

XENTURION MOTOR TRADERS WORDING

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GENERAL EXCEPTIONS CONDITIONS AND PROVISIONS

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

Where more than one insurance company or insurer participates in this insurance, the expression "company" shall be amended to "insurers" wherever it appears in this policy. In this event the percentage share of each insurer will be as expressed in the schedule of this policy and the liability of each such insurer individually shall be limited to the percentage share set against its name.

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

General exceptions

1. War, riot and terrorism

- (A) This policy does not cover loss of or damage to property related to or caused by:
- (i) Civil commotion, labour disturbances, riot, strike, lockout or public disorder or any act or activity which is calculated or directed to bring about any of the foregoing;
 - (ii) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war;
 - (iii) (a) mutiny, military rising, military or usurped power, martial law or state of siege, or any other event or cause which determines the proclamation or maintenance of martial law or state of siege;
 - (b) insurrection, rebellion or revolution;
 - (iv) any act (whether on behalf of any organisation, body or person or group of persons) calculated or directed to overthrow or influence any State or Government or any provincial, local or tribal authority with force or by means of fear, terrorism or violence;
 - (v) any act which is calculated or directed to bring about loss or damage in order to further any political aim, objective or cause, or to bring about any social or economic change, or in protest against any State or Government or any provincial, local or tribal authority, or for the purpose of inspiring fear in the public or any section thereof;
 - (vi) any attempt to perform any act referred to in clause (iv) or (v) above;
 - (vii) the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in clause A (i), (ii), (iii), (iv), (v) or (vi) above.

If the company alleges that, by reason of clause A(i), (ii), (iii), (iv), (v), (vi) or (vii) of this exception, loss or damage is not covered by this policy, the burden of proving the contrary shall rest on the insured.

- (B) This policy does not cover loss or damage caused directly or indirectly by or through or in consequence of any occurrence for which a fund has been established in terms of the War Damage Insurance and Compensation Act, 1976 (No. 85 of 1976) or any similar Act operative in any of the territories to which this policy applies.
- (C) Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision not included herein which would otherwise override a general exception, this policy does not cover loss of or damage to property or expense of whatsoever nature directly or indirectly caused by, arising out of or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any sequence to the loss, damage or expense.
- For the purpose of this General exception 1(C) an act of terrorism includes, without limitation, the use of violence or force or the threat thereof whether as an act harmful to human life or not, by any person or group of persons, whether acting alone or on behalf of or in connection with any organisation or government or any other person or body of persons, committed for political, religious, personal or ideological reasons or purposes including any act committed with the intention to influence any government or for the purpose of inspiring fear in the public or any section thereof.
- If the company alleges that, by reason of clause 1(C) of this exception, loss or damage is not covered by this policy, the burden of proving the contrary shall rest on the insured.

2. Asbestos [applicable to the Public Liability section, Employers Liability section and Sub-section D (Liability) of the Buildings Combined section]

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

3. Nuclear

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

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

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

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

3. Computer losses

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

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

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

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

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

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

Special extension to General exception 3

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

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

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

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

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

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

3. Detention, Confiscation and Forfeiture

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

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

3A. Cancellation

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

to claim a pro rata proportion of the premium for the remainder of the period of insurance from the date of cancellation, subject to general condition 4.

3B. Continuation of cover (where premium is payable by bank debit order or by transmission account)

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

Due date will be the first day of every calendar month where premium is payable monthly, and the first day of

- (a) each third
- (b) each sixth or
- (c) each twelfth calendar month following inception where premium is payable quarterly, half-yearly or annually.

4. Adjustment of premium

If the premium for any section of this policy has been calculated on any estimated figures, the insured shall, after the expiry of each period of insurance, furnish the company with such particulars and information as the company may require for the purpose of recalculation of the premium for such period. Any difference shall be paid by or to the insured as the case may be.

