



Xenturion Farmers Combined Insurance Policy



This document includes all of the general terms, conditions, events and items that can be covered by this policy as well as events and circumstances that are not covered. Please refer to your policy schedule for details of the cover that you have selected as well as sums insured, limits of indemnity and first amounts payable by yourself.

List of Contents in this Policy

General Sections

	Page
Section 1: Your Farmers Combined Insurance Policy	2.
Section 2: Definitions and explanations for interpretation of your Policy	3.
Section 3: General exceptions, conditions and provisions of your policy	5.

Specific Sections

Your Personal Cover

Section 4: Farmhouse Buildings	13.
Section 5: Farmhouse Contents	19.
Section 6: Personal Computer	25.
Section 7: Specified Personal Items (away from your house)	26.
Section 8: Mechanical and Electrical Breakdown	28.
Section 9: Motor Vehicles	30.
Section 10: Watercraft	33.
Section 11: Personal Legal Liability	37.
Section 12: Extended Personal Legal Liability	39.

Your Farming Cover

Section 13: Material Damage	40.
Section 14: Business Interruption	48.
Section 15: Book Debts	54.
Section 16: Fraud	57.
Section 17: Theft	60.
Section 18: Money	62.
Section 19: Glass	67.
Section 20: Specified Business Items (away from the Premises)	69.
Section 21: Electronic Equipment and Consequential Loss	71.
Section 22: Machinery Breakdown, Consequential Loss and Deterioration of Stock	76.
Section 23: Agricultural Vehicles, Implements and Irrigation Systems on Wheels	83.
Section 24: Property in Transit	89.
Section 25: Livestock	91.
Section 26: Legal Liability to Third Parties – Claims made basis	92.
Section 27: Employers Legal Liability	99.
Section 28: Extended Legal Liability	101.
Section 29: Personal Accident	102.

Section 1:

1. **Your Farmers Combined Insurance Policy Contract**

This policy is an insurance contract between you and Renasa Insurance Company Limited (also referred to as 'the insurer' 'us' 'we' and 'our' in this contract). We will pay all valid claims if you comply with the terms and conditions of this policy. There are events and property that are not covered, or limits imposed on the amounts payable.

2. **The information used to make up this Policy Contract**

Consist of **The Policy Terms and Conditions, The Policy Schedule** and your **Proposal Information**.

The information contained in these documents form the entire contract between you and us. Only the promises and statements contained in these documents make up this policy contract. The promises or statements may be made by you or us.

3. **The policy terms and conditions (this document)**

Details of your rights and duties as well as our rights and duties, how to claim and all of the events and items that are and are not covered are included in this document

4. **The policy schedule**

The policy schedule contains the information that is particular to you. It includes the type of cover that you have selected, the amounts you are covered for, the premiums you must pay and the first amounts payable by you in the event of a claim. It also contains details of the extensions that are applicable to each section and their limits as well as any specific conditions or requirements that have been imposed by us that are not included in the policy document.

If there are any changes made to your cover they will be set out on an updated policy schedule that will be sent to you.

5. **Your proposal information**

This is the information that is given to us by you when you requested cover. It will be information that is gathered by a voice logged conversation and confirmed in writing by you and will be used to calculate the premiums to be charged to you as well as any specific requirements or conditions regarding the provision of cover by the insurer. *(for example: the requirement for additional security against lightning strikes on a building or the contents, or an alarm system against theft from your property, or a satellite tracking device to be installed in your motor vehicle)*

Section 2:

Definitions and explanations for interpretation of your Farmers Combined Insurance Policy

1. Definitions:

The words highlighted in *italics* below on the left have their meaning given on their right hand side. There are also definitions in each section that are specific to the types of cover.

- (i) ***You/Insured:*** *You* or your spouse and immediate family who live with you and who are financially dependent on you and any dependents that you are legally responsible for named on the schedule or in this policy as being 'The Insured' or 'you' of the Personal Sections of the policy. ('Spouse' means a person who is your partner in any marriage, civil union or customary union recognized by South African law or is living with you in a relationship that is intended to be permanent)
- (ii) ***Insured:*** the person or persons, company or group of companies or entity named on the schedule or in this policy as being 'The Insured' or 'you' of the Farming Cover Sections of the policy.
- (iii) ***Insurer:*** Renasa Insurance Company Limited (also referred to as 'the insurer' 'us' 'we' and 'our' in this contract)
- (iv) ***Sum Insured, Limit of Liability or Maximum amount of cover:*** The amount shown in the policy or on the schedule that will be the most paid out in the event of a valid claim.
- (v) ***Accident or Accidental:*** An unplanned and unfortunate event caused by external, visible and violent means that might result in damage, loss, injury or death.
- (vi) ***Period of Cover:*** The days that cover is provided for as shown on the schedule.
- (vii) ***Start date:*** The day that the policy or specific section of cover begins for the first time that is shown on the schedule.
- (viii) ***Anniversary date:*** The date 12 months after the start date of the policy unless the schedule states differently.
- (ix) ***Excess or First Amount Payable:*** The amount shown on the schedule that you are responsible for paying towards any claim.
- (x) ***Third Party:*** Any person other than *You* (as defined above)
- (xi) ***Warrant:*** Guarantee, facts or conditions that can be relied on as true.
- (xii) ***Territory:*** Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Zambia, Malawi and Mozambique.
- (xiii) ***Unoccupied:*** When all residents are away from insured property named on the schedule temporarily but have the intention to return.
- (xiv) ***Consequential loss:*** Loss or damage that arises as a result of a covered event.
- (xv) ***Act of violence:*** Murder, assault, robbery, rape, hijacking, armed hold up, violent theft or attempted theft.
- (xvi) ***SASRIA:*** Special Risks Insurance company set up by the South African government to cover loss or damage to property from riots, strikes, public disorder, labor disturbances, civil action, lockouts or similar events that occur in South Africa only.

2. Guidelines to interpretation

2.1 Singular and plural

Words in the singular include the plural. Words in the plural include the singular.

2.2 Headings

Headings are aids to reading and understanding and are not terms themselves.

2.3 Examples

Examples are aids to understanding the meaning of terms and conditions. They are not terms or conditions themselves. The terms or conditions do not apply only to the situations and facts given in the examples or to similar situations and facts.

2.4 Calculating days

Where any number of days is given those days are counted to include the first and last day.

2.5 Legal responsibility

A legal responsibility (liability) is a duty imposed on someone to do something, whether imposed by the law or created by agreement.

2.6 Including

The word 'including' must be interpreted as introducing an example list and not limiting the list or excluding additions to it.

2.7 Reference to laws

When there is a reference to a law or to a section of a law the meaning shall be that law or section of that law as amended, repealed or replaced.

2.8 Forms of words

Words used in one form have their corresponding meaning when used in another form. For example: 'to claim', 'claiming' and 'claimed' have the same meaning; 'you', 'yours' and 'your' have the same meaning and 'we', 'us' and 'our' have the same meaning.

2.9 May, may not and might

The word 'may' means 'is entitled to' or 'are entitled to'. 'May not' means 'is not entitled to' or 'are not entitled to'. The word 'might' expresses possibility.

Section 3.

1. General Exceptions, Conditions and Provisions

Subject to the terms, exceptions, conditions and provisions of this policy and conditional upon the advance payment of your premium the insurer will compensate you, after confirming receipt of the premium, by payment, replacement, reinstatement or repair in respect of the defined events occurring during the period of insurance up to the sums insured, limits of indemnity, compensation and other specified amounts on the schedule less any excess payable by you.

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

2. General Exceptions

2.1. War, riot and terrorism

- A.** This policy does not cover loss of or damage to property, death or bodily injury or liability directly or indirectly related to or caused by:
- (i) Civil commotion, labor disturbances, riot, strike, lockout or public disorder or any act or activity which is calculated or directed to bring about any of the afore-going;
 - (ii) War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war;
 - (iii) Mutiny, military rising, military or usurped power, martial law or state of siege, or any other event or cause which determines the proclamation or maintenance of martial law or state of siege or
 - (iv) Insurrection, rebellion or revolution;
 - (v) Any act (whether on behalf of any organization, 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
 - (vi) 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;
 - (vii) Any attempt to perform any act referred to in clause (vi) or (v) above;
- 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.
- a. If the insurer alleges that, by reason of clause A (i), (ii), (iii) (iv), (v), (vi) or (vii) of this exception, loss or damage is not covered by this policy, the burden of proving the contrary rests with you.
- B.** This policy does not cover loss or damage caused directly or indirectly by or through or in consequence of any occurrence for which a fund has been established in terms of the War Damage Insurance and Compensation Act, 1976 (No. 85 of 1976) or any similar Act operative in any of the territories to which this policy applies.
- C.** Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision not included herein which would otherwise override a general exception, this policy does not cover loss 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.
- D.** For the purpose of this General Exception 1(C) an act of terrorism includes, without limitation, the use of violence or force or the threat thereof whether as an act harmful to human life or not, by any person or group of persons, whether acting alone or on behalf of or in connection with any organization or government or any other person or body of persons, committed for political, religious, personal, ethnic 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 insurer alleges that, by reason of clause 1(C) of this exception, loss or damage is not covered by this policy, the burden of proving the contrary shall rest with you.

2.2. Nuclear risks

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

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

Regardless of any other cause or event contributing concurrently or in any other sequence to the loss. For the purpose of this exception only, combustion shall include any self-sustaining process of nuclear fission.

2.3. Asbestos exclusion (applicable to the Personal Legal Liability, Extended Personal Legal Liability, Legal Liability, Employers Liability and Extended Legal Liability Sections)

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

2.4. Computer losses

2.4.1. General Exception applicable to all Sections of this policy insuring damage to property or the consequences of damage to property or any liability.

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

- (a) Loss or destruction of or damage to any property whatsoever (including a computer) or any loss or expense whatsoever resulting or arising therefrom;
- (b) Any legal liability of whatsoever nature
- (c) Any consequential loss

Directly or indirectly caused by or contributed to by, or consisting of or arising from the incapacity or failure of any computer, correctly or at all:

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

2.5. Special extension to General Exception 4

- A. Loss or destruction of or damage to the insured property by fire, explosion, lightning, earthquake or by the special perils referred to below or indemnified by the Glass, Employers Liability, Personal Accident or Motor Section is not excluded by this General Exception.

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

1. Storm, wind, water, hail or snow excluding damage to property:
 - 1.2 Arising from its undergoing any process necessarily involving the use or application of water;
 - 1.3 Caused by tidal wave originating from earthquake or volcanic eruption;
 - 1.4 In the underground workings of any mine;
 - 1.5 In the open (other than buildings, structures and plant designed to exist or operate in the open) unless specifically insured as a separate item on the schedule;
 - 1.6 In any structure not completely roofed unless specifically insured as a separate item on the schedule
 - 1.7 Being retaining walls unless specifically insured as a separate item on the schedule;
 2. Aircraft and other aerial devices or articles dropped therefrom;
 3. Impact by animals, trees, aerials, satellite dishes or vehicles excluding damage to such animals, trees, aerials, satellite dishes or vehicles or property in or on such vehicles.
 4. These special perils do not cover wear and tear or gradual deterioration.
- B. General Exception 4 also does not apply to consequential loss as insured by any Business Interruption indemnity provided by this policy to the extent that such consequential loss results from damage to insured property by the perils referred to in Special Extension A above.
- C. This Special Extension will not insure any loss, destruction, damage or consequential loss if it would not have been insured in the absence of this Computer Losses General Exception and this Special Extension
- D. This Special Extension shall not apply to any Public Liability Indemnity

GENERAL 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, an insurance policy exists with any other insurers covering you against the defined events, the insurer shall be liable to make good only a ratable proportion of the amount payable by or to you in respect of such event. If any such other insurance policy 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

3.1. By the Insurer

This policy or any Section of it may be cancelled at any time by the insurer giving 30 (thirty) days' notice in writing to you and you shall be entitled to claim a pro-rata proportion of your premium back for the remainder of the period of insurance from the date of cancellation, subject to General Condition 4.

3.2. By you the insured

This policy or any Section of it may be cancelled by you giving immediate notice to the insurer at any time. The insurer shall be entitled to retain the customary short period or minimum premium for the period that the policy or Section has been in force.

4. Premium payment

4.1. Premiums are to be paid in advance

All premiums are to be paid in advance. If premium payment is to be made by monthly debit order the strike dates to your bank account that can be selected are the 1st, 10th or the 15th of every month. If the debit order date falls on a weekend or a public holiday we will debit your account on the next working day. If premium payment is to be made annually you may pay it by electronic funds transfer (EFT) within 30 days of the anniversary date failing which the policy will be cancelled.

4.2. Unpaid premiums

- i) **If you cancel or stop payment** on your debit order, your cover will automatically end on the last day of the month that we received premium for
- ii) **If the debit is returned due to insufficient funds** we may allow you to make immediate payment of the outstanding premium by electronic funds transfer to our nominated bank account or, with mutual consent, collect the outstanding premium the following month together with the new month's premium. If we still cannot collect this premium, the cover will end on the last day of the month that we received a premium for.

5. Adjustment of premium

If the premium for any section of this policy has been calculated on estimated figures, the insurer will ask you for actual figures for the past period of insurance cover. (examples could be: stock values for the Fire section, gross profit for the Business Interruption section or turnover for Products liability cover on the Liability section) and any other information that will enable the insurer to calculate the actual premium for the past period of insurance. Any difference shall be paid by or to you as the case may be.

6. Prevention of Loss

You are required to take all reasonable steps and precautions to prevent accidents or losses. You are also required to adhere to all of the laws, regulations, by-laws and rules that apply to your business or any other matter for which cover is provided in terms of this policy. Failure to comply on your part shall entitle the insurer to reject a claim if your failure is material to the claim.

7. Claims

7.1. If an event occurs which may result in a claim under this policy, you are required to:

- (i) Inform the insurer of the event as soon as reasonably possible and also tell them if there is any other insurance cover in place which could cover the same event.
- (ii) If the event involves theft or any other criminal activity you are to inform the police of the event as soon as is reasonably possible and to take all practical steps to discover who the guilty party is and to recover the stolen or lost property
- (iii) Submit, in writing, full details of the event to the insurer within 30 days after the event (or such further time as the insurer may allow) and provide them with any proof, information and sworn declarations that they may require to deal with your claim. Also if you receive any notice of a claim against you, summons or other legal process in connection with this event you must forward it to the insurer immediately

7.2. Unless the event leads to a claim under the Business Interruption, fidelity, stated benefits or group personal accident sections or the personal accident (assault) extension of the money section, the insurer will not pay any claim if 24 months have expired from the date of the event leading to the claim unless the claim is the subject of a pending legal action or is a claim in respect of your legal liability to a third party. The insurer may also allow an extension.

7.3. No claim shall be payable unless you claim payment by serving legal process on the insurer within 6 months of the date of rejection of your claim by the insurer and you continue with the proceedings to finality

7.4. If the property, or any part of it, that was the subject of the claim is located after the insurer has paid your claim you are required to provide all assistance in the identification and physical recovery of the property if requested by the insurer. The insurer will pay for your reasonable expenses to provide this assistance. However, if you do not provide the requested assistance you will immediately become liable to repay to the insurer all amounts that they have paid in respect of the claim

8. Insurer's rights after an event

On the happening of any event in respect of which a claim is or may be made under this policy, the insurer and every authorized by them may, without incurring any liability and without diminishing the right of the insurer to rely on any conditions of this policy:

- (i) Take, enter or keep possession of any damaged property and deal with it in any reasonable manner. This condition shall be evidence of your permission to the insurers to do so however you shall not be entitled to abandon any property to the insurer whether they have taken possession of the property or not

For example:

You are involved in an accident and call a towing service to have your vehicle removed to a place of safety you cannot assume that we have accepted the claim. Our usual claims procedures must take place before liability for the claim is admitted by us. Until then you remain responsible for your vehicle

- (ii) In your name take over and conduct the defense or settlement of any claim and prosecute, 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 you without the written consent of the insurer.

9. Deliberate or fraudulent acts in making a claim

All benefits afforded in terms of this Policy in respect of any claim shall be forfeited and this policy may be avoided or cancelled, at the Insurers discretion, from the date of any fraudulent conduct and all premiums paid in respect of such policy shall be forfeited from the date of the fraudulent conduct:

- 9.1.** If any claim or part thereof under this policy is in any way fraudulent or if fraudulent means or devices are used by you or anyone acting on your behalf to obtain any benefit under this policy happens as a result of your intentional conduct or that of any person acting on your behalf or with your connivance; or
- 9.2.** If any fraudulent information and/or document, whether created by you or any other person, is provided to the insurer by you, or anyone acting on your behalf or with your connivance to substantiate or support any claim under this policy, whether or not the event in itself is fraudulent; or
- 9.3.** If the quantum of any claim is deliberately exaggerated by you or anyone acting on your behalf or with your connivance, for any reason whatsoever, whether or not the event in itself is fraudulent.

Where any benefit under this policy is forfeited in circumstances set out in this General Condition, you will have to repay the insurer all amounts which the insurer may have previously settled in respect of all claims forfeited without prejudice to the insurers right to recover any other damages which the company may have suffered as a result of the fraudulent conduct.

10. Reinstatement of cover after claim (not applicable to stock on a declaration basis nor to any section where it is stated to be not applicable)

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

11. Breach of conditions

The conditions of this policy and any section of it 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.

12. 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 to any claim to such person, the intention being that you shall claim on behalf of such person. The receipt of the insured shall in every case be a full discharge to the insurer

13. Value-added Tax (VAT)

13.1. Definition

VAT shall mean the amount of value-added tax payable by the insured or the insurer to the revenue authorities in the Republic of South Africa.

13.2. VAT-inclusive condition

It is understood and agreed that the monetary amounts as reflected in the sums insured and/or limits of indemnity shall be applied to the indemnity or amounts payable in terms of this policy and to which sums and terms, conditions, provisions and limitations of this policy shall apply and value-added tax at the current rate as promulgated in legislation relating thereto.

Subject to such sums/limits of indemnity being adequate to embrace the amounts described under 13.1 and 13.2 above, the insurer will, to the extent that you are accountable to the tax authorities for value-added tax in respect of any payment in terms of this policy include the amount of such tax in the final settlement of any claim in terms of the policy, provided that the total amount payable for any defined event and the value-added tax related to the payment shall not exceed the sum insured/limit of indemnity set against the event. In the event of a claim occurring where you are required to pay an excess or first amount payable this amount shall also include value-added tax. In addition, in the event of a change in the rate of value-added tax during the period of insurance the sums insured, limits of indemnity and premiums shall be adjusted automatically. 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 to any claim to such person, the intention being that you shall claim on behalf of such person. The receipt of the insured shall in every case be a full discharge to the insurer

14. Consent to disclose information

- You acknowledge that sharing of information for underwriting and claims purposes is in the public interest as it will enable insurers to underwrite policies and assess risks fairly in addition to reducing the incidence of fraudulent claims as well as limiting premiums.
- You and anyone that you represent waive any right to privacy with regard to underwriting and claims information in respect of any insurance policy or claims made or lodged by yourselves.
- You consent to such information being stored in a shared database and being used as set out above.
- You consent to such information being disclosed to any other insurer or its agent
- You consent to any underwriting information being verified against legally recognized sources or databases.
- You agree that this consent clause will survive the termination of the policy, including its cancellation or lapsing, for whatever reason.

15. Interest on payments

No interest will be payable by the insurer on any amount due in terms of the policy unless ordered to by a competent Court of Law.

16. Law and jurisdiction

Any dispute between yourself and the insurers in connection with or arising out of the policy shall be decided exclusively in accordance with the law of the Republic of South Africa by a competent court of South Africa. You undertake that you will not institute any action against the insurers nor bring joint proceedings against the insurers in the court of any country other than the Republic of South Africa.

17. Change of interest

The cover provided by this policy shall be void with respect to any item insured: to which any alteration after the commencement of this insurance takes place; whereby your interest ceases by will or operation of law; unless notice has been given to the insurer in writing as soon as practicable after such alteration and an additional premium paid if required.

GENERAL PROVISIONS

A. Claims preparation costs

The insurance by each section of this policy is extended to include costs reasonably incurred by the you in producing and certifying any particulars or details required by the company in terms of general condition 7 or to substantiate the amount of any claim, provided that the liability of the insurer for such costs in respect of any one claim shall not exceed the sum insured or limit stated in the policy schedule for each section.

B. Payments on account

In respect of any section where amounts recoverable from the insurer are delayed pending finalization of any claim, payments on account may be made to you, if required, at the discretion of the insurer.

C. First amount payable

Unless specifically stated in any section, the amount payable for each and every loss, damage or liability shall be reduced by the First amount payable shown in the policy schedule for the applicable defined event.

D. Members

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

E. Liability under more than one section

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

F. Meaning of words

The schedules and any endorsements noted on them and the policy wording shall be read together and any word or expression which has been given a specific meaning in any part of them shall have the same meaning wherever it appears.

G. Premium payment

Premium is payable on or before the inception date or the renewal date as the case may be.

The insurer 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.

H. Holding covered

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

I. Schedule sums insured blank

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

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

J. Security firms

If an employee of a security firm employed by you under a contract causes loss or damage, the insurer agrees, in terms of the said contract that you may not claim against the said security firm, not to exercise their rights of recourse against the said security firm. The insurer shall not raise as a defense to any valid claim submitted under any Section or Sub-Section of this policy that the insurers rights have been prejudiced by the terms of any contract entered into between yourself and any security provider relating to the protection of your property.

Your Personal Cover

Section 4.

Farmhouse Buildings

1. Definitions and explanations specific to this section

Whilst the following definitions relate to this section specifically they must also be read in conjunction with the general definitions on pages 3 to 4 of this policy

Address of buildings means the address shown on the schedule under **Farmhouse Buildings Section**

House means the residential homes at the address of buildings shown on the schedule and noted on the site plan of the farm to be lodged with us, to form part of this insurance contract, at the inception of this policy and updated every anniversary and which includes the following:

- 1) Garages and fixed carports
- 2) Domestic workers living quarters
- 3) Tool sheds
- 4) Brick, tar, stone (not gravel), concrete and paved driveways, paths and patios
- 5) Walls, metal palisades, gates and fences but not hedges
- 6) Swimming pool structure or fabric, including safety nets and covers, but not portable swimming pools
- 7) Spa baths, Jacuzzis and sauna structure or fabric, including safety nets and covers
- 8) Fixed machinery of swimming pools, spa baths, Jacuzzis, and saunas
- 9) Tennis and squash courts
- 10) Water features and garden ornaments
- 11) Electric gates and garage doors
- 12) Geysers, fixed water tanks, water pumping machinery and borehole motors, irrigation systems, filtration systems used only for filtering or supplying water for domestic purposes
- 13) Aerials, satellite dishes, solar panels, lightning conductors and security systems fixed to the home
- 14) Fixtures and fittings including built in furniture and fitted carpets

Wall Construction and Roof Construction shown on the schedule will have the following meanings:

Wall Construction:

- 1) If described as Standard Construction it means built of brick, stone or concrete
- 2) If described as Non Standard Construction it means built of materials other than brick, stone or concrete
- 3) Roof Construction will be described as slate, tile, concrete, asbestos, metal or thatch.

Please note that if your house has a roof area that includes thatch which exceeds 25% of the roof area or a construction with a thatch roof, within 5 meters of the main residence, which exceeds 25% of the roof area. The roof construction of the main dwelling shall be deemed to be thatch

2. Events that we cover

- 2.1. Fire, lightning, earthquake or explosion
- 2.2. Storm, wind, water, flood, hail or snow
- 2.3. Impact by trees, vehicles, aircraft and other aerial devices and articles dropped from them
- 2.4. Impact by animals including wild animals that live freely in their natural environment
- 2.5. Breaking or collapsing of radio or television aerials, masts and satellite dishes
- 2.6. Bursting, overflowing and leaking of water apparatus, heating installations, geysers and pipes. This includes damage to these items **up to the sum insured stated in the schedule**
- 2.7. Theft and attempted theft but if the home is unoccupied, let or lent there must be visible, forcible and violent entry or exit into or from the house.
- 2.8. Malicious damage, but not whilst your house is lent, let or sublet to a tenant

3. Events and items that we don't cover

These exclusions are in addition to the General events and items not covered on pages 8 to 10 of this policy

4. We do not pay for loss or damage to your house caused by:

- 4.1. Storm, wind, water, flood, hail or snow damage to hedges, retaining walls and windmill.
- 4.2. Theft, attempted theft and malicious damage by a tenant.
- 4.3. Full subsidence and landslip cover unless selected under optional extension 5.3
- 4.4. An event at an unoccupied house if the house has been unoccupied for at least 60 consecutive days in the 12 months before the event
- 4.5. Noncompliance with the requirements of the National Building Regulations or similar South African legislation applying at the time of erection or alteration

5. We do not pay for undamaged items

We will not pay to replace an undamaged item if the only reason to replace it is to create a uniform effect throughout the house. We will use materials as similar as possible to the damaged items but we do not have to repair the house so that it is an exact match to the way it was before the loss or damage

For example:

You may have the same carpeting throughout your home. An insured event damages the carpet in your bedroom. We are only liable to pay for the damage to the bedroom carpet even if you are not able to match it with the remainder of the undamaged carpets.

6. Conditions that are specific to this section

These conditions are in addition to the General Terms and Conditions on pages 5 to 10 of this policy.

6.1. Your responsibility to get cover for the full replacement value of your house (Average condition)

Replacement value is the amount needed for the cost to repair or rebuild your house with similar new materials. This includes fees for professionals you might need to engage (such as demolition experts, architects and surveyors). If at the time of the loss or damage or claim, we determine that the Sum Insured noted on the schedule is less than the replacement value then you are under insured. If you are under insured, we will not pay the full amount of the loss or damage. You will be your own insurer for the difference between the percentage of cover you bought and the full replacement value of your house.

For example:

The cost to rebuild your house (including the costs referred to in 4.1 above and items 1 to 14 of the Definitions 1 on Page 11) amounts to R1,000,000. You insure the house for R500,000, which equates to 50% of the total replacement cost of your house. You incur storm damage to your house for R50,000 but we will only pay R25,000 less your excess because you were underinsured by 50%

7. We pay your lender first

If you have a mortgage bond registered over your house and the house is totally destroyed in a fire, we will pay the lender (mortgagee) before we pay you. We will pay the amount that you still owe to the lender, up to the sum insured or the limit of our liability in terms of this policy. If there is any balance over after paying the lender we will pay it to you.

