
  3. indemnify the person in respect of liability arising from the towing by a Vehicle (other than for reward) of any other Vehicle or trailer (including liability in connection with the towed Vehicle or trailer), provided the Company shall not be liable for damage to the towed Vehicle or trailer or to property therein or thereon;
  4. pay all costs and expenses incurred with their written consent, and shall be entitled at their discretion to arrange for representation at any inquest or inquiry in respect of any death which may be the subject of indemnity under this cover, or for defending in any magistrate's court any criminal proceedings in respect of any act causing or relating to any Event which may be the subject of indemnity under this cover.

Provided that:

- (a) the accident arises in the course of the Insured's business;
- (b) the accident arises while the Vehicle is being used by the person;
- (c) if, at the time of the occurrence of any accident giving rise to a claim under this cover, the Insured or the person is entitled to indemnity under any other policy in respect of the same Event, the Company shall not be liable to make any payment hereunder except in respect of any excess beyond the amount payable under the other policy;
- (d) the Company shall not be liable for loss of or damage to any Vehicle being used by the Insured in the manner described in 1. and 2. above;
- (e) the payment by the Insured of subsidies or travelling allowances to the person for the use of his own Vehicle for official purposes of the Insured, including the carriage of persons for the purposes, shall not prejudice this cover.

The Company's liability shall not exceed the insured amount stated in the schedule for any one Event.

## **PARKING FACILITIES AND MOVEMENT OF THIRD PARTY VEHICLES (if stated in the schedule to be included)**

The Company will indemnify the Insured in respect of accidents caused by or through or in connection with the moving of any Vehicle (not owned or borrowed by or hired or leased to the Insured) by any person in the employ of the Insured or acting on the Insured's behalf.

Provided that:

- (a) the Vehicle was being moved with the authority of any tenant, customer or visitor of the Insured, or in connection with the Insured's parking arrangements, or to facilitate the carrying out of the Insured's business;
- (b) this cover shall not apply in respect of damage to Vehicles which are parked for reward;
- (c) the Company's liability shall not exceed the insured amount stated in the schedule for any one Event.

For the purpose of this cover, the Vehicle (and its contents) shall not be deemed to be held in trust by, or in the custody or control of the Insured.

# EXCLUSIONS – LIABILITY TO THIRD PARTIES

The Company shall not be liable for:

1. death of or bodily injury to any person in the employ of the Insured arising from and in the course of the employment;
2. death of or bodily injury to any person being a member of the same household as the Insured;
3. damage to property belonging to the Insured or an employee of the Insured or a member of the same household as the Insured;
4. damage to any Insured Vehicle the property of the Insured or an employee of the Insured or a member of the same household as the Insured;
5. damage to property, including any Vehicle, held in trust by or in the custody or control of the Insured;
6. damage to property being conveyed by, loaded onto or unloaded from any Insured Vehicle;
7. any liability arising from the operation, demonstration or use (for purposes other than maintenance or repair of the Vehicle) of any tool or plant forming part of or attached to or used in connection with a Vehicle or anything manufactured by or contained in any tool or plant. This exclusion shall not apply to forklift trucks;
8. in respect of so much of any compensation or claim as falls within the scope of any compulsory motor vehicle insurance enactment. This exclusion shall apply notwithstanding that no insurance under the aforementioned enactment is in force or has been effected.

## SPECIFIC EXCLUSIONS

The Company shall not be liable:

1. for any accident, injury, loss, damage, liability, costs and/or expenses caused, sustained or incurred in any country outside the standard territorial limits stated in the schedule;
2. for of any accident, injury, loss, damage, liability, costs and/or expenses incurred while any Vehicle is being driven by
  - (i) the Insured whilst his/her blood alcohol concentration level exceeds the legal limit or if the person is under the influence of alcohol or intoxicating drugs (unless administered by or prescribed by and taken in accordance with the instructions of a member of the medical profession other than the Insured) or while the Insured does not comply with the licensing laws of the country where the Defined Event took place;
  - (ii) any other person with the general consent of the Insured who, to the Insured's knowledge, is under the influence of alcohol or intoxicating drugs (unless administered by or prescribed by and taken in accordance with the instructions of a member of the medical profession other than himself) or who does not comply with the licensing laws of the country where the Defined Event took place, but this shall not apply if the Insured was unaware that the driver was not complying with licensing laws and the Insured can prove to the satisfaction of the Company that, in the normal course of his business, procedures are in operation to ensure that drivers comply with licensing laws.
3. for any claim arising from contractual liability, unless the liability would have attached to the Insured notwithstanding the contractual agreement;
4. if the Insured Vehicle is used by the Insured or with the general consent of the Insured:
  - (i) for hiring;
  - (ii) for carriage of passengers for hire or carriage of fare paying passengers;
  - (iii) for racing;

- (iv) for speed or other contests, rallies or trials;
- (v) for carriage of explosives;
- (vi) for carriage of passengers exceeding the capacity for which the Vehicle is licensed to carry or constructed to carry;
- (vii) for carriage of any load in excess of that for which the Vehicle is licensed to carry or constructed to carry.

## COMPULSORY CONDITIONS

### Driver's licence

If, during the currency of the Motor General, Motor Specified Vehicles, Motor Fleet and Motor Industry Risks sections, any driver's licence in favour of the Insured or any authorised driver of the Insured is endorsed, suspended or cancelled, or if the driver is charged with or convicted of negligent, reckless or improper driving, notification shall be sent in writing to the Company immediately when the Insured has knowledge of the fact.

### First amount payable

In respect of each and every Event giving rise to a claim under the Motor General, Motor Specified Vehicles, Motor Fleet and Motor Industry Risks sections, the Insured shall be responsible for the first amounts payable stated in the schedule of any expenditure (or any less expenditure which may be incurred) for which provision is made under this section (including any payment in respect of costs, expenses and fees), and of any expenditure incurred by the Company in the exercise of any discretion it may have under this insurance. If the expenditure incurred by the Company includes any first amount payable for which the Insured is responsible, the amount shall be paid by the Insured to the Company immediately. In the event of the recovery of the Insured Vehicle following theft or hijacking, the theft first amount payable will be repaid to the Insured. If the recovered Insured Vehicle is damaged, the first amount payable for damages will apply. No first amount payable shall apply to claims resulting from fire, lightning or explosion unless stated in the schedule.

## CLAUSES

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if the extensions and clauses are stated as included in the schedule).

### Waiver of subrogation rights

For the purposes of the Motor General, Motor Specified Vehicles, Motor Fleet and Motor Industry Risks sections the Company waives all rights of subrogation or action which they may have or acquire against any other person to whom the indemnity hereunder applies, and each person shall observe, fulfil and be subject to the terms, exclusions and conditions (both general and specific) of this insurance in so far as they can apply.

### Principals

Notwithstanding point 3 of Specific exclusions, the indemnity under this section (as well as the sections Motor Specified Vehicles, Motor Fleet and Motor Industry Risks, where applicable), extends to indemnify, to the extent required by the conditions of any contract of the Joint Building Contracts Committee, and in connection with any liability arising from the performance of the contract, any principal named in the contract entered into by the Insured for the purposes of the business, provided that the liability of the Company shall not exceed the insured amount stated in the schedule.

## **Cross liabilities**

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

## **War**

In respect of sub-sections 2 and 3 of the Motor Specified Vehicles, Motor Fleet and Motor Industry Risks sections, General exclusion 1 (in the General Conditions) is deleted and replaced by the following:

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

For internal broker use only - subject to minor changes from time to time

# MOTOR SPECIFIED VEHICLES SECTION

This wording is to be read in conjunction with the Motor General wording. The definitions, compulsory conditions, specific exclusions and clauses of the Motor General wording also apply to this section, unless specifically stated otherwise.

## DEFINITIONS

**Insured Vehicle:** shall mean any Vehicle

1. owned by the Insured, or
2. hired or leased to the Insured, or
3. operated by the Insured as replacement for any Vehicle in 1 or 2 above out of use for the purpose of overhaul, upkeep and/or repair provided that the Company's maximum liability shall not exceed the lesser of the Retail Value of the replacement vehicle or the Vehicle insured amount stated in the schedule.

**Taxi:** shall mean a type of Vehicle for hire with a driver that is used by a single or small group of passengers to convey them to destinations of their choice.

**Tyre:** shall mean the part of a Vehicle that is usually made from solid or inflatable rubber, metal or wood that is in contact with the ground that carries the weight of the Vehicle. For the purpose of this section it also means track tyres fitted to specialised equipment.

**Write-Off:** shall mean that damage to a Vehicle, in the opinion of the Company, is not economical to repair.

### Retail Value

1. For Vehicles listed in the auto dealers' guides, Retail Value shall mean the published retail value adjusted according to the guide's recommendations for odometer reading, overall condition, accessories and parts fitted to the Vehicle at the time of the loss or damage.
2. For Vehicles, Vehicle types and accessories not listed in the auto dealers' guides, Retail Value shall be based on a minimum of three quotations obtained from the motor dealer market for a similar Vehicle of the same make and model in similar condition at the time of the loss or damage.

## SUB-SECTION 1 – DAMAGE TO THE INSURED VEHICLE

### DEFINED EVENTS

Loss of or damage to any Insured Vehicle as described in the schedule.

Provided that:

- (a) the Vehicle insured amount is stated in the schedule and the maximum amount payable by the Company shall be the lesser of the insured amount or the Retail Value of the Vehicle at the time of the loss or damage;
- (b) in the event of any Vehicle part being unobtainable in the Republic of South Africa as a standard (ready manufactured) article the liability of the Company shall be discharged by the payment of an amount equal to the value of the part (including the reasonable cost of freight) at the time of the accident but not in any case exceeding the part's price as stated in the manufacturer's last issued catalogue or price list;

- (c) the Company may, at its own option, repair, reinstate or replace the Vehicle or any part thereof and/or its accessories and parts or may pay in cash the amount of the loss or damage not exceeding the Retail Value of the Vehicle and/or its accessories and/or parts at the time of the loss or damage, subject to the Company's maximum liability as set out in proviso (a);
- (d) if, to the knowledge of the Company, the Vehicle is the subject of a suspensive sale or similar agreement and the Insured Vehicle is written off or stolen/hijacked and not recovered, the payment shall be made to the owner described therein whose receipt shall be a full and final discharge to the Company in respect of the loss or damage;
- (e) in the event of damage limited to only the windscreen, side or rear glass forming part of any Insured Vehicle, the Insured shall be responsible for the first amount payable applicable to motor glass stated in the schedule for each and every Event.

## ACCESSORIES

Accessories and parts as per the Vehicle definition in the Motor General wording and at the option of the Insured may be described in the schedule.

Provided that

1. where accessories and parts form a permanent part of the Vehicle, at the option of the Insured, these items may be listed in the schedule as Accessories included in the Vehicle insured amount and that their value is deemed to be included in the Vehicle insured amount and that the insured amount is adequate
2. where accessories and parts do not form a permanent part of the Vehicle, such as a canopy or tow bar, at the option of the Insured, these may be listed in the schedule as Accessories not included in the Vehicle insured amount and their value is separately stated and in addition to the Vehicle insured amount.

### Accessories not included in the Vehicle insured amount

Notwithstanding anything to the contrary stated in proviso (a) of Defined Events of sub-section 1 and the definition of "Vehicle" and subject to the terms, conditions and exclusions of the section, the Company will indemnify the Insured for loss of or damage to the accessory listed in the schedule as follows:

1. Where the accessory is lost or damaged whilst not fitted to the Insured Vehicle or lost or damaged without the Insured Vehicle being lost or damaged in the same Event, the Company's liability shall not exceed the insured amount of the accessory or the replacement value of a similar accessory in a new condition (whichever is the lesser) at the time of the loss or damage.

Provided that:

- (a) if the replacement value of the accessory at the time of the loss or damage is of greater value than the insured amount thereof, the Insured shall be considered his own insurer for the difference and shall bear a rateable share of the amount of the loss or damage. Each accessory listed in the schedule shall be separately subject to this condition;
- (b) where the accessory consists of articles of a pair or set, the Company shall be liable for the value of the entire pair or set only if replacement of the individual item in the pair or set is not possible;
- (c) where the accessory includes vehicle tyres, the Company will reduce any settlement to the Insured in relation to the tyres, in proportion to the tyre tread used;
- (d) the conditions of this sub-section relating to claim free groups shall not apply to any payment made for accessories;
- (e) the Insured shall be responsible for the first amount payable stated in the schedule for the accessory in respect of each and every Event.



2. Where the accessory is fitted to the Vehicle and the Insured Vehicle is lost or damaged in the same Event, the insured amounts of all accessories listed in the schedule will be added to the Vehicle insured amount.

Provided that:

- (a) the Company's liability shall not exceed the amount as set out in proviso (a) of the Defined Events of sub-section 1 for the Vehicle plus the insured amount of the accessory or the replacement value of a similar accessory in a new condition (whichever is the lesser) at the time of the loss or damage;
- (b) the first amount(s) payable for the accessory/accessories stated in the schedule shall not apply. Instead the first amount payable applicable to the Vehicle will be applied to the sum insured as determined in 2 above.

## EXCLUSIONS TO SUB-SECTION 1

The Company shall not be liable to pay for:

1. consequential loss as a result of any cause whatsoever;
2. depreciation in value whether arising from repairs following a Defined Event or otherwise;
3. wear and tear;
4. gradual deterioration;
5. mechanical, electronic or electrical breakdowns, failures or breakages;
6. damage to tyres by application of brakes or by road punctures, cuts or bursts;
7. damage to springs/shock absorbers due to inequalities of the road or other surface or to impact with such inequalities;
8. detention, confiscation or requisition by customs or other officials or authorities provided that this exclusion shall not apply to damage occurring during the detention, confiscation or requisition which is discovered on return of the Vehicle to the Insured.

## EXTENSIONS TO SUB-SECTION 1

Subject otherwise to the terms, exclusions and conditions of this sub-section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if the extensions and clauses are stated as included in the schedule).

### **Cancellation of bookings** (if stated as included in the schedule)

Notwithstanding exclusion 1 of sub-section 1 the Company will indemnify the Insured for the loss of the value of deposits paid for the reservation or booking of accommodation limited to the insured amount stated in the schedule arising out of the cancellation of the booking due to:

1. accidental injury, illness or death of
  - (i) the person for whom the accommodation was booked or any person with whom he/she has arranged to travel;
  - (ii) a close relative, fiancé or close business colleague of the Insured;
2. compulsory quarantine or jury duty in a court of law applying to the guest or any person with whom he/she has arranged to travel;
3. the permanent residence of the Insured being lost or damaged by fire, storm, wind, water, hail, snow or

earthquake necessitating his/her return home;

4. any official requirement by any lawfully established authority for the Insured to attend emergency duty in military, medical or public service.

Provided that the Company shall not be liable for claims where, at the time that the booking was made:

- (a) the Insured was aware of a medical condition or set of circumstances which could reasonably be expected to give rise to the booking being cancelled or curtailed;
- (b) any person whose condition gives rise to the claim was receiving or who was on a waiting list for or had knowledge of the need for in-patient treatment at a hospital or nursing home;
- (c) any person whose condition gives rise to a claim was travelling against the advice of a medical practitioner;
- (d) any person whose condition gives rise to a claim was travelling for purpose of obtaining medical treatment abroad;
- (e) any person whose condition gives rise to a claim who, during the 12 months prior, was suffering from any chronic and/or recurring illness of a serious nature which had necessitated consultation or treatment.

### **Credit shortfall** (if stated as included in the schedule)

Where the basis of settlement is Retail Value and any total loss settlement under sub-section 1 is less than the amount owing to the financier under a current instalment sale or lease agreement, the Company will pay to the Insured an additional amount equal to the shortfall, less:

1. any arrears instalments or rentals including interest payable on the arrears;
2. all refunds of premium for cancellation of any insurance cover relating to the Vehicle;
3. the first amount payable under sub-section 1;
4. any amounts financed that relate to vehicle warranties, service plans, maintenance plans and the like;
5. any amounts financed for accessories not forming part of the Vehicle.

Provided that:

- (a) this extension shall not apply to an agreement whereby the amount of any single instalment other than the final residual amount after the initial payment differs by more than 10% from any other instalment;
- (b) if the shortfall is as a result of a re-advance under an instalment sale or refinancing in terms of a lease the insurance by this extension shall be void;
- (c) this extension shall not apply where the amount owing to the financier is more than the Retail Value of the Vehicle as a result of debt restructuring.

### **Damage to tyres** (if stated as included in the schedule)

Notwithstanding exclusion 6 of sub-section 1 the Company will indemnify the Insured for the total loss of and irreparable damage to the Vehicle's tyres as a result of damage caused by any unseen or concealed object whilst on the road or other surface.

Provided that:

- (a) this extension only applies to tractors, harvesters and implements used for agricultural purposes;

- (b) the Insured shall at his own expense have all damage and wear and tear assessed by one or more reputable tyre retreader or supplier to assess whether or not the tyre can be repaired;
- (c) the Company will replace the corresponding, undamaged tyre in a set of tyres only if required by the Vehicle manufacturer;
- (d) wear and tear at the time of the loss or damage is not covered in terms of this extension;
- (e) the Company's liability shall not exceed the insured amount stated in the schedule for any one Event;
- (f) the Insured shall be responsible for the first amount payable stated in the schedule for each and every Event.

**Fire extinguishing charges** (if stated as included in the schedule)

The Company will pay in addition to the Vehicle insured amount any costs up to the insured amount stated in the schedule relating to the extinguishing or fighting of fire (including replacement or refilling of the Insured's fire extinguishers after being used in connection with the Insured Vehicle).

Provided that:

- (a) the Insured is legally liable for the costs;
- (b) the Insured Vehicle was on fire or in danger of fire.

**Keys** (if stated as included in the schedule)

The Company will indemnify the Insured in respect of the cost of replacing locks and keys, including the remote alarm controller and, if necessary, the reprogramming of any coded alarm system of any Insured Vehicle following upon the loss of or damage to any key or alarm controller of the Vehicle, or following upon damage to the Vehicle's locks in order to gain forced access to the Vehicle, or following upon the Insured having reason to believe that any unauthorised person may be in possession of a duplicate of the key or alarm controller.

Provided that:

- (a) no other damage has been caused to the Vehicle giving rise to a claim under the policy;
- (b) the Company's liability shall not exceed the insured amount stated in the schedule for any one Event;
- (c) the Insured shall be responsible for the first amount payable stated in the schedule for each and every Event;
- (d) the provisions of this sub-section relating to claim free groups shall not apply to any payment made under this extension.

**Loss of use** (if stated as included in the schedule)

Notwithstanding exclusion 1 of sub-section 1, the Company will indemnify the Insured for the loss of use of the Insured Vehicle following loss of or damage.

Provided that:

- (a) the loss or damage to the Insured Vehicle is covered in terms of this policy;
- (b) where the Vehicle is
  1. stolen or hijacked and not recovered, or

2. not drivable

cover will commence once a claim has been registered with the Company;

(c) where the Vehicle is

1. damaged, but still drivable, or

2. stolen or hijacked and recovered with damage, but still drivable

cover will commence once the authorised repairer takes custody of the Insured Vehicle to do the repair work;

(d) loss or damage falling within the applicable first amount payable is not covered in terms of this extension;

(e) compensation will end

1. on the day of completion of the repairs by the authorised repairer; or

2. on the day the agreement of loss is forwarded by the company to the Insured

(f) notwithstanding proviso (e) above, indemnity by this extension shall not exceed the number of days stated in the schedule for any one event;

(g) the Company's liability per day shall not exceed the insured amount (per day) stated in the schedule.

### **Loss of use for foreign travel** (if stated as included in the schedule)

In the event of the Insured Vehicle:

1. becoming unusable for more than 5 consecutive days as a result of loss or damage covered by this section, or

2. being a Write-Off or stolen and not recovered within 14 days

the Company will pay the insured amount (per day) stated in the schedule.

Provided that:

(a) where the Vehicle is

1. stolen or hijacked and not recovered, or

2. not drivable

cover will commence once a claim has been registered with the Company;

(b) where the Vehicle is

1. damaged, but still drivable or

2. stolen or hijacked and recovered with damage, but still drivable

cover will only commence once the authorised repairer takes custody of the Insured Vehicle to do the repair work;

(c) payment will be made for the period until the time as the Insured Vehicle has been:

(i) repaired satisfactorily if damaged or stolen and recovered with damage, or

(ii) replaced if stolen and not recovered or written off, or

(iii) paid in cash in the event of a cash settlement.

- (d) notwithstanding proviso (c) above, indemnity by this extension shall not exceed the number of days stated in the schedule for any one Event;
- (e) the Company shall not be liable under this extension if the loss or damage to the Vehicle falls within the first amount payable stated in the schedule;
- (f) this extension only applies where the Vehicle is used outside the borders of the RSA.

**Mechanical breakdown towing costs** (if stated as included in the schedule)

Notwithstanding exclusion 5 of sub-section 1 the Company will indemnify the Insured for towing of the Insured Vehicle following mechanical electronic or electrical breakdown.

Provided that:

- (a) the Company's liability shall not exceed the insured amount stated in the schedule for any one Event;
- (b) this extension only applies to Vehicles as defined in vehicle definition 1.1 and 1.3;
- (c) the provisions of this sub-section relating to claim free groups shall not apply to any payment made under this extension;
- (d) the Company shall not be liable under this extension for more than one Event for any one insurance period of 12 consecutive months;
- (e) the Company shall not be liable for any storage fees for the Insured Vehicle before or after repairs have been done;
- (f) The Company shall not be liable for the costs to repair the Vehicle.

**Motor hire** (if stated as included in the schedule)

The Company will provide the Insured with a rental vehicle similar but not inferior to the Vehicle available under the heading "Group" stated in the schedule if the Insured Vehicle is:

1. unusable or being repaired, or
2. a Write-Off, or
3. stolen or hijacked and not recovered.

Provided that:

- (a) a claim has been registered with the Company and the loss or damage is covered in terms of the policy;
- (b) the Insured Vehicle is a Vehicle as defined in vehicle definition 1.1 and 1.3;
- (c) the address where the rental vehicle will be delivered is within the borders of the RSA;
- (d) the rental vehicle will be provided until the time as
  - i. the Insured Vehicle has been satisfactorily repaired if repairs were economically viable, or
  - ii. the Insured Vehicle has been replaced, or
  - iii. the claim is settled in cash in case of a cash settlement, or
  - iv. the Insured Vehicle has been recovered and, if required, repaired if stolen and recovered with damage;

- (e) notwithstanding proviso (d) above, the rental vehicle will not be supplied for a period exceeding the maximum number of days stated in the schedule;
- (f) loss or damage falling within the applicable first amount payable is not covered in terms of this extension;
- (g) the Insured is responsible for a security deposit payable to the service provider when receiving the rental vehicle;
- (h) the Company shall be liable for the cost of delivery and pick up of the rental vehicle to and from the Insured.

Should the Insured be supplied with a rental vehicle outside the RSA, but within the territorial limits of the policy, the Insured may rent a Vehicle from a recognised rental company for his own account. Upon submission of an invoice the Company will reimburse the Insured for the rental costs provided that the rental cost per day shall not exceed the amount that the Company would have paid to provide the rental vehicle in the RSA when using its own service providers.

### **Personal documents** (if stated as included in the schedule)

The Company will pay for the cost of replacing lost or damaged documents, including identity documents, passports, visas and vaccination certificates, and also any lost or damaged printed road maps or permits which allow the Insured Vehicle entry into or exit from countries, provided that the Company's liability shall not exceed the insured amount stated in the schedule for any one Event.

### **Recovery costs** (if stated as included in the schedule)

The Company will indemnify the Insured for the reasonable costs of recovering the Insured Vehicle if it is found after it has been stolen or hijacked.

Provided that:

- (a) the Insured Vehicle is found in an undamaged condition;
- (b) the Company's liability shall not exceed the insured amount stated in the schedule for any one Event;
- (c) the Insured obtains the Company's written consent prior to the recovery;
- (d) the provisions of this sub-section relating to claim free groups shall not apply to any payment made under this extension.

### **Repatriation following mechanical breakdown** (if stated as included in the schedule)

In the event of the Insured Vehicle being disabled by reason of mechanical or electrical failure while outside the RSA the Company will pay the reasonable cost of repatriating the Vehicle to the RSA.

Provided that:

- (a) the Company's liability shall not exceed the insured amount stated in the schedule for any one Event;
- (b) the Insured shall be responsible for the first amount payable stated in the schedule for each and every Event;
- (c) the provisions of this sub-section relating to claim free groups shall not apply to any payment made under this extension;
- (d) the Company shall not be liable under this extension for more than one Event for any one insurance period of 12 consecutive months.



## Replacement of Vehicles

In the event of the Insured Vehicle being a Write-Off or stolen and not recovered within a reasonable time, the Company will replace the Vehicle with a similar new Vehicle subject to the availability thereof.

Provided that:

- (a) this extension only applies to Vehicles defined in vehicle definitions 1.1 and 1.3;
- (b) the loss or damage occurs within 12 months of the date of first registration of the Vehicle;
- (c) the Insured Vehicle has not travelled more than 2,500 kilometres per month or 30,000 kilometres in total;
- (d) the Company shall not be liable for more than the Vehicle insured amount stated in the schedule less the first amount payable.