5. Prevention of loss

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

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

6. Claims

- (a) On the happening of any event which may result in a claim under this policy the insured shall, at their own expense
 - (i) give notice thereof to the company as soon as reasonably possible and provide particulars of any other insurance covering such events as are hereby insured
 - (ii) as soon as practicable after the event inform the police of any claim involving theft or (if required by the company) loss of property and take all practicable steps to discover the guilty party and to recover the stolen or lost property
 - (iii) as soon as practicable after the event submit to the company full details in writing of any claim
 - (iv) give the company such proof, information and sworn declarations as the company may require and forward to the company immediately any notice of claim or any communication, writ, summons or other legal process issued or commenced against the insured in connection with the event giving rise to the claim.
- (b) No claim (other than a claim under the business interruption, fidelity, stated benefits or group personal accident section or the personal accident (assault) extension under the money section, if applicable) shall be payable after the expiry of 24 months or such further time as the company may allow from the happening of any event unless the claim is the subject of pending legal action or is a claim in respect of the insured's legal liability to a third party.
- (c) No claim shall be payable unless the insured claims payment by serving legal process on the company within 6 months of the rejection of the claim in writing and pursues such proceedings to finality.
- (d) If, after the payment of a claim in terms of this policy in respect of lost or stolen property, the property (the subject matter of the claim) or any part thereof is located, the insured shall render all assistance in the identification and physical recovery of such property if called on to do so by the company, provided that the insured's reasonable expenses in rendering such assistance shall be reimbursed by the company. Should the insured fail to render assistance in terms of this condition when called upon to do so, the insured shall immediately become liable to repay to the company all amounts paid in respect of the claim.

7. Company's rights after an event

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

8. Fraud

If any claim under this policy is in any respect fraudulent or if any fraudulent means or devices are used by the insured or anyone acting on their behalf or with their knowledge or consent to obtain any benefit under this policy or if any event is occasioned by the wilful act or with the connivance of the insured, the benefit afforded under this policy in respect of any such claim shall be forfeited.

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

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

10. Breach of conditions

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

11. No rights to other persons

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

12. Collective insurances

If this insurance is a collective insurance then the following amendment is made to general condition 6(a) (iv) above:

"give the leading insurer on behalf of the insurers such proof, information and sworn declaration as the insurers may require and forward to the leading insurer immediately any notice of claim or any communication, writ, summons or other legal process issued or commenced against the insured in connection with the event giving rise to the claim."

and General condition 7 is substituted by the following:

"7. Company's rights after an event

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

General provisions

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

A. Claims preparation costs

The insurance provided by each section of this policy is extended to include costs reasonably incurred by the insured in producing and certifying any particulars or details required by the company in terms of general condition 6 or to substantiate the amount of any claim, provided that the liability of the company for such costs in respect of any one claim shall not exceed, in respect of a particular section, R1 000 or 10% of the sum insured or limit of indemnity on the item affected, whichever is the lesser amount, plus any amount stated in the schedule to each section against an item for additional claim preparation costs.

B. Payments on account

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

C. First amount payable

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

D. Members

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

E. Liability under more than one section

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

F. Meaning of words

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

G. Premium payment

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

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

H. Holding covered

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

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 the insured under a contract causes loss or damage, the company agrees, if in terms of the said contract the insured may not claim against the said security firm, not to exercise their rights of recourse against the said security firm.

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

K. Period of insurance

If the period of insurance (other than a first period of insurance) is for a period of less than twelve months then the following amendments are made to the policy

Section	Page and Reference	Amendment
General	2/4: Adjustment of Premium	The words "each period of insurance" are amended to read "each period of twelve consecutive months from the inception date or anniversary date"
1. Fire	6/6: Specific Condition (b) in Stock Declaration Conditions	
4. Business Interruption	4/6: Deposit Premium Clause	
5. Accounts Receivable	2/2: Adjustment Clause	
17. Motor	6/7: Premium Adjustment Clause	
1. Fire	4/6: Capital Additions Clause	If the period of insurance is more often than quarterly then the words "each quarter" are amended to "each month"
2. Buildings Combined	3/6: Capital Additions Clause	
3. Office Contents	2/5: Capital Additions Clause	
9. Fidelity	1/4: Defined Event	Proviso v) is added v) The amount payable during any one period of 12 consecutive months from inception or anniversary date shall not exceed the sum insured stated in the schedule at the said inception or anniversary date as the case may be (or double the sum insured if the "Reduction/Reinstatement of the insured amount clause" applies) If the sum insured is increased the 12 consecutive months applies from the anniversary date. Any reinstatement between the date of increase and the anniversary date shall not exceed twice the sum insured
	3/4: Reduction/Reinstatement of Insured Amount Clause	The words "annual premium" are amended to read "twelve times the monthly premium" for policies with monthly periods of insurance and "four times the quarterly premium" or "twice the bi-annual premium" for policies with quarterly or half-yearly periods of insurance respectively
13. Public Liability (Occurrence Basis)	3/4: Products Liability Extension 4/4: Defective Workmanship Liability Extension 4/4: Wrongful Arrest and Defamation Extension	The words "any one (annual) period of insurance" are amended to read "any one period of twelve consecutive months from inception date or anniversary date"
13. Public Liability (Claims Made)	4/5: Products Liability Extension 4/5: Defective Workmanship Liability Extension 5/5: Wrongful Arrest and Defamation Extension	
17. Motor	3/7: No Claim Rebate Provisions	
Public Liability Schedule	Wrongful Arrest and Defamation	The Claim-Free Groups or No Claim Discounts applicable will be established at inception date and/or anniversary date and the references to "preceding years" mean the relevant period of 12 consecutive months preceding such dates The limit of Indemnity is R50 000 per event or R100 000 any one period of 12 consecutive months from inception date or anniversary date

MOTOR TRADERS INTERNAL RISKS SECTION

Defined events

Article I - Damage to the insured vehicle

The company will indemnify the insured against damage to any insured vehicle the property of the Insured occurring in or on the premises.