If this policy becomes invalid because you failed to comply with your duties in terms of this policy, we will still pay the lender if they were unaware of this failure. The lender has a duty to tell us as soon as they become aware that you might be failing to comply with these duties

7.1. Operating a business from your house

You may conduct a business from your house subject to the following conditions:

- You use the house as your main dwelling place
- The business consists only of offices or consulting rooms
- The business will not increase the risk of loss or damage to your house
- The house will not be used to accommodate guests or boarders for reward

7.2. Optional extensions to the cover for your house

7.2.1. Geyser wear and tear

We will compensate you, up to the limit stated on the schedule, for the cost of repair or replacement of your damage geyser, its parts and any concealed pipes caused by:

- i) rust, decay, gradual deterioration or wear and tear
- ii) cracking, splitting, latent defects, faulty material and workmanship.

We do not cover damage occurring in the first year of installation or damage covered by any guarantee

7.3. Inflation

We will increase the sum insured annually in line with inflation up to the limit stated on the schedule

7.4. Subsidence and landslip – extended cover –

We will pay you for loss of or damage to your house caused by subsidence or landslip or both up to the Sum insured stated on your schedule. However, you are not covered if this is caused by:

- normal settlement, shrinkage or expansion of the building
- structural alterations, additions or repair
- the compaction of infill
- defective or faulty design, materials or workmanship
- excavations other than mining operations
- removal or weakening of support the building.

In addition, we are not liable for loss or damage to septic and conservancy tanks or drains and water courses unless the building is damaged at the same time by the same insured event.

Any damage that existed before your policy started

If required, you will have to prove that the loss or damage being claimed for was caused by subsidence or landslip

Subsidence means sinking – it is the vertical, downward movement of soil. It includes settlement, which is a lateral movement

Landslip means the sliding down of a mass of land. It is, in effect, a small landslide and it typically occurs on a slope.

8. Automatic extensions to the cover for your house

We automatically provide extra cover for the following events and items. The amount we pay is limited to the benefit that appears in the extension or the sum insured stated in the schedule

8.1. Loss of Rent – If you have a tenant in your house we will pay up to 20% of the Sum Insured on the house for loss of rent if the house is not fit to live in because of the loss or damage that we cover. We calculate the loss of rent on the yearly rent or on the rental value of the unfurnished house. We pay for only as long as is reasonably needed to make the house fit to live in again. We do not pay for loss of rent that arises while structural alterations are being made to the house

8.2. Rent to live elsewhere – If you are living in your house we will pay up to 20% of the Sum Insured on the house for loss of rent if the house is not fit for you to live in because of the loss or damage that we cover. We calculate the loss of rent on the yearly rent or on the rental value of the unfurnished house. We pay for only as long as is reasonably needed to make the house fit to live in again. We do not pay for loss of rent that arises while structural alterations are being made to the house

8.3. Professional fees - We pay up to 20% of the Sum Insured on the house for professional fees and other rebuilding costs you incur after receiving our written consent to appoint the professionals.

Professional fees include one or more of the following:

- Architects, Quantity Surveyors and Consulting Engineers fees
- Local authorities' scrutiny fees
- Costs for the requirements of public authorities for repairing or rebuilding

9. Glass and sanitary ware – We pay the reasonable costs for repairing or replacing accidental breakage of:

- Fixed glass including mirrors
- Fixed sanitary ware – excluding chipping, scratching or disfigurement

We only pay for this extension if the house is permanently occupied at the time of the breakage

10. Public utility supplies – We pay the reasonable costs for repairing accidental damage to water, sewerage, gas, electricity and telephone connections that you are legally responsible for between the house and the public supply or mains connections

11. Fire brigade charges – We pay for the fees charged by firefighting authorities for the cost of extinguishing a fire that is damaging your house

12. Demolition charges – We pay the costs of demolishing your house, removing the debris from the site and putting up hoardings needed for building operations

13. Accidental Damage – We pay for accidental physical loss of or damage to your house that is not otherwise covered up to the Sum Insured stated on your schedule. This extension excludes damage caused by:

- Any gradual cause such as wear and tear, rust, mildew, mold, corrosion or decay
- Pests such as rodents, ants, vermin and moths
- Cleaning, repairing or restoring by any manner or method
- Chipping or denting or scratching
- Conditions of the atmosphere, climate or light

14. Subsidence and landslip – limited cover - We will pay you for loss of or damage to your house caused by subsidence or landslip or both up to the Sum insured stated on your schedule. However, you are not covered if this is caused by:

- normal settlement, shrinkage or expansion of the building
- structural alterations, additions or repairs
- the compaction of infill
- defective or faulty design, materials or workmanship
- excavations other than mining operations
- removal or weakening of support
- contraction or expansion of soil, clay or similar types of soil
- moisture or damp

In addition, we are not liable for:

- Loss or damage to swimming pools and surrounds, tennis courts, terraces, patios, paths, driveways, septic or conservancy tanks, drains, water courses, walls, gates, posts and fences, retaining and screening walls unless the building is damaged at the same time by the same event
- Loss or damage to solid floor slabs or any part of the building resulting from the movement of the slabs, unless the foundation supporting the external walls are damaged by the same cause at the same time
- Any damage that existed before your cover started
- Work necessary to prevent further loss or damage from subsidence and landslip, except where appropriate design precautions were implemented during the original construction of the building or any subsequent additions to it.

If required, you will have to prove that the loss or damage being claimed for was caused by subsidence or landslip.

Subsidence means sinking – it is the vertical, downward movement of soil. It includes settlement, which is a lateral movement. Landslip means the sliding down of a mass of land. It is, in effect, a small landslide and it typically occurs on a slope.

15. Security Guards – We pay the reasonable cost of employing guards to safeguard your house after an insured event if it is required

16. Locks and Keys – We pay the reasonable cost of replacing locks or keys to your house if they have been lost, stolen or damaged (this extension includes card keys, remote control devices and the reprogramming of these devices)

17. Removing fallen trees - We pay the reasonable cost for you to remove fallen trees or any part of fallen trees, from your property at the address shown on the schedule as your house, that have been damaged due to an event we cover. We do not pay for removing trees that you have cut down yourself or arranged to have cut down

18. Power surge – We pay for damage to your house caused by power surges from accidental changes in the power supply by a public supply authority. We do not pay for power surges caused by you not paying your electricity account. We have the right to ask that the main electrical distribution boards in your house are protected with surge protectors, lightning arrestors or other protection devices installed to SANS 0142 specification and to remove cover for power surge, if this has not been done.

19. Damage to the garden – We pay for the cost of landscaping and replacing any damaged trees, shrubs or plants in your garden after a valid claim. This is on condition that the claim is not the result of hail or building operations

20. Tracing of water leaks – We pay for the cost of tracing the source of a water leak at your insured premises, provided that it originated after your cover started. However, we will not pay for the actual repair of the leak once it has been located

21. Wheelchair-friendly alterations – If you are accidentally injured during the period of insurance and become wheelchair bound we will pay for alterations to enable you to continue accessing your house

22. Water leakage from underground pipes – We pay for any additional charges on your municipal water bill that results from leakage of underground pipes on your premises subject to the following conditions:

- The additional charge for the last quarter must exceed the average consumption for the last four quarters by at least 50%
- The additional charges are not caused by leaking taps, geysers, toilets and swimming pools or their pipes
- Your building is not unoccupied for more than 60 consecutive days
- You immediately repair it at your own expense
- We will not pay for more than two events every 12 months

23. Wild baboons and monkeys – We pay for loss or damage to your building caused by wild baboons or monkeys up to the limit stated in your schedule. Wild baboons and monkeys will not be regarded as vermin for the purpose of the extension

Section 5.

Farmhouse Contents

1. Definitions and explanations specific to this section:

Whilst the following definitions relate to this section specifically they must also be read in conjunction with the general definitions on pages 3 to 4 of this policy

Risk Address: means the address shown on the schedule under **House Contents Section**

House Contents: means Household goods and personal possessions belonging to you and your family members who live with you inside the Main residence, garages, domestic workers living quarters and tool sheds at the Risk address or any other place where you are temporarily staying or employed

Wall Construction and Roof Construction: shown on the schedule will have the following meanings:

- 1) **Wall Construction:**
 - a) if described as Standard Construction it means built of brick, stone or concrete
 - b) if described as Non Standard Construction it means built of materials other than brick, stone or concrete
- 2) **Roof Construction:**
 - a) will be described as slate, tile, concrete, asbestos, metal or thatch.

Please note that if your house has a roof area that includes thatch which exceeds 25% of the roof area or a construction with a thatch roof, within 5 meters of the main residence, which exceeds 25% of the roof area. The roof construction of the main dwelling shall be deemed to be thatch

2. Events that we cover

- 2.1 Fire, lightning, earthquake or explosion
- 2.2 Storm, wind, water, flood, hail or snow
- 2.3 Impact by trees, vehicles, aircraft and other aerial devices and articles dropped from them
- 2.4 Impact by animals including wild animals that live freely in their natural environment
- 2.5 Bursting, overflowing and leaking of water apparatus, heating installations, geysers and pipes.
- 2.6 Theft and attempted theft but if the home is unoccupied, let or lent there must be visible, forcible and violent entry or exit into or from the house.
- 2.7 Malicious damage, but not whilst your house is lent, let or sublet to a tenant

3. Events and items that we don't cover

These exclusions are in addition to the General events and items not covered on pages 8 to 10 of this policy

3.1 We do not pay for loss or damage to your house caused by:

- Storm, wind, water, flood, hail or snow damage to household contents in the open unless the items are designed to be in the open
- Loss or damage that arises out of a process where applying water is needed such as shampooing carpets
- Loss or damage that takes place if the house is unoccupied for 60 consecutive days or more in the 12-month period before a covered event occurs.

3.2 Limits and conditions for jewelry, watches, precious metals and gemstones

We do not pay more than 30% of the sum insured stated in the schedule for this section in respect of theft, loss or damage to jewelry, watches, precious metals and gemstones. Further we will not pay more than R10,000 for any single item unless you give us a valuation certificate from a professional jeweler or proof of purchase. The certificate or proof of purchase must be less than 3 years old and it must pre-date the loss or damage.

4. Conditions that are specific to this section

These conditions are in addition to the General Terms and Conditions on pages 5 to 10 of this policy.

4.1 Your responsibility to get cover for the full replacement value of your house contents (Average condition)

It is your responsibility to get cover for the full replacement value of all of your house contents. Replacement value is the amount needed to replace all your insured property with similar new property. If we determine that the sum insured stated in your schedule is less than the replacement value at the time of the loss, damage or claim then you are under insured. As a result, we will not pay the full amount of your loss or damage and you will be your own insurer for the difference between the percentage of the sum insured and the full replacement value.

For example:

If the replacement value of your house contents is R400,000 and your sum insured is R200,000 you will be 50% underinsured. Therefore, if you submit a claim for R100,000 we will only pay you 50% of your claim less your excess

4.2 Special conditions for theft and break-in cover as specified on your policy schedule

4.2.1 Burglar Bars and Security Gates

We will not cover you for loss or damage to your house contents and personal possessions as a result of theft or break-in unless your house or outbuildings have burglar bars protecting all of your opening windows and security gates protecting all of your doors leading to the outside of your house or outbuildings and there is visible damage to the burglar bars and security gates following the theft or break-in.

4.2.2 Alarm system linked to a control room with armed response

If we state in the schedule that we require you to further protect your house contents and personal possessions by entering into a contract with a registered security service provider to install an alarm system which is linked to a control room with armed response, we require you or any person you have authorized to look after your house to:

- Keep the alarm system maintained and in working order
- Keep all detectors free from obstruction
- Not bypass any detector or zone when the house or outbuildings are left unattended
- Activate the alarm system when the house or outbuildings are left unattended

4.2.3 Additional protection for jewelry, watches, precious metals and stones

We will not cover you for theft of any item of jewelry, watches, precious metals or stones that you are not wearing as part of your daily routine and that have a value of more than R10,000 per single item, if it is not kept in a locked and hidden safe that is securely attached to the wall or floor of your house

4.2.4 Firearms

We will not cover you for theft of any firearm from your house if you have not complied with the legal requirements for owning, using and safe-keeping of a firearm

5. Automatic extensions to the cover for your house contents

We automatically provide extra cover for the following events and items. The amount we pay is limited to the sum insured stated in the schedule

5.1 Food that deteriorates

We will pay you for food that deteriorates if your fridge or freezer breaks down or because of power failure

5.2 Garden furniture and washing in the open

We will pay you for garden furniture or washing if is stolen whilst in the open at your house

5.3 Damage to guest's property

We will pay for loss of or damage to personal items belonging to any non-paying guests caused by an insured event in your house. This extension does not include money and negotiable instruments or any items insured by another policy

5.4 Money stolen from your home

We will pay you for money stolen from your house provided there is proof of forcible entry

5.5 Personal documents, coins and stamps

We will pay you for theft of or damage to personal documents, coins and stamp collections by an insured event

5.6 Locks and Keys

We will pay you for the reasonable cost to replace locks and keys if they are lost or damaged

5.7 Fraudulent use of credit or bank card

We will pay you for loss arising from the fraudulent use of your debit, credit or SIM cards by anyone who is not a member of your family or household provided you reported the loss to the police and the organization that issued the card to you within 24 hours and you complied with all of the terms and conditions of issue and use of the card

5.8 Golf Hole-in-one or Bowling Full-house

If you are an amateur golfer who scores a hole-in-one or an amateur bowler who scores a full-house at any recognized golf or bowling club, we will pay you out if we receive written confirmation from the secretary of the club

5.9 Death from injury at your house

If you or your spouse are injured by a fire or break-in at your house which results in death within 12 months we will pay your nominated beneficiary or your estate

5.10 Domestic employee's belongings

We will pay for the loss or damage of your domestic employee's personal belongings following an insured event

5.11 Medical expenses

We will pay for medical expenses incurred because of accidental bodily injury suffered by:

- Anyone but you caused by your pet
- A guest or visitor because of a defect in your house
- A domestic worker in the course and scope of their employment with you
- We only pay for medical expenses that cannot be recovered from any other source

5.12 Veterinary expenses

We will pay for vets' costs for accidental bodily injury to pets injured in a road accident

5.13 Rent to live elsewhere

We will pay the reasonable cost for rent and alternative accommodation for you and your pets if your house is not fit to live in because of loss or damage from an event covered by this section for as long as is reasonably needed to make your house fit to live in again

5.14 House contents in transit for permanent change of address

We will pay for loss, theft or damage to your house contents that are being moved by a professional moving company between your house and a new permanent address that is caused by:

- Fire, lightning or explosion
- The vehicle carrying your possessions being involved in an accident
- Theft or attempted theft from the vehicle carrying your possessions following visible, violent and forcible entry or exit

5.15 Breakage of mirrors and glass

We will pay for accidental breakage of mirrors and glass that are part of a stove, oven or furniture

5.16 Breakage of television sets, LCD's and LED's

We will pay for accidental breakage to television sets but not for mechanical or electrical breakdown

5.17 Emergency services

We will pay for costs charged by any emergency service provider such as the fire brigade or ambulance service for responding to an insured event

5.18 Subsidence and landslip – limited cover –

We will pay you for loss of or damage to your house caused by subsidence or landslip or both up to the Sum insured stated on your schedule. However, you are not covered if this is caused by:

- normal settlement, shrinkage or expansion of the building
- structural alterations, additions or repairs
- the compaction of infill
- defective or faulty design, materials or workmanship
- excavations other than mining operations
- removal or weakening of support
- contraction or expansion of soil, clay or similar types of soil
- moisture or damp

In addition, we are not liable for:

- loss or damage to swimming pools and surrounds, tennis courts, terraces, patios, paths, driveways, septic or conservancy tanks, drains, water courses, walls, gates, posts and fences, retaining and screening walls – unless the building is damaged at the same time by the same event.
- loss or damage to solid floor slabs or any part of the building resulting from the movement of the slabs, unless the foundation supporting the external walls are damaged by the same cause at the same time.
- Any damage that existed before your cover started
- Work necessary to prevent further loss or damage from subsidence and landslip, except where appropriate design precautions were implemented during the original construction of the building or any subsequent additions to it.
-

If required, you will have to prove that the loss or damage being claimed for was caused by subsidence or landslip.

Subsidence means sinking - it is the vertical, downward movement of soil. It includes settlement, which is a lateral movement.

Landslip means the sliding - down of a mass of land. It is, in effect, a small landslide and it typically occurs on a slope.

5.19 Accidental damage

We will pay you for accidental physical loss of or damage to your insured property while it is in your private house **excluding** loss or damage which is:

- Payable in terms of the basic cover for this section
- Due to depreciation
- Gradual causes such as wear and tear, rust, mildew, mold, corrosion or decay
- Caused by household pests such as rodents, ants, vermin and moths
- Caused because of cleaning, repairing or restoring by any manner or method
- Caused to any tools, gardening implements, garden furniture
- Caused to automatic pool cleaning equipment
- Caused to any portable computer equipment or cellular devices
- Covered by any manufacturers guarantee, purchase agreement or service contract
- Caused by cracking or scratching of glass, glassware or any similar breakable article. This exclusion does not apply to jewelry, cameras, televisions or computer screens
- Caused by chipping or denting of furniture or domestic appliances
- Cost of reproduction of data of any kind

5.20 Water Leakage

We will pay up the sum insured on the schedule for water charges from a local authority for water lost through leaking pipes at the house subject to the following conditions:

- i) The water meter reading is 50% or more over the average of your previous four readings
- ii) You take immediate steps to repair the pipes affected when the leak is discovered by physical evidence or by abnormally high water bill

Please note that we will not pay for:

- i) More than two separate events in any 12 months' period
- ii) The cost of repairing leaking pipes
- iii) Loss of water from leaking taps, water heating apparatus or sanitary systems, swimming pool structures and inlet or outlet pipes
- iv) Loss of water if the house is unoccupied for more than 60 days

5.21 Security guards

We will pay the reasonable and necessary costs of employing a security guard following an event that is covered until the house is secure again

5.22 Power surge

We will pay for damage to your house caused by power surges from accidental changes in the power supply by a public supply authority. We do not pay for power surges caused by you not paying your electricity account. We have the right to ask that the main electrical distribution boards in your house are protected with surge protectors, lightning arrestors or other protection devices installed to SANS 0142 specification and to remove cover for power surge if this is not done

5.23 House contents temporarily away from your house

We will pay for house contents lost or damaged whilst temporarily away from your house at any of the following places by an event that is covered, including theft following forced entry to or exit from:

- An occupied private residence
- A guest house, hotel, club, holiday apartment, school, place of study or nursing home where you or a member of your family who normally resides with you is temporarily living
- A business premises where you are working
- A furniture storage facility or bank safe deposit
- A premises for cleaning, repairing, altering, renovation or restoration
- We do not cover house contents anywhere outside of the territories covered unless specified on the All Risk Section of this policy

5.24 Loss or damage caused by wild animals

We will pay for loss or damage to your house contents that are inside your house caused by wild animals that live freely in their natural environment and are not confined in any way

5.25 Credit, Debit or SIM card fraud

We will pay you for losses arising from the fraudulent use, by anybody other than you or any member of your family, of your credit, debit or SIM card provided you comply with the provider's conditions at all times.

5.26 Emergency transport of children

We will pay for the emergency transportation of your school going children by a third party in the event of them being injured on the school premises

5.27 Garden damage

We will pay you for the cost of landscaping and replacing any trees, shrubs or plants in your garden after a valid claim for your contents. This is on condition that the claim is not the result of hail, and if you rent the house, the home owner is not entitled to claim under their own insurance

5.28 Increase in sum insured over holiday season

We will increase the sum insured of your contents 10% during the holiday period of 15 December to 31 January

5.29 Office contents

We will pay for loss or damage by the insured perils to Office Equipment, apart from computers and other data processing equipment, in your home that are used for office purposes such as a home profession or business

5.30 Storage costs

We will pay the necessary storage costs to safeguard your contents after an insured event has occurred

5.31 Trauma counseling

We will pay for professional counseling to help you cope with trauma if you should be the victim of theft, attempted theft or hold-up

Section 6.

Personal Computers

1. Definitions and explanations that are specific to this section

Whilst the following definitions relate to this section specifically they must also be read in conjunction with the general definitions on pages 3 to 4 of this policy

Home means the building that you live in at the address shown on the schedule for Section 5 - Farmhouse Contents Section

Computer means any computer and accessories such as screens, printers and software that belong to you and are described in the schedule

Territory means anywhere in the world including transit by land, sea or air

2. Events that we cover

- 2.1 Accidental loss or damage to your computer from any cause that is not specifically excluded
- 2.2 Reinstatement of data costs and expenses incurred by you to reinstate data or programs lost as a result of accidental erasure provided that the lost data or programs were not caused by:
 - Program errors
 - A virus or malware
 - Intentional cancellation, corruption of data or incorrect entry

3. Events that we do not cover

We will not pay for:

- 3.1 Use of the computer for any purpose other than personal use, or for your home industry or professional home use
- 3.2 Loss or damage that is already provided for under a maintenance or lease agreement
- 3.3 Theft from your place of employment unless there are clear signs of forced entry into or exit from the building
- 3.4 Any loss from an unattended vehicle unless there are clear signs of forced entry to a locked boot or compartment where the item was concealed
- 3.5 The development of poor contacts or the scratching of paint or polished surfaces
- 3.6 Any process of cleaning, maintenance or upgrading
- 3.7 Parts that have a short life unless this is as a result of other damage to the computer that is covered by this section and happened at the same time
- 3.8 Any loss incurred as a result of you not being able to use your damaged computer
- 3.9 Viruses, Trojans, worms or other destructive media or computer programs

4. How we compensate you

If your computer is damaged or lost, we will compensate you based on replacement cost up to the sum insured stated in your schedule. We can also decide to replace your computer for you or give you the money to purchase a new one yourself if we cannot repair it.

Section 7.

Specified Personal Items (All Risks)

1. Definitions and explanations that are specific to this section

Whilst the following definitions relate to this section specifically they must also be read in conjunction with the general definitions on pages 3 to 4 of this policy

Home means the building that you live in at the address shown on the schedule for Section 5 - Farmhouse Contents Section.

Territory means anywhere in the world including transit by land, sea or air

Specific Personal Items cover (All Risks) means we cover you for the items described on your policy schedule that you might be wearing or take out of your house. These items are defined below as **Unspecified Items** and **Specified Items**

Unspecified Items means items that are not specified individually on the schedule. You choose a Sum Insured that you feel will adequately cover you, your spouse and your children for items that you will normally be wearing or carrying with you at any one time whilst out of your house. Items should include clothing, spectacles, contact lenses, sunglasses, jewelry, watches, briefcases, handbags, bags and anything that they contain up to a maximum value for any single item of R2,000

Specified Items means any item that you have specified on the schedule up to the sum insured

2. Events that we cover

We will pay for:

- 2.1** The items noted on your schedule which are defined in Item 1 of this section if they are stolen, accidentally lost or damaged up to the sum insured stated in the schedule

3. Events that we do not cover

We will not pay for:

- 3.1** Theft from an unattended motor vehicle, caravan, trailer or watercraft unless there was visible, violent and forcible entry into or exit from the locked motor vehicle, caravan, trailer or watercraft.
- 3.2** Theft, accidental loss or damage of cameras and other photographic equipment used for professional purposes or for reward. We will cover these items if you use them only for a hobby or part-time income.
- 3.3** Theft, accidental loss or damage of musical instruments, sound or audiovisual devices used for professional purposes or for reward. We will cover these items if you use them only for a hobby or part-time income.
- 3.4** Sporting equipment whilst in use other than golf clubs or pedal cycles whilst taking part in social trial runs. We do not cover you if you play golf or cycle professionally.
- 3.5** Chipping, scratching, denting and breakage of porcelain or similar articles of a fragile nature.

4. Special conditions applicable to items covered by this section

4.1 Jewelry and watches

4.1.1 Valuation certificates

All jewelry and watch items insured on this section with an individual value that exceeds R2,000 must be supported by a valuation certificate that is issued by a professional jeweler and not be more than 3 years' old

4.1.2 Jewelry to be kept locked in a safe when not being worn or used

All jewelry and watch items insured on this section with an individual value that exceeds R10,000 per item must be kept in a locked and hidden safe that is securely attached to the floor or wall if they are not being worn as part of your daily routine. If you are temporarily staying elsewhere this condition applies to those premises to the extent that a safe is available on those premises.

4.1.3 Firearms

You must keep any firearms insured on this section in a locked and hidden safe that is securely attached to the floor or wall if they are not being used by you.

4.1.4 Pairs and Sets

We will not pay for a special value that a pair or set might have. If one item in a pair or set is stolen, lost or damaged we will only pay for that item.

4.1.5 Pedal Cycles

We will not pay for a pedal cycle if it is stolen whilst you are not using it and it is not at your house unless you have attached it to a permanently fixed structure with a lock and chain or locked to a carrier on your motor vehicle.

Section 8.

Mechanical and Electrical Breakdown

1. Definitions and explanations that are specific to this section

Whilst the following definitions relate to this section specifically they must also be read in conjunction with the general definitions on pages 3 to 4 of this policy

Home means the building that you live in at the address shown on the schedule for Section 5 - Farmhouse Contents Section.

Insured Items means any household appliances specified in the schedule such as the following:

- Televisions, Decoders, DVD players, Hi-Fi's, Home theatre systems
- Fridges, stoves, ovens, microwaves
- Washing machines, tumble dryers, dishwashers.

2. Events that we cover

We will pay for:

Sudden mechanical and electrical damage to the insured item that you could not have foreseen and provided the insured item was in the home

3. Events that we do not cover

3.1 Theft or attempted theft

3.2 Gradual causes such as wear and tear, rust, mildew, corrosion, decay and deterioration. This includes damage from light, sunlight or normal climatic conditions

3.3 Household pests such as moths or other insects or their larvae, vermin and rodents or your own domestic pets

3.4 Dyeing, renovating or repairing

3.5 Items that are confiscated or detained by a process of law

4. Using or treating items in the wrong way

4.1 We will not pay you for damage because:

4.1.1 tools were used on the insured item in the wrong way

4.1.2 you or any other person made mistakes when installing the insured item

4.1.3 the insured item was not maintained as the manufacturer recommended

4.1.4 the insured item was used for something other than its normal home use

4.1.5 damage is covered in terms of the guarantee or warranty issued by the manufacturers of any insured appliance

5. Damage to articles of a brittle nature

We will not pay for damage to glass, including scratching of lenses or screens

6. Damage to parts of insured items that have short life spans

6.1 We will not pay for damage to parts such as:

6.2 Batteries, bulbs, globes, fuses or pilot lights

6.3 Tapes, ribbons or obsolete spare parts

6.4 Plates inside microwave ovens

6.5 Removable storage devices

6.6 air and water filters

6.7 belts, knobs, accessory cables or remote controls

6.8 screen protectors

7. Damage to computers, notebooks, laptops, palmtops, iPads, tablets and data processing equipment

We will not compensate you for damage to any of these items

8. Damage to electric gate motors and garage door motors

We will not compensate you for damage to any of these items

9. How we compensate you

We will choose one or more of the following ways to compensate you up to the sum insured or limit shown on the schedule:

- paying the cost of the damage
- replacing whatever is damaged
- repairing whatever is damaged

Section 9.

