

western

RETHINK

COMMERCIAL
INSURANCE COVER



CONTENTS

GENERAL TERMS & CONDITIONS.....	1
FIRE SECTION.....	9
BUILDINGS COMBINED SECTION.....	19
OFFICE CONTENTS SECTION.....	28
BUSINESS INTERRUPTION SECTION.....	35
ACCOUNTS RECEIVABLE SECTION.....	42
THEFT SECTION.....	44
MONEY SECTION.....	47
GLASS SECTION.....	53
FIDELITY SECTION.....	55
GOODS IN TRANSIT SECTION.....	60
BUSINESS ALL RISKS SECTION.....	62
ACCIDENTAL DAMAGE SECTION.....	64
PUBLIC LIABILITY SECTION (CLAIMS MADE BASIS).....	67
EMPLOYERS' LIABILITY SECTION.....	76
STATED BENEFITS SECTION.....	78
GROUP PERSONAL ACCIDENT SECTION.....	83
MOTOR SECTION.....	87
ELECTRONIC EQUIPMENT SECTION.....	94
MOTOR TRADERS – INTERNAL RISK SECTION.....	101
MOTOR TRADERS – EXTERNAL RISK SECTION.....	105
MACHINERY BREAKDOWN SECTION.....	112
DETERIORATION OF STOCK.....	115
MACHINERY BREAKDOWN LOSS OF PROFITS SECTION.....	117
HOUSEOWNERS.....	122
HOUSEHOLD CONTENTS.....	127
PERSONAL ALL RISKS.....	134
EXTENDED PERSONAL LIABILITY.....	140
SMALL CRAFT SECTION.....	142
GENERAL CONTACT DETAILS.....	146

GENERAL TERMS & CONDITIONS

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 the 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 1(A) (i), (ii), (iii), (iv), (v) or (vi) above.

If the company alleges that by reason of clause 1(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 provisions 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 of 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 of for the purpose of inspiring fear in the public or any section thereof.

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

2. NUCLEAR

Except as regards the Fidelity, Stated Benefits and Group Personal Accident sections

- (i) This policy does not cover;
 - (a) loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
 - (b) any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from ionising radiations or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

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

- (ii) The indemnity provided by this policy shall not apply to nor include any loss destruction damage or legal liability directly or indirectly caused by or contributed to by or arising from nuclear weapons material.

DEFINITIONS

Nuclear material - as defined in NMA 1975

Nuclear fission - a nuclear reaction in which a heavy nuclear splits spontaneously or on impact with another particle with the release of energy.

Nuclear fusion - a nuclear reaction in which atomic nuclei of low atomic number fuse to form a heavier nucleus with the release of energy.

Nuclear radiation - the absorption of electromagnetic radiation by a nucleus having a magnetic moment when in an external magnetic field.

Nuclear waste - as defined in NMA 1975

Nuclear fuel - a substance that will sustain a fission chain reaction so that it can be used as a source of nuclear energy.

Nuclear explosives - an explosive involving the release of energy by nuclear fission or fusion or both.

Nuclear weapon - a nuclear device designed, used or usable for inflicting bodily harm or property damage

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 other loss or expense whatsoever resulting from 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 or volcanic eruption;
 - (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 retained walls*;
- * Unless so described and specifically insured as a separate item*
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.

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

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

4. 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, Police Services, crime prevention units or other officials or authorities.

5. ASBESTOS EXCLUSION [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, hazardous nature of asbestos in whatever form or quantity

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.

3. (A) CANCELLATION

This policy or any section may be cancelled at any time by the company giving 30 days' notice in writing (or such other period as may be mutually agreed) or by the insured giving immediate notice. On cancellation by the insured, the company shall be entitled to retain the customary short period or minimum premium for the period the policy or section has been in force. On cancellation by the company, the insured shall be entitled to claim a pro-rata proportion of the premium for the remainder of the period of insurance from the date of cancellation, subject to general condition 4.

(B) 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 reasonable 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 but within 90 days after the event giving rise to a claim and provide particulars of any other insurance covering such events as are hereby insured
 - (ii) immediately 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 but within 90 days after the event, submit to the company full details in writing of any claim
 - (iv) give the company such proofs, information and sworn declarations as the company may require and forward to the company immediately any notice of claim or any communication, writ, summons or other legal process issued or commenced against the insured in connection with the event giving rise to the claim.
- (b) No claim (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 12 (twelve) 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.

- (e) It is hereby noted that when an event that may result in a valid claim is reported (orally or in writing) by the insured or on behalf of the insured or by the insured's agent as noted in the schedule (for purposes of this clause "the insured"):
 - (i) the insured appoints the insurer as his agent, to act in a similar manner as if the insurer has already accepted liability under this reported event, until such time that the insurer accepts liability in full.
 - (ii) should the insurer not accept liability for any valid reason as determined by any specific exception, condition or provision of this policy read together with the policy schedule, section or sub-section or endorsement to the policy, the insured accepts that he / she / they will be responsible for settlement of the costs and expenses incurred by the insurer on behalf of the insured during the period that the insured had appointed the insurer as its agent.

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 of 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 NOT TO BE 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 proofs, 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.”

13. CONSENT TO DISCLOSURE

The insured acknowledges that the sharing of underwriting and claims information by Insurers is essential to enable the insurance industry to underwrite policies and assess risks fairly and to reduce the incidence of fraudulent claims, in the public interest and with a view to limiting premiums. The insured hereby waives any right to privacy in any information supplied by or on behalf of the insured in respect of any underwriting or claims information made or lodged by the insured and the insured consents to such information being disclosed to any other insurance company or its agent. The insured also waives any rights of privacy and consent to the disclosure of any information relevant to any insurance claim concerning the insured or any person that they represent.

14. ENDORSEMENT TO MONTHLY POLICIES

Each period of insurance by this policy is for one month and a premium is paid each month. It is a monthly policy paid monthly. For this reason it is necessary to amend portions of the standard policy wording or to clarify how certain provisions are to operate. In consequence, the following amendments are made to the policy, and the explanations given are to be taken as forming part of this policy.

Section	Reference	
General	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”
Fire	17: Specific Condition (b) In Stock Declaration Conditions	
	19: Escalator Clause (if applicable)	
Buildings Combined	14: Escalator Clause (if applicable)	
Business Interruption	4: Deposit Premium Clause	
Accounts Receivable	2: Adjustments Clause	
Motor	1: Memoranda Premium Adjustment Clause	

14. ENDORSEMENT TO MONTHLY POLICIES (CONTINUED)

Section	Reference	
Fire	7: Capital Additions Clause	
Buildings Combined	5: Capital Additions Clause	The words "each quarter" are amended to read "each month"
Office Contents	2: Capital Additions Clause	
Fidelity	4: Defined Events	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)
Fire	19: Escalator Clause (if applicable)	
Buildings Combined	14: Escalator Clause (if applicable)	The words "annual premium" are amended to read "twelve times the monthly premium"
Fidelity	9: Reduction/Reinstatement of Insured Amount Clause	
Public Liability(Claims Made)	12: Products Liability 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"
	14: Defective Workmanship Liability Extension	
	18: Wrongful Arrest and Defamation Extension	
General Schedule	Period of Insurance	(b) is amended to read "Any subsequent period of one month for which the Company agrees to renew this policy or any section thereof"
Public Liability Schedule	Wrongful Arrest and Defamation	The Limit of Indemnity is R 50,000 per event and R 100,000 per any one period of twelve consecutive months from inception date or anniversary date or as stated in the schedule.

15. JURISDICTION CLAUSE

The Company will not indemnify the Insured in respect of:

- (a) damages in respect of judgments delivered or obtained in the first instance otherwise than by a Court of Competent Jurisdiction within the Republic of South Africa, Namibia, Botswana, Lesotho and Swaziland
- (b) costs and expenses recoverable by any claimant from the Insured which are not incurred in and recoverable in the area described in 15(a) above.

16. NOTIFICATION OF ALTERATIONS

The Insured shall notify the Company immediately in writing of all alterations in the risk and variations in sums insured and any other changes and obtain the Company's acknowledgement of such notification and confirmation of cover under this Policy.

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 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, R 2 500.00 or the amount stated in the schedule to each section against an item for additional claims 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 subsection 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.

FIRE SECTION

DEFINED EVENTS

Damage to the whole or part of the property described in the schedule, owned by the insured or for which they are responsible, including alterations by the insured as tenants to the buildings and structures, by

1. fire
2. lightning or thunderbolt
3. explosion
4. such additional perils as are stated in the schedule to be included.

SPECIFIC EXCEPTIONS

1. This section does not cover earthquake (whether arising from mining operations or otherwise) unless stated in the schedule to be included, volcanic eruption or other convulsion of nature (other than subterranean fire).

Any damage happening during the existence of abnormal conditions (whether physical or otherwise) which are occasioned by or through or in consequence, directly or indirectly, of any of the said occurrences shall be deemed to be damage which is not covered by this insurance, except to the extent that the insured shall prove that such damage happened independently of the existence of such abnormal conditions. In any action, suit or other proceedings where the company alleges that by reason of this exception any damage is not covered by this insurance, the burden of proving the contrary shall be on the insured.

2. Unless specifically included, this insurance does not cover
 - (i) damage to property occasioned by its undergoing any heating or drying process
 - (ii) 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.
 - (iii) any loss of or damage as a result of structural defects, faulty design, defective workmanship, maintenance, normal wear and tear and corrosion

SPECIFIC CONDITION

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 the insured shall be considered as being their own insurer for the difference and shall bear a rateable share of the loss accordingly. Every item, if more than one, shall be separately subject to this condition.

2. LIGHTNING CONDUCTORS

It is a condition precedent to liability in terms of this Section that all buildings with grass, straw or thatched roofs be supplied with and properly fitted with an SABS-approved lightning conductor or lightning conductor of a similar standard or more superior which is installed with the exclusive purpose of conducting lightning away from the insured building.

3. PORTABLE FIRE EXTINGUISHING DEVICES

It is a condition that approved portable Foam type extinguishers must be installed on the basis of 20 litres for every 200 square meters or part thereof of floor area of the building/s, room/s or compartment/s or as stipulated by the local municipal laws or by-laws as amended or any other ordinance, law or by-law issued by any other recognised authority in which the business is situated.

4. FIRE FIGHTING EQUIPMENT

It is a condition that all fire fighting equipment, fire escapes and the like, must comply with the local municipal laws or by-laws and be kept in order and serviced annually by qualified persons. Staff must be trained on how to use the fire fighting equipment and must be easily accessible to the trained staff and not be blocked with stock, rubble, equipment and the like.

5. BUSH CLEARANCE WARRANTY

It is a condition precedent to liability of the Company that all combustible material and vegetation within an area of at least 5 meters in width in the immediate vicinity of the insured building, item or structure specified under the fire section of the schedule shall be cleared and removed from the site. It is noted that this requirement does not apply to cultivated or manicured gardens, including trees forming part thereof.

SPECIAL PROVISIONS

1. STOCK WARRANTY

It is warranted that all stock is to be raised at least 150 mm from the floor and stored on pallets, racks or the like. In the event of non-compliance with this warranty, the Company shall not indemnify the Insured in respect of Water Damage to stock.

2. COTTON FACTORY WARRANTY:

It is warranted that:

- (1) During the currency of this policy no Cotton and/or Cotton waste except in iron bound, fully pressed bales be deposited in the building or in any building communicating therewith.
(NB: Fully pressed bales shall mean bales which have been hard pressed by steam or other mechanical power)
- (2) During the currency of this policy no Cotton and/or Cotton waste may be stored in the open or on the premises except in iron bound, fully pressed bales.
(NB: Fully pressed bales shall mean bales which have been hard pressed by steam or other mechanical power)
- (3) During the currency of this policy all openings in the external walls of the building must be protected by windows and/or doors.
- (4) During the currency of this policy there shall be no Steam Boiler in the building or in any building communicating therewith unless protected by double fireproof doors.
- (5) During the currency of this policy there shall be no artificial light other than Electric Light used in the building.

3. LAUNDRIES AND SAFETY SOLVENT DRY CLEANING WORKS WARRANTY

It is warranted that:

- (1) Washing or dry cleaning is done only by the use of water, perchlorethylene, trichloroethylene or carbon tetrachloride.
- (2) a) All the external walls and area walls are entirely of brickwork, masonry, terra-cotta, pisé, cement concrete or reinforced.
b) The external roof surface(s) consist only of concrete, slates, tiles, metal and/or sheets and/or slabs composed entirely of incombustible mineral ingredients.
- (3) There is no coke, coal, wood or oil fired boiler in the building or in a building, compartment or room communicating therewith.
- (4) All hand irons are protected by either:
a) a metal stand at least 25 millimetres high standing on an incombustible base
OR
b) a portion of the ironing table being cut away and replaced by a metal grid having a minimum superficial area of three times the size of the iron used.
- (5) No oils or spirits having a Flash Point less than 66°C are used for spot removing.
- (6) No drying by artificial heat is done.
- (7) No reproofing of waterproof clothing is done.

4. PLASTICS FACTORY WARRANTY

- (1) (a) All the external walls and area walls are to be entirely of brickwork, masonry, concrete and/or reinforced concrete.
(b) The external roof surface(s) are to consist only of concrete, slate, tiles, metal and/or sheets and/or slabs composed entirely of incombustible mineral ingredients.
- (2) No artificial drying is to be done in the premises.
- (3) No painting or varnishing is to be done in the premises.

- (4) All waste, rags, cloths, shavings, cuttings, scrapings, grindings and similar refuse matter is to be removed from the building daily.
- (5) Not more than sufficient packing and wrapping materials for one day's use is to be brought into the building at any time, the main stock of such materials is to be kept outside or in a fireproof compartment or room.

5. PRINTING FACTORY WARRANTY

It is warranted that:

- (1) Not more than 30 litres of oils or spirits giving off inflammable vapour at a temperature of less than 49°C are used or stored and that such oils or spirits are kept at all times in metal container(s) with screw stopper(s).
- (2) No drying of printed, varnished or waxed matter is done.
- (3) Cardboard boxes, paper bags and envelopes are not manufactured.
- (4)
 - a) All oily or greasy waste and cleaning cloths are deposited in metal containers at least two-thirds filled with water and the contents of the containers are emptied outside the building daily before closing;OR
 - b) All oily or greasy waste and cleaning cloths are deposited in metal containers having close fitting metal lids, the containers and their contents being removed outside the building daily before closing.
- (5) All waste of any description is swept up and removed from the building daily before closing.

6. RESTAURANT WARRANTY

Kitchen Extraction Maintenance

The insurance provided by this section of the policy, is strictly subject to every kitchen having an extraction system installed in accordance with SANS 1850: 2003 Code of Practice or as stipulated by the local municipal laws or by-laws as amended or any other ordinance, law or by-law issued by any other recognised authority in which the business is situated. It is a further condition that the extraction ducting be professionally cleaned half yearly. Furthermore, it is a condition precedent to liability that the extraction filters and gas burners in use, be thoroughly cleaned weekly, and a register of such be kept by the insured.

Gas Installations

The insurance provided by this section of the policy, is strictly subject to any gas installation being installed in accordance with SANS 087 Code of Practice or as stipulated by the local municipal laws or by-laws as amended or any other ordinance, law or by-law issued by any other recognised authority in which the business is situated.

7. WOODWORKING FACTORY WARRANTY

It is warranted that:

- (1) All woodworking waste is swept up and removed from the building(s) daily before closing.
- (2) No impregnation or preservation of timber is done involving the use of inflammable liquids having a Flash Point less than 79°C.
- (3) No polishing or paint spraying involving the use of inflammable liquids having a Flash Point less than 38°C is done.
- (4) No upholstering is done and no upholstering materials are stored.
- (5) No drying, seasoning or conditioning of timber by artificial heat is done.
- (6) All waste is swept up and removed from the Kiln(s) after the conditioning, drying or seasoning of each load of timber.

8. WASTE WARRANTY

It is warranted that all clippings, cuttings, fluff, fly and other waste of every description is removed from the machines, swept up and bagged or placed in bins each day and removed from the Factory and all buildings communicating therewith at least once a week.

9. STORAGE OF INFLAMMABLE LIQUIDS WARRANTY:

It is warranted that during the currency of this policy:

- (a) not more than 30 litres of liquids giving off inflammable vapour under 38°C and
- (b) not more than 425 litres of liquids giving off inflammable vapour between 38°C and 94°C and
- (c) not more than 100kg of inflammable liquefied gas, be used or stored by each occupant in (each of) the building(s) described in the schedule.

10. VENTILATION

It is warranted that the building/s must be adequately ventilated by means of a fan or fans having a free discharge to the open. Sufficient inlets for fresh air must be provided.

11. SMOKING

It is warranted that Smoking is prohibited in the building/s where any processes are carried on, and notices to that effect must be prominently displayed.

ADDITIONAL PERILS

It is understood and agreed that in respect of each additional perils extension included in this insurance

- (a) all the exceptions and conditions applicable to this insurance shall apply as if they had been incorporated therein
- (b) for the purposes thereof any damage insured shall be deemed to have been caused by fire.

1. EARTHQUAKE EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

Damage caused by earthquake but excluding damage to property in the underground workings of any mine.

2. SPECIAL PERILS EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

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 or volcanic eruption
 - (c) in the underground workings of any mine
 - (d) in the open (other than buildings structures and plant designed to exist and or operate in the open) *
 - (e) in any structure not completely roofed *
 - (f) being retaining walls *

* Items marked with an "*" have to be described separately and specifically insured as a separate item
2. aircraft and other aerial devices or articles dropped there from
3. impact by animals, trees (except falling trees whilst contractors are engaged in the felling thereof), aerials, satellite dishes or vehicles excluding damage to such animals, trees, aerials, satellite dishes or vehicles or property in or on such vehicles.

This extension does not cover

1. wear and tear or gradual deterioration
2. damage caused or aggravated by
 - (a) leakage or discharge from any sprinkler or drencher system or other fire extinguishing installations or appliance in the buildings insured hereby or in buildings containing property insured hereby
 - (b) subsidence or landslip
 - (c) the insured's failure to take all reasonable precautions for the maintenance and safety of the property insured and for the minimisation of any damage.

3. LEAKAGE EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

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

If a first loss limit is shown against this additional peril in the schedule, the amount of such limit shall be the maximum liability of the company less any first amount payable stated in the schedule to apply in respect of any one event and, for the purposes of this extension only, the following shall be substituted for the average condition herein before expressed:

If the property insured is, at the commencement of any damage to such property by discharge or leakage, collectively or greater value than the sum insured thereon against fire damage, then the company shall be liable under this extension only for that proportion of the first loss limit as the sum insured against fire bears to the total value of such property and the insured shall be considered as being their own insurer for the difference and shall bear a rateable share of the loss accordingly. Every item, if more than one, to which this extension applies shall be separately subject to this clause.

In respect of this extension only, specific exception 1 to this section is deleted.

4. SUBSIDENCE AND LANDSLIP EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

Damage caused by subsidence or landslip, provided that the insured shall bear the first portion of each and every claim up to an amount calculated at 1 per cent of the sum insured on the property with a minimum of R 2 500.00 or the amount stated in the schedule whichever is the greater.

This extension does not cover

1. damage to drains, water courses, boundary walls, garden walls, retaining walls, gates, posts or fences unless specifically insured
2. damage caused by or attributable to
 - (a) faulty design or construction of or the removal or weakening of support to any building situated at the insured premises
 - (b) workmen engaged in making any structural alterations, additions or repairs to any building situated at the insured premises.
 - (c) excavation on or under land other than excavation in the course of mining operations
3. consequential loss of any kind whatsoever except loss of rent when specifically insured under this section.

In any action suit or other proceeding where the company alleges that by reason of the provisions of these exceptions any damage is not covered by this insurance the burden of proving the contrary shall be upon the insured.

5. MALICIOUS DAMAGE EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

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

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

provided that this extension does not cover

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

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

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

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

6. 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:

- (i) civil commotion, labour 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 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 the company alleges that by reason of provisos (a), (b), (c), (d) or (e) loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

7. SPONTANEOUS COMBUSTION EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

It is hereby declared and agreed that notwithstanding anything herein contained to the contrary this section of the policy is extended to include destruction or damage by fire only of or to the insured property (in respect whereof this extension is applicable) caused by its own spontaneous fermentation, heating or combustion.

Provided that all the exceptions and conditions of the policy (except as expressly varied herein) shall apply as if they had been incorporated herein and the insured shall bear the first portion of each and every claim as stated in the schedule.

CLAUSES AND EXTENSIONS

1. RENT CLAUSE (IF INSURED UNDER COLUMN 2)

The company will pay the amount of rent receivable, rent payable or rental value (as the case may be) defined hereunder in the event of the premises stated in the schedule being rendered untenable during the term specified therein in consequence of damage by a defined event.

- (i) Rent receivable - the actual rent receivable by the insured at the time of the event in respect of the aforesaid premises or on such part of the same as may then be let.
- (ii) Rent payable - the actual rent payable by the insured to the owner or landlord of the said premises.
- (iii) Rental value - the actual rental value of the said premises.

The amount payable in terms of this clause shall be in the proportion which the amount insured bears to the actual rent receivable/rent payable or rental value of the premises as the case may be and if the premises are not untenable during the whole of the aforesaid term, the company shall only be liable to pay such proportion of the amount payable as the period of time during which the premises may remain untenable bears to the whole term specified above, but the period shall not exceed the time which would be required to place the premises in a tenable condition.

2. DESIGNATION OF PROPERTY CLAUSE

For the purpose of determining where necessary the column under which any property is insured, the company agrees to accept the designation under which such property has been entered in the insured's books.

3. ALL OTHER CONTENTS CLAUSE

The term all other contents referred to in the definition of property under column 3 of the schedule includes, but is not restricted to personal effects, tools and pedal cycles, the property of the insured or directors or employees of the insured in so far as such property is not otherwise insured.

The benefit under this extension is limited to R 5 000.00 for any one individual in respect of property lost or damaged whilst on the insured's premises.

4. LIMITATIONS CLAUSE

The company's liability under column 3 of the schedule is restricted in respect of

- (a) money and stamps to a limit of R 5 000.00
- (b) documents, manuscripts, business books, plans, computer systems records and media, designs, patterns, models and moulds to the value of materials and sums expended in labour

5. 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 processes or machinery or by virtue of acquisition of additional premises, structural alterations or repairs to buildings, machinery or plant, provided that notice is given to the company as soon as practicable after such event and the insured agree to pay additional premium if required.

6. ARCHITECTS' AND OTHER PROFESSIONAL FEES CLAUSE

The insurance under columns 1 and 3 of the schedule includes professional fees (for estimates, plans, specifications, quantities, tenders and supervision) necessarily incurred in the reinstatement or replacement of the property insured following damage by a defined event, but in no case exceeding 15 per cent of the amount payable in respect of such damage and provided that the total amount recoverable shall not exceed the sum insured on the property affected. The amount payable in respect of such fees shall not include expenses incurred in connection with the preparation of the insured's claim.

7. 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 per cent of the sum insured thereon, it being understood that the insured undertake to advise the company each quarter of such alterations, additions and improvements and to pay the appropriate premium thereon.

8. COST OF DEMOLITION, CLEARING, ERRECTION OF HOARDINGS CLAUSE

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

The Company will not pay for any costs or expenses

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

9. FIRE EXTINGUISHING CHARGES CLAUSE

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

10. MORTGAGEE CLAUSE

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

11. MUNICIPAL PLANS SCRUTINY FEE CLAUSE

The insurance under column 1 of the schedule includes municipal plans scrutiny fee, provided that the total amount recoverable under any item shall not exceed the sum insured on the building affected.