Provided always that

- (a) the company may at its own option repair, reinstate or replace such insured vehicle or any part thereof or may pay in cash the amount of the damage;
- (b) the liability of the company under Article 1 of this Section is limited to the reasonable market value of such insured vehicle but not in any case exceeding the amount stated in respect of Article 1 under the heading "LIMITS OF LIABILITY" in the schedule, in respect of any one accident or series of accidents due to or arising out of any one event or occurrence;
- (c) in the event of any part (which shall include any spare wheel, tool, accessory and spare part) needed to repair or replace damage (insured against under Article 1 of this Section) to such insured vehicle being unobtainable in the Republic of South Africa as a standard (ready manufactured) article the liability of the company shall be discharged by the payment of a sum equal to the value of such part (including the reasonable cost of freight other than by air) at the time of the accident but not in any case exceeding such part's price as stated in the manufacturer's last issued catalogue or price list.

Specific Exceptions applicable to Article I

The company shall not be liable under Article 1 of this Section to pay for

- (a) loss of use, depreciation, wear and tear, mechanical or electrical breakdowns, failures or breakages;
- (b) damage to tyres unless caused by an accident involving damage to the insured vehicle itself for which indemnity is provided under Article 1 of this Section.

Article II - Liability to third parties

The company will indemnify the insured against all sums, including claimant's costs and expenses, which the Insured shall become legally liable to pay in respect of

- (a) accidental death of or bodily injury to any person;
- (b) accidental damage to any insured vehicle held in trust by or in the custody or control of the Insured;
- (c) accidental damage to any other property (that is, any property other than a vehicle);

arising in or on the premises, the situation of which is stated in the schedule, out of the activities of the Insured's business.

Provided always that

- (a) the company will indemnify the Insured against all costs and expenses (which be connected with the indemnity provided under Article II of this Section) incurred with the company's written consent;
- (b) the liability of the company under Article II of this Section in respect of death, injury, damage, costs and/or expenses shall be limited to the sum specified in respect of Article II under the heading "LIMITS OF LIABILITY" in the schedule of this Section, in respect of any one accident or series of accidents due to or arising out of any one event or occurrence and in respect of all accidents (whether single accidents or otherwise) occurring during any one term of insurance; **except** that in respect of death, injury, damage, costs and/or expenses directly or indirectly due to or in consequence of **fire or explosion**, the liability of the company under Article II of this Section shall be limited to the sum specified in respect of Article II under the heading "LIMITS OF LIABILITY" in the schedule, or the sum of R300 000 (Three hundred thousand Rand), whichever is the lesser, in respect of any one accident or series of accidents due to or arising out of any one event or occurrence and in respect of all accidents (whether single accidents or otherwise) occurring during any one term of insurance.

Specific Exceptions applicable to Article II

The company shall not be liable under Article II of this Section in respect of:-

- (a) death of or injury to any person in the employment of the Insured arising out of and in the course of such employment;
- (b) death of or injury to any person being a member of the same household as the Insured;
- (c) damage to property belonging to, held in trust by or in the custody or control of the Insured or belonging to a member of the same household as the Insured or belonging to an employee of the Insured;
- (d) damage to any insured vehicle the property of the Insured or a member of the same household as the Insured or an employee of the Insured.

Definitions

For the purposes of this Section the expression

“schedule” used in this Section shall mean - the schedule of this Section.

“premises” used in this Section shall mean - the premises, the situation of which is stated in the schedule.

“Insured’s business” used in this Section shall mean - the Insured’s business as stated in the schedule.

“insured vehicle” used in this Section shall mean - any motor vehicle and/or trailer including the spare wheel(s) and standard issued tools, accessories and spare parts of such motor vehicle and/or trailer whilst thereon as well as other accessories and spare parts of such motor vehicle and/or trailer whilst attached thereto.

Clause regarding application of limits of indemnity

In the event of any accident involving indemnity to more than one person any limitation by the terms of this Section and/or of any endorsement thereon of the amount of any indemnity shall apply to the aggregate amount of indemnity to all persons indemnified and such indemnity shall apply in priority to the Insured.