## Riot and strike (other than RSA and Namibia) (if stated as included in the schedule)

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

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

Provided that this extension does not cover:

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

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

The Company's liability for any loss or damage in respect of any one Vehicle is limited to the lesser of the insured amount stated in the schedule and the Retail Value of the Vehicle at the time of the loss or damage.

The Insured shall be responsible for the first amounts payable stated in the schedule under sub-section 1.

## Spare wheel first amount payable waiver (if stated as included in the schedule)

The provisions relating to first amount payable shall not apply to any payment for loss of any spare wheel.

Provided that:

- (a) there is no other loss or damage to the Insured Vehicle in the same Event;
- (b) the Company shall not be liable for loss caused by theft from any unattended Vehicle unless the spare wheel is contained in a securely locked driver's cabin or boot or attached to the permanent fitting provided by the Vehicle manufacturer, or the Vehicle itself is housed in a securely locked building and entry to or exit from the locked Vehicle or building is accompanied by forcible and violent entry or exit.
- (c) the provisions of this sub-section relating to claim free groups shall not apply to any payment made under this extension.

### **Temporary repairs** (if stated as included in the schedule)

The Insured may give instructions for repairs to be executed without the prior consent of the Company to the extent of but not exceeding the insured amount stated in the schedule for any one Event, provided that a detailed estimate is first obtained and immediately forwarded to the Company.

### **Towing costs within the borders of RSA** (if stated as included in the schedule)

Where a Defined Event occurs inside the RSA, the Company will pay the reasonable cost of removal of the Insured Vehicle to the nearest Santam approved repairer within the RSA as well as the reasonable cost of protection, storage and delivery of the Insured Vehicle to the permanent address of the Insured within the territorial limits stated in the schedule after a Defined Event occurred.

### **Towing costs outside the borders of RSA** (if stated as included in the schedule)

Where a Defined Event occurs outside the RSA, the Company will pay the cost of removal of the Insured Vehicle to the nearest border of the RSA or place of safety.

Provided that:

- (a) the Company's liability shall not exceed the insured amount stated in the schedule for any one Event;
- (b) if the Insured Vehicle cannot be repatriated to the RSA on the grounds that the Vehicle is a Write-Off, the Company will deduct 15% from the settlement due to the Insured;
- (c) the Company shall not be liable to pay for government imposed duties, charges or stamps relating to the repatriation of the Vehicle.

The Company will also pay the reasonable cost of

1. moving the Vehicle from the RSA border to the nearest Santam approved repairer within the RSA;
2. protection, storage and delivery of the Insured Vehicle to the permanent address of the Insured within the territorial limits stated in the schedule

after a Defined Event occurred.

### **Tyres** (if stated as included in the schedule)

Notwithstanding exclusion 6 of sub-section 1 the Company will indemnify the Insured for irreparable damage to the Insured Vehicle's tyres caused by any unseen or concealed object on the road or other surface.

Provided that:

- (a) no other damage has been caused to the Vehicle giving rise to a claim under the policy;
- (b) the Company's liability shall not exceed the insured amount stated in the schedule for any one Event;
- (c) the Insured shall at his/her own expense have the damage assessed by more than one reputable tyre supplier/repairer to assess whether or not the tyre can be repaired;
- (d) the Insured shall be responsible for the first amount payable stated in the schedule for each and every Event;
- (e) the provisions of this sub-section relating to claim free groups shall not apply to any payment made under this extension;
- (f) the Company will deduct from any settlement to the Insured an amount equal to the proportion of the tread used on the tyre.

### **Vehicle lights** (if stated as included in the schedule)

The Company will indemnify the Insured in respect of the replacement cost of the head, tail or spot lights of the Insured Vehicle.

Provided that:

- (a) no other damage has been caused to the Vehicle giving rise to a claim under the policy;
- (b) the Insured shall be responsible for the first amount payable stated in the schedule for each and every Event;
- (c) the provisions of this sub-section relating to claim free groups shall not apply to any payment made under this extension.

### **Winching equipment** (if stated as included in the schedule)

Notwithstanding exclusion 5 of sub-section 1 the Company will indemnify the Insured for sudden and unforeseen mechanical and electrical breakdown, failure or breakage of the Insured Vehicle's winching equipment.

Provided that:

- (a) no other damage has been caused to the Vehicle giving rise to a claim under the policy;
- (b) the Company's liability shall not exceed the insured amount stated in the schedule for any one Event;
- (c) the Insured shall be responsible for the first amount payable stated in the schedule for each and every Event;
- (d) the provisions of this sub-section relating to claim free groups shall not apply to any payment made under this extension;
- (e) the Company shall not be liable for:
  - (i) breakdowns, failures or breakages associated with defective design, parts or repair;
  - (ii) exceeding the load levels of the winching equipment as recommended by the manufacturer or distributor;
  - (iii) wear and tear;
  - (iv) gradual deterioration of the equipment's consumable parts, components, cable or coupling devices.

### **Wreckage removal** (if stated as included in the schedule)

The Company will, in addition to the Vehicle insured amount, indemnify the Insured for any costs relating to the clearing up and removal of debris and wreckage of the Insured Vehicle following a Defined Event, provided that the Company's liability shall not exceed the insured amount stated in the schedule for any one Event.

## SUB-SECTION 2 – LIABILITY TO THIRD PARTIES

### DEFINED EVENTS

The Company will indemnify the Insured in respect of any accident caused by or through or in connection with any Vehicle described in the schedule or in connection with the loading and/or unloading of the Vehicle in respect of which the Insured and/or any passenger becomes legally liable to pay all sums including the claimant's costs and expenses in respect of:

- (a) death of or bodily injury to any person;
- (b) damage to property.

The Company will also:

1. pay all costs and expenses incurred with their written consent, and shall be entitled at their discretion to arrange for representation at any inquest or inquiry in respect of any death which may be the subject of indemnity under this sub-section, or for defending in any magistrate's court any criminal proceedings in respect of any act causing or relating to any Event which may be the subject of indemnity under this sub-section.
2. indemnify any person who is driving or using the Vehicle on the Insured's order or with the Insured's permission.

Provided that:

- (a) the person shall, as though he were the Insured, observe, fulfil and be subject to the terms, exclusions and conditions of this insurance in so far as they can apply;
  - (b) the person driving the Vehicle has not been refused any motor insurance or continuance thereof by any insurer;
  - (c) the person is not entitled to indemnity under any other policy except in respect of any amount not recoverable thereunder.
3. indemnify the Insured while personally driving or using any Vehicle that fits vehicle definition 1.1 or 1.3.

Provided that:

- (a) the Vehicle does not belong to the Insured;
  - (b) the Vehicle is not leased or hired to the Insured under a lease or suspensive sale agreement;
  - (c) the Insured is an individual;
  - (d) a Vehicle is insured on this section that fits vehicle definition 1.1 or 1.3;
  - (e) the Company shall not be liable for damage to the Vehicle while it is driven or used by the Insured.
4. indemnify the Insured in respect of liability arising from the towing by a Vehicle (other than for reward) of any other Vehicle or trailer (including liability in connection with the towed Vehicle or trailer), provided the Company shall not be liable for damage to the towed Vehicle or trailer or to property therein or thereon.

The Company's liability under sub-section 2 shall not exceed the insured amount stated in the schedule for any one Event.

## EXCLUSIONS TO SUB-SECTION 2

The Exclusions – Liability to third parties on the Motor General section apply in addition to the exclusions stated here.

The Company shall not be liable for:

1. death of or bodily injury to any person being carried in or upon or entering or getting onto or alighting from any Insured Vehicle.

## EXTENSIONS TO SUB-SECTION 2

Subject otherwise to the terms, exclusions and conditions of this sub-section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if the extensions and clauses are stated as included in the schedule).

### **Passenger liability** (if stated as included in the schedule)

Exclusion 1 of sub-section 2 is hereby cancelled.

Provided that:

- (a) the Company's liability shall not exceed the insured amount stated in the schedule for any one Event;
- (b) the person is carried in or upon or entering or getting onto or alighting from a permanently enclosed passenger carrying compartment of the Insured Vehicle;
- (c) the Company shall not be liable under this extension if the territorial limitation in the schedule under this extension indicates "Inside RSA " and the Defined Event takes place outside the borders of the RSA.

### **Passenger liability including open Vehicles** (if stated as included in the schedule)

Proviso (b) of the Passenger liability extension is hereby cancelled.

### **Passenger liability – employees** (if stated as included in the schedule)

Notwithstanding exclusion 1 of sub-section 2 of this section and exclusion 1 of Exclusions – Liability to third parties of the Motor General Section, the Company will indemnify the Insured for death of or bodily injury to an employee being carried in or upon, entering or getting onto or alighting from the Insured Vehicle.

Provided that:

- (a) this extension only applies to Vehicles as defined in Vehicle definition 1.3, 1.4 and 2;
- (b) the employee was not carried in or upon, entering or getting onto or alighting from the Vehicle for any purpose related to his or her employment;
- (c) the Vehicle is fitted with railings on all sides of the load area;
- (d) the Company's liability shall not exceed the insured amount stated in the schedule for any one Event.

### **Unauthorised passenger liability** (if stated as included in the schedule)

The indemnity under sub-section 2, notwithstanding exclusion 1 thereto, extends to cover the Insured's legal liability for death of or bodily injury to persons while being carried in or upon or entering or getting onto or alighting from any Insured Vehicle in contravention of the Insured's instructions to their driver not to carry passengers.

Provided that:

(a) the Company's liability shall not exceed the insured amount stated in the schedule for any one Event.

## **SUB-SECTION 3 – INSURED VEHICLE OCCUPANTS**

Cover under this sub-section only applies if stated in the schedule as included.

### **Bereavement expenses** (if stated as included in the schedule)

In the event of the death of the driver of the Insured Vehicle following a Defined Event, the Company will pay to the Insured the insured amount stated in the schedule provided that this extension shall only apply to Vehicles as defined in Vehicle definition 1.1 and 1.3.

### **Driver repatriation** (if stated as included in the schedule)

If a claim is admitted under sub-section 1 and the Insured Vehicle is disabled as a result of the loss or damage, the Company will indemnify the Insured for:

1. the reasonable expenses necessarily incurred for overnight accommodation for the driver for a maximum of two nights;
2. transport of the driver of the Vehicle at the time of the loss or damage, from the place at which the Vehicle became disabled to the driver's normal place of residence in the RSA, or intended destination, or point of departure on this journey.

Provided that:

- (a) the driver's destination, place of residence and point of departure on this journey are all more than 100 kilometres away from the place at which the Vehicle became disabled;
- (b) the Company's liability shall not exceed the insured amount stated in the schedule for any one Event.

### **Medical expenses** (if stated as included in the schedule)

If an occupant of an Insured Vehicle, in direct connection with the Vehicle, sustains bodily injury by violent, accidental, external and visible means, the Company will pay to the Insured the medical expenses incurred as a result of the injury, including any costs incurred to free the injured occupant from the Vehicle or to bring the injured occupant to a place where medical treatment can be given.

Provided that:

- (a) the Company's liability per person shall not exceed the insured amount stated in the schedule;
- (b) the Company's liability per Event shall not exceed the insured amount stated in the schedule;
- (c) the cover is limited to occupants of a private motor car or the permanently enclosed passenger carrying compartment of any other Vehicle;
- (d) the amount payable under this cover shall be reduced by any amount recoverable under any workmen's compensation enactment or similar legislation.



### **Motor accident benefit – employees** (if stated as included in the schedule)

If an occupant of an Insured Vehicle is fatally injured in direct connection with the Insured Vehicle, the Company will pay the insured amount per occupant stated in the schedule.

Provided that:

- (a) the occupant is a full-time employee of the Insured at the time of the Event;
- (b) death occurs within 90 days of the Event.

### **Trauma** (if stated as included in the schedule)

The Company will pay for expenses incurred, not otherwise covered, by any member, director or employee of the Insured undergoing treatment by a registered professional counsellor following the person being psychologically traumatised as a direct result of violence or threat of violence during theft, attempted theft or hijack of any Insured Vehicle, provided that the Company's liability shall not exceed the insured amount stated in the schedule for any one Event.

## **EXTENSIONS APPLICABLE TO ALL SUB-SECTIONS**

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if the extensions and clauses are stated as included in the schedule)

### **Carriage of paying passengers** (if stated as included in the schedule)

Specific exclusion 4(ii) in the Motor General section is hereby cancelled.

### **Combine corn head and cutting platform**

The Company will indemnify the Insured in terms of Sub-sections 1 and 2 for any accident, injury, loss, damage or liability whilst combine corn heads and cutting platforms are attached to any insured combine or whilst temporary removed from any insured combine, provided that the corn head and cutting platform are not attached to any uninsured combine.

### **Territories – extended cover** (if stated as included in the schedule)

The standard territorial limits stated in the Motor General schedule are hereby extended to include the countries stated as included under this extension in the schedule.

### **Vehicles hired out** (if stated as included in the schedule)

Specific exclusion 4(i) in the Motor General section is hereby cancelled.

Provided that:

- (a) the Company shall not be liable to pay for loss of the Insured Vehicle if the Vehicle is rented out to a third party in terms of a rental agreement, whether the rental agreement is in writing or not, and the third party fails to return the Insured Vehicle to the Insured in terms of the provisions of the rental agreement.

# SPECIFIC EXCLUSIONS

The specific exclusions of the Motor General section apply in addition to the specific exclusions stated here.

The Company shall not be liable under this section:

1. if the Insured Vehicle is used by the Insured for any purpose other than for the business purposes of the Insured or for social, domestic and pleasure purposes;
2. if the Insured Vehicle is used with the general knowledge and consent of the Insured, by anyone other than the Insured, for any purpose other than for the business purposes of the Insured or for social, domestic and pleasure purposes;
3. if the Insured Vehicle is in the possession, custody or control of a member of the motor trade for the purpose of being sold on behalf of the Insured.

# COMPULSORY CONDITIONS

The compulsory conditions in the Motor General section as well those stated below, always apply.

## Automatic additions

The Company shall be liable for any additional Vehicle purchased, leased or hired that does not appear on the schedule for up to the least of:

1. R500,000 or
2. the Vehicle's insured amount or
3. the purchase price of the Vehicle.

Provided that the Insured:

- (a) notifies the Company within 14 days of the date of the purchase, lease, hire or sale;
- (b) pays any additional premium requested by the Company.

## Claim free groups

The claim free group (CFG) for every Insured Vehicle is indicated on the schedule and is based on the number of claims for a specific Vehicle during previous periods of insurance measured from one revision to the next. At the most recent renewal/anniversary date, the premium is based on the adjusted CFG as follows:

1. The revision date refers to a date ninety (90) days prior to the renewal/anniversary date;
2. A previous period of insurance refers to an uninterrupted period of 12 calendar months preceding the revision/anniversary date;
3. Claim free groups vary between 0 and 7 where 0 has the highest premium and 7 has the lowest premium;
4. For every claim during a previous period of insurance, the Company will reduce the CFG by 2 points at the next renewal/anniversary and increase the premium accordingly;
5. For every claim free previous period of insurance, the CFG will be adjusted upward by one point at the next renewal/anniversary and the premium will be reduced accordingly until it reaches the maximum of 7;

6. For example, if a private type Vehicle has a CFG of 4 and the Insured has another claim free period the CFG will be amended to 5 at the next renewal/anniversary date. If there is a claim, it will be adjusted from 4 to 2 at the next renewal/anniversary date.

## Description of use

Cover of the Vehicle described in the schedule is conditional where the type of auto is:

1. Private type motor cars for private use and the Vehicle is used with the general knowledge and consent of the Insured for purposes other than social, domestic and pleasure purposes; or
2. Bus – religious, educational institutions, old age homes and the Vehicle is used with the general knowledge and consent of the Insured for purposes other than transportation for religious or educational institutions or old age homes.

## CONDITIONS

Conditions only apply if stated in the schedule as “applicable”.

### Audio and/or visual equipment limitation (if stated as applicable in the schedule)

The Company will indemnify the Insured in respect of loss or damage to any audio, audio-visual, telephone and navigation equipment permanently fitted to the Insured Vehicle by someone other than the Vehicle manufacturer.

Provided that:

- (a) the Company’s liability shall not exceed the insured amount stated in the schedule for any one Event;
- (b) the Insured shall be responsible for the first amount payable stated in the schedule for each and every Event.

The Company will also indemnify the Insured in respect of any such equipment which has been removed from the Vehicle.

Provided that:

- (a) the equipment is designed to be removed or partly removed;
- (b) the equipment cannot function without the Vehicle.

### First amount payable waiver over 55 (if stated as applicable in the schedule)

Notwithstanding the compulsory condition regarding first amount payable in the Motor General section, the Insured shall not be liable for the first amount payable stated in the schedule.

Provided that:

- (a) the registered owner of the Insured Vehicle is an individual over the age of 55 years;
- (b) the Insured Vehicle is a Vehicle as defined in Vehicle definition 1.1 or 1.3;
- (c) the registered owner or his/her spouse is the driver of the Insured Vehicle at the time of the Event giving rise to a claim in terms of this section;
- (d) for the purposes of this condition the term “individual” shall be deemed to include directors, trustees or members if the registered owner of the Vehicle is a company, a trust or a close corporation.

# OPTIONAL EXCLUSIONS AND LIMITATIONS

These are exclusions or limitations of the cover provided by the section that only apply if indicated as such in the schedule.

## **Exclusion of motor glass cover** (if stated as applicable in the schedule)

The Defined Events under sub-section 1 is amended to exclude damage to any windscreen, side or rear glass forming part of the Insured Vehicle.

## **Exclusion of transportation of third party goods** (if stated as applicable in the schedule)

The Company shall not be liable under this section if the Insured Vehicle is used to carry goods not the property of the Insured.

## **Fraud exclusion** (if stated as applicable in the schedule)

The Company shall not be liable for loss of or damage to any Insured Vehicle which arises from or in connection with any exchange, cash or credit sale agreement, including theft under false pretence and/or fraud.

# OPTIONAL LIMITATIONS IN COVER

Limitations in cover are reflected in the type of cover selected per Insured Vehicle in the schedule.

## **Third party cover**

Sub-sections 1 and 3 are cancelled.

## **Third party, fire and theft cover**

The liability of the Company under sub-section 1 is restricted solely to loss or damage resulting from fire, self-ignition, lightning or explosion or by theft or any attempt thereat. Further, sub-section 3 is cancelled.

## **Third party and fire cover**

The liability of the Company under sub-section 1 is restricted solely to loss or damage resulting from fire, self-ignition, lightning or explosion. Further, sub-section 3 is cancelled.

## **Comprehensive cover excluding theft/hijack cover**

The liability of the Company under sub-section 1 is restricted by excluding liability for loss of or damage to the Insured Vehicle or its accessories and parts as a result of theft or hijacking or any attempt thereat.

## **Comprehensive cover with limited theft/hijack cover**

The liability of the Company under sub-section 1 is restricted to damage to the Insured Vehicle or its accessories and parts as a result of an unsuccessful attempted theft or hijacking. The Company shall not be liable for Vehicles recovered with damage after a theft or hijacking.

## **Third party and fire with limited theft/hijack cover**

The liability of the Company under sub-section 1 is restricted solely to loss or damage resulting from fire, self-ignition, lightning or explosion and the liability of the Company with regard to theft or hijack is limited to damage to

the Insured Vehicle or its accessories and parts as a result of an unsuccessful attempted theft or hijacking. The Company shall not be liable for Vehicles recovered with damage after a theft or hijacking. Further, sub-section 3 is cancelled.

### **Storage and/or restoration cover**

The liability of the Company under sub-section 1 is restricted solely to loss or damage resulting from fire, self-ignition, lightning or explosion, theft, accidental damage and transit.

Provided that:

- (a) the Company shall not be liable if the Vehicle is moving under its own motive power when not on the insured premises stated in the schedule;
- (b) if the Vehicle is not being transported, it must be locked inside a roofed building.

Further, sub-section 3 is cancelled.

### **Total loss only cover**

The Company shall only be liable under sub-section 1 and only if the Insured Vehicle is stolen or hijacked and not recovered within a reasonable time, or a Write-Off.

For internal broker use only - subject to minor changes from time to time

# OFFICE CONTENTS SECTION

## DEFINED EVENTS

1. Loss of or damage to contents as set out below under the heading "Contents".
2. Loss of or damage to documents as set out below under the heading "Documents".
3. Legal liability following loss of or damage to documents as set out below under the heading "Legal Liability - Documents".
4. Increase in cost of working as set out below under the heading "Increase cost of working".
5. Loss or damage to property of partners, directors or employees as set out below under the heading "Property owned by partners, directors or employees".

## DEFINITIONS

**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 but unless otherwise stated in the schedule documents **shall not include** 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.

**Electronic data processing equipment:** shall mean and is limited to computers and all related hardware, peripherals and computer software and the information or data stored therein or thereon.

### 1. CONTENTS (if stated as included in the schedule)

Loss of or damage to the contents including landlord's fixtures and fittings, the property of the Insured or for which they are responsible while contained in the offices and/or consulting rooms situated as stated in the schedule (hereinafter called the office premises) by any of the insured perils reflected below but only if such perils are stated in the schedule as being included.

### INSURED PERILS (but only those perils stated as included in the schedule).

**Note:** Some insured perils will have their own specific insured amounts stated in the schedule in which case such perils are subject to such stated insured amount. Other insured perils will not have their own specific insured amounts stated in the schedule in which case such insured perils will be subject to the insured amount of the item to which they relate in the schedule.

**Fire** including damage caused by smoke arising directly out of such fire.

**Lightning or thunderbolt** including damage caused by power surges arising directly from such lightning strikes;

**Explosion;**

**Earthquake** whether arising from mining operations or otherwise and including damage caused by tidal waves or tsunamis arising directly from such earthquake.



**Weather and water.** For the purpose of this peril weather damage shall mean damage caused by storm, wind, water, hail or snow.

This peril does not cover:

1. loss of or damage to property arising from its undergoing any process necessarily involving the use or application of water;
2. loss or damage to property caused by tidal wave or tsunami originating from earthquake;

**Impact.** For the purposes of this peril impact shall mean impact by:

1. aircraft and other aerial devices or articles dropped therefrom (including sonic shock waves or any other damage caused by aircraft);
2. rocks, stones or boulders (other than impact caused by landslip, the deliberate or wilful or wanton act of any person committed with the intention of causing such damage or impact by meteorites, asteroids or similar bodies entering the earth's atmosphere);
3. 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).

**Malicious damage.** For the purposes of this peril malicious damage shall mean damage directly occasioned by or through or in consequence of the deliberate or wilful or wanton act of any person committed with the intention of causing such damage other than damage to:

1. movable property which is
  - 1.1 stolen;
  - 1.2 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
  - 3.1 the removal or partial removal or any attempt thereof;
  - 3.2 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 this peril does not cover:

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

If the Company alleges that, by reason of provisos 1 to 5 above, loss or damage is not covered by this peril, the burden of proving the contrary shall rest on the Insured.

If any building(s) containing insured property becomes unoccupied for 30 consecutive days or more,

during the initial 30 day unoccupancy period the Insured shall be responsible for the first amount payable reflected in the schedule next to "First amount payable: % of claim (additional amount during 30 day unoccupancy period)".

If the unoccupancy period exceeds 30 consecutive days, this peril is suspended as regards the property affected from day 31 unless the Insured before the occurrence of any malicious damage obtains the written agreement of the Company to continue with this peril. Any extension of cover and the terms shall be at the sole discretion of the Company. If the Company provides such written agreement to waive this suspension of cover, the Insured shall be responsible for the first amount payable reflected in the schedule next to "First amount payable: % of claim (additional amount during any unoccupancy period exceeding 30 days)" for any loss occurring during any agreed extended period.

**Theft of contents** or any attempt thereat other than by any principal, partner, director or employee of the Insured.

**Theft of contents (forcible and violent entry into or exit restriction):** Theft accompanied by forcible and violent entry into or exit from the offices and/or consulting rooms or any attempt thereat or as a result of theft (or any attempt thereat) following violence or threat of violence provided that the Company will not be liable under this peril for theft or attempted theft by any principal, partner, director or employee of the Insured;

**Accidental damage – Mirror glass, plate glass tops or fixed glass of furniture:** Accidental breakage of mirror glass, plate glass tops to office furniture or fixed glass forming part of any article of office furniture.

**Subsidence and landslip.** If in the schedule against this peril the type of cover is reflected as "extended" then this peril does not include:

1. damage caused or attributable to faulty design or construction of, or the removal or weakening of support to any building situated at the insured premises;
2. damage caused or attributable to workmen engaged in making any structural alterations, additions or repairs to any building situated at the insured premises;
3. damage caused or attributable to excavation on or under land other than excavations in the course of mining operations;
4. consequential loss of any kind whatsoever except loss of rent when specifically insured under this section.

If in the schedule against this peril the type of cover is reflected as "limited" then this peril in addition to points 1 to 4 also does not include:

5. damage caused or attributable to contraction/ shrinkage and/ or expansion of soil caused by the moistness/ dampness or moisture content of such soil as experienced in clay and other similar soils;
6. damage caused by or attributable to inadequate compaction of backfill.

In any action, suit or other proceeding where the Company alleges that, by reason of exclusions 1 to 6 any damage is not covered by this peril, the burden of proving the contrary shall be upon the Insured.