12. 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:

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

13. RAILWAY AND OTHER SUBROGATION CLAUSE

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

14. REINSTATEMENT VALUE CONDITIONS

In the event of property other than stock being damaged, the basis upon which the amount payable is to be calculated shall be the cost of replacing or reinstating on the same site property of the same kind or type but not superior to nor more extensive than the insured property when new provided that:

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

15. 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 the company will pay the cost of replacing such property with property the quality, capacity, function or output of which is as near as possible but not inferior to that of the original property.

Provided that

1. proviso 1,2,3 and 4 of the reinstatement value conditions apply equally to this clause
2. in applying the provisions of proviso 3 of the reinstatement value conditions, the cost (as provided for in proviso 3) "which would have been incurred in replacement or reinstatement if the whole of the insured property had been damaged" will be increased by such amount payable under the alternative replacement clause which is in excess of that which would have been payable under the reinstatement value conditions clause, had it been possible to reinstate or replace the property in terms thereof.

16. 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, 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 company shall not exceed 15 per cent 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 that part of the premises from which the property is temporarily removed.

17. TENANTS CLAUSE

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

18. 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 per cent of the sum or sums insured thereon, subject to the following specific conditions

1. (a) The insured shall declare to the company in writing the market value of their stock and materials in trade on the last day of each month/quarter (as stated in the schedule and shall make such declaration within 30 days thereof, otherwise they shall be deemed to have declared the sum insured on such property as the market value thereof
 - (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 shall differ from the provisional premium, the difference shall be payable by or to the insured as the case may be, but the amount payable by the company shall not exceed 50 per cent of the provisional premium
2. Any claim hereunder shall be settled on the basis of the market value immediately anterior to the damage
 3. If after the occurrence of damage it is found that the amount of the last declaration is less than the amount that ought to have been declared, then the amount which would have been recoverable by the insured shall be reduced in such proportion as the amount of the said declaration bears to the amount that ought to have been declared or to the 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.
 4. In consideration of the insurance not being reduced by the amount of any loss the insured shall pay additional premium on the amount of the loss from the date thereof to expiry of the period of insurance and such extra premium shall not be taken into account in, and shall be distinct from, the final adjustment premium
 5. The liability of the company shall not exceed the sum insured and premium shall not be receivable on values in excess thereof.
 6. The above specific conditions shall apply separately to each item of the specification to which these stock declaration conditions apply.

19. PUBLIC SUPPLY CONNECTIONS CLAUSE

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

20. ESCALATOR CLAUSE EXTENSION (IF STATED IN 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, the insured shall notify the company 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 per cent of the premium produced by applying the percentage specified to the annual premium for the sum insured to which this extension applies.

21. DISPOSAL OF SALVAGE (IF STATED IN THE SCHEDULE TO BE INCLUDED)

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

The insured will not be entitled under the provisions of this clause to abandon any property to the company whether taken possession of by the company or not.

22. ACCIDENTAL DAMAGE TO GEYSERS (IF STATED IN THE SCHEDULE TO BE INCLUDED)

Accidental loss of or damage to geysers, water apparatus and water pipes, caused by bursting or rupturing thereof, the property of the insured, installed in and forming part of the buildings or structures as stated in the schedule

Provided always that

- (i) this extension does not cover structural defects, faulty design or poor workmanship;
- (ii) If any building or structure insured becomes unoccupied for more than 30 (thirty) consecutive days, the insurance in respect of this extension if suspended
- (iii) the company's liability shall not exceed the limit less the first amount payable as stated in the schedule

23. MALICIOUS DAMAGE TO BUILDINGS RESULTING FROM THEFT/ATTEMPTED THEFT (IF STATED IN THE SCHEDULE TO BE INCLUDED)

The Insurance under this section includes;

- (a) damage to the buildings (including landlord's fixtures and fittings) at the insured premises in the course of theft or any attempt thereat loss of buildings, landlord's fixtures and fittings at the insured premises 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
- (b) the company will reimburse the insured all reasonable costs and expenses in effecting such temporary repairs and in taking such temporary measures as may be reasonably necessary after loss or damage giving rise to a claim under this section provided that the company's liability shall not exceed R 5 000.00 or the amount stated in the schedule less the first amount payable in respect of any one event.

24. SECURITY COST CLAUSE

The insurer will pay for costs actually and necessarily incurred with the insurer's prior consent to protect or attempt to protect any insured property following an insured event, provided that the benefit under this extension is limited to R 5 000.00 any one claim.

BUILDINGS COMBINED SECTION

DEFINED EVENTS

1. Damage by the perils described
 - (a) in sub-section A to the buildings including all outbuildings thereto (constructed of brick, stone, concrete or metal on metal framework and roofed with slate, tiles, metal, concrete or asbestos unless otherwise stated in the schedule) and sporting and recreational structures, landlord's fixtures and fittings therein and thereon, walls (except dam walls), gates, posts and fences, and tarred or paved roads, driveways, paths or parking areas.
 - (b) In sub-section B to public supply connections
Situates as stated in the schedule.
2. Loss of rent as provided in sub-section C.
3. Legal liability as provided for in sub-section D.

SUB-SECTION A - PROPERTY

1. Fire, lightning, thunderbolt, subterranean fire, explosion.
2. Storm, wind, water, hail or snow other than
 - (a) that arising from its undergoing any process necessarily involving the use or application of water
 - (b) wear and tear or gradual deterioration
 - (c) loss or damage
 - (i) to retaining walls (unless specifically stated to be included)
 - (ii) to gates, posts and fences not constructed of stone, concrete or brick
 - (iii) caused or aggravated by subsidence or landslip
 - (iv) caused or aggravated by the insured's failure to take all reasonable precautions for the maintenance and safety of the property insured and for the minimisation of any destruction or damage
3. Earthquake.
4. Aircraft and other aerial devices or articles dropped therefrom.
5. Impact by any animals, trees (except falling trees whilst contractors are engaged in the felling thereof), aerials, satellite dishes or vehicles excluding damage to such animals, trees, aerials, satellite dishes, vehicles or property in or on such vehicles
6. Theft (or any attempt thereat) accompanied by forcible and violent entry into or exit from any building if any building stated in the schedule becomes unoccupied for 30 consecutive days, this cover is suspended as regards to the property affected unless the insured before the occurrence of damage obtains the written agreement of the company to continue this extension. During the period of the initial unoccupancy of 30 consecutive days the insured shall become a co-insurer with the company and shall bear a rateable proportion of any damage equal to 20% of the claim before deduction of any first amount payable.
7. Accidental damage to sanitary ware, but the amount payable will be reduced by R 250.00 for each and every such damage or the amount stated in the schedule whichever is the greater.

SPECIFIC CONDITION

1. AVERAGE (NOT APPLICABLE TO PERIL 7 ABOVE)

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 the insured shall be considered as being their own insurer for the difference and shall bear a rateable share of the loss accordingly. Every item, if more than one, shall be separately subject to this condition.

2. LIGHTNING CONDUCTORS

It is a condition precedent to liability in terms of this Section that all buildings with grass, straw or thatched roofs be supplied with and properly fitted with an SABS-approved lightning conductor or lightning conductor of a similar standard or more superior which is installed with the exclusive purpose of conducting lightning away from the insured building.

3. PORTABLE FIRE EXTINGUISHING DEVICES

It is a condition that approved portable Foam type extinguishers must be installed on the basis of 20 litres for every 200 square meters or part thereof of floor area of the building/s, room/s or compartment/s or as stipulated by the local municipal laws or by-laws as amended or any other ordinance, law or by-law issued by any other recognised authority in which the business is situated.

4. FIRE FIGHTING EQUIPMENT

It is a condition that all fire fighting equipment, fire escapes and the like, must comply with the local municipal laws or by-laws and be kept in order and serviced annually by qualified persons. Staff must be trained on how to use the fire fighting equipment and must be easily accessible to the trained staff and not be blocked with stock, rubble, equipment and the like.

5. BUSH CLEARANCE WARRANTY

It is a condition precedent to liability of the Company that all combustible material and vegetation within an area of at least 5 meters in width in the immediate vicinity of the insured building, item or structure specified under the fire section of the schedule shall be cleared and removed from the site. It is noted that this requirement does not apply to cultivated or manicured gardens, including trees forming part thereof.

6. SUB-SECTION B PUBLIC SUPPLY CONNECTIONS

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

7. SUB-SECTION C RENT

Loss of rent as a result of the property insured being so damaged by any of the perils specified as to be rendered untenable (including partially untenable) but only for the period necessary for reinstatement and for an amount not exceeding 25 per cent of the sum insured on the affected property. The basis of calculation shall be the rent payable immediately preceding the damage or its equivalent in rental value.

8. SUB-SECTION D LIABILITY

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

Provided that:

The amount payable inclusive of any legal costs recoverable from the insured by a claimant or any number of claimants and other costs and expenses incurred with the company's consent for any one event or series of events with one original cause or source shall not exceed the amount of R1 000 000.00.

SPECIFIC EXCEPTIONS (APPLICABLE TO SUB-SECTION D)

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

1. injury or damage sustained by
 - (a) any member of the same household as the insured
 - (b) any person employed by the insured or under a contract of service with or apprenticeship to the insured and arising directly from and in the course of such employment by the insured
 - (c) any other person resulting from the ownership of our use by or on behalf of the insured of mechanically propelled vehicles (except pedal cycles and lawnmowers)
2. damage to property
 - (a) (i) belonging to the Insured
 - (ii) in the custody or control of the insured or any employee of the insured
 - (b) caused by vibration or by the removal or weakening of or interference with support to any land, building or other structure
3. liability assumed by agreement unless liability would have attached to the insured notwithstanding such agreement

4. liability

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

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

5. fines, penalties, punitive, exemplary or vindictive damages

- 6. (a) damages in respect of judgments delivered or obtained in the first instance otherwise than by a court of competent jurisdiction within the Republic of South Africa, Namibia, Botswana, Lesotho and Swaziland
- (b) costs and expenses of litigation recovered by any claimant from the insured which are not incurred in and recoverable in the area described in 6(a) above.

MEMORANDA TO SUB-SECTION D

- 1. Where more than one insured is named in the schedule the company will indemnify each insured separately and not jointly and any liability arising between such insured shall be treated as though separate policies had been issued to each, provided that the aggregate liability of the company shall not exceed the limit of indemnity stated in the schedule.
- 2. Provided that the aggregate liability of the company is not increased beyond the limit of indemnity stated, the company will also indemnify as though a separate policy had been issued to each
 - (a) in the event of the death of the insured any personal representative of the insured in respect of liability incurred by the insured
 - (b) any partner or director or member or employee of the insured (if the insured so requests) against any claim for which the insured are entitled to indemnity under this insurance.
- 3. In respect of this sub-section only, general exception 1 is deleted and replaced by the following: This sub-section does not cover injury, damage or liability directly or indirectly caused by, related to or in consequent of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, military or usurped power.
- 4. If at the time of any event giving rise to a claim under this sub-section, indemnity is also provided under any other insurance, this sub-section shall not be drawn into contribution with such other insurance except in respect of any excess over and above the amount payable by such other insurance.

CLAUSES AND EXTENSIONS

1. SUBSIDENCE AND LANDSLIP EXTENSION TO SUB-SECTION A (IF STATED IN THE SCHEDULE TO BE INCLUDED)

The following peril is added to the perils applicable to sub-section A - Contents.

- 8. Damage caused by subsidence or landslip provided that the insured shall bear the first portion of each and every claim up to an amount calculated at 1 per cent of the sum insured on the property with a minimum R 2 500 or the amount stated in the schedule whichever is the greater.

For the purpose hereof any damage insured shall be deemed to have been caused by fire.

provided that this extension does not cover

- 8.1. damage to drains, water courses, boundary walls, garden walls, retaining walls, gates, posts or fences unless specifically insured
- 8.2. damage caused by or attributable to
 - (a) faulty design or construction of, or the removal or weakening of support to, any building situated at the insured premises
 - (b) workmen engaged in making any structural alterations, additions or repairs to any building situated at the insured premises.
 - (c) excavation on or under land other than excavations in the course of mining operations
- 8.3. consequential losses of any kind whatsoever except loss of rent.

In any action suit or other proceeding where the company alleges that, by reason of the provisions of this extension, any damage is not covered by this insurance, the burden of proving the contrary shall be upon the insured.

2. PREVENTION OF ACCESS EXTENSION TO SUB-SECTION C (IF STATED IN THE SCHEDULE TO BE INCLUDED)

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

3. SECURITY FIRMS (APPLICABLE TO SUB-SECTION D - LIABILITY)

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

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

4. ARCHITECTS' AND OTHER PROFESSIONAL FEES CLAUSE

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

5. 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 for an amount not exceeding 15 per cent of the sum insured thereon, it being understood that the insured undertake to advise the company each quarter of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

6. COST OF DEMOLITION, CLEARING, ERECTION, HOARDINGS & DEBRIS REMOVAL

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

The Company will not pay for any costs or expenses

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

7. FIRE EXTINGUISHING CHARGES CLAUSE

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

8. 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 the company as soon as any such act or omission comes to his knowledge and shall be responsible for any additional premium payable from the date any increased hazard shall, in terms of this clause, be assumed by the company.

9. MUNICIPAL PLANS SCRUTINY FEE CLAUSE

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

10. 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

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

11. RAILWAY AND OTHER SUBROGATION CLAUSE

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

12. REINSTATEMENT VALUE CONDITIONS

In the event of property being damaged, the basis upon which the amount payable is to be calculated shall be the cost of replacing or reinstating on the same site property of the same kind or type but not superior to nor more extensive than the insured property when new, provided that:

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

During each period of insurance, the sum(s) insured under sub-section A 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.

13. TEMPORARY REMOVAL CLAUSE

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

14. TENANTS CLAUSE

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

15. ESCALATOR CLAUSE EXTENSION (IF STATED IN SCHEDULE TO BE INCLUDED)

During each period of insurance, the sum(s) insured under sub-section A 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, the insured shall notify the company 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% of the premium produced by applying the percentage specified to the annual premium for the sum insured to which this extension applies.

16. MALICIOUS DAMAGE 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 the deliberate or wilful or wanton act of any person committed with the intention of causing such loss or damage other than loss or damage to

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

Provided that this extension does not cover:

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

If the company alleges that, by reason of provisos (a), (b), (c), (d) or (e), loss or damage is not covered by this section, the burden of providing the contrary shall rest on the Insured. If any building insured or containing the insured property becomes unoccupied for 30 consecutive days the insurance in respect of this extension is suspended as regards the property affected unless the insured, before the occurrence of any damage obtains the written agreement of the company to continue this extension.

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

17. RIOT AND STRIKE EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein sub-sections A, B and C of this section are extended to cover loss or damage directly occasioned by or through or in consequence of:

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

Provided that this extension does not cover:

- (a) loss or damage occurring in the Republic of South Africa and 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 the company alleges that by reason of proviso (a), (b), (c), (d) or (e), loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

18. ACCIDENTAL DAMAGE TO GEYSERS (IF STATED IN THE SCHEDULE TO BE INCLUDED)

Accidental loss of or damage to geysers, water apparatus and water pipes, caused by bursting or rupturing thereof, the property of the insured, installed in and forming part of the buildings or structures as stated in the schedule

Provided always that

- (i) this extension does not cover structural defects, faulty design or poor workmanship;
- (ii) If any building or structure insured becomes unoccupied for more than 30 (thirty) consecutive days, the insurance in respect of this extension is suspended
- (iii) the company's liability shall not exceed the limit less the first amount payable as stated in the schedule

19. MALICIOUS DAMAGE TO BUILDINGS RESULTING FROM THEFT / ATTEMPTED THEFT (IF STATED IN THE SCHEDULE TO BE INCLUDED)

The Insurance under this section includes;

- (a) damage to the buildings (including landlord's fixtures and fittings) at the insured premises in the course of theft or any attempt thereat loss of buildings, landlord's fixtures and fittings at the insured premises 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
- (b) the company will reimburse the insured all reasonable costs and expenses in effecting such temporary repairs and in taking such temporary measures as may be reasonably necessary after loss or damage giving rise to a claim under this section provided that the company's liability shall not exceed the greater of R 5 000.00 or the amount stated in the schedule less the first amount payable in respect of any one event.

20. GUESTHOUSES ACCOMMODATION & LODGING (IF STATED IN THE SCHEDULE TO BE INCLUDED)

In consideration of the payment of an additional premium and notwithstanding anything contained herein to the contrary the following perils in respect of Sub-Section A of the defined events are added / amended in terms of this section and the extensions only apply to that part of the risk that relates to the guesthouse and / or lodge if insured in terms of this section:

9. The escape of water from washing machines or dishwashers and the bursting or overflowing of water tanks, water apparatus or water pipes including damage to the water tanks, water apparatus or water pipes and the accidental leakage of oil from fixed oil-fired heating installations;
10. Accidental loss of or damage (excluding wear and tear) to fixed swimming pool and Jacuzzi machinery or bore-hole pumps (excluding windmills) for domestic use only, electrified gates and garage doors installed at the insured building(s) in use as guesthouse(s)
11. Accidental damage to fixed glass and mirrors against walls, in windows, doors, fanlights, skylights, solar heating systems, fixed external signs and verandas, stove glass tops, fixed wash basins, baths, pedestals, sinks, lavatory pans and splash-backs (but excluding chipping, scratching and other disfiguration) forming fixed part of the building(s);
12. Collapse or breakage of antennae, satellite dishes as well as damage to these items, if they form a fixed part of the insured building(s) and damage was caused by perils 1 to 7 of Sub-Section A of this Section;

Provided that;

the liability of the Company shall not exceed R 5 000.00 (five thousand rand) for any of the above extensions in respect of any one occurrence less the first amount payable of R 500.00

13. Accidental discharge or leakage from fire extinguishing installations or appliances;
14. Loss or damage caused by the total or partial failure of the public supply of electricity to the premises of the insured provided that this section does not cover loss or damage resulting from damage directly or indirectly caused by:
 - (a) drought;
 - (b) pollution of water;
 - (c) shortage of fuel or water;
 - (d) a fault on any part of the installation belonging to the premises;
 - (e) the exercise of an authority, empowered by law to supply electricity, of its power to withhold or restrict supply unless such withholding or restriction is directly attributable to damage to property of such authority.

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

15. Loss or damage to stock in refrigeration and/or cooling units at the premises by deterioration or purification caused by:
 - (i) a change in temperature resulting from:
 - (a) failure of the unit or non-operation (from any inherent cause) of any thermostatic device controlling the plant or failure of the wiring from the main switch to ancillary switches or power plugs and between ancillary switches and power plugs and the driving motor including the failure of power plugs and switches;
 - (b) failure of the public supply of electricity and/or gas at the terminal ends of the supply authority's device feeders to the premises;
 - (c) the wrongful setting of any thermostatic device including the accidental switching off of the supply controlling the plant;
 - (ii) the action of refrigerant fumes, which have escaped from the unit

Provided that;

this Extension does not cover:

- (a) loss or damage caused by a deliberate act by the supply authority or the exercise by any supply authority of its power to withhold or restrict the supply of electricity and/or gas;
- (b) more than R 5 000.00 (five thousand rand) any one event or occurrence.

The Insured is responsible for a First Amount Payable of R 500.00 (five hundred rand) in respect of each single claim as a result of the perils as described in 15(i) and (ii) above.

21. LOSS OF KEYS & LOCKS

This Section is extended to indemnify the Insured in respect of the cost of replacing locks and keys including the remote and/or alarm controller and, if necessary, the reprogramming of such coded alarm system of the insured Building following upon loss of or damage to the lock or key, remote or alarm controller or upon the Insured having reason to believe that any unauthorised person may be in possession of a duplicate of such key, remote or alarm controller. This Section also covers the reasonable expenses incurred in an emergency to call in a locksmith as a result of the loss of such keys, remote and/or alarm controller

Provided that;

- (a) The liability of the Company in respect of any one loss shall not exceed R 5 000.00
- (b) The Insured will be liable for the first R 500.00 in respect of any one occurrence

22. WATER LEAKAGE

We will compensate you for costs of water lost through leakage, bursting from pipes on your property where you are responsible to pay the charge for such water subject to the following:

In the event of the quarterly reading of water consumption exceeding the average of the last previous four quarterly readings by 50% or more we will indemnify you for the cost of such additional water consumed up to a limit of R 5 000.00 less a first amount payable of R 500.00

23. GARDENS AND WATER FEATURES

The insurer will pay up to the R 5 000.00 less the first amount payable of R 500.00 for costs incurred by the insured in restoring damaged landscaped gardens and water features following fire, lightning, thunderbolt, subterranean fire, special perils, earthquake, malicious damage and explosion.

24. COSTS OF REMOVAL OF FALLEN TREES

The insurance under this Section covers costs reasonably and necessarily incurred in removing trees or parts of trees from the dwelling(s) or premises as described in the Schedule that have fallen following an Defined Event as defined under Sub-Section A Property

Provided that;

- (a) The liability of the Company in respect of any one loss shall not exceed R 5 000.00 any one occurrence
- (b) The insured will be liable for the first amount payable of R 500.00 for each & every occurrence

OFFICE CONTENTS SECTION

DEFINED EVENTS

1. Loss of or damage to the contents (other than documents as defined in sub-section C if insured there-under and electronic data processing equipment) including landlord's fixtures and fittings the property of the insured or for which they are responsible and, unless otherwise stated in the schedule, to the extent that the same is not otherwise insured, property owned by any partner or director or employee of the insured up to an amount of R 2 500.00 per person while contained in the offices and/or consulting rooms situate as stated in the schedule (hereinafter called the office premises) by any of the perils specified in sub-section A.
2. Loss of or damage to the whole or part of the property insured under item C and defined in sub-section C and the consequences thereof insured under item D and as described in sub-section D.
3. Loss and/or expenditure described in sub-sections B and E.

SUB-SECTION A - CONTENTS

1. Fire, lightning, thunderbolt, subterranean fire, explosion.
2. Storm, wind, water, hail or snow excluding loss or damage to property arising from its undergoing any process necessarily involving the use or application of water.
3. Earthquake but excluding loss of or damage to property in the underground workings of any mine.
4. Aircraft and other aerial devices or articles dropped there from.
5. Impact by animals, trees (except falling trees whilst contractors are engaged in the felling thereof), aerials, satellite dishes or vehicles excluding damage to such animals trees, aerials, satellite dishes or vehicles or property in or on such vehicles.
6. Accidental breakage of mirror glass, plate glass tops to furniture or fixed glass forming part of any article of furniture.

LIMITATIONS CLAUSE

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

SPECIFIC CONDITION

1. AVERAGE (NOT APPLICABLE TO PERIL 6 ABOVE)

If the property insured is, at the commencement of any loss or damage to such property by any peril insured against, collectively of greater value than the sum insured thereon, the insured shall be considered as being their own insurer for the difference and shall bear a rateable share of the loss or damage accordingly. Each item of the schedule covering such property shall be separately subject to this condition.

2. LIGHTNING CONDUCTORS

It is a condition precedent to liability in terms of this Section that all buildings with grass, straw or thatched roofs be supplied with and properly fitted with an SABS-approved lightning conductor or lightning conductor of a similar standard or more superior which is installed with the exclusive purpose of conducting lightning away from the insured building.