Clause regarding first portion for which the Insured is responsible

In respect of each and every occurrence regarding Articles I and II of this Section and notwithstanding anything to the contrary contained in such Articles the Insured shall be responsible for the first portion, as stated under the heading “First Portion Payable” in the schedule, of any expenditure (or any less expenditure which may be insured) for which provision is made under the aforesaid Articles (including any payment in respect of costs, expenses and fees) and of any expenditure by the company in the exercise of the company’s discretion under Article I of this Section and General Condition 7(a)(ii) of this policy. If the expenditure incurred by the company shall include the amount for which the Insured is responsible in terms of this Clause, such amount shall be paid by the Insured to the company forthwith.

For the purpose of this Clause the expression “occurrence” used in this Clause shall mean an occurrence or series of occurrences due to or arising out of one cause in connection with any one vehicle in respect of which indemnity is provided by this Section.

Clause regarding No Claim Rebate

In the event of no claim being made or arising under this Section during a term of insurance not less than twelve months immediately preceding the renewal date the premium for the renewal of this Section shall be reduced by 10% which reduction shall not be cumulative.

Should the company consent to a transfer of interest in this policy the No Claim Rebate earned by the transferor shall not accrue to the benefit of the transferee.

Specific Exceptions applicable to all Articles of this Section

The company shall not be liable under this Section in respect of:-

- (1) 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 the said enactments is in force or has been effected;
- (2) death, injury or damage directly or indirectly caused by fire or explosion or lightning, provided that this Exception shall not apply to any claim under Article II (a) and II (b) of this Section arising from death, injury or damage caused by fire or explosion resulting directly from the possession of any motor vehicle;
- (3) any consequence of theft or housebreaking or any attempt thereat;
- (4) damage to any vehicle or any other property sustained while it is being worked upon and directly resulting from such work;
- (5) any defective workmanship or any consequence thereof;
- (6) death, injury or damage caused by or through any demolition of or structural alteration or addition to the premises or by or through the installation of any equipment;
- (7) death, injury or damage caused by or through or in connection with the use by or on behalf of the Insured or animals, power-driven cranes, elevators, lifts or hoists other than cranes or elevators forming part of any insured vehicle;
- (8) death, injury or damage resulting from the driving of the insured vehicle elsewhere than in or on the premises;
- (9) damage caused by weather conditions to the insured vehicle;
- (10) any claim arising out of any contractual liability.

Appendix 1 - Extensions and Modifications

It is expressly declared and agreed that the following Extensions/Modifications (each individually) shall otherwise be subject to all the terms, exceptions and conditions of this Section and all the terms, exceptions and conditions (in so far as they can apply) of this policy, as if they had been incorporated in such Extensions/Modifications.

(1) Extension regarding work away from premises (Only applicable if stated in the schedule as being included)

In consideration of the payment of an additional premium which is included in the premium of this Section it is hereby declared and agreed that the expression "premises" as defined in the Definitions of this Section shall be deemed to include any premises at which the Insured is performing work provided that such premises are not under the control of the Insured.

(2) Extension regarding car hoists (Only applicable if stated in the schedule as being included)

In consideration of the payment of an additional premium which is included in the premium on this Section it is hereby declared and agreed that the words "and car hoists having a lift not exceeding two metres" are added at the end of Specific Exception (7) of the Specific Exceptions applicable to all Articles of this Section.

(3) Modification regarding third party only cover (Only applicable if stated in the schedule as being included)

It is hereby declared and agreed that Article I and Article II(b) and the Clause regarding No Claim Rebate, are cancelled.

MOTOR TRADERS EXTERNAL RISKS SECTION

Defined events

The company will in accordance with the terms, exceptions and conditions of Sub-sections I and II indemnify the Insured in respect of any accident, loss or damage occurring whilst any insured vehicle is elsewhere than in or on any business premises owned by or in the occupation of the Insured and such insured vehicle is being used in accordance with the terms of the Basis of insurance which is mentioned under the heading "BASIS OF INSURANCE" in the schedule.

Sub-section 1 - Loss of or damage to the insured vehicle

The company will indemnify the Insured against loss of or damage to any insured vehicle including the spare wheels and standard issued tools, accessories and spare parts of such insured vehicle whilst thereon as well as other accessories and spare parts of such insured vehicle whilst attached thereto.