Motor Vehicle

1. Definitions and explanations that are specific to this section

Whilst the following definitions relate to this section specifically they must also be read in conjunction with the general definitions on pages 3 to 4 of this policy

Risk address – means the address where you permanently live and keep the vehicle that we cover

Vehicle – means a South African registered privately owned motor vehicle described on the schedule and categorized below:

- Motor car, mini bus, SUV, station wagon or motorized caravan designed with a capacity to seat no more than 9 people and not having a gross vehicle mass of more than 3,500kg.
- Light delivery vehicle with a gross vehicle mass of not more than 3,500kg (includes double cabs, panel vans, club cabs, 4x2 and 4x4 vehicles)
- Motor cycles, scooters, scramblers, tri-bikes and quad bikes
- Trailer (with a carrying capacity not exceeding 1,000kg) or a caravan designed to be towed by a self-propelled vehicle

Regular Driver – means You and any other person stated in the schedule who drives the vehicle

Private Use – means use of your vehicle for social and domestic purposes, including driving between your house and regular place of work

Business Use – means in addition to **Private Use**, the use of your vehicle for business and professional purposes is included. The use of light delivery vehicles and mini buses is not covered under **Business Use**

2. Events that we cover:

2.1 Comprehensive Cover

If this Cover Type is selected on your schedule we will pay if the vehicle or any part of it is lost, stolen or damaged by accident, fire, self-ignition, lightning or explosion and cover will include costs and expenses for which you become legally responsible to a third party (as defined in Event 2.3 below) if the liability relates to the insured vehicle

2.2 Third Party Fire and Theft Cover

If this Cover Type is selected on your schedule we will pay if the vehicle or any part of it is stolen or is damaged by fire, self-ignition, lightning or explosion and cover will include costs and expenses for which you become legally responsible to a third party (as defined in Event 2.3 below) if the liability relates to the insured vehicle

2.3 Third Party Only Cover

If this Cover Type is selected on your schedule and you have complied with all of the conditions of the policy, we will only pay up to the amount stated as the Indemnity limit on the schedule for amounts that you become legally responsible to pay a third party for:

- Accidental death of or bodily injury to any other person
- Accidental damage to the property of other parties

2.4 We will also compensate you for legal liability to a third party arising out of your use of a vehicle not shown on your schedule.

Damage to the vehicle being used by you will not be covered and the cover will only be valid if, at the time of the accident:

- You were driving the vehicle
- You were not using the vehicle for business, professional or commercial use at the time of the accident
- You did not own the vehicle or you had not purchased the vehicle in terms of any credit agreement
- The vehicles were not hired or leased to you

3. Events and your legal responsibility that we do not cover

3.1 Depreciation, wear and tear, mechanical, electrical or electronic breakdown, failures or breakages and any consequential loss arising from such breakdowns, failures or breakages

3.2 Damage caused to tires by application of brakes

- 3.3** Damage to the engine or suspension, unless some other part of the vehicle is damaged at the same time
- 3.4** Where the vehicle is involved in an accident and it does not meet the roadworthy requirements under any Road Traffic Ordinances of South Africa or similar legislation that applies in the Territories covered by this policy
- 3.5** Damage caused directly or indirectly as a result of modifications to the engine to enhance performance
- 3.6** Loss, damage, injury or liability caused, sustained or incurred while the insured vehicle is used or being driven by you or any other person for racing, competition, driving instruction for reward, hiring and carrying of fare paying passengers
- 3.7** Loss, damage, injury or liability caused, sustained or incurred while the vehicle is used or being driven by any person without a valid driver's or learners license according to the territory that the vehicle is being used in or any person who is in possession of a license which is endorsed or cancelled
- 3.8** Loss, damage, injury or liability incurred whilst the vehicle is being used by you or any other person while under the influence of drugs or alcohol or the drivers blood-alcohol level is over the legal limit
- 3.9** Damage to or loss of any non-standard accessory or spare part that has been attached to the vehicle unless the value has been included in the sum insured and the accessory has been noted on the schedule
- 3.10** Loss, damage, injury or liability caused, sustained or incurred while the vehicle is used or being driven by any person without your knowledge and consent unless you have laid a criminal charge against such a person within 48 hours of the incident and provided that you may not withdraw such a charge
- 3.11** Loss, damage, injury or liability caused, sustained or incurred while the vehicle is used or being driven other than in accordance with the Description of Use stated in the schedule
- 3.12** Death or injury to your employee during the course of their employment with you
- 3.13** Death or injury to any person being carried in a trailer, caravan or the open-load section of a light delivery vehicle or who is a passenger on a motor cycle, scooter, tricycle or quad bike
- 3.14** Death or injury to any member of your household
- 3.15** Claims arising out of contractual liability
- 3.16** Any loss or damage that is covered by any other motor vehicle insurance legislation
- 3.17** Loss, damage or liability caused whilst the vehicle is in custody and control of the motor trade for any purpose other than for the purpose of overhaul, upkeep or repair of the vehicle

4. Types of use we do not cover

- Commercial travelling
- Carrying fare-paying passengers
- Hiring out your vehicle
- Any racing or speeding contest, rally or trial involving driving of any kind including use of 4x4 courses and test circuits, fun day events held on a race track sanctioned by or under the sponsorship of a motoring club

5. Vehicle Security

Your policy schedule will show the type of security device installed or required by us to be installed in your vehicle.

We will not pay if your vehicle is stolen or hijacked and you do not have the security device described in the schedule installed in your vehicle, maintained in working condition and activated when your vehicle is left unattended

6. How we pay

If you have a valid claim and if your vehicle or any part of it is lost, stolen or damaged we will at our option indemnify you by:

- (i) Paying for its repair or replacement, less any excess payable
- (ii) Replacing it with a similar vehicle or pay you the manufacturer's recommended retail price of a new one if it is stolen or written off and it is less than 12 months old with less than 30,000 kilometers on the odometer, less any excess payable
- (iii) If the vehicle is stolen or damaged beyond repair and is more than 12 months old the maximum amount payable by us will be the sum insured stated in the schedule or the reasonable retail value of the vehicle, including factory fitted accessories, as listed in a recognized current motor trade publication, less any excess payable. The vehicles age, condition and odometer reading may affect the value
- (iv) If the vehicle is financed we will pay the finance company first and then the balance, if any, to you. The amount of the loss or damage up to the sum insured for amounts that you become legally responsible to a third party for with our written consent

7. We pay for repaired vehicle to be delivered to you

After repair of your damaged vehicle we will also pay the reasonable cost of delivery to you at your permanent house address as shown on the schedule. If your vehicle is accidentally damaged or stolen and recovered outside of South Africa but within the territory, we will pay the reasonable costs to return it to you in South Africa

8. Automatic Extensions to the cover for your motor vehicle (Applicable only to Comprehensive Cover – Event 2.1 above)

8.1 Towing, storage and protection costs

In the event of an accident involving your vehicle covered on this policy you should immediately contact our roadside assistance helpline on **086 126 5322** to arrange towing, storage and protection of your vehicle.

NB: If you do not make use of this service the total amount that we will pay for towing, storage and protection of your vehicle will be R2,500

8.2 Windscreens

We will pay for damage to window glass of your vehicle covered on this policy less any excess applicable

8.3 Medical Expenses

If you or any passenger in your vehicle covered on this policy sustains an injury as a result of an accident with this vehicle we will pay for medical expenses in connection with the injury up to the amount stated in the schedule provided that the passengers are seated in the vehicles permanently enclosed passenger carrying compartment. This cover is excluded for motor cycles, scooters, scramblers, tri-bikes, quad bikes, caravans and trailers

8.4 Vehicle keys and remote control units

We will pay for the reasonable cost, up to the sum insured stated in the schedule, for loss or damage to keys or remote control units for the vehicles covered on this policy

8.5 Non-factory fitted sound equipment

We will pay for loss or damage to these items up to the sum insured stated in the schedule

8.6 Emergency repairs

We will pay for emergency repairs up to the sum insured stated in the schedule following an insured event that you selected cover for. You will need to provide us with a detailed itemized invoice from the repairer before we will accept this claim

8.7 Emergency accommodation

We will pay for emergency accommodation for you and any passengers in your vehicle up the sum insured stated in the schedule following damages to your vehicle resulting from an insured event that you selected cover for

8.8 Trauma counseling

We will pay for medical expenses that you incur for trauma treatment by a registered professional counselor if you are a victim of a violent act of theft or attempted theft of your vehicle up to the sum insured stated in the schedule. Provided that the treatment costs cannot be recovered from any other source and the act of violence is reported to the police

9. Value added products

We offer the following optional value added products to this policy which are insured by other underwriters and cover will only be operative if you have elected to take the cover in your application and it is noted in the schedule:

- Car hire if your vehicle is lost, stolen or accidentally damaged following a covered event
- Roadside assistance following mechanical or electrical breakdown of your vehicle, including minor assistance such as flat tire, battery or keys locked in your vehicle
- Excess waiver or excess reducer cover

Section 10.

Watercraft Section

1. Definitions and explanations that are specific to this section

Risk address – means the address where you permanently live

Watercraft means the craft, limited to 8 meters in length, shown on the schedule made up of the equipment that would normally be sold with the craft as one unit and includes:

- The hull and superstructure
- Fittings
- Electrical machinery
- Inboard motors – limited to a maximum engine capacity of 250 horsepower per engine but not exceeding 300 horsepower in total if powered by more than one engine
- Safety equipment

Specified accessories – means optional accessories not sold with the craft as one unit that need to be insured separately including but not limited to:

- Outboard motors – specify on the schedule
- Spare tanks – specify on the schedule
- Anchors and special propellers – specify on the schedule
- Watercraft covers – specify on the schedule
- Communication and navigation devices, echo-sounders and fishing equipment – specify on the schedule
- Launching dollies, trolleys and trailers – specify on the Motor schedule – Section 7

2. Use of the **Watercraft**

The watercraft can only be used for social, domestic and pleasure purposes

3. Events that we cover

- 3.1. Damage to the watercraft caused by accident
- 3.2. Theft of the watercraft
- 3.3. Acts of malicious damage to the watercraft – excluding acts committed by you
- 3.4. Damage to the watercraft caused by fire, explosion, lightning, storms and wind
- 3.5. Liability to Third Parties

4. Automatic extensions

In addition to the Events that we cover in 3 above you are also covered for the following up to the limit stated on the schedule:

- 4.1. Reasonable emergency and salvage expenses incurred by you to avoid or minimize loss or damage to the watercraft
- 4.2. If your watercraft is immobilized and cannot be skippered away as a result of an accident, we will pay for it to be towed away to a place of safety. In addition, we will pay for emergency repairs that enable you to continue on your journey after obtaining a detailed quotation first
- 4.3. The benefit for trauma counseling if you are a victim of a violent act of theft, attempted theft, hold-up or hijacking of your watercraft or if you are involved in an accident with your watercraft
- 4.4. The reasonable costs incurred by you to tow and assist other watercraft in distress or to summon emergency assistance. You must supply us with a copy of the official incident report to the relevant authorities

5. Events that we do not cover

- 5.1.** Theft of the watercraft or specified accessories when left unattended unless:
- 5.1.1.** the watercraft and specified accessories are inside the walled or fenced and locked boundaries of the Risk address, a storage facility, a recognized place of repair or dealers' premises for sale
 - 5.1.2.** there is forcible and violent entry into or exit from any of these places at the time of the theft
- 5.2.** Theft of outboard motors and other specified accessories when left unattended unless:
- 5.2.1.** the outboard motors are securely locked to the watercraft by a security device in addition to its normal methods of attachment to the watercraft
 - 5.2.2.** there is forcible and violent entry into or exit from the Risk address, a storage facility, a recognized place of repair or dealers' premises for sale
- 5.3.** Loss or damage to the watercraft whilst:
- 5.3.1.** let out on hire or charter
 - 5.3.2.** being towed on water unless:
 - when in need of assistance
 - for customary towage in connection with laying up, fitting out or repair
 - towing or salvaging another watercraft other than one in distress
 - towing or salvaging another watercraft (whether in distress or not) under a contract arranged prior to commencing towing or salvaging
 - participating in mechanized racing or speed tests or any trials in connection therewith
 - left moored or anchored unattended off an exposed beach or shore and it becomes stranded, sunk, swamped or breaks adrift
 - the watercraft is in the custody or control of any person who is not a licensed operator in terms of the Merchant Shipping and National Small Vessels Safety Regulations
- 5.4.** Loss or damage to the watercraft due to:
- 5.4.1.** lack of due diligence or precaution on your part
 - 5.4.2.** corrosion
 - 5.4.3.** mechanical or electrical breakdown of machinery, engines, motors, batteries and their connections (other than the shaft and propeller) unless caused by:
 - accidental incursion of water into the hull
 - the watercraft being stranded, sunk, burnt, on fire, in collision or in contact with any external substance including ice other than water
 - accidents occurring whilst the machinery, engines, motors, batteries and their connections are being removed from or to or replaced in the watercraft or a place of storage
 - malicious acts
 - fire or accidental damage whilst in store
 - the intake of foreign matter into the cooling system of the machinery, engine or motors
 - fire or explosion to the watercraft fitted with inboard machinery unless the watercraft is equipped in the engine room or engine space, tank space and galley with an automatic fire extinguishing system or one having controls at the steering position. It is warranted that any such fire extinguishing system must be professionally installed and maintained in efficient and working order
- 5.5.** Loss or damage to:
- 5.5.1.** sails or protective coverings being split by the wind or blown away whilst set unless in consequence of damage to spares to which the sails are bent or occasioned by the watercraft being stranded, sunk, burnt, on fire, in collision or in contact with any external substance including ice other than water
 - 5.5.2.** any part condemned solely because of a fault in design or construction
 - 5.5.3.** any defect resulting from either negligence or breach of contract in respect of any repair or alteration work
 - 5.5.4.** personal effects, consumable stores, fishing gear, life jackets, navigational charts and first aid kits

6. Liability to Third Parties

6.1. Events and items we cover

We will indemnify you or any person using the watercraft with your permission or any water-skier being towed by the watercraft against all sums, including claimant's costs and expenses, which you shall become legally liable to pay in respect of the events that we cover below:

- 6.1.1. Accidental death or bodily injury of any person
- 6.1.2. Accidental loss of or damage to property
- 6.1.3. The cost of any actual or attempted raising, removal or destruction of the wreck of the watercraft or the costs for any neglect or failure to do so
- 6.1.4. Official enquiries and coroners' requests

6.2. Events and items we do not cover

- 6.2.1. Death or bodily injury to you, any member of your family or any paying passengers
- 6.2.2. Death or bodily injury to any employee in the course of their employment with you
- 6.2.3. Loss or damage to property belonging to you, your family or your employees
- 6.2.4. Loss or damage to property in your custody or control
- 6.2.5. Death or bodily injury to any passenger being carried in or getting onto or off a watercraft that is not intended or constructed to carry passengers
- 6.2.6. Death or bodily injury to any person who is water-skiing, aquaplaning or any similar activity whilst being towed, preparing to be towed, or after being towed by the watercraft
- 6.2.7. Loss or damage arising out of your reckless disregard of the possible consequences of your acts or failure to act

6.3. Special conditions

6.3.1. Use while under the influence of alcohol

We do not pay for loss, damage or legal responsibility to third parties while the watercraft is being navigated by or under the charge of you or any other person whilst under the influence of alcohol or drugs or while the concentration of alcohol in your blood or breath exceeds the statutory limit

6.3.2. Use while outside the cruising range

We do not pay for loss, damage or legal responsibility to third parties while the watercraft is not cruising within the inland waters of South Africa (including Durban harbor and Knysna Lagoon), Namibia, Botswana, Zimbabwe, Mozambique, Swaziland and Lesotho and the coastal waters of South Africa, Namibia and Mozambique for day sailing up to a maximum of 40 kilometers from the coastline

6.3.3. Collision with submerged objects

We do not pay for loss or damage to the watercrafts rudder, propeller, strut, shaft, electrical machinery, engines or motors caused by collision with a submerged object unless the cover has been previously agreed to and it is noted on the schedule

7. Care of the watercraft

You and all users of the watercraft must agree to:

- 7.1. take all reasonable steps to maintain the watercraft, outboard motors and other items we cover in a proper state of repair and seaworthiness
- 7.2. exercise all care and diligence in crewing the watercraft
- 7.3. exercise all reasonable steps to minimize loss or damage if motors are submerged in water
- 7.4. use at least two motors in workable and readily usable condition when launching the watercraft through the surf
- 7.5. at inception of the policy arrange at your own expense to get a certificate of fitness for the watercraft which is to be conducted whilst it is out of the water
- 7.6. the watercraft must be conveyed on a properly designed and constructed trailer whilst in transit by land and the trailer must be insured on the motor vehicle section of this policy

8. Other people using your watercraft

- 8.1.** If someone else is piloting your watercraft with your permission, you must ensure that they:
- 8.2.** have never, to your knowledge, been refused insurance
- 8.3.** are not entitled to compensation under any other policy
- 8.4.** are not piloting the watercraft as an employee of a shipyard, slipway, yacht club or similar organization
- 8.5.** comply with all the terms and conditions of this policy

9. How we pay

If you have a valid claim and if your watercraft or any part of it is lost, stolen or damaged we will at our option indemnify you by:

- 9.1.** Paying for its repair or replacement, less any excess payable
- 9.2.** If the watercraft is stolen or damaged beyond repair the maximum amount payable by us will be the sum insured stated in the schedule or the reasonable market value of the watercraft, including factory fitted accessories, less any excess payable.
- 9.3.** If the watercraft is financed we will pay the finance company first and then the balance, if any, to you
- 9.4.** The amount of the loss or damage up to the sum insured for amounts that you become legally responsible to a third party for with our written consent

Section 11.

Personal Legal Liability

1. Definitions and explanations that are specific to this section

Whilst the following definitions relate to this section specifically they must also be read in conjunction with the general definitions on pages 3 to 4 of this policy

Property - means any property that can be seen and touched. It specifically excludes intellectual property

Territory - means anywhere in the Republic of South Africa, Namibia, Lesotho, Swaziland, Mozambique, Zimbabwe, Botswana and Malawi

House - means the address of buildings shown on the schedule for the BUILDINGS and HOUSE CONTENTS sections of this policy

You or Your in this section only - means the people named on the schedule and include your spouse, immediate family who live with you and the dependents that you are legally responsible for

Occurrence - means one incident or series of incidents arising out of one event

2. Events that we cover

We will pay any amounts that you become legally liable to pay as damages consequent upon the following events that might occur during the period of cover:

- 2.1. Accidental death, injury, sickness or disease or death sustained by a person resulting from such injury, sickness or disease including mental injury, mental anguish and shock
- 2.2. Accidental physical damage to, loss of use or destruction of tangible property

3. Events that we do not cover

These exclusions are in addition to 7. *General events and items not covered on pages 8 to 10* of this policy

We do not pay any liability claim for:

- (i) your death, bodily injury or illness
- (ii) your employees other than your domestic workers in the course of their employment with you
- (iii) your trustees, beneficiaries, directors, members of their families who live with them (if you are a trust or close corporation)
- (iv) loss of or damage to property owned by or under the control of people mentioned in 3.1, 3.2 and 3.3 above
- (v) loss of or damage to your property or property in your custody or control
- (vi) loss of or damage to your employee's property while the property is at your home
- (vii) death, bodily injury or illness arising directly or indirectly from any animals other than your pet dogs and pet cats
- (viii) responsibility arising out of your ownership, possession or occupation of buildings or land other than buildings that are covered under this policy
- (ix) responsibility arising directly or indirectly from the ownership, possession, control or use of any vehicle, watercraft or aircraft other than surfboards, paddle skis, models of vehicles, watercraft or aircraft
- (x) accidental loss or damage to moveable or immovable property you or another person in your employment borrows, rents, owns, keep in trust or has control or custody of
- (xi) responsibility arising directly or indirectly out of the purchase, sale, barter or exchange of property or your failure to comply with any obligations in relation to the transaction
- (xii) responsibility arising out of seepage, pollution or contamination of any type
- (xiii) the cost of cleaning, removing, reversing the effect of damage or reinstating property lost or damaged by seepage, pollution or contamination
- (xiv) the cost of or relating to any judgment, award, payment or settlement made in the United States of America or Canada or any country that operates under the laws of those countries, even if the cost is formally approved by a court in another country, unless the judgment, award, payment or settlement is enforced in a competent court in South Africa
- (xv) any punitive damages or any fines, penalties or exemplary damages anywhere in the world, including South Africa
- (xvi) loss or damage to property that is also covered under any other insurance policy
- (xvii) responsibility arising out of your dishonest, fraudulent or malicious act of physical assault or the crime of seduction

(xviii) loss or damage arising out of your reckless disregard of the possible consequences of your acts or failures to act

4. Automatic extensions to your personal legal responsibility cover

4.1. Contracts with security companies

We pay for the costs that you are legally responsible for arising out of a written contract with any registered security company or armed response services to protect your property. The event must have taken place at the house you live in (as shown in the Buildings or House Contents Sections of the schedule attached to this policy) or be as a result of an incident that started at the home. The security contract must be dated before the events that result in a claim against you

4.2. Wrongful arrest

We pay for the costs you are legally responsible for if you wrongfully arrest someone when you perform your duties as a member of a neighborhood watch group or of a similar voluntary non-profit organization. This includes the costs you are legally responsible for from an assault during the arrest or search linked to the arrest. We will only pay if the wrongful arrest takes place during the period of cover.

4.3. Homeowners liability

We pay for the costs of the damages that you as the owner of your home located at the address noted in the policy schedule – Personal Home Buildings Section - become legally responsible to pay for any:

- a. Accidental death, bodily injury or illness of another person during the period of cover
- b. Accidental loss of or damage to property that belongs to another person during the period of cover
- c. We do not pay for legal responsibility (liability) arising out of or related to your business or occupation activities

4.4. Tenants liability

We pay for the costs of the damages that you as the tenant of the home located at the address noted in the policy schedule – Personal Home Contents Section – become legally responsible to pay the owner of the building for any damages to the building due to:

- a) Accidental damage to the building or outbuildings caused by an insured event specified in the Personal Home Contents Section
- b) Accidental damage to fixed sanitary ware or fixed glass
- c) Accidental damage to water, gas, sewerage, electricity, or telephone connections to the dwellings or outbuildings

4.5. Domestic employees' liability

We pay for the costs that you are legally responsible for due to:

- a) Accidental death or bodily injury to your domestic employee when they are employed by you

We do not pay if it is linked to any criminal action against you out of an alleged contravention of the Occupational Health and Safety Act No 85 of 1993

5. How we pay

We pay up to the Sum Insured shown on the schedule. The Sum Insured includes all costs and expenses:

- 5.1.** That you are legally responsible for and have incurred with our written consent
- 5.2.** That you are legally responsible to pay as legal costs of the other person
- 5.3.** That can be recovered from you for any one event or series of events resulting from the same event. This means that if there are multiple claimants we will not pay more than the Sum Insured shown on the schedule for all claims combined

Section 12.

Extended Personal Legal Liability

Special Conditions relating to the Liability Plus cover issued in conjunction with this Primary Policy underwritten by Renasa Insurance Company Limited

The Insured Events, Specific Exclusions, General Conditions and General Provisions noted below and those included in this Liability Plus cover are in addition to and are to be read in conjunction with the Definitions and Guidelines for Interpretation on Pages 3 to 4 and the General Terms, Conditions and Exceptions on Pages 5 to 10 of this policy document as well as the Definitions and Explanations, Events Covered, Events Not Covered and Automatic Extensions of this Section

Liability Plus Limits

(Awaiting the Xenturion wording to follow)

Your Farming Cover

Section 13.

Material Damage

1. Insured events:

We will indemnify you against loss or damage to the whole or part of the property insured, defined below, owned by you or for which you are responsible, including alterations made by you as a tenant to the buildings and structures by:

- 1.1.** Fire
- 1.2.** Lightning or thunderbolt
- 1.3.** Explosion or volcanic eruption
- 1.4.** Earthquake
- 1.5.** Storm, wind, water, hail, snow excluding damage to property:
 - 1.5.1.** arising from its undergoing any process necessarily involving the use or application of water.
 - 1.5.2.** caused by tidal wave originating from earthquake or volcanic eruption.
 - 1.5.3.** in the underground workings of any mine (unless specifically insured)
 - 1.5.4.** in the open (unless designed to exist or operate in the open and specifically insured)
 - 1.5.5.** in any structure not completely roofed (unless specifically insured)
 - 1.5.6.** being retaining walls (unless specifically insured)
- 1.6.** Impact by vehicles, tractors, harvesters, trailers, agricultural implements, locomotives, aircraft and other aerial devices or articles dropped therefrom
- 1.7.** Damage by animals, falling trees, aerials or satellite dishes excluding damage to such animals, falling trees, aerials or satellite dishes
- 1.8.** Damage caused by discharge or leakage from any sprinkler, drencher system or fire extinguishing installation or appliance

2. Definitions:

Risk Address means the address shown on the schedule under **Material Damage Section**

Property Insured means:

- 1) Buildings consisting of Production units, Storage units, Grain silos, Slaughter houses, Cold rooms, Pump houses, Workshops, Tool sheds, Farm schools, Farm shops and Farm-workers living quarters at the Risk address and noted on the site plan of the farm to be lodged with us, to form part of this insurance contract, at inception of this policy and updated every anniversary.
- 2) Plant and equipment in the Buildings described in 1. above and noted on the site plan of the farm to be lodged with us, to form part of this insurance contract, at inception of this policy and updated every anniversary.
- 3) Stock and Materials in Trade in the Buildings described in 1. above and noted on the site plan of the farm to be lodged with us, to form part of this insurance contract, at inception of this policy and updated every anniversary.
- 4) Office equipment in the buildings described in 1. above and noted on the site plan of the farm to be lodged with us, to form part of this insurance contract, at inception of this policy and updated every anniversary. (excluding electronic data processing equipment which must be specified on the Electronic Equipment Section)
- 5) Animal feed:
 - a. In the open
 - b. In buildings
 - c. Irrigation systems
 - d. Windmills
 - e. Hammer mills and feeders
 - f. Fuel Storage tanks and Contents
 - g. Green houses and tunnels
 - h. Pallets and Drying racks
 - i. Miscellaneous as described on the schedule

Wall Construction:

- a) If described as Standard Construction it means built of brick, stone or concrete
- b) If described as Non Standard Construction it means built of materials other than brick, stone or concrete or is open sided.