3. PORTABLE FIRE EXTINGUISHING DEVICES

It is a condition that approved portable Foam type extinguishers must be installed on the basis of 20 litres for every 200 square meters or part thereof of floor area of the building/s, room/s or compartment/s or as stipulated by the local municipal laws or by-laws as amended or any other ordinance, law or by-law issued by any other recognised authority in which the business is situated.

4. FIRE FIGHTING EQUIPMENT

It is a condition that all fire fighting equipment, fire escapes and the like, must comply with the local municipal laws or by-laws and be kept in order and serviced annually by qualified persons. Staff must be trained on how to use the fire fighting equipment and must be easily accessible to the trained staff and not be blocked with stock, rubble, equipment and the like.

5. BUSH CLEARANCE WARRANTY

It is a condition precedent to liability of the Company that all combustible material and vegetation within an area of at least 5 meters in width in the immediate vicinity of the insured building, item or structure specified under the fire section of the schedule shall be cleared and removed from the site. It is noted that this requirement does not apply to cultivated or manicured gardens, including trees forming part thereof.

6. VOIDABLE

This section shall be voidable if the nature of the risk is materially altered without the prior written consent of the company.

7. BURGLAR ALARM WARRANTY (IF STATED IN THE SCHEDULE TO BE APPLICABLE)

It is hereby declared and agreed that in respect of any premises stated in the schedule as being subject to the burglar alarm warranty condition, the following will be a precondition to the liability of the company, and it is hereby warranted that;

1. Where the installed alarm is a SAIDSA Approved (Pty) Ltd certified alarm
 - (a) the company will be entitled to request full information of the relevant arming, disarming and monitoring log report after the occurrence of a claim;
 - (b) loss of or damage to the property following the use of the keys, the keypad code or remote control of the burglar alarm or any duplicate thereof belonging to the insured is not covered unless such keys, keypad code, remote control or any duplicate thereof have been obtained by violence or threat of violence to any person or such keys, keypad code or remote control was obtained by theft;
2. Where the installed alarm is not a SAIDSA Approved (Pty) Ltd certified alarm
 - (a) the said alarm is to be a radio controlled and / or telephone linked monitoring alarm where available (for the purposes of this requirement, monitoring shall mean that once the alarm is triggered a signal will be transmitted to the control room which includes a 24 hour armed reaction or response unit);
 - (b) it is also a requirement that such alarm system will include anti-tampering measures which will log such events including but not limited to power cuts and the like;
 - (c) if the company which installed the said alarm system operates an armed reaction unit, the contract for the said alarm shall include the armed reaction unit's services, where available;
 - (d) the control panel shall have an event log and the arming and disarming of the alarm is to be logged and after the occurrence of a claim, the company will be entitled to request full information of the arming, disarming, testing and monitoring log report;
 - (e) the burglar alarm installed at the premises shall be set and armed and made fully operational whenever the premises are not open for business unless a principle, partner, director or employee of the insured is on the premises;
 - (f) such alarm will be maintained in proper working order and tested at least once a month, but the insured shall be deemed to have discharged their / his liability in this regard if he has maintained the obligations under a maintenance contract with the suppliers or servicing engineers of the alarm system.
 - (g) loss of or damage to the property following the use of the keys, the keypad code or remote control of the burglar alarm or any duplicate thereof belonging to the insured is not covered unless such keys, keypad code, remote control or any duplicate thereof have been obtained by violence or threat of violence to any person or such keys, keypad code or remote control was obtained by theft;

SPECIFIC EXCEPTION (APPLICABLE TO SUB-SECTION A)

This sub-section does not cover

- (a) property outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi
- (b) designs, patterns, models or moulds (except to the extent that the said articles are insured in terms of sub-section A), stock in trade, samples, motor vehicles and accessories therefore, money, securities, stamps, jewellery or precious stones
- (c) the first 10% of the indemnifiable amount or R1 000.00 whichever is the greater if the loss or damage is due to power surges or lightning strikes

SUB-SECTION B - RENT

Loss of rent actually incurred by the insured in consequence of the office premises or portion thereof being so damaged by any of the perils specified in sub-section A as to be rendered uninhabitable, but only in respect of the period necessary for reinstatement. The indemnity under this sub-section shall not exceed 25 per cent of the sum insured or value (whichever is the lower) of all contents of the office premises affected.

For the purpose of this sub-section, the term "office premises" shall be deemed to extend to any premises or portion thereof in the vicinity of the office premises, damage to which prevents or limits access to the office premises.

SUB-SECTION C - DOCUMENTS

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

1. DEFINITION

The term **documents** shall mean:

films, tapes, addressograph plates, books, records, maps, plans, drawings, abstracts, deeds, wills, mortgages, agreements, manuscripts, letters, certificates, documents and similar written, printed or otherwise inscribed papers and documents used by the insured in the business and owned by them or for which they are responsible excluding money, current postage or revenue stamps, cancelled and cancelled coupons not cancelled, securities, bearer bonds, cheques, drafts and any written order to pay a sum certain in money and any written evidence of indebtedness or obligation and all property carried or held as samples or for sale or for delivery after sale and computer software and computer data carrying media unless otherwise stated in the schedule.

2. LIMITATIONS CLAUSE

The company's liability under this sub-section is limited to all costs, charges and expenses incurred by the insured in replacing or restoring such documents.

SPECIFIC EXCEPTION (APPLICABLE TO SUB-SECTION C)

The sub-section does not cover:

(a) loss or damage caused by:

- (i) electric or electronic or magnetic injury, disturbance or erasure of electronic or magnetic recordings except by lightning in which case the lightning loss or indemnifiable amount will be reduced by the greater of 10% of such amount or R 1 000.00
- (ii) vermin or inherent defect or by processing, copying or other work upon the documents
- (iii) the dishonesty of any principal, partner or director of the insured whether acting alone or in collusion with the others. This exception shall not apply to any director who is also an employee of the insured and whom the insured have the right at all times to govern, control and direct in the performance of his work in the service of the insured in the course of the business

(b) gradual deterioration or wear and tear.

(c) costs involved in re-shooting films and videos and re-recording audio tapes.

SUB-SECTION D - LEGAL LIABILITY DOCUMENTS

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

SPECIFIC EXCEPTION (APPLICABLE TO SUB-SECTION D)

This sub-section does not cover liability assumed by the insured under any contract, undertaking or agreement where such liability would not have attached to the insured in the absence of such contract, undertaking or agreement.

SUB-SECTION E - INCREASE IN COST OF WORKING

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

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

CLAUSES AND EXTENSIONS

1. 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 to processes or machinery or by virtue of structural alterations, repairs to buildings, machinery or plant, provided that notice is given to the company as soon as practicable after such event and the insured agree to pay additional premium if required.

2. 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 for an amount not exceeding 15 per cent of the sum insured thereon it being understood that the insured undertake to advise the company each quarter of such alterations, additions and improvements and to pay the appropriate additional premium thereon.

3. FIRE EXTINGUISHING CHARGES CLAUSE

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

4. LOCKS AND KEYS CLAUSE

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

Provided that

- (i) the company's liability shall not exceed R 5 000.00 in respect of any one event.
- (ii) the company shall not be liable for the first R 500.00 of each and every event.

5. NEW AND ADDITIONAL PREMISES CLAUSE

If the insured shall occupy offices or consulting rooms other than those situated as stated in the schedule in the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi, the insurance by this section shall apply as though such offices or consulting rooms were office premises within the meaning of this section

Provided that

- (i) the insured shall, within a reasonable time of taking occupation, advise the company thereof and pay additional premium calculated pro rata from the time of taking occupation until the end of the then current period of insurance
- (ii) this clause shall not apply to any loss if and so far as the same is otherwise insured.

6. REMOVAL OF DEBRIS CLAUSE

The insurance under this section is extended to include such reasonable costs and expenses as may be necessarily incurred by the insured in respect of the removal of debris following loss of or damage to the insured property by any peril hereby insured against, provided that the liability of the company for such loss or damage and costs and expenses shall not exceed in the aggregate the sum expressed in the schedule to be insured on the property affected.

The company will not pay for any costs or expenses

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

7. TEMPORARY REMOVAL CLAUSE

Except in respect of the personal property of any partner, director or employee of the insured, loss of or damage to the insured property by an peril hereby insured against while such property is temporarily contained in any building in the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi shall be deemed to be loss or damage happening while such property is contained in the office premises.

8. TEMPORARY REPAIRS AND MEASURES AFTER LOSS CLAUSE

The insurance under this section is extended to include all reasonable costs and expenses as may be incurred by the insured in effecting such temporary repairs and by taking such temporary measures as may be reasonable necessary after loss of or damage to the insured property by any peril hereby insured against, provided that the liability of the company for such loss or damage and costs and expenses shall not exceed in the aggregate the sum expressed in the schedule to be insured on the property affected.

9. TENANTS CLAUSE

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

10. REPLACEMENT VALUE CONDITION

The basis upon which the amount payable for a claim in respect of contents is calculated shall be either the replacement of the contents by similar property in a condition equal to but not better or more extensive than its condition when new; or

the repair of the contents to a condition substantially the same as but not better than its condition when new;

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

11. MALICIOUS DAMAGE EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein sub-sections A, B and C are extended to cover loss or damage directly occasioned by or through or in consequence of the deliberate or wilful or wanton act of any person committed with the intention of causing such damage, other than the damage to

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

Provided that this extension does not cover

- (a) damage related to or caused by fire explosion
- (b) consequential or indirect loss or damage of any kind or description whatsoever, other than loss of rent if specifically insured
- (c) loss or damage resulting from total or partial cessation of work, or the retarding interruption or cessation of any process or operation
- (d) damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority
- (e) 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 the company alleges that, by reason of provisos (a), (b), (c), (d) or (e) loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

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

During the period of the initial unoccupancy of thirty consecutive days, the insured shall become a co-insurer with the company and shall bear a proportion of any damage equal to 20% of the claim before deduction of any first amount payable.

12. RIOT AND STRIKE EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained therein sub-sections A, B and C of this section are extended to cover loss or damage directly occasioned by or through or in consequence of:

- (i) civil commotion, labour 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 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 the company alleges that by reason of provisos (a), (b), (c), (d) or (e), loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

13. THEFT BY FORCIBLE ENTRY EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

The following peril is added to the perils applicable to sub-section A contents:

- 6. Theft accompanied by forcible and violent entry into or exit from the offices and/or consulting rooms or any attempt thereat or as a result of theft (or any attempt thereat) following violence or threat of violence

Provided that

- (i) the company will not be liable under this extension for theft or attempted theft by any principal, partner, director or employee of the insured
- (ii) the amount payable will be reduced by the first amount payable shown in the schedule for this extension
- (iii) the maximum amount payable will not exceed the sum insured shown in the schedule for this extension less its first amount payable.

14. THEFT EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

The following peril is added to the perils applicable to sub-section A contents:

- 7. Theft or any attempt thereat other than by any principal, partner, director or employee of the insured

Provided that

- (i) the amount payable will be reduced by the first amount payable shown in the schedule for this extension
- (ii) the maximum amount payable will not exceed the sum insured shown in the schedule for this extension less its first amount payable.

15. MEMORANDUM

In respect of sub-section D only, general exception 1 is deleted and replaced as follows:

This sub-section does not cover loss, damage, liability or expenditure 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, military or usurped power.

16. ACCIDENTAL DAMAGE TO GEYSERS (IF STATED IN THE SCHEDULE TO BE INCLUDED)

Accidental loss of or damage to geysers, water apparatus and water pipes, caused by bursting or rupturing thereof, the property of the insured, installed in and forming part of the buildings or structures as stated in the schedule

Provided always that

- (i) this extension does not cover structural defects, faulty design or poor workmanship;
- (ii) If any building or structure insured becomes unoccupied for more than 30 (thirty) consecutive days, the insurance in respect of this extension if suspended
- (iii) the company's liability shall not exceed the limit less the first amount payable as stated in the schedule

17. MALICIOUS DAMAGE TO BUILDINGS RESULTING FROM THEFT / ATTEMPTED THEFT (IF STATED IN THE SCHEDULE TO BE INCLUDED)

The Insurance under this section includes;

- (a) damage to the buildings (including landlord's fixtures and fittings) at the insured premises in the course of theft or any attempt thereat loss of buildings, landlord's fixtures and fittings at the insured premises 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
- (b) the company will reimburse the insured all reasonable costs and expenses in effecting such temporary repairs and in taking such temporary measures as may be reasonably necessary after loss or damage giving rise to a claim under this section provided that the company's liability shall not exceed the greater of R 5 000.00 or the amount stated in the schedule less the first amount payable in respect of any one event.

BUSINESS INTERRUPTION SECTION

DEFINED EVENTS

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

- (i) the fire section of this policy
- (ii) the buildings combined section of this policy
- (iii) the office contents section of this policy
- (iv) any other material damage insurance covering the interest of the insured

but only in respect of perils insured under the fire section hereof (hereinafter termed Damage).

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

The company will indemnify the insured in accordance with the provision of the specification hereinafter set out.

SPECIFIC CONDITIONS

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

ITEM 1 - GROSS PROFIT (DIFFERENCE BASIS)

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

- (a) **reduction in turnover** and
- (b) **increase in cost of working**

and the amount payable as indemnity hereunder shall 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 months or less, or the appropriate multiple of the annual turnover where the maximum indemnity period exceeds 12 months.

ITEM 1 - GROSS PROFIT (ADDITIONS BASIS)

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

- (a) **reduction in turnover** and
- (b) **increase in cost of working**

and the amount payable as indemnity hereunder shall 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 months or less, or the appropriate multiple of the annual turnover where the maximum indemnity period exceeds 12 months.

MEMO

If any standing charges of the business are not insured under this section, then in computing the amount recoverable hereunder as increase in cost of working, that proportion only of the additional expenditure shall be brought into account which the sum of the net profit and the insured standing charges bears to the sum of the net profit and all the standing charges.

ITEM 2 - GROSS RENTALS

The insurance under this term is limited to

- (c) **loss of gross rentals** and
- (d) **increase in cost of working**

and the amount payable as indemnity hereunder shall be

- (a) **in respect of gross rentals** the amount by which the gross rentals during the indemnity period shall in consequence of the Damage fall short of the standard gross rentals
- (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 gross rentals which, but for that expenditure, would have taken place during the indemnity period in consequence of the Damage, but not exceeding the amount of the loss of gross rentals thereby avoided

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

ITEM 3 - REVENUE

The insurance under this term is limited to

- (a) **loss of revenue** and
- (b) **increase in cost of working**

and the amount payable as indemnity hereunder shall 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
- (a) **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 the loss 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.

ITEM 4 - 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.

ITEM 5 - WAGES (NUMBER OF WEEKS BASIS)

The insurance under this item is limited to the loss incurred by the insured by the payment of wages for a period beginning with the occurrence of the Damage and ending not later than the specified number of weeks.

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

ITEM 6 - 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 hereunder shall be such sum as the insured shall be legally liable to pay and shall pay in discharge of fines or penalties incurred solely in consequence of Damage for non-completion or late completion of orders.

DEFINITIONS

1. 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.

2. TURNOVER

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

3. REVENUE

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

4. GROSS RENTALS

The money paid or payable to the insured by tenants in respect of rental of the premises and for services rendered.

5. 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 the insured's normal accountancy methods, due provision being made for depreciation.

6. UNINSURED COSTS

As specified in the schedule (the words and expressions used shall have the meaning usually attached to them in the books and accounts of the insured).

7. 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.

8. NET PROFIT

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

9. INSURED STANDING CHARGES

As specified in the schedule (the words and expressions used shall have the meaning usually given to them in the books of account of the insured)

10. STANDARD TURNOVER, STANDARD REVENUE STANDARD GROSS RENTALS *

The turnover (revenue) (gross rentals) during that period in the twelve months immediately before the date of the damage which corresponds with the indemnity period

11. ANNUAL TURNOVER, ANNUAL REVENUE ANNUAL GROSS RENTALS *

The turnover (revenue) (gross rentals) during the twelve months immediately before the date of the Damage *

12. 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 other circumstances affecting the business either before or after the Damage or which would have affected the business had the Damage not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which but for the Damage would have been obtained during the relative period after the Damage.

*NOTE: If the Damage occurs before the completion of the first year's trading of the business at the premises the value of the bracketed terms shall be calculated by using values proportionate to the results obtained during the period between the commencement of the business and the date of the Damage.

MEMO

If during the indemnity period, goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the insured or by others on their behalf, the money paid or payable in respect of such sales or services shall be brought into account in arriving at the turnover, revenue or gross rentals, during the indemnity period.

EXTENSIONS AND CLAUSES**1. ACCOUNTANTS CLAUSE**

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

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.

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.

4. DEPOSIT PREMIUM CLAUSE (IF STATED IN THE SCHEDULE TO BE INCLUDED)

In consideration of the premium by items 1, 2 or 3 being provisional in that it is calculated on 75 per cent of the sum insured, the premium is subject to adjustment on expiry of each period of insurance or twelve consecutive months from the inception date or anniversary date if policy is paid monthly 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 per cent of the sum insured thereon, a pro rata return; or
- (b) additional premium not exceeding 33,3 per cent of the provisional premium paid for such period of insurance will be made in respect of the difference.

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

5. OUTPUT (ALTERNATIVE BASIS) CLAUSE

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

- (a) only the meaning of output or the meaning of turnover shall be operate in connection with any one event resulting in interruption
- (b) if the meaning of output be used
 - (i) the accumulated stocks clause shall be inoperative
 - (ii) the memo 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 the insured or by others on behalf of the insured, the sale of transfer of such goods shall be brought into account in arriving at the output during the indemnity period.

6. SALVAGE SALE CLAUSE

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

- (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 (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."

7. EXTENSIONS TO OTHER PREMISES

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

(a) 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.

(b) Unspecified suppliers (if stated in the schedule to be included)

The premises of any other of the insured's suppliers, manufacturers or processors of components, goods or materials, but excluding the premises of any public supply undertaking form which the insured obtains electricity, gas or water subject to the limit stated in the schedule.

(c) Storage, transit and vehicle

Property of the insured whilst stored or whilst in transit by air, road, rail or inland waterway or being motor vehicles of the insured elsewhere than at premises in the occupation of the insured

(d) Contract sites

Any situation not in the occupation of the insured where the insured are carrying out a contract

(e) Prevention of access

Property within a 10km radius of the insured's premises, destruction of or damage to which shall prevent or hinder the use of the premises or access thereto, whether the premises or property of the insured therein shall be damaged or not

(f) Prevention of access - extended cover (if stated in the schedule to be included)

Property within a 10km radius of the premises, destruction of or damage to which shall prevent or hinder the use of the premises or access thereto, whether the premises or property of the insured therein shall be damaged or not

(g) Additional premises

In the event of the insured 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 company as soon as reasonably practicable and to adjustment of the premium if necessary

(h) Customers (if stated in the schedule to be included)

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

(i) 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 the premises of the insured.

(j) Public telecommunications - insured perils only (if stated in the schedule to be included)

- (i) property at the premises of any public authority which is empowered by law to supply a telecommunication facilities to the insured
- (ii) the transmission facilities network of the public authority mentioned in (i).

(k) 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 communication facilities to the premises of the insured shall be deemed to have resulted from Damage (as within defined) provided this extension does not cover loss resulting from damage directly or indirectly caused by:

- (i) drought
- (ii) a fault on any part of the premises belonging to the insured
- (iii) a decision by any authority to legally withhold the telecommunication facility from the insured unless such decision is directly attributable to Damage to property of such authority
- (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 breakdown or electronic breakdown, there shall be no liability under this extension unless the interruption or interference with the business of the insured extends beyond 24 hours.

(l) Public utilities - extended cover (if stated in the schedule to be included)

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

- (i) drought
- (ii) pollution of water
- (iii) shortage of fuel or water
- (iv) a fault on any part of the installation belonging to the premises
- (v) the exercise of an authority empowered by law to supply water, gas or electricity of its power to withhold or restrict supply unless such withholding or restriction is directly attributable to Damage to property of such authority
- (vi) 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.

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

The geographical limits of:

(b), (c), (d), (e), (f), (h), (i) and (j) of the 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.

Extension (g) Additional Premises is confined to the Republic of South Africa and Namibia.

(m) Accidental damage (if stated in the schedule to be included)

The following defined event is added:

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

provided that:

- (a) the provision under any item of this section that the payment will be reduced proportionately if the amount insured by the item is not adequate, is deleted in respect of this defined event
- (b) the company shall not pay more than the sum insured stated in the schedule of the Accidental damage section for both this section and the Accidental damage section combined."

ACCOUNTS RECEIVABLE SECTION

DEFINED EVENTS

Loss or damage as a result of accident or misfortune (hereinafter termed damage) to the insured's books of account or other business books or records at the premises or at the residence of any director, partner, employee or the premises of any accountant of the insured in consequence whereof the insured are unable to trace or establish the outstanding debit balances in whole or part due to them.

Provided that the liability of the company shall not exceed the sums 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 business books or records are removed to a place of safety, the insurance hereunder shall apply if such goods are destroyed, damaged or lost as aforesaid during such removal or while so located or being returned to the premises, provided the insured shall notify the company in writing of such removal within 30 days thereafter.

The company will also pay all reasonable collection costs and expenses incurred by the insured in excess of normal collection costs and expenses made necessary because of such damage.

SPECIFIC EXCEPTIONS

The company will not pay for

- (a) loss resulting from loss or damage to the books of account or other business books or records caused by:
 - (i) wear and tear or gradual deterioration or moths or vermin
 - (ii) detention seizure or confiscation by any lawfully constituted authority
 - (iii) electrical or electronic or magnetic injury, disturbances or erasure unless the insured maintains the duplicate records referred to in the Duplicate records clause, in which case the insured will be responsible for the first R500 of each and every loss;
- (b) loss caused by fraud or dishonesty of any principal, director partner or employee of the insured.

SPECIFICATION

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

- (i) the difference between
 - (a) the outstanding debit balances
 - and
 - (b) the total of the amounts received or traced in respect thereofplus
- (ii) 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 debit balances, the amount payable shall be proportionately reduced.

DEFINITIONS

OUTSTANDING DEBIT BALANCES

The total declared in the statement last given under the provisions of the following memorandum adjusted for

- (a) bad debts
- (b) amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the damage) to customers' accounts in the period between the date to which said last statement relates and the date of the damage
- and
- (c) 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.

CLAUSES AND MEMORANDA

1. DECLARATIONS

The insured shall within sixty days of the end of each month or other agreed period, deposit with the company a signed statement showing the total amount outstanding in customers' accounts as set out in the insured's accounts as at the end of the said month.

2. ADJUSTMENT

In consideration of the premium under this section being provisional in that it is calculated on 75 per cent 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 per cent 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 the insured shall pay the difference. If it is less, the difference shall be repaid to the insured, but such repayment shall not exceed 33,3 per cent 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 the insured shall be deemed to have declared such sum insured.

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:

- (i) civil commotion, labour 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 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 the company alleges that by reason of provisos (a), (b), (c), (d) or (e) loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

4. ACCOUNTANTS CLAUSE

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

5. DUPLICATE RECORDS (IF STATED IN THE SCHEDULE TO BE INCLUDED)

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

6. PROTECTIONS WARRANTY (IF STATED IN THE SCHEDULE TO BE INCLUDED)

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

7. TRANSIT EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

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

THEFT SECTION

DEFINED EVENTS

Loss or damage to all contents, (the property of the insured or for which they 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.