Provided always that

- (a) the company may at its own option repair, reinstate or replace such insured vehicle or any part thereof and/or the spare wheels, tools, accessories and spare parts as mentioned above thereof or may pay in cash the amount of the loss or damage;
- (b) the liability of the company under Sub-section I of this Section is limited to the reasonable market value of the insured vehicle (including the spare wheels, tools, accessories and spare parts as mentioned above) but not in any case exceeding the amount stated in respect of Sub-section I under the heading "LIMITS OF LIABILITY" in the schedule, in respect of any one accident or series of accidents due to or arising out of any one event or occurrence;
- (c) in the event of any part (which shall include any spare wheel, tool, accessory and spare part) needed to repair or replace damage (insured against under Sub-section I of this Section) to such insured vehicle being unobtainable in the Republic of South Africa as a standard (ready manufactured) article the liability of the company shall be discharged by the payment of a sum equal to the value of such part (including the reasonable cost of freight other than by air) at the time of the accident but not in any case exceeding such part's price as stated in the manufacturer's last issued catalogue or price list;
- (d) if such insured vehicle is disabled by reason of any loss or damage insured against under Sub-section I of this Section the company will pay the reasonable cost of protection and removal to the nearest repairers and the Insured may give instructions for repairs to be executed without the previous consent of the company to the extent of but not exceeding R2 000 on the understanding that a detailed estimate is first obtained and immediately forwarded to the company. The company will also pay the reasonable cost of delivery to the Insured after repair of the aforesaid loss or damage but not exceeding the reasonable cost of transport to the address of the Insured anywhere in the Republic of South Africa, Namibia, Lesotho, Botswana and Swaziland on condition, however, that the company's liability for the aforesaid cost in respect of protection, removal and delivery shall in any case be limited to R1 000 in total.

Specific Exceptions applicable to Sub-section I

The company shall not be liable under Sub-section I of this Section to pay for

- (a) consequential loss arising in any way whatever, depreciation, wear and tear, mechanical, electrical or electronic breakdowns, failures or breakages;
- (b) damage to tyres by application of brakes or by road punctures, cuts or bursts;
- (c) damage to springs due to inequalities of the road or other surface or to impact with such inequalities;
- (d) loss or damage to accessories or spare parts by theft unless the vehicle is stolen at the same time.

Sub-section II - Liability to third parties

The company will

- (1) indemnify the Insured in the event of an accident caused by or through or in connection with any insured vehicle, including the loading and/or unloading of such insured vehicle, against all sums, including claimant's costs and expenses, which the Insured shall become legally liable to pay in respect of:-
 - (a) death of or bodily injury to any person
 - (b) damage to property
- (2) pay all costs and expenses (which be connected with the indemnity provided under Sub-section II of this Section) incurred with the company's written consent
- (3) indemnify, in terms of and subject to the limitations of and for the purposes of Sub-section II of this Section, any person who is driving any insured vehicle on the Insured's order or with the Insured's permission, on the understanding that:-
 - (a) such person is not entitled to indemnity under any other policy or any other section of this policy;

- (b) such person shall as though he were the Insured observe, fulfil and be subject to the terms, limitations, exceptions and conditions of this Section and of this policy in so far as they can apply;
- (c) such person has not been refused any motor vehicle insurance or continuance thereof by any insurance company or underwriter.

Provided always that the liability of the company under Sub-section II of this Section in respect of death, injury, damage, costs and/or expenses shall be limited to the sum specified in respect of Sub-section II under the heading "LIMITS OF LIABILITY" in the schedule, in respect of any one accident or series of accidents due to or arising out of any one event or occurrence; **except** that in respect of death, injury, damage, costs and/or expenses directly or indirectly due to or in consequence of fire or explosion, the liability of the company under Sub-section II of this Section shall be limited to the sum specified in respect of Sub-section II under the heading "LIMITS OF LIABILITY" in the schedule or the sum of R300 000 (Three hundred thousand Rand), whichever is the lesser, in respect of any one accident or series of accidents due to or arising out of any one event or occurrence.

Specific Exceptions applicable to Sub-section II

The company shall not be liable under Sub-section II of this Section in respect of:-

- a) death, injury or damage caused by or arising out of the operation, demonstration or use for purposes other than maintenance or repair of any insured vehicle (unless it be a fork lift truck) of any tool or plant forming part of or attached to or used in connection with any insured vehicle or anything manufactured by or contained in any such tool or plant;
- (b) death, injury or damage caused or arising beyond the limits of any carriageway or thoroughfare in connection with the bringing of a load to any insured vehicle for loading thereon or the taking away of a load from any insured vehicle after unloading therefrom;
- (c) death of or injury to any person in the employment of the Insured arising out of and in the course of such employment
- (d) death of or injury to any person being carried in or upon or entering or getting on to or alighting from any motor scooter, motor cycle or side-car attached thereto at the time of the occurrence of the event out of which any claim arises;
- (e) death of or injury to any person being a member of the same household as the Insured;
- (f) damage to property belonging to, held in trust by or in the custody or control of the Insured or being conveyed by, loaded onto or unloaded from any insured vehicle;
- (g) damage to any viaduct bridge or weighbridge or to any road and/or anything beneath by vibration or by the weight of any insured vehicle or load carried by such insured vehicle.