**Riot and strike (other than RSA and Namibia).** For the purposes of this peril riot and strike shall mean damage directly occasioned by or through or in consequence of:

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

Provided that this peril does not cover:

1. loss or damage occurring in the Republic of South Africa and Namibia;
2. consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured;
3. loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;
4. loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
5. loss or damage related to or caused by any occurrence referred to in General exclusion 1 (A) (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If the Company alleges that, by reason of provisos 1 to 5 above, loss or damage is not covered by this peril, the burden of proving the contrary shall rest on the Insured.

**Power surge** provided that this peril does not cover power surges arising from lightning.

## LIMITATIONS CLAUSE

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

## SPECIFIC EXCLUSIONS

The Company's liability for contents does not cover:

1. property outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi and Mozambique;
2. designs, patterns, models or moulds (except to the extent that the said articles are insured in terms of Contents), stock in trade, samples, motor vehicles and accessories therefor, money, securities, stamps, jewellery or precious stones;
3. Electronic data processing equipment;
4. Documents as set out in defined event 2.

## 2. DOCUMENTS (if stated as included in the schedule)

Loss of or damage to documents (as defined) normally kept at the office premises by any cause not specifically excluded hereunder or in the General Section.

## LIMITATIONS CLAUSE

The Company's liability is limited to all costs, charges and expenses incurred by the Insured in replacing or restoring such documents.

## SPECIFIC EXCLUSIONS

The Company's liability for documents does not cover:

1. loss or damage caused by:
  - 1.1 electric or electronic or magnetic injury, disturbance or erasure of electronic or magnetic recordings except by lightning;
  - 1.2 vermin or inherent defect or by processing, copying or other work upon the documents;
  - 1.3 the dishonesty of any principal, partner or director of the Insured whether acting alone or in

collusion with others. This exclusion shall not apply to any director who is also an employee of the Insured and whom the Insured has the right at all times to govern, control and direct in the performance of his work in the service of the Insured and in the course of the business;

2. gradual deterioration or wear and tear;
3. costs involved in reshooting films and videos and rerecording audio tapes.

### **3. LEGAL LIABILITY – DOCUMENTS** (if stated as included in the schedule)

Legal liability as a direct consequence of loss of or damage to documents as defined in defined event 2 and in respect of which payment, reinstatement or repair has been made or liability admitted by the Company under defined event 2 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 EXCLUSIONS**

The Company's liability under defined event 3 does not cover:

1. 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;
2. Loss, damage, liability or expenditure 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 (it being agreed that for defined event 3 only, this exclusion replaces General Exclusion 1 of the General Section).

### **4. INCREASE IN COST OF WORKING** (if stated as included in the schedule)

Any additional expenditure not otherwise provided for in this section reasonably incurred by the Insured for the purposes of maintaining the normal operation of the business in consequence of loss or damage in respect of which payment, reinstatement or repair has been made or liability therefor admitted by the Company under defined events 1 or 2.

The indemnity under this defined event shall not exceed the percentage stated in the schedule of the insured amount on all contents of the office premises affected.

### **5. PROPERTY OWNED BY PARTNERS, DIRECTORS OR EMPLOYEES OF THE INSURED** (if stated as included in the schedule)

Loss or damage to property owned by any partner, director or employee of the Insured while contained in the offices and/or consulting rooms situated as stated in the schedule (hereinafter called the office premises) by any of the perils specified above under defined event 1 (Contents) provided that:

1. Cover will only apply to loss or damage by those insured perils that are reflected as "included" under "Contents" in the schedule;
2. Cover will not apply if such property is insured against loss or damage by such perils by any other insurance. .

## **CLAUSES AND EXTENSIONS**

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover

under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) subject to any insured amounts or first amounts payable stated in the schedule under each extension.

### **Alterations and misdescription**

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

### **Capital additions** (if stated as included in the schedule)

The insurance under this section covers alterations, additions and improvements (but not appreciation in value in excess of the insured amount(s)) to the property for an amount not exceeding the percentage (as stated in the schedule) of the insured amount thereon, it being understood that the Insured undertakes to advise the Company each quarter (or each month if the premium is paid monthly by debit order) of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

### **Disposal of salvage** (if stated as included in the schedule)

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

### **Fire extinguishing charges** (if stated as included in the schedule)

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.

### **Inflation escalation** (if stated as included in the schedule)

To provide for inflation the insured amounts of the insured Contents of defined event 1 as stated in the schedule are automatically increased as follows:

**During the period of insurance:** During the period of insurance (or the twelve consecutive months from the inception or anniversary date if this policy is not an annual contract), the insured amount(s) shall be increased by that portion of the percentage specified in the schedule against "First year %" which the number of days since the commencement of such period bears to the whole of such period. Unless agreed otherwise, these provisions shall only apply to the insured amount(s) in force at the commencement of the period of insurance.

**After the period of insurance:** If following a claim any reinstatement or replacement process to the insured Property has not been completed by the end of the period of insurance, further inflationary costs incurred beyond the control and influence of the Insured up until final reinstatement or replacement has been completed will be covered by the Company as set out below:

**Second year %:** If stated in the schedule, the insured amount that existed during the period of insurance in which the claim occurred (as increased by the provision set out above under "during the period of insurance"), shall be increased further by the percentage specified in the schedule against "Second year %".

**Third year %:** If stated in the schedule and if the reinstatement or replacement has not been completed 12 months after the period of insurance during which the claim occurred has elapsed, the insured amount as inflated by the "Second year %" shall be increased further by the percentage specified in the schedule against "Third year %".



**Fourth year %:** If stated in the schedule and if the reinstatement or replacement has not been completed 24 months after the period of insurance during which the claim occurred has elapsed, the insured amount as inflated by the “Third year %” shall be increased further by the percentage specified in the schedule against “Fourth year %”.

**Fifth year %:** If stated in the schedule and if the reinstatement or replacement has not been completed 36 months after the period of insurance during which the claim occurred has elapsed, the insured amount as inflated by the “Fourth year %” shall be increased further by the percentage specified in the schedule against “Fifth year %”.

At each renewal date, the Insured shall notify the Company of the amount(s) to be insured for the forthcoming period of insurance and any revised inflationary protection percentage(s). In default thereof, the insured amount(s) shall remain as they were in the previous period of insurance as if the inflationary increases in terms of this clause had not been applied.

### **Labourers/contractors/employees**

If a labourer, contractor or employee does something or omits to do something without the knowledge of the Insured, which is in contradiction of the conditions of this section, cover will not be invalidated. The Insured must advise the Company of the act or omission as soon as such act or omission becomes known to the Insured.

### **New and additional premises**

If the Insured takes occupation of offices or consulting rooms other than those situated as stated in the schedule in the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi and Mozambique, the insurance by this section shall apply as though such offices or consulting rooms were office premises within the meaning of this section provided that:

1. the Insured shall, within a reasonable time of taking occupation, advise the Company thereof and pay additional premium calculated pro rata from the time of taking occupation until the end of the then current period of insurance;
2. this clause shall not apply to any loss if and so far as the same is otherwise insured.

### **Removal of debris** (if stated as included in the schedule)

The insurance under this section is extended to include such reasonable costs and expenses as may be necessarily incurred by the Insured in respect of the removal of debris following loss of or damage to the insured property by any peril hereby insured against, provided that the liability of the Company for such loss or damage and costs and expenses shall not exceed in the aggregate the sum expressed in the schedule to be insured on the property affected.

The Company will not pay for any costs or expenses:

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

### **Rent – Office Contents** (if stated as included in the schedule)

Loss of rent actually incurred by the Insured in consequence of the office premises or portion thereof being so damaged by any of the perils specified in defined event 1 as to be rendered uninhabitable, but only in respect of the period necessary for reinstatement. The indemnity under this sub-section shall not exceed the percentage (as stated in the schedule) of the insured amounts or value (whichever is the lower) of all contents of the office premises affected.

For the purposes of this clause, the term “office premises” shall be deemed to extend to any premises or portion thereof in the vicinity of the office premises, damage to which prevents or limits access to the office premises.



## Replacement value condition

The basis upon which the amount payable for a claim in respect of contents is calculated shall be either:

1. the replacement of the contents by similar property in a condition equal to but not better or more extensive than its condition when new, or
2. the repair of the contents to a condition substantially the same as but not better than its condition when new

provided that:

1. if, at the time of replacement or repair, the sum representing the cost which would have been incurred in replacement if the whole of the contents had been lost, destroyed or damaged beyond repair exceeds the insured amount thereon at the time of the loss or damage, then the Insured shall be considered as being their own insurer for the difference and shall bear a rateable proportion of the loss accordingly,
2. proviso 1 shall not apply to:
  - 2.1 a loss as a result of the insured peril Theft (if insured);
  - 2.2 a loss as a result of the insured peril Theft of contents (forcible and violent entry into or exist from) (if insured);
  - 2.3 a loss as a result of the insured peril Accidental damage – Mirror glass, plate glass tops or fixed glass of furniture (if insured);
  - 2.4 a loss as a result of insured peril Power surge (if insured);
  - 2.5 Property owned by any partner, director or employee of the Insured as set out in defined event 5 (if insured).

## Skeleton keys (if stated as included in the schedule)

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

## Temporary removal (if stated as included in the schedule)

The insured property is covered whilst temporarily removed elsewhere on the premises stated in the schedule or to any other premises including transit by road, rail or inland waterway anywhere within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi and Mozambique provided that:

1. unless such temporary removal is for the purpose of cleaning, renovation, repair or similar process, the liability of the Company shall not exceed the percentage (as stated in the schedule) of the applicable item's insured amount;
2. the amount payable under this clause shall not exceed the amount that would have been payable had the loss occurred on the part of the premises from which the property is temporarily removed;
3. the extended cover provided by this clause does not cover personal property of any partner, director or employee of the Insured;
4. the extended cover provided by this clause does not cover property temporarily removed if such property is otherwise insured against such loss.

## Temporary repairs and measures after loss

The insurance under this section is extended to include all reasonable costs and expenses incurred

by the Insured in effecting such temporary repairs and by taking such temporary measures as may be reasonably necessary after loss of or damage to the insured property by any peril hereby insured against, provided that the liability of the Company for such loss or damage and costs and expenses shall not exceed in the aggregate the sum expressed in the schedule to be insured on the property affected.

### **Tenants**

The Company's liability to the Insured shall not be affected by any act or omission on the part of any owner of a building or any tenant (other than the Insured) without the Insured's knowledge. The Insured shall, however, inform the Company as soon as any such act or omission which is a contravention of any of the terms, exclusions or conditions of this section comes to their knowledge and will be responsible for any additional premium payable from the date any increased hazard shall be assumed by the Company.

*For internal broker use only - subject to minor changes from time to time*

# PERSONAL ALL RISKS SECTION

## DEFINED EVENTS

Loss of or damage to:

1. Any insured article reflected in the schedule;
2. Clothing and personal effects as defined (if stated as included in the schedule);
3. Groceries and household goods whilst being transported as defined (if stated as included in the schedule);
4. Keys, locks and remote control units as defined (if stated as included in the schedule);
5. Money, negotiable instruments, stamps and coins as defined (if stated as included in the schedule);
6. Personal documents, coin and/or stamp collection as defined (if stated as included in the schedule);
7. Swimming pool machinery and/or borehole machinery as defined (if stated as included in the schedule);

being the property of the Insured and/or the spouse of the Insured and/or any family members of the Insured or the Insured's spouse that normally reside with the Insured, by any accident or misfortune not otherwise excluded while anywhere in the world unless, if so stated in the schedule against "defined location" cover is restricted to:

1. Whilst contained in any building (not restricted to any particular address) or;
2. Whilst contained in a specific building (restricted to a specific address).

## DEFINITIONS

**Clothing and personal effects** shall mean and be restricted to the following property:

Clothing, spectacles, contact lenses, hearing aids, pens, pencils, cosmetics and their cases, cigarette cases and lighters, jewels and jewellery, personal ornaments, watches, furs, articles of gold or silver and other articles similar to the aforementioned that are usually carried by or on a person, electric and other razors, umbrellas, handbags, cases, pocket calculators, pocket computer devices such as electronic diaries, portable projectors and other portable photographic equipment, portable radios and portable tape decks or compact disc players, binoculars, firearms, sports equipment as well as trunks, suitcases and other containers in which the property is kept whilst travelling; baby equipment such as prams and children's car seats.

**Transport of groceries and household goods** shall mean and be restricted to the following property and events:

Groceries and household goods of every description (except clothing and personal effects as defined above) which after the purchase thereof are being taken in transit by the Insured from the premises of the supplier of such groceries and household goods to the Insured's private residence/flat.

**Keys, locks and remote control units** shall mean and be restricted to the following property:

All keys, access cards and remote control units in use in the Insured's private residence in connection with the Insured's household and keys and remote control units of any private type vehicle, caravan trailer, motor cycle or vessel, the property of the Insured and which is insurable under the motor or watercraft sections of this policy, including the relevant locks which must be replaced as a result of loss of or damage to the said keys.

This item also covers the reasonable expenses incurred by the Insured in sending for a locksmith in an emergency due to the loss of or damage to the aforementioned keys.

**Money, negotiable instruments, stamps and coins** shall mean and be restricted to the following property:

Cash (bank and currency notes and coins); 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 but excluding:

1. any coins or stamps forming part of any coin or stamp collection;
2. bank, investment or other electronic balances of monetary value.

**Personal documents, coin and/or stamp collection** shall mean and be restricted to the following property:

Personal documents shall be limited to the costs of material and amounts expended on labour in the reproduction or repair of personal deeds, wills, agreements, maps, plans, records, books, letters, certificates and any other personal documents but excluding:

1. share certificates and any other negotiable documents;
2. the value to the Insured of the information contained in such personal documents.

Coin and/or stamp collections provided that the value of a single coin or a single stamp and the value of a single set of coins or a single set of stamps shall not exceed the value indicated in the current relevant catalogue or price list.

**Swimming pool machinery and/or borehole machinery** shall mean and be restricted to the following property and events:

Swimming pool machinery shall be restricted to fixed swimming pool machinery.

Borehole machinery shall be restricted to fixed borehole machinery used to supply water solely for domestic purposes whilst installed at the "Insured's private residence" defined in the Householders and/or Houseowners sections of this policy but excluding windmills.

Notwithstanding the provisions of specific exclusion 5 under Excluded Events of this section, in respect of swimming pool and/or borehole machinery, the insurance under this section is extended to cover the following:

Sudden accidental damage to swimming pool machinery and/or borehole machinery caused by:

1. collapse, that is the sudden and dangerous distortion (whether or not attended by rupture) of any metal manufactured part of the aforementioned machinery caused by crushing stress by force of steam or other fluid pressure; and/or
2. breakage, that is the sudden breakage or seizing of any metal manufactured part of the aforementioned machinery including overheating or the collapse of bearings, arising from electrical or mechanical defect.

## SPECIFIC EXCLUSIONS

### Excluded events

The Company shall not be liable for loss or damage resulting from or caused by:

1. theft of clothing from any clothes-lines on the premises of the "Insured's private residence" as defined in the Householders or Houseowners section of this policy;
2. damp, mildew, rust, wear and tear or gradual deterioration (including the gradual action of light or climatic or atmospheric conditions);
3. inherent vice or defect, household pests such as rodents, ants and moths;
4. the insured property undergoing a process of cleaning, repairing, dyeing, bleaching, altering or restoring;
5. mechanical or electrical breakdown, defect, failure or breakages;
6. any exchange, cash or credit sale agreement, including theft under false pretense and/or fraud;

7. theft out of a vehicle which is left unattended and unlocked provided that
  - 7.1 if the Insured can demonstrate through video surveillance footage (or any other conclusive proof) that an attempt was made to lock the vehicle, such evidence shall be deemed to satisfy the locked vehicle requirement;
  - 7.2 this exclusion will not apply where the vehicle has been involved in an accident or other incident where due to the circumstances beyond the control of the driver and passengers, the property has to be left unattended and cannot be secured as required;

Specific exclusion 7 can upon request be waived by the Company on specific insured articles and covers. The first amount payable of such articles and covers as reflected in the schedule will be doubled in respect of this enhanced cover. This waiver will be recorded in the schedule per insured article as follows:

If "Theft (non-forcible entry into an unattended vehicle)" is reflected as "included" then specific exclusion 7 is waived for the specific article but if "Theft (non-forcible entry into an unattended vehicle)" is reflected as "not included" then specific exclusion 7 remains as being applicable to the specific article;
8. consequential or indirect loss or damage of any kind or description whatsoever;
9. loss of precious or semi-precious stones
  - 9.1 due to faulty settings and/or the malfunctioning of claws and/or other mountings;
  - 9.2 caused by the deterioration or normal wear and tear of claws and/or other mountings;
10. damage to glass, glassware or other articles of a brittle nature (other than jewellery, cameras and fixed glass forming part of television receivers) due to cracking, scratching or breakage unless caused by theft (or any attempt thereat) or fire;
11. loss or damage for which provision is made in any guarantee or service contract or in any purchase or hire or hire-purchase or financing agreement or any other agreement of whatever nature regarding the insured property or any part thereof;
12. detention, confiscation or requisition by customs or other officials or authorities but this exclusion shall not apply to damage discovered on the return of the property to the Insured if the Insured can provide evidence to the satisfaction of the Company that such detention, confiscation or requisition was unjust and without any offence being committed.

### Excluded property

Unless stated in the schedule as being specifically insured, this section does not cover the following property:

1. Any property, irrespective of whether it will be processed or not, which was obtained with the sole purpose of such property later being disposed of in a business transaction;
2. Cash, bank and currency notes, deeds, bonds, bills of exchange, promissory notes, cheques, postal and money orders, negotiable and other documents of any kind, stamps of any kind (including inter alia stamp collections), manuscripts, securities, rare books, medals and coins of any kind (including inter alia coin collections);
3. Vehicles of any kind (including inter alia self-propelled gardening implements normally being controlled by a driver but excluding pedal cycles which are not mechanically or electrically driven/ assisted) and any part (including inter alia any spare wheel, tool, spare part and accessory) of such vehicles whilst in or on or attached to such vehicles;
4. Vessels or watercraft of any kind (including inter alia canoes) and any part (including inter alia any tool, spare part, accessory and outboard motor) thereof;
5. Aircraft and other aerial devices of any kind and any part (including inter alia any tool, spare part and accessory) thereof;
6. Animals.

## SPECIFIC CONDITIONS

### 1. Average

If the total value of property insured which is not separately and individually specified (in the schedule against "Specified" it will reflect as "No" to indicate such property) is at the time of the happening of any loss or damage to such property, of greater value than the insured amount thereon, the Insured shall be considered as being his own insurer for the difference and shall bear a rateable share of the amount of the loss or damage. Each item of the schedule covering such property shall be separately subject to this condition.

## 2. Pair or sets

Where the insured property consists of articles of a pair or set, the Company shall not be liable for more than its proportionate value in relation to the total value of the pair or set, without consideration of any special value which such article or articles may have as part of such pair or set.

## 3. Replacement value condition (if stated in the schedule as applicable)

The basis upon which indemnity is to be calculated shall be:

**Where the insured property is lost or damaged beyond repair** - the replacement of the lost or damaged insured property by property of the same kind or type but not superior to or more extensive than the aforesaid lost or damaged insured property when new.

**Where the insured property is damaged but is economically repairable** - the repair of the damage to the damaged insured property to a condition substantially the same as but not superior to or more extensive than the condition of the aforesaid damaged insured property 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 insured amount 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.

# CLAUSES AND EXTENSIONS

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) subject to any insured amounts or first amounts payable stated in the schedule under each extension.

## Riot and strike (other than RSA and Namibia) (if stated as included in the schedule)

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

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

provided that this extension does not cover:

1. loss or damage occurring in the Republic of South Africa or Namibia;
2. consequential or indirect loss or damage of any kind or description whatsoever;
3. loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;
4. loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
5. loss or damage related to or caused by any occurrence referred to in General exclusion 1 (A) (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If the Company alleges that, by reason of provisos 1 to 5 above, loss or damage is not covered by this section, the burden of proving the contrary shall rest on the Insured.



# PERSONAL LEGAL LIABILITY

## DEFINED EVENTS

Damages which the Insured or a Co-insured shall become legally liable to pay in their private capacity consequent upon Injury or Damage occurring anywhere in the world during the period of insurance.

## DEFINITIONS

**Co-insured** shall mean the spouse of the Insured and any other member of the family of the Insured or member of the family of the spouse of the Insured, provided that:

1. the aforesaid member(s) is/are normally residing with the Insured;
2. such Co-insureds are not entitled to indemnity under any other insurance;
3. each such Co-insured shall as though they were the Insured observe, fulfil and be subject to the terms, exclusions and conditions of this section and of this policy in so far as they can apply.

**Costs and Expenses** shall mean costs, charges, expenses and legal costs recoverable from the Insured or a Co-insured by a claimant or any number of claimants or incurred by the Company or incurred by the Insured with the Company's prior consent:

1. in the defence or settlement of any claim under this section of the Policy or any action or prosecution brought against the Insured or a Co-insured in respect of Injury or Damage or other liability as insured in terms of this Section of the Policy.
2. in the representation at any inquest or accident inquiry in respect of Injury which may form the subject of indemnity under this Section of the Policy and/or in defending any proceedings in a Court of applicable jurisdiction in respect of matters which may form the subject of indemnity by this Section of the Policy.

**Damage** shall mean accidental loss of or physical damage to tangible property.

**Domestic employees** shall mean a person that is employed under a contract of service with the Insured or Co-insured to work in the private household of the Insured or Co-insured.

**Injury** shall mean accidental death, bodily injury or illness (mental or physical) or disease of any person other than Injury to:

1. the Insured, any Co-insured or other family member of the Insured, or
2. any person employed by the Insured or Co-insured if such death, bodily injury or illness (mental or physical) or disease arises out of and/or in the course of the employment of such person by the Insured or Co-insured(s).

**Insured** for the purposes of this section shall mean and be restricted to those individuals named in the schedule of this section under the heading "Name of individual(s) covered under this section".

## LIMITS OF INDEMNITY

The amount payable, inclusive of any Costs and Expenses, for

1. any claim or number of claims for any one event or series of events with one originating cause or source, shall not exceed the Limit of Indemnity stated in the schedule against "Limit of indemnity (per event)";
2. all claims during any one (annual) Period of Insurance shall not exceed the Limit of Indemnity stated in the schedule against "Limit of indemnity (per period of insurance)".

If the premium is paid monthly by debit order, the words "per period of insurance" are amended to read "for any one period of 12 consecutive months from the inception or anniversary date".

In the event of any one originating cause giving rise to a claim or series of claims which form the subject of

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

Where more than one Period of Insurance of this Policy, following its renewal or replacement may apply to an originating cause or source, the Company's liability will be limited to the maximum Limit of Indemnity for any one such Period of Insurance. If the premium is paid monthly by debit order, the words "for any one such Period of Insurance" are amended to read "for any one period of 12 consecutive months from the inception or anniversary date".

## SPECIFIC EXCLUSIONS

The Company will not indemnify the Insured in respect of:

1. liability assumed by the Insured or Co-insured(s) by agreement unless such liability would have attached to the Insured or Co-insureds notwithstanding such agreement;
2. any liability caused by or through or in consequence of or arising out of or incidental to or attributable to the pursuit or exercise of any business, trade, occupation or profession;
3. any liability caused by or through or in consequence of or arising out of or incidental to or attributable to:
  - 3.1 the ownership:
    - 3.1.1 of any land, buildings or structures;
    - 3.1.2 or possession, use or handling of vehicles of any kind (including inter alia trailers and caravan trailers but excluding pedal cycles which are not mechanically or electrically driven/assisted), vessels or watercraft or any kind or aircraft and other aerial devices of any kind;
    - 3.1.3 or possession, use or handling of any firearms or air-guns or any animals (other than domesticated animals usual to a domestic dwelling);
  - 3.2 property belonging to or leased, let, rented, hired or lent to or held in trust by or in the custody of or under the control of the Insured or any Co-insured or any person employed by the Insured or Co-insured(s);
4. any liability caused by or through or in consequence of or arising out of or incidental to or attributable to vibration or the removal or weakening of or interference with support to land, buildings or any other property;
5. any fines or penalties or punitive, exemplary or vindictive damages;
6.
  - 6.1 liability in respect of Injury, Damage or loss of use of property directly or indirectly caused by pollution, provided always that this exclusion shall not apply where such Pollution is caused by a sudden, unintended and unforeseen occurrence;
  - 6.2 the cost of removing, nullifying or cleaning up substances resulting from pollution unless the pollution is caused by a sudden, unintended and unforeseen occurrence.

This exclusion shall not extend the policy to cover any liability which would not have been insured under this policy in the absence of this exclusion;
7. any liability for Injury attributable to a gradually operating cause which does not arise from a sudden and identifiable accident or event.

## CLAUSES AND EXTENSIONS

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) subject to any limits of indemnity or first amounts payable stated in the schedule under each extension.