EXTENSIONS

1. The insurance under this section extends to cover loss of or damage (including malicious damage) to the property insured
 - (a) caused or accompanied by
 - (i) a thief or thieves being concealed upon the insured 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 the insured shall establish to the satisfaction of the company that such a skeleton key or device was used
 - (b) whilst in a building at any additional premises used by the insured provided that
 - (i) such additional premises are advised to the company within 30 days from the time the risk attaches to the company
 - (ii) an additional premium, if any, is paid
 - (iii) the company's liability in respect of this extension shall not exceed 50% of the highest amount stated in the schedule applicable to any one premise.
 - (c) any increased limit for loss of or damage to property resulting from malicious damage as a result of theft or attempt thereat if stated in the schedule to be applicable
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 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
 - (b) the company will reimburse the insured all reasonable costs and expenses in effecting such temporary repairs and in taking such temporary measures as may be reasonably necessary after loss or damage giving rise to a claim under this section
provided that the company's liability shall not exceed the greater of R 5 000.00 or the amount stated in the schedule in respect of any one event.
 - (c) any increased limit if stated in the schedule to be applicable
3. In addition to the limit of indemnity stated in the schedule the company will indemnify the insured in respect of the cost of replacing locks and keys to any insured premises following upon the disappearance of any key to such premises or following upon the insured having reason to believe that any unauthorised person may be in possession of a duplicate of such key
provided that
 - (a) the company's liability shall not exceed R 5 000.00 in respect of any one event
 - (b) the company shall not be liable for the first R 500.00 of each and every event.
4. The term all contents includes personal effects, tools and pedal cycles the property of the insured or any principal, partner, directors or employee of the insured in so far as such property is not otherwise insured up to an amount of R 5 000.00 less a first amount payable of R 500.00 in the case of any one person.

LIMITATIONS

The company's liability in respect of documents, manuscripts, business books, computer system records and media, plans, designs, patterns, models and moulds is restricted to the value of materials and sum expended in labour.

SPECIFIC EXCEPTIONS

The company shall not be liable for

1. loss or damage which can be insured under a fire policy except in the case of explosion caused in an attempt to effect entry
2. loss or damage insurable under a glass insurance policy
3. property more specifically insured or, unless specified in the schedule, cash, bank and currency notes, cheques, postal orders, money orders, current negotiable stamps and documents or certificates of a negotiable nature
4. loss or damage in which any member of the insured's household or any of the insured's employees is concerned as principal or accessory.
5. any first amount payable which is stated on the schedule for any extension which is applicable

SPECIFIC CONDITIONS

1. VOIDABLE

This section shall be voidable if the nature of the risk is materially altered without the prior written consent of the company.

2. BURGLAR ALARM WARRANTY (IF STATED IN THE SCHEDULE TO BE APPLICABLE)

It is hereby declared and agreed that in respect of any premises stated in the schedule as being subject to the burglar alarm warranty condition, the following will be a precondition to the liability of the company, and it is hereby warranted that;

1. Where the installed alarm is a SAIDSA Approved (Pty) Ltd certified alarm
 - (a) the company will be entitled to request full information of the relevant arming, disarming and monitoring log report after the occurrence of a claim;
 - (b) loss of or damage to the property following the use of the keys, the keypad code or remote control of the burglar alarm or any duplicate thereof belonging to the insured is not covered unless such keys, keypad code, remote control or any duplicate thereof have been obtained by violence or threat of violence to any person or such keys, keypad code or remote control was obtained by theft;
2. Where the installed alarm is not a SAIDSA Approved (Pty) Ltd certified alarm
 - (a) the said alarm is to be a radio controlled and / or telephone linked monitoring alarm where available (for the purposes of this requirement, monitoring shall mean that once the alarm is triggered a signal will be transmitted to the control room which includes a 24 hour armed reaction or response unit);
 - (b) it is also a requirement that such alarm system will include anti-tampering measures which will log such events including but not limited to power cuts and the like;
 - (c) if the company which installed the said alarm system operates an armed reaction unit, the contract for the said alarm shall include the armed reaction unit's services, where available;
 - (d) the control panel shall have an event log and the arming and disarming of the alarm is to be logged and after the occurrence of a claim, the company will be entitled to request full information of the arming, disarming, testing and monitoring log report;
 - (e) the burglar alarm installed at the premises shall be set and armed and made fully operational whenever the premises are not open for business unless a principle, partner, director or employee of the insured is on the premises;
 - (f) such alarm will be maintained in proper working order and tested at least once a month, but the insured shall be deemed to have discharged their / his liability in this regard if he has maintained the obligations under a maintenance contract with the suppliers or servicing engineers of the alarm system.
 - (g) loss of or damage to the property following the use of the keys, the keypad code or remote control of the burglar alarm or any duplicate thereof belonging to the insured is not covered unless such keys, keypad code, remote control or any duplicate thereof have been obtained by violence or threat of violence to any person or such keys, keypad code or remote control was obtained by theft;

3. VEHICLES IN THE OPEN (IF STATED IN THE SCHEDULE TO BE APPLICABLE)

This section is extended to include Vehicles in the Open at the insured's premises mentioned in the schedule against loss by theft provided always that the Company shall not be liable for the loss of:

- 1) parts or accessories unless the vehicle to which such parts or accessories belong is stolen at the same time
- 2) vehicles when the premises are open for business unless the keys are removed from such vehicles and kept in a safe place
- 3) vehicles when the premises are closed for business unless such vehicles are locked and the keys are kept in a locked safe
- 4) the first amount payable of 10% of the claim with a minimum of R 5,000.00 in respect of each and every vehicle stolen or the amount stated in the schedule whichever is the greater.

MONEY SECTION

DEFINED EVENTS

Loss of or damage to money (as defined) occurring in the Republic of South Africa, Namibia, Lesotho, Botswana, Swaziland, Zimbabwe and Malawi, except as otherwise specified.

Provided that the liability of the company for all loss or damage arising from all occurrences of a series consequent upon or attributable to one source or original cause shall not exceed the specific limitations stated in the schedule

DEFINITIONS

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

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

Clothing shall mean clothing and personal effects not otherwise insured belonging to the insured or to any principle, partner, director or employee of the insured.

EXTENSIONS

1. RECEPTACLES

In addition to any payment in respect of a defined event the company will indemnify the insured in respect of receptacles lost or damaged as a result of theft of money or any attempted theft of money, provided that the company's liability under this extension in respect of receptacles shall not exceed R 5 000.00 less the first amount payable of R 500.00 or the amount stated in the schedule whichever is the greater.

2. CLOTHING

In addition to any payment in respect of a defined event the company will indemnify the insured in respect of clothing (as defined) lost or damaged as a result of theft of money or any attempted theft of money, provided that the company's liability under this extension in respect of clothing shall not exceed R 5 000.00 less the first amount payable of R 500.00 or the amount stated in the schedule whichever is the greater.

3. LOCKS AND KEYS

In addition to any payment in respect of a defined event the company will indemnify the insured

in respect of the cost of replacing locks and keys to any receptacle at the insured premises following upon the disappearance of any key to such receptacle or following upon the insured having reason to believe that any unauthorised person may be in possession of a duplicate of such key, provided that:

- (i) the company's liability shall not exceed R 5 000.00 in respect of any one event
- (ii) the company shall not be liable for the first R 500.00 of each and every event.

4. RIOT AND STRIKE EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

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

- (i) civil commotion, labour 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 or indirect loss or damage of any kind or description whatsoever;
- (c) loss or damage resulting from total or partial cessation of work, or the retarding or interruption or cessation of any process or operation;

- (d) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
- (e) loss or damage related to or caused by any 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 company alleges that by reason of provisos (a), (b), (c), (d) or (e) loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

5. SKELETON KEYS

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

6. PERSONAL ACCIDENT (ASSAULT) EXTENSION (IF STATED TO BE INCLUDED)

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 thereof, to the insured or to any principal, partner, director or employee of the insured (hereinafter in this extension referred to as such person) while such person is acting in the course of his duties in the insured's employ.

The company will pay to the insured, on behalf of such person or his estate, the sum or sums stated in the schedule in the event of bodily injury to such person resulting within 12 calendar months in

1. Death = **the capital sum**
2. Permanent disability = **the % of the capital sum specified**

	Permanent disability	The % of the capital sum specified
a)	loss by physical separation at or above the wrist or ankle of one or more limbs	100
b)	permanent and total loss of	
	- whole eye	100
	- sight of eye	100
	- sight of eye except perception of light	75
c)	permanent and total loss of hearing	
	- both ears	100
	- one ear	25
d)	permanent and total loss of speech	100
e)	injuries resulting in permanent total disability from following usual occupation or any other occupation for which such person is fitted by knowledge or training	100
f)	loss of four fingers	70
g)	loss of thumb	
	- both phalanxes	25
	- one phalanx	10
h)	loss of index finger	
	- three phalanxes	10
	- two phalanxes	8
	- one phalanx	4
i)	loss of middle finger	
	- three phalanxes	6
	- two phalanxes	4
	- one phalanx	2

6. **PERSONAL ACCIDENT (ASSAULT) EXTENSION (IF STATED TO BE INCLUDED)**
(CONTINUED)

Permanent disability		The % of the capital sum specified
j)	loss of ring finger	
	- three phalanxes	5
	- two phalanxes	4
	- one phalanx	2
k)	loss of little finger	
	- three phalanxes	4
	- two phalanxes	3
	- one phalanx	2
l)	loss of metacarpals	
	- first or second (additional)	3
	- third, fourth or fifth (additional)	2
m)	loss of toes	
	- all on one foot	100
	- great, both phalanxes	5
	- great, one phalanx	2
	- other than great, if more than one toe lost, each	2

3. In the case of total and absolute incapacity from following usual business or occupation the weekly sum specified in the schedule shall be payable
4. The reasonable expenses incurred, up to the sum specified in the schedule, shall be payable in respect of medical, surgical, dental, nursing home or hospital treatment (including the cost of artificial aids and prostheses and the costs and expenses incurred in emergency transportation or freeing such person if trapped or bring such person to a place of safety) incurred within 12 months of the defined event

MEMORANDA (APPLICABLE TO PERMANENT DISABLEMENT BENEFITS)

- (a) Where the injury is not specified the company will pay such sum as in their opinion is consistent with the above provisions
- (b) Permanent total loss of use of part of the body shall be treated as loss of such part.
- (c) 100 per cent shall be the maximum percentage of compensation payable for disability resulting from an accident or series of accidents arising from one cause in respect of any such person.

Provided that

- (i) the company shall not be liable to pay in respect of any one such person more than the capital sum plus the sums specified under items 3 and 4;
- (ii) the sum specified under item 3 shall be payable only for the duration of the incapacity of such person and shall not be payable for more than 104 weeks and such payment shall cease as soon as the injury causing the incapacity has healed as far as is reasonably possible notwithstanding that permanent disability may remain;
- (iii) compensation payable under item 4 shall be reduced by an amount equal to the compensation received or receivable under any workmen's compensation enactment in respect of any treatment for which compensation is payable under item 4;
- (iv) this extension shall not apply to any such person under 15 or over 70 years of age;
- (v) after suffering bodily injury for which benefit may be payable under this extension, such person shall submit to medical examination and undergo any treatment specified. The company shall not be liable to make any payment unless this proviso is complied with to its satisfaction;

(vi) general exception 2 and general conditions 2 and 9 do not apply to this extension;

(vii) 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.

EXTENSIONS TO THE PERSONAL ACCIDENT (ASSAULT) EXTENSION

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
2. In the event of disappearance of any such person in circumstances which satisfy the company that he has sustained injury to which this personal accident (assault) extension applies and that such injury has resulted in the death of such person, the company will, for the purpose of the insurance afforded by this extension, presume his death provided that if, after the company shall have made payment hereunder in respect of such person's presumed death, he is found to be alive, such payment shall forthwith be refunded by the insured to the company.

SPECIFIC EXCEPTIONS

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

- (1) arising from dishonesty of any principal, partner, director or person or persons in the employ of the insured not discovered within 14 working days of the occurrence thereof;
- (2) arising from shortage due to error or omission;
- (3) arising from the use of keys to any safe or strongroom unless the keys
 - (a) are obtained by violence or threats of violence to any person
 - (b) are used by the keyholder or some other person with the collusion of the keyholder and the insured can prove to the satisfaction of the company that the keyholder or such other person had used the keys to open the safe or strongroom
- (4) in an unlocked safe or strongroom whilst the portion of the premises containing such safe or strongroom is unattended but this exception will not apply if it can be shown to the satisfaction of the company that the keyholder to the safe or strongroom deliberately left it unlocked with the intention of allowing the money to be stolen;
- (5) not contained in a locked safe or strongroom whilst the portion of the premises containing such money is unattended but this exception will not apply if it can be shown to the satisfaction of the company that the keyholder to the safe or strongroom deliberately left it outside the safe or strongroom with the intention of allowing it to be stolen;
- (6) in any vehicle being used by the insured unless a principal, partner, director or employee of the insured is actually in such vehicle or, if not in such vehicle, is within 5 metres of it in a position from which the vehicle is clearly visible. This exception shall not apply following an accident involving such vehicle rendering the said person incapacitated.

Specific exceptions (3), (4) and (5) do not apply up to an amount of R 2 500.00 and such losses shall not be reduced by any first amount payable.

MEMORANDA

1. Loss of or damage to money arising from dishonesty of any person or persons in the employ of the insured as insured under this section shall be subject to the following compulsory First amount payable Clause:

The amount payable hereunder in respect of an event involving one or any number of employees acting in collusion shall be reduced by:

- (a) 2% of the applicable limit under defined events plus
- (b) a further amount of 10% of the net amount payable after deduction of the 2% specified in (a) above.

Both amounts shall be borne in full by the insured

2. The company 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-insurance clause under the fidelity section of the policy or any other fidelity insurance.

SPECIFIC CONDITIONS

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 first amount payable of 25% of the loss indemnifiable by this section unless:

1. Cheques drawn by the Insured
 - (a) the cheque has been drawn and crossed exactly in accordance with the under-mentioned "Recommended South African Insurance Association (SAIA) procedure for 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
2. Cheques drawn by someone other than the Insured and which were received by the Insured by post or direct by the cashier
 - (a) such cheque has been crossed and marked "not negotiable" and marked "not transferable" immediately on receipt thereof by the Insured and
 - (b) the Insured is able to identify the drawer and amount of the cheque from their records
3. Cheques of which the Insured is the true owner which were drawn by someone other than the Insured and posted to the Insured but not received
 - (a) the cheque has been drawn and crossed exactly in accordance with the undermentioned "Recommended SAIA procedure for drawing and crossing of cheques" or any other superior method approved by the SAIA.
OR
 - (b) the cheque was dispatched to the Insured by certified post or any post where security is equal or superior to certified post
OR
 - (c) the invoice of the insured (to which the payment by cheque relates) contains a message (approved by the company or SAIA) on it recommending or requiring that the cheque be drawn in accordance with the under-mentioned "Recommended SAIA procedure for drawing and crossing of cheques".

2. RECOMMENDED SAIA PROCEDURE FOR DRAWING AND CROSSING OF CHEQUES AND PRINTING OF BLANK CHEQUES.

A. DRAWING AND CROSSING OF CHEQUES

One of the safest methods of drawing and crossing a cheque which is acceptable to banks is as noted hereunder. This method is recommended by SAIA

1. Delete the pre-printed words "or bearer". This limits the possibility of the drawer bank paying out to a bearer who might not be entitled to payment
2. If instead of "or bearer" your cheque has pre-printed on it "or order" these words must also be deleted
3. Write on the face of the cheque the words "not transferable"
4. Cross the cheque by drawing two parallel lines across the cheque
5. Write the words "not negotiable" between the two parallel lines referred to in 4 above
6. Ensure that the payee is accurately, properly and full described for example where the payee is a company its full name should be used: RH Jones (Pty) Ltd not just RH Jones

Where the bank account number or CC number of the payee is known this should be included after the name of the payee, for example, "RH Jones (Pty) Ltd, Co No: 69/123456 or "RH Jones (Pty) Ltd ABC Bank Account no: 123456789"

Whilst highly recommended it is not compulsory to use the bank account number of the payee.

7. In drawing the cheque no spaces should be left which would allow anyone to add extra words or figures
8. An example of this method of drawing a cheque is attached as Annexure A
9. On the rear of the cheque the wording listed in Annexure B (last page of this section) should be printed. Please ensure that space is left on the rear of the cheque for bank stamps and endorsements

10. All the markings on a cheque should be legible and clearly visible. Persons drawing cheques should not use abbreviated or different versions of the terminology used in the example. The words "not neg" and a crossing using a rubber stamp containing a rectangle rather than two parallel lines are worthless
11. The method used to complete cheques should be one which makes an ink impression on the paper like hand-writing, 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:
 - (i) old ribbons
 - (ii) laser printers which do not make an impression into the paper
 - (iii) the "reverse printing technique"
 - (iv) correctable type ribbons

B. 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:

- (i) security paper (CBS1 or superior)
- (ii) security designs
- (iii) special security inks compatible with the security paper/design
- (iv) methods which make it difficult for anyone to make a supply of blank cheques by photocopying the originals

3. BURGLAR ALARM WARRANTY (IF STATED IN THE SCHEDULE TO BE APPLICABLE)

It is hereby declared and agreed that in respect of any premises stated in the schedule as being subject to the burglar alarm warranty condition, the following will be a precondition to the liability of the company, and it is hereby warranted that;

1. Where the installed alarm is a SAIDSA Approved (Pty) Ltd certified alarm
 - (a) the company will be entitled to request full information of the relevant arming, disarming and monitoring log report after the occurrence of a claim;
 - (b) loss of or damage to the property following the use of the keys, the keypad code or remote control of the burglar alarm or any duplicate thereof belonging to the insured is not covered unless such keys, keypad code, remote control or any duplicate thereof have been obtained by violence or threat of violence to any person or such keys, keypad code or remote control was obtained by theft;
2. Where the installed alarm is not a SAIDSA Approved (Pty) Ltd certified alarm
 - (a) the said alarm is to be a radio controlled and / or telephone linked monitoring alarm where available (for the purposes of this requirement, monitoring shall mean that once the alarm is triggered a signal will be transmitted to the control room which includes a 24 hour armed reaction or response unit);
 - (b) it is also a requirement that such alarm system will include anti-tampering measures which will log such events including but not limited to power cuts and the like;
 - (c) if the company which installed the said alarm system operates an armed reaction unit, the contract for the said alarm shall include the armed reaction unit's services, where available;
 - (d) the control panel shall have an event log and the arming and disarming of the alarm is to be logged and after the occurrence of a claim, the company will be entitled to request full information of the arming, disarming, testing and monitoring log report;
 - (e) the burglar alarm installed at the premises shall be set and armed and made fully operational whenever the premises are not open for business unless a principle, partner, director or employee of the insured is on the premises;
 - (f) such alarm will be maintained in proper working order and tested at least once a month, but the insured shall be deemed to have discharged their / his liability in this regard if he has maintained the obligations under a maintenance contract with the suppliers or servicing engineers of the alarm system.
 - (g) loss of or damage to the property following the use of the keys, the keypad code or remote control of the burglar alarm or any duplicate thereof belonging to the insured is not covered unless such keys, keypad code, remote control or any duplicate thereof have been obtained by violence or threat of violence to any person or such keys, keypad code or remote control was obtained by theft;

4. TRANSIT WARRANTY

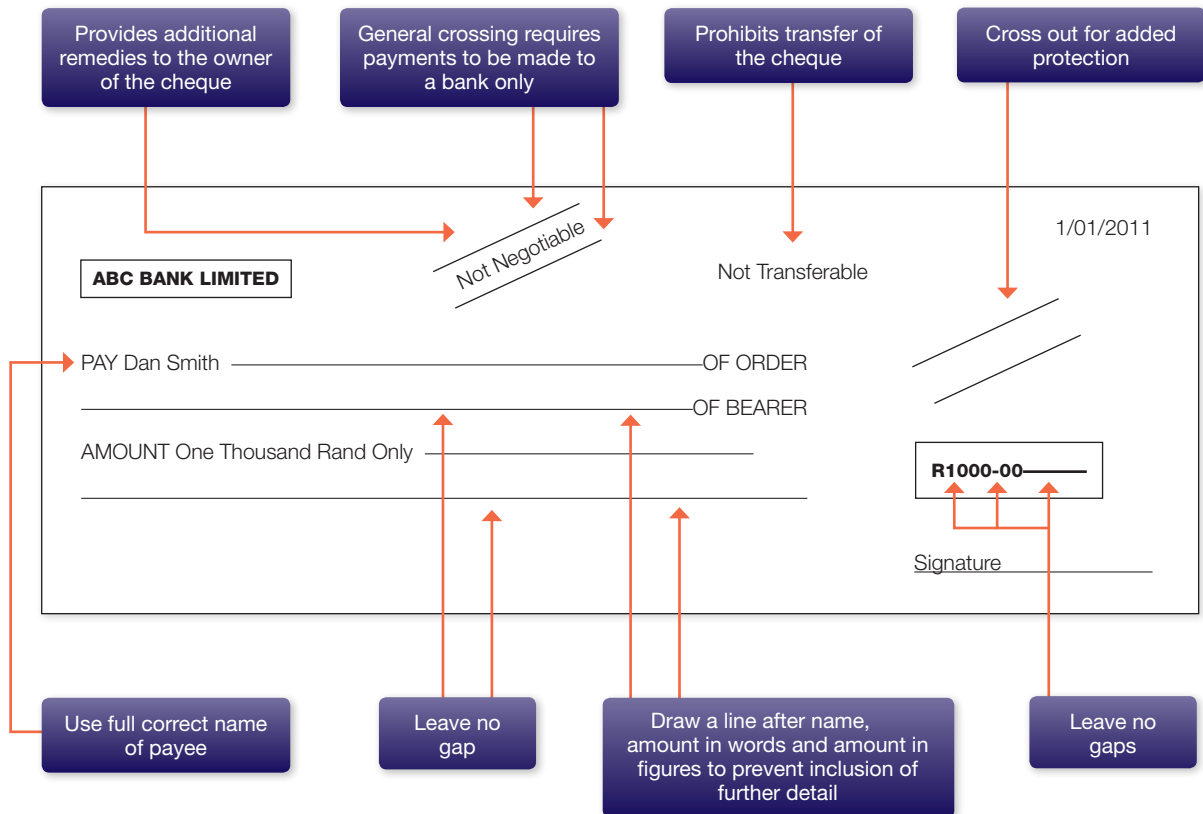
It is a condition precedent to the liability of the company and warranted that:

- (a) Direct transit between Insured's premises and Insured's bank shall be uninterrupted and direct.
- (b) Transit in excess of R 15 000.00 are conveyed by at least two armed guards/personnel.
- (c) Transit in excess of R 50 000.00 are by specialised courier transit and that the vehicle are never left unguarded.

Provided that

- (a) Theft from unattended vehicles is specifically excluded.
- (b) Transit warranty excludes movement of money in the same building.

ANNEXURE A - SAIA RECOMMENDED CHEQUE



GLASS SECTION

DEFINED EVENTS

Loss of or damage to internal and external glass (including mirrors), sign writing and treatment thereon at the insured premises as stated in the schedule, the property of the insured or for which they are responsible.

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

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

provided that the liability of the company shall not exceed

- (i) for the replacement of glass, sign writing and treatment - the sum insured as 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 - in the aggregate the sum of R 5 000.00

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 the insured shall be considered as being their own insurer for the difference and shall bear a rateable share of the loss or damage accordingly. Every item if more than one shall be separately subject to this condition.