Definitions

For the purposes of this Section the expression

"schedule" used in this Section shall mean - the schedule of this Section.

"insured vehicle" used in this Section shall mean - any motor vehicle or trailer the property of or in the custody or control of the Insured (excluding any vehicle the property of the Insured and hired or sold under a hire purchase or suspensive sale or other deferred ownership agreement unless such vehicle is in the custody or control of the Insured at the time of the

occurrence of the event out of which any claim arises) and any vehicle (mechanically-propelled or otherwise) attached to any aforementioned vehicle for the purposes of being towed or salvaged.

Application of limits of indemnity

In the event of any accident involving indemnity to more than one person, any limitation by the terms of this Section and/or of any endorsement thereon of the amount of any indemnity shall apply to the aggregate amount of indemnity to all persons indemnified and such indemnity shall apply in priority to the Insured.

First portion for which the Insured is responsible

In respect of each and every occurrence regarding Sub-sections I and II of this Section and notwithstanding anything to the contrary contained in such Sub-sections the Insured shall be responsible for the first portion, as stated under the heading "First Portion Payable" in the schedule, of any expenditure (or any less expenditure which may be incurred) for which provision is made under the aforesaid Sub-sections (including any payment in respect of costs, expenses and fees) and of any expenditure by the company in the exercise of the company's discretion under Sub-section I of this Section and General Condition 7(a)(ii) of this policy. If the expenditure incurred by the company shall include the amount for which the Insured is responsible in terms of this Clause, such amount shall be paid by the Insured to the company forthwith.

For the purpose of this Clause the expression "occurrence" used in this Clause shall mean an occurrence or series of occurrences due to or arising out of one cause in connection with any one vehicle in respect of which indemnity is provided by this Section.

Description of use

Use for the Insured's business or occupation as stated in the schedule.

EXCLUDING

Hiring; carriage of passengers for hire or carriage of fare paying passengers; driving instruction, for reward; racing; speed or other contests, rallies or trials; carriage of explosives; carriage of passengers in excess of the number for which the vehicle is licensed or authorised by law to carry; or carriage of any load in excess of that for which the vehicle is licensed to carry.

No Claim Rebate

In the event of no claim being made or arising under this Section during a period of insurance of not less than twelve months immediately preceding the renewal date of this policy, the annual premium of this Section shall be reduced by 10% which reduction shall not be cumulative.

Should the company consent to a transfer of interest in this policy, the No Claim Rebate earned by the transferor shall not accrue to the benefit of the transferee.

Specific Exceptions

The company shall not be liable under this Section in respect of:-

- 1) 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 the aforementioned enactment is in force or has been effected;
- 2) any accident, injury, loss, damage, liability, costs and/or expenses caused, sustained or incurred outside the Republic of South Africa, Namibia, Lesotho, Botswana, Swaziland, Zimbabwe and Malawi provided, however, that the company will indemnify the Insured in terms of Sub-section 1 of this Section against loss of or damage to any insured vehicle whilst in transit by sea between any ports in the aforementioned area including loading and unloading incidental to such transit;
- 3) any accident, injury, loss, damage, liability, costs and/or expenses caused, sustained or incurred while any insured vehicle in respect of or in connection with which insurance is granted under this Section
 - (a) is being used otherwise than in accordance with the terms of the DESCRIPTION OF USE CLAUSE of this Section and the BASIS OF INSURANCE which is mentioned in the schedule;
 - (b) is being driven by the Insured or by any other person with the general knowledge and consent of the Insured unless duly and fully licensed to drive such vehicle in terms of the legislation applying to the area referred to in Specific Exception (2) of the Specific Exceptions applicable to this Section provided, however, that if such a licence be subject to renewal he has held and is not disqualified from holding or obtaining such a licence and provided further that this Exception shall not apply whilst the Insured or any such other person is driving such vehicle whilst leaning to drive it at such time he is complying with the laws and regulations in force relating to learners;
 - (c) is being driven by the Insured, a member or a director of the Insured whilst under the influence of any drug or intoxicating liquor;
 - (d) is being driven with the general consent of the Insured or of his representative by any person who to the knowledge of the Insured or of such representative is under the influence of any drug or intoxicating liquor;
 - (e) is being used for any unauthorised purpose by an employee of the Insured or by any other person with whom such employee is or was in collusion;
- 4) any claim arising out of any contractual liability.