Roof Construction: will be described as slate, tile, concrete, asbestos, metal or thatch.

3. Specific exceptions

3.1. Unless specifically included, this insurance does not cover:

- a) Damage to property occasioned by its undergoing any heating or drying process.
- b) 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.

4. Specific condition

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 sum insured thereon, then you shall be considered as being your own insurer for the difference and shall bear a ratable share of the loss accordingly. Every item, if more than one, shall be separately subject to this condition.

5. Optional Clauses and Extensions

5.1. Subsidence and landslip – extended cover – (if stated in the schedule to be included)

We will pay you for loss of or damage to the property insured caused by subsidence or landslip or both up to the Sum insured stated on your schedule. However, you are not covered if this is caused by:

- normal settlement, shrinkage or expansion of the building
- structural alterations, additions or repair
- the compaction of infill
- defective or faulty design, materials or workmanship
- excavations other than mining operations
- removal or weakening of support the building

In addition, the we will not be liable for:

- loss or damage too septic and conservancy tanks or drains and water courses unless the building is damaged at the same time by the same insured event.
- any damage that existed before your policy started
- if required, you will have to prove that the loss or damage being claimed for was caused by subsidence or landslip

Subsidence means sinking – it is the vertical, downward movement of soil. It includes settlement, which is a lateral movement.

Landslip means the sliding down of a mass of land. It is, in effect, a small landslide and it typically occurs on a slope.

5.2. Malicious damage extension (if stated in the schedule to be included)

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

- 1) Moveable property which is
 - a) Stolen
 - b) Damaged in an attempt to remove it or part of it from any premises owned or occupied by yourself.
- 2) Moveable or immovable property which is damaged by thieves whilst breaking into or out of or attempting to break into or out of any premises owned or occupied by yourself.
- 3) Immoveable property owned or occupied by yourself occasioned by or through or in consequence of:
 - a) The removal or partial removal or any attempt thereof;
 - b) The demolition or partial demolition or any attempt thereof; the said immovable property or any part thereof with the intention of stealing any part thereof

5.3. Provided that this extension does not cover:

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

If we allege that, by reason of proviso (i), (ii), (iii), (iv) or (v), loss or damage is not covered by this section, the burden of proving the contrary shall rest with you.

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

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

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

- 1) Civil commotion, labor 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:

- a) Loss or damage occurring in the Republic of South Africa or Namibia.
- b) Consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured.
- c) Loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation.
- d) Loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority.
- e) Loss or damage related to or caused by any occurrence referred to in General exception 1(a) (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 we allege that, by reason of provisions (a), (b), (c), (d) or (e), loss or damage is not covered by this section, the burden of proving the contrary shall rest on you.

5.5. Stock declaration conditions (if stated in the schedule to be included)

In respect of stock and materials in trade insured under this section being subject to the stock declaration conditions, the premium is calculated on 75 percent of the sum or sums insured thereon, subject to the following specific conditions:

1. a) You shall declare to us in writing the market value of your 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 you shall be deemed to have declared the sum insured on such property as the market value thereof.
2. b) After each period of insurance, the premium shall be calculated on the average sum insured, 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 provisional premium, the difference shall be payable by or to you as the case may be, but the amount payable by us shall not exceed 50 percent of the provisional premium.
3. Any claim hereunder shall be settled on the basis of the market value immediately anterior to the damage.
4. 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 you 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 sum insured, 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.
5. In consideration of the insurance not being reduced by the amount of any loss, you 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.
6. Our liability shall not exceed the sum insured and premium shall not be receivable on values in excess thereof.

The above specific conditions shall apply separately to each item of the specification to which these stock declaration conditions apply

5.6. Escalator clause extension (if stated in the schedule to be included)

During each period of insurance, the sum(s) insured under columns 1 and/or 3 of this section shall be increased by that portion of the percentage specified in the schedule which the number of days since the commencement of such period bears to the whole of such period. Unless agreed otherwise, these provisions shall only apply to the sum(s) insured in

force at the commencement of the period of insurance. At each renewal date, you shall notify us of the sum(s) to be insured for the forthcoming period of insurance and the percentage increase required for such period. In default thereof, the provisions of this clause shall cease to apply. The additional premium for this extension shall be 50 percent of the premium produced by applying the percentage specified to the annual premium for the sum insured to which this extension applies.

5.7. Disposal of salvage clause (if stated in the schedule to be included)

Without diminishing our rights to rely on the provisions of the general conditions in the event of a loss, we agree that we will not sell or otherwise dispose of any property which is the subject of a claim hereunder without your consent provided that you can establish to our satisfaction that to do so will prejudice their interests in which event we agree to give you first option to repurchase such property at its fair intrinsic value or market value whichever is the lesser.

6. Automatic Clauses and extensions:

6.1. Rent

We will pay the reasonable 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 term specified therein in consequence of damage by a defined event.

- Rent receivable – the actual rent receivable by you 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 you 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 aforesaid term, we 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.

7. Subsidence and landslip – limited cover

We will pay for loss of or damage to the property insured caused by subsidence or landslip or both up to the Sum insured stated on your schedule. However, you are not covered if this is caused by:

- normal settlement, shrinkage or expansion of the building
- structural alterations, additions or repairs
- the compaction of infill
- defective or faulty design, materials or workmanship
- excavations other than mining operations
- removal or weakening of support
- contraction or expansion of soil, clay or similar types of soil
- moisture or damp

In addition, we are not liable for:

- loss or damage to swimming pools and surrounds, tennis courts, terraces, patios, paths, driveways, septic or conservancy
- tanks, drains, water courses, walls, gates, posts and fences, retaining and screening walls unless the building is damaged at the same time by the same event
- loss or damage to solid floor slabs or any part of the building resulting from the movement of the slabs, unless the foundation supporting the external walls are damaged by the same cause at the same time
- Any damage that existed before your cover started
- work necessary to prevent further loss or damage from subsidence and landslip, except where appropriate design precautions were implemented during the original construction of the building or any subsequent additions to it.

If required, you will have to prove that the loss or damage being claimed for was caused by subsidence or landslip.

Subsidence means sinking – it is the vertical, downward movement of soil. It includes settlement, which is a lateral movement.

Landslip means the sliding down of a mass of land. It is, in effect, a small landslide and it typically occurs on a slope.

8. Designation of property clause

For the purpose of determining where necessary any property is insured, we agree to accept the designation under which such property has been entered into your books.

9. Alterations and misdescription clause

The insurance under this section shall not be prejudiced by any alteration or misdescription of occupancy whether due to the transfer of process 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 us as soon as practicable after such event and you agree to pay additional premium if required.

10. Architects and other professional fees clause

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

11. Capital additions clause

The insurance under this section covers alterations, additions and improvements (but not appreciation in value in excess of the sum(s) insured) to the property other than stock and materials in trade for an amount not exceeding 15 percent of the sum insured thereon, it being understood that you undertake to inform us each quarter of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

12. Cost of demolition and clearing and erection of hoardings clause

The insurance under this section includes costs necessarily incurred by you 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 a defined event, provided that the total amount recoverable shall not exceed the sum insured on the property affected.

We will 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.

13. Fire extinguishing charges clause

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

14. Mortgagee clause

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 us 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 us.

15. Public authorities' requirements clause

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:

- 15.1. The amount recoverable under this clause shall not include:
 - 15.1.1. The cost incurred in complying with any of the aforesaid regulations
- 15.2. In respect of damage occurring prior to granting of this clause.
- 15.3. In respect of damage not insured under this section.
- 15.4. Under which notice has been served upon you prior to the happening of the damage.
- 15.5. In respect of undamaged portions of property other than foundations (unless foundations are specifically excluded from this insurance) of that portion damaged.
- 15.6. 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.
- 15.7. 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.
- 15.8. The work of repairing or rebuilding must be commenced and carried out with reasonable dispatch and may be carried out wholly or partially upon another site (if the aforesaid regulations so necessitate) subject to our liability under this clause not being thereby increased.
- 15.9. If our liability under any item of this section, apart from this clause, shall be reduced by the application of any of the terms, exceptions and conditions of this section, then our liability under this clause in respect of any such item shall be reduced in like proportion.
- 15.10. The total amount recoverable under any item of this section shall not exceed the sum insured thereby.

16. Railway and other subrogation clause

You 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.

17. Reinstatement value conditions clause

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 property of the same kind or type but not superior to nor more extensive than the insured property when new provided that:

- 17.1. The work of replacement or reinstatement (which may be carried out upon another site and in any manner suitable to your requirements subject to the liability of the company not being thereby increased) must be commenced and carried out with reasonable dispatch, otherwise no payment, beyond the amount which would have been payable if these reinstatement value conditions had not been incorporated herein, shall be made.
- 17.2. Until expenditure has been incurred by you in replacing or reinstating the property, we 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.
- 17.3. If, at the time of replacement or reinstatement, the sum representing the cost which would have been incurred in replacement or reinstatement if the whole of the insured property had been damaged, exceeds the sum insured thereon at the commencement of any damage to such property by a defined event, then you shall be considered as being your own insurer for the excess and shall bear a ratable 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.
- 17.4. These conditions shall be without force or effect if:
 - 17.4.1. You fail to intimate to us within six months of the date of damage or such further time as the insurer may in writing allow, your intention to replace or reinstate the property.
 - 17.4.2. You are unwilling to replace or reinstate the property on the same or another site.

18. Alternative replacement conditions (design capacity) clause

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 we 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:

- a) Proviso 1,2,3 and 4 of the reinstatement value conditions apply equally to this clause.
- b) 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 reinstatement of value conditions clause, had it been possible to reinstate or replace the property in terms thereof.

19. Temporary removal clause

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, Mozambique, Zambia, Zimbabwe and Malawi provided that:

- 1) Unless such temporary removal is for the purpose of cleaning, renovation, repair or similar process, the liability of the insurer shall not exceed 15 percent of the sum insured applicable to any item.
- 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.

20. Tenants clause

Our liability to you shall not be affected by any act or omission on the part of any owner of a building or any tenant (other than you) without your knowledge. You shall, however, inform us as soon as such act or omission which is in contravention of any of the terms, exceptions or conditions of this section comes to your knowledge and you will be responsible for any additional premium payable from the date any increased hazard shall be assumed by us.

21. Public supply connections clause

This section is extended to cover accidental damage to water, sewerage, gas, electricity and telecommunication connections, the property of yourself or for which you are legally responsible between the property insured and the public supply or mains.

22. Locks and keys clause

We will indemnify you in respect of the cost of replacing locks and keys to any building following upon the disappearance of any key to such premises or following upon you having reason to believe that any unauthorized person may be in possession of a duplicate of such key up to the limit of indemnity stated in the schedule.

Section 14

Business Interruption

1. Defined events

We will indemnify you for loss following interruption of or interference with the business in consequence of damage occurring during the period of insurance at the premises insured in respect of which payment has been made or liability admitted under the **Material Damage** section of this policy in respect of the **Insured Events** (termed Damage from here).

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

2. Specific conditions

2.1. 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 our written agreement.

2.2. On the happening of any Damage in consequence of which a claim may be made under this section, you 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 minimize 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 we may in writing allow, at your own expense deliver us in writing a statement setting out particulars of your claim together with details of all other insurance covering the loss or any part of it or consequential loss of any kind resulting from the damage. 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 us immediately.

3. Item 1 – Gross profit (difference basis)

The insurance under this item is limited to loss of gross profit due to:

3.1. Reduction in turnover and

3.2. Increase in cost of working,

And the amount payable as indemnity shall be:

3.3. In respect of reduction in turnover – the sum produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period shall, in consequence of the Damage, fall short of the standard turnover;

3.4. In respect of increase in cost of working – the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which, but for that expenditure, would have taken place during the indemnity period in consequence of the Damage, but not exceeding the sum produced by applying the rate of gross profit to the amount of the reduction avoided as a result;

Less any amount saved during the indemnity period in respect of any of the charges and expenses of the business that are payable out of gross profit which may cease or be reduced as a result of the damage, provided that the amount payable shall be proportionately reduced if the sum insured in respect of gross profit is less than the sum produced by applying the rate of gross profit to the annual turnover where the maximum indemnity period is 12 months or less, or the appropriate of the multiple of the annual turnover where the maximum indemnity period exceeds 12 months.

4. Item2 – Revenue

The insurance under this item is limited to:

4.1. Loss of revenue and

4.2. Increase in cost of working

And the amount payable as indemnity shall be:

4.3. In respect of loss of revenue, the amount by which the revenue during the indemnity period shall, in consequence of the Damage, fall short of the standard revenue;

4.4. In respect of increase in cost of working the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of revenue which, but for that expenditure, would have taken place during the indemnity period in consequence of the Damage, but not exceeding the amount of loss of revenue thereby avoided less any sum saved during the indemnity period in respect of such of the charges and expenses of the business payable out of revenue as may cease or be reduced in consequence of the Damage, provided that the amount payable shall be proportionately reduced if the sum insured in respect of revenue is less than the annual revenue where the maximum indemnity period is 12 months or less, or the appropriate multiple of the annual revenue where the maximum indemnity period exceeds 12 months.

5. Item 3 – Additional increase in cost of working

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.

6. Item 4 – Wages (Number of weeks' basis)

The insurance under this item is limited to the loss incurred by you 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.

The amount payable as indemnity under this item will be the actual amount which you shall pay as wages for such period to employees whose services cannot, in consequence of the Damage, be utilized by you at all and in an equitable part of the wages paid for such period to employees whose services cannot, in consequence of the Damage, be utilized by you to the full provided that if the sum insured by this item is less than the aggregate amount of 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.

7. Item 5 – Fines and penalties for breach of contract

The insurance under this item is limited to fines or penalties for breach of contract and the amount payable as indemnity shall be the amount that you shall become 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.

8. Definitions

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

Turnover – the money paid or payable to you for goods sold and delivered and for services rendered in the course of the business at the premises.

Revenue – The money paid or payable to you for goods sold and for services rendered in the course of the business at the premises.

Gross Rentals – The money paid or payable to you by tenants in respect of rental of the premises and for services rendered.

Gross profit (difference basis) – 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 your normal accountancy, due provision being made for depreciation.

Uninsured costs – as specified in the schedule (the words and expressions used shall have the meaning usually attached to them in your books and accounts)

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.

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

Insured standing charges – as specified in the schedule (the words and expressions used shall have the meaning usually given them in your books of account)

Standard turnover - to which such adjustments shall be made as may be necessary to provide

Standard revenue - for the trend of the business and for variations or other circumstances

Standard gross rentals – the turnover (revenue) affecting the business either before or after the Damage or which would (gross rentals) during that period in the twelve have affected the business had the Damage not occurred, so that the months immediately before the Damage which figures thus adjusted shall represent as nearly as my reasonably corresponds with the indemnity period practicable the results which, but for the Damage, would have been obtained during the relative period after the Damage

Annual turnover

Annual revenue:

If the Damage occurs before the completion of the first years trading

Annual gross rentals - The turnover (revenue) of the business at the premises, the value of bracketed terms shall (gross rentals) during the twelve months shall be calculated by using values proportionate to the results immediately before the date of the Damage obtained during the period between the commencement of the business and the date of the Damage.

Rate of gross profit - The rate of gross profit earned on the turnover during the financial year immediately before the date of the Damage

Memorandum - 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 you or by others on your 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

9. Optional extensions and clauses

Extensions to other premises

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

9.1. Specified suppliers/sub-contractors (if stated in the schedule to be included)

The premises of the suppliers and sub-contractors specified in the schedule subject to stated limits.

9.2. Specified customers (if stated in the schedule to be included)

The premises of the customers specified in the schedule subject to the stated limits.

9.3. Prevention of access – extended cover (if stated in the schedule to be included)

If property within a 10 km radius of the premises is destroyed or damaged and this shall hinder the use of your premises or deny access to it whether your premises are damaged or not.

9.4. Public telecommunications – insured perils only (if stated in the schedule to be included)

- a) Property at the premises of any public authority which is empowered by law to supply a telecommunications facility to you;
- b) The transmission facilities network of the public authority mentioned in (a).

9.5. Public telecommunications – 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 the failure of the public telecommunication facilities to your premises 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:

- (i) Drought
- (ii) A fault on any part of your premises.
- (iii) A decision by any authority to legally withhold the telecommunication facility from you unless such a decision is directly attributable to Damage to property of such authority.
- (iv) Any event described in general exception 1 and 2 but cover provided under the malicious damage extension in the underlying policy is not excluded.

If the failure of the facility is due to its mechanical or electrical or electronic breakdown, there shall be no liability under this extension unless the interruption or interference with your business extends beyond 24 hours.

9.6. 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 your premises shall be deemed to have resulted from Damage (as defined herein) provided that this section does not cover loss resulting from damage directly or indirectly caused by:

- (i) Pollution of water & Drought
- (ii) Shortage of fuel or water.
- (iii) A fault on any part of the installation belonging to the premises.
- (iv) 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 attributable to Damage to property of such authority.
- (v) Any event described in General exception 1 and 2, but cover provided by the malicious damage extension in the underlying material damage section of this policy is not excluded.
- (vi) In respect of interruption of or interference with the business arising from mechanical or electrical or electronic breakdown.

(vii) 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.

9.7. Public utilities – insured perils only (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 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 your premises.

9.8. The geographical limits of

Items 1,2, 3, 4 and 5 of the optional extensions to other premises and the extended covers for public telecommunications and public utilities are confined to the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi.

Items 6 and 7 of the extensions to other premises are confined to the Republic of South Africa and Namibia.

10. Automatic extensions and clauses

10.1. Accountants clause

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

10.2. 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.

10.3. Departmental clause

If the business is conducted in departments or branches, the independent trading results of which are ascertainable, the provisions under items 1 (gross profit), 2 (gross rentals) or 3 (revenue) 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 sum insured 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) 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 twelve), the amount payable shall be proportionately reduced.

10.4. Deposit premium clause

In consideration of the premium by items 1,2 or 3 being provisional in that it is calculated on 75 percent of the sum insured, the premium is subject to adjustment on expiry of each period of insurance as follows:

- a) In the event of the gross profit/gross rentals/revenue earned (proportionately increased if the number of months referred to in the definition of indemnity period exceeds twelve) during the financial year most nearly concurrent with any period of insurance being less or greater than 75 percent of the sum insured thereon, a pro rata returns or additional premium not exceeding 33.3 percent of the provisional premium paid for such period of insurance will be made in respect of the difference.
- b) In the event of a claim being made under this section, the amount paid or payable thereon shall be regarded as actually earned.

10.5. Output (alternative basis) clause

At your option, 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 your books, of goods manufactured or processed by you 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 is used:
 - a) The accumulated stocks clause shall be inoperative.
 - b) The memorandum at the end of 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 you or by others on your behalf, the sale or transfer of such goods shall be brought into account in arriving at the output during the indemnity period.

10.6. Salvage sale clause

If you hold a salvage sale during the indemnity period clause 1 of item 1 (gross profit) shall, for the purposes of such claim, read as follows:

10.6.1. In respect of reduction in turnover – the sum produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period (less the turnover for the period of the salvage sale) 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.

10.7. Storage, transit and vehicle

Property of yours whilst stored or whilst in transit by air road, rail or inland waterway or being motor vehicles of yours elsewhere than at the premises occupied by you.

10.8. Contract sites

Any situation not occupied by you where you are carrying out a contract

10.9. Prevention of access

If property within a 10 km radius of your insured premises is destroyed or damaged and this shall hinder the use of your premises or deny access to it whether your premises are damaged or not

10.10. Additional premises

In the event of you occupying or having property at any newly added premises 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 insurer as soon as reasonably practicable and to adjustment of the premium if necessary.

Section 15

Book Debts

1. Defined events

We will indemnify you against loss or damage as a result of an accident or misfortune (termed Damage from here) to your books of account or other business books or records at the premises stated in the schedule or at the residence of any director, partner or employee of the company or the premises of your accountants, which results in you being unable to trace or establish the outstanding balances in whole or part due to you.

Provided that our liability shall not exceed the sum insured stated in the schedule and that the basis of indemnity will be as set out in the specification which forms part of this section.

If, because of imminent danger of their destruction, such books of account or other books or records are removed to a place of safety, this insurance shall apply if such goods are destroyed, damaged or lost during removal or while relocated or being returned to the premises, provided you notify us in writing of the removal within 30 days.

We will also pay all reasonable collection costs and expenses incurred by you in excess of normal collection costs and expenses made necessary because of the damage.

2. Specific exceptions

We will not pay for

- 2.1.** Loss resulting from loss or damage to the books of account or other business books or records caused by:
 - a) Wear and tear or gradual deterioration or moths or vermin.
 - b) Detention, seizure or confiscation by any lawfully constituted authority.
 - c) Electrical or electronic or magnetic injury, disturbances or erasure unless you maintain the duplicate records referred to in the duplicate records clause of this section, in which case you will be responsible for the first R500 of each and every loss.
- 2.2.** Loss caused by fraud or dishonesty of any principal, director, partner or employee of yours.

3. Specification

The insurance under this section is limited to the loss sustained by you in respect of outstanding debt balances directly due to the damage and the amount payable shall not exceed:

- 3.1.** The difference between
 - a) The outstanding debt balances and
 - b) The total of the amounts received or tracedPlus:
- 3.2.** The additional expenditure incurred in tracing and establishing customers debit balances after the damage provided that, if the sum insured under this item is less than the outstanding debt balances, the amount payable shall be proportionately reduced.

4. Definitions

Outstanding debt balances

The total declared in the statement last given under the provisions of the following memorandum 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 the said 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.

5. Clauses and memoranda:

5.1. Declarations

You shall, within 60 days of the end of each month or other agreed period, deposit with us signed statements showing the total amount outstanding in customers' accounts as set out in your accounts as at the end of the said month.

5.2. Adjustment

In consideration of the premium under this section being provisional in that it is calculated on 75 percent of the sum insured, the premium will be adjusted as follows:

On the expiry of each period of insurance, the actual premium shall be calculated at the rate percent per annum on the average amount insured, i.e. the total of the sums declared divided by the number of declarations. If the actual premium is greater than the provisional premium, you will have to pay the difference us. If it is less, we will pay the difference to you, but the repayment shall not exceed 33.3 percent of the provisional premium paid.

If the amount of a declaration exceeds the sum insured applicable at the date of such declaration, then for the purposes of this memorandum only, you shall be deemed to have declared the sum insured.

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

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

- 1) Civil commotion, labor 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;
- 3) Provided that this extension does not cover:
- 4) Loss or damage occurring in the Republic of South Africa and Namibia.
- 5) Consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured.
- 6) Loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation.
- 7) Loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority.
- 8) Loss or damage related to or caused by any occurrence referred to in General exception 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.
- 9) If we allege 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 with you.

5.4. Accountants clause

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

5.5. Duplicate records (if stated in the schedule to be included)

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

5.6. Protections (if stated in the schedule to be included)

Your books of account, or other 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

5.7. Transit extension (if stated in the schedule to be included)

The insurance under this section includes loss as defined to your 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 yours.

Section 16

Fraud

1. Defined events

We will indemnify you against:

- 1) Loss of money and/or other property belonging to you or for which you are responsible, stolen by an employee (as defined below).
- 2) Direct financial loss sustained by you as a result of fraud or dishonesty of an insured employee which results in dishonest personal financial gain for the employee concerned.
- 3) Loss sustained by you directly caused by theft by computer fraud provided that:
 - a) 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 our liability beyond the sum insured stated on the schedule. If the period of insurance is less than 12 (twelve) months our liability is limited to the sum insured stated on the schedule for any 12 (twelve) month period calculated from inception or renewal.
 - b) our liability for all losses shall not exceed the sum insured stated on the schedule whether involving any one employee or third party or any number of employees or third parties acting in collusion or independently of each other and the limit of indemnity is the total aggregate amount of the indemnity for which we shall be liable during any one period of insurance for all legal persons and events insured under this policy and payment of the total sum insured in any one period of the insurance by way of indemnity to one or more of such persons shall discharge our liability in respect of insured persons and events under this policy for that period of insurance.
 - c) where indemnity is provided to you in terms of any insurance superseded by this policy our liability shall be limited to only that proportion of the loss which is not payable in terms of the superseded policy.
 - d) BLANKET BASIS – our liability for all losses shall not exceed the sum insured stated in the schedule whether involving any one employee or any number of employees acting in collusion or independently of each other.
 - e) NAMED OR POSITION BASIS – our liability for all losses involving any employee shall not exceed the sum insured stated opposite the name or position held in the insured company that is noted on the schedule.
 - f) 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.

2. Definitions

Employee shall mean

- a) any person while employed under a contract of service with or apprenticeship to you;
- b) any person while hired or seconded from any other party into your service who you have the right at all times to govern, control and direct in the performance of their work in the course of your business and who, if this section is on a named and/or position basis, is described on the schedule by name and/or by the position held by them in the business.
- c) students, volunteers or persons employed on youth training or work experience schemes.
- d) any member of the board of trustees of any pension fund provident fund or benefit fund as defined in the Income Tax Act 1962 established by you for the benefit of your employees referred to in Definition 1. a)

Loss

In respect of Defined event 3. loss means actual loss of money or monetary funds or negotiable instruments or corporeal tangible property belonging to you or for which you are responsible provided that loss does not include a loss arising from the avoidance, breach, cancellation or other termination of a contract, the non-payment or other non-performance by a debtor, the adverse consequences of a business or trade risk or venture or other speculative enterprise or investment or the provision or receipt or any suretyship or other security.

- 1) Theft means the dishonest appropriation of money, monetary funds or property with the intention to steal.
- 2) Computer fraud means the unlawful making, with the intent to defraud, of a misrepresentation by means of access to or use, disclosure, processing, deletion, insertion, amendment, interception or manipulation of the information, data, software or systems of yours or of any banking institution holding, controlling or otherwise dealing with money or property of yours or for which you are responsible which is initiated, implemented or completed electronically by use of a computer.