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 six millimetres in thickness (whether coated with a film or not) or 6, 5 mm plastic laminated safety glass.

SPECIFIC EXCEPTIONS

The company shall not be liable for

1. loss or damage which is insured by or would but for the existence of this section be insured by any fire insurance except in respect of any excess beyond the amount which would have been payable under such fire insurance had the insurance under this section not been effected but this specific exception shall not apply to loss or damage for which the insured is responsible as tenant and not as owner
2. glass forming part of stock in trade
3. glass which at inception of this insurance is cracked or broken unless cover has been agreed by the company
4. defacement or damage other than fracture through the entire thickness of the glass or any laminate thereof.

EXTENSION

1. SPECIAL REINSTATEMENT IF STATED IN THE SCHEDULE TO BE INCLUDED)

If, following loss or damage insured hereunder, the insured is obliged in terms of the National Building Regulations or similar legislation to replace the damaged glass with glass of a superior quality, then the company shall be liable for the increased cost of such replacement including (but not limited to) frames therefore provided that if the cost of so replacing the whole of the insured property (inclusive of other items insured) is greater than the sum insured thereon at the time of the loss or damage, then the insured shall be considered as being his own insurer for the difference and shall bear a rateable proportion of the loss accordingly.

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:

- (i) civil commotion, labour 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 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 the company alleges that by reason of provisos (a), (b), (c), (d) or (e) loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

This extension shall only apply to loss or damage for which the insured is responsible as tenant and not as owner.

FIDELITY SECTION

DEFINED EVENTS

1. Loss of money and/or other property, belonging to the insured or for which they are responsible, stolen by an insured employee during the currency of this Section;
2. Direct financial loss sustained by the insured as a result of the fraud or dishonesty of an insured employee, all of which occurs during the currency of this Section, which results in dishonest personal financial gain for the employee concerned and which is discovered during the Period of insurance or within 12 months of the termination of

Provided that

- (i) (a) the company is not liable for all losses which occurred more than 24 months prior to discovery
(b) all losses are discovered not later than 12 months after the termination of:
 - (i) this Section; or
 - (ii) this Section in respect of any insured employee concerned in a loss; or
 - (iii) the employment of the insured employee or the last of the insured employees concerned in a loss; whichever occurs first.
- (ii) (a) Blanket Basis – the liability of the company 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;
(b) Named or position basis – the liability of the company for all losses involving any employee shall not exceed the sum insured stated opposite his name in the Schedule or, if he is unnamed, the sum insured stated opposite the position held by him in the business as stated in the Schedule;
- (iii) renewal of this insurance from period to period or any extension of any Period of Insurance shall not have the effect of accumulating or increasing the liability of the company beyond the sum insured stated in the Schedule. If the period of insurance is less than 12 months, the company's liability is limited to the sum stated in the schedule during any 12-month period of insurance calculated from inception or renewal;
- (iv) 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.
- (v) On a monthly policy or an annual policy paid monthly, 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 insured amount clause" applies). If the sum insured is increased, the 12 consecutive months applies from the anniversary date. Any re-instatement between the date of increase and the anniversary date shall not exceed twice the sum insured.

DEFINITION

Employee shall mean

- (a) any person while employed under a contract of service with or apprenticeship to the insured;
- (b) any person while hired or seconded from any other party into the service of the insured;

who the insured has the right at all times to govern, control and direct in the performance of his work in the course of the business of the insured and who, is described in the Schedule by name and/or by the position held by him in the business..

SPECIFIC EXCEPTIONS

1. The company shall not be liable for
 - (a) loss or damage resulting from or contributed to by any Defined event committed by
 - (i) any partner in or of the insured to the extent that such partner would benefit by indemnity granted under this policy;
 - (ii) any principle, director or member unless such director or member is also an employee;
 - (iii) any employee from the time the insured shall become aware that such employee has committed any fraud or dishonesty;
 - (b) any consequential losses of any kind following losses referred to under Defined events;

2. This Section does not cover any company or other legal entity acquired during the Period of Insurance.
3. We shall not be liable for any Defined event if it results from dishonesty involving
 - (i) manipulation of;
 - (ii) input to;
 - (iii) suppression of input into;
 - (iv) destruction of; or
 - (v) alteration of;any computer programme, system, data or software by any insured employee who is employed in your electronic data processing department or area.

This exception does not apply to insured employees who are employed in the electronic data processing department/area of any non-networked micro/personal computer.
4. The company shall only be liable to the extent of the participation/shareholding of any uninvolved partners/principals/directors or members for an insured event in which any partner/principal/director or member of the insured is or has been directly involved.

This specific exception only applies to Partnerships, Proprietary Companies or Close Corporations

SPECIFIC CONDITIONS

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

CLAUSES AND EXTENSIONS

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 hereunder may be produced and certified by your auditors or professional accountants and their certification shall be prima facie evidence of the particulars and details to which it relates.

2. EXTENDED COVER FOR PAST EMPLOYEES EXTENSION

Any person who ceases to be an employee shall for the purposes of this Section be considered as being an employee for a period of 30 days after he in fact ceased to be an employee.

3. RETROACTIVE COVER EXTENSION - NO PREVIOUS POLICY IN FORCE (IF STATED IN THE SCHEDULE TO BE INCLUDED)

This section will also apply to defined events as insured herein which occurred up to 12 months prior to inception of this section but not more than 24 months prior to discovery, provided the events are discovered within the shorter period of 12 months of the termination of the employment of the employee concerned or 12 months of the expiry of this section.

4. SUPERSEDED POLICY EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

This Section will apply to Defined events insured herein which occurred during the currency of any insurance superseded by this Section and specified in the Schedule provided that

1. this extension is restricted to losses which would have been payable by the superseded insurance but which are not claimable because of the expiry of the period of time allowed by the superseded insurance for the discovery of the Defined events;
2. the Defined events are discovered within the shorter period of 12 months of the termination of the Employment of the employee concerned or within 12 months of the expiry of this Section;
3. The amount payable under this extension shall not exceed the amount insured by this section Or the amount insured by the superseded insurance whichever is the lesser.
4. in the event of the Defined events involving one employee or any number of employees occurring during both the currency of this Section and that of the superseded policy, the maximum amount payable shall not exceed the amount insured by this Section at the time of discovery of the Defined events;
5. This extension will not apply to Defined events which occurred more than the number of years stated in the Schedule before inception of this Section.

The company is not liable for any loss which occurred more than 24 months prior to discovery

5. OTHER INSURANCES

It is a condition of this section that other than

- (a) A money policy;
- (b) A policy declared to the company at inception or renewal or at the time a claim is submitted;
- (c) a fidelity pension fund policy which is not in excess of this section;
- (d) this policy;

no other insurance is in force during the currency of this section to insure against the risks insured hereunder.

6. COMPULSORY FIRST AMOUNT PAYABLE

The amount payable under this Section in respect of a Defined event involving one employee or any number of employees acting in collusion shall be reduced by

- (a) 2% of the aggregate of the sum insured under this Policy and the declared policy or R 60,000 whichever is the lesser,
plus
- (b) 10% of the amount payable after deducting the first amount payable due in (a) above.

Both amounts shall be borne in by the insured in full and remain uninsured.

7. COMPUTER LOSSES FIRST AMOUNT PAYABLE

The percentage shown in (b) of the compulsory first amount payable clause is increased from 10% to 20% if the Defined event results from the dishonest

- (i) manipulation of;
- (ii) input into;
- (iii) suppression of input into;
- (iv) destruction of; or
- (v) alteration of

any non-networked micro/personal computer programme, system, data or software by any insured employee whose duties involve the management, supervision, design, creation or alteration of computer systems or programmes.

8. FIRST AMOUNT PAYABLE FOR LOSSES DISCOVERED MORE THAN 12 MONTHS AFTER THEY WERE COMMITTED

If any defined event is discovered more than 12 months after:

1. it was committed
2. the first event in a series of events committed by one person or a number of persons acting in collusion the percentages contained in the first amount payable clause are increased as follows:

First amount payable clause	First Amount Payable Increased to % shown below	
	If losses are discovered more than 12 months after been committed but not more than 24 months thereafter	If policy has been extended to cover that part of losses discovered more than 24 months after being committed but not more than 36 months thereafter
Compulsory		
- Paragraph (a)	From 2% to 4%	From 2% to 5%
- Paragraph (b)	From 10% to 15%	From 10% to 20%
Computer Losses	From 20% to 30%	From 20% to 35%

Notwithstanding the above, the insured may opt to claim only for that part of the loss which was discovered in a lesser period, in which case the first amount payable applicable for the corresponding lesser period will apply.

9. VOLUNTARY FIRST AMOUNT PAYABLE CLAUSE (IF STATED IN THE SCHEDULE TO BE INCLUDED)

In addition to the amount payable by the insured under the compulsory First amount payable clause, the insured shall be responsible for the difference between such amount and the amount stated in the Schedule as the voluntary first amount payable provided such voluntary amount exceeds the compulsory amount.

10. REDUCTION/REINSTATEMENT OF INSURED AMOUNT CLAUSE (IF STATED IN THE SCHEDULE TO BE APPLICABLE)

The payment by the company of any loss involving one employee or any number of employees shall not reduce the company's liability in respect of the remaining insured employees, provided that

1. the maximum amount payable by the company for all insured employees shall not exceed double the sum insured shown in the Schedule;
2. the insured pays additional premium calculated in terms of the following formula

$$\text{Annual premium in force at time of discovery of loss} \times \frac{\text{Amount of insured loss}}{\text{Sum insured at time of discovery of loss}}$$

The additional premium shall be payable in full and may not be reduced due to the period between the date of discovery of loss and the expiry date being less than 12 months.

11. COSTS OF RECOVERY EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

If the insured shall sustain any loss to which this Section applies which exceeds the sum insured hereunder, the company will, in addition to the sum insured, pay to the insured costs and expenses not exceeding the amount stated in the Schedule necessarily incurred with the consent of the company (which consent shall not be unreasonably withheld) for the recovery or attempted recovery from the employee in respect of whom the claim is made, of that part of the loss which exceeds the sum insured hereunder. All amounts recovered by the insured in excess of the said part of the loss shall be for the benefit of the company and the insured to the extent of his coinsurance in terms of item (b) the compulsory first amount payable clause.

12. COMPUTER LOSSES EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

The insured having completed a satisfactory questionnaire, Specific Exception 3 and the Computer losses First amount payable clauses are deleted.

13. EXTENSION FOR LOSSES DISCOVERED MORE THAN 24 MONTHS AFTER BEEN COMMITTED BUT NOT MORE THAN 36 MONTHS THEREAFTER (IF STATED IN THE SCHEDULE TO BE INCLUDED)

1. In consideration of the payment of an additional premium, proviso 1(a) of the defined events is restated to read:
 1. (a) the company is not liable for all losses which occurred more than 36 months prior to discovery.
2. If this policy section includes the superseded policy clause, the period referred to in proviso 6 thereof is increased from 24 months to 36 months.

14. EXTENSION GRANTED ON RECEIPT OF A SATISFACTORY SYSTEMS AUDIT IN RESPECT OF LOSSES DISCOVERED MORE THAN 24 MONTHS AFTER BEING COMMITTED (IF STATED IN THE SCHEDULE TO BE INCLUDED)

In consideration of the accounting firm named in the schedule having conducted a satisfactory audit of the insured's systems of

- control
 - fraud dishonesty and theft detection and subject to the insured implementing and maintaining all the recommendations contained in such audit:
1. proviso 1(a) of the defined events (which limits cover to that part of losses discovered within 24 months) and proviso 6 of the superseded insurance extension clause (if applicable) are deleted
 2. if any defined event is discovered more than 12 months after it was committed, the percentages contained in the undernoted first amount payable clauses are increased as follows:

First amount payable clause	First amount payable increased to percentage shown below if losses discovered more than 12 months after being committed
Compulsory	
- Paragraph (a)	From 2% to 3%
- Paragraph (b)	From 10% to 12.5%
Computer Losses	From 20% to 25%

Notwithstanding the above, the insured may opt to claim only for that part of the loss which was discovered within 12 months, in which case the first amount payable applicable for that period will apply.

3. The first amount payable clause for losses discovered more than 12 months after they were committed is deleted.

15. MEMORANDA

1. In the event of the discovery of any loss resulting from a Defined event, the insured may, notwithstanding anything to the contrary contained in paragraph (ii) of General Condition 6, refrain from reporting the matter to the police but shall do so immediately should the company require such action to be taken.
2. It is understood and agreed that knowledge in respect of any fraud or dishonesty which may have been committed by the person signing any proposal form or giving renewal or other instructions shall not prejudice any claim under this Section.
3. General Exceptions 1 and 2 and General Condition 9 do not apply to this Section.
4. If the sum insured shall be increased at any time, such increased amount shall apply only to defined events committed after the date of such increase.

GOODS IN TRANSIT SECTION

DEFINED EVENTS

Loss of or damage to the whole or part of the property described in the schedule, owned by the insured or for which they are responsible, in the course of transit by the means of conveyance or other means incidental thereto and caused by any accident or misfortune not otherwise excluded, provided that:

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

MEMORANDA

1. Transit shall be deemed to commence from the time of moving the property described in the schedule at the consignor's premises (including carrying to any conveyance and loading thereon), continue with transportation to the consignee (including temporary storage not exceeding 96 hours in the course of the journey) and end when off-loaded and delivered at any building or place of storage at the consignee's premises.
2. If any consignee shall refuse to accept property consigned by the insured, then 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 conveyance, provided that the insured shall take all reasonable steps to ensure that the property is returned as soon as is reasonably possible
3. Where the means of conveyance is by specified vehicle, the insurance under this section shall apply to property on any vehicle temporarily used in place thereof while a specified vehicle is undergoing repair or servicing, which replacement vehicle is not the property of the insured or leased or hired by them under a lease or suspensive sale agreement.
4. In the event of breakdown of the means of conveyance during transit or if for any reason beyond the insured's control the property is endangered, nothing contained herein shall debar the utilisation of any other form of transport to assist completion of the transit and the insurance afforded shall be affected thereby.

RESTRICTED COVER

FIRE, EXPLOSION, COLLISION, DERAILMENT, OVERTURNING & THEFT FOLLOWING LIMITATION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

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

FIRE, EXPLOSION, COLLISION, DERAILMENT AND OVERTURNING LIMITATION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

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

SPECIFIC EXCEPTIONS

The company shall not be liable for

1. loss or damage resulting from or caused by
 - (a) theft from any unattended vehicle in the custody or control of the insured or any partner in or of or director or employee of the insured unless the property is contained in a completely closed and securely locked vehicle or the vehicle itself is housed of the insured unless the property is contained in a completely closed and securely locked vehicle or the vehicle itself is housed in a securely locked building and entry to such locked vehicle or building is accompanied by forcible and violent entry or exit;
 - (b) inherent vice or defect, vermin, insects, damp mildew or rust;
 - (c) the dishonesty of any principal, partner, director or employee of the insured 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 or inland transit incidental thereto;
 - (f) breakdown of refrigeration equipment.

2. wear and tear or gradual deterioration (including the gradual action of light or climatic or atmospheric conditions) unless following an accident or misfortune not otherwise excluded.
3. mechanical or electrical breakdown, failure, breakage or derangement of the insured property unless following an accident or misfortune not otherwise excluded.
4. loss of or damage to
 - (a) cash, bank and currency notes, coins, bonds, coupons, stamps, negotiable instruments, title deeds, manuscripts or securities of any kind;
 - (b) property outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi;
 - (c) property otherwise insured or which would, but for the existence of this insurance, be insured by any other insurance except in respect of any excess beyond the amount which would otherwise have been payable under such other insurance.
5. consequential loss of any kind, delay, loss of market, depreciation or changes brought about by natural cause.
6. loss or damage caused by chipping, denting, scratching, mechanical and/or electrical derangement

SPECIFIC EXTENSIONS

1. FIRE EXTINGUISHING CHARGES EXTENSION

If the property described in the schedule is lost or damaged by fire whilst in course of a transit insured by this section the company will in addition to indemnifying the insured for such loss or damage pay for the cost of extinguishing or attempting to extinguish such fire provided that the maximum amount payable under this extension shall not exceed R 5 000.00 (five thousand rand) or the limit of indemnity shown in the schedule opposite this clause whichever is the greater.

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:

- (i) civil commotion, labour 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 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 the company alleges that by reason of provisos (a), (b), (c), (d) or (e) loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

3. DEBRIS REMOVAL EXTENSION

The insurance under this section includes costs necessarily incurred by the insured in respect of the clearing up and removal of debris following damage to the means of conveyance or to the property thereon, subject to a limit of R 5 000.00 or the limit stated in the schedule, whichever is the greater, in respect of any one defined event.

GENERAL WARRANTY

Cover is only given for goods transported by your own vehicles or vehicles of your employees and driven by drivers who are in your employment or under your supervision unless otherwise stated.

BUSINESS ALL RISKS SECTION

DEFINED EVENTS

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

provided that the insured shall be responsible for the first amount payable stated in the schedule in respect of each and every event other than a claim arising from fire, lightning or explosion.

SPECIFIC EXCEPTIONS

The company shall not be liable for

1. loss of or damage to property resulting from or caused by:
 - (a) theft from any unattended vehicle in the custody or control of the insured or any principal, partner, director or employee of the insured unless the property is contained in a completely closed and securely locked vehicle or the vehicle itself is housed in a securely locked building and entry to such locked vehicle or building is accompanied by forcible and violent entry or exit
 - (b) its undergoing a process of cleaning, repairing, dyeing, bleaching, altering or restoration
 - (c) inherent vice or defect, vermin, insects, damp, mildew or rust
 - (d) the dishonesty of any principle, partner, director or employee of the insured whether acting alone or in collusion with others
 - (e) detention, confiscation or requisition by customs or other officials or authorities.
2. wear and tear or gradual deterioration (including the gradual action of light or atmospheric conditions) unless following accident or misfortune not otherwise excluded.
3. mechanical, electronic or electrical breakdown, failure, breakage or derangement unless caused by an accident or misfortune not otherwise excluded.
4. loss or damage to cash, bank and currency notes, coins, bonds, coupons, stamps, negotiable instruments, title deeds, manuscripts or securities of any kind.
5. loss of or damage to goods consigned under a bill of lading.

SPECIFIC CONDITIONS

1. AVERAGE

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

Each item of the schedule covering such property shall be separately subject to this condition.

2. REPLACEMENT VALUE CONDITION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

The basis upon which the amount payable is to be calculated shall be either the replacement of the property by similar property in a condition equal to but not better nor more extensive than its condition when new

OR

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

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

3. PAIRS AND SETS CLAUSE

Where the insured property consists of articles of a pair or set, the insurer shall not be liable for more than the value of any particular part or parts which may be lost or damaged nor for more than the proportionate part of the pair or set, without reference to any special value which such article or articles may have as part of such pair or set.

SPECIFIC EXTENSIONS

1. INCREASE IN COST OF WORKING (IF STATED IN THE SCHEDULE TO BE INCLUDED)

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

2. 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:

- (i) civil commotion, labour 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 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 the company alleges that by reason of provisos (a), (b), (c), (d) or (e) loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

ACCIDENTAL DAMAGE SECTION

DEFINED EVENTS (I)

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

The amount payable for all loss or damage arising out of one original cause or source shall not exceed the sum stated and

notwithstanding general condition 2, this section shall not be called into contribution for any defined for which more specific insurance has been arranged.

SPECIFIC EXCEPTIONS

The company shall not be liable for:

- (a) any peril excluded or circumstance precluded from any other insurance available from the company at inception hereof not for any excess payable by the insured under such insurance, or for any reduction of amount payable under any claim due to the application of average
- (b) more than the individual value of any item forming part of a pair, set or collection without regard to any special value such item may have as part of such pair, set or collection
- (c) detention, confiscation, attachment, destruction or requisition by any lawfully constituted authority or other judicial process
- (d) unexplained disappearance or shortage only revealed during or after an inventory or errors or omissions in receipts, payments or accounting, or misfiling or misplacing of information
- (e) loss of or damage to insured property caused by
 - (i) any fraudulent scheme, trick, device or false pretence practised on the insured (or any person having custody of the insured property) or fraud or the dishonesty of any principal or agent of the insured
 - (ii) overheating, implosion, cracking, fracturing, welds failure, nipple leakage or other failure. This exception applies only to vessels, pipes, tubes or similar apparatus
 - (iii) breakdown, electrical, electronic and/or mechanical derangement
 - (iv) altering, bleaching, cleaning, dyeing, manufacture, repair, restoring, servicing, renovating, testing or any other work thereon
 - (v) fault or defect in its design, formula, specification, drawing, plan, materials, workmanship or professional advice, normal maintenance, gradual deterioration, depreciation, corrosion, rust oxidation or other chemical action or reaction, frost, change in temperature, expansion or humidity, fermentation or germination, dampness, dryness, wet or dry rot, shrinkage, evaporation, loss of weight, contamination, pollution, change in colour, flavour, texture or finish or its own wear and tear
 - (vi) denting, chipping, scratching or cracking not affecting the operation of the item
 - (vii) termites, moths, insects, vermin, inherent vice, fumes, flaws, latent defect, fluctuations in atmospheric or climatic conditions, the action of light
- (f) settlement or bedding down, ground heave collapse or cracking of structures or the removal or weakening of support to any insured property
- (g)
 - (i) loss of or damage to chemicals, oils, liquids, fluids, gases or fumes due to leakage or discharge from its container
 - (ii) loss or damage resulting from leakage or discharge of chemicals, oils, fluids, gases or fumes
- (h) failure of and/or the deliberate withholding and/or lack of supplies of water, steam, gas, electricity, fuel or refrigerant
- (i) collapse of plant and machinery, buildings and structures (other than shelving or storage platforms).

DEFINITION

INSURED PROPERTY

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

- (a) current coin (including Kruggerands and similar coins), bank and currency notes, travellers and other cheques, money and postal orders, current unused postage, revenue and holiday pay stamps, credit card vouchers, unused MVA tokens, and other certificates, documents or instruments of a negotiable nature

- (b) furs, jewellery, bullion, precious and semi-precious metals and stones, curiosities, rare books and works of art
- (c) property in transit by air, inland waterway or sea
- (d) railway locomotives, rolling stock and other railway property, aircraft, watercraft, mechanically or electrically propelled vehicles, motor cycles, mobile plant, caravans and trailers
- (e) standing or felled trees, crops, animals, land (including topsoil, backfill, drainage and culverts), driveways, pavements, roads, runways, dams, reservoirs, canals, pipelines (external to the premises), tunnels, cables (external to the premises), cableways, bridges, docks, jetties, wharves, piers, excavations, property below the ground or explosives
- (f) electronic data processing equipment and external data media (punch cards, tape discs and the like) and the information they contain
- (g) property in the course of construction, erection or dismantling including materials or supplies related thereto
- (h) property in the possession of customers under lease, rental, credit or suspensive sale agreements
- (i) glass, china, earthenware, marble and other fragile or brittle objects unless stated in the schedule to be insured.