Specific Conditions

- (1) If during the currency of this Section any driver's licence in favour of the Insured or in favour of any authorized driver of the Insured be endorsed, suspended or cancelled or if he be charged or convicted of negligent, reckless or improper driving, notification shall be sent in writing to the company immediately the Insured has knowledge of such fact.
- (2) In addition to complying with General Condition 5 of this policy
 - (a) the Insured shall take all reasonable steps to maintain any insured vehicle in efficient and roadworthy condition;
 - (b) all reasonable steps shall in the event of any accident or breakdown be taken to prevent further damage or loss and if the insured vehicle which is involved be driven or used before the necessary repairs are effected, any extension of the damage or any further damage to such insured vehicle shall be entirely at the Insured's own risk.

Provisions

Only the Basis which is mentioned under the heading "BASIS OF INSURANCE" in the schedule is applicable and such Basis is subject to all the terms, exceptions and conditions of this Section and all the terms, exceptions and conditions (in so far as they can apply) of this policy.

Wages basis

- (1) The cover under this Section shall only be operative whilst the insured vehicle is being used
 - (a) for business purposes of the Insured by the Insured or a member, director or employee of the Insured excluding transit, delivery or conveying for or on behalf of the Insured by casual drivers or persons not wholly and regularly engaged in the employ of the Insured;
 - (b) for purposes of tuition provided that the person being taught to drive is complying with the law in force relating to learner-drivers and is accompanied by a fully licensed driver who shall be either the Insured or a member, director or employee of the Insured;

- (c) for purposes of demonstration which shall include driving by the person to whom the insured vehicle is being demonstrated provided that such person is accompanied by a fully licensed driver who shall be either the Insured or a member, director or employee of the Insured;
 - (d) for social, domestic and pleasure purposes (whether such use is incidental to the business of the Insured or not) by any person other than the Insured or a member, director or employee of the Insured.
- (2) It is a condition precedent to any liability of the company under this Section that the Insured shall regularly record in a proper wage register the name of every employee together with the wages, salary, commission and other consideration paid or allowed to such employee and shall immediately record in such wage register the date of engagement and of discharge of each employee.

Named driver basis

The cover under this Section shall only be operative whilst the insured vehicle is being driven by or is for the purpose of being driven by him/her in the charge of any person whose name is mentioned under the heading "NAMED DRIVERS" in the schedule provided that such person is the Insured or a member, director or employee of the Insured and the insured vehicle is being used

- (a) for business purposes of the Insured;
- (b) for purposes of tuition provided that the person being taught to drive is complying with the law in force relating to learner-drivers and is accompanied by any person whose name is mentioned under the heading "NAMED DRIVERS" in the schedule;
- (c) for purposes of demonstration which shall include driving by the person to whom the insured vehicle is being demonstrated provided that such person is accompanied by any person whose name is mentioned under the heading "NAMED DRIVERS" in the schedule;
- (d) for social, domestic and pleasure purposes (whether such use is incidental to the business of the Insured or not) by any person whose name is mentioned under the heading "NAMED DRIVERS" in the schedule.

Trade plate basis

The cover under this Section shall only be operative whilst the insured vehicle carrying in the manner and for purposes prescribed by law a trade plate bearing any trade registration number which is mentioned under the heading "TRADE REGISTRATION NUMBERS" in the schedule and is being used

- (a) for business purposes of the Insured by the Insured or a member, director or employee of the Insured, excluding transit, delivery or conveying for or on behalf of the Insured by casual drivers or persons not wholly and regularly engaged in the employ of the Insured;
- (b) for purposes of tuition, provided that the person being taught to drive is complying with the law in force relating to learner-drivers and is accompanied by a fully licensed driver who shall be either the Insured or a member, director or employee of the Insured;
- (c) for purposes of demonstration which shall include driving by the person to whom the insured vehicle is being demonstrated provided that such person is accompanied by a fully licensed driver who shall be either the Insured or a member, director or employee of the Insured;
- (d) for social, domestic and pleasure purposes (whether such use is incidental to the business of the Insured or not) by any person other than the Insured or a member, director or employee of the Insured.

Extensions

It is declared and agreed that

- (a) only those Extensions which are specifically stated in the schedule as being included, shall apply to this Section;
- (b) the following Extensions (each individually) shall otherwise be subject to all the terms, exceptions and conditions of this Section and all the terms, exceptions and conditions (in so far as they can apply) of this policy, as if they had been incorporated in such Extensions.

(1) Use for social, domestic and pleasure purposes

In consideration of the payment of an additional premium which is included in the premium on this Section and notwithstanding anything contained to the contrary in this Section, the indemnity provided by this Section applies whilst any insured vehicle is being used for social, domestic and pleasure purposes by any person whose name is mentioned in respect of this Extension in the schedule.