### Additional Insured

The Company will also, as though a separate policy has been issued to each, indemnify any personal legal representative(s) of the Insured or Co-insured (in the event of the death of the Insured and/or any Co-insured),

in respect of liability incurred by the Insured or any Co-insured; provided that:

1. the aggregate liability of the Company is not increased beyond the Limits of Indemnity stated in the Schedule;
2. any person to which this extension applies is not entitled to indemnity under any other policy;
3. such representative(s) to whom the indemnity hereunder applies shall observe, fulfil and be subject to the terms, exclusions and conditions (both general and specific) of this insurance in so far as they can apply.

### **Legal liability to domestic employees** (if stated as included in the schedule)

The Company will indemnify the Insured for legal liability due to Injury to the Insured's domestic employees that arises from and in the course of their employment.

### **Property owner's liability**

Specific exclusion 3.1.1 shall not apply to liability for Injury or Damage the Insured or Co-insured may incur arising out of the ownership (and not as tenant) of property insured under the Houseowners section of this policy provided such insurance is in force at the time of the Damage or Injury.

### **Security companies**

Specific exclusion 1 shall not apply to any liability which is assumed in terms of a written contract with any entity which provides security or armed response services in respect of property insured under the Householders or Houseowners section of this policy provided such insurance is in force at the time of the Damage or Injury.

### **Tenant's liability**

Specific exclusions 3.1.1 and 3.2 of this section shall not apply to premises occupied by the Insured or Co-insured in their private capacity as tenant (and not as owner) thereof.

### **Wrongful arrest** (if stated as included in the schedule)

The Company will indemnify the Insured and/or any Co-insured against all sums for which the Insured and/or the Co-insured shall become legally liable to pay as compensation due to the wrongful arrest or frisking of a person, including assault caused during such wrongful arrest or frisking, occurring during the period of insurance.

# PERSONAL UMBRELLA LIABILITY SECTION

## DEFINED EVENTS

Damages which the Insured or a Co-insured shall become legally liable to pay in their private capacity consequent upon Injury or Damage occurring anywhere in the world during the period of insurance of this section subject to the basis of indemnification set out below.

## DEFINITIONS

**Co-insured** shall mean the spouse of the Insured and any other member of the family of the Insured or member of the family of the spouse of the Insured, provided that:

1. the aforesaid member(s) is/are normally residing with the Insured;
2. such Co-insureds are not entitled to indemnity under any other insurance;
3. each such Co-insured shall as though they were the Insured observe, fulfil and be subject to the terms, exclusions and conditions of this section and of this policy in so far as they can apply.

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

1. in the defence or settlement of any claim under this section of the policy or any action or prosecution brought against the Insured or a Co-insured in respect of Injury or Damage or other liability as insured in terms of this section of the policy.
2. in the representation at any inquest or accident inquiry in respect of Injury which may form the subject of indemnity under this section of the policy and/or in defending any proceedings in a Court of applicable jurisdiction in respect of matters which may form the subject of indemnity by this section of the policy.

**Damage** shall mean accidental loss of or physical damage to tangible property.

**Injury** shall mean accidental death, bodily injury or illness (mental or physical) or disease of any person other than injury to:

1. the Insured, any Co-insured or other family member of the Insured, or
2. any person employed by the Insured or Co-insured if such death, bodily injury or illness (mental or physical) or disease arises out of and/or in the course of the employment of such person by the Insured or Co-insureds.

**Insured** for the purposes of this section shall mean and be restricted to those individuals named in the schedule of the Personal Legal Liability section of this policy as being covered.

**Underlying insurance** shall mean an existing insurance policy in force with:

1. A registered South African insurer in South Africa which covers one or more of the following:
  - 1.1 Personal Liability;
  - 1.2 Property Owner's Liability;
  - 1.3 Tenant's Liability;
  - 1.4 Motor Liability;
  - 1.5 Watercraft Liability;

2. Any insurer outside of the Republic of South Africa which covers one or more of the following:

2.1 Motor Liability;

2.2 Watercraft Liability;

2.3 Property Owners Liability;

but not an insurance policy in respect of any motor vehicle hired, leased or owned by the Insured or Co-insured, or for any watercraft or property owned by the Insured or Co-insured outside of the Republic of South Africa, Lesotho, Swaziland, Mozambique, Zimbabwe, Botswana, Namibia and Malawi.

## LIMITS OF INDEMNITY

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

Where more than one period of insurance of this policy, following its renewal or replacement may apply to an originating cause or source, the Company's liability will be limited to the maximum Limit of Indemnity for any one such period of insurance. If the premium is paid monthly by debit order, the words "period of insurance" are amended to read "for any one period of 12 consecutive months from the inception or anniversary date".

Where the Insured is, in addition to this section, insured in his business name under the Public Liability section and/or Commercial Umbrella Liability section of this policy, the Company will indemnify the business and individual separately and not jointly, provided that the aggregate liability of the Company shall not exceed the sum of the Limit of Indemnity stated in the schedule for the Personal Legal Liability section and Personal Umbrella Liability or, alternatively the sum of the Limit of Indemnity of the Public Liability section and Commercial Umbrella section whichever is the higher.

## BASIS OF INDEMNIFICATION

The Defined Events of this section provide indemnity as defined under Basis 1, 2 and 3 below:

**Basis 1: Excess layer protection:** This basis provides indemnity subject to the Defined Events of this section where the claim is covered by the terms of the Underlying Insurance only to the extent that the claim is not met in full by such Underlying Insurance solely because of the inadequacy of the underlying limit of indemnity provided that:

1. the cover provided by this basis is subject to the same terms, exclusions and conditions as the Underlying Insurance;
2. the Underlying Insurance and the underlying Insurer has paid or has admitted liability or has been held liable to pay the full limit of indemnity in terms of such Underlying Insurance;
3. indemnity under this basis will operate above the Underlying Insurance limit of indemnity or the limits stated in the schedule of this section called "Minimum Underlying Insurance limit of indemnity" whichever is the higher.

**Basis 2: Difference in conditions protection:** This basis provides indemnity subject to the Defined Events of this section where the claim is within the Defined Events of the Underlying Insurance but where such claim is rejected because of an exclusion of the Underlying Insurance.

**Basis 3: Additional risks protection:** This basis provides indemnity where the claim is outside the scope of the Defined Events of any Underlying Insurance but within the scope of Defined Events of this section.

## SPECIFIC EXCLUSIONS

The Company will not indemnify the Insured in respect of

1. any judgement, award, payment or settlement made within countries which operate under the laws of the United States of America or Canada (or to any order made anywhere in the world to enforce such judgement, award or settlement either in whole or in part);
2. liability arising out of or in the course of the Insured's employment, business or profession including but not limited to the sale of any goods or the rendering of any services for a fee, reward or any other consideration;

3. liability arising out of the letting and/or hiring out of any movable or immovable property or part thereof for a fee, reward or any other consideration. This exclusion does not apply if the property is a building or structure, including the land on which it is situated, used as a private residence and such liability is covered by any Underlying Insurance;
4. liability arising out of the reckless disregard by the Insured of the possible consequences of his acts or omissions;
5. liability of one Insured or Co-insured to another Insured or Co-insured or a former Insured or Co-insured in respect of any occurrence during any period when such former Insured or Co-insured was insured by the Underlying Insurance;
6. liability arising out of loss of or damage to property to the extent that such liability is indemnifiable under any other insurance policy;
7. liability arising out of the ownership or use of any aircraft other than model aircraft and hang gliders;
8. liability for death of or bodily injury which is the subject of statutory or similar legislation controlling the use of motor vehicles or trailers and in respect of which liability
  - 8.1 the Insured is compelled to effect insurance or to furnish security or
  - 8.2 the state or other governmental body or authority has accepted responsibility;
- 9 any claim in respect of motor liability other than as provided for under basis 1 or because any loss is excluded solely by reason of it occurring outside of any territorial restrictions;
- 10 any claim in respect of watercraft liability:
  - 10.1 other than as provided for under basis 1 or because any loss is excluded solely by reason of it occurring outside of any territorial restrictions;
  - 10.2 where the overall length of the water craft exceeds 15 metres;
- 11 loss of or damage to any self-propelled land vehicle, trailer, caravan, watercraft or aircraft in the Insured's care custody or control;
- 12 liability arising out of any dishonest, fraudulent or malicious act of the Insured or acts of physical assault or seduction committed by the Insured;
- 13 liability for the payment of any fine, penalty, multiple punitive or exemplary damages or arising out of liquidated damages, clauses, penalty clauses or performance warranties except to the extent that it can be proved that liability would have been attached in the absence of such clauses or warranties;
- 14 any debt;
- 15 the failure to pay maintenance or alimony or any amounts following a breach or promise;
- 16 liability arising out of the purchase, sale, barter or exchange of any property movable or immovable or the failure of the Insured to comply with any obligations in relation thereto;
- 17 liability arising out of any condition directly or indirectly caused by or associated with Human Immune Virus (HIV) or the mutants, derivatives or variations thereof or in any way related to Acquired Immune Deficiency Syndrome (AIDS) or any syndrome or condition of a similar kind howsoever it shall be named;
- 18 liability arising out of confiscation, nationalisation or requisition or destruction of or damage to property by or under the order of any government de jure or de facto or any public authority.

## SPECIFIC CONDITIONS

1. Indemnity granted by this section is conditional upon there being in force at the time of the occurrence an Underlying Insurance policy which substantially provides cover for the type of liability for which indemnity is sought hereunder, and upon the Insured not being in breach of the conditions of such Underlying Insurance.
2. This section will be governed by the laws of the Republic of South Africa whose courts shall have exclusive jurisdiction in any dispute between the Company and the Insured.
3. In respect of any claim not covered at least in part by an Underlying Insurance, the Company may take over and conduct in the name of the Insured the defence or settlement of any claim or prosecute in the name of the Insured for their own benefit and will have full discretion in the conduct of any proceedings and in the settlement of any claim. The Insured will give all necessary information and assistance as may be required



by the Company.

4. Payments under this section shall be payable in the Republic of South Africa in the currency of the Republic of South Africa.
5. The due observance and fulfilment of all provisions in this section and the General section that require anything to be done or complied with by the Insured is precedent to any liability of the Company in respect of any occurrence for which the Insured makes a claim under this section.
6. No admission, offer, promise or payment in relation to a claim under this section may be made or given by or on behalf of the Insured without the written consent of the Company. The Insured will take all reasonable steps to ensure that the underlying insurers will comply with this condition and co-operate with the Company in the defence and settlement of any claim which is indemnifiable under both an Underlying Insurance and this section, and in the exercise of any subrogation rights. The costs incurred in exercising such rights and any amounts recovered shall be apportioned to each party according to the sums paid or payable under the respective policies.

For internal broker use only - subject to minor changes from time to time

# PUBLIC LIABILITY (CLAIMS MADE BASIS) SECTION

## DEFINED EVENTS

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

## DEFINITIONS

**Business** shall mean the business of the Insured as stated in the schedule of this policy.

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

1. in the defence or settlement of any claim under this section of the Policy or any action or prosecution brought against the Insured in respect of Injury or Damage or other liability as insured in terms of this Section of the Policy.
2. in the representation at any inquest or accident inquiry in respect of Injury which may form the subject of indemnity under this Section of the Policy and/or in defending any proceedings in a Court of applicable jurisdiction in respect of matters which may form the subject of indemnity by this Section of the Policy.

**Damage** shall mean loss of or physical damage to tangible property or wrongful interference with the enjoyment of rights over tangible property.

**Employee** shall mean Person/s employed under a contract of service or apprenticeship with the Insured.

**General liability** as reflected in the schedule shall relate to the limits of indemnity and first amounts payable applicable to any claim covered under this section that does not have its own more specific limits of indemnity or first amounts payable.

**Injury** shall mean death, bodily injury, mental injury, illness (mental or physical) or disease of or to any person.

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

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

**Territorial Limits** shall mean the Territorial Limits as stated in the schedule of this policy.

## LIMITS OF INDEMNITY

The amount payable, inclusive of any Costs and Expenses, for

1. any claim or number of claims for any one event or series of events with one originating cause or source, shall not exceed the Limit of Indemnity stated in the schedule against "Limit of indemnity (per event)";

2. all claims during any one (annual) Period of Insurance shall not exceed the Limit of Indemnity stated in the schedule against "Limit of indemnity (per period of insurance)".

If the premium is paid monthly by debit order, the words "per period of insurance" are amended to read "for any one period of 12 consecutive months from the inception or anniversary date".

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

Where more than one Period of Insurance of this Policy, following its renewal or replacement may apply to an originating cause or source, the Company's liability will be limited to the maximum Limit of Indemnity for any one such Period of Insurance. If the premium is paid monthly by debit order, the words "for any one such Period of Insurance" are amended to read "for any one period of 12 consecutive months from the inception or anniversary date".

## SPECIFIC EXCLUSIONS

The Company will not indemnify the Insured in respect of:

1. liability consequent upon Injury to any Employee arising from and in the course of employment by the Insured.
2. Damage to:
  - 2.1 property belonging to the Insured;
  - 2.2 property in the custody or control of the Insured or any employee of the Insured but this exclusion shall not apply to premises (or the contents thereof) temporarily occupied by the Insured for work therein;
  - 2.3 that part of any property on which the Insured is or has been working if such Damage results directly from such work.
3. liability consequent upon Injury or Damage:
  - 3.1 caused by or through or in connection with any advice or treatment of a professional nature (other than first aid treatment) given or administered by or at the direction of the Insured;
  - 3.2 caused by or through or in connection with the ownership, possession or use by or on behalf of the Insured of any mechanically propelled vehicle (other than a pedal cycle or lawnmower or any pedestrian controlled garden equipment) or trailer or of any watercraft (other than non-motorized watercraft not exceeding 6 meters in length and used only on inland waterways), locomotive or rolling stock, provided that this exclusion shall not relieve the Company of liability to indemnify the Insured in respect of liability consequent upon Injury or Damage caused or arising beyond the limits of any carriage-way or thoroughfare in connection with the loading or unloading of any vehicle, insofar as such Injury or Damage is not insured by any other insurance policy;
  - 3.3 caused by or through or in connection with:
    - 3.3.1 the refuelling or defueling of aircraft;
    - 3.3.2 the ownership, possession, maintenance, operation or use of aircraft or an airline;
    - 3.3.3 the ownership, hire or leasing of any airport, airstrip or helicopter pad.
  - 3.4 caused by or through or in connection with any Product other than food and drink provided for consumption on the premises of the Insured.
4. Damage caused by vibration or by the removal or weakening of or interference with support to any land, building or other structure.
5.
  - 5.1 liability in respect of Injury, Damage or loss of use of property directly or indirectly caused by Pollution, provided always that this exclusion shall not apply where such Pollution is caused by a sudden, unintended and unforeseen occurrence.
  - 5.2 the cost of removing, nullifying or cleaning up substances resulting from Pollution unless the Pollution is caused by a sudden, unintended and unforeseen occurrence.

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

6. fines, penalties, punitive, exemplary or vindictive damages.
7. 7.1 Damages in respect of judgements, awards or settlements made in the first instance otherwise than by a court of competent jurisdiction within the territories stated in the schedule against "Jurisdiction" (or to any order made anywhere in the world to enforce such judgement, award or settlement either in whole or in part).
- 7.2 costs and expenses of litigation recovered by any claimant from the Insured which are not incurred in and recoverable in the territories stated in the schedule against "Jurisdiction".
- 8 any claim arising from an event known to the Insured:
  - 8.1 which is not reported to the Company in terms of General Condition 6;
  - 8.2 prior to inception of this section or inception of any extension under this section.
- 9 the first amount payable. The Insured shall be responsible for the first amount payable as stated in the schedule in respect of any one claim or number of claims arising from all events of a series consequent upon or attributable to any one source or originating cause or source. The provisions of this clause shall apply to claims arising from Damage or Injury and shall apply to Costs and Expenses.
- 10 liability consequent upon Injury or Damage arising out of the deliberate, conscious or intentional disregard by the Insured's management of the need to take reasonable precautions to prevent any event or circumstance which may give rise to a claim.
- 11 any claim or claims whether actual or alleged howsoever arising in connection with or based upon or arising from or in any way involving actual or alleged unlawful competition, unfair practices, abuse of monopoly power, cartel activities or as may otherwise arise from or be based upon or relate to any breach of a provision of the Competition Act no. 89 of 1998 (as amended) or any similar provision, act or regulation as may be in force in any jurisdiction or country in which the Insured's liability arose.
- 12 liability consequent upon Injury or Damage arising out of the ownership, possession or use by or on behalf of the Insured of any animal.
- 13 liability consequent upon Injury or Damage arising out of the ownership or use of a dam wall or canal or the impounding or diversion of water by the Insured or any person acting on behalf of the Insured.
- 14 liability consequent upon Injury or Damage arising out of any hunting facility or operation arranged by the Insured or offered to any third party but this shall not apply to the Insured's own hunting activities as a hunter.
- 15 liability consequent upon Injury or Damage arising out of the spread of fire from the Insured's premises.

## MEMORANDUM

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

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

## SPECIFIC CONDITIONS

1. 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, the Insured may report an event in terms of General Condition 6 to the Company within 30 days after expiry of the Period of Insurance provided such event occurred during the Period of Insurance.
3. Any series of claims made against the Insured by one or more than one claimant during any Period of Insurance consequent upon one event or series of events with one originating cause or source shall be treated as if they all had first been made against the Insured:
  - 3.1 on the date that the event was reported by the Insured in terms of General Condition 6;
  - or
  - 3.2 if the Insured was not aware of any event which could have given rise to a claim, on the date

that the first claim of the series was first made in writing against the Insured.

4. When the facts do not speak for themselves and the Company and the Insured cannot mutually agree when the Injury or Damage occurred, then for the purposes of determining the indemnity granted:
  - 4.1 the Injury shall be deemed to have occurred when the claimant first consulted a qualified practitioner regarding such Injury, whether or not it was correctly diagnosed at the time. If no such consultation took place, then the Injury shall be deemed to have occurred when the Insured was first advised of the Injury;
  - 4.2 the Damage shall be deemed to have occurred when it first became evident to the claimant, even if the cause was unknown.

## CLAUSES AND EXTENSIONS

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) subject to any limits of indemnity or first amounts payable stated in the schedule under each extension.

### **Acquisitions and new businesses** (if stated as included in the schedule)

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

Provided always that

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

### **Additional Insured**

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

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

provided that

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

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

### **Animals** (if stated as included in the schedule)

Specific exclusion 12 is deleted and the indemnity provided by this extension shall include Injury or Damage caused by animals (owned by the Insured or for which the Insured is legally responsible) used or kept by the Insured in connection with the Insured's Business:

1. whilst being driven anywhere within the Territorial Limits provided the Insured takes reasonable precautions to comply with legislation regarding the driving of animals on public roads;
2. whilst on any premises of the Insured;
3. whilst at any location (but excluding any premises of the Insured) anywhere within Territorial Limits where such animals are temporarily kept or temporarily housed;
4. whilst straying from the location referred to in 3 above or straying from the premises referred to in 2 above.

### **Car parks** (if stated as included in the schedule)

Notwithstanding the provisions of specific exclusion 2.2, the Company will indemnify the Insured in respect of liability as herein provided arising from loss of or damage to vehicles and their contents and accessories, the property of tenants, customers, visitors or employees of the Insured using parking facilities provided by the Insured.

### **Cleaning / dry cleaning of guests effects** (if stated as included in the schedule)

Specific exclusions 2.2 and 2.3 shall not apply to loss or damage to guests' laundry whilst undergoing a process of cleaning and or dry cleaning.

This extension only applies to that part of the risk that relates to a guesthouse and/or lodge if insured in terms of this section.

### **Cross liabilities**

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

### **Dam wall or canal liability** (if stated as included in the schedule)

Specific exclusion 13 is deleted.

### **Emergency medical expenses** (if stated as included in the schedule)

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

### **Employees' and visitors' property** (if stated as included in the schedule)

Specific exclusion 2.2 shall not apply to property belonging to any partner, director or employee of the Insured or any visitor to the Insured's premises.

### **Extended reporting option** (if stated as included in the schedule)

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

1. this option may only be exercised in the event of the Company cancelling or refusing to renew this section;
2. this option must be exercised by the Insured in writing within 30 days of cancellation or non-renewal;
3. once exercised, the option cannot be cancelled by either the Insured or the Company;



4. the Insured has not obtained insurance equal in scope and cover to this section as expiring;
5. the Company shall only be liable for a Defined Event which occurred after the retroactive date but prior to date of cancellation or non-renewal;
6. claims first made against the Insured or any Reported Event by the Insured during the extended reporting period shall be treated as if they were first made or reported on the last day preceding the cancellation or non-renewal;
7. the total amount payable by the Company for claims made or Reported Events during the extended reporting period shall not have the effect of increasing the Limit of Indemnity applicable as on the last day preceding the cancellation or non-renewal.

**Fire extinguishing charges** (if stated as included in the schedule)

Subject to the limit of indemnity in the schedule, the Company will indemnify the Insured for all reasonable fire extinguishing costs and expenses which the Insured shall become legally liable to pay as a result of the extinguishing or fighting of fire (including water-bombing by air) to prevent the spreading of such fire beyond the borders of the Insured's own premises.

The Company will also, subject to the separate limit of indemnity against "Spotter plane charges", indemnify the Insured for the reasonable costs and expenses for which the Insured shall become legally liable to pay as a result of the call out and assistance of a Spotter Plane belonging to Working on Fire (WOF) which has been requested by the Fire Protection Officer of a registered Fire Protection Association for the purposes of spotting the fire or guiding the helicopter or other aircraft required for water-bombing to the site of the fire.

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

**Gratuitous advice** (if stated as included in the schedule)

Notwithstanding anything to the contrary contained in specific exclusion 3.1, the Company will indemnify the Insured in respect of Defined Events caused by the unintentional failure of the Insured to perform the legal duty to exercise due care owed to another person or party in providing technical information or advice to such person or party provided that this section does not cover liability:

1. arising out of the insolvency of the Insured;
2. arising out of financial services and/or cost estimates provided by or on behalf of the Insured;
3. arising out of defamation;
4. arising out of design, formula, supervision, treatment or advice given by or on behalf of the Insured in exchange for a fee;
5. arising out of technical information or advice given in connection with a Product unless the extension for Products Liability is included in the schedule.

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

**Hunters liability** (if stated as included in the schedule)

Notwithstanding anything to the contrary contained in specific exclusion 14, this section is extended to provide indemnity for the Insured against liability arising out of any hunting activities arranged by the Insured provided that:

1. any visitors participating in such hunting activities who are not permanent residents of the Republic of South Africa will be accompanied by a Professional Hunter who is in possession of a valid professional hunters permit;
2. any visitors not described under 1 above are accompanied by the Insured or an employee of the Insured;
3. prior to participating in any hunting activity all visitors will sign a document drawn up by a qualified attorney disclaiming the liability of the Insured or any partner or director or employee of the Insured as a result of any hunting activities;
4. the Insured must comply with all laws, by-laws and local, municipal, regional and government regulations applicable to hunting activities.

## **Products liability (including defective workmanship)** (if stated as included in the schedule)

Notwithstanding anything to the contrary contained in specific exclusion 2.3 and 3.4, the Company will indemnify the Insured in respect of Defined Events happening anywhere in the world elsewhere than at premises occupied by the Insured, and caused by any Product in connection with the Business (including wrongful delivery and delivery of incorrect Products). The Retroactive date referred to in the Defined Events is the Retroactive date stated against this extension in the schedule.

The amount payable under this extension, inclusive of any Costs and Expenses, shall not exceed the Limit of Indemnity (per event) and/or Limit of Indemnity (per Period of Insurance) for this extension stated in the schedule.

### **Additional specific exclusions [applicable to Products Liability extension (including defective workmanship)]**

This extension does not cover liability:

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

For the purposes of this additional specific exclusion the term "replacement" shall be deemed to include any credit or refund granted or alternative Product provided by or on behalf of the Insured in lieu of replacement of the defective Product.

2. for the cost of demolition, breaking out, dismantling, delivery, rebuilding, supply and installation of the Product and any other property essential to such repair, alteration or replacement unless physically damaged by the Product;
3. arising from the failure of any Product or any part thereof to fulfil its intended function or to perform as specified, warranted or guaranteed but this exclusion shall not apply to consequent Injury or Damage;
4. arising from Products intended to be installed and installed in, or intended to form part of and forming part of, an aircraft;
5. in respect of Injury or Damage happening in the United States of America or Canada caused by or through or in connection with any Products sold or supplied by or to the order of the Insured, if such Products have, to the Insured's knowledge, been exported to the United States of America or Canada by or on behalf of the Insured;
6. for any defect in any Product or any part thereof of which the Insured was aware prior to the inception of this extension;
7. caused by any Product listed in the schedule against "Excluded products".

## **Spread of fire** (if stated as included in the schedule)

Specific exclusion 15 is deleted. It is a condition of this extension that, at the happening of an occurrence that gives rise to a claim in terms of this extension, the Insured was complying with the requirements of the National Veld and Forest Fire Act No. 101 of 1998 (as amended).

This extension shall not include liability for damage to sugar-cane or timber plantations unless in the schedule next to "Damage to sugar-cane or timber plantations" it is reflected as "included".