DEFINED EVENTS (II) (IF STATED IN THE SCHEDULE TO BE INCLUDED)

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

CLAUSES AND EXTENSIONS

1. RESTRICTED COVER CLAUSE

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

2. ADDITIONAL COSTS CLAUSE

In respect of buildings, plant and machinery insured, the sums insured include

- (a) any costs incurred, due to the necessity to comply with building or other regulations of any public authority, in repair or reinstatement following an insured event, provided that such costs does not include
 - (i) anything for which notice had been served on the insured prior to the insured event
 - (ii) anything connected with undamaged property or undamaged portions of property
 - (iii) rates, taxes, duties, development and other charges payable under the said regulations due to capital appreciation of the insured property
 - (b) fees for the examination of municipal or other plans
 - (c) costs incurred in the necessary demolition, removal of debris (including undamaged contents) and the erection and maintenance of hoardings during demolition and rebuilding
 - (d) the professional fees of architects, quantity surveyors and other consultants
 - (e) and the sum insured on all insured property includes
 - (f) charges levied by any authorised fire brigade for their services
 - (g) but the company shall not be liable under (a) (b) or (d) unless the lost or damaged property is replaced or reinstated without undue delay nor under (d) for any expenses in connection with the preparation of the insured's claim
- Further, the company shall not be liable under (c) for any costs or expenses
- (i) incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site
 - (ii) arising from pollution or contamination of property not insured by this policy/section.

3. MORTGAGEES CLAUSE

From the date of notification, the company accepts the interest of a mortgagee or others with an insurable interest in the insured property and will not prejudice such interest due to the act or omission of the mortgagor without the mortgagee's knowledge, provided that the mortgagee advises the company as soon as such act or omission comes to his knowledge and agrees to be responsible for any additional premium resulting from the company assuming any increased hazard.

4. RAILWAY AND OTHER SUBROGATION CLAUSE

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

5. TENANTS CLAUSE

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

MEMORANDA

1. AVERAGE (IF STATED IN THE SCHEDULE TO BE INCLUDED)

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

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

2. EXCLUDED PROPERTY (IF STATED IN THE SCHEDULE TO BE INCLUDED)

The property listed in the schedule is added to the excluded property in the definition of insured property.

3. REINSTATEMENT (IF STATED IN THE SCHEDULE TO BE INCLUDED)

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

- (a) the work of replacement or reinstatement (which may be carried out on another site and in any manner suitable to the requirements of the insured subject to the liability of the company not being thereby increased) must be commenced and carried out with reasonable despatch otherwise no payment beyond the amount that would have been payable if this memorandum had not been incorporated in this section shall be made
- (b) the company shall not be liable for any payment beyond the amount that would have been payable if this memorandum had not been incorporated in this section, until expenditure has been incurred by the insured in replacing or reinstating the lost or damaged insured property
- (c) if, at the time of replacement or reinstatement, the sum representing the cost which would have been incurred in replacement or reinstatement if the whole of the insured property had been lost or damaged exceeds the sum insured thereon on the occurrence of an insured event, the insured shall be considered his own insurer for the difference and shall bear a rateable share of loss accordingly. Each item, if more than one, to which this memorandum applies shall be separately subject to this provision
- (d) this memorandum shall not apply if
 - (i) the insured fail to intimate to the company within six months of the insured event or such further time as the company may allow in writing their intention to replace or reinstate the lost or damaged insured property
 - (ii) the insured are unable or unwilling to replace or reinstate the lost or damaged insured property on the same or another site.

4. FIRST LOSS AVERAGE (IF STATED IN THE SCHEDULE TO BE INCLUDED)

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

PUBLIC LIABILITY SECTION (CLAIMS MADE BASIS)

DEFINED EVENTS

Damages which the insured shall become legally liable to pay consequent upon injury or damage which occurred in the course of or in connection with the business within the territorial limits and on or after the retroactive date shown in the schedule, and which results in a claim or claims first being made against the insured in writing during the period of insurance.

THE LIMITS OF INDEMNITY

The amount payable inclusive of any legal costs recoverable from the insured by a claimant or any number of claimants and all other costs and expenses incurred with the company's consent for any one event or series of events with one original cause or source, shall not exceed the limit of indemnity stated in 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 the total amount of the Company's liability shall be limited to the highest Limit of Indemnity available under any one of the Extensions affording indemnity for the claim or series of claims.

Where more than one period of insurance of this policy, following its renewal or replacement may apply to an originating cause or source, the insurer's liability will be limited to the maximum limit of indemnity for any one such period of insurance.

TERRITORIAL LIMITS

Anywhere in the world but not in connection with

- (i) any business carried on by the insured at or from premises outside
OR
- (ii) any contract for the performance of work outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi.

DEFINITIONS

Damage means loss of or physical damage to tangible property or wrongful interference with the enjoyment of right over tangible property.

Employee means persons employed under a contract of service or apprenticeship with the insured.

Injury means death, bodily injury, mental injury, illness (mental or physical) or disease of or to any person.

Product means any tangible property (including containers and labels) after it has left the custody or control of the Insured which has been designed, specified, formulated, manufactured, constructed, installed, sold, supplied, distributed, treated, serviced, altered or repaired by or on behalf of the Insured.

Pollution" means the emission, discharge, release, dispersal, disposal, seepage or escape of any solid, liquid, gaseous or thermal contaminants or irritants, including vapours, smell, odours, humidity, fumes, smoke, soot or other airborne particulates, acids, alkalis, chemicals and waste, electromagnetic waves, noise, vibrations, other emission of effluent or noxious substances into or upon the soil, the atmosphere or any watercourse or body of water.

Legal costs means costs, charges and expenses incurred by the company or by the insured with the company's prior consent;

- In the defence or settlement of any claim under this policy or any action or prosecution brought against the insured in respect of injury or damage or other liability as insured in terms of this section of the policy.
- In the representation at any inquest or accident inquiry in respect of injury which may form the subject of indemnity under this section of the policy and/or in defending any proceedings in a court of summary jurisdiction in respect of matters which may form the subject of indemnity by this section of the policy.

SPECIFIC EXCEPTIONS

The company will not indemnify the insured in respect of

1. liability consequent upon injury to any person employed by the insured under a contract of service or apprenticeship and arising from and in the course of such employment by the insured
2. damage to
 - (a) (i) property belonging to the insured
 - (ii) property in the custody or control of the insured or any employee of the insured but this exception shall not apply to premises or the contents thereof temporarily occupied by the insured for work thereon
 - (b) that part of any property on which the insured is or have been working if such damage results directly from such work
3. liability consequent upon injury or damage
 - (a) caused by or through or in connection with any advice or treatment of a professional nature (other than first aid treatment) given or administered by or at the direction of the insured
 - (b) caused by or through or in connection with the ownership, possession or use by or on behalf of the insured of any mechanically propelled vehicle (other than a pedal cycle or lawnmower or any pedestrian controlled garden equipment) or trailer or of any watercraft (other than non-motorized watercraft not exceeding 5 meters in length and used on inland waterways only), locomotive or rolling stock, provided that this exception shall not relieve the company of liability to indemnify the insured in respect of liability consequent upon injury or damage caused or arising beyond the limits of any carriage-way or thoroughfare in connection with the loading or unloading of any vehicle, insofar as such injury or damage is not insured by any other insurance policy
 - (c) caused by or through or in connection with
 - (i) the refuelling or defueling of aircraft
 - (ii) the ownership, possession, maintenance, operation or use of aircraft or an airline
 - (iii) the ownership, hire or leasing of any airport or airstrip or helicopter pad
 - (d) caused by or through or in connection with any product other than food and drink provided for consumption on the premises of the insured.
 - (e) caused by the spread of fire to adjoining properties
 - (f) caused by or through or in connection with animals straying due to inadequate or neglected or defective boundary fencing or gates
 - (g) caused by flood including the bursting or overflowing of dams or reservoirs
 - (h) caused by the droving of livestock, game on a public thoroughfare
 - (i) caused by shark or any wild animal attack
4. damage caused by vibration or by the removal or weakening of or interference with support to any land, building or other structure
5. (a) liability in respect of injury, damage or loss of use of property directly or indirectly caused by Pollution, provided always that this exception shall not apply where such pollution is caused by a sudden unintended and unforeseen occurrence;
(b) the cost of removing, nullifying or cleaning up substances resulting from pollution unless the pollution is caused by a sudden, unintended and unforeseen occurrence.

This exception shall not extend the policy to cover any liability which would not have been insured under this policy in the absence of this exception
6. fines, penalties, punitive, exemplary or vindictive damages
7. damages in respect of judgements, award or settlement made within the United States of America or Canada (or to any order made anywhere in the world to enforce such judgement, award or settlement either in whole or part) For the purpose of this specific exception, "damages" shall be deemed to include costs and expenses of litigation recovered by any claimant from the insured.
8. any claim arising from an event known to the insured
 - (a) which is not reported to the company in terms of General condition 6
 - (b) prior to inception of this section
9. liability consequent upon injury or damage directly or indirectly caused by or in connection with or arising from or attributable to;
 - (a) explosives or the explosion of a boiler
 - (b) fire and / or explosion

- (c) flood including the bursting of a dam wall
 - (d) application of firearms in whatever form
10. attachment or the diverting of water by the insured or any person acting on behalf of the insured
 11. damage to any type of plantations (sugar cane, timber plantations, forests and the like) by spread of fire
 12. liability consequent upon injury or damage arising out of the deliberate, conscious and intentional disregard by the insured's management of the need to take reasonable precautions to prevent any event or circumstance which may give rise to a claim.
 13. any claim or claims whether actual or alleged howsoever arising in connection with or based upon or arising from or in any way involving actual or alleged unlawful competition, unfair practices, abuse of monopoly power, cartel activities or as may otherwise arise from or be based upon or relate to any breach of a provision of the Competition Act No 89 of 1998 (as amended) or any similar provision, act or regulation as may be in force in any jurisdiction or country in which the insured's liability arose.

FIRST AMOUNT PAYABLE

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

MEMORANDUM

1. 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.
2. Definitions

For the purpose of this Section "Commercial Hunting and/or Game Viewing Activities" shall mean: Any clients, hunters and/or game viewers which participate in any of such activities or make use of any such facilities on the premises the property of or under control of the Insured by payment

SPECIFIC CONDITIONS

1. Any claim first made in writing against the insured as a result of a defined event reported in terms of General condition 6 (hereinafter termed reported event) shall be treated as if it had first been made against the insured on the same day that the insured reported the event to the company.
2. In the event of cancellation or non-renewal of the policy, the insured may report an event in terms of General condition 6 to the company within 30 days after the expiry of the period of insurance provided that such event occurred during the period of insurance.
3. Any series of claims made against the insured by one or more than one claimant during any period of insurance consequent upon one event or series of events with one originating cause or source shall be treated as if they all had first been made against the insured
 - (a) on the date that the event was reported by the insured in terms of General condition 6OR
 - (b) if the insured was not aware of any event which could have given rise to a claim, on the date that the first claim of the series was first made in writing against the insured.
4. When the facts do not speak for themselves and the Company and the Insured cannot mutually agree when the Injury or Damage occurred, then for the purposes of determining the indemnity granted:
 - (a) the Injury shall be deemed to have occurred when the claimant first consulted a qualified practitioner regarding such Injury, whether or not it was correctly diagnosed at the time. If no such consultation took place, then the Injury shall be deemed to have occurred when the Insured was first advised of the Injury.
 - (b) the Damage shall be deemed to have occurred when it first became evident to the claimant, even if the cause was unknown.

EXTENSIONS

1. EXTENDED REPORTING OPTION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

At the option of the insured and subject to payment of an additional premium to be determined and subject to all the terms, exceptions and conditions of this section, the company agrees to extend the period during which the insured may report an event in terms of General condition 6 for a period to be agreed, but in no circumstances exceeding 36 months (hereinafter referred to as extended reporting period)

provided that

- (a) this option may only be exercised in the event of the company cancelling or refusing to renew this section
- (b) this option must be exercised by the insured in writing within 30 days of cancellation or non-renewal
- (c) once exercised, the option cannot be cancelled by either the insured or the company
- (d) the insured has not obtained insurance equal in scope and cover to this section as expiring
- (e) the company shall only be liable for a defined event which occurred after the retroactive date but prior to date of cancellation or non-renewal
- (f) claims first made against the insured or any reported event by the insured during the extended reporting period shall be treated as if they were first made or reported on the last day preceding the cancellation or non-renewal
- (g) the total amount payable by the company for claims made or reported events during the extended reporting period shall not have the effect of increasing the limit of indemnity applicable as on the last day preceding the cancellation or non-renewal

2. ADDITIONAL INSURED

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

- (a) in the event of the death of the insured, any personal representative of the insured in respect of liability incurred by the insured
- (b) any partner or director or employee of the insured (if the insured so requests) against any claim for which the insured is entitled to indemnity under this insurance.
- (c) to the extent required by the conditions of any contract and in connection with any liability arising from the performance of the contract, any employer named in any contract entered into by the insured for the purposes of the business
- (d) in respect of the activities of any social or sports club, welfare organisation, first aid, fire or ambulance service, canteen or the like, belonging to or formed by the insured for the benefit of their employees.
 - (i) any officer or member thereof
 - (ii) any visiting sports team or member thereof

provided that:

- (1) the aggregate liability of the Company is not increased beyond the Limits of Indemnity stated in the schedule;
- (2) any person or organisation to which this extension applies is not entitled to indemnity under any other policy
- (3) the indemnity under (a), (b) and (c) applies only in respect of liability for which the Insured would have been entitled to indemnity if the claim had been made against the Insured;

For the purposes of this extension, the company waives all rights of subrogation or action which they may have or acquire against any of the above, and each party to whom the indemnity hereunder applies shall observe, fulfil and be subject to the terms, exceptions and conditions (both general and specific) of this insurance in so far as they can apply.

3. CROSS LIABILITIES

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

4. TOOL OF TRADE

Specific exception 3(b) shall not apply to the operation as a tool of any vehicle or plant forming part of such vehicle or attached thereto, provided that the company shall not be liable hereunder in respect of so much of any liability as falls within the scope of any form of motor insurance or compulsory third party insurance legislation, notwithstanding that no such insurance is in force or has been effected, nor shall the company be liable where any other form of motor insurance has been effected by the insured covering the same liability.

5. EMPLOYEES' AND VISITORS' PROPERTY

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

6. LIABILITY BY AGREEMENT

Notwithstanding the provisions of specific exceptions 2(a) (ii), 3(b), this section extends to indemnify the insured:

- (a) against liability assumed by the insured under any contract entered into with or indemnity given to Transnet, the 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 the insured's 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 the Transnet while being used by or on behalf of the insured at any railway siding.

7. UNATTACHED TRAILERS

Specific exception 3(b) shall, as far as it relates to trailers, not apply in respect of any trailer not attached to and not having become unintentionally detached from any mechanically propelled vehicle, provided that the company shall not be liable hereunder in respect of so much of any liability

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

8. EMERGENCY MEDICAL EXPENSES

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

9. CAR PARKS

Notwithstanding the provisions of specific exception 2(a) (ii), the company will indemnify the insured in respect of liability as herein provided arising from loss of or damage to vehicles and their contents and accessories, the property of tenants, customers, visitors or employees of the insured using parking facilities provided by the insured.

10. TENANT'S LIABILITY

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

11. PRODUCTS LIABILITY (IF STATED IN THE SCHEDULE TO BE INCLUDED)

Notwithstanding anything to the contract contained in specific exception 3(d), the company will indemnify the insured in respect of defined events happening anywhere in the territories stated in the schedule elsewhere than at premises occupied by the insured, and caused by any product (including wrongful delivery and delivery of incorrect products) by the insured in connection with the business.

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

Additional specific exceptions (applicable to products liability extension)

This extension does not cover liability

- (i) for the cost of repair, alteration, recall, reconditioning or replacement of the product or part thereof (including containers and labels) causing injury or damage and/or the loss of use of any product or part thereof. For the purposes of this additional specific exception, the term "replacement" shall be deemed to include any credit or refund granted or alternative product provided by or on behalf of the insured in lieu of replacement of the defective product.
- (ii) for the cost of demolition, breaking out, dismantling, delivery, rebuilding, supply and installation of the product and any other property essential to such repair, alternation or replacement unless physically damaged by the product.

- (iii) arising from failure of any product or any part thereof to fulfil its intended function or to perform as specified, warranted or guaranteed but this exception shall not apply to consequent injury or damage.
- (iv) arising from products intended to be installed and installed in, or intended to form part of and forming part of, an aircraft
- (v) in respect of injury or damage happening in the United States of America or Canada caused by or through or in connection with any products sold or supplied by or to the order of the insured, if such products have, to the insured's knowledge, been exported to the United States of America or Canada by or on behalf of the insured.
- (vi) for any defect in any product or any part thereof of which the insured was aware prior to the inception of this extension.

12. STATUTORY LEGAL DEFENCE COSTS (IF STATED IN THE SCHEDULE TO BE INCLUDED)

If the insured so request, the company will indemnify any employee, partner or director of the insured against costs and expenses not exceeding the amount stated in the schedule incurred by or on behalf of the insured or any employee, partner or director of the insured with the consent of the company in the defence of any prosecution of the insured or any employee, partner or director of the insured arising from an alleged contravention of any statute in the course of the business during the period of insurance;

provided that

- (i) in the case of an appeal, the company shall not indemnify such person unless a senior counsel approved by the company shall advise that such appeal should, in his opinion, succeed;
- (ii) the company shall not indemnify such person in respect of any fine or penalty imposed or any loss consequent thereon;
- (iii) such person shall, as though he were the insured, observe, fulfil and be subject to the terms, exceptions and conditions of this policy and this section thereof in so far as they can apply.
- (iv) if the prosecution arises from or in connection with any product, the company will only indemnify the insured or any employee, partner or director of the insured if the extension for products liability is stated in the schedule to be included
- (v) the limit of indemnity under this Extension shall not exceed R 50 000.00 (fifty thousand rand) any one event or series of events with one original cause and R 50 000.00 (fifty thousand rand) in any one (annual) period of insurance or the amount stated in the schedule whichever is the greater

13. WRONGFUL ARREST AND DEFAMATION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

The defined events are extended to include damages

- (i) resulting from wrongful arrest (including assault in connection with such wrongful arrest)
- (ii) in respect of defamatory statements whether written or verbal

provided always that the limits of indemnity as stated shall not exceed R 50 000.00 per event or R 100 000.00 any one period of 12 consecutive months from inception date or anniversary date or in any one (annual) period of insurance or the amount stated in the schedule.

14. GRATUITOUS ADVICE

Notwithstanding anything to the contrary contained in specific exception 3(a) the Company will indemnify the Insured in respect of Defined Events caused by the unintentional failure of the Insured to perform the legal duty to exercise due care owed to another person or party in providing technical information or advice to such person or party

Provided that

This section does not cover liability:

- (i) arising out of the insolvency of the Insured;
- (ii) arising out of financial services and/or cost estimates provided by or on behalf of the Insured;
- (iii) arising out of defamation;
- (iv) arising out of design, formula, supervision, treatment or advice given by or on behalf of the Insured in exchange for a fee;
- (v) arising out of technical information or advice given in connection with a product unless the extension for products liability is included in the schedule

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

15. ACQUISITIONS & NEW BUSINESS

The indemnity granted by this section of the policy extends to any company formed and/or acquired by the Insured during the period of Insurance for a period of 90 days of such formation and/or acquisition

Provided always that

- (i) the retroactive date in respect of such new company shall be deemed to be the date when a newly formed and/or acquired company first purchased liability insurance of the type hereby insured on a "Claims made" basis, subject to a declaration from the newly acquired company's previous management of no known or reported claims or circumstances likely to give rise to a claim at the date of acquisition. In the event of no such declaration, the Retroactive date shall be the date of such acquisition.
- (ii) the insured's business activities remain unchanged
- (iii) the annual turnover of all newly formed and/or acquired companies does not exceed 5% (five percent) of the estimated annual turnover of the Insured as advised to the Company at inception hereof.
- (iv) The insured shall advise the Company of such formations and/or acquisitions before the expiry of 90 days thereof and the Company may amend the terms of this section of the policy accordingly.

16. SPREADING OF FIRE (IF STATED IN THE SCHEDULE TO BE INCLUDED)

In consideration of the payment of an additional premium, Specific exceptions, 3 (f), 11(a) and 11(b) are deleted.

The amount payable under this extension, inclusive of any legal costs recoverable from the insured by a claimant or any number of claimants and all other costs and expenses incurred with the insurer's 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 sum insured less the first amount payable stated in the schedule.

It is a condition of this extension that, at the happening of an occurrence that gives rise to a claim in terms of this extension, the insured complies with the requirements of the National Veld and Forest Fire Act No. 101 of 1998, or any amendment thereto, and any other regulations relating to the spread of fire to adjoining properties

17. FOOD AND DRINK EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

Notwithstanding anything to the contrary contained in Specific exception 3(d), the company will indemnify the insured in respect of defined events happening at the premises occupied by the insured and caused by the nature or condition of food and drink sold and supplied by the insured in connection with the business provided that:

- (a) the insured complies with all statutory laws and regulations pertaining to the sale and/or supply of food and drink and takes all reasonable precautions to ensure that food and drink sold and supplied is free from contamination and fit for human consumption
- (b) the amount payable under this extension inclusive of any legal costs recoverable from the insured by a claimant or any number of claimants and all other costs and expenses incurred with the company's consent for any one event or series of events with one original cause or source or during any one (annual) period of insurance shall not exceed in aggregate the limit of indemnity less the first amount payable stated in the schedule.

SPECIFIC ADDITIONAL eXCEPTION (APPLICABLE TO THE FOOD AND DRINK EXTENSION)

This extension does not cover liability for the cost of replacement of the food or drink causing injury or damage and/or the cost of recalling any deleterious food and drink.

18. HAIRDRESSERS EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

1. Specific Exception 3(a) shall not apply to any dyeing, tinting or other treatment given or administered in the course of the insured's business as a hairdresser provided that:
 - (a) the insured if he or she is a qualified hairdresser or any employee of the insured who is a qualified hairdresser and
 - (b) apprentices but only when they are under the direct supervision of a qualified hairdresser.
2. It is a condition precedent to liability of the Company under this extension that:
 - (a) all plant, utensils and appliances shall be kept clean, sterilized and in a proper state of efficacy at all times
 - (b) the insured shall comply with all tests, recommendations, requirements and precautions laid down by the manufacturers or suppliers prior to the use of or sale of any dyes, tints, shampoos and other preparations. Should the result of the test prove unsatisfactory, the Company shall not be liable to make any payment in respect of any accidental bodily injury arising from any subsequent treatment.