3. Specific exceptions

We shall not be liable for

1. Loss resulting from or contributed to by any defined event by
 - Any partner of yours to the extent that such partner would benefit by indemnity granted under this policy.
 - Any principal, director or member of your company unless such director or member is also an employee.
 - Any employee from the time that you become aware that such employee has committed any fraud or dishonesty.
 - Any consequential losses of any kind following losses referred to under the defined events.
2. This section does not cover any company or other legal entity acquired during the period of insurance.
3. We 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 your company is or has been directly involved.
4. In respect of Defined Events 1 and 2 we shall not be liable for any loss for which indemnity is provided in terms of a Money insurance policy held by you except in respect of any amount in excess of the indemnity provided by such policy.
5. In respect of Defined Event 3 we shall not be liable for any loss which is insured or which would be insurable in terms of a Money or Theft insurance policy or section of a policy.

4. Specific conditions

4.1. Maintenance of systems and procedures

You 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 your business as has been represented to the insurer but you may:

- a) change the remuneration and conditions of service of any employee.
- b) in respect of any employee who is described on the schedule by name, change their duties and/or position.
- c) in respect of any employee who is described on the schedule only by position held by them, remove such employee and place in their position any other person who falls within the definition of employee.
- d) make such other changes as are approved beforehand in writing by your auditors.

4.2. Apportionment of recoveries

If you shall sustain any loss to which this section applies which exceeds the amount payable hereunder in respect of such loss, you shall be entitled to all recoveries (except from suretyship, insurance, reinsurance, security or indemnity taken or effected by the us or for the amount of any first amount payable) by whomsoever made on account of such loss until fully reimbursed, less the actual of effecting the same, and any remainder shall be applied to our reimbursement.

5. Optional extensions

5.1. Claims preparation costs (if stated on the schedule to be included)

In addition to the sum insured stated on the schedule this section is extended to include costs reasonably incurred by you in producing and certifying any particulars or details required by us in terms of the policy to substantiate the amount of any claim provided that our liability for such costs shall not exceed the amount stated on the schedule in respect of any one claim.

5.2. Costs of recovery (if stated on the schedule to be included)

If you sustain any loss to which this section applies which exceeds the sum insured we will, in addition to the sum insured, pay you the costs and expenses not exceeding the amount stated on the schedule necessarily incurred, with our consent, for the recovery or attempted recovery from the employee or third party in regard to whom the claim is made. All amounts recovered to you in excess of the said part of the loss shall be for our benefit

5.3. Expenses incurred in reinstating office records (if stated on the schedule to be included)

This section is extended to include costs, charges and expenses incurred by you in replacing and/or restoring any computer files, data, media, documents, manuscripts, business books, plans, designs, specifications or programs destroyed, damaged or lost as a result of loss insured by this section provided that our liability shall not exceed the amount stated on the schedule.

6. Automatic extensions

6.1. Accountants clause

Any particulars contained in your books of account or other business books or documents or systems which we may require for the purpose of investigating or verifying any claim under this section may be produced and certified by your auditors or professional accountants and their certificate shall be prima facie evidence of the particulars and details to which it relates.

6.2. Extended cover for past employees

Any person who ceases to be an employee shall for the purposes of this section be considered an employee for a period of 30(thirty) days after ceasing to be an employee

7. Memoranda

- 7.1.** In the event of the discovery of any loss resulting from a Defined Event you may, notwithstanding anything to the contrary in General Condition 7.1 (ii) refrain from reporting the matter to the police but shall do so immediately if required in terms of any law or by us.
- 7.2.** It is understood and agreed that knowledge of their own fraud or dishonesty or that of others with whom they are in collusion with, by the person signing the proposal and questionnaire or giving renewal instructions, shall not prejudice any claim under this section.
- 7.3.** If the sum insured or first amount payable is increased at any time they will only be applied to a Defined Event committed after the date of such increase unless otherwise agreed by us.
- 7.4.** If a loss is alleged to have been caused by the fraud or dishonesty of any of the employees and you are unable to identify the specific employee or employees causing the loss your claim will not be invalidated provided that you are able to furnish evidence to prove to our reasonable satisfaction that the loss was in fact due to the fraud or dishonesty of an employee who was acting alone or in collusion with others

Section 17

Theft

1. Defined events

We will indemnify you against loss of or damage to all contents (being your property or that for which you are responsible) of any insured building, at the insured premises 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. Extensions

2.1. The insurance under this section extends to cover loss of or damage to the property insured:

a) Caused or accompanied by:

(i) A thief or thieves being concealed on the premises before close of business.

(ii) 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 you shall establish to our satisfaction that such a skeleton key was used.

b) Whilst in a building at any premises used by you provide that:

(i) Such additional premises are advised to us within 30 days from the time that they go on risk.

(ii) Any additional premium owing is paid.

(iii) Our liability in respect of this extension shall not exceed 50 percent of the highest amount stated in the schedule applicable to any one premises.

2.2. In addition to the limit of indemnity stated in the schedule:

a) The insurance under this section includes:

(i) Damage to the buildings (including landlord's fixtures and fittings) at the insured premises in the course of theft or any attempt thereat.

(ii) Loss of buildings, landlord's fixtures and fittings at the insured premises as a result of theft accompanied by forcible 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.

b) We will reimburse you 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 our liability shall not exceed the greater of R5,000 or the amount stated in the schedule in respect of any one event.

2.3. In addition, we will indemnify you up to the amount stated in the schedule for this extension in respect of the cost of replacing locks and keys to any insured premises following upon the disappearance of any key to such premises or following upon you having reason to believe that any unauthorized person may be in possession of a duplicate of such key.

2.4. The term all contents includes personal effects, tools and pedal cycles which are the property of yourself or any principal, partner, director or employee of yours in so far as such property is not otherwise insured, up to the amount stated in the schedule for this extension.

3. Limitations

Our liability in respect of documents, manuscripts, business books, computer system records and media, plans, designs, models and molds is restricted to the value of materials and sums expended in labor.

4. Specific exceptions

We shall not be liable for

- 4.1. Loss or damage which can be insured under a fire policy except in the case of explosion in an attempt to gain entry.
- 4.2. Loss or damage insurable under a glass insurance policy.
- 4.3. 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.
- 4.4. Loss or damage in which any principal, partner, director or any member of your household or your employees is concerned as principal or accessory.

5. Specific conditions

- 5.1. This section shall be voidable if the nature of the risk is materially altered without our prior written consent.
- 5.2. In respect of any premises stated in the schedule to be subject to this condition at which a burglar alarm is installed it is a condition precedent to any liability of ours and warranted that:
 - a) The burglar alarm at the premises shall be made fully operative whenever the premises are not open for business unless a principal, partner, director or employee of yours is on the premises.
 - b) Such alarm shall be maintained in proper working order but you shall be deemed to have discharged your liability in this regard if you have maintained your obligations under a contract with the suppliers or servicing engineers of the alarm system.

This insurance shall not cover loss of or damage to the property following the use of the keys of the burglar alarm or any duplicate thereof belonging to you unless such keys have been obtained by violence or threat of violence to any person.

Section 18

Money

1. Defined events

We will indemnify you against loss of or damage to money (as defined) occurring within the territorial limits except if otherwise specified provided that our liability 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 specific limitations stated in the schedule.

2. Definitions

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

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

Clothing - shall mean clothing and personal effects not otherwise insured belonging to you or to any principal, partner, director or employee of yours.

3. Optional extensions

3.1. Receptacles and clothing

In addition to any payment in respect of a defined event, the insurer will indemnify you in respect of receptacles and clothing (as defined) lost or damaged as a result of theft of money or attempted theft of money, provided that the insurers liability under this extension shall not exceed the amount stated in the schedule or R2,000 whichever is the greater.

3.2. Locks and keys

In addition to any payment in respect of a defined event, we will indemnify you in respect of the cost of replacing locks and keys to any receptacle at your premises following upon the disappearance of any key to such receptacle or following upon you having reason to believe that any unauthorized person may be in possession of such key provided that our liability under this extension shall not exceed the amount stated in the schedule or R2,000 whichever is the greater.

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

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

- a) civil commotion, labor disturbances, riot, strike or lockout;
- b) the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in (a) above provided that this extension does not cover:
 - (i) Loss or damage occurring in the Republic of South Africa and Namibia.
 - (ii) Consequential or indirect loss or damage of any kind or description whatsoever.
 - (iii) loss or damaged resulting from total or partial cessation of work or the retarding or interruption or cessation of any process or operation.
 - (iv) Loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority.
 - (v) Loss or damage related to or caused by any occurrence referred to in General exception 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.
 - (vi) If we allege that, by reason of proviso (i), (ii), (iii), (iv) or (v), loss or damage is not covered by this section, the
 - (vii) burden of proving the contrary shall rest with you.

3.4. Skeleton keys

The insurance under this section extends to cover loss 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 you shall establish to our satisfaction that a skeleton key or device was used.

4. Personal Accident (assault)

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 you or to any principal partner, director or employee of yours (referred to as such person from here on in this extension) while such person is acting in the course of their duties for the company.

We will pay to you, on behalf of such person or their estate, the sum or sums stated below in the event of bodily injury to such person resulting within 12 calendar months in respect of:

- | | |
|--|--|
| 1. Death | R10,000 or the amount stated on the schedule for this section - whichever is greater |
| 2. Permanent Disablement | R10,000 or the amount stated on the schedule for this section – whichever is greater |
| 3. Medical Expenses (as defined below) | R10,000 or the amount stated on the schedule for this section – whichever is greater |

Medical Expenses shall mean: reasonable expenses incurred in respect of medical, surgical, dental, hospital treatment (including the cost of artificial aid and prostheses and the cost and expenses incurred in emergency transportation or freeing such person if trapped or bringing such person to a place of safety) incurred within twenty-four months of the defined event.

5. Memoranda (applicable to the permanent disablement benefits)

- 5.1. We will not be liable to pay in respect of any one such person more than the capital sum;
- 5.2. This extension shall not apply to any such person under 15 or over 70 years of age;
- 5.3. 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. We shall not be liable to make any payment unless this Proviso is complied with to our satisfaction;
- 5.4. General Exception 2 and General Conditions 2 and 10 do not apply to this Extension;
- 5.5. In respect of this Extension Only General Exception 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”.

6. Extensions (to the personal accident (assault) extension)

- 6.1. 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;
- 6.2. In the event of disappearance of any such person in circumstances which satisfy us that the person has sustained injury to which this Personal Accident (assault) Extension applies and that such injury has resulted in the death of such person, we will, for the purpose of the insurance afforded by this extension, presume the person's death provided that if, after we shall have made payment in respect of such person's presumed death, they are found to be alive, such payment shall be repaid by you to us immediately.

7. Specific exceptions

We shall not be liable for loss of or damage to money:

- 7.1. Arising from dishonesty of any principal, partner, director or person or persons employed by you not discovered within (14) working days of the defined event;
- 7.2. Arising from shortage due to error or omission;
- 7.3. 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 you can prove, to our satisfaction, that the key-holder or such other person had used the keys to open the safe or strong-room;
- 7.4. In an unlocked safe or strong-room whilst the portion of the premises containing such safe or strong-room is unattended but this exception will not apply if it can be shown to our satisfaction that the key-holder to the safe or strong-room deliberately left it unlocked with the intention of allowing the money to be stolen;
- 7.5. Not contained in a locked safe or strong-room whilst the portion of the premises containing such money is unattended but this exception will not apply if it can be shown our satisfaction 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;
- 7.6. In any vehicle being used by you unless a principal, partner, director or employee of yours is actually in the vehicle or , if not in the vehicle, is within (5) meters of it in a position from which the vehicle is clearly visible. This Exception shall not apply following an accident involving the vehicle rendering the said person incapacitated.

Specific Exceptions (3), (4), (5) and (6) do not apply up to an amount of R3,000 (Three thousand Rand) and such losses shall not be reduced by any first amount payable.

8. Memoranda

- 8.1. Loss of or damage to money as insured under this section arising from dishonesty of any principal, partner, director or person employed by you as insured (such person) as defined under this section shall be subject to a compulsory First Amount Payable of R5,000 (five thousand rand) or any other amount stated in the schedule (whichever is the greater).
- 8.2. We shall not be liable under this section of the policy in respect of loss or damage arising from any event 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.

9. Special conditions applicable to cheques

9.1. 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 of 25% (twenty-five percent) of the loss identifiable by this section unless:

9.1.1. Cheques drawn by you:

- a) The cheque has been drawn and crossed exactly in accordance with the under-noted "Recommended South African Insurance Association (SAIA) procedure for the drawing and crossing of cheques" or any other superior method approved by the SAIA and the printed portion of the cheque (as opposed to the written or typed portion) has been printed by the bank itself or a printer licensed to print cheques by the Automatic Clearing Bureau; or
- b) The cheque has been dispatched to the payee by certified post or any post where the security is equal or superior to certified post.

9.1.2. Cheques drawn by someone other than you and which were received by you by post or direct by the cashier:

- a) Such cheque has been crossed and marked "not negotiable" and "not transferable" immediately on receipt thereof by you and
- b) You are able to identify the drawer and amount of the cheque from their records.

9.1.3. Cheques of which you are the true owner which were drawn by somebody other than yourself and posted to you but not received:

- a) The cheque has been drawn and crossed exactly in accordance with the under-noted "Recommended South African Insurance Association (SAIA) procedure for the drawing and crossing of cheques" or any other superior method approved by the SAIA or
- b) The cheque was dispatched to yourself by certified post where the security is equal or superior to certified post or
- c) Your invoice (to which the payment by cheque relates) contains a message (approved by the insurer or the SAIA) on it recommending or requiring that the cheque be drawn in accordance with the under-noted "Recommended SAIA procedure for the drawing and crossing of cheques".

10. Recommended SAIA procedure for drawing and crossing of cheques and printing of blank cheques

10.1. Drawing and crossing of cheques

The safest method of drawing and crossing a cheque which is acceptable to banks is as noted below. This method is recommended by the South African Insurance Association:

- a) 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.
- b) If instead of “or bearer” your cheque has pre-printed on it “or order” these words must also be deleted.
- c) Write on the face of the cheque the words “not transferable”.
- d) Cross the cheque by drawing two parallel lines across the cheque.
- e) Write the words “not negotiable” between the two parallel lines referred to in (d) above.
- f) 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 the 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: 69/123456/02 or RH Jones (Pty) Ltd. ABC Bank account no: 123456789”.
- g) Whilst highly recommended it is not compulsory to use the bank account number of the payee.
- h) In drawing the cheque no space should be left which would allow anyone to add extra words or figures.
- i) On the front of the cheque the wording listed in Annexure B (last page of this section) should be printed. Ensure that space is left on the rear of the cheque for blank stamps and endorsements.
- j) 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.
- k) The method used to complete cheques should be one which makes an ink impression on the paper, like handwriting, a typewriter or a dot matrix printer. The ribbon used on the printer/typewriter should be of the type which impregnates the paper with ink. Do not use:
 - 1) Old ribbons
 - 2) Laser printers which do not make an impression into the paper.
 - 3) The “reverse printing technique”.
 - 4) Correctible type ribbons.

10.2. 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:

- 1) Security paper (CBS1 or superior).
- 2) Security designs.
- 3) Special security inks compatible with the security paper/design.
- 4) Methods which make it difficult for anyone to make a supply of blank cheques by photocopying the originals.

Section 19

Glass

1. Defined events

We will indemnify you against loss of or damage to internal and external glass (including mirrors), signwriting and treatment thereon at the insured premises as stated in the schedule, your property or for which you are responsible.

Following loss or damage to glass we will also indemnify you for:

- 1.1.** The cost of any boarding up that may be reasonably necessary;
- 1.2.** 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;
- 1.3.** The cost of removal and reinstallation of fixtures and fittings necessary for the replacement of the glass;
- 1.4.** 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 you;

Provided that our liability shall not exceed:

- (i) For the replacement of glass, signwriting and treatment = the sum insured stated in the schedule applicable to the premises at which loss or damage occurs.
- (ii) For all other costs and expenses provided for by this section and resulting from one occurrence or series of occurrences attributable to one source or original cause = the total sum of R2,000.

2. Specific condition

2.1. 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 sum insured thereon, then you shall be considered as being your own insurer for the difference and shall bear a ratable share of the loss or damage accordingly. Every item if more than one shall be separately subject to this condition.

2.2. Definition of glass

Unless specifically agreed, all glass (other than mirrors) insured by this section is presumed to be plain plate/float glass not exceeding 6 mm in thickness, whether coated with film or not, or 6.5 mm laminated safety glass.

2.3. Specific exceptions

We will not be liable for:

- 2.3.1.** 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 exception shall not apply to loss or damage for which you are responsible as tenant and not as owner.
- 2.3.2.** Glass forming part of stock in trade.
- 2.3.3.** Glass which, at inception of this insurance, is cracked or broken unless cover has been agreed by us.
- 2.3.4.** Defacement or damage other than fracture through the entire thickness of the glass or any laminate thereof.

3. Optional extensions

3.1. Special replacement (if stated in the schedule to be included)

If, following loss or damage insured hereunder, you are obliged in terms of the National Building Regulations, or similar legislation, to replace the damaged glass with a superior quality, then we shall be liable for the increased cost of such replacement including (but not limited to) frames therefor. Provided that if the cost to replace all of the glass at the insured property (including the other items insured as per Defined event 2) is greater than the sum insured thereon at the time of the loss or damage, then you shall be considered as being your own insurer for the difference and shall bear a rateable proportion of the loss or damage accordingly.

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

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

3.2.1. Civil commotion, labor disturbances, riot, strike or lockout.

3.2.2. 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:

- a) Loss or damage occurring in the Republic of South Africa or Namibia.
- b) Consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured.
- c) Loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation.
- d) Loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority.
- e) Loss or damage related to or caused by any occurrence referred to in General exception 1(a), (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 we allege 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 with you.

This extension shall only apply to loss or damage for which you are responsible as tenant and not as owner.

Section 20

Specified Business Items (away from the Premises)

1. Defined events

We will indemnify you as a result of loss of or damage to the whole or part of the Property described on the schedule while anywhere in the world by any accident or misfortune not otherwise excluded, provided that you will be responsible for the first amount payable stated on the schedule in respect of each and every event except a claim resulting from fire, lightning or explosion.

2. Section exceptions

We will not be liable for:

2.1. loss of, or damage to property resulting from or caused by:

- a) theft from any unattended vehicle under your custody or control or any principal, partner, director or employee of the yours unless the property is contained in a completely closed and securely locked vehicle or the vehicle itself is housed in a securely locked building and entry to or exit from such locked vehicle or building is accompanied by forcible and violent entry or exit.
- b) its undergoing a process of cleaning, repair, dyeing, bleaching, alteration or restoration.
- c) inherent vice or defect, vermin, insects, damp, mildew or rust.
- d) the dishonesty of any principal, partner, director or employee of the yours whether acting alone or in collusion with others.
- e) detention, confiscation, or requisition by customs or other officials or authorities.

2.2. 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.

2.3. mechanical, electronic or electrical breakdown, failure, breakage or derangement unless caused by an accident or misfortune not otherwise excluded.

2.4. loss of or damage to cash, bank and currency notes, coins, bonds, coupons, stamps, negotiable instruments, title deeds, manuscripts or securities of any kind.

2.5. loss of or damage to goods consigned under a bill of lading

3. Specific conditions

3.1. Average

If the total value of property insured which is not separately and individually specified is, at the time of the happening of any loss or damage to such property, of greater value than the sum insured stated on the schedule, then you shall be considered as being your own insurer for the difference and bear a ratable share of the amount of the loss or damage.

3.2. Replacement value condition

The basis of settlement of any claim under this section shall be calculated by either:

- a) the replacement of the property by similar property of the same condition but not better or more extensive than its condition when new, up to the sum insured stated on the schedule; or
- b) the repair of the damaged property to a condition substantially the same as, but not better than, its condition when new provided that the cost of repair to the damaged property does not exceed the sum insured stated on the schedule.

4. Specific extensions

4.1. Increase in cost of working

The cover provided by this extension will indemnify you in respect of costs incurred following loss of or damage to the property insured, for which payment has been made or liability admitted by us under this section, for the purpose of maintaining the normal operation of your business. Payment will be limited to the sum insured stated on the schedule.

For example: You have specified a generator under this section which has been stolen and you need to hire a replacement pending settlement of your claim. You will be able to claim the costs in terms of this extension up to the limit stated on the schedule.

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

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

- a) civil commotion, labor disturbances, riot, strike or lockout.
- b) 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:
- c) loss or damage occurring in the Republic of South Africa or Namibia.
- d) consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured.
- e) loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation.
- f) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority.
- g) Loss or damage related to or caused by any occurrence referred to in General exception 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 we allege 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 with you.

Section 21

Electronic Equipment and Consequential Loss

Sub-section A: Material Damage

1. Defined events

We will indemnify you in the event of physical loss of or damage to the property insured described on the schedule from any cause, that is not specifically excluded by this section or in the General Exceptions on page 5, whilst:

- a) at work or at rest anywhere within a building on the premises occupied by you and described on the schedule
- b) in transit, including loading and unloading or whilst temporarily stored at any premises on route
- c) temporarily removed from that part of the building occupied by you at the insured premises described in the schedule to any other building.

2. Specific exceptions too Sub-Section A

We will not be liable to indemnify you in respect of the following, irrespective of the original cause:

- 2.1. derangement unless accompanied by physical damage otherwise covered by this section
- 2.2. loss or damage recoverable in terms of any maintenance and/or leasing agreement covering the insured equipment effected by you or on your behalf
- 2.3. faults or defects known to you (or your responsible employees) and the consequences of the faults or defects, at the time that this insurance was arranged or during the currency of the insurance and not disclosed to us
- 2.4. 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
- 2.5. parts having a short life such as (but not limited to) bulbs, 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, we will indemnify you for the residual value prior to the loss of such exchangeable parts
- 2.6. the cost of reproducing data and/or programs whether recorded on cards, tapes, disks or otherwise unless specifically provided for in sub-section B
- 2.7. loss of use of the property or other consequential loss, damage or liability of whatsoever nature other than losses specifically provided for
- 2.8. (a) loss by theft or by disappearance of the insured property unless accompanied by forcible and violent entry into or exit (or any attempt thereat) from any part of the building occupied by you at the insured premises described on the schedule or as a result of theft or any attempt thereat, following violence or threat of violence
(b) loss of the insured property by theft during transit or whilst temporarily removed from the insured premises unless you can identify a specific incident which you have reported to the police and ourselves

We will not indemnify you for the theft of the property insured from any motor vehicle where the property has been:

- 2.9. left in the motor vehicle overnight unless the vehicle is securely locked in a building and entry to such vehicle or building is accompanied by forcible and violent entry or exit
- 2.10. contained in a compartment of the motor vehicle and is visible to passers-by
- 2.11. provided that:
 - (a) and (b) above shall not apply to theft of the insured property where the transporting vehicle has been:
 - hijacked or
 - involved in a road accident or sustains a breakdown and due to circumstances beyond the control of the vehicle driver/crew the insured property is of necessity left unprotected.
- 2.12. loss of or damage to the insured property resulting from or caused by inherent vice or defect, vermin, insects, damp, mildew or rust

3. Basis of Indemnity

3.1. Partial Loss

If the insured property suffers damage that can be repaired, we will indemnify you by restoring the damaged property to working order provided that:

- a) our limit of indemnity will be the amount stated on the schedule for the insured property
- b) the costs of any alteration, addition, improvement or overhaul carried out at the time of repair will be for your account
- c) if you carry out any temporary repairs in the interest of safety or to minimize further loss or damage to the insured property and these repairs further aggravate the loss or damage any additional costs will be for your account
- d) where the damage is restricted to a part or parts of the insured property we will not be liable for any amount greater than the value of the part or parts which are lost or damaged

3.2. Total Loss

3.2.1. If the insured property was purchased new less than 7 years prior to suffering the loss or damage we will indemnify you by repairing or replacing the item on the same site with new property of equal performance and/or capacity or, if this is not possible, by new property having the nearest equivalent performance and/or capacity up to the amount stated on the schedule for the insured property

3.2.2. If the insured property was purchased new more than 7 years prior to suffering the loss or damage, we will indemnify you by paying you the current day purchase price of second-hand/used property of equal performance and/or capacity of the property lost or damaged. If no similar property is available, we will pay you the market value which shall be calculated as follows:

The current replacement value of the nearest equivalent property less

- 20% (twenty percent) for the first year after the date of purchase and
- 10% (ten percent) per year for each succeeding year
- Subject always to a minimum of 40% (forty percent) of the current new replacement value of the nearest equivalent property and a maximum of the sum insured stated on the schedule

4. Clauses and extensions too Sub-Section A

4.1. Hire purchase/finance agreements

In the event of any claim settled by the Basis of Indemnity 2(A) above where we have knowledge that your insured property is the subject of a suspensive sale or similar agreement we will pay the owner of the property described in the agreement the settlement amount provided to us and the balance, if any, to you

4.2. Fire brigade charges

We will pay the costs incurred in respect of any public authority having to attend to an emergency at your premises following an event that is covered by this section up to the limit stated on the schedule

4.3. Architects and other professional fees

We will pay professional fees necessarily and reasonably incurred in the repair or reinstatement of insured property following indemnifiable loss or damage up to the limit stated on the schedule

4.4. Clearance costs

We will pay costs necessarily and reasonably incurred by you in respect of the demolition or dismantling of property and/or the 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 or damage to the insured property up to the limit stated on the schedule

4.5. Express delivery and overtime

We will pay the extra charges for delivery, airfreight, overtime, Sunday and holiday rates of wages payable in respect of the necessary and reasonable additional costs incurred by you for effecting repairs or replacement approved by us up to the limit stated on the schedule

Sub-section B: Consequential loss

1. Defined events

The insurance provided by this sub-section will be included if stated on the schedule and the limits of indemnity included subject to:

1.1. Increased cost of working

The additional expenditure necessarily and reasonably incurred by you during the indemnity period in consequence of the loss or damage insured by Sub-Section A for the sole purpose of avoiding or diminishing the interruption of or interference with your normal business less any sum saved during the indemnity period in respect of any charges and or expenses of the business that might cease or be reduced in consequence of the insured event.

The indemnity by this item shall not apply directly or indirectly to:

- a) the cover provided for in item 2 of this sub-section
- b) the intrinsic value (including reinstatement value) of the property insured by Sub-Section A of this section

1.2. Reinstatement of data/programs

Costs and expenses necessarily and reasonably incurred by you 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 insured events defined in the indemnity clause of Sub-Section A) or by theft or by the deliberate, willful or wanton intention of causing the cancellation or corruption of data or programs as provided for in Sub-Section A of this section provided that

- a) the indemnity shall not extend to nor include costs incurred due to program errors, incorrect entry or the inadvertent cancellation or corruption of data and/or programs
- b) where you elect to insure programs (software), a schedule of these programs shall be lodged with us at the commencement of each period of insurance.