The first amount payable the Insured shall be responsible for will vary depending on whether liability for damage to sugar-cane or timber plantations is included or not and whether the Insured is a member of the local Fire Protection Association or not. Next to the first amounts payable in the schedule it will reflect "damage to sugar-cane or timber plantation included" or "damage to sugar-cane or timber plantation excluded" and "FPA member" or "not FPA member" to differentiate the different first amounts payable. These words as reflected next to the first amounts payable are merely to reflect what the first amount payable is if these circumstances apply and are not to be interpreted to mean that cover includes or excludes damage to sugar-cane or timber plantations (the previous paragraph above shall be the sole determining indicator).

## **State railway authority and other government departments** (if stated as included in the schedule)

Notwithstanding the provisions of specific exclusions 2.2 and 3.2, this section extends to indemnify the Insured:

1. against liability assumed by the Insured under any contract entered into with or indemnity given to Transnet, government or quasi-government departments, provincial administrations, municipalities and/or similar bodies covering the use of railway sidings or in respect of cartage (hazardous premises) agreements and/or

- agreements of a similar nature;
2. against liability arising from loss of or damage to property belonging to Transnet while in the Insured's custody or control;
  3. in respect of liability caused by or through or in connection with any vehicle, trailer, locomotive or rolling stock belonging to Transnet while being used by or on behalf of the Insured at any railway siding.

**Statutory legal defence costs** (if stated as included in the schedule)

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

Provided that

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

**Tenant's liability** (if stated as included in the schedule)

Specific exclusions 2.2 and 3.2 of this section shall not apply to premises occupied by the Insured as tenant (but not as the owner) thereof.

**Tool of trade** (if stated as included in the schedule)

Specific exclusion 3.2 shall not apply to the operation as a tool of any vehicle or plant forming part of such vehicle or attached thereto, provided that the Company shall not be liable hereunder in respect of so much of any liability as falls within the scope of any form of Motor insurance or compulsory third party insurance legislation, notwithstanding that no such insurance is in force or has been effected, nor shall the Company be liable where any other form of Motor insurance has been effected by the Insured covering the same liability.

**Tool of trade – extended cover** (if stated as included in the schedule)

The above tool of trade extension is extended to include any vehicle being operated as a tool of trade of the Business of the Insured whether or not such vehicle falls within the scope of any form of Motor insurance.

The amount payable under this extension shall not exceed the Limit of Indemnity (per event) and/or Limit of Indemnity (per Period of Insurance) for this extension stated in the schedule.

Provided that the Company shall not be liable hereunder:

1. in respect of so much of any liability as falls within the scope of any compulsory third party insurance legislation;
2. where any other form of motor insurance has been effected by the Insured covering the same liability;
3. if the Injury or Damage occurs on a public road.

For the purposes of this extension, a public road shall mean any road used by the public other than a road situated on private property.

**Unattached trailers** (if stated as included in the schedule)

Specific exclusion 3.2 shall, as far as it relates to trailers, not apply in respect of any trailer not attached to and not having become unintentionally detached from any mechanically propelled vehicle, provided that the Company shall not be liable hereunder in respect of so much of any liability:

1. which is insured by or would, but for the existence of this section, be insured by any other policy or policies

effected by the Insured;

2. as falls within the scope of any compulsory third party insurance legislation, notwithstanding that no such insurance is in force or has been effected.

**Vibration and removal of support** (if stated as included in the schedule)

Specific exclusion 4 is deleted provided always that the amount payable shall not exceed the Limit of Indemnity (per event) and Limit of Indemnity (per Period of Insurance) stated in the schedule.

**Warehouseman's liability** (if stated as included in the schedule and the "Type of cover" reflects as "Consequential losses only" in the schedule)

Specific exclusion 2.2 shall not apply to liability arising from loss of or damage to property/goods in the custody or control of the Insured or any Employee of the Insured for storage purposes provided that:

1. the Company will not indemnify the Insured in respect of liability as herein provided arising from loss of or damage to the property/goods themselves, but only for the consequential losses resulting from such loss or damage and for which the Insured shall become legally liable to pay;
2. the loss of or damage to the property/goods occurs in a warehouse (building) occupied by the Insured as owner or tenant;

**Additional specific exclusions (applicable to the Warehouseman's liability extension)**

This extension does not cover liability for:

1. loss or damage caused by:
  - 1.1 the dishonesty of any principal, partner, director or employee of the Insured or any person to whom the property/goods are entrusted, whether acting alone or in collusion with others;
  - 1.2 wilful and illegal sale or conversion of property/goods by the Insured;
  - 1.3 forged warehouse receipts;
  - 1.4 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.
2. loss of or damage to cash, bank and currency notes, coins (including Krugerrands and similar coins), cheques (including travellers cheques), money and postal orders, current negotiable postage, revenue and holiday pay stamps, credit card vouchers and documents, certificates or other instruments of a negotiable nature, title deeds, manuscripts or securities of any kind, jewellery, diamonds, gold, silver, bullion, precious and semi-precious metals and stones, livestock and animals.

**Wrongful arrest and defamation** (if stated as included in the schedule)

The Defined Events are extended to include damages:

1. resulting from wrongful arrest (including assault in connection with such wrongful arrest);
2. in respect of defamatory statements whether written or verbal;

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

# PUBLIC LIABILITY (CLAIMS MADE BASIS) SECTION

## DEFINED EVENTS

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

## DEFINITIONS

**Business** shall mean the business of the Insured as stated in the schedule of this policy.

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

1. in the defence or settlement of any claim under this section of the Policy or any action or prosecution brought against the Insured in respect of Injury or Damage or other liability as insured in terms of this Section of the Policy.
2. in the representation at any inquest or accident inquiry in respect of Injury which may form the subject of indemnity under this Section of the Policy and/or in defending any proceedings in a Court of applicable jurisdiction in respect of matters which may form the subject of indemnity by this Section of the Policy.

**Damage** shall mean loss of or physical damage to tangible property or wrongful interference with the enjoyment of rights over tangible property.

**Employee** shall mean Person/s employed under a contract of service or apprenticeship with the Insured.

**General liability** as reflected in the schedule shall relate to the limits of indemnity and first amounts payable applicable to any claim covered under this section that does not have its own more specific limits of indemnity or first amounts payable.

**Injury** shall mean death, bodily injury, mental injury, illness (mental or physical) or disease of or to any person.

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

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

**Territorial Limits** shall mean the Territorial Limits as stated in the schedule of this policy.

## LIMITS OF INDEMNITY

The amount payable, inclusive of any Costs and Expenses, for

1. for any claim or number of claims for any one event or series of events with one originating cause or source, shall not exceed the Limit of Indemnity stated in the schedule against "Limit of indemnity (per



- event)”;  
2. all claims during any one (annual) Period of Insurance shall not exceed the Limit of Indemnity stated in the schedule against “Limit of indemnity (per period of insurance)”.

If the premium is paid monthly by debit order, the words “per period of insurance” are amended to read “for any one period of 12 consecutive months from the inception or anniversary date”.

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

Where more than one Period of Insurance of this Policy, following its renewal or replacement may apply to an originating cause or source, the Company’s liability will be limited to the maximum Limit of Indemnity for any one such Period of Insurance. If the premium is paid monthly by debit order, the words “for any one such Period of Insurance” are amended to read “for any one period of 12 consecutive months from the inception or anniversary date”.

## SPECIFIC EXCLUSIONS

The Company will not indemnify the Insured in respect of:

1. liability consequent upon Injury to any Employee arising from and in the course of employment by the Insured.
2. Damage to:
  - 2.1 property belonging to the Insured;
  - 2.2 property in the custody or control of the Insured or any employee of the Insured but this exclusion shall not apply to premises (or the contents thereof) temporarily occupied by the Insured for work therein;
  - 2.3 that part of any property on which the Insured is or has been working if such Damage results directly from such work.
3. liability consequent upon Injury or Damage:
  - 3.1 caused by or through or in connection with any advice or treatment of a professional nature (other than first aid treatment) given or administered by or at the direction of the Insured;
  - 3.2 caused by or through or in connection with the ownership, possession or use by or on behalf of the Insured of any mechanically propelled vehicle (other than a pedal cycle or lawnmower or any pedestrian controlled garden equipment) or trailer or of any watercraft (other than non-motorized watercraft not exceeding 6 meters in length and used only on inland waterways), locomotive or rolling stock, provided that this exclusion shall not relieve the Company of liability to indemnify the Insured in respect of liability consequent upon Injury or Damage caused or arising beyond the limits of any carriage-way or thoroughfare in connection with the loading or unloading of any vehicle, insofar as such Injury or Damage is not insured by any other insurance policy;
  - 3.3 caused by or through or in connection with:
    - 3.3.1 the refuelling or defueling of aircraft;
    - 3.3.2 the ownership, possession, maintenance, operation or use of aircraft or an airline;
    - 3.3.3 the ownership, hire or leasing of any airport, airstrip or helicopter pad.
  - 3.4 caused by or through or in connection with any Product other than food and drink provided for consumption on the premises of the Insured.
4. Damage caused by vibration or by the removal or weakening of or interference with support to any land, building or other structure.
5.
  - 5.1 liability in respect of Injury, Damage or loss of use of property directly or indirectly caused by Pollution, provided always that this exclusion shall not apply where such Pollution is caused by a sudden, unintended and unforeseen occurrence.
  - 5.2 the cost of removing, nullifying or cleaning up substances resulting from Pollution unless the Pollution is caused by a sudden, unintended and unforeseen occurrence.

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



6. fines, penalties, punitive, exemplary or vindictive damages.
7.
  - 7.1 Damages in respect of judgements, awards or settlements made in the first instance otherwise than by a court of competent jurisdiction within the territories stated in the schedule against "Jurisdiction" (or to any order made anywhere in the world to enforce such judgement, award or settlement either in whole or in part).
  - 7.2 costs and expenses of litigation recovered by any claimant from the Insured which are not incurred in and recoverable in the territories stated in the schedule against "Jurisdiction".
- 8 any claim arising from an event known to the Insured:
  - 8.1 which is not reported to the Company in terms of General Condition 6;
  - 8.2 prior to inception of this section or inception of any extension under this section.
- 9 the first amount payable. The Insured shall be responsible for the first amount payable as stated in the schedule in respect of any one claim or number of claims arising from all events of a series consequent upon or attributable to any one source or originating cause or source. The provisions of this clause shall apply to claims arising from Damage or Injury and shall apply to Costs and Expenses.
- 10 liability consequent upon Injury or Damage arising out of the deliberate, conscious or intentional disregard by the Insured's management of the need to take reasonable precautions to prevent any event or circumstance which may give rise to a claim.
- 11 any claim or claims whether actual or alleged howsoever arising in connection with or based upon or arising from or in any way involving actual or alleged unlawful competition, unfair practices, abuse of monopoly power, cartel activities or as may otherwise arise from or be based upon or relate to any breach of a provision of the Competition Act no. 89 of 1998 (as amended) or any similar provision, act or regulation as may be in force in any jurisdiction or country in which the Insured's liability arose.
- 12 liability consequent upon Injury or Damage arising out of the ownership, possession or use by or on behalf of the Insured of any animal.
- 13 liability consequent upon Injury or Damage arising out of the ownership or use of a dam wall or canal or the impounding or diversion of water by the Insured or any person acting on behalf of the Insured.
- 14 liability consequent upon Injury or Damage arising out of any hunting facility or operation arranged by the Insured or offered to any third party but this shall not apply to the Insured's own hunting activities as a hunter.
- 15 liability consequent upon Injury or Damage arising out of the spread of fire from the Insured's premises.

## MEMORANDUM

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

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

## SPECIFIC CONDITIONS

1. 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, the Insured may report an event in terms of General Condition 6 to the Company within 30 days after expiry of the Period of Insurance provided such event occurred during the Period of Insurance.
3. Any series of claims made against the Insured by one or more than one claimant during any Period of Insurance consequent upon one event or series of events with one originating cause or source shall be treated as if they all had first been made against the Insured:
  - 3.1 on the date that the event was reported by the Insured in terms of General Condition 6;
  - or
  - 3.2 if the Insured was not aware of any event which could have given rise to a claim, on the date that the first claim of the series was first made in writing against the Insured.

4. When the facts do not speak for themselves and the Company and the Insured cannot mutually agree when the Injury or Damage occurred, then for the purposes of determining the indemnity granted:
  - 4.1 the Injury shall be deemed to have occurred when the claimant first consulted a qualified practitioner regarding such Injury, whether or not it was correctly diagnosed at the time. If no such consultation took place, then the Injury shall be deemed to have occurred when the Insured was first advised of the Injury;
  - 4.2 the Damage shall be deemed to have occurred when it first became evident to the claimant, even if the cause was unknown.

## CLAUSES AND EXTENSIONS

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) subject to any limits of indemnity or first amounts payable stated in the schedule under each extension.

### **Acquisitions and new businesses** (if stated as included in the schedule)

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

Provided always that

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

### **Additional Insured**

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

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

provided that

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

For the purposes of this extension, the Company waives all rights of subrogation or action which they may have or acquire against any of the above, and each party to whom the indemnity hereunder applies shall observe, fulfil

and be subject to the terms, exclusions and conditions (both general and specific) of this insurance in so far as they can apply.

### **Animals** (if stated as included in the schedule)

Specific exclusion 12 is deleted and the indemnity provided by this extension shall include Injury or Damage caused by animals (owned by the Insured or for which the Insured is legally responsible) used or kept by the Insured in connection with the Insured's Business:

1. whilst being driven anywhere within the territorial limits provided the Insured takes reasonable precautions to comply with legislation regarding the driving of animals on public roads;
2. whilst on any premises of the Insured;
3. whilst at any location (but excluding any premises of the Insured) anywhere within the territorial limits where such animals are temporarily kept or temporarily housed;
4. whilst straying from the location referred to in 3 above or straying from the premises referred to in 2 above.

### **Car parks** (if stated as included in the schedule)

Notwithstanding the provisions of specific exclusion 2.2, the Company will indemnify the Insured in respect of liability as herein provided arising from loss of or damage to vehicles and their contents and accessories, the property of tenants, customers, visitors or employees of the Insured using parking facilities provided by the Insured.

### **Cleaning / dry cleaning of guests effects** (if stated as included in the schedule)

Specific exclusions 2.2 and 2.3 shall not apply to loss or damage to guests' laundry whilst undergoing a process of cleaning and or dry cleaning.

This extension only applies to that part of the risk that relates to a guesthouse and/or lodge if insured in terms of this section.

### **Cross liabilities**

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

### **Dam wall or canal liability** (if stated as included in the schedule)

Specific exclusion 13 is deleted.

### **Emergency medical expenses** (if stated as included in the schedule)

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

### **Employees' and visitors' property** (if stated as included in the schedule)

Specific exclusion 2.2 shall not apply to property belonging to any partner, director or employee of the Insured or any visitor to the Insured's premises.

### **Extended reporting option** (if stated as included in the schedule)

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

1. this option may only be exercised in the event of the Company cancelling or refusing to renew this section;
2. this option must be exercised by the Insured in writing within 30 days of cancellation or non-renewal;
3. once exercised, the option cannot be cancelled by either the Insured or the Company;
4. the Insured has not obtained insurance equal in scope and cover to this section as expiring;

5. the Company shall only be liable for a Defined Event which occurred after the retroactive date but prior to date of cancellation or non-renewal;
6. claims first made against the Insured or any Reported Event by the Insured during the extended reporting period shall be treated as if they were first made or reported on the last day preceding the cancellation or non-renewal;
7. the total amount payable by the Company for claims made or Reported Events during the extended reporting period shall not have the effect of increasing the Limit of Indemnity applicable as on the last day preceding the cancellation or non-renewal.

**Fire extinguishing charges** (if stated as included in the schedule)

Subject to the limit of indemnity in the schedule, the Company will indemnify the Insured for all reasonable fire extinguishing costs and expenses which the Insured shall become legally liable to pay as a result of the extinguishing or fighting of fire (including water-bombing by air) to prevent the spreading of such fire beyond the borders of the Insured's own premises.

The Company will also, subject to the separate limit of indemnity against "Spotter plane charges", indemnify the Insured for the reasonable costs and expenses for which the Insured shall become legally liable to pay as a result of the call out and assistance of a Spotter Plane belonging to Working on Fire (WOF) which has been requested by the Fire Protection Officer of a registered Fire Protection Association for the purposes of spotting the fire or guiding the helicopter or other aircraft required for water-bombing to the site of the fire.

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

**Gratuitous advice** (if stated as included in the schedule)

Notwithstanding anything to the contrary contained in specific exclusion 3.1, the Company will indemnify the Insured in respect of Defined Events caused by the unintentional failure of the Insured to perform the legal duty to exercise due care owed to another person or party in providing technical information or advice to such person or party provided that this section does not cover liability:

1. arising out of the insolvency of the Insured;
2. arising out of financial services and/or cost estimates provided by or on behalf of the Insured;
3. arising out of defamation;
4. arising out of design, formula, supervision, treatment or advice given by or on behalf of the Insured in exchange for a fee;
5. arising out of technical information or advice given in connection with a Product unless the extension for Products Liability is included in the schedule.

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

**Hunters liability** (if stated as included in the schedule)

Notwithstanding anything to the contrary contained in specific exclusion 14, this section is extended to provide indemnity for the Insured against liability arising out of any hunting activities arranged by the Insured provided that:

1. any visitors participating in such hunting activities who are not permanent residents of the Republic of South Africa will be accompanied by a Professional Hunter who is in possession of a valid professional hunters permit;
2. any visitors not described under 1 above are accompanied by the Insured or an employee of the Insured;
3. prior to participating in any hunting activity all visitors will sign a document drawn up by a qualified attorney disclaiming the liability of the Insured or any partner or director or employee of the Insured as a result of any hunting activities;
4. the Insured must comply with all laws, by-laws and local, municipal, regional and government regulations applicable to hunting activities.

**Products guarantee** (if stated as included in the schedule)

Cover under this extension shall only be applicable if the Products Liability extension also reflects as included in

the schedule.

The Company will indemnify the Insured against any costs and expenses for which the Insured shall become legally liable to pay for the removal, repair, alteration, treatment or replacement of any product (or any part thereof) which is defective or faulty or which fails to fulfil its intended function (or to perform as specified, warranted or guaranteed) for which it was manufactured, sold, supplied, installed, repaired, altered or treated by or on behalf of the Insured.

#### **Additional Specific Exceptions (applicable to Products Guarantee extension)**

This extension does not cover:

1. any costs and expenses incurred by the Insured in recalling any product (or any part thereof);
2. liability consequent upon injury and damage;
3. liability for consequential loss of any nature following the failure of the product (or any part thereof) to fulfill its intended function;
4. liability arising from any product (or any part thereof) intended to be installed and installed in, or intended to form part of and forming part of, an aircraft;
5. liability arising from any product (or any part thereof) which has not been delivered to customers by the Insured and which is in the custody or control of the Insured;
6. liability happening in the United States of America or Canada arising from any product (or part thereof) sold or supplied by or to the order of the Insured, if such product has, to the Insured's knowledge, been exported to the United States of America or Canada by or on behalf of the Insured.
7. any costs and expenses incurred by the Insured as a result of the intervention of any government or public authority.

#### **Products liability (including defective workmanship)** (if stated as included in the schedule)

Notwithstanding anything to the contrary contained in specific exclusion 2.3 and 3.4, the Company will indemnify the Insured in respect of Defined Events happening anywhere in the world elsewhere than at premises occupied by the Insured, and caused by any Product in connection with the Business (including wrongful delivery and delivery of incorrect Products). The Retroactive date referred to in the Defined Events is the Retroactive date stated against this extension in the schedule.

The amount payable under this extension, inclusive of any Costs and Expenses, shall not exceed the Limit of Indemnity (per event) and/or Limit of Indemnity (per Period of Insurance) for this extension stated in the schedule.

#### **Additional specific exclusions [applicable to Products Liability extension (including defective workmanship)]**

This extension does not cover liability:

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

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



of this extension;

7. caused by any Product listed in the schedule against "Excluded products".

### **Products recall** (if stated as included in the schedule)

Cover under this extension shall only be applicable if the Products Liability extension also reflects as included in the schedule.

The Company will indemnify the Insured in respect of any Costs and Expenses incurred to recall the Insured's Product (or any part thereof) as a result of a decision taken by the Insured or others during the period of insurance and notified to the Company during the period of insurance that it is necessary to recall such Products because their use or consumption (or continued use or consumption) may cause Injury or Damage for which the Insured may become legally liable.

Where the recall is initiated by the Insured, the Company's prior consent is required (such consent will not be unreasonably withheld).

For the purposes of this extension **Costs and Expenses** shall mean:

the reasonable and necessary expenditure incurred for:

1. correspondence, newspaper and/or magazine advertising and television and/or radio announcements with the exclusive purpose for the recalling of the Insured's products;
2. transportation (including packaging and/or temporary storage) in connection with the return of the products (or any part thereof) to the premises of the Insured and/or the manufacturer (or his nominated agents);
3. examination, sorting and/or destruction provided that any claim for such expenditure is not financially greater than a claim for transportation expenditure.

### **Additional Specific Exceptions (applicable to the Products Recall extension)**

This extension does not cover liability:

1. for any product (or any part thereof);
2. for the costs incurred in the repair, alteration, treatment or replacement of any product (or any part thereof);
3. for or arising from actual or alleged intentional alteration, adulteration or contamination of the Insured's Product;
4. arising from the recall of any product (or any part thereof):
  - 4.1 forced upon the Insured by any government or public authority where the Insured would not have made a recall but for the intervention of said government or public authority;
  - 4.2 which is in the custody or control of the Insured;
  - 4.3 as a result of misdelivery or misdirection of any product by or on behalf of the Insured
5. arising from any product where the Insured was aware that the product was likely to cause Injury or Damage before the inception of this section;
6. arising from the deliberate or intentional:
  - 6.1 breach of national or local regulations by the Insured;
  - 6.2 failure of the Insured's technical or administrative management to take reasonable precautions to prevent claims
7. arising from any product (or any part thereof) within the United States of America or Canada, if such product sold or supplied by or to the order of the Insured has, to the Insured's knowledge, been exported to the United States of America or Canada by or on behalf of the Insured.

### **Spread of fire** (if stated as included in the schedule)

Specific exclusion 15 is deleted. It is a condition of this extension that, at the happening of an occurrence that gives rise to a claim in terms of this extension, the Insured was complying with the requirements of the National Veld and Forest Fire Act No. 101 of 1998 (as amended).

This extension shall not include liability for damage to sugar-cane or timber plantations unless in the schedule next to "Damage to sugar-cane or timber plantations" it is reflected as "included".

The first amount payable the Insured shall be responsible for will vary depending on whether liability for damage to sugar-cane or timber plantations is included or not and whether the Insured is a member of the local Fire Protection Association or not. Next to the first amounts payable in the schedule it will reflect "damage to sugar-



cane or timber plantation included” or “damage to sugar-cane or timber plantation excluded” and “FPA member” or “not FPA member” to differentiate the different first amounts payable. These words as reflected next to the first amounts payable are merely to reflect what the first amount payable is if these circumstances apply and are not to be interpreted to mean that cover includes or excludes damage to sugar-cane or timber plantations (the previous paragraph above shall be the sole determining indicator).

**State railway authority and other government departments** (if stated as included in the schedule)

Notwithstanding the provisions of specific exclusions 2.2 and 3.2, this section extends to indemnify the Insured:

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

**Statutory legal defence costs** (if stated as included in the schedule)

If the Insured so requests, the Company will indemnify the Insured or any employee, partner or director of the Insured against costs and expenses not exceeding the amount stated in the Schedule incurred by or on behalf of the Insured or any employee, partner or director of the Insured with the consent of the Company in the defence of any prosecution of such person in the course of his occupation with the Insured arising from an alleged contravention of any statute in the course of the Business during the Period of Insurance.

Provided that

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

**Tenant's liability** (if stated as included in the schedule)

Specific exclusions 2.2 and 3.2 of this section shall not apply to premises occupied by the Insured as tenant (but not as the owner) thereof.

**Tool of trade** (if stated as included in the schedule)

Specific exclusion 3.2 shall not apply to the operation as a tool of any vehicle or plant forming part of such vehicle or attached thereto, provided that the Company shall not be liable hereunder in respect of so much of any liability as falls within the scope of any form of Motor insurance or compulsory third party insurance legislation, notwithstanding that no such insurance is in force or has been effected, nor shall the Company be liable where any other form of Motor insurance has been effected by the Insured covering the same liability.

**Tool of trade – extended cover** (if stated as included in the schedule)

The above tool of trade extension is extended to include any vehicle being operated as a tool of trade of the Business of the Insured whether or not such vehicle falls within the scope of any form of Motor insurance.

The amount payable under this extension shall not exceed the Limit of Indemnity (per event) and/or Limit of Indemnity (per Period of Insurance) for this extension stated in the schedule.

Provided that the Company shall not be liable hereunder:

1. in respect of so much of any liability as falls within the scope of any compulsory third party insurance legislation;

2. where any other form of motor insurance has been effected by the Insured covering the same liability;
3. if the Injury or Damage occurs on a public road.

For the purposes of this extension, a public road shall mean any road used by the public other than a road situated on private property.

### **Unattached trailers** (if stated as included in the schedule)

Specific exclusion 3.2 shall, as far as it relates to trailers, not apply in respect of any trailer not attached to and not having become unintentionally detached from any mechanically propelled vehicle, provided that the Company shall not be liable hereunder in respect of so much of any liability:

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

### **Vibration and removal of support** (if stated as included in the schedule)

Specific exclusion 4 is deleted provided always that the amount payable shall not exceed the Limit of Indemnity (per event) and Limit of Indemnity (per Period of Insurance) stated in the schedule.