- (c) customers must be notified of the name and nature of the risks of use of any dyes, tints, shampoos, and other preparations before use and/or sale thereof

The liability of the Company under this extension, inclusive of any legal costs recoverable from the Insured by a claimant or any number of claimants, and all other costs and expenses incurred with the Company's consent, for any one event or series of events with one original cause or source or during any annual period of insurance, shall not exceed the limit less the first amount payable stated in the schedule

19. BEAUTY SALON EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

1. Specific Exception 3(a) shall not apply to any error or omission or other treatment in advice or treatment given or administered in the course of the insured's business as a beautician provided that:
 - (a) the company shall not be liable for any claims arising directly or indirectly out of the cutting or puncturing of the skin or any procedure in the nature of a surgical operation
 - (b) advice or treatment shall be given or administered only by qualified personnel holding recognized certificates of proficiency
2. It is a condition precedent to liability of the Company under this extension that:
 - (a) all plant, utensils and appliances shall be kept clean, sterilized and in a proper state of efficiency at all times and all electrical apparatus shall be examined at intervals of not more than 12 months by a competent electrician and that all parts found worn or damaged shall immediately be replaced
 - (b) the insured shall comply with all tests, recommendations or required by the manufacturers or suppliers prior to the use of or sale of any dyes, lotions or ointments. Should the result of the test prove unsatisfactory, the Company shall not be liable to make any payment in respect of any accidental bodily injury arising from any subsequent treatment.
 - (c) customers must be notified of the name and nature of the risks of use of any dyes, lotions and ointments before use and/or sale thereof
 - (d) only proprietary brands of ointments, preparations, creams and the like shall be used

The liability of the Company under this extension, inclusive of any legal costs recoverable from the Insured by a claimant or any number of claimants, and all other costs and expenses incurred with the Company's consent, for any one event or series of events with one original cause or source or during any annual period of insurance, shall not exceed the limit less the first amount payable stated in the schedule

20. FORECOURT SERVICE EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

Notwithstanding anything to the contrary contained in specific exceptions 2 (a) (ii), 2 (b) and 3 (a) but subject otherwise to the terms and conditions and limitations of the section and policy, the company will indemnify the insured in respect of defined events happening as a result of the insured or any forecourt employee of the insured

- (a) dispensing incorrect fuel or top-up lubricant
- (b) after providing forecourt service to customer's vehicles failing to correctly
 - (i) tighten or close caps (lids in such vehicle)
 - (ii) close the bonnet or boot lid of such vehicle. Damage to such bonnet or boot lid is specifically covered by this extension
- (c) denting, scratching or otherwise damaging customers' vehicles while providing forecourt service.
- (d) for the purposes of this extension only, damage shall include the costs incurred in cleaning the fuel or lubrication system of the vehicle whether visible physical damage has been caused by the incorrect dispensing of fuel and l or lubricants or not.
- (e) forecourt service shall mean the dispensing of fuel and l or top-up lubricant and l or the topping of the water and other reservoirs in or on the vehicle and / or the inflation / deflation of tyre pressures and / or the cleaning of window glass and shall not include any form of mechanical and / or electrical repair or service nor the removal repair or fitting of any tyre wheel or tube nor shall it include any car wash or valet service.

Provided that the company will not indemnify the insured in respect of

- (i) the cost of the fuel and / or lubricant dispensed
- (ii) the first 10% of any claim with a minimum of R 2 500.00 or the amount stated in the schedule whichever is the greater
- (iii) the amount payable under this extension, inclusive of any legal costs recoverable from the insured by a claimant or any number of claimants, and all other costs and expenses incurred with the company's consent, for any one event or series of events with one original cause or source shall not exceed R 50 000.00 any one event and R 100 000.00 in the aggregate any one (annual) period of insurance

21. CAR WASH AND VALET EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

Notwithstanding anything to the contrary contained in exceptions 2 (a) (ii), 2 (b) and 3 (a) but subject otherwise to the terms and conditions and limitations of this section and policy, the company will indemnify the insured in respect of defined events happening as a result of damage to customers vehicles whilst being cleaned / washed only, on the insured's premises.

Provided always that

- (a) the company will not indemnify the insured in respect of the first 10% of any claim with a minimum of R 2 500.00 or the amount stated in the schedule whichever is the greater.
- (b) the amount payable under this extension, inclusive of any legal costs recoverable from the insured by a claimant or any number of claimants, and all other costs and expenses incurred with the company's consent, for any one event or series of events with one original cause or source shall not exceed R 50 000.00 any one event and R 100 000.00 in the aggregate any one (annual) period of insurance
- (c) it is hereby confirmed and agreed that this extension does not cover any loss or damage caused or attributed to by any person who drives the vehicle for whatsoever reason

22. GUESTHOUSE LIABILITY (IF STATED IN THE SCHEDULE TO BE INCLUDED)

Notwithstanding anything contained to the contrary under the Specific Exception 2 (a) (ii), it is hereby declared and agreed that the indemnity extends to include all sums inclusive of any legal costs recoverable from the insured or any other cost and expenses incurred with the company's consent for which the insured may become legally liable to pay in respect of loss or damage to property of any registered guest

- (i) To guests property, the amount stated in the schedule
- (ii) To guests vehicles, the amount stated in the schedule
- (iii) To contents of guests vehicles, the amount stated in the schedule

Provided that:

The insured shall be liable for the first amount payable of 10% (ten percent) of claim with a minimum of R 2 500.00 or the amount stated in the schedule whichever is the greater of each and every claim in terms of this extension

WARRANTIES

INDEMNITY DISCLAIMER FORMS:

The insurance provided by this section of the policy is strictly subject to there being Disclaimer Forms, containing an indemnity, signed by each guest upon arrival at the premises. It is noted that this requirement is only applicable to guests who will be staying on the premises overnight. An Indemnity Form is to be signed by the contracting party, on behalf of all guests who will be attending a conference or banqueting function on the premises.

HAZARDOUS ACTIVITIES:

The insurance provided by this section of the policy is strictly subject to there being specific Disclaimer forms signed by each guest who intends participating in any outdoor activity of a hazardous nature, but excluding Swimming, Golf, Tennis, Bowls or other ball sports.

DISCLAIMER NOTICE BOARDS:

The insurance provided by this section of the policy is strictly subject to there being prominently displayed Disclaimer Notice boards at the entrance(s) to the premises whenever Rivers and/or Wild Animals are present on the premises.

SWIMMING POOLS:

The insurance provided by this section of the policy is strictly subject to there being prominently displayed Disclaimer Notice boards at all Swimming Pools.

EMPLOYERS' LIABILITY SECTION

DEFINED EVENTS

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

THE LIMIT OF INDEMNITY

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

TERRITORIAL LIMITS

Anywhere in the world but not in connection with

- (i) any business carried on by the insured at or from premises outside
- OR
- (ii) any contract for the performance of work outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi.

SPECIFIC EXCEPTIONS

The section does not cover

- (a) liability assumed by the insured under any contract, undertaking or agreement where such liability would not have attached to the insured in the absence of such contract, undertaking or agreement
- (b) liability for disease or impairment attributable to a gradually operating cause which does not arise from a sudden and identifiable accident or event
- (c) fines, penalties, punitive, exemplary or vindictive damage
- (d) (i) damages in respect of judgements delivered or obtained in the first instance otherwise than by a Court of competent jurisdiction within the Republic of South Africa, Namibia, Botswana, Lesotho and Swaziland
- (d) (ii) costs and expenses of litigation recovered by any claimant from the insured which are not incurred in and recoverable in the area described in (d) (i) above.
- (e) any claim arising from an event known to the insured
 - (i) which is not reported to the company in terms of General condition 6
 - (ii) prior to inception of this section
- (f) any claim (in the event of cancellation or non-renewal of this section) not first made in writing against the insured within the 48 month period (or extended period in respect of minors) as specified in Specific condition 2.

SPECIFIC CONDITIONS

1. Any claim first made in writing against the insured as a result of a defined event reported in terms of General condition 6 (hereinafter termed reported event) shall be treated as if it had first been made against the insured on the same day that the insured reported the event to the company.
2. In the event of cancellation or non-renewal of the policy
 - (a) any claim resulting from a reported event, first made in writing against the insured during the 48 months immediately following cancellation or non-renewal shall be treated as having been made against the insured on the same day that the insured report the event. If the claimant is a minor, the period of 48 months will be extended until the expiry of 12 months after the attainment of majority by the claimant.
 - (b) the insured may report an event in terms of General condition 6 to the company for up to 15 days after cancellation or non-renewal,
provided that
 - (i) such event occurred during the period of insurance

- (ii) any subsequent claim first made in writing against the insured as a result of such event
- (iii) shall be treated as if it had first been made on the last day preceding cancellation or non-renewal and is subject to the 48 month period specified in 2(a) above
- 3. Any series of claims made against the insured by one or more than one claimant during any period of insurance consequent upon one event or series of events with one original cause or source shall be treated as if they all had first been made against the insured
 - (a) on the date that the event was reported by the insured in terms of General condition 6
 - OR
 - (b) if the insured was not aware of any event which could have given rise to a claim, on the date that the first claim of the series was first made in writing against the insured.

EXTENSIONS

EXTENDED REPORTING OPTION

At the option of the insured and subject to payment of an additional premium to be determined and subject to all the terms exceptions and conditions of this section, the company agrees to extend the period during which the insured may report an event in terms of General condition 6 for a period to be agreed, but in no circumstances exceeding 36 months (hereinafter referred to as extended reporting period)

provided that

- (a) this option may only be exercised in the event of the company cancelling or refusing to renew this section
- (b) this option must be exercised by the insured in writing within 30 days of cancellation or non-renewal
- (c) once exercised the option cannot be cancelled by either the insured or the company
- (d) the insured has not obtained insurance equal in scope and cover to this section as expiring
- (e) the company shall only be liable for a defined event which occurred after the retroactive date but prior to date of cancellation or non-renewal
- (f) claims first made against the insured or any reported event by the insured during the extended reporting period shall be treated as if they were first made or reported on the last day preceding the cancellation or non-renewal
- (g) the total amount payable by the company for claims made or reported event by the insurer 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 the insured in writing more than 48 months after the last day preceding cancellation or non-renewal, shall not be subject to indemnification by the 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.

PRINCIPALS

Where a principal and the insured are liable for the same damages and where any contract or agreement between a principal and the insured so requires, the company will, notwithstanding the aforementioned Specific exception (a) above, indemnify the principal in like manner to the insured but only so far as concerns the liability of the principal to an employee as aforementioned for death or bodily injury to or illness of such person resulting from the negligence of the insured or the insured's employees, provided that:

- (a) in the event of a claim in terms of this extension, the insured shall endeavour to arrange with the principal for the conduct and control of all claims to be vested in the company
- (b) the principal shall, as though he were the insured fulfil and be subject to the terms, exceptions and conditions (both general and specific) of this policy in so far as they can apply
- (c) the liability of the company is not hereby increased.

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."

STATED BENEFITS SECTION

DEFINED EVENTS

Bodily injury caused by accidental, violent, external and visible means to any partner in or of or any director or employee of the insured (hereinafter in this section referred to as such person) specified in the schedule.

The company will pay to the insured on behalf of such person or his estate the compensation stated in the schedule in the event of accidental bodily injury to any such person directly and independently of all other causes resulting within 12 calendar months in death or disability as specified in the schedule under the heading circumstances.

DEFINITIONS

PERMANENT DISABILITY SHALL MEAN

		Percentage of compensation
a)	loss by physical separation at or above the wrist or ankle of one or more limbs	100
b)	permanent and total loss of	
	- whole eye	100
	- sight of eye	100
	- sight of eye except perception of light	75
c)	permanent and total loss of hearing	
	- both ears	100
	- one ear	25
d)	permanent and total loss of speech	100
e)	injuries resulting in permanent total disability from following usual occupation or any other occupation for which such person is fitted by knowledge or training	100
f)	loss of four fingers	70
g)	loss of thumb	
	- both phalanges	25
	- one phalanx	10
h)	loss of index finger	
	- three phalanges	10
	- two phalanges	8
	- one phalanx	4
i)	loss of middle finger	
	- three phalanges	6
	- two phalanges	4
	- one phalanx	2
j)	loss of ring finger	
	- three phalanges	5
	- two phalanges	4
	- one phalanx	2
k)	loss of little finger	
	- three phalanges	4

PERMANENT DISABILITY SHALL MEAN (CONITNUED)

		Percentage of compensation
	- two phalanges	3
	- one phalanx	2
l)	loss of metacarpals	
	- first or second (additional)	3
	- third, fourth of fifth (additional)	2
m)	loss of toes	
	- two on one foot	30
	- great, both phalanges	5
	- great, one phalanx	2
	- other than great, if more than one toe lost, each	2

MEMORANDA

- (i) Where the injury is not specified, the company will pay such sum as, in their opinion, is consistent with the above provisions.
- (ii) Permanent total loss of use of part of the body shall be treated as loss of such part.
- (iii) 100 per cent shall be the maximum percentage of compensation payable for permanent disability resulting from an accident or series of accidents arising from one cause in respect of any one such person.

TEMPORARY TOTAL DISABILITY

Shall mean total and absolute incapacity from following usual business or occupation.

MEDICAL EXPENSES

Shall mean all costs and expenses necessarily incurred for artificial aids, prostheses, medical, surgical, dental, nursing home or hospital treatment (including costs and expenses incurred in emergency transportation or freeing such person if trapped or bringing such person to a place of safety) as a result of bodily injury and incurred within 12 months of the defined event.

ANNUAL EARNINGS

Shall mean the annual rate of wage, salary and cost of living allowance being paid or allowed by the insured to such person at the time of accidental bodily injury, plus overtime, house rents, food allowances, commissions and other considerations of constant character paid or allowed by the insured to such person during the 12 months immediately preceding the date of accidental bodily injury.

AVERAGE WEEKLY EARNINGS

Shall mean one fifty-second part of annual earnings.

PROVISOS

It is declared and agreed that

1. the company shall not be liable to pay, for death or disability resulting from an accident or series of accidents arising from one cause in respect of any one such person, more than the compensation payable for death or permanent disability (whichever is the higher) plus any compensation payable for temporary total disability and medical expenses;
2. the compensation specified for temporary total disability shall be payable for not more than the number of weeks stated in the schedule and such payment shall cease as soon as the injury causing the incapacity has healed as far as in reasonably possible, notwithstanding that permanent disability may remain;
3. unless otherwise provided herein, this section shall not apply for any such person under 15 or over 70 years of age;
4. any compensation payable by the company for any period of temporary total disability or for medical expenses shall be reduced by an amount equal to the compensation received or receivable by or on behalf of such person under any workmen's compensation enactment for temporary disability for the same or a lesser period or in respect of medical expenses;

5. after suffering accidental bodily injury for which compensation may be payable under this section, such person shall, when reasonably required by the company so to do, submit to medical examination and undergo any treatment specified. The company shall not be liable to make any payment unless this proviso is complied with to its satisfaction;
6. general conditions 2 and 9 do not apply to this section;
7. in respect of this section only, general exception 1 is deleted and replaced by the following:
This section does not cover death or injury directly or indirectly caused by, related to or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, military or usurped power.
8. no compensation shall be payable
 - (i) for Temporary Total Disablement where the period of disablement is less than 7 (seven) consecutive days;
 - (ii) for Medical Expenses where such expenses are less than the excess stated in the schedule;
9. compensation for Temporary Total Disablement and Medical Expenses shall cease immediately
 - (i) when compensation becomes payable for Death;
 - (ii) when compensation becomes payable for Permanent Disability provided the bodily injury which resulted in the disablement has been cured or healed as far as reasonably possible

EXTENSIONS

1. EXPOSURE

Bodily injury shall be deemed to include injury caused by starvation, thirst and/or exposure to the elements, directly or indirectly resulting from mishap.

2. DISAPPEARANCE

In the event of the disappearance of any such person in circumstances which satisfy the company that he has sustained injury to which this section applies, and that such injury has resulted in the death of such person, the company will, for the purposes of the insurance afforded by this section, presume his death provided that if, after the company shall have made payment hereunder in respect of such person's presumed death, he is found to be alive, such payment shall forthwith be refunded by the insured to the company.

3. BURNS DISFIGUREMENT (IF STATED IN THE SCHEDULE TO BE INCLUDED)

Subject to the exclusion shown below, the following item is added to the "Permanent Disability" definition:

		Percentage of compensation
(n)	Permanent disfigurement resulting from accidental external burns to the combined surface area of the	
	(i) face and neck	
	- 100% surface area disfigurement	50
	- less than 100% surface area disfigurement	The proportion of 50 which the actual surface area disfigurement bears to 100% surface area disfigurement
	(ii) remaining parts of the body other than the face and neck	
	- 100% surface area disfigurement	25
	- less than 100% surface area disfigurement	The proportion of 25% which the actual surface area disfigurement bears to 100% surface area disfigurement

The company shall not pay under any sub item of this extension unless the disfigurement exceeds 10% for the sub item under which a claim is lodged.

4. LIFE SUPPORT MACHINERY

Notwithstanding anything contained in the defined events, the twenty four month period stated therein shall not include any period or periods where the death of such person is delayed solely by the use, for periods of not less than three consecutive days, of life support machinery, equipment or apparatus.

5. REPATRIATION

The Company will pay, in addition to the compensation payable for Death, reasonable and necessary expenses for the repatriation of such person's body to his/her normal place of residence up to an amount not exceeding R 5 000.00 (five thousand rand).

6. BEREAVEMENT EXPENSES

In the event of an accident giving rise to a Death claim the Company will pay to such person's estate R 5 000.00 (five thousand rand) as a contribution to bereavement expenses.

7. PASSIVE WAR COVER (IF STATED IN THE SCHEDULE TO BE INCLUDED)

In consideration of the payment of an additional premium and notwithstanding anything stated herein to the contrary this Section is extended to provide cover to such a person caused by violent, accidental, external and visible means arising from war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power, terrorist activities including explosive devices planted by terrorists. It being understood that terrorist activity shall mean the deliberate systematical murder, maiming and menacing of the innocent to inspire fear in order to gain political ends, but excluding cover consequent upon such person directly and actively participating or engaging in such activities whether whilst serving in the armed forces except peace time military training or otherwise save, where applicable, to the extent only of adopting or taking such action or steps as were reasonably necessary for the protection of himself/herself, his/her family or his/her employer's property.

8. 24 HOUR COVER (IF STATED IN THE SCHEDULE TO BE INCLUDED)

In consideration of the payment of an additional premium the words "arising from and in the course of his/her employment in the business" stated in the Defined Events of this Section are cancelled.

9. MOBILITY

In the event of the Company admitting a claim in terms of Compensation B – Permanent Disability, as a direct result of the disability such person is permanently dependent on a wheelchair for mobility, the Company will, in addition to any amount payable for Permanent Disability, compensate for:

- (i) a self-propelled wheelchair and/or;
- (ii) the modification of the controls to such person's motor vehicle and/or;
- (iii) if necessary the fitting of wheelchair loading equipment to such person's private vehicle and/or;
- (iv) alterations to such person's private residence to facilitate the use of such wheelchair up to an amount but not exceeding R 10 000.00 (ten thousand rand) any one occurrence.

SPECIFIC EXCEPTIONS

The company shall not be liable to pay compensation for death, disability or medical expenses in respect of such person

- (a) while he is travelling by air other than as a passenger and not as a member of the crew or for the purpose of any trade or technical operation therein or thereon;
- (b) by his suicide or intentional self-injury;
- (c) caused solely by an existing physical defect or other infirmity of such person;
- (d) as a result of the influence of alcohol, drugs or narcotics upon such person unless administered by a member of the medical profession (other than himself) or unless prescribed by and taken in accordance with the instruction of a member of the medical profession (other than himself);
- (e) as a result of his participation in any riot or civil commotion;
- (f) in the case of females, directly or indirectly resulting from or prolonged or accelerated by or attributable to pregnancy, childbirth, abortion, miscarriage, obstetrical procedures or any sequelae thereof;
- (g) while he is, or as a result of his, engaging in
 - (i) motor cycling (whether as driver or passenger) other than on the business of the insured
 - (ii) racing of any kind involving the use of any power driven
 - (a) vehicle
 - (b) vessel
 - (c) craft
 - (iii) mountaineering necessitating the use of ropes, winter sports involving snow or ice, polo on horseback, steeplechasing, professional football, hang-gliding.

- (h) by his/her involvement or participation in any defense force and/or armed forces training, service, exercises or operations except peace time military training;
- (i) as the result of an accident attributable to such person's serious and willful misconduct;
- (j) whilst such person is using or as a result of such person's use of woodworking machinery other than as a domestic hobby;
- (k) whilst such person is engaged in, or as a result of such person engaging in mining, shaft sinking, underground mining operations, or the manufacture or use of explosives

SPECIFIC CONDITIONS

DECLARATION OF EARNINGS

The first premium and all renewal premiums under this Section that may be accepted are to be regulated by the amount of earnings as defined in this Section paid or allowed to the employees by the Insured during each period of insurance and such payment must be duly recorded in a proper wage book against the name of each employee. The Insured shall at all times allow the Company to inspect such books and shall supply the Company with a correct account of all such payments during any terms of insurance within one month from the expiry of such term of insurance and if the total amount so paid or allowed shall differ from the amount on which premium has been paid the difference in premium shall be paid by a further proportionate payment to the Company or by a refund by the Company as the case may be.

GROUP PERSONAL ACCIDENT SECTION

DEFINED EVENTS

Bodily injury caused by accidental, violent, external and visible means to any principle, partner, director or employee of the insured (hereinafter in this section referred to as such person) specified in the schedule.

The company will pay to the insured on behalf of such person or his estate the compensation stated in the schedule in the event of accidental bodily injury to any such person directly and independently of all other causes resulting within 12 calendar months in death or disability as specified in the schedule under the heading circumstances.

DEFINITIONS

PERMANENT DISABILITY SHALL MEAN

		Percentage of compensation
a)	loss by physical separation at or above the wrist or ankle of one or more limbs	100
b)	permanent and total loss of	
	- whole eye	100
	- sight of eye	100
	- sight of eye except perception of light	75
c)	permanent and total loss of hearing	
	- both ears	100
	- one ear	25
d)	permanent and total loss of speech	100
e)	injuries resulting in permanent total disability from following usual occupation or any other occupation for which such person is fitted by knowledge or training	100
f)	loss of four fingers	70
g)	loss of thumb	
	- both phalanges	25
	- one phalanx	10
h)	loss of index finger	
	- three phalanges	10
	- two phalanges	8
	- one phalanx	4
i)	loss of middle finger	
	- three phalanges	6
	- two phalanges	4
	- one phalanx	2
j)	loss of ring finger	
	- three phalanges	5
	- two phalanges	4
	- one phalanx	2

PERMANENT DISABILITY SHALL MEAN (CONTINUED)

		Percentage of compensation
k)	loss of little finger	
	- three phalanges	4
	- two phalanges	3
	- one phalanx	2
l)	loss of metacarpals	
	- first or second (additional)	3
	- third, fourth or fifth (additional)	2
m)	loss of toes	
	- two on one foot	30
	- great, both phalanges	5
	- great, one phalanx	2
	- other than great, if more than one toe lost, each	2

MEMORANDA

- (i) Where the injury is not specified, the company will pay such sum as, in their opinion, is consistent with the above provisions
- (ii) Permanent total loss of use of part of the body shall be treated as loss of such part
- (iii) 100 per cent shall be the maximum percentage of compensation payable for permanent disability resulting from an accident or series of accidents arising from one cause in respect of any one such person

Temporary total disability shall mean total and absolute incapacity from following usual business or occupation.

MEDICAL EXPENSES

Shall mean all costs and expenses necessarily incurred for artificial aids, prostheses, medical, surgical, dental, nursing home or hospital treatment (including costs and expenses incurred in emergency transportation or freeing such person if trapped or bringing such person to a place of safety) as a result of bodily injury and incurred within 12 months of the defined event.

PROVISOS

It is declared and agreed that

1. the company shall not be liable to pay, for death or disability resulting from an accident or series of accidents arising from one cause in respect of any one such person, more than the compensation payable for death or permanent disability (whichever is the higher) plus any compensation payable for temporary total disability and medical expenses;
2. the compensation specified for temporary total disability shall be payable for not more than the number of weeks stated in the schedule and such payment shall cease as soon as the injury causing the incapacity has healed as far as in reasonably possible, notwithstanding that permanent disability may remain;
3. unless otherwise provided herein, this section shall not apply for any such person under 15 or over 70 years of age;
4. after suffering accidental bodily injury for which compensation may be payable under this section, such person shall, when reasonably required by the company so to do, submit to medical examination and undergo any treatment specified. The company shall not be liable to make any payment unless this proviso is complied with to its satisfaction;
5. General conditions 2 and 9 do not apply to this section;
6. in respect of this section only, General exception 1 is deleted and replaced by the following:
This section does not cover death or injury directly or indirectly caused by, related to or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, mutiny, insurrection, rebellion, revolution, military or usurped power.