2. Definitions

2.1. Indemnity period

The period during which the results of the business shall be affected in consequence of the insured event beginning with the number of hours/days detailed on the schedule as the time excess after the insured event and ending not later than the expiry of the period detailed on the schedule as the indemnity after such occurrence.

The time excess shall not apply to loss or damage directly caused by fire, storm (excluding lightning), subsidence, wind or the collapse of buildings.

2.2. Insured event

- 2.2.1. (Applicable to increased cost of working only) physical loss of or damage to the property insured described on the schedule from any cause provide for in Sub-Section A of this section
- 2.2.2. Failure of the public supply of electricity at the terminal ends of the service feeders in the premises, up to the limit stated on the schedule, from any accidental cause other than:
 - a) the deliberate act of yourself or any supply authority
 - b) drought or shortage of fuel at any electricity utility
- 2.2.3. Special conditions applicable to failure of the public supply of electricity
 - a) our liability shall not exceed the sum insured by this sub-section
 - b) the indemnity period shall commence 12 hours after the failure and end not later than 30 days after such failure.

3. Specific exceptions too Sub-Section B

3.1. Fines and penalties

We will not be liable to indemnify you in respect of fines or penalties for breach of contract for late or non-completion of orders or any penalties unless we have agreed to include the cover in writing.

3.2. Loss of Profit

We will not be liable to indemnify you in respect of loss of profit or consequential loss of any nature unless we have agreed to include the cover in writing.

4. Clauses and extensions too Sub-Section B

4.1. Reinstatement

In the event of any interruption following an insured event being aggravated by:

- a) you being unable or unwilling to replace or reinstate the insured property that was destroyed or damaged or failing to carry out the replacement or reinstatement within a reasonable period of time, or
- b) if there were any additions, alterations or improvements made to the property insured whilst it was being repaired our liability shall be limited solely to the consequential loss which would have arisen in the absence of (a) and (b).

4.2. Communication lines (if stated on the schedule to be included)

Consequential loss as provide for by defined events 1 and 2 of Sub-Section B arising from accidental failure of the communication lines used by you is included subject to the special conditions below and up the limit stated on the schedule:

- a) the indemnity period shall commence 12 hours after the failure and end not later than 30days after the failure
- b) the indemnity provided does not include the deliberate act of any service provider or authority to withhold or restrict access to their services.

5. General memoranda

5.1. Memo 1 – Capital additions and currency fluctuations

The indemnity provided by this section shall include:

- a) additional equipment or programs purchased by you of a similar nature to that specified on 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 your premises
- b) 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 sum insured (representing the new replacement value) of the property insured
- c) provided that the increase shall not exceed the total sum insured, specified on the schedule for Sub-Section A, by more than 25% and it is agreed that you will inform us of such alterations after the expiry of each period of insurance and pay the appropriate premium for the adjustment of the sum insured not exceeding 50% of the difference.

5.2. Memo 2 – Territorial limits

The territorial limits in respect of laptops, note books/palm top as well as all other portable computer equipment temporarily located outside the insured premises specified on this policy shall be deemed to be worldwide.

6. Special exception applicable too Sub-Section A and B

6.1. Viruses, Trojans and worms

We will not indemnify you for loss or damage of any nature arising directly or indirectly out of or in connection with the action of any computer virus, Trojan or worms(s) or other similar destructive media.

7. General extension

7.1. Incompatibility cover (if stated on the schedule to be included)

Notwithstanding anything to the contrary in the policy, the indemnity provided by Sub-Sections A and B of this Section shall indemnify you for costs incurred in respect of:

- 7.1.1. modifications or alterations to the insured property directly consequent upon indemnifiable loss or damage to ensure the operating integrity of the electronic system
- 7.1.2. replacement or upgrading of legal programs to achieve compatibility with the modified or altered electronic system
- 7.1.3. 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:

- 7.1.4. the costs provide for in (7.1.1), (7.1.2) and (7.1.3) above shall be necessarily and reasonably incurred to maintain normal working conditions
- 7.1.5. such additional costs shall be incurred as a direct consequence of indemnifiable loss or damage in terms of Sub-Sections A or B (item 2) of this section
- 7.1.6. the cover afforded by this general extension shall be restricted to:
 - a) parts or components of the electronic system which are not indemnifiable under Sub-Section A
 - b) programs or data reinstated not indemnifiable under item 2. of Sub-Section B;
- 7.1.7. the indemnity by this extension shall, in respect of any one event, be limited in the aggregate to 20% (twenty percent) of the total sum insured under Sub-Section A and Sub-Section B (item 2) or R25,000, whichever is the lesser

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

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

- 7.2.1. civil commotion, labor disturbances, riot, strike or lockout.
- 7.2.2. 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:
 - a) loss or damage occurring in the Republic of South Africa or Namibia.
 - b) consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured.
 - c) loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation.
 - d) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority.
 - e) Loss or damage related to or caused by any occurrence referred to in General exception 1(a), (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 we allege 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 with you.

Section 22

Machinery Breakdown, Consequential Loss and Deterioration of Stock

Sub-section A – Material Damage

1. Defined events

We will indemnify you in the event of sudden and unforeseen physical loss of or damage to the machinery described on the schedule, after completion of their performance acceptance tests, from any cause, that is not specifically excluded by this Sub-section or in the General Exceptions on page 5, whilst:

- a) at work or at rest anywhere within a building on the premises occupied by you and described on the schedule
- b) being dismantled for the purpose of cleaning, inspection, overhaul or removal to another position, during these operations themselves or in subsequent re-erection.

2. Specific exceptions too Sub-Section A

We will not be liable to indemnify you in respect of the following, irrespective of the original cause:

- 2.1. derangement unless accompanied by physical damage otherwise covered by this section
- 2.2. damage due to fire, extinguishing of the fire or subsequent demolition, lightning, explosion, earthquake (whether arising from mining operations or otherwise) or other convulsions of nature, storm, wind, water, flood, inundation, hail, snow, avalanche, hurricane, cyclone, impact by animals, vehicles, aircraft or other aerial devices or articles dropped from them, theft, malicious damage, collapse of buildings, subsidence, landslip, escape of water from water containing apparatus

NB the term “explosion” does not include bursting or disruption of turbines, compressors, transformers, oil immersed switchgear, hydraulic cylinders, flywheels or other apparatus subject to centrifugal force.
- 2.3. damage resulting from experiments, overloads, tests or misapplication of tools.
- 2.4. damage which the manufacturer, supplier or lessor is responsible for.
- 2.5. Any costs of replacing, reinstating or making good for damage to:
 - a) foundations and masonry
 - b) exchangeable and replaceable parts such as (but not limited to) valves, tubes, belts, chains, seals, bits, cutters, knives, blades, dies, molds, patterns, engraved cylinders, rollers, sieves.
 - c) parts that by their use and/or nature suffer a high rate of wear such as (but not limited to) refractory linings, crushing hammers.
 - d) objects made of glass, belts, ropes, wires, rubber tires.
 - e) operating media such as (but not limited to) lubricants, fuels, catalysts.
- 2.6. loss or damage caused by any faults or defects in the machinery, known to you or your responsible employees, existing at the commencement of cover by this section.
- 2.7. loss or damage as a direct result of the continual influence of operation such as (but not limited to) cavitation, erosion, corrosion, rust, boiler scale.
- 2.8. Consequential loss unless provided for in Sub-Sections B or C of this section

3. Basis of Indemnity

3.1. Partial Damage

If the insured property suffers damage that can be repaired we will indemnify you by restoring the damaged property to working order plus the cost of dismantling and re-erection incurred for the purpose of carrying out the repairs as well as ordinary freight to and from a repair shop, customs duties and dues, if any. If the repairs are carried out in your own workshop we will pay the costs of materials and wages incurred for the purpose of the repairs plus a reasonable amount to cover overhead charges.

No deduction shall be made for depreciation in respect of the parts replaced, but the value of any salvage shall be taken into account.

If the cost of repairs equals or exceeds the actual value of the insured property immediately before the occurrence of the damage, then property shall be regarded as a Total loss on the basis provided for in (2.) below

3.2. Total Loss

3.2.1. If the age of the insured equipment is less than 3 years from the date of manufacture and it is totally damaged the basis of calculating the amount we pay shall be the cost of replacing or reinstating the destroyed equipment with equipment of the same kind or type but not superior to or more extensive than the insured property when new, including freight and erection costs, customs duties and the cost of removing the destroyed equipment less the value of remains subject to provisos (a), (b) and (c) below.

3.2.2. If the age of the equipment is more than 3 years from the date of manufacture and it is totally destroyed the basis of calculating the amount we pay shall be the cost of replacing or reinstating the destroyed equipment at market value less the value of any salvage subject to provisos (a), (b), (c), (d) and (e) below.

The insured equipment shall be regarded as totally damaged if the repair costs (as defined in 1. Partial Damage) equal or exceed the value as defined in 2.2 above immediately before the insured event.

Provide that:

- a) the cost of any alterations, additions, improvements or overhauls carried out at the time of repair shall not be recoverable
- b) the cost of any provisional repairs will be paid by us if the repairs form part of the final repairs and do not increase the total cost of repairs
- c) we will only make payments after being satisfied by you producing the necessary bills and documents that the repairs have been completed or replacement has taken place as the case may be
- d) the work of replacement or reinstatement (which may be carried out at another premises that suits your requirements and provided that our liability is not increased) must be commenced with reasonable dispatch. Any additional costs that are incurred due to unreasonable delays will be for your account.
- e) In either event (1) or (2) the amount we pay shall not exceed the sum insured stated on the schedule for this section

4. Clauses and extensions too Sub-Section A

4.1. Sum insured and average

It is a requirement of this section that the sum insured is equal to the cost of replacement of the insured property by new property of the same kind and capacity, which means its cost of replacement including freight, custom duties and cost of erection, if any. If the sum insured is less than the amount required to be insured, we will only pay in the proportion that the sum insured bears to the amount required to be insured. Every item (if more than one) shall be subject to this requirement.

4.2. Automatic reinstatement

We will not reduce the Sum Insured by the amount of any claim paid but you shall pay to us an additional premium on such amount calculated pro rata from the date of the loss or damage to the end of the period of insurance

4.3. Claims preparation costs

We will pay costs and expenses incurred in producing and certifying any particulars or details required by us in terms of the policy but limited to reasonable payments in respect of:

- a) additional wages or salaries to your own employees
- b) additional fees to your usual auditors

4.4. Payments on account

We will make payments on account on request but in no case will the payments exceed our total liability. If, after any payment on account has been made it is found that we are not liable to indemnify you the total amount that we paid shall be refunded to us.

4.5. Clearance costs

This Sub-section includes costs necessarily incurred by you in demolishing machinery, removing debris from the premises and in providing, erecting and maintaining any hoardings required during demolition and reconstruction following insured damage to the machinery.

4.6. Consultant' fees

The sum insured shall include architects, quantity surveyors and consulting engineer's fees (for estimates, plans, specifications, quantities, tenders and supervision) necessarily and actually incurred in the reinstatement or replacement of the machinery following insured damage up to 10% of the amount of the loss paid for the loss or damage

Sub-section B – Consequential Loss

1. Defined events

We will compensate you if any of the machinery used by you at the insured premises and specified on the schedule for Sub-Section A of this section is damaged by an insured event which results in interruption or interference with your business provided that payment has been made or liability admitted for the Material Damage event unless payment or admission of liability is with-held solely due to the operation of Specific Exception 4. of Sub-Section A of this Section which excludes liability for Damage which is the responsibility of the manufacturer, supplier or lessor of the machinery.

2. Specific exceptions too Sub-Section B

This Sub-section does not cover any loss or claim resulting from interruption or interference with your business which are directly or indirectly caused by:

- 2.1. shortage, destruction, deterioration of or damage to raw materials, goods in the production line or other materials required for proper operation
- 2.2. your inability to effect repairs to or replace damaged or destroyed machinery due to a lack of finance
- 2.3. restrictions on reconstruction or operations imposed by any public authority
- 2.4. loss of business due to causes such as suspension, lapse or cancellation of a lease, license or order that occurs after the date when the damaged or replaced machinery is in operating condition again and the business could have continued

3. Limitations

Cover under this Sub-section is limited to:

Item 1. Gross Profit – Difference Basis

- a) REDUCTION IN TURNOVER and
- b) INCREASE IN COST OF WORKING

And the amount payable as indemnity will be:

- a) 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.
- b) 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 sum insured in respect of Gross Profit is less than the sum produced by applying the rate of Gross Profit to the Annual Turnover where the maximum Indemnity Period is 12 (twelve) months or less, or the appropriate multiple turnover where the maximum indemnity period exceeds 12 (twelve) months.

Or:

Item 1. Gross Profit – Additions or Standing Charges Basis

- a) REDUCTION IN TURNOVER and
- b) INCREASE IN COST OF WORKING

And the amount payable as indemnity will be:

- a) 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.
- b) 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 sum insured in respect of gross profit is less than the sum produced by applying the

rate of gross profit to the annual turnover where the maximum Indemnity Period is 12 (twelve) months or less, or the appropriate multiple of the annual turnover where the maximum indemnity period exceeds 12 (twelve) months.

Item 2. Revenue

The cover under Item 2 is limited to

- a) LOSS OF REVENUE and
- b) INCREASE IN COST OF WORKING

And the amount payable as indemnity will be:

- a) In respect of LOSS OF REVENUE - the amount by which the Revenue during the Indemnity Period shall, in consequence of the Damage, fall short of the standard revenue
- b) In respect of INCREASE IN COST OF WORKING – the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of Revenue which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the damage, but not exceeding the amount of loss of revenue thereby avoided; less any sum saved during the Indemnity Period in respect of such of the **charges and expenses of the business** payable out of **Revenue** as may cease or be reduced in consequence of the Damage, provided that the amount payable shall be proportionately reduced if the sum insured in respect of **Revenue** is less than the annual **Revenue** where the maximum Indemnity Period is 12 (twelve) months or less, or the appropriate multiple turnover where the maximum indemnity period exceeds 12 (twelve) months.

Item 3. Additional increase in cost of working

The cover under item 3 is limited to reasonable additional expenditure (not recoverable under other items of the Sub-section) incurred with our consent during the Indemnity Period in consequence of the Damage for the purpose of maintaining the normal operation of the business.

Item 4. Claims preparation costs

The cover under Item 4 is limited to costs and expenses incurred in producing and certifying any particulars or details required by us under the terms of General Condition 7 of this policy but limited to reasonable payments in respect of:

- 1) additional wages or salaries paid to your own employees
- 2) additional fees paid to your usual Auditors
- 3) costs of materials used.

4. Definitions

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

Turnover – the money paid or payable to you for goods sold and delivered and for services rendered in the course of the business at the Premises.

Revenue – the money paid or payable to you for goods sold and delivered and for services rendered in the course of the business at the Premises.

Gross Profit – Difference Basis – 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 your normal accountancy methods with due appreciation being made for depreciation.

Uninsured Costs – Will be specified on the Schedule (the words and expressions used shall have the meaning usually attached to them in your books of account)

Gross Profit – Additions or Standing Charges 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.

Net Profit – the net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from your business 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.

Insured Standing Charges - Will be specified on the Schedule (the words and expressions used shall have the meaning usually attached to them in your books of account)

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 in or special 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

Annual turnover – the Turnover during the 12 (twelve) months immediately before the date of the Damage 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.

Standard turnover – the Turnover during that period in the 12 (twelve) months immediately before the date of the Damage which corresponds with the Indemnity Period If goods are sold or services rendered during the Indemnity period by you or others on your behalf at any other Premises for the benefit of the Business the money paid or payable for such sales or services shall be taken into account in arriving at the Turnover during the Indemnity Period

5. Specific clauses and extensions

5.1. Accountants and Auditors

Any particulars or details contained in your books of account or other business books or documents which we may require for the purpose of investigating or verifying any claim you submit may be produced and certified by your own Accountants and/or Auditors and their certificate shall be prima facie evidence of the particulars and details which apply to the certificate.

5.2. Accumulation of stocks

We will take into account and make equitable allowance, when adjusting a claim, if any shortage in Turnover due to the Damage is postponed because the Turnover is being temporarily maintained from accumulated stocks of finished goods in your warehouses and/or depots.

5.3. Alternative basis of settlement

You may opt to substitute the term “output” for the term “turnover” which will also mean sale or transfer value, as shown in your books, of goods manufactured or processed by you at the premises provided that:

5.3.1. only the meaning of “output” or the meaning of “turnover” shall be operative in connection with any one event resulting in interruption.

5.3.2. if the meaning of “output” is used:

- a) the Accumulation of stocks clause will be inoperative
- b) the memorandum at the end of 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 yourself or by others on your behalf, the sale or transfer of such goods shall be brought into account in arriving at the “output” during the Indemnity Period.

5.4. Automatic reinstatement of sum insured

We will not reduce the sum insured by any claim paid or payable by us but you shall be liable to pay a pro rata additional premium on the amount claimed from the date of the Damage to the end of the period of insurance

5.5. Departments

If your business is conducted in departments with independent trading results which are ascertainable the provisions of Clause (a) and (b) of Item 1. shall apply separately to each department affected by the Damage, except that if the sum insured by the said item is less than the aggregate of the sums produced by applying the Rate of Gross Profit for each department of the Business (whether affected by the business or not) to the relative Annual Turnover of the Business, the amount payable shall be proportionately reduced

Sub-section C – Deterioration of Stock

1. Defined events

We will indemnify you if any of the machinery used by you at the insured premises and specified on the schedule for Sub-Section A of this section is damaged by an insured event which results in payment having been made or liability admitted for the Material Damage event in respect of:

- 1.1. Fortuitous damage to the products contained in and/or the cold-room(s) insured** – the value of the products and/or the cold room(s) affected as a direct consequence of the Damage up to the Sum Insured stated on the Schedule
- 1.2. Increased cost of working** - the additional expenses necessarily and reasonably incurred as a direct consequence of the Damage (including costs incurred in obtaining alternative storage facilities for the insured products) incurred for the purpose of preventing or minimizing Damage to the insured products up to the amount stated on the Schedule
- 1.3. Failure of the public supply of electricity** (if stated on the Schedule to be included) - the resultant damage to the contents of the cold-room(s) following failure of the electricity supply at the terminal ends of the suppliers' service feeders in your premises from any accidental cause other than:
 - a) the deliberate act of yours or any supplier
 - b) drought or shortage of fuel at the suppliers
- 1.4. Accidental escape of refrigerant** (if stated on the Schedule to be included) - the resultant damage to the contents of the cold rooms caused as a direct result of the accidental escape of refrigerant following unforeseen and sudden physical damage to the refrigeration machinery described on the schedule of Sub-Section A of this Section

2. Specific exceptions too Sub-Section C

We will not indemnify you in respect of:

- 2.1.** Damage to insured products other than wine and related products that are not contained in the insured cold-room(s) at the time of the Damage
- 2.2.** Damage to the insured products caused by bruising, rodents, pests, disease, vice or natural deterioration

3. Specific definitions too Sub-Section C

3.1. Cold-room – the Refrigeration chamber

3.2. Damage:

- a) In respect of the Insured Products – shall mean destruction or impairment of the Insured Products by deterioration, contamination, putrefaction or spoilage
- b) In respect of the Insured Cold-room(s) – shall mean contamination by refrigerant necessitating evacuation of the Cold-room(s)

3.3. Value:

3.3.1. In respect of the Insured Products – shall mean any one of the following stated on the Schedule:

- a) the actual purchase price paid by you to your supplier of the Insured Products or that part that was affected by the Accident
- b) the actual purchase price paid by you to your supplier of the Insured Products or that part that was affected by the Accident plus the costs of processing the products before being placed in the Cold-room(s) or
- c) The selling price of the Insured Products or that part that was affected by the Accident

3.3.2. In respect of the Insured Cold-room(s) – shall mean: the current replacement cost of the Cold-room(s)

4. Specific memoranda too Sub-Section C

If we have accepted liability for the claim in terms of Sub-Section A of this Section and there is Damage to the Insured Products:

4.1. Damaged Products – in the event of damage to the Insured Products:

- a) If the Insured Products are damaged to the extent that they need to be destroyed, we will require a Certificate of Condemnation to be issued by the appropriate Local Authority for the goods to be destroyed
- b) If the Insured Products are damaged to the extent that their value has been impaired, we will require you to provide reasonable proof of the impairment of value
- c) If you have incurred additional costs and expenses in attempting to prevent or minimize damage to the Insured Products we will require you to provide reasonable proof of the necessity for incurring the costs.

4.2. Maintenance of Machinery

We will require that you undertake regular and adequate maintenance on the machinery described in Sub-Section A by suitably qualified members of your own staff or in terms of a maintenance contract with specialist maintenance engineers.

4.3. Controlling switchgear

The controlling switchgear of the refrigeration machinery described on the Schedule too Sub-Section A must include apparatus for automatic restarting following failure of the supply of electricity

Section 23

Agricultural Vehicles, Implements and Irrigation Systems on Wheels

Sub-section A - Loss or Damage

1. Defined events

We will indemnify you against:

Loss of or damage to any vehicle or implement (as defined in Definition 2. of this Section) and described on the Schedule and its accessories and spare parts whilst thereon.

2. Provisions

2.1. We may at our own option repair, reinstate or replace the insured vehicle or may pay in cash the amount of the loss or damage. If, to our knowledge the insured vehicle is the subject of an installment sale or similar agreement such payment shall be made to the owner described in the agreement and whose receipt shall be a full and final discharge to us in respect of such loss or damage.

2.2. The Maximum Indemnity and amount payable by us shall be the current market value of the vehicle or implement as shown in any recognized and current motor or agricultural trade publication. The vehicle's age, condition and odometer readings might affect the value of the vehicle at the time of the loss.

2.3. In respect of each and every occurrence giving rise to a claim (except a claim resulting from fire, lightning or explosion) under this Sub-Section, you will be responsible for the First Amounts Payable stated on the schedule (according to the type of vehicle) of any expenditure (or any less expenditure which may be incurred) for which provision is made under this Sub-Section (including any payment in respect of costs, expenses and fees) and of any expenditure by us in the exercise of any discretion we may have under this insurance. If the expenditure incurred by us shall include any First Amount Payable for which you are responsible, such amount shall be repaid to us immediately.

2.4. We shall not be liable for more than the amount stated on the schedule (after deduction of the First Amount Payable) in respect of theft or attempted theft of radios and similar equipment not supplied by the manufacturers of the vehicle when new.

3. Specific exceptions too Sub-Section A

We will not be liable for:

- a) consequential loss as a result of any cause whatsoever, depreciation in value whether arising from repairs following a defined event or otherwise, wear and tear, mechanical, electronic or electrical breakdowns, failures or breakages
- b) damage to tires by application of the brakes or by road punctures, cuts or bursts
- c) damage to springs or shock absorbers due to inequalities of the road or other surface or to impact with such inequalities

4. Specific extension too Sub-Section A

4.1. Traction tires

Notwithstanding Specific exception (b) too Sub-Section A we will indemnify you against irreparable damage to the traction tires to any vehicle specified on the Schedule resulting from Damage caused by any unseen or concealed object whilst on the road or other surface up to the limit per tire that is stated on the Schedule

Sub-section B – Liability to Third Parties

1. Defined events

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 such vehicle in respect of which you and/or any passenger becomes legally liable to pay the sums including claimant's costs and expenses in respect of:

- (i) death of or bodily injury to any person, but excluding death of or bodily injury to you or to any employee of yours arising from and in the course of such employment or being a member of the same household as you
- (ii) damage to property other than property belonging to the Insured or held in trust by or in the custody or control of the Insured or being conveyed by, loaded onto or unloaded from such vehicle.

We will also, in terms of and subject to the limitations of and for the purpose of this sub-section:

- 1.1.** Pay all costs and expenses incurred with our written consent and shall be entitled, at our 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 court any criminal proceedings in respect of any act causing or relating to any event which may be the subject of indemnity under this sub-section, provided that the total of our liability under both this extension and Sub-Section B shall not exceed the limit of indemnity stated to apply to Sub-section B
- 1.2.** Indemnify any person who is driving or using such vehicle on your order or with your permission provided that
 - a) such person shall, as though they were you, observe, fulfil and be subject to the terms, exceptions and conditions of this insurance in so far as they can apply
 - b) such person driving such vehicle has not been refused any motor insurance or continuance thereof by any insurer
 - c) indemnity shall not apply in respect of claims made by any member of the same household as such person
 - d) such person is not entitled to indemnity under any other policy except in respect of any amount not recoverable hereunder
- 1.3.** Indemnify you while personally driving or using any private type motor car not belonging to you and not leased or hired to you under a lease or suspensive sale agreement, provided you are an individual and have insured under this policy a vehicle described under definition (a) or (b) and provided we shall not be liable for damage to the vehicle being driven or used
- 1.4.** Indemnify you 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 that we shall not be liable for damage to the towed vehicle or trailer or to property in or on the vehicle or trailer.

5. Specific exceptions too Sub-Section B

We shall not be liable under this sub-section in respect of

- a) so much of any compensation or claim as falls within the scope of any compulsory motor vehicle insurance enactment. This exception shall apply notwithstanding that no insurance under such enactment is in force or has been effected
- b) death of or injury to any person being carried in or upon or entering or getting onto or alighting from a vehicle described in Vehicle Definition (b), (c), (d) or (e) at the time of the occurrence of the event from which any claim arises (except any person being carried in or upon or entering onto or alighting from a permanently enclosed passenger carrying compartment of a commercial vehicle with a carrying capacity not exceeding 1,500kg)
- c) death of or injury to or illness of any person being a member of the same household as you
- d) loss of or damage to property belonging to or held in trust by or in the custody or control of yourself or being conveyed by, loaded onto or unloaded from such vehicle
- e) liability arising from the operation, demonstration or use (for the 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 such tool or plant. This exclusion shall not apply to forklift trucks.

6. Limits of Indemnity

Unless otherwise stated, our liability under this sub-section in respect of any one occurrence shall not exceed the limits of indemnity stated on the schedule.

Sub-section C – Medical expenses

1. Defined events

If an occupant in the specified part of a vehicle described below, in direct connection with such vehicle, sustains bodily injury by violent, accidental, external and visible means, we will pay to you the medical expenses incurred as a result of such injury up to R5,000 per injured occupant but not exceeding R50,000 in total for all occupants injured as a result of an occurrence or series of occurrences arising out of one event.