### **Warehouseman's liability** (if stated as included in the schedule and the "Type of cover" reflects as "Consequential losses only" in the schedule)

Specific exclusion 2.2 shall not apply to liability arising from loss of or damage to property/goods in the custody or control of the Insured or any Employee of the Insured for storage purposes provided that:

1. the Company will not indemnify the Insured in respect of liability as herein provided arising from loss of or damage to the property/goods themselves, but only for the consequential losses resulting from such loss or damage and for which the Insured shall become legally liable to pay;
2. the loss of or damage to the property/goods occurs in a warehouse (building) occupied by the Insured as owner or tenant;

### **Additional specific exclusions (applicable to the Warehouseman's liability extension)**

This extension does not cover liability for:

1. loss or damage caused by:
  - 1.1 the dishonesty of any principal, partner, director or employee of the Insured or any person to whom the property/goods are entrusted, whether acting alone or in collusion with others;
  - 1.2 wilful and illegal sale or conversion of property/goods by the Insured;
  - 1.3 forged warehouse receipts;
  - 1.4 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.
2. loss of or damage to cash, bank and currency notes, coins (including Krugerrands and similar coins), cheques (including travellers cheques), money and postal orders, current negotiable postage, revenue and holiday pay stamps, credit card vouchers and documents, certificates or other instruments of a negotiable nature, title deeds, manuscripts or securities of any kind, jewellery, diamonds, gold, silver, bullion, precious and semi-precious metals and stones, livestock and animals.

### **Wrongful arrest and defamation** (if stated as included in the schedule)

The Defined Events are extended to include damages:

1. resulting from wrongful arrest (including assault in connection with such wrongful arrest);
2. in respect of defamatory statements whether written or verbal;

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

# PUBLIC LIABILITY (OCCURRENCE BASIS) SECTION

## DEFINED EVENTS

Damages which the Insured shall become legally liable to pay consequent upon Injury or Damage occurring in the course of or in connection with the Business within the Territorial Limits during the Period of Insurance.

## DEFINITIONS

**Business** shall mean the business of the Insured as stated in the schedule of this policy.

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

1. in the defence or settlement of any claim under this section of the Policy or any action or prosecution brought against the Insured in respect of Injury or Damage or other liability as insured in terms of this Section of the Policy.
2. in the representation at any inquest or accident inquiry in respect of Injury which may form the subject of indemnity under this Section of the Policy and/or in defending any proceedings in a Court of applicable jurisdiction in respect of matters which may form the subject of indemnity by this Section of the Policy.

**Damage** shall mean loss of or physical damage to tangible property or wrongful interference with the enjoyment of rights over tangible property.

**Employee** shall mean Person/s employed under a contract of service or apprenticeship with the Insured.

**General liability** as reflected in the schedule shall relate to the limits of indemnity and first amounts payable applicable to any claim covered under this section that does not have its own more specific limits of indemnity or first amounts payable.

**Injury** shall mean death, bodily injury, mental injury, illness (mental or physical) or disease of or to any person.

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

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

**Territorial Limits** shall mean the Territorial Limits as stated in the schedule of this policy.

## LIMITS OF INDEMNITY

The amount payable, inclusive of any Costs and Expenses, for

1. for any claim or number of claims for any one event or series of events with one originating cause or source, shall not exceed the Limit of Indemnity stated in the schedule against "Limit of indemnity (per event)";
2. all claims during any one (annual) Period of Insurance shall not exceed the Limit of Indemnity stated in the schedule against "Limit of indemnity (per period of insurance)".

If the premium is paid monthly by debit order, the words “per period of insurance” are amended to read “for any one period of 12 consecutive months from the inception or anniversary date”.

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

Where more than one Period of Insurance of this Policy, following its renewal or replacement may apply to an originating cause or source, the Company's liability will be limited to the maximum Limit of Indemnity for any one such Period of Insurance. If the premium is paid monthly by debit order, the words “for any one such Period of Insurance” are amended to read “for any one period of 12 consecutive months from the inception or anniversary date”.

## SPECIFIC EXCLUSIONS

The Company will not indemnify the Insured in respect of:

1. liability consequent upon Injury to any Employee arising from and in the course of employment by the Insured.
2. Damage to:
  - 2.1 property belonging to the Insured;
  - 2.2 property in the custody or control of the Insured or any employee of the Insured but this exclusion shall not apply to premises (or the contents thereof) temporarily occupied by the Insured for work therein;
  - 2.3 that part of any property on which the Insured is or has been working if such Damage results directly from such work.
3. liability consequent upon Injury or Damage:
  - 3.1 caused by or through or in connection with any advice or treatment of a professional nature (other than first aid treatment) given or administered by or at the direction of the Insured;
  - 3.2 caused by or through or in connection with the ownership, possession or use by or on behalf of the Insured of any mechanically propelled vehicle (other than a pedal cycle or lawnmower or any pedestrian controlled garden equipment) or trailer or of any watercraft (other than non-motorized watercraft not exceeding 6 meters in length and used only on inland waterways), locomotive or rolling stock, provided that this exclusion shall not relieve the Company of liability to indemnify the Insured in respect of liability consequent upon Injury or Damage caused or arising beyond the limits of any carriage-way or thoroughfare in connection with the loading or unloading of any vehicle, insofar as such Injury or Damage is not insured by any other insurance policy;
  - 3.3 caused by or through or in connection with:
    - 3.3.1 the refuelling or defueling of aircraft;
    - 3.3.2 the ownership, possession, maintenance, operation or use of aircraft or an airline;
    - 3.3.3 the ownership, hire or leasing of any airport, airstrip or helicopter pad.
  - 3.4 caused by or through or in connection with any Product other than food and drink provided for consumption on the premises of the Insured.
4. Damage caused by vibration or by the removal or weakening of or interference with support to any land, building or other structure.
5.
  - 5.1 liability in respect of Injury, Damage or loss of use of property directly or indirectly caused by Pollution, provided always that this exclusion shall not apply where such Pollution is caused by a sudden, unintended and unforeseen occurrence.
  - 5.2 the cost of removing, nullifying or cleaning up substances resulting from Pollution unless the Pollution is caused by a sudden, unintended and unforeseen occurrence.

This exclusion shall not extend the policy to cover any liability which would not have been insured under this policy in the absence of this exclusion.
6. fines, penalties, punitive, exemplary or vindictive damages.
7.
  - 7.1 Damages in respect of judgements, awards or settlements made in the first instance otherwise than by a court of competent jurisdiction within the territories stated in the schedule against “Jurisdiction” (or to any

order made anywhere in the world to enforce such judgement, award or settlement either in whole or in part).

- 7.2 costs and expenses of litigation recovered by any claimant from the Insured which are not incurred in and recoverable in the territories stated in the schedule against "Jurisdiction".
- 8 the first amount payable. The Insured shall be responsible for the first amount payable as stated in the schedule in respect of any one claim or number of claims arising from all events of a series consequent upon or attributable to any one source or originating cause or source. The provisions of this clause shall apply to claims arising from Damage or Injury and shall apply to Costs and Expenses.
- 9 liability consequent upon Injury or Damage arising out of the deliberate, conscious or intentional disregard by the Insured's management of the need to take reasonable precautions to prevent any event or circumstance which may give rise to a claim.
- 10 any claim or claims whether actual or alleged howsoever arising in connection with or based upon or arising from or in any way involving actual or alleged unlawful competition, unfair practices, abuse of monopoly power, cartel activities or as may otherwise arise from or be based upon or relate to any breach of a provision of the Competition Act no. 89 of 1998 (as amended) or any similar provision, act or regulation as may be in force in any jurisdiction or country in which the Insured's liability arose.
- 11 liability consequent upon Injury or Damage arising out of the ownership, possession or use by or on behalf of the Insured of any animal.
- 12 liability consequent upon Injury or Damage arising out of the ownership or use of a dam wall or canal or the impounding or diversion of water by the Insured or any person acting on behalf of the Insured.
- 13 liability consequent upon Injury or Damage arising out of any hunting facility or operation arranged by the Insured or offered to any third party but this shall not apply to the Insured's own hunting activities as a hunter.
- 14 liability consequent upon Injury or Damage arising out of the spread of fire from the Insured's premises.

## MEMORANDUM

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

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

## SPECIFIC CONDITIONS

1. When the facts do not speak for themselves and the Company and the Insured cannot mutually agree when the Injury or Damage occurred, then for the purposes of determining the indemnity granted:
  - 1.1 the Injury shall be deemed to have occurred when the claimant first consulted a qualified practitioner regarding such Injury, whether or not it was correctly diagnosed at the time. If no such consultation took place, then the Injury shall be deemed to have occurred when the Insured was first advised of the Injury;
  - 1.2 the Damage shall be deemed to have occurred when it first became evident to the claimant, even if the cause was unknown.

## CLAUSES AND EXTENSIONS

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) subject to any limits of indemnity or first amounts payable stated in the schedule under each extension.

### **Acquisitions and new businesses** (if stated as included in the schedule)

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

Provided always that

1. the Insured's business activities remain unchanged;



2. the annual turnover of all newly formed and/or acquired companies does not exceed 5% (five percent) of the estimated annual turnover of the Insured as advised to the Company at inception hereof;
3. the Insured shall advise the Company of such formations and/or acquisitions before the expiry of 90 days thereof and the Company may amend the terms of this section of the Policy accordingly.

### **Additional Insured**

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

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

provided that

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

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

### **Animals** (if stated as included in the schedule)

Specific exclusion 11 is deleted and the indemnity provided by this extension shall include Injury or Damage caused by animals (owned by the Insured or for which the Insured is legally responsible) used or kept by the Insured in connection with the Insured's Business:

1. whilst being driven anywhere within the Territorial Limits provided the Insured takes reasonable precautions to comply with legislation regarding the driving of animals on public roads;
2. whilst on any premises of the Insured;
3. whilst at any location (but excluding any premises of the Insured) anywhere within the Territorial Limits where such animals are temporarily kept or temporarily housed;
4. whilst straying from the location referred to in 3 above or straying from the premises referred to in 2 above.

### **Car parks** (if stated as included in the schedule)

Notwithstanding the provisions of specific exclusion 2.2, the Company will indemnify the Insured in respect of liability as herein provided arising from loss of or damage to vehicles and their contents and accessories, the property of tenants, customers, visitors or employees of the Insured using parking facilities provided by the Insured.

### **Cleaning / dry cleaning of guests effects** (if stated as included in the schedule)

Specific exclusions 2.2 and 2.3 shall not apply to loss or damage to guests' laundry whilst undergoing a process of cleaning and or dry cleaning.

This extension only applies to that part of the risk that relates to a guesthouse and/or lodge if insured in terms of this section.



## **Cross liabilities**

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

## **Dam wall or canal liability** (if stated as included in the schedule)

Specific exclusion 12 is deleted.

## **Emergency medical expenses** (if stated as included in the schedule)

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

## **Employees' and visitors' property** (if stated as included in the schedule)

Specific exclusion 2.2 shall not apply to property belonging to any partner, director or employee of the Insured or any visitor to the Insured's premises.

## **Fire extinguishing charges** (if stated as included in the schedule)

Subject to the limit of indemnity in the schedule, the Company will indemnify the Insured for all reasonable fire extinguishing costs and expenses which the Insured shall become legally liable to pay as a result of the extinguishing or fighting of fire (including water-bombing by air) to prevent the spreading of such fire beyond the borders of the Insured's own premises.

The Company will also, subject to the separate limit of indemnity against "Spotter plane charges", indemnify the Insured for the reasonable costs and expenses for which the Insured shall become legally liable to pay as a result of the call out and assistance of a Spotter Plane belonging to Working on Fire (WOF) which has been requested by the Fire Protection Officer of a registered Fire Protection Association for the purposes of spotting the fire or guiding the helicopter or other aircraft required for water-bombing to the site of the fire.

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

## **Gratuitous advice** (if stated as included in the schedule)

Notwithstanding anything to the contrary contained in specific exclusion 3.1, the Company will indemnify the Insured in respect of Defined Events caused by the unintentional failure of the Insured to perform the legal duty to exercise due care owed to another person or party in providing technical information or advice to such person or party provided that this section does not cover liability:

1. arising out of the insolvency of the Insured;
2. arising out of financial services and/or cost estimates provided by or on behalf of the Insured;
3. arising out of defamation;
4. arising out of design, formula, supervision, treatment or advice given by or on behalf of the Insured in exchange for a fee;
5. arising out of technical information or advice given in connection with a Product unless the extension for Products Liability is included in the schedule.

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

## **Hunters liability** (if stated as included in the schedule)

Notwithstanding anything to the contrary contained in specific exclusion 13, this section is extended to provide indemnity for the Insured against liability arising out of any hunting activities arranged by the Insured provided that:

1. any visitors participating in such hunting activities who are not permanent residents of the Republic of South Africa will be accompanied by a Professional Hunter who is in possession of a valid professional hunters permit;

2. any visitors not described under 1 above are accompanied by the Insured or an employee of the Insured;
3. prior to participating in any hunting activity all visitors will sign a document drawn up by a qualified attorney disclaiming the liability of the Insured or any partner or director or employee of the Insured as a result of any hunting activities;
4. the Insured must comply with all laws, by-laws and local, municipal, regional and government regulations applicable to hunting activities.

**Products liability (including defective workmanship)** (if stated as included in the schedule)

Notwithstanding anything to the contrary contained in specific exclusion 2.3 and 3.4, the Company will indemnify the Insured in respect of Defined Events happening anywhere in the world elsewhere than at premises occupied by the Insured, and caused by any Product in connection with the Business (including wrongful delivery and delivery of incorrect Products).

The amount payable under this extension, inclusive of any Costs and Expenses, shall not exceed the Limit of Indemnity (per event) and/or Limit of Indemnity (per Period of Insurance) for this extension stated in the schedule.

**Additional specific exclusions [applicable to Products Liability extension (including defective workmanship)]**

This extension does not cover liability:

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

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

**Spread of fire** (if stated as included in the schedule)

Specific exclusion 14 is deleted. It is a condition of this extension that, at the happening of an occurrence that gives rise to a claim in terms of this extension, the Insured was complying with the requirements of the National Veld and Forest Fire Act No. 101 of 1998 (as amended).

This extension shall not include liability for damage to sugar-cane or timber plantations unless in the schedule next to “Damage to sugar-cane or timber plantations” it is reflected as “included”.

The first amount payable the Insured shall be responsible for will vary depending on whether liability for damage to sugar-cane or timber plantations is included or not and whether the Insured is a member of the local Fire Protection Association or not. Next to the first amounts payable in the schedule it will reflect “damage to sugar-cane or timber plantation included” or “damage to sugar-cane or timber plantation excluded” and “FPA member” or “not FPA member” to differentiate the different first amounts payable. These words as reflected next to the first amounts payable are merely to reflect what the first amount payable is if these circumstances apply and are not to be interpreted to mean that cover includes or excludes damage to sugar-cane or timber plantations (the previous paragraph above shall be the sole determining indicator).

**State railway authority and other government departments** (if stated as included in the schedule)

Notwithstanding the provisions of specific exclusions 2.2 and 3.2, this section extends to indemnify the Insured:

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

**Statutory legal defence costs** (if stated as included in the schedule)

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

Provided that

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

**Tenant's liability** (if stated as included in the schedule)

Specific exclusions 2.2 and 3.2 of this section shall not apply to premises occupied by the Insured as tenant (but not as the owner) thereof.

**Tool of trade** (if stated as included in the schedule)

Specific exclusion 3.2 shall not apply to the operation as a tool of any vehicle or plant forming part of such vehicle or attached thereto, provided that the Company shall not be liable hereunder in respect of so much of any liability as falls within the scope of any form of Motor insurance or compulsory third party insurance legislation, notwithstanding that no such insurance is in force or has been effected, nor shall the Company be liable where any other form of Motor insurance has been effected by the Insured covering the same liability.

**Tool of trade – extended cover** (if stated as included in the schedule)

The above tool of trade extension is extended to include any vehicle being operated as a tool of trade of the Business of the Insured whether or not such vehicle falls within the scope of any form of Motor insurance.

The amount payable under this extension shall not exceed the Limit of Indemnity (per event) and/or Limit of Indemnity (per Period of Insurance) for this extension stated in the schedule.

Provided that the Company shall not be liable hereunder:

1. in respect of so much of any liability as falls within the scope of any compulsory third party insurance legislation;
2. where any other form of motor insurance has been effected by the Insured covering the same liability;
3. if the Injury or Damage occurs on a public road.

For the purposes of this extension, a public road shall mean any road used by the public other than a road situated on private property.

### **Unattached trailers** (if stated as included in the schedule)

Specific exclusion 3.2 shall, as far as it relates to trailers, not apply in respect of any trailer not attached to and not having become unintentionally detached from any mechanically propelled vehicle, provided that the Company shall not be liable hereunder in respect of so much of any liability:

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

### **Vibration and removal of support** (if stated as included in the schedule)

Specific exclusion 4 is deleted provided always that the amount payable shall not exceed the Limit of Indemnity (per event) and Limit of Indemnity (per Period of Insurance) stated in the schedule.

### **Warehouseman's liability** (if stated as included in the schedule and the "Type of cover" reflects as "Consequential losses only" in the schedule)

Specific exclusion 2.2 shall not apply to liability arising from loss of or damage to property/goods in the custody or control of the Insured or any Employee of the Insured for storage purposes provided that:

1. the Company will not indemnify the Insured in respect of liability as herein provided arising from loss of or damage to the property/goods themselves, but only for the consequential losses resulting from such loss or damage and for which the Insured shall become legally liable to pay;
2. the loss of or damage to the property/goods occurs in a warehouse (building) occupied by the Insured as owner or tenant;

### **Additional specific exclusions (applicable to the Warehouseman's liability extension)**

This extension does not cover liability for:

1. loss or damage caused by:
  - 1.1 the dishonesty of any principal, partner, director or employee of the Insured or any person to whom the property/goods are entrusted, whether acting alone or in collusion with others;
  - 1.2 wilful and illegal sale or conversion of property/goods by the Insured;
  - 1.3 forged warehouse receipts;
  - 1.4 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.
2. loss of or damage to cash, bank and currency notes, coins (including Krugerrands and similar coins), cheques (including travellers cheques), money and postal orders, current negotiable postage, revenue and holiday pay stamps, credit card vouchers and documents, certificates or other instruments of a negotiable nature, title deeds, manuscripts or securities of any kind, jewellery, diamonds, gold, silver, bullion, precious and semi-precious metals and stones, livestock and animals.

### **Wrongful arrest and defamation** (if stated as included in the schedule)

The Defined Events are extended to include damages:

1. resulting from wrongful arrest (including assault in connection with such wrongful arrest);
2. in respect of defamatory statements whether written or verbal;

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

# PUBLIC LIABILITY (OCCURRENCE BASIS) SECTION

## DEFINED EVENTS

Damages which the Insured shall become legally liable to pay consequent upon Injury or Damage occurring in the course of or in connection with the Business within the Territorial Limits during the Period of Insurance.

## DEFINITIONS

**Business** shall mean the business of the Insured as stated in the schedule of this policy.

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

1. in the defence or settlement of any claim under this section of the Policy or any action or prosecution brought against the Insured in respect of Injury or Damage or other liability as insured in terms of this Section of the Policy.
2. in the representation at any inquest or accident inquiry in respect of Injury which may form the subject of indemnity under this Section of the Policy and/or in defending any proceedings in a Court of applicable jurisdiction in respect of matters which may form the subject of indemnity by this Section of the Policy.

**Damage** shall mean loss of or physical damage to tangible property or wrongful interference with the enjoyment of rights over tangible property.

**Employee** shall mean Person/s employed under a contract of service or apprenticeship with the Insured.

**General liability** as reflected in the schedule shall relate to the limits of indemnity and first amounts payable applicable to any claim covered under this section that does not have its own more specific limits of indemnity or first amounts payable.

**Injury** shall mean death, bodily injury, mental injury, illness (mental or physical) or disease of or to any person.

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

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

**Territorial Limits** shall mean the Territorial Limits as stated in the schedule of this policy.

## LIMITS OF INDEMNITY

The amount payable, inclusive of any Costs and Expenses, for

1. for any claim or number of claims for any one event or series of events with one originating cause or source, shall not exceed the Limit of Indemnity stated in the schedule against "Limit of indemnity (per event)";
2. all claims during any one (annual) Period of Insurance shall not exceed the Limit of Indemnity stated in the



schedule against "Limit of indemnity (per period of insurance)".

If the premium is paid monthly by debit order, the words "per period of insurance" are amended to read "for any one period of 12 consecutive months from the inception or anniversary date".

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

Where more than one Period of Insurance of this Policy, following its renewal or replacement may apply to an originating cause or source, the Company's liability will be limited to the maximum Limit of Indemnity for any one such Period of Insurance. If the premium is paid monthly by debit order, the words "for any one such Period of Insurance" are amended to read "for any one period of 12 consecutive months from the inception or anniversary date".

## SPECIFIC EXCLUSIONS

The Company will not indemnify the Insured in respect of:

1. liability consequent upon Injury to any Employee arising from and in the course of employment by the Insured.
2. Damage to:
  - 2.1 property belonging to the Insured;
  - 2.2 property in the custody or control of the Insured or any employee of the Insured but this exclusion shall not apply to premises (or the contents thereof) temporarily occupied by the Insured for work therein;
  - 2.3 that part of any property on which the Insured is or has been working if such Damage results directly from such work.
3. liability consequent upon Injury or Damage:
  - 3.1 caused by or through or in connection with any advice or treatment of a professional nature (other than first aid treatment) given or administered by or at the direction of the Insured;
  - 3.2 caused by or through or in connection with the ownership, possession or use by or on behalf of the Insured of any mechanically propelled vehicle (other than a pedal cycle or lawnmower or any pedestrian controlled garden equipment) or trailer or of any watercraft (other than non-motorized watercraft not exceeding 6 meters in length and used only on inland waterways), locomotive or rolling stock, provided that this exclusion shall not relieve the Company of liability to indemnify the Insured in respect of liability consequent upon Injury or Damage caused or arising beyond the limits of any carriage-way or thoroughfare in connection with the loading or unloading of any vehicle, insofar as such Injury or Damage is not insured by any other insurance policy;
  - 3.3 caused by or through or in connection with:
    - 3.3.1 the refuelling or defueling of aircraft;
    - 3.3.2 the ownership, possession, maintenance, operation or use of aircraft or an airline;
    - 3.3.3 the ownership, hire or leasing of any airport, airstrip or helicopter pad.
  - 3.4 caused by or through or in connection with any Product other than food and drink provided for consumption on the premises of the Insured.
4. Damage caused by vibration or by the removal or weakening of or interference with support to any land, building or other structure.
5.
  - 5.1 liability in respect of Injury, Damage or loss of use of property directly or indirectly caused by Pollution, provided always that this exclusion shall not apply where such Pollution is caused by a sudden, unintended and unforeseen occurrence.
  - 5.2 the cost of removing, nullifying or cleaning up substances resulting from Pollution unless the Pollution is caused by a sudden, unintended and unforeseen occurrence.

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

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



7. 7.1 Damages in respect of judgements, awards or settlements made in the first instance otherwise than by a court of competent jurisdiction within the territories stated in the schedule against "Jurisdiction" (or to any order made anywhere in the world to enforce such judgement, award or settlement either in whole or in part).
- 7.2 costs and expenses of litigation recovered by any claimant from the Insured which are not incurred in and recoverable in the territories stated in the schedule against "Jurisdiction".
- 8 the first amount payable. The Insured shall be responsible for the first amount payable as stated in the schedule in respect of any one claim or number of claims arising from all events of a series consequent upon or attributable to any one source or originating cause or source. The provisions of this clause shall apply to claims arising from Damage or Injury and shall apply to Costs and Expenses.
- 9 liability consequent upon Injury or Damage arising out of the deliberate, conscious or intentional disregard by the Insured's management of the need to take reasonable precautions to prevent any event or circumstance which may give rise to a claim.
- 10 any claim or claims whether actual or alleged howsoever arising in connection with or based upon or arising from or in any way involving actual or alleged unlawful competition, unfair practices, abuse of monopoly power, cartel activities or as may otherwise arise from or be based upon or relate to any breach of a provision of the Competition Act no. 89 of 1998 (as amended) or any similar provision, act or regulation as may be in force in any jurisdiction or country in which the Insured's liability arose.
- 11 liability consequent upon Injury or Damage arising out of the ownership, possession or use by or on behalf of the Insured of any animal.
- 12 liability consequent upon Injury or Damage arising out of the ownership or use of a dam wall or canal or the impounding or diversion of water by the Insured or any person acting on behalf of the Insured.
- 13 liability consequent upon Injury or Damage arising out of any hunting facility or operation arranged by the Insured or offered to any third party but this shall not apply to the Insured's own hunting activities as a hunter.
- 14 liability consequent upon Injury or Damage arising out of the spread of fire from the Insured's premises.