7. no compensation shall be payable
 - (i) for Temporary Total Disablement where the period of disablement is less than 7 (seven) consecutive days;
 - (ii) for Medical Expenses where such expenses are less than the excess stated in the schedule;
8. compensation for Temporary Total Disablement and Medical Expenses shall cease immediately
 - (i) when compensation becomes payable for Death;
 - (ii) when compensation becomes payable for Permanent Disability provided the bodily injury which resulted in the disablement has been cured or healed as far as reasonably possible

EXTENSIONS

1. EXPOSURE

Bodily injury shall be deemed to include injury caused by starvation, thirst and/or exposure to the elements, directly or indirectly resulting from mishap.

2. DISAPPEARANCE

In the event of the disappearance of any such person in circumstances which satisfy the company that he has sustained injury to which this section applies, and that such injury has resulted in the death of such person, the company will, for the purposes of the insurance afforded by this section, presume his death provided that if, after the company shall have made payment hereunder in respect of such person's presumed death, he is found to be alive, such payment shall forthwith be refunded by the insured to the company.

3. BURNS DISFIGUREMENT (IF STATED IN THE SCHEDULE TO BE INCLUDED)

Subject to the exclusion shown below, the following item is added to the "Permanent disability" definition:

		Percentage of compensation
(n)	Permanent disfigurement resulting from accidental external burns to the combined surface area of the	
	(i) face and neck	
	- 100% surface area disfigurement	50
	- less than 100% surface area disfigurement	The proportion of 50 which the actual surface area disfigurement bears to 100% surface area disfigurement
	(ii) remaining parts of the body other than the face and neck	
	- 100% surface area disfigurement	25
	- less than 100% surface area disfigurement	The proportion of 25% which the actual surface area disfigurement bears to 100% surface area disfigurement

The company shall not pay under any sub item of this extension unless the disfigurement exceeds 10% for the sub item under which a claim is lodged.

4. LIFE SUPPORT MACHINERY

Notwithstanding anything contained in the defined events, the twenty four month period stated therein shall not include any period or periods where the death of such person is delayed solely by the use, for periods of not less than three consecutive days, of life support machinery, equipment or apparatus.

5. REPATRIATION

The Company will pay, in addition to the compensation payable for Death, reasonable and necessary expenses for the repatriation of such person's body to his/her normal place of residence up to an amount not exceeding R 5 000.00 (five thousand rand).

6. BEREAVEMENT EXPENSES

In the event of an accident giving rise to a Death claim the Company will pay to such person's estate R 5 000.00 (five thousand rand) as a contribution to bereavement expenses.

7. PASSIVE WAR COVER (IF STATED IN THE SCHEDULE TO BE INCLUDED)

In consideration of the payment of an additional premium and notwithstanding anything stated herein to the contrary this Section is extended to provide cover to such a person caused by violent, accidental, external and visible means arising from war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power, terrorist activities including explosive devices planted by terrorists. It being understood that terrorist activity shall mean the deliberate systematical murder, maiming and menacing of the innocent to inspire fear in order to gain political ends, but excluding cover consequent upon such person directly and actively participating or engaging in such activities whether whilst serving in the armed forces except peace time military training or otherwise save, where applicable, to the extent only of adopting or taking such action or steps as were reasonably necessary for the protection of himself/herself, his/her family or his/her employer's property.

8. 24 HOUR COVER (IF STATED IN THE SCHEDULE TO BE APPLICABLE)

In consideration of the payment of an additional premium the words "arising from and in the course of his/her employment in the business" stated in the Defined Events of this Section are cancelled.

9. MOBILITY

In the event of the Company admitting a claim in terms of Compensation B – Permanent Disability, as a direct result of the disability such person is permanently dependent on a wheelchair for mobility, the Company will, in addition to any amount payable for Permanent Disability, compensate for:

- (i) a self-propelled wheelchair and/or;
- (ii) the modification of the controls to such person's motor vehicle and/or;
- (iii) if necessary the fitting of wheelchair loading equipment to such person's private vehicle and/or;
- (iv) alterations to such person's private residence to facilitate the use of such wheelchair up to an amount but not exceeding R10 000.00 (ten thousand rand) any one occurrence.

SPECIFIC EXCEPTIONS

The company shall not be liable to pay compensation for death, disability or medical expenses in respect of such person

- (a) while he is travelling by air other than as a passenger and not as a member of the crew nor for the purpose of any trade or technical operation therein or thereon;
- (b) by his suicide or intentional self-injury;
- (c) caused solely by an existing physical defect or other infirmity of such person;
- (d) as a result of the influence of alcohol, drugs or narcotics upon such person unless administered by or
- (e) prescribed by and taken in accordance with the instructions of a member of the medical profession (other than himself);
- (f) in the case of females, directly or indirectly resulting from or prolonged or accelerated by or attributable to pregnancy, childbirth, abortion, miscarriage, obstetrical procedures or any sequelae thereof.
- (g) while he is, or as a result of his, engaging in
 - (i) motor cycling (whether as a driver or passenger) other than on the business of the insured
 - (ii) racing of any kind involving the use of any power driven
 - (a) vehicle
 - (b) vessel
 - (c) craft
 - (iii) mountaineering necessitating the use of ropes, winter sports involving snow or ice, polo on horseback, steeple chasing, professional football or hang-gliding.
- (h) by his/her involvement or participation in any defense force and/or armed forces training, service, exercises or operations except peace time military training;
- (i) as the result of an accident attributable to such person's serious and willful misconduct;
- (j) whilst such person is using or as a result of such person's use of woodworking machinery other than as a domestic hobby;
- (k) whilst such person is engaged in, or as a result of such person engaging in mining, shaft sinking, underground mining operations, or the manufacture or use of explosives

MOTOR SECTION

SUB-SECTION A - LOSS OR DAMAGE

DEFINED EVENTS

Loss of or damage to any vehicle described in the schedule and its accessories and spare parts whilst thereon. In addition, if such vehicle is disabled by reason of any loss or damage insured hereby, 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 R 5 000.00, provided 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 such loss or damage, not exceeding the reasonable cost of transport to the permanent address of the insured in the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi and Mozambique.

Provided that

1. the limit of indemnity for each type of vehicle is as stated in the schedule and shall be the maximum amount payable by the company in respect of such loss or damage but shall not exceed the reasonable Retail Value (as obtained in the M&M Guide) of the vehicle plus its accessories and spare parts stated in the schedule at the time of such loss or damage
2. the company may, at its own option, repair at a service provider of the company's choice, reinstate or replace such vehicle or any part thereof and/or its accessories and spare parts or may pay in cash the amount of the loss or damage not exceeding the reasonable retail value of such vehicle and/or its accessories and/or spare parts at the time of such loss or damage
3. if to the knowledge of the company, the vehicle is the subject of a suspensive sale or similar agreement, such payment shall be made to the owner described therein whose receipt shall be a full and final discharge to the company in respect of such loss or damage
4. 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, the insured shall be responsible for the first amounts payable stated in 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 the company in the exercise of any discretion it may have under this insurance. If the expenditure incurred by the company shall include any first amount payable for which the insured is responsible, such amount shall be paid by the insured to the company forthwith
5. the company shall not be liable for more than the amount stated in the schedule (after deduction of the first amounts payable) in respect of the theft or attempted theft of radios, tape-players and similar equipment or telephones not supplied by the manufacturers of the vehicle when new.

EXCEPTIONS TO SUB-SECTION A

The company shall not be liable to pay 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 tyres by application of brakes or by road punctures, cuts or bursts
- (c) damage to springs/shock absorbers due to inequalities of the road or other surface or to impact with such inequalities
- (d) detention, confiscation or requisition by customs or other officials or authorities.

SUB-SECTION B - LIABILITY TO THIRD PARTIES

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 the insured and/or any passenger becomes legally liable to pay all 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 any person in the employ of the insured arising from and in the course of such employment or being a member of the same household as the insured
- (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.

The company will also, in terms of and subject to the limitations of and for the purposes of this sub-section,

1. pay all costs and expenses incurred with their written consent, and shall be entitled at their discretion to arrange for representation at any inquest or inquiry in respect of any death which may be the subject of indemnity under this sub-section, or for defending in any magistrate's court any criminal proceedings in respect of any act causing or relating to any event which may be the subject of indemnity under this sub-section, provided that the total of the company's liability under both this extension and sub-section B shall not exceed the limit of indemnity stated to apply to sub-section B.
2. indemnify any person who is driving or using such vehicle on the insured's order or with the insured's permission provided that
 - (a) such person shall, as though he were the insured, 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 thereunder.
3. indemnify the insured while personally driving or using any private type motor car not belonging to him and not leased or hired to him under a lease or suspensive sale agreement, provided the insured is an individual and has insured hereunder a vehicle described under definition (a) or (b) and provided the company shall not be liable for damage to the vehicle being driven or used
4. indemnify the insured in respect of liability arising from the towing by a vehicle (other than for reward) of any other vehicle or trailer (including liability in connection with the towed vehicle or trailer), provided the company shall not be liable for damage to the towed vehicle or trailer or to property therein or thereon.

EXCEPTIONS TO SUB-SECTION B

The company 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 definition (b), (c), (d), (e) or (g) at the time of the occurrence of the event from which any claim arises (except any person being carried in or upon or entering or getting onto or alighting from a permanently enclosed passenger carrying compartment of a commercial vehicle with a carrying capacity not exceeding 1500kg)
- (c) liability arising from the operation, demonstration or use (for purposes other than maintenance or repair of a 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.

LIMITS OF INDEMNITY

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

SUB-SECTION C - MEDICAL EXPENSES

DEFINED EVENTS

If an occupant in the specified part of a vehicle described below, in direct connection with such vehicle, sustain bodily injury by violent, accidental, external and visible means, the company will pay to the insured the medical expenses incurred as a result of such injury up to R 5 000.00 per injured occupant but not exceeding R 20 000.00 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 includes any costs incurred to 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 of this section	Specified part of vehicle in which the injury must occur
Any private type motor car or motorised caravan	Anywhere inside the vehicle
Any other type of insured vehicle other than a bus or taxi	The permanently enclosed passenger carrying compartment

DEFINITIONS

1. OCCURRENCE

The term 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. VEHICLE

The term vehicle shall mean

- (a) private type motor cars, light delivery vehicles (LDV's) or panel vans with a carrying capacity not exceeding 3 500 kilograms (including station wagons, safari vans, estate cars and the like or similar vehicles designed to seat not more than 9 persons including the driver)
- (b) heavy commercial vehicles (HCV) and trailers exceeding 3 500 kilograms
- (c) vehicles specifically adapted or designed for the purpose of accommodating commercial hunters and game viewing activities and registered in terms of and in compliance with the licensing laws
- (d) motor cycles, self – propelled tri-cars, scooters, three and four wheel motor cycles
- (e) buses including any other type of vehicle designed to seat more than 9 persons including the driver)
- (f) trailers, i.e. any vehicle without means of self-propulsion designed to be drawn by a motorised vehicle, motorised lawnmowers and motorised golf carts but excluding any parts of accessories not permanently fitted thereto, non motorised caravans including all permanent fixtures and fittings
- (g) special type vehicles as described in the schedule

EXTENSIONS

1. CONTINGENT LIABILITY EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

The indemnity under sub-section B shall include claims made against

- (a) the insured 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 the insured, while being used by any partner or director or employee of the insured (hereafter in this extension referred to as such person)
- (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 or to the insured or leased or hired by either of them, 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 to sub-section B are deleted
- (ii) the company shall 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) the payment by the insured of subsidies or travelling allowances to such person for the use of his own vehicle for official purposes of the insured, including the carriage of persons for such 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, the insured or such person is entitled to indemnity under any other policy in respect of the same occurrence, the company shall 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.
- (vi) the limit of indemnity for any one occurrence shall not exceed R 1 000 000.00 or the amount stated in the schedule, whichever is the greater

2. PASSENGER LIABILITY EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

Exception (b) to sub-section B shall not apply to vehicles described in definition (b), provided that cover under this extension is limited to death of or bodily injury to any person being carried in or upon or entering or getting onto or alighting from a permanently enclosed passenger carrying compartment and in the case of all other definitions, the limit of indemnity for any one occurrence shall not exceed R 2 500 000.00 less the first amount payable or the amount stated in the schedule whichever is the greater.

Exception (b) to sub-section B shall not apply to vehicles described in definition (c) which is extended to cover the activities of the insured for the purpose of accommodating commercial hunters and game viewing activities and is limited to death of or bodily injury to any person being carried in or upon or entering or getting onto or alighting from a specifically adapted or designed for the purpose of commercial hunting or game viewing and in the case of all other definitions, the limit of indemnity for any once occurrence shall not exceed R 250 000.00 less the first amount payable or the amount stated in the schedule whichever is the greater.

3. UNAUTHORISED PASSENGER LIABILITY EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

The indemnity under sub-section B, notwithstanding exception (b) thereto, extends to cover the insured's legal liability for death of or bodily injury to persons while being carried in or upon or entering or getting onto or alighting from any vehicle in contravention of the insured's instructions to their driver not to carry passengers. The limit of indemnity for any one occurrence shall not exceed the amount stated in the schedule.

4. PARKING FACILITIES AND MOVEMENT OF THIRD PARTY VEHICLES EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

This section extends to indemnify the insured in respect of accidents caused by or through or in connection with the moving of any vehicle (not owned or borrowed by or hired or leased to the insured) by any person in the employment of the insured or acting on the insured's behalf, provided always that such vehicle was being moved

- (a) with the authority of any tenant, customer or visitor of the insured or
- (b) in connection with the insured's parking arrangement or
- (c) to facilitate the carrying out of the insured's 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 the custody or control of, the insured.

5. WINDSCREEN EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

The provisions of this section relating to first amount payable shall not apply to any payment for damage to windscreen glass, side or rear glass forming part of any vehicle

Provided that

- (a) no other damage has been caused to the vehicle giving rise to a claim under the policy
- (b) the insured shall be responsible for the first amount payable (applicable to glass) stated in the schedule of each of each and every loss.

6. WAIVER OF SUBROGATION RIGHTS

For the purposes of this section, the company waives all rights of subrogation or action which they may have or acquire against any other person to whom the indemnity hereunder applies, and each 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. PRINCIPALS

Notwithstanding specific exception 2 of this section, the indemnity under sub-section B extends to indemnify, to the extent required by the conditions of any contract of the Building Industries Federation of South Africa, and in connection with any liability arising from the performance of such contract, any principal named in such contract entered into by the insured for the purposes of the business, provided that the liability of the company shall not exceed the limit of indemnity stated in the schedule.

8. CROSS LIABILITIES

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

9. 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:

- (i) civil commotion, labour 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 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 the company alleges that, by reason of provisos (a), (b), (c), (d) or (e), loss or damage is not covered by this section, the burden of proving the contrary shall rest on the insured.

10. LOSS OF KEYS EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

The company will indemnify the insured in respect of the cost of replacing locks and keys, including the remote alarm controller and, if necessary, the reprogramming of any coded alarm system of any insured vehicle, following upon the disappearance of any key or alarm controller of such vehicle or following upon the insured having reason to believe that any unauthorised person may be in possession of a duplicate of such key or alarm controller,

provided that:

- (i) the company's liability shall not exceed, in respect of any one event, R 5 000.00 or the amount stated in the schedule whichever is the greater
- (ii) such amount shall be reduced by the first amount payable of R 500.00 or the amount stated in the schedule whichever is the greater

11. FIRE EXTINGUISHING CHARGES EXTENSION

Any costs (not exceeding R 5 000.00) relating to the extinguishing or fighting of fire shall be deemed to be damage to the insured property and shall be payable in addition to any other payment for which the company may be liable in terms of this section, provided the insured is legally liable for such costs and the insured property was in danger from the fire.

12. WRECKAGE REMOVAL EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

The cover provided under sub-section A of this section is extended to include costs and expenses incurred by the insured 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, provided that, in addition to the limit of indemnity under sub-section A of this section, the limit of the company's liability under this extension shall not exceed, in respect of any one occurrence, the amount of R 5 000.00 or limit stated in the schedule whichever is the greater.

13. CREDIT SHORTFALL EXTENSION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

If any total loss settlement under sub-section A is less than the amount owing to the financier under a current instalment sale or lease agreement, the company will pay to the insured an additional amount equal to the shortfall less:

- (a) any arrears instalments or rentals including interest payable on such arrears
- (b) all refunds of premium for cancellation of any insurance cover relating to the motor vehicle
- (c) the increased instalments or rentals that would have been paid had there been no residual capital value at the end of the finance period, calculated to the month in which the claim is settled
- (d) the first amount payable under sub-section A

Provided always that

- (a) the amounts payable shall not exceed the maximum indemnity less the first amount payable under sub-section A

- (b) this endorsement shall not apply to an agreement whereby the amount of any single instalment other than the final residual amount after the initial payment differs by more than 10% from any other instalment
- (c) if such shortfall is as a result of a re-advance under an instalment sale or refinancing in terms of a lease the insurance by this extension shall be void.

14. LOSS OF USE (IF STATED IN THE SCHEDULE TO BE APPLICABLE)

In the event of the loss of use of a vehicle (for which this extension was taken) stated in the schedule (Insured for comprehensive purposes only) through or as a result of any peril insured against in this section of the policy which would constitute a claim under this section of the policy, the company shall, upon receipt of proof of an account issued by the supplier, indemnify the insured for the cost of hiring the said vehicle for which this extension applies, provided that

- (a) the indemnity is limited to the amount as stated in the schedule which is defined as a limit per day for a maximum number of days
- (b) compensation will commence from the day that repairs were authorized or
- (c) in the case of Theft / Hijack, from the date that the Company receives a duly completed claim form together with a police report confirming the theft / hijack, relevant investigation and confirmation whether the vehicle in question was / has been recovered or not
- (d) the client will be liable for the first 3 days cost or the amount stated in the schedule whichever is the greater
- (e) Compensation will cease when the insured regains possession of the vehicle or
- (f) the vehicle is replaced or the company discharges liability for a total loss or
- (g) payment has been made for the period as stipulated whichever occurs first
- (h) but always subject to the insured providing the company with an invoice for the rental thereof

MEMORANDA

1. PREMIUM ADJUSTMENT CLAUSE

If this section is issued on a non-specified vehicle basis, the insured shall submit to the company at the end of each period of insurance or twelve consecutive months from the inception date or anniversary date a declaration of the total number of vehicles owned, hired or leased at such expiry date. The company shall, upon receipt of this declaration, make a premium adjustment of 50 per cent of the annual rate per vehicle applied to the difference in the number of vehicles at inception or renewal and the number declared.

2. 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. DESCRIPTION OF USE CLAUSE

Use for social domestic and pleasure purposes and use for the business or occupation of the insured excluding:

Hiring, carriage of passengers for hire or carriage of fare paying passengers, racing speed or other contests, rallies, trials, carriage of explosives or carriage of any load or passengers exceeding the capacity for which it is constructed or licensed to carry or use for any purpose in connection with the motor trade.

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

OPTIONAL LIMITATIONS

THIRD PARTY ONLY LIMITATION (IF STATED IN THE SCHEDULE TO BE APPLICABLE)

Sub-sections A and C are cancelled.

THIRD PARTY, FIRE AND THEFT ONLY LIMITATION (IF STATED IN THE SCHEDULE TO BE APPLICABLE)

The liability of the company 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.

SPECIFIC EXCEPTIONS

1. The company shall not be liable for any accident, injury, loss, damage or liability
 - (a) whilst the vehicle is being used with the general knowledge and consent of the insured otherwise than in accordance with the description of use clause
 - (b) incurred outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi and Mozambique, but the insurers will indemnify the insured against loss of or damage to any vehicle while in transit by sea or air between ports or places in these territories including loading and unloading incidental to such transit
 - (c) incurred while any vehicle is being driven by
 - (i) the insured while under the influence of intoxicating liquor or drugs (unless administered by or prescribed by and taken in accordance with the instructions of a member of the medical profession other than himself) or while not licensed to drive such vehicle
 - (ii) any other person with the general consent of the insured who, to the insured's 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 himself) or who is not licensed to drive such vehicle, but this shall not apply if the insured was unaware that the driver was unlicensed and the insured can prove to the satisfaction of the company that, in the normal course of his business, procedures are in operation to ensure that only licensed drivers are permitted to drive insured vehicles.

Provided that any driver shall be deemed to be licensed to drive the vehicle he is complying with the licensing laws relating to any of the territories referred to under Specific exception (b), or if non-compliance with any licensing law is solely because of failure to renew any licence subject to periodic renewal, or if a licence is not required by law, or while such driver is learning to drive and is complying with the laws relating to learners.
2. The company shall not be liable for any claim arising from contractual liability, unless such liability would have attached to the insured notwithstanding such contractual agreement.

SPECIAL CONDITIONS

If, during the currency of this section, any driver's licence in favour of the insured or their authorised driver is endorsed, suspended or cancelled, or if he or they shall be charged or convicted of negligent, reckless or improper driving, notification shall be sent in writing to the company immediately the insured have knowledge of such fact.

1. ROADWORTHINESS

Cover provided by this section of the policy, including all sub sections thereof, is strictly subject to the vehicle/s being used in a condition which complies fully with the provisions and regulations of the National Road Traffic Act 93 of 1996, the National Road Traffic Regulations 2000 and / or any other applicable or subsequent legislation and / or regulations providing for the use of motor vehicles on a public roadway in South Africa or any similar legislation which applies to the countries as per the territorial limits stated in the schedule or policy.

2. DRIVER LICENSE - PUBLIC ROADS

Cover provided by this section of the policy, including all sub sections thereof, is strictly subject to the driver of any vehicle being licensed to drive such vehicle in accordance with the terms, provisions and regulations of the National Road Traffic Act 108 of 1996, the National Road Traffic Regulations 2000 and / or any other applicable or subsequent legislation and /or regulations providing for the licensing of drivers of motor vehicles on a public roadway in South Africa or as per the territorial limits stated in the schedule or policy.

3. DRIVER LICENSE - PRIVATE ROADS

Cover provided by this section of the policy, including all sub sections thereof, is strictly subject to the driver of any vehicle, whilst being driven on a private roadway, being licensed, in accordance with the terms, provisions and regulations of the National Road Traffic Act 108 of 1996 or any similar legislation which applies to the countries as per the territorial limits to drive such a vehicle of like description.

4. SPARE PARTS CLAUSE

It is hereby declared and agreed that in respect of any claim under the motor section in the event of any part, accessory or fitment being unprocurable in the Republic of South Africa or Namibia as a standard (ready manufactured) article the liability of the Company shall be limited to the payment of a sum equal to the value of such part at the time of the accident but not in any case exceeding the maker's list price.

Subject otherwise to the terms, conditions and exceptions of the policy.

ELECTRONIC EQUIPMENT SECTION

SUB-SECTION A: MATERIAL DAMAGE

DEFINED EVENTS

Physical loss of or damage to the property insured described in the schedule from any cause not hereinafter excluded whilst

- (a) at work or at rest anywhere within the insured's premises as specified
- (b) in transit including loading and unloading or whilst temporarily stored at any premises en route
- (c) temporarily removed from the insured's premises to any other location.

EXCEPTIONS TO SUB-SECTION A

The company will not be liable to indemnify the insured irrespective of the original cause in respect of