The amount payable under this sub-section shall be reduced by any amount recoverable under any workmen's compensation enactment or similar legislation.

The term medical expenses include any costs incurred too free such injured occupant from such vehicle or to bring such injured occupant to a place where medical treatment can be given.

Defined vehicle but only if it is insured under Sub-Section A

- a. Vehicle (a) – Commercial vehicle over 3500 gross vehicle mass
- b. Any other type of insured vehicle

Specified part of vehicle in which the injury must occur

- Anywhere inside the cab or enclosed section of the vehicle
- The permanently enclosed driver or passenger carrying compartment

2. Definitions

2.1. Occurrence – shall mean an occurrence or series of occurrences arising from one cause in connection with any one vehicle in respect of which indemnity is provided by this insurance.

2.2. Vehicle – shall mean:

- a) Commercial vehicles exceeding 3500 gross vehicle mass
- b) Tractors, Harvesters,
- c) Trailers, Ploughs, Planters, i.e. any vehicle without means of self-propulsion designed to be drawn by a self-propelled vehicle
- d) Caterpillars, Graders, Back actors, TLB's and special types as described on the schedule
- e) Irrigation systems on wheels and center pivots

Any such vehicle being owned by or hired or leased to you, including any such vehicle temporarily operated by you as a replacement for any vehicle out of use for the purpose of overhaul, upkeep and/or repair provided that our maximum liability shall not exceed the retail value of the replaced vehicle as stated on the schedule.

3. Memoranda

3.1. War clause

In respect of Sub-Sections B and C only, General exception 1 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.

3.2. Description of Use

Use by you for social, domestic and pleasure purposes and use for your business or occupation excluding: hiring, carriage of passengers for hire or carriage of fare-paying passengers, racing, speed or other contests, rallies, trials, carriage of explosives or carriage of any load of passengers exceeding the capacity for which the vehicle is constructed or licensed to carry or use for any purpose with the motor trade unless the insured vehicle is in the custody or control or control of a member of the motor trade for the purpose of its overhaul, upkeep or repair.

4. Optional limitations

4.1. Third Party only cover – (if stated on the schedule to be applicable)

Sub-sections A and C are cancelled.

4.2. Third Party, Fire and Theft only cover – (if stated on the schedule to be applicable)

Our liability under Sub-Section A 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 C is cancelled.

5. Section exceptions

5.1. We will not be liable for any accident, injury, loss, damage, or liability:

5.1.1. whilst the insured vehicle is being used with your general knowledge and consent otherwise than in accordance with the Description of Use clause

5.1.2. incurred outside of the Territorial Limits, but we will indemnify you against loss of or damage to the insured vehicle while in transit by sea or air between ports or airports in these territories including loading and unloading incidental to such transit

5.1.3. incurred while any insured vehicle is being driven by:

(i) you while under the influence of intoxicating liquor or drugs (unless administered by or prescribed by and taken in accordance with the instructions of a member of the medical profession other than themselves) or whilst not licensed to drive such vehicle

(ii) any other person with your general knowledge and consent who, to your knowledge, is under the influence of intoxicating liquor or drugs (unless administered by or prescribed by and taken in accordance with the instructions of a member of the medical profession other than themselves) or whilst not licensed to drive such vehicle

(iii) or is under the control for the purpose of being driven by a person who does not hold a current and valid Professional Driving Permit (PrDP) to drive such a vehicle as required in terms of the National Road Traffic Amendment Act

(iv) This exception applies if the said person has held a PrDP but has not renewed it and is applicable to all drivers of:

a) goods vehicles with a GVM exceeding 3,500 kg

b) breakdown vehicles

c) buses

d) mini-buses with a GVM exceeding 3,500 kg or with 12 or more seats (including the driver)

e) motor vehicles carrying persons for reward

f) motor vehicles carrying more than 12 persons

But this shall not apply if you were unaware that the driver was unlicensed and you can prove to our satisfaction that, in the normal course of your business, procedures are in operation to ensure that only licensed drivers are permitted to drive insured vehicles provided that any driver shall be deemed to be licensed to drive the vehicle if he/she is complying with the licensing laws relating to any of the territories referred to in the Territorial Limits covered by the policy or if a license is not required by law, or while such driver is learning to drive and is complying with the laws relating to learner drivers.

(v) We will not be liable for any claim arising from contractual liability, unless such liability would have attached to us notwithstanding such contractual agreement.

6. Specific Condition

If, during the currency of this Section, any driver's license issued to you or your authorized driver is endorsed, suspended or cancelled, or if he/she or they shall be charged or convicted of negligent, reckless or improper driving, notification shall be sent in writing to us immediately you have knowledge of such fact.

7. Section extensions

7.1. Contingent Liability

The indemnity under Sub-Section B includes claims made against:

- a) You in the event of an accident arising in the course of the business and caused by or through or in connection with any motor vehicle not the property of or provided by you while being used by any partner, director or employee of yours (referred to as "such person" from here on)
- b) any such person in the event of an accident arising in the course of the business and caused by or through or in connection with any motor vehicle not belonging to him/her or to you or leased or hired by either, but only in so far as such person has not been refused any motor insurance or continuance thereof by any Insurer

Provided that:

- (i) all the words in (b) of the exceptions too Sub-Section B are deleted
- (ii) we will not be liable for loss of or damage to any motor vehicle being used for the purposes and in the manner described in (a) and (b) above
- (iii) any payment by you of subsidies or travelling allowances to such person for the use of his/her own vehicle for official purposes, is allowed without prejudice to the insurance by this extension
- (iv) if, at the time of the occurrence of any accident giving rise to a claim under this extension, you or such other person is entitled to indemnity under any other policy in respect of the same occurrence, we will not be liable to make any payment hereunder except in respect of any excess beyond the amount payable under such other policy
- (v) the terms, exceptions and conditions of the policy shall otherwise apply.

7.2. Passenger Liability (if stated on the schedule to be included)

Exception (b) too Sub-Section B shall not apply to vehicles described in definition (b), other than special types, or in definitions (c), (d) or (e). The limit of indemnity for any one occurrence shall not exceed the amount stated on the schedule.

7.3. Parking facilities and movement of third party vehicles

This section extends to indemnify you 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 you) by any person in the employed by you or acting on your behalf, provided always that such vehicle was being moved:

- a) with the authority of any tenant, customer or visitor of yours or
- b) in connection with your parking arrangements or
- c) to facilitate the carrying out of your business,

And provided further that this extension shall not apply in respect of damage to vehicles which are parked for reward.

For the purpose of this extension, such vehicle (and its contents) shall not be deemed to be held in trust by, or in your custody.

7.4. Waiver of subrogation rights

For the purposes of this Section, we waive all rights of subrogation or action which we may have or acquire against any other person to whom the indemnity hereunder applies and each such person shall observe, fulfil and be subject to the terms, exceptions and conditions (both General and Specific) of this insurance in so far as they can apply.

7.5. Cross Liabilities

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

7.6. Riot and strike

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

- (i) civil commotion, labor disturbances, riot strike or lockout;
- (ii) the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in (i) above;

Provided that this extension does not cover:

- a) loss or damage occurring in the Republic of South Africa and Namibia;
- b) consequential loss or damage of any kind or description whatsoever, other than loss of use if specifically insured;
- c) loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;
- d) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
- e) loss or damage related to or caused by any occurrence referred to in General exception 1(a) (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 we allege 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 yourself.

7.7. Loss of Keys

We will indemnify you 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 the disappearance of any key or alarm controller of such vehicle or following upon you having reason to believe that any unauthorized person may be in possession of a duplicate of such key or alarm controller, provided that:

- (i) our liability shall not exceed the amount stated on the Schedule
- (ii) such amount such amount shall be reduced by the first amount payable stated on the Schedule.

7.8. Fire extinguishing charges

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

7.9. Wreckage removal

The cover provided under Sub-Section A of this section is extended to include costs and expenses incurred by you in respect of the clearing up and removal of debris and wreckage of any insured vehicle following damage to such vehicle by a defined event up to the amount stated on the Schedule.

Section 24

Property in Transit

1. Defined events

We will indemnify you against loss of or damage to the whole or part of the property described on the schedule, owned by you or for which you are responsible, in the course of transit by the means of conveyance described on the schedule and caused by an accident or misfortune that is not excluded by this policy provided that:

- (i) you shall be responsible for the first amount payable stated on the schedule in respect of each and every defined event except for a claim resulting from fire, lightning or explosion;
- (ii) our liability for all loss or damage arising from any one defined event shall not exceed the limit of indemnity stated on the schedule.

2. Memoranda

- 2.1.** Transit shall be deemed to have commenced from the time of moving the property described on the schedule at the consignor's premises (including carrying to any conveyance and loading onto it), continue with the transportation to the consignee including temporary storage not exceeding 96 hours (ninety-six) hours in the course of the journey) and end when off-loaded and delivered at any place of storage at the consignee's premises.
- 2.2.** If any consignee shall refuse to accept the property consigned, transit shall be deemed to continue and the insurance in respect of such property shall continue in force until the property is delivered at the premises of the consignor by any means of the conveyance, provided that you take all reasonable steps to ensure that the property is returned as soon as is reasonably possible.
- 2.3.** Where the means of conveyance is by a specified vehicle, the insurance under this section shall apply to the insured property on any vehicle, which is not your property or leased or hired by you under a lease or suspensive sale agreement, that is temporarily used in place thereof while the specified vehicle is undergoing repair or servicing.
- 2.4.** In the event of breakdown of the means of conveyance during transit or if, for any reason beyond your control, the insured property is endangered, you are permitted to use any other form of transport to assist completion of the transit without prejudicing the cover provided by this section.

3. Restricted cover option (if stated on the schedule to be included)

The insurance under this section is limited to loss or damage resulting from fire, explosion, collision or the overturning or derailment of the means of conveyance described on the schedule.

4. Specific exceptions

We will not be liable for:

- 4.1.** loss or damage resulting from or caused by:
 - a) theft from any unattended vehicle in your custody or control or any principal, partner, director or employee of yours unless the property is contained in a completely closed and securely locked vehicle and the vehicle itself is inside a securely locked building and entry to or exit from the locked vehicle or building is accompanied by force and or violence;
 - b) inherent vice or defect, vermin, insects, damp, mildew or rust;
 - c) the dishonesty of any principal, partner, director or employee of yours, whether acting alone or in collusion with others;
 - d) detention, confiscation or requisition by customs or other officials or authorities;
 - e) or arising whilst in transit by sea and then followed by inland transit
 - f) breakdown of refrigeration equipment unless selected on the schedule and the appropriate premium paid.
- 4.2.** wear and tear or gradual deterioration (including the gradual action of light or climatic or atmospheric conditions) unless it is following an accident or misfortune that is not otherwise excluded.
- 4.3.** mechanical, electronic or electrical breakdown, failure, breakage or derangement of the insured property unless it is following an accident or misfortune that is not otherwise excluded.
- 4.4.** consequential loss of any kind, delay, loss of market, depreciation or changes brought about by natural causes.

4.5. loss of or damage to:

- a) cash, bank and currency notes, coins, bonds, coupons, stamps, negotiable instruments, title deeds, manuscripts, or securities of any kind;
- b) property outside of the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Mozambique, Zimbabwe, Malawi and Zambia;
- c) 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. Optional extensions

5.1. Livestock (if stated on the schedule to be included)

We will indemnify you in respect of death of the livestock described on the schedule whilst in transit up to the limit stated on the schedule against the following incidents:

- a) fire, collision, derailing or overturning of the conveyance
- b) lightning or flood waters carrying the conveyance away
- c) euthanizing of livestock that are injured or in distress following an incident described in (a) or (b) above
- d) theft following an incident described in (a) or (b) above
- e) the cost of alternative transportation or storage of surviving livestock following an incident described in (a) or (b) above for up to 7 days following the incident

5.2. Exclusions to this extension

- a) death of any livestock under the age of 3 months
- b) death caused by jumping or trampling of the livestock

5.3. Breakdown of refrigeration equipment (if stated on the schedule to be included)

Cover is extended to include loss or damage to the goods being carried resulting from variation in temperature caused by the breakdown or malfunction of the refrigeration equipment on the vehicle (except if caused by fuel starvation) and provided the breakdown lasts for a period not less than 6 consecutive hours.

All temperature control units are to be serviced and maintained in accordance with the manufacturer's guidelines and the driver and supervisor are required to ensure that the temperature is set correctly prior to the commencement of any journey.

5.4. Riot and strike (if stated on the schedule to be included)

Subject to the General terms, conditions and exceptions of the policy this section is extended to cover loss or damage directly caused by or through or in consequence of:

- (i) civil commotion, labor disturbances, riot strike or lockout;
- (ii) the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in (i) above;

Provided that this extension does not cover:

- a) loss or damage occurring in the Republic of South Africa and Namibia;
- b) consequential loss or damage of any kind or description whatsoever, other than loss of use if specifically insured;
- c) loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;
- d) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
- e) loss or damage related to or caused by any occurrence referred to in General exception 1(a) (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 we allege that, by reason of provisos (a), (b), (c), (d) or (e), loss or damage is not covered by this Section, the of proving the contrary shall rest on you.

Section 25

Livestock

1. Defined events

We will indemnify you against loss or damage resulting from the death or destruction of your livestock described on the schedule whilst in any building and/or in the open on the premises described on the schedule from an insured event described below:

- 1) Fire or lightning
- 2) Storm, wind, flood, hail or snow
- 3) Impact by any vehicle
- 4) Euthanasia administered by a qualified veterinary surgeon to alleviate suffering of the animal due to injuries caused by an insured event

2. Limit of liability and basis of indemnity

The amount that we will pay in respect of an insured event will be the value of the insured animal agreed between you and us at the inception of cover and limited to the amount stated on the schedule

3. Territorial limits

Loss or damage occurring within the Republic of South Africa

4. Specific exceptions

- 4.1. Confiscation, requisition, destruction or detention of any livestock as a result of any order by statute, government or public authority.
- 4.2. Loss or damage to livestock not belonging to you or held in your custody or control and for which you are responsible.
- 4.3. Defined event 2 will not include frostbite

5. Specific conditions

5.1. Condition of animals

All livestock described on the schedule must be in sound condition, good health and free from injury at the commencement of this insurance

5.2. Death of livestock following an insured event

If any animal described on the schedule succumbs to an injury resulting from an insured event, you are required to report the event to us immediately and allow us the opportunity of inspecting the carcass before disposing of it.

5.3. Veterinary death certificate

You will be required to provide us with a veterinary certificate that confirms the death of the animal was caused as a result of an insured event.

Section 26

Legal Liability to Third Parties

1. Defined events

We will indemnify you in respect of damages which you shall become legally liable to pay consequent upon death of or bodily injury to or illness of any person (referred to as “injury” from here), or loss of or physical damage to property (referred to as “damage” from here) which occurred in the course of or in connection with your business within the Territorial Limits and on or after the retroactive date shown on the Schedule and which results in a claim or claims first being made against you in writing during the period of insurance.

2. Limits of Indemnity

The amount payable, inclusive of any legal costs recoverable from you by a claimant or any number of claimants and all other costs and expenses incurred with our consent for any one event or series of events with one originating cause or source, shall not exceed the limit of indemnity stated on the Schedule.

In the event of any one originating cause giving rise to a claim or series of claims which form the subject of indemnity by more than one Extension of this Section, each Extension shall apply separately and be subject to its own separate limit of indemnity provided always that our 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, our liability will be limited to the maximum limit of indemnity for any one such period of insurance.

3. Territorial limits

Anywhere in the world but not in connection with:

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

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

4. Specific exceptions

General Exceptions 1 and 2 shall not apply to this Section and the Indemnity expressed by this section shall not apply to or include:

4.1. Liability arising from injury to any person employed by you under a contract of service, apprenticeship or informal agreement which arises from and in the course of the employment by you.

4.2. Damage to:

4.2.1. property belonging to you or that which is under your custody and control or of any employee of yours.

4.2.2. that part of any property which you are or have been working on if the damage results directly from such work.

4.3. Liability arising from injury or damage:

4.3.1. caused by or through or in connection with any advice (other than gratuitous advice) or treatment of a professional nature (other than first aid treatment) given or administered by or at your discretion.

4.3.2. caused by or through or in connection with the ownership, possession or use by or on your behalf 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 on inland waters), locomotive or rolling stock, provided that we shall not be relieved of our duty to indemnify you in respect of liability following injury or damage caused or arising beyond the limits of any carriage-way or thoroughfare in connection the loading or unloading of any vehicle, insofar as such injury is not covered by any other insurance policy.

4.3.3. caused by or through or in connection with:

a) The refueling of aircraft

- b) The ownership, possession, maintenance, operation or use of aircraft or an airline
- c) The ownership, hire or leasing of any airport, airstrip or helicopter pad.

- 4.3.4.** 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. The term “replacement” shall be deemed to include any credit or refund granted or alternative product provided by or on your behalf in lieu of replacement of the defective product
- 4.3.5.** liability in respect of the failure of any product or any part thereof to fulfill its intended function or to perform as specified, warranted or guaranteed but this Exception shall not apply to consequent injury or damage
- 4.3.6.** liability in respect of any defect in any product or any part thereof which you were aware of prior to the inception of this Policy or Section
- 4.3.7.** caused by or through or in connection with goods or products (including containers and labels) sold or supplied and happening anywhere other than on the premises occupied by you and other than food and drink supplied incidentally for consumption on your premises.
- 4.3.8.** occurring after the completion and handing over of any work and caused by or through or in connection with any defect or error in or omission from such work.
- 4.3.9.** Liability in respect of damage to any property, land or building or death, bodily injury or illness to any person caused by vibration or by the removal or weakening of support to any building or property owned or occupied by you.
- 4.3.10.** Liability assumed by you by agreement and which would not have attached in the absence of such agreement.
- 4.3.11.** Liability in respect of death, injury, illness, loss or damage caused by or in connection with or arising from seepage, pollution or contamination unless caused by a sudden, unintended and unexpected event. The indemnity provide by this Section shall also not apply to or include the costs of removing, nullifying or cleaning up seeping, polluting or contaminating substances. This exception shall not extend the policy to cover any liability which would not have been covered by this policy in the absence of this exception.
- 4.3.12.** Liability in respect of punitive, exemplary or vindictive damages, fines or penalties awarded in any Court
- 4.3.13.** liability in respect of:
 - a) damages arising from any judgment, award or settlement made within countries which operate under the laws of the United States of America or Canada (or made anywhere in the world to enforce such judgment, award or settlement either in whole or in part).
 - b) costs and expenses of litigation recovered by any claimant from you which are incurred in and recoverable in the area defined in 8(a) above.
- 4.3.14.** Liability in respect of any claim arising from an event known to you:
 - a) which is not reported to us in terms of General Condition 7.
 - b) prior to inception of this section.
- 4.3.15.** Liability in respect of any claim (in the event of cancellation or non-renewal of this section) which has not first been made in writing against you within the 48-month period (or extended period in respect of minors) as specified in Specific condition 2 below.
- 4.3.16.** Liability arising out of the deliberate, conscious or intentional disregard by your technical or administrative management of the need to take all reasonable steps to prevent claims.

5. Memorandum

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

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

6. Specific conditions

- 6.1.** Any claim that is first made in writing against you as a result of a defined event and reported in terms of General condition 7 (referred to as “reported event” from here) shall be treated as if it had first been made against you on the same day that you reported the event to us.
- 6.2.** In the event of cancellation or non-renewal of the policy:
- a) any claim resulting from a reported event, first made in writing against you during the 48 months immediately following cancellation or non-renewal shall be treated as having been made against you on the same day that you reported the event. If the claimant is a minor, the period of 48 months will be extended until the expiry of 12 months after the attainment of majority by the claimant.
 - b) you may report an event in terms of General condition 7 to us for up to 30 days after cancellation or non-renewal, provided:
 - c) such event occurred during the period of insurance.
 - d) any subsequent claim first made in writing against you as a result of such event shall be treated as if it had first been made on the last day preceding cancellation or non-renewal and is subject to the 48-month period specified in 2(a) above.
- 6.3.** Any series of claims made against you by one or more claimants during any period of insurance consequent upon one event or series of events with one original cause or source shall be treated as if they all had first been made against you:
- a) on the date that the event was reported by you in terms of General condition 7 or,
 - b) if you were not aware of any event which could have given rise to a claim, on that date that the first claim or series of claims was first made in writing against you.

7. Section extensions

7.1. Extended reported option

- At your option and subject to the payment of an additional premium to be determined and subject to all the terms, exceptions and conditions of this section, we agree to extend the period during which you may report an event in terms of General Condition 7 for a period to be agreed, but in no circumstances exceeding 36 months (referred to as “extended reporting period” from here) provide that:
- a) this option may only be exercised in the event that we cancel or refuse to renew this section.
 - b) this option must be exercised by you in writing within 30 days of cancellation or non-renewal.
 - c) once exercised, the option cannot be cancelled by either you or ourselves.
 - d) you have not obtained insurance equal in scope and cover to this section when it expired.
 - e) we shall only be liable for a defined event which occurred after the retroactive date but prior to the date of cancellation or non-renewal.
 - f) claims first made against you or any reported event by you during the extended reporting period shall be treated as if they were first made or reported on the last day preceding the cancellation or non-renewal.
 - g) the total amount payable by us 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.
 - h) any claim made, following a reported event during the extended reporting period, which is first made against you 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.

8. Additional insured

If requested by you this Section shall extend to indemnify:

- a) in the event of your death, any personal representative of yours in respect of liability incurred by you.
- b) any principal for whom you are carrying out work so far as regards liability for death, bodily injury, illness, physical loss or damage for which you are responsible and happening in connection with carrying out of such work
- c) any partner, director or employee of yours acting within the scope of their employment and within the scope of their authority at the time of the accident
- d) any officer or member of your social, sports or welfare organization, first aid, fire or ambulance services

Providing always that:

- a) any such personal representative, principal, director, officer, member, employee or team member shall, as if they were the Insured observe, fulfil and be subject to the terms, exceptions, limits and conditions of this Policy in so far as they can apply and
- b) if at the time of any occurrence or claim there is, but for the existence of this Section, would be any other policy of indemnity or insurance in favor of or effected by or on behalf of such principal, director, officer, member, employee or team member thereof applicable to such occurrence or claim the Insurer shall not be liable under this Section of the Policy to indemnify the principal, director, officer, member, employee or team member thereof in respect of such occurrence or claim.

9. Security firms

Notwithstanding Specific exception 5, if in terms of a contract with a security firm engaged to protect your property in the course of your business or persons at the premises and you become legally liable for the acts or omissions of the employees of the security firm in the course of their employment, then this section includes such legal liability to the extent that indemnity would have been granted under this section had the employees of the security firm been under a contract of service with you and not the security firm but not exceeding the limit of liability stated on the schedule.

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

10. Cross Liabilities

If there is more than one Insured under this Policy then we will, in the same manner and to a like extent as though this Policy was issued in the name of one of them only, indemnify you in respect of claims made by any of them (or their servants or agents) against any other of the Insured.

Provided that our total liability shall not exceed the Limits of Indemnity stated on the Schedule

11. Tool of Trade

Section Exception 3 (b) shall not apply to liability in respect of death, bodily injury, illness, physical loss or physical damage resulting from the operation as a tool of any vehicle or plant forming part of such vehicle or attached thereto provided that we 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

12. Employees and visitors' property

Specific exception 2 (a) (ii) shall not apply to property belonging to any partner, director or employee of yours or any visitor to your premises.

13. Liability by agreement

Notwithstanding the provisions of Specific exceptions 2 (a) (ii), 3 (b) and 5, this section extends to indemnify you:

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

14. Unattached trailers and implements

Specific exception 3(b) shall, as far as it relates to trailers and implements, not apply in respect of any trailer or implement not attached to and not having become unintentionally detached from any mechanically propelled vehicle, provided that we shall not be liable for any liability:

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

15. Emergency medical expenses

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

16. Car Parks and Tenants Liability

Specific Exception 2 (a) and the word “possession” in Specific Exception 3 (b) shall not apply to liability in respect of physical loss of or damage to any vehicle not belonging to you (and/or any contents of or accessory on such vehicle) occurring whilst making use of your parking facilities provided that such vehicle (and/or any contents of or accessory on such vehicle) is not hired by or lent to you or driven by or on behalf of you or in charge or under your control or any employee, servant or agent of yours for the purpose of any work being or having been performed thereon.

Specific exceptions 2 (a) and 4 shall not apply to liability in respect of physical damage to any building or portion thereof occupied by you as tenant but not as owner.

17. Tenants liability

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

17.1. Products liability (if stated on the schedule to be included)

Notwithstanding anything to the contrary contained in Specific exception 3(d), we will indemnify you in respect of defined events happening anywhere in the territorial limits other than at the premises owned/or occupied by you and caused by goods or products (including containers and labels) sold or supplied (including wrongful delivery and delivery of incorrect goods) by you in connection with the business.

The amount payable under this extension, inclusive of any legal costs recoverable from you by a claimant or any number of claimants, and all other costs and expenses incurred with our consent, for any one event or series of events with one original cause or source or during any one (annual) period of insurance, shall not exceed in the aggregate the limit of indemnity for this extension stated on the schedule.

17.2. Additional specific exceptions (applicable to the Products liability extension)

This extension does not cover liability:

- 1) For the cost of repair, alteration, recall or replacement of the goods or products (including containers and labels) causing injury or damage.
- 2) For the cost of demolition, breaking out, dismantling, delivery, rebuilding, supply and installation of the goods or products (including containers and labels) and any other property essential to such repair, alteration or replacement unless physically damaged by the goods or products.
- 3) arising from defective or faulty design, formula, plan or specification, but if you are a retailer this specific exception 3 does not apply if your activities are wholly restricted to sales, distribution and/or marketing (including any marketing advisory service accompanying the products) of the product, and your activities do not include final preparation which means repackaging, packing, labeling, cleaning or provision of operating instructions prior to sale to your original customers, nor include any enhancement, amendment or alteration to the product.
- 4) arising from inefficacy or failure to conform to specification, unless such inefficacy or failure is due to negligence in the following of such specification.
- 5) arising from goods or products intended to be installed and installed in, or intended to form part of and forming part of, an aircraft.

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

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

Specific exceptions 2 (b) and 3 (h) are deleted

The amount payable under this extension, inclusive of any legal costs recoverable from you by a claimant or any number of claimants and all other costs and expenses incurred with our consent, for any one event or series of events with one original cause or source or during any one (annual) period of insurance, shall not exceed in the aggregate the limit of indemnity for this extension stated on the schedule.