## MEMORANDUM

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

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

## SPECIFIC CONDITIONS

1. When the facts do not speak for themselves and the Company and the Insured cannot mutually agree when the Injury or Damage occurred, then for the purposes of determining the indemnity granted:
  - 1.1 the Injury shall be deemed to have occurred when the claimant first consulted a qualified practitioner regarding such Injury, whether or not it was correctly diagnosed at the time. If no such consultation took place, then the Injury shall be deemed to have occurred when the Insured was first advised of the Injury;
  - 1.2 the Damage shall be deemed to have occurred when it first became evident to the claimant, even if the cause was unknown.

## CLAUSES AND EXTENSIONS

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) subject to any limits of indemnity or first amounts payable stated in the schedule under each extension.

### **Acquisitions and new businesses** (if stated as included in the schedule)

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

Provided always that

1. the Insured's business activities remain unchanged;
2. the annual turnover of all newly formed and/or acquired companies does not exceed 5% (five percent) of the estimated annual turnover of the Insured as advised to the Company at inception hereof;
3. the Insured shall advise the Company of such formations and/or acquisitions before the expiry of 90 days thereof and the Company may amend the terms of this section of the Policy accordingly.

### **Additional Insured**

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

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

provided that

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

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

### **Animals** (if stated as included in the schedule)

Specific exclusion 11 is deleted and the indemnity provided by this extension shall include Injury or Damage caused by animals (owned by the Insured or for which the Insured is legally responsible) used or kept by the Insured in connection with the Insured's Business:

1. whilst being driven anywhere within the territorial limits provided the Insured takes reasonable precautions to comply with legislation regarding the driving of animals on public roads;
2. whilst on any premises of the Insured;
3. whilst at any location (but excluding any premises of the Insured) anywhere within the territorial limits where such animals are temporarily kept or temporarily housed;
4. whilst straying from the location referred to in 3 above or straying from the premises referred to in 2 above.

### **Car parks** (if stated as included in the schedule)

Notwithstanding the provisions of specific exclusion 2.2, the Company will indemnify the Insured in respect of liability as herein provided arising from loss of or damage to vehicles and their contents and accessories, the property of tenants, customers, visitors or employees of the Insured using parking facilities provided by the Insured.

### **Cleaning / dry cleaning of guests effects** (if stated as included in the schedule)

Specific exclusions 2.2 and 2.3 shall not apply to loss or damage to guests' laundry whilst undergoing a process of cleaning and or dry cleaning.

This extension only applies to that part of the risk that relates to a guesthouse and/or lodge if insured in terms of this section.

## **Cross liabilities**

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

## **Dam wall or canal liability** (if stated as included in the schedule)

Specific exclusion 12 is deleted.

## **Emergency medical expenses** (if stated as included in the schedule)

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

## **Employees' and visitors' property** (if stated as included in the schedule)

Specific exclusion 2.2 shall not apply to property belonging to any partner, director or employee of the Insured or any visitor to the Insured's premises.

## **Fire extinguishing charges** (if stated as included in the schedule)

Subject to the limit of indemnity in the schedule, the Company will indemnify the Insured for all reasonable fire extinguishing costs and expenses which the Insured shall become legally liable to pay as a result of the extinguishing or fighting of fire (including water-bombing by air) to prevent the spreading of such fire beyond the borders of the Insured's own premises.

The Company will also, subject to the separate limit of indemnity against "Spotter plane charges", indemnify the Insured for the reasonable costs and expenses for which the Insured shall become legally liable to pay as a result of the call out and assistance of a Spotter Plane belonging to Working on Fire (WOF) which has been requested by the Fire Protection Officer of a registered Fire Protection Association for the purposes of spotting the fire or guiding the helicopter or other aircraft required for water-bombing to the site of the fire.

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

## **Gratuitous advice** (if stated as included in the schedule)

Notwithstanding anything to the contrary contained in specific exclusion 3.1, the Company will indemnify the Insured in respect of Defined Events caused by the unintentional failure of the Insured to perform the legal duty to exercise due care owed to another person or party in providing technical information or advice to such person or party provided that this section does not cover liability:

1. arising out of the insolvency of the Insured;
2. arising out of financial services and/or cost estimates provided by or on behalf of the Insured;
3. arising out of defamation;
4. arising out of design, formula, supervision, treatment or advice given by or on behalf of the Insured in exchange for a fee;
5. arising out of technical information or advice given in connection with a Product unless the extension for Products Liability is included in the schedule.

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

## **Hunters liability** (if stated as included in the schedule)

Notwithstanding anything to the contrary contained in specific exclusion 13, this section is extended to provide indemnity for the Insured against liability arising out of any hunting activities arranged by the Insured provided

that:

1. any visitors participating in such hunting activities who are not permanent residents of the Republic of South Africa will be accompanied by a Professional Hunter who is in possession of a valid professional hunters permit;
2. any visitors not described under 1 above are accompanied by the Insured or an employee of the Insured;
3. prior to participating in any hunting activity all visitors will sign a document drawn up by a qualified attorney disclaiming the liability of the Insured or any partner or director or employee of the Insured as a result of any hunting activities;
4. the Insured must comply with all laws, by-laws and local, municipal, regional and government regulations applicable to hunting activities.

**Products liability (including defective workmanship)** (if stated as included in the schedule)

Notwithstanding anything to the contrary contained in specific exclusion 2.3 and 3.4, the Company will indemnify the Insured in respect of Defined Events happening anywhere in the world elsewhere than at premises occupied by the Insured, and caused by any Product in connection with the Business (including wrongful delivery and delivery of incorrect Products).

The amount payable under this extension, inclusive of any Costs and Expenses, shall not exceed the Limit of Indemnity (per event) and/or Limit of Indemnity (per Period of Insurance) for this extension stated in the schedule.

**Additional specific exclusions [applicable to Products Liability extension (including defective workmanship)]**

This extension does not cover liability:

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

For the purposes of this additional specific exclusion the term "replacement" shall be deemed to include any credit or refund granted or alternative Product provided by or on behalf of the Insured in lieu of replacement of the defective Product.

2. for the cost of demolition, breaking out, dismantling, delivery, rebuilding, supply and installation of the Product and any other property essential to such repair, alteration or replacement unless physically damaged by the Product;
3. arising from the failure of any Product or any part thereof to fulfil its intended function or to perform as specified, warranted or guaranteed but this exclusion shall not apply to consequent Injury or Damage;
4. arising from Products intended to be installed and installed in, or intended to form part of and forming part of, an aircraft;
5. in respect of Injury or Damage happening in the United States of America or Canada caused by or through or in connection with any Products sold or supplied by or to the order of the Insured, if such Products have, to the Insured's knowledge, been exported to the United States of America or Canada by or on behalf of the Insured;
6. for any defect in any Product or any part thereof of which the Insured was aware prior to the inception of this extension;
7. caused by any Product listed in the schedule against "Excluded products".

**Spread of fire** (if stated as included in the schedule)

Specific exclusion 14 is deleted. It is a condition of this extension that, at the happening of an occurrence that gives rise to a claim in terms of this extension, the Insured was complying with the requirements of the National Veld and Forest Fire Act No. 101 of 1998 (as amended).

This extension shall not include liability for damage to sugar-cane or timber plantations unless in the schedule next to "Damage to sugar-cane or timber plantations" it is reflected as "included".

The first amount payable the Insured shall be responsible for will vary depending on whether liability for damage to sugar-cane or timber plantations is included or not and whether the Insured is a member of the local Fire Protection Association or not. Next to the first amounts payable in the schedule it will reflect "damage to sugar-cane or timber plantation included" or "damage to sugar-cane or timber plantation excluded" and "FPA member"

or "not FPA member" to differentiate the different first amounts payable. These words as reflected next to the first amounts payable are merely to reflect what the first amount payable is if these circumstances apply and are not to be interpreted to mean that cover includes or excludes damage to sugar-cane or timber plantations (the previous paragraph above shall be the sole determining indicator).

**State railway authority and other government departments** (if stated as included in the schedule)

Notwithstanding the provisions of specific exclusions 2.2 and 3.2, this section extends to indemnify the Insured:

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

**Statutory legal defence costs** (if stated as included in the schedule)

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

Provided that

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

**Tenant's liability** (if stated as included in the schedule)

Specific exclusions 2.2 and 3.2 of this section shall not apply to premises occupied by the Insured as tenant (but not as the owner) thereof.

**Tool of trade** (if stated as included in the schedule)

Specific exclusion 3.2 shall not apply to the operation as a tool of any vehicle or plant forming part of such vehicle or attached thereto, provided that the Company shall not be liable hereunder in respect of so much of any liability as falls within the scope of any form of Motor insurance or compulsory third party insurance legislation, notwithstanding that no such insurance is in force or has been effected, nor shall the Company be liable where any other form of Motor insurance has been effected by the Insured covering the same liability.

**Tool of trade – extended cover** (if stated as included in the schedule)

The above tool of trade extension is extended to include any vehicle being operated as a tool of trade of the Business of the Insured whether or not such vehicle falls within the scope of any form of Motor insurance.

The amount payable under this extension shall not exceed the Limit of Indemnity (per event) and/or Limit of Indemnity (per Period of Insurance) for this extension stated in the schedule.

Provided that the Company shall not be liable hereunder:

1. in respect of so much of any liability as falls within the scope of any compulsory third party insurance legislation;



2. where any other form of motor insurance has been effected by the Insured covering the same liability;
3. if the Injury or Damage occurs on a public road.

For the purposes of this extension, a public road shall mean any road used by the public other than a road situated on private property.

### **Unattached trailers** (if stated as included in the schedule)

Specific exclusion 3.2 shall, as far as it relates to trailers, not apply in respect of any trailer not attached to and not having become unintentionally detached from any mechanically propelled vehicle, provided that the Company shall not be liable hereunder in respect of so much of any liability:

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

### **Vibration and removal of support** (if stated as included in the schedule)

Specific exclusion 4 is deleted provided always that the amount payable shall not exceed the Limit of Indemnity (per event) and Limit of Indemnity (per Period of Insurance) stated in the schedule.

### **Warehouseman's liability** (if stated as included in the schedule and the "Type of cover" reflects as "Consequential losses only" in the schedule)

Specific exclusion 2.2 shall not apply to liability arising from loss of or damage to property/goods in the custody or control of the Insured or any Employee of the Insured for storage purposes provided that:

1. the Company will not indemnify the Insured in respect of liability as herein provided arising from loss of or damage to the property/goods themselves, but only for the consequential losses resulting from such loss or damage and for which the Insured shall become legally liable to pay;
2. the loss of or damage to the property/goods occurs in a warehouse (building) occupied by the Insured as owner or tenant;

### **Additional specific exclusions (applicable to the Warehouseman's liability extension)**

This extension does not cover liability for:

1. loss or damage caused by:
  - 1.1 the dishonesty of any principal, partner, director or employee of the Insured or any person to whom the property/goods are entrusted, whether acting alone or in collusion with others;
  - 1.2 wilful and illegal sale or conversion of property/goods by the Insured;
  - 1.3 forged warehouse receipts;
  - 1.4 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.
2. loss of or damage to cash, bank and currency notes, coins (including Krugerrands and similar coins), cheques (including travellers cheques), money and postal orders, current negotiable postage, revenue and holiday pay stamps, credit card vouchers and documents, certificates or other instruments of a negotiable nature, title deeds, manuscripts or securities of any kind, jewellery, diamonds, gold, silver, bullion, precious and semi-precious metals and stones, livestock and animals.

### **Wrongful arrest and defamation** (if stated as included in the schedule)

The Defined Events are extended to include damages:

1. resulting from wrongful arrest (including assault in connection with such wrongful arrest);
2. in respect of defamatory statements whether written or verbal;

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



# THEFT SECTION

## DEFINED EVENTS

Loss of or damage to property as a result of, or during the course of, theft as described below:

### 1. Theft (forcible and violent entry into or exit from) (if stated as included in the schedule)

Loss of or damage to all contents (the property of the Insured or for which they are responsible) of any insured building at the insured premises, all as described in the schedule as a result of theft accompanied by forcible and violent entry into or exit from such building or any attempt thereat or as a result of theft, or any attempt thereat, following violence or threat of violence.

### 2. Damage to buildings (if stated as included in the schedule)

- 2.1 Loss of or damage to the buildings (including landlord's fixtures and fittings) at the insured premises, whether accidental or by the deliberate or willful or wanton act of any person in the course of defined event 1 whether or not such defined event is reflected as included in the schedule;
- 2.2 Damage to gates and fences at the insured premises in the course of defined event 1 whether or not such defined event is reflected as included in the schedule;
- 2.3 the Company will reimburse the Insured all reasonable costs and expenses in effecting such temporary repairs and in taking such temporary measures as may be reasonably necessary after loss or damage giving rise to a claim under this section,

provided that the Company's aggregate liability for 2.1 to 2.3 combined shall not exceed the insured amount stated in the schedule in respect of any one event.

### 3. Tenants fixtures and fittings forming part of the building (non-forcible) (if stated as included in the schedule)

Loss of or damage to fixtures and fittings being the property of the Insured or for which he is responsible forming part of the building(s) occupied by the Insured as tenant and not as owner at the insured premises stated in the schedule, as a result of theft or any attempt thereat.

## CLAUSES AND EXTENSIONS

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) subject to any insured amounts or first amounts payable stated in the schedule under each extension.

### Additional premises (if stated as included in the schedule)

The insurance under this section extends to cover loss of or damage to all contents (the property of the Insured or for which they are responsible) in a building at any additional premises used by the Insured provided that:

1. such additional premises are advised to the Company within 30 days from the time the risk attaches to the Company;
2. an additional premium, if any, is paid;
3. the Company's liability in respect of this extension shall not exceed the percentage stated in the schedule against the insured amount of this extension multiplied by the highest insured amount of "Theft" of any one premises.

### Personal effects (if stated as included in the schedule)

Without increasing the liability of the Company beyond the insured amount of the defined event relating to contents, the term "all contents" includes personal effects, tools and pedal cycles the property of the Insured or

any principal, partner, director or employee of the Insured in so far as such property is not otherwise insured up to the insured amount (per person) stated in the schedule.

## **Concealed thieves and skeleton keys**

The insurance under this section extends to cover loss of or damage to the property insured caused or accompanied by:

1. a thief or thieves being concealed on the insured premises before close of business;
2. entry to and/or exit from the premises being effected by use of a skeleton key or other similar device; (excluding a duplicate key) provided that the Insured shall establish to the satisfaction of the Company that such a skeleton key or device was used.

## **LIMITATIONS**

The Company's liability in respect of documents, manuscripts, business books, computer system records and media, plans, designs, patterns, models and moulds is restricted to the value of materials and sums expended in labour.

## **SPECIFIC EXCLUSIONS**

The Company shall not be liable for:

1. loss or damage which can be insured under the Fire section of this policy except in the case of explosion caused in an attempt to effect entry;
2. loss or damage insurable under the Glass section of this policy;
3. property more specifically insured or, unless specified in the schedule, cash, bank and currency notes, cheques, postal orders, money orders, current negotiable stamps and documents or certificates of a negotiable nature;
4. loss or damage in which any principal, partner, director or any member of the Insured's household or any of the Insured's employees is concerned as principal or accessory.

## **SPECIFIC CONDITION**

1. This section shall be voidable if the nature of the risk is materially altered without the prior written consent of the Company;
2. The maximum amount payable by the Company is limited to the insured amount stated in the schedule and if in the schedule against "Basis for theft" it states "All buildings on the premises", it shall mean that the insured amount shall be the maximum amount payable by the Company for any one event for all buildings on the premises combined and not to each building individually.

# WATERCRAFT SECTION

## SUB-SECTION 1 – LOSS OF OR DAMAGE TO THE INSURED VESSEL AND INSURED MOTOR(S)

### DEFINED EVENTS – SUB-SECTION 1

Loss of or damage by any accident or misfortune (not otherwise excluded by this section or the General section) to:

1. the Insured Vessel;
2. any separately specified Insured Motor (if stated as included in the schedule);
3. any separately specified Accessories of the Insured Vessel(s),  
as described in the schedule being the property of the Insured or for which the Insured is responsible, whilst:
  1. being used at sea, in ports, rivers or on inland waters including whilst:
    - 1.1 docking, undocking, launching and hauling out of the water;
    - 1.2 being towed whilst in distress or after being in distress;
    - 1.3 towing water skiers, parasailors;
    - 1.4 towing any vessel and craft in distress provided that such towage is not undertaken in terms of a contract previously arranged by or on behalf of the Insured or any other party;
  2. in transit by road, rail, sea or air including loading and unloading;
  3. ashore including dry docking and at the premises of contractors for the purposes of overhauling, fitting out, maintenance, repair or inspection.

### DEFINITIONS – SUB-SECTION 1

**Accessories** shall mean any accessories not falling under the definition of Insured Vessel and which are separately specified in the schedule as belonging to a specific Insured Vessel but not restricted to whilst being on any such Insured Vessel.

**Insured Motor** shall mean any motor separately specified in the schedule under the heading “Loss of or damage to the Insured Motor”.

**Insured Vessel** shall mean the insured watercraft as specified in the schedule consisting of:

- the hull and superstructure;
- any lifebuoys or lifeboats, propellers, anchors, rudders, hoardings, sails, spars, masts, rigging, furniture, fixtures, fittings and other similar equipment or machinery forming an integral part of the hull and superstructure;
- any inboard motor(s) (if stated in the schedule as included in the Insured Vessel insured amount).

**Laid up** shall mean that the Insured Vessel is out of use and is out of the water.

## **SPECIFIC EXCLUSIONS – SUB-SECTION 1**

The Company shall not be liable to pay for:

1. Accessories legitimately removed from the Insured Vessel(s) and whilst contained in any motor vehicle if the loss is by theft or attempted theft from any unattended motor vehicle unless the Accessory 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 provided that
  - 1.1 in the event of a loss and there are no signs of forcible and violent entry to or exit from such vehicle, if the Insured can demonstrate through video surveillance footage (or any other conclusive proof) that an attempt was made to lock the vehicle, such evidence shall be deemed to satisfy the locked vehicle and forcible and violent entry or exit requirement for any loss out of the vehicle;
  - 1.2 this exclusion will not apply where the vehicle has been involved in an accident or other incident where due to the circumstances beyond the control of the driver and passengers, the property has to be left unattended and cannot be secured as required;

Specific exclusion 1 can upon request be waived by the Company on specific Accessories subject to the first amount payable of such Accessories as reflected in the schedule being doubled. This waiver will be recorded in the schedule per insured article as follows:

If "Theft (non-forcible entry into an unattended vehicle)" is reflected as "included" then specific exclusion 1 is waived for the specific Accessory but if "Theft (non-forcible entry into an unattended vehicle)" is reflected as "not included" then specific exclusion 1 remains as being applicable to the specific Accessory;

2. theft or attempted theft of any fixtures, fittings, furniture, equipment and Accessories of the Insured Vessel(s) not accompanied by actual, visible, forcible and violent breaking into or out of:
  - 2.1 any unattended vessel;
  - 2.2 domestic outbuildings, not communicating directly with any private residence;
  - 2.3 any other storage place;
3. theft or attempted theft of any outboard motor(s):
  - 3.1 fitted to the Insured Vessel or any other vessel which are not securely bolted to such vessel;
  - 3.2 not accompanied by actual, visible, forcible and violent breaking into or out of:
    - 3.2.1 domestic outbuildings, not communicating directly with any private residence;
    - 3.2.2 any other place of storage;

but specific exclusion 3 shall not apply if in the schedule against "Full theft cover" (under "Loss of or damage to the Insured Motor") it reflects as "Included";
4. theft of jet skis or wet bikes left unattended in the open or on a trailer;
5. loss of or damage to outboard motors dropping off or falling overboard if such motors are not securely chained or bolted to the Insured Vessel;
6. mechanical or electrical breakdown, failures or breakages;
7. loss or damage caused by termites, moths, insects or vermin;

8. loss or damage caused by or contributed to by gradual deterioration due to use, wear and tear, rust, oxidation, mildew, corrosion, decay, wet or dry rot or any other similar gradually operating causes;
9. loss of or damage to sails and hoardings torn by wind or blown away whilst being hoisted provided that this exclusion shall not apply is such loss or damage is;
  - 9.1 caused by the Insured Vessel being stranded, sunk, burnt, on fire or in a collision or coming into unintended contact with any external object;
  - 9.2 as a result of the spars to which sails are attached being damaged;
10. damage due to scratching, bruising or denting arising during transit, loading or off-loading and the cost of consequent repainting or revarnishing;
11. loss or damage occasioned by permanent or temporary dispossession resulting from detention, confiscation or requisition of the Insured Vessel, the Insured Motor or any Accessories by customs or other officials or authorities provided that this exclusion shall not apply to damage occurring during such detention, confiscation or requisition which is discovered on return of such property to the Insured;
12. loss or damage caused by, attributable to, or to the extent that it is aggravated by the Insured Vessel not being seaworthy;
13. loss or damage which arises whilst the Insured Vessel and/or Insured Motor and Accessories are in use, stored or towed outside of the territorial limits stated in the schedule but this exclusion shall not apply whilst such insured property is being towed by road through any country not listed under the territorial limits which must be entered into in order to reach an insured territory by a reasonably direct route from the permanent premises of the Insured's business or residence in South Africa ;
14. loss or damage which arises whilst the Insured Vessel and/or Insured Motor are being used for any use that is not specified in the schedule under "Insured Vessel uses" as being covered;
15. loss or damage which arises from or in connection with any exchange, cash or credit sale agreement, including theft under false pretence and/or fraud;
16. loss or damage caused by or through or contributed to by any defective part(s), latent defects, fault or error in design or construction , lack of maintenance or defects in repairs or alterations;
17. clothing; bags and personal effects; battery chargers; diving and fishing gear (including nets); waterskis, ski ropes and other sports equipment; food, fuel and other supplies; life belts, medical kits and other similar safety equipment; binoculars, sextants, nautical books, nautical maps and other similar navigational goods; radar and satellite navigation equipment, fish finders, radios (including two-way radios), televisions and other similar electronic equipment; tools and spares; containers and tanks unless separately specified in the schedule under "Accessories";
18. depreciation or consequential loss as a result of any cause whatsoever;
19. loss of any lifeboat belonging to the Insured Vessel that is not permanently marked with the name of the parent Insured Vessel;
20. damage to motors as a direct result of the intake of foreign material into and resulting in the blockage of the water intake or cooling system;
21. repatriation costs to bring the Insured Vessel and/or Insured Motor back to South Africa for repairs following an insured defined event occurring in any other insured country listed under territorial limits unless separately insured by the extension "Repatriation from other territories";
22. loss or damage if the Skipper or other person in charge of the Insured Vessel (with the Insured's knowledge and permission), at the time of the accident is in contravention of the Merchant Shipping Regulations 2007 (as amended or replaced from time to time) in respect of:
  - 22.1 not being in possession of a valid and applicable Certificate of Competence unless under the direct and constant guidance and supervision of a responsible person in possession of such Certificate of Competence;

- 22.2 being under the influence of drugs or alcohol;
23. loss or damage if the Insured Vessel, at the time of the accident is in contravention of the Merchant Shipping Regulations 2007 (as amended or replaced from time to time) relating to having a valid certificate of fitness;
24. any loss or damage which arises while any motor vehicle towing the Insured Vessel on a trailer is being driven by:
- 24.1 the Insured whilst his/her blood alcohol concentration level exceeds the legal limit or if such person is under the influence of alcohol or intoxicating drugs (unless administered by or prescribed by and taken in accordance with the instructions of a member of the medical profession other than the Insured) or while the Insured does not comply with the licensing laws of the country where the defined event took place;
- 24.2 any other person with the general consent of the Insured who, to the Insured's knowledge, is under the influence of alcohol or intoxicating drugs (unless administered by or prescribed by and taken in accordance with the instructions of a member of the medical profession other than himself) or who does not comply with the licensing laws of the country where the defined event took place, but this shall not apply if the Insured was unaware that the driver was not complying with licensing laws and the Insured can prove to the satisfaction of the Company that, in the normal course of his business, procedures are in operation to ensure that drivers comply with licensing laws.

## **SPECIFIC CONDITIONS – SUB-SECTION 1**

### **Average**

1. If the Insured Vessel is less than 5 years old and, according to the Company's calculations, at the time of any loss or damage, the amount needed to replace the Insured Vessel with a similar new watercraft is more than the insured amount thereon, then the Insured shall be considered as being their own insurer for the difference and shall bear a rateable share of any loss accordingly.
2. If the Insured Vessel is 5 years old or older and, according to the Company's calculations, at the time of any loss or damage, the amount needed to replace the Insured Vessel with a similar second hand watercraft of the same condition and age is more than the insured amount thereon, then the Insured shall be considered as being their own insurer for the difference and shall bear a rateable share of any loss accordingly.
3. In respect of the Insured Motor, if according to the Company's calculations at the time of any loss or damage, the amount needed to replace the Insured Motor with a similar second hand Motor of the same condition and age is more than the insured amount thereon, then the Insured shall be considered as being their own insurer for the difference and shall bear a rateable share of any loss accordingly.

The Insured Vessel and the Insured Motor shall be separately subject to this condition.