(2) Loss of use of customers' vehicles

In consideration of the payment of an additional premium which is included in the premium on this Section in the event of the company being liable to indemnify the Insured under Sub-section I of this Section in respect of loss of or damage to any insured vehicle the property of a customer whilst in the custody or control of the Insured the company will also indemnify the Insured notwithstanding anything contained to the contrary in Specific Exception (a) of the

Specific Exceptions applicable to Sub-section I of this Section against all sums which the Insured shall become legally liable to pay as compensation for loss of use of such vehicle. Provided that the liability of the company in respect of any one occurrence, shall not exceed the amount stated in the schedule in respect of this Extension.

(3) Unauthorised use of vehicles by employees

In consideration of the payment of an additional premium, which is included in the premium on this Section Specific Exception (3)(e) of the Specific Exceptions to this Section is cancelled.

(4) Legal liability of passengers for acts of negligence

In consideration of the payment of an additional premium which is included in the premium on this Section the company will at the request of the Insured indemnify in terms of Sub-section II of this Section any person using the insured vehicle.
Provided always that such person

- (a) is not personally driving or in control of the insured vehicle;
- (b) is not entitled to indemnity under any other policy;
- (c) is not under the influence of intoxicating liquor or drugs;
- (d) shall as though he were the Insured observe, fulfil and be subject to the terms, exceptions and conditions of this Section and of this policy in so far as they can apply.

(5) Legal liability in respect of passengers (applicable to motor cycles and motor scooters only)

In consideration of the payment of an additional premium which is included in the premium on this Section Specific Exception (d) of the Specific Exceptions applicable to Sub-section II of this Section is cancelled.

Provided always that the liability of the company in respect of any one occurrence shall not exceed the amount stated in the schedule in respect of this Extension.

(6) Driving of motor cycles

In consideration of the payment of an additional premium which is included in the premium on this Section and notwithstanding anything to the contrary contained in this Section the indemnity provided by this Section is extended to apply whilst any insured motor cycle or insured motor scooter is being driven by any person for the purpose of tuition or demonstration without being accompanied by the Insured or a member, director or employee of the Insured.

Modifications

It is declared and agreed that

- (a) only those Modifications which are specifically stated in the schedule as being included, shall apply to this Section;
- (b) the following Modifications (each individually) shall otherwise be subject to all the terms, exceptions and conditions of this Section and all the terms, exceptions and conditions (in so far as they can apply) of this policy, as if they had been incorporated in such Modifications.

(1) Cover for motor cycles and motor scooters only

The expression "insured vehicle" used in this Section shall bear the following meaning and not as stated in the Definitions of this Section:

any two-wheeled motor cycle or motor scooter (including any side car attached thereto) the property of or in the custody or control of the Insured, excluding any motor cycle or motor scooter the property of the Insured and hired or sold under a hire purchase or suspensive sale or other deferred ownership agreement unless such motor cycle or motor scooter is in the custody or control of the Insured at the time of the occurrence of the event out of which any claim arises.

(2) Cover for special type vehicles only

The expression "insured vehicle" used in this Section shall bear the following meaning and not as stated in the Definitions of this Section:

Any tractor, agricultural, horticultural or forestry vehicle of load and earth moving equipment, lift truck or mobile crane (hereafter termed "Special Type Vehicle") the property of or in the custody or control of the Insured (excluding any "Special Type Vehicle", the property of the Insured and hired or sold under a hire purchase or suspensive sale or other deferred ownership agreement unless such "Special Type Vehicle" is in the custody or control of the Insured at the time of the occurrence of the event out of which any claim arises) and any vehicle (mechanically-propelled or otherwise) attached to any aforementioned "Special Type Vehicle" for the purpose of being towed or salvaged.

(3) Exclusion of own vehicles

The expression "insured vehicle" used in this Section is deemed not to include any vehicle the property of the Insured.

(4) Exclusion of demonstration risk

The company shall be under no liability whilst any insured vehicle is being used for the purpose of demonstration.

(5) Exclusion of legal liability in respect of passengers

The company shall not be liable under Sub-section II of this Section in respect of death of or injury to any person being carried in or upon or getting onto or entering or alighting from any insured vehicle at the time of the occurrence of the event out of which any claim arises.

(6) Restricted cover (third party, fire and theft)

The policy is amended:

- (a) the liability of the company under Sub-section I of this Section shall be restricted solely to loss or damage resulting from fire, self-ignition, lightning or explosion and to loss or damage by theft or any attempt thereof;
- (b) the Clause regarding No Claim Rebate is cancelled.

(7) Third party only cover

Sub-section I and the Clause regarding No Claim Rebate of this Section are cancelled.