18.1. Additional specific exceptions (applicable to defective workmanship liability)

This extension does not cover liability:

- a) for the cost of rectifying or recalling defective work.
- b) arising from inefficacy of such work or because the work did not produce the result anticipated or claimed.
- c) arising prior to handing over of such work
- d) arising from defective design.
- e) arising from any work on any aircraft or part thereof

19. Legal defense costs (if stated on the schedule to be included)

If requested by you we will indemnify any employee, partner or director of yours in respect of costs and expenses not exceeding the amount stated on the schedule incurred by or on behalf of such person with our consent in the defense of any criminal action brought against such person in the course of their occupation with you arising from an alleged contravention of the statutes defined below during the period of insurance provide that:

- a) in the case of an appeal, we shall not indemnify such person unless a senior counsel, approved by us, shall advise that such an appeal should, in their opinion, succeed.
- b) we will not indemnify such person in respect of any fine or penalty imposed by any magistrate or judge or any consequential loss.
- c) such person shall, as though they were the insured, observe, fulfil and be subject to the terms, exceptions and conditions of this policy and this section in so far as they can apply.

19.1. The Statutes:

- The Consumer Protection Act No. 68 of 2008 (as amended)
- The Occupational Health and Safety Act No. 85 of 1993 (as amended)
- The Mines and Works Act No. 27 of 1956 (as amended)
- The Electricity Act No. 40 of 1958 (as amended)
- and/or any other Act or Ordinance pertaining to the supply of electricity
- all as read in conjunction with the Criminal Procedure Act No.51 of 1977 (as amended).

20. Wrongful arrest and defamation (if stated on the schedule to be included)

The defined events are extended to include damages:

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

Always up to the limits stated on the schedule for these extensions

21. E.U. and U. K. Liability (if stated on the schedule to be included)

Subject otherwise to the terms, conditions and limitations, the following changes are made to this section of the policy in respect of "injury" or "damage" (as insured by the Products Liability extension) which results from goods or products exported to any European Union (E.U.) country, European Free Trade Associations (E.F.T.A.) country or the United Kingdom.

21.1. In respect of these goods or products (other than raw materials), you shall:

- a) implement and maintain a system in terms of which these goods or products can be clearly identified by batch number or serial number or date stamp or other similar manner.
- b) note and maintain a record of the date on which the actual goods or products were first put into circulation.

c) This record shall be maintained so as to provide the required detail for a minimum period of 10 years after the goods or products were first put into circulation.

21.2. The information mentioned in (21.1), together with all supporting documentation, shall be made available to us or our nominee at any time on request.

21.3. In respect of this indemnity, you shall be responsible for the first amount payable shown on the schedule for this extension.

22. Droving and escaping of animals and stray animals (if stated on the schedule to be included)

We will indemnify you for legal liability arising from droving and/or escaping of animals and stray animals provided that:

- a) you take all reasonable precautions to prevent damage and you comply with the laws regarding droving of animals on public roads
- b) all gates and fences of livestock paddocks directly alongside public roads are kept in good order and condition and that all gates having access to public roads are securely closed at all times
- c) our liability shall not exceed the amount stated on the schedule

22.1. Animals at shows and auctions (if stated on the schedule to be included)

We will indemnify you for legal liability arising from displaying animals at shows and auctions whilst in your custody or control during the show or auction

23. Spread of fire (if stated on the schedule to be included)

We will indemnify you for legal liability arising from spread of fire provided that:

23.1. you comply with all of the requirements for the prevention of the spreading of fire as contained in the Forestry Act, 1984 (Act 122 of 1984) (as amended), the Preservation of Agricultural Resources Act, 1983 (Act 43 of 1983) (as amended) and the National Veld and Forest Fire Act, 1988 (Act 101 of 1998) (as amended) or substituted and all regulations promulgated in terms thereof as well as all other relevant statutory requirements

24. Section conditions

24.1. We may in the case of any occurrence pay to you the maximum sum payable under this Section (but deducting any sums already paid in respect of the occurrence) or any lesser sum for which the claim or claims can be settled and relinquish the conduct of any defense settlement or proceedings and we shall not be responsible for any damage alleged to have been caused to you in consequence of any alleged action or omission of ours in connection with such defense settlement or proceedings or of our relinquishing such conduct nor shall we be liable for any costs or expenses whatsoever incurred by you or any claimant or other person after we have relinquished such conduct

24.2. If at the time of the occurrence or claim there is or but for the existence of this Section would be any other policy of indemnity or insurance in favor of or effected by or on your behalf applicable to such occurrence or claim, we shall not be liable under this Section to indemnify you in respect of such occurrence or claim except in so far as concerns any excess beyond the amount by which would be payable under such other indemnity or insurance had this Section not been effected.

24.3. After any occurrence covered by this Section no alteration or repair shall, so far as practicable, be made until our consent has been obtained

24.4. We shall, at all reasonable times, have free access to inspect any property and in the event of any defect or danger being apparent we may give notice in writing to you and thereupon all our liability in respect thereof or arising therefrom shall be suspended until the same be cured or removed to our satisfaction.

Section 27

Employers Liability

1. Defined events

We will indemnify you against damages which you 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 you, which occurred in the course of and in connection with such person's employment by you within the Territorial Limits and on or after the retroactive date shown on the schedule, and which results in a claim or claims first being made against you in writing during the period of insurance.

2. Limit of Indemnity

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

3. Section exceptions

This section does not cover

- 3.1. liability assumed by you under any contract, undertaking or agreement where such liability would not have attached to you in the absence of such contract, undertaking or agreement.
- 3.2. liability for disease or impairment attributable to a gradually operating cause which does not arise from a sudden and identifiable accident or event.
- 3.3. fines, penalties, punitive, exemplary or vindictive damages.
- 3.4. damages in respect of judgements that have not been delivered or obtained in the first instance by a court of competent jurisdiction within the Territorial Limits
- 3.5. costs and expenses of litigation recovered by any claimant from you which are not incurred in and recoverable in the Territorial Limits
- 3.6. any claim arising from an event known to you which is not reported to us in terms of General Condition 7 or prior to the inception of this Section
- 3.7. any claim arising from an event known to you before the inception of this insurance or which has been reported to any previous Insurer as being a possible cause of a future claim or claims.
- 3.8. any claim (in the event of cancellation or non-renewal of this Section) which was not first made in writing against you.

4. Section conditions

- 4.1. You shall take all reasonable precautions to prevent accidents or illness. After any occurrence covered by this Section arising from or attributable to any defect in the ways, works, machinery and plant connected with or used in the Business no alteration or repair shall, so far as practicable, be made until our consent has been obtained.
- 4.2. We shall at all times have free access to inspect the Property and in the event of any defect or danger being apparent to our representative be entitled to give notice in writing to you to rectify the defect or danger and all liability of ours shall be suspended until the defect or danger has been rectified to our satisfaction.
- 4.3. Any claim first made in writing against you as a result of a Defined Event reported in terms of General Condition 7 (termed Reported Event from here on) shall be treated as if it had first been made against you on the same day that the Insured reported the event to us.

4.4. In the event of cancellation or non-renewal of the policy:

4.4.1. Any claim resulting from a Reported Event, first made in writing against you during the 48 months immediately following cancellation or non-renewal shall be treated as having been made against you on the same day that you reported the event. If the claimant is a minor, the period of 48 months will be extended until the expiry of 12 months after the attainment of majority by the claimant.

4.4.2. you may report an event in terms of General Condition 7 to the us for up to 15 days after cancellation or non-renewal provided that:

- a) such event occurred during the period of insurance
- b) any subsequent claim first made in writing against you as a result of such event shall be treated as if it had first been made on the last day preceding cancellation or non-renewal and is subject to the 48-month period specified in 4(a) above.

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

- a) on the date that the event was reported by the you in terms of General Condition 7, or
- b) if you were not aware of any event which could have given rise to a claim, on the date that the first claim of the series was first made in writing against you.

5. Principals

Where a principal and you are liable for the same damages and where any contract or agreement between a principal and yourself so requires, we will, notwithstanding the contents of Specific Exception 1 above, indemnify the principal in like manner to you but only so far as concerns the liability of the principal to an employee as mentioned before for death, bodily injury or illness of such person resulting from your negligence or that of your employees provided that:

5.1. in the event of a claim in terms of this extension, you shall endeavor to arrange with the principal for the conduct and control of all claims to be vested in ourselves

5.2. the principal shall, as though he were you, fulfil and be subject to the terms, exceptions and conditions (both general and specific) of this policy in so far as they can apply.

5.3. our liability is not hereby increased.

6. Memorandum

In respect of this Section only, General Exception 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, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, military or usurped power.”

Section 28

Extended Legal Liability

1. Defined events

We will indemnify you against damages which you shall become legally liable to pay but restricted to those events that are insured and covered by the wording and Policy Schedules of the underlying insurance.

Limits of Indemnity

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

2. Definitions

Underlying insurance shall mean cover in force under those Sections listed in the Schedule under the heading “underlying insurance Sections”.

3. Basis of Indemnification

This Section provides indemnity in excess of the limit of indemnity of the underlying insurance provided that:

- (i) the cover provided by this Section is subject to the same terms, exceptions and conditions as the underlying insurance and where such 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 (annual) period of such underlying insurance, then the limit of indemnity under this Section is declared to be on an identical basis as such underlying insurance;
- (ii) the claim is covered by the underlying insurance and is not met in full solely because of the inadequacy of the limit of indemnity of such underlying insurance;
- (iii) where the limit of indemnity of the underlying insurance has been reduced by reason of previous claims, this Section shall provide indemnity in excess of such reduced limit of indemnity;
- (iv) where the limit of indemnity of the underlying insurance has been exhausted by reason of previous claims, we will interpret this Section as if such underlying insurance is still in force and this Section shall provide indemnity in excess of the First Amount Payable (if any) of such underlying insurance. If the underlying insurance is voided for whatever reason, then this Section shall likewise be voided;
- (v) unless specifically agreed to by us under this Section, any decision by us to accept a claim on an “ex gratia” or “without prejudice” basis in terms of the underlying insurance shall not be covered under this Section.

4. Specific exceptions

We will not indemnify you in respect of:

- (i) fines, penalties, punitive, exemplary or vindictive damages;
- (ii) any liability arising out of the transportation of hazardous substances if such transportation was not in compliance with chapter VIII of the National Road Traffic Act 1996 (Act 93 of 1996) (as amended);
- (iii) any judgement, award or settlement in respect of motor third party liability 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 in whole or in part);

5. Specific conditions

The indemnity granted by this Section is conditional upon the underlying insurance remaining in force throughout the period of insurance.

The limits of indemnity in terms of the underlying insurance shall not be less than those reflected under the heading “Minimum underlying insurance indemnity limits” contained in the Schedule. If, at the date of loss, the limit of indemnity in terms of the underlying insurance, is less than the said minimum limits, then the Insured shall be considered as being their own insurer for the difference unless such underlying limit of indemnity is less than the said minimum limits solely as a result of having been reduced by reason of previous claims.

Section 29

Personal Accident

1. Defined events

If during the period of insurance an Insured Person named on the Schedule sustains bodily injury as the result of an accident which directly and independently of any other cause results, within 24 calendar months, in Death, Disability or the incurring of Medical Expenses we will pay to you or your Employee's personal legal representatives the Compensation stated on the Schedule up to the maximum limits of liability therein.

2. Specific Definitions

Annual Earnings – means the annual rate of salary or wages and any other allowance of a regular and constant nature paid to the Insured Person at the time of the accident.

Average Weekly Earnings – means one fifty second part of the annual earnings of the Insured Person. In respect of casual workers with less than 12 months' service with the insured, prior to the date of the accident, the one fifty second part shall be calculated by applying the total of all earnings received from the Insured divided by the total number of consecutive weeks' service.

Accident – means a fortuitous unexpected event occurring at an identifiable place and time.

Bodily Injury – means traumatic bodily injury caused by an accident and shall be deemed to include bodily injury caused by starvation, thirst and exposure to the elements as a result of an accidental occurrence.

Insured Persons – means the Person or Persons named on the Schedule who are specifically covered by this Section.

Loss – used in reference to limb, hand, thumb, fingers, foot or toes means the loss by physical severance or total and permanent loss of use of such member.

Permanent Total Disability – means bodily injury resulting in total and absolute disablement preventing the Insured Person from following the usual occupation, or any other occupation for which he or she is suited by education or training, for 24 consecutive months and which, at the expiry of that period, beyond hope of improvement.

Permanent Partial Disability – means bodily injury which causes a permanent disability but not causing inability to work.

Temporary Total Disability – means bodily injury temporarily and totally preventing the Insured Person from engaging in or giving attention to his or her usual occupation.

Temporary Partial Disability – means bodily injury temporarily preventing the Insured Person from engaging in or giving attention to his or her usual occupation on a 100% full time basis.

Medical Expenses – means expenses necessarily incurred within 24 months of the date of the accident for medical, surgical, dental, ophthalmic and hospital treatment and emergency travel costs reasonably and necessarily incurred.

3. Specific Territorial Limits

Coverage applies anywhere in the World unless otherwise restricted by an endorsement and/or memorandum to this Section.

4. Specific Operating Time

Coverage applies 24 hours a day, 7 days a week unless otherwise restricted by an endorsement and/or memorandum to this Section.

5. Provisions

- 5.1. Compensation shall only be payable under one of the items 1 and 2 of the Table of Benefits.
- 5.2. Compensation for Temporary Total Disablement and/or Medical Expenses shall be paid in addition to any Compensation paid or payable under Items 1 or 2 of the Table of Benefits.
- 5.3. The compensation specified for Temporary Disability (Partial or Total) shall cease as soon as the Bodily Injury causing the incapacity has healed insofar as it is reasonably possible notwithstanding that Permanent Disability may remain but shall in any event not be payable for more than the number of weeks stated on the Schedule.
- 5.4. Any compensation payable by us for any period of Temporary Total Disability, Temporary Partial Disability or for the reimbursement of Medical Expenses shall be reduced by an amount equal to the Compensation received or receivable by or on behalf of the Insured Person under the terms of the Compensation for Occupational Injuries and Diseases Act, 1993 for Temporary Disablement (partial or total) for the same or a lesser period and/or in respect of Medical Expenses.
- 5.5. Any compensation payable by us for any period of Temporary Disability (partial or total) shall not exceed the average weekly earnings by the Insured Person at the time of the accident.
- 5.6. The combined period for Temporary Total Disability and Temporary Partial Disability benefits shall not exceed in total the number of weeks stated on the schedule in respect of Temporary Total Disability.
- 5.7. The compensation for Temporary Partial Disability shall not exceed 40% of the benefit specified on the schedule for Temporary Total Disability.
- 5.8. Where amounts recoverable from us are delayed pending finalization of any claim, payments on account can be made to you, at our discretion, on receipt by ourselves of certification by a medical doctor appointed by us.
- 5.9. Upon payment of a claim under items 1 to 2.4 (other than 2.2.1) or of 100% under Item 3 of the Schedule of Permanent Disability this Section shall be terminated in respect of the Insured Person for whom such payment is made.

6. Schedule of Permanent Disability

The following percentages of the Compensation Limit stated on the Schedule shall be payable in the event of Bodily Injury resulting in:

- 6.1. Permanent Total Disability _____ 100%
- 6.2. Permanent and total loss of:
 - 6.2.1. Speech _____ 100%
 - 6.2.2. Hearing in both ears _____ 100%
 - 6.2.3. Hearing in one ear _____ 25%
 - 6.2.4. One or more limbs at or above the wrist or ankle _____ 100%
 - 6.2.5. Sight in one or both eyes _____ 100%
 - 6.2.6. Four finger of either hand _____ 70%
 - 6.2.7. Thumb of either hand – both phalanges _____ 30%
 - 6.2.8. One phalanx _____ 15%
 - 6.2.9. Index finger, either hand _____
 - 6.2.10. Three phalanges _____ 10%
 - 6.2.11. Two phalanges _____ 8%
 - 6.2.12. One phalanx _____ 5%
 - 6.2.13. Any other finger, either hand _____
 - 6.2.14. Three phalanges _____ 6%
 - 6.2.15. Two phalanges _____ 4%
 - 6.2.16. One phalanx _____ 2%
 - 6.2.17. Toes _____
 - 6.2.18. All on one foot _____ 30%
 - 6.2.19. Great, both phalanges _____ 5%
 - 6.2.20. Great, one phalanx _____ 3%
 - 6.2.21. Other than Great, if more than one toe lost – each _____ 1%
- 6.3. Permanent Disability not specified herein - a percentage, which in the opinion of the Insurer is consistent with the above, insofar as possible.

In the event of Compensation being due under more than one of the benefits referred to above as a consequence of any one accident to any one Insured Person the maximum payable hereunder shall not exceed 100% in total under the Schedule of Permanent Disability Benefits.

7. Section exceptions

We shall not be liable to pay Compensation for Bodily Injury in respect of any Insured Person:

- 7.1. caused by such person's suicide, attempted suicide or intentional self-injury or deliberate exposure to obvious risk or injury (unless in an attempt to save human life),
- 7.2. whose death or disability is directly or indirectly caused by, arising or resulting from or traceable to any physical defect or infirmity which existed prior to the accident. However, if the pre-existing conditions of the Insured Person merely aggravated the cause of the Bodily Injury, the Insurer may, in its discretion pay an amount which it considers would have been payable but for such aggravation,
- 7.3. under 15 or over 70 years of age,
- 7.4. whilst the insured person is travelling by air other than as a passenger. (a passenger does not include a member of the crew of the aircraft or any person being conveyed for the purpose of any trade or technical operation relating to the aircraft),
- 7.5. as a direct result of the Insured Person:
 - a) being under the influence of alcohol, drugs or narcotics unless such drugs or narcotics were administered lawfully or prescribed by and taken in accordance with the directions of a medical practitioner (other than the Insured Person),
 - b) driving a motor vehicle and having more than the legal limit of alcohol in his/her blood,
- 7.6. whilst participating in any riot, strike, civil commotion, public disorder, or as a result of deliberately committing a criminal offence,
- 7.7. arising from:
 - a) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, military or usurped power, or any events or causes which determine the proclamation or maintenance of martial law
 - b) whilst such Insured Person is on active service with the military, naval, air or police services of any nation, provided that this insurance shall continue to apply in respect of Accidental Bodily Injury sustained independently of such contingencies.
- 7.8. Whose death or disability is directly or indirectly attributable to Human Immunodeficiency Virus (HIV and/or any HIV related illness) or Acquired Immune Deficiency Syndrome (AIDS) including derivatives or variations thereof howsoever caused. The onus of proof shall always be upon the Insured to show that death or disability of an Insured Person did not arise through or was not caused by HIV or AIDS,
- 7.9. whilst participating in any extreme or contact sport, mountaineering necessitating the use of ropes, winter sports involving snow or ice, polo on horseback, steeple chasing, hang gliding or micro lighting,
- 7.10. whilst engaging in racing of any kind involving the use of pedal cycles, motor cycles, motor vehicles, motor boats or any other craft.

8. Special extensions

8.1. Disappearance

If after a suitable period of time of the disappearance of an Insured Person, it is reasonable to believe that such person has died as a result of bodily injury the Death Benefit shall be payable provided that if such belief is incorrect such benefit shall be repaid to us.

8.2. Disfigurement

The Schedule of Permanent Disability Benefits is hereby extended to include Bodily Injury resulting in permanent disfigurement of:

- a) the head, neck and hands - provided the total area affected exceeds 20% of the total area
- b) all other areas of the body – provided the total area affected exceeds 5% of the total area of the body.

Compensation payable hereunder is a percentage of the compensation in direct proportion to the area affected. The benefits payable in terms of a) and b) above shall apply independently and be cumulative, but the overall liability of the Insurers for permanent disfigurement resulting from an accident or series of accidents arising from one cause for any one Insured Person shall be limited to 50% (fifty percent) of the amount payable for Permanent Total Disability. Compensation shall not be payable under this extension in addition to compensation payable for the same bodily injury under the Schedule of Permanent Disability Benefits.

9. Section extensions

Subject to an Insured Person suffering accidental bodily injury which is the subject of a valid claim hereunder the following extensions are applicable:

9.1. Funeral Costs (applicable in addition to an Insured Death benefit)

Expenses necessarily incurred in preparing and interring or cremating a deceased Insured Person, including the cost of finery, stonework and urns, up to a limit of R15,000 (fifteen thousand Rand).

9.2. Body Transportation Costs (applicable in addition to an Insured Death benefit)

If death takes place further than 100 kilometers from that in which the deceased Insured Person normally resided the Insurers will pay the reasonable and necessary costs, up to a limit of R15,000 (fifteen thousand Rand), of returning the body to his/her normal place of residence for burial.

9.3. Repatriation Costs (applicable to insured benefits other than Death benefit)

In the event of serious accidental bodily injury to an Insured Person, we will pay the reasonable and necessary costs in the repatriation of the Insured Person to his normal place of residence, subject to the prior consent of the Insurers being obtained. This consent will not be withheld unreasonably. A limit of R20,000 (twenty thousand Rand) will apply to each Insured Person and a maximum limit of R100,000 (one hundred thousand Rand) in any one period of insurance.

9.4. Relocation Costs

In the event that it is necessary to replace as employee a deceased or permanently disabled Insured Person we will indemnify you for relocation costs for such person, his/her family, furniture and pets the costs not exceeding R20,000 (twenty thousand Rand) incurred by you in relation to any one person who is required to move more than 100 kilometers.

9.5. Emergency Transportation Costs

In the event of bodily injury sustained at the Insured Person's place of work we will indemnify you for reasonable costs of emergency transportation to the nearest suitable medical facilities immediately following such accident, subject to a limit of R15,000 (fifteen thousand Rand) per occurrence.

9.6. Rehabilitation Costs

In the event that you demonstrate, to our reasonable satisfaction, that an Insured Person has suffered Permanent Disability such that he/she cannot continue to be employed in the occupation in which he/she was employed at the time of the accident but may be retained by you, or by any registered training center, we will contribute 80% (eighty percent) of such retraining costs up to a maximum liability of R15,000 (fifteen thousand Rand) per person.

9.7. Mobility Costs

In the event that the Insured Person suffers Permanent Disability of such a nature that he/she needs, and can operate, a self-powered, climbing wheelchair and/or his/her motor vehicle with the controls suitably adjusted, then we will indemnify the Insured Person for 95% (ninety five percent) of the costs of such wheelchair and/or suitable adjustments, including wheelchair loading equipment and alterations to the Insured Persons residence if necessary, up to a maximum liability of R15,000 (fifteen thousand Rand) per person.

9.8. Hijacking/Abduction/Kidnapping

In the event of the unlawful seizure or wrongful exercise of control of any aircraft or conveyance (including the crew thereof) in which the Insured Person is travelling, or the abduction or kidnapping of the Insured Person, the cover in terms of the Temporary Total Disability benefit of this Section shall continue in force for the duration of such event or 12 months from the date of such event, whichever is the lesser period.

If Temporary Total Disability is insured, the Insurers will regard the hijacking, abduction or kidnapping of an Insured Person as a claim for Temporary Total Disability, provided that:

- a) our liability is limited to the period of hijacking, abduction or kidnapping or eight weeks, whichever is the lesser,
- b) no compensation shall be payable if any member of the Insured Person's immediate family is involved in the hijacking, abduction or kidnapping as a principal or accessory,

- c) the maximum liability per event is R20,000 (twenty thousand Rand) and R100,000 (one hundred thousand Rand) per policy in any 12-month period of insurance.

9.9. Trauma Counselling

In the event of an Insured Person being subjected to an act of violence or a traumatic accident, we will reimburse counseling fees actually incurred by such person as a result of the act of violence or traumatic accident provided that:

- 1) the maximum amount payable by the Insurer will be R500 (five hundred Rand) per visit and R10,000 (ten thousand Rand) per Insured Person and R100,000 (one hundred thousand Rand) per policy in any one 12-month period of insurance,
- 2) the act of violence shall mean an assault, robbery, rape or armed car hijack,
- 3) for the purpose of this extension only, the Insured Person shall include immediate family of such Insured Person, who are subjected to the same incident or occurrence of violence or traumatic accident as the Insured Person,
- 4) the act of violence has been reported to the police and a case number obtained.

9.10. Warranty

It is hereby warranted that to the best of your knowledge and belief, all Insured Persons are, at the inception of each period of insurance in good health and are not suffering from any physical or mental defect or infirmity which might give rise to a claim under this Section.

10. Section Conditions

- 10.1.** This Section is not assignable. Compensation shall be payable only to the Insured Person whose receipt shall effectually discharge the Insurer. No Insured Person shall have any right against us.
- 10.2.** No sum under this Section shall carry interest.
- 10.3.** You shall give notice to us within a reasonable time of any material change in the Business or an Insured Person's occupation and shall pay any additional premium required by us in consequence thereof.
- 10.4.** Notice must be given to us in writing on the prescribed claim form as soon as practicable within three calendar months of any occurrence which may give rise to a claim under this Section but notice of death must be given forthwith and we shall have the right to have a post mortem examination of the body.
- 10.5.** All certificates, information and evidence required by us shall be furnished without expense to us within 30 days of our notifying you of our requirements.
- 10.6.** After incurring Bodily Injury for which Compensation may be payable under this Policy, the Insured Person shall, when reasonably required by us to do so, submit to medical examination on behalf of and at our expense undergo any treatment specified. We shall not be liable to make payment unless this Condition is complied with to our satisfaction.
- 10.7.** Qualified medical advice shall be sought and followed promptly on the occurrence of any Bodily Injury and we shall not be liable for any part of any claim which in the opinion of their medical adviser arises from the unreasonable or willful neglect or failure of an Insured Person to seek and remain under the care of a qualified member of the medical profession.
- 10.8.** If any difference shall arise as to the amount to be paid under this Section (liability being otherwise admitted) such difference shall be referred to arbitration in accordance with the statutory provisions for the time being in force and the making of an award shall be a condition precedent to any liability by us to make any payment under this Policy.
- 10.9.** In the event that we disclaim liability in respect of any claim and an action or suit not being commenced within twelve months after such disclaimer or, in the case of an arbitration taking place, within twelve months after the Arbitrator shall have made their award, all benefits under this Policy in respect of such claim shall be forfeited.
- 10.10.** If any claim under this Policy is in any respect fraudulent or intentionally exaggerated or if any fraudulent means or devices are used by you or the Insured Person or anyone acting on their behalf to obtain any benefit under this policy all benefits shall be forfeited.