### **Fire extinguishers and extinguishing systems**

It is a condition of this sub-section that any Insured Vessel must, in compliance with the Merchant Shipping (National Small Vessel Safety) Regulations 2007 (as amended or replaced from time to time), carry fire extinguishers and any Insured Vessel (other than a jet ski or wet bike) that is fitted with an inboard petrol motor(s), must be fitted with a remote controlled fire extinguishing system in the engine compartment. Such system must be maintained in efficient working order at all times and fire extinguishers must be serviced annually by an approved/accredited agent.

### **Laid up periods**

No refunds of premium will be made under this sub-section in respect of periods during which the Insured Vessel may be laid up.

### **Place or port for repairs and repair firm**



In respect of sea going vessels damaged at sea that can continue with the voyage, the Company shall be entitled to decide the port or place to which the Insured vessel shall proceed for docking or repair following an insured defined event. Any reasonable additional expense of the voyage incurred by the Insured to comply with such requirement shall be refundable by the Company to the Insured.

In respect of all vessels, the Company shall be entitled to choose the repairer and place of repair following an insured defined event and the Insured shall be responsible for transporting the Insured Vessel and/or Insured Motor to such repairer.

### **Safety appliances and equipment**

It is a condition of this sub-section that the Insured Vessel carry all safety appliances and equipment as set out in the Merchant Shipping (National Small Vessel Safety) Regulations 2007 (as amended or replaced from time to time),

### **Seaworthiness**

All reasonable steps are to be taken to protect and maintain the Insured Vessel in a seaworthy condition as required by the laws and regulations prescribed by The South African Maritime Safety Association (SAMSA) regardless whether the Insured Vessel is operating in South African territorial waters or not.

### **Storage and theft**

Unless otherwise agreed by the Company and so stated in the schedule:

1. Insured jet skis and wet bikes are to be stored in a fully locked up building when not in use and theft cover from any such building is subject to forcible and violent entry into or exit from such building or following violence or threat of violence;
2. Insured Vessels other than the above are to be stored in a fully locked up premises when not in use and theft cover from any such premises is subject to forcible and violent entry into or exit from such premises or following violence or threat of violence;

## **CLAUSES AND EXTENSIONS – SUB-SECTION 1**

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) subject to any insured amounts or first amounts payable stated in the schedule under each extension.

### **Basis of loss settlement clause**

Subject to the insured amount(s) stated in the schedule not being exceeded, any first amounts payable and the Average specific condition, the basis on which the Company will settle any claim under this sub-section will be:

1. Specified Accessories: If repairable the Company will repair such property but if not repairable, at the Company's discretion, the Company will either pay the Insured an amount equivalent to the loss or damage but not exceeding the value of the same (or similar) new property, or replace such property or parts thereof with the same (or similar) new property;
2. Insured Vessel(s) less than five years old (except the property specified under 4 below): If repairable the Company will repair such property but if not repairable, at the Company's discretion, the Company will either pay the Insured an amount equivalent to the loss or damage but not exceeding the value of the same (or similar) new property, or replace such property or parts thereof with the same (or similar) new property;

3. Insured Vessel(s) five years old or older: If repairable the Company will repair such property but if not repairable, at the Company's discretion, the Company will either pay the Insured an amount equivalent to the loss or damage but not exceeding the reasonable market value of the same (or similar) second hand property of the same age and condition, or replace such property or parts thereof with the same (or similar) second hand property of the similar age and condition;
4. Sails, hoardings or protective covers, jiggings, Insured Motors, inboard motors, machinery and batteries (irrespective of age): The basis of settlement will be the same as in 3 above;

provided that:

1. in determining the age of the Insured Vessel as set out in 2 and 3 above, it shall be from the date the Insured Vessel was first manufactured;
2. the Company's liability for any new parts which are unobtainable in South Africa as standard parts or are obsolete in pattern, shall be limited to the value of such parts at the time of the loss or damage (including the reasonable cost to transport the part but excluding air transport) but not exceeding the manufacturer's last issued or price list of such part;
3. the Company shall not be liable to match any glitter or other similar decorative finishes unless under clauses and extensions on the schedule it indicates that this sub-section has been extended to include such matching;
4. any replacement or repair shall be as close to the original specification as reasonably possible but the Company shall not be responsible for a precise or exact restoration;
5. if, to the knowledge of the Company, the Insured Vessel and/or Insured Motor is the subject of a credit agreement in terms of the National Credit Act (Act 34 of 2005 as amended or replaced from time to time) and the Insured Vessel and /or Insured Motor is a total loss or stolen and not recovered, payment shall first be made to the credit provider described in such agreement up to the outstanding amount of such agreement. If the outstanding amount of such credit agreement is less than the insured amount, any further amount payable for the loss or damage in terms of this sub-section will be paid to the Insured.

**Costs of lifting out, removal or destruction of the wreckage** (if stated as included in the schedule)

The Company will indemnify the Insured against costs incurred with the Company's written consent, for lifting out, removal or destruction of the wreckage of the Insured Vessel and Insured Motor.

**Costs to prevent a loss** (if stated as included in the schedule)

The Company will pay the reasonable costs incurred to prevent or lessen damage or loss insured under this sub-section.

**Credit shortfall** (if stated as included in the schedule)

Where the Insured amount of the Insured Vessel and/or Insured Motor stated in the schedule is less than the amount owed to the finance company under a credit agreement, the Company will pay to the Insured an additional amount equal to such shortfall in the event of such insured property either:

1. being considered a total loss due to it being considered by the Company to be uneconomical to repair;  
or
2. stolen or hijacked and not recovered within a reasonable period.

The compensation payable under this extension shall be reduced by:

1. any arrears instalments or rentals including interest payable on such arrears;

2. all refunds of premium for cancellation of any insurance cover relating to the Insured Vessel and Insured Motor;
3. any amounts financed that relate to additional warrantees, service plans, maintenance plans and the like;
4. any amounts financed for Accessories.

This extension does not:

1. provide cover for any finance agreement that has an the amount of any single instalment (other than the final residual amount) after the initial payment that differs by more than 10% from any other instalment;
2. provide cover if any shortfall is as a result of a re-advance under an instalment sale or refinancing in terms of a lease;
3. provide cover if any shortfall is as a result of debt restructuring;
4. provide cover for any shortfall that relates to the insured amount being inadequate to represent the correct value as set out in the "Basis of loss settlement clause";
5. provide cover for any shortfall as a result of the application of a first amount payable by the Company;
6. provide cover where the credit agreement that does not fall under the definition of a credit agreement in terms of the National Credit Act (Act 34 of 2005 as amended or replaced from time to time).

### **Delivery after repairs** (if stated as included in the schedule)

After the completion of repairs following an insured event under this sub-section, the Company will pay for the reasonable costs to deliver the Insured Vessel and/or the Insured Motor to the Insured in the Republic of South Africa, Namibia, Lesotho, Botswana and Swaziland.

### **Emergency accommodation** (if stated as included in the schedule)

If a journey away from the permanent place of residence has already commenced and cannot be completed due to the Insured Vessel suffering loss or damage by an insured event under this sub-section, the Company will pay for emergency accommodation for up to two nights for the Insured and any affected passengers provided that due to distance away from the permanent place of residence, it is not feasible to return home immediately.

### **Emergency repairs** (if stated as included in the schedule)

The Insured may give instructions for emergency repairs to be executed without the prior consent of the Company to the extent of but not exceeding the insured amount stated in the schedule for any one event, provided that:

1. such costs would otherwise be indemnifiable by an insured event under this sub-section;
2. a full itemised invoice is obtained and immediately forwarded to the Company.

### **Emergency services costs** (if stated as included in the schedule)

The Company will indemnify the Insured for costs the Insured is responsible to pay to any public authority for emergency services rendered after loss or damage by an insured event under this sub-section to the Insured Vessel and/or Insured Motor.

### **Glitter or other similar decorative finishes** (if stated as included in the schedule)

Notwithstanding proviso 3 of the "Basis of loss settlement clause", this sub-section is extended to cover the costs of matching, as close as possible, any glitter or other similar decorative finishes in any repair or restoration of the Insured Vessel following an insured defined event.

### **Inspection of hull** (if stated as included in the schedule)

The Company will pay for the reasonable costs incurred up to the insured amount stated in the schedule to inspect the hull of the Insured Vessel for possible damage due to stranding, sinking or collision of the Insured Vessel, notwithstanding that no damage may be found after such inspection.

### **Keys, locks and remote control units** (if stated as included in the schedule)

The Company will indemnify the Insured in respect of the cost of replacing locks and keys, including the remote alarm controller and, if necessary, the reprogramming of any coded alarm system of any Insured Vessel following upon:

1. the loss of or damage to any key or alarm controller of such Insured Vessel; or
2. damage to the Insured Vessel's locks by an intruder in order to gain forced access to the Insured Vessel; or
3. the Insured having reason to believe that any unauthorised person may be in possession of a duplicate of such key or alarm controller.

### **Repatriation from other territories** (if stated as included in the schedule)

Specific exclusion 21 is deleted. Following loss or damage to the Insured Vessel and/or Insured Motor that occurs in any other territory stated in the schedule under territorial limits, the Company will pay for the reasonable costs up to the insured amount stated in the schedule to return the Insured Vessel and Insured Motor from such other insured territory to the Republic of South Africa for repairs to be effected if the repairs cannot be carried out in any other such territory.

### **Riot and strike (other than RSA and Namibia)** (if stated as included in the schedule)

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

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

provided that this extension does not cover:

1. loss or damage occurring in the Republic of South Africa or Namibia;
2. consequential or indirect loss or damage of any kind or description whatsoever;
3. loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;
4. loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
5. loss or damage related to or caused by any occurrence referred to in General exclusion 1 (A) (ii), (iii), (iv), (v) or (vi) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrence.

If the Company alleges that, by reason of provisos 1 to 5 above, loss or damage is not covered by this section, the burden of proving the contrary shall rest on the Insured.

### **Safeguarding costs** (if stated as included in the schedule)

The Company will pay for the reasonable costs to store, safeguard and once in the Republic of South Africa, to transport the Insured Vessel and/or the Insured Motor to the nearest approved repairer following loss or damage covered under this sub-section.

**Salvage and recovery costs following theft or hijacking** (if stated as included in the schedule)

The Company will indemnify the Insured for all reasonable salvage and recovery costs incurred with the Company's written consent to salvage and recover the Insured Vessel and/or Insured Motor following its loss by theft or hijacking.

## **SUB-SECTION 2 – LIABILITY TO THIRD PARTIES**

### **DEFINED EVENTS – SUB-SECTION 2**

1. If in the schedule against "Insured Vessel liability" cover is reflected as "Included", the Company will indemnify the Insured up to the insured amount stated in the schedule in respect of damages which the Insured shall become legally liable to pay consequent upon the death of or bodily injury to any person, or damage to property of any person arising from any accident caused by or through or in connection with the Insured Vessel and/or the Insured Motor within the territorial limits described in the schedule.
2. If in the schedule against "Liability if another person navigates the Insured Vessel" cover is reflected as "Included", subject to the terms, exclusions and conditions of this policy the Company will indemnify any navigator (other than the Insured) up to the insured amount stated in the schedule under "Insured Vessel liability" in respect of damages which such other navigator shall become legally liable to pay consequent upon the death of or bodily injury to any person, or damage to property of any person arising from any accident caused by or through or in connection with the navigation of the Insured Vessel by such person within the territorial limits described in the schedule.

### **DEFINITIONS- SUB-SECTION 2**

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

1. in the defence or settlement of any claim under this sub-section of the policy or any action or prosecution brought against the Insured in respect of death, bodily injury or damage to property as insured in terms of this sub-section of the policy.
2. in the representation at any inquest or accident inquiry in respect of death or bodily injury which may form the subject of indemnity under this sub-section of the policy and/or in defending any proceedings in a Court of Summary Jurisdiction in respect of matters which may form the subject of indemnity by this sub-section of the policy.

**Insured Motor** shall have the same meaning as defined in sub-section 1.

**Insured Vessel** shall have the same meaning as defined in sub-section 1.

**Laid up** shall have the same meaning as defined in sub-section 1.

**Water-skiing** shall include the towing of any person(s) on any device behind a vessel.

### **SPECIFIC EXCLUSIONS – SUB-SECTION 2**

The Company shall not be liable under **defined event 1** for:

1. death of or bodily injury to any person:
  - 1.1 in the employ of the Insured arising from and in the course of such employment;
  - 1.2 being a member of the same household as the Insured or being a member of the Insured's family;
2. damage to any property:
  - 2.1 belonging to the Insured;
  - 2.2 leased, hired, lent or held in trust by or in the custody or control of the Insured;
  - 2.3 belonging to an employee of the Insured;
  - 2.4 belonging to a member of the same household as the Insured or a family member of the Insured;
  - 2.5 being transported in or on the Insured Vessel;
3. any liability which arises during the transport of the Insured Vessel and/or Insured Motor by road or whilst on a trailer attached to a motor vehicle or has broken away or become accidentally detached from a motor vehicle;

In addition, the Company shall not be liable under **defined event 2** for:

4. any claim if such navigator:
  - 4.1 navigates the Insured Vessel without the Insured's permission;
  - 4.2 is entitled to indemnity in whole or in part under any other insurance policy in respect of the same liability and event;
  - 4.3 does not comply with the terms and conditions of this policy;
  - 4.4 has ever been refused insurance for a watercraft or continuance thereof by any insurer;
  - 4.5 operates or is employed by an operator of a shipyard, repair yard or slipway and navigates the Insured Vessel in such capacity;
  - 4.6 operates or is employed by a watercraft club, sales agency or similar organisation and navigates the Insured Vessel in such capacity;
5. death of or bodily injury to:
  - 5.1 any person in the employ of such navigator arising from and in the course of such employment;
  - 5.2 any person being a member of the same household as the navigator or being a member of the navigator's family;
  - 5.3 the Insured; a member of the same household as the Insured or any person being a member of the Insured's family;
  - 5.4 any person in the employ of the Insured and in the course of such employment;
6. damage to any property:
  - 6.1 belonging to the navigator;
  - 6.2 leased, hired, lent or held in trust by or in the custody or control of the navigator;
  - 6.3 belonging to an employee of the navigator;
  - 6.4 belonging to a member of the same household as the navigator or a family member of the navigator;
  - 6.5 being transported in or on the Insured Vessel;
  - 6.6 belonging to the Insured; a member of the same household as the Insured or belonging to a member of the Insured's family;
  - 6.7 belonging to an employee of the Insured,



In respect of **both defined events 1 and 2**, the Company shall not be liable for:

7. any liability assumed by agreement or contract by the Insured (or in respect of defined event 2, the navigator) unless such liability would have attached to the Insured (or navigator) notwithstanding such agreement or contract;
8. damages in respect of judgements delivered or obtained in the first instance in the United States of America or Canada (or to any order made anywhere in the world to enforce such judgement, award or settlement either in whole or in part);
9. Costs and Expenses of litigation recovered by any claimant from the Insured which are incurred in and recoverable in the area described in 8 above;
10. any liability which arises whilst the Skipper (or other person in charge of the Insured Vessel with the Insured's knowledge and permission), at the time of the accident is in contravention of the Merchant Shipping Regulations 2007 (as amended or replaced from time to time) in respect of:
  - 10.1 not being in possession of a valid and applicable Certificate of Competence unless under the direct and constant guidance and supervision of a responsible person in possession of such Certificate of Competence;
  - 10.2 being under the influence of drugs or alcohol;
11. any liability which arises whilst the Insured Vessel, at the time of the accident is in contravention of the Merchant Shipping Regulations 2007 (as amended or replaced from time to time) relating to having a valid certificate of fitness;
12. any liability arising out of seepage, pollution, or contamination unless such seepage, pollution, or contamination is caused by a sudden, unintended and unforeseen occurrence;
13. the cost of removing, nullifying or cleaning up seeping, polluting or contaminating substances unless such seepage, pollution, or contamination is caused by a sudden, unintended and unforeseen occurrence;
14. any liability which arises whilst the Insured Vessel and/or Insured Motor(s) are being used for any use that is not specified in the schedule under "Insured Vessel uses" as being covered;
15. any liability which is caused by, attributable to, or to the extent that it is aggravated by the Insured Vessel not being seaworthy;
16. death of or bodily injury of any person or loss of or damage to any such person's property whilst being conveyed in the Insured Vessel as a passenger (including whilst embarking thereon or disembarking therefrom);
17. death of or bodily injury of any person (including a water-skier or a parasailor being towed behind the Insured Vessel) or loss of or damage to any persons property (including the property belonging to a water-skier or parasailor being towed behind the Insured Vessel) arising whilst the Insured Vessel is being used to tow a water-skier or a parasailor from the time such person leaves the Insured Vessel up until such person is safely on board of the Insured Vessel and has been disconnected from any harnesses and ropes;

## **SPECIFIC CONDITIONS – SUB-SECTION 2**

### **Fire extinguishers and extinguishing systems**

It is a condition of this sub-section that any Insured Vessel must, in compliance with the Merchant Shipping (National Small Vessel Safety) Regulations 2007 (as amended or replaced from time to time), carry fire extinguishers and any Insured Vessel (other than a jet ski or wet bike) that is fitted with an inboard petrol motor(s), must be fitted with a remote controlled fire extinguishing system in the engine compartment. Such system must be maintained in efficient working order at all times and fire extinguishers must be serviced annually by an approved/accredited agent.

### **Insured amount**

The maximum amount payable by the Company, inclusive of any Costs and Expenses, for any claim or number of claims related to any one event, shall not exceed the insured amount stated in the schedule against “Insured amount (per event)”.

Should any one event give rise to a claim or claims which form the subject of indemnity by both a defined event and an extension or more than one extension under this sub-section, each shall apply separately and be subject to its own separate insured amount provided always that the total amount of the Company’s liability for all such claims combined arising out of a single event shall be limited to the amount stated in the schedule against “Insured amount (maximum indemnity inclusive of extensions)”.

### **Laid up periods**

No refunds of premium will be made under this sub-section in respect of periods during which the Insured Vessel may be laid up.

### **Safety appliances and equipment**

It is a condition of this sub-section that the Insured Vessel carry all safety appliances and equipment as set out in the Merchant Shipping (National Small Vessel Safety) Regulations 2007 (as amended or replaced from time to time),

### **Seaworthiness**

All reasonable steps are to be taken to protect and maintain the Insured Vessel in a seaworthy condition as required by the laws and regulations prescribed by The South African Maritime Safety Association (SAMSA) regardless whether the Insured Vessel is operating in South African territorial waters or not.

## **CLAUSES AND EXTENSIONS – SUB-SECTION 2**

Subject otherwise to the terms, exclusions and conditions of this section and the General section (all of which shall remain valid and applicable unless specifically deleted or amended below), the cover under this section is amended or extended as set out below under each extension and clause (but where applicable as indicated below, only if such extensions and clauses are stated as included in the schedule) subject to any insured amounts or first amounts payable stated in the schedule under each extension.

### **Cross liabilities**

Where more than one Insured is named in the schedule, the Company will indemnify each Insured separately and not jointly, and any liability arising between such Insureds shall be treated as though separate policies had been issued to each, provided that the aggregate liability of the Company shall not exceed the limit of indemnity stated in the schedule and the Company agrees to waive all rights which the Company may have or acquire against any one of such parties.

### **First aid treatment**

The indemnity provided under defined event 1 shall include all sums which the Insured shall become legally liable to pay due to incorrect emergency first aid treatment administered or made available by the Insured on board the Insured Vessel or following an accident involving the Insured Vessel provided that:

1. wrongful diagnosis is strictly excluded;
2. the maximum liability of the Company under this extension shall not exceed the amount stated in the schedule against “Insured amount (per event)” under “Insured Vessel liability”.

### **Passenger liability** (if stated as included in the schedule)

Specific exclusion 16 of this sub-section is deleted provided that this extension shall not provide indemnity to the Insured for a claim arising out of the conveyance of:

1. fare paying passengers unless under "Insured Vessel uses" in the schedule, against "Transportation of fare paying passengers" it states that such use of the Insured Vessel is covered;
2. any passenger being a person in the employ of the Insured and arising from and in the course of such employment;
3. any passenger being a person that is a member of the same household as the Insured or being a member of the Insured's family.

If in the schedule under this extension against "Liability if another person navigates the Insured Vessel" cover is reflected as "Included", specific exclusion 16 is deleted provided that this extension shall not provide indemnity to such other navigator for a claim arising out of the conveyance of:

1. fare paying passengers unless under "Insured Vessel uses" in the schedule, against "Transportation of fare paying passengers" it states that such use of the Insured Vessel is covered;
2. any passenger being a person in the employ of the navigator and arising from and in the course of such employment;
3. any passenger being a person that is a member of the same household as the navigator or being a member of the navigator's family;
4. the Insured, a member of the same household as the Insured or any person being a member of the Insured's family;
5. any person in the employ of the Insured and in the course of such employment;

provided that the total liability of the Company under this extension for indemnity to the Insured and any navigator combined arising out of a single event, shall not exceed the insured amount stated in the schedule under this extension.

### **Sister ships**

Should the Insured Vessel collide with or receive salvage services from another vessel belonging or partly belonging to the Insured, the Insured shall have the same rights under this sub-section as if such other vessel was not owned or partly owned by the Insured. In such cases, the liability for the collision or costs of salvage shall be referred to a sole arbitrator to be agreed upon between the Company and the Insured.

### **Water-skiers or parasailors liability** (if stated as included in the schedule)

Specific exclusion 17 of this sub-section is deleted provided that this extension shall not provide indemnity to the Insured for:

1. any water-skier or parasailor also being a fare paying passenger unless under "Insured Vessel uses" in the schedule, against "Transportation of fare paying passengers" it states that such use of the Insured Vessel is covered;
2. any water-skier or parasailor in the employ of the Insured and arising from and in the course of such employment;
3. any water-skier or parasailor being a person that is a member of the same household as the Insured or being a member of the Insured's family.

If in the schedule under this extension against "Liability if another person navigates the Insured Vessel" cover is reflected as "Included", specific exclusion 17 is deleted provided that this extension shall not provide indemnity to such other navigator for:

1. any water-skier or parasailor also being a fare paying passenger unless under "Insured Vessel uses" in the schedule, against "Transportation of fare paying passengers" it states that such use of the Insured Vessel is covered;

2. any water-skier or parasailor in the employ of the navigator and arising from and in the course of such employment;
3. any water-skier or parasailor being a person that is a member of the same household as the navigator or being a member of the navigator's family;
4. any water-skier or parasailor being the Insured, a member of the same household as the Insured or any person being a member of the Insured's family;
5. any person in the employ of the Insured and in the course of such employment;

provided that the total liability of the Company under this extension for indemnity to the Insured and any navigator combined arising out of a single event, shall not exceed the insured amount stated in the schedule under this extension.

Cover is further extended by this extension so that the Company will also indemnify any person being a water-skier or parasailor being towed by the Insured Vessel (up to the insured amount stated in the schedule against this extension) in respect damages which such water-skier or parasailor shall become legally liable to pay consequent upon the death of or bodily injury to any other person, or damage to property of any other person arising from any accident caused by or through such activity provided that:

1. this further extended cover shall not provide indemnity for damage to any property:
  - 1.1 belonging to the Insured, such water-skier or parasailor;
  - 1.2 leased, hired, lent or held in trust by or in the custody or control of the Insured, such water-skier or parasailor;
  - 1.3 belonging to an employee of the Insured or such water-skier or parasailor;
  - 1.4 belonging to a member of the same household as the Insured, such water-skier or parasailor or a family member of the Insured, such water-skier or parasailor;
2. this further extended cover shall not provide indemnity for death of or bodily injury to:
  - 2.1 any person in the employ of the Insured, such water-skier or parasailor arising from and in the course of such employment;
  - 2.2 any person being a member of the same household as the Insured, such water-skier or parasailor or being a family member of the Insured, such water-skier or parasailor;
  - 2.3 the Insured, notwithstanding that such water-skier or parasailor may be so legally liable;
3. such water-skier or parasailor is not entitled to indemnity under any other policy;
4. such water-skier or parasailor shall as though he or she were the Insured, observe, fulfil and be subject to the terms, exclusions and conditions of this policy in so far as they can apply;
5. the total liability of the Company under this extension for indemnity to the Insured, any navigator and any such water-skier or parasailor combined arising out of a single event, shall not exceed the insured amount stated in the schedule under this extension.

## **SUB-SECTION 3 – INSURED VESSEL OCCUPANTS**

### **DEFINED EVENTS – SUB-SECTION 3**

**Medical expenses** (if stated as included in the schedule)

The Company will pay for medical expenses up to the insured amounts stated in the schedule for accidental bodily injury to any person inside or on the Insured Vessel arising out of the sinking or collision of the Insured Vessel with any object other than water.

**Trauma** (if stated as included in the schedule)

The Company will pay for expenses incurred by the Insured for occupant(s) of the Insured Vessel undergoing treatment by a registered professional counsellor following such person being psychologically traumatised as a direct result of violence or threat of violence during theft, attempted theft or hijack of any Insured Vessel and/or Insured Motor provided that:

1. it is not possible to recover these expenses from any other insurance policy or facility;
2. the Company's liability shall not exceed for any one theft or hijacking event, the insured amount stated in the schedule.

## **DEFINITIONS- SUB-SECTION 3**

**Insured Motor** shall have the same meaning as defined in sub-section 1.

**Insured Vessel** shall have the same meaning as defined in sub-section 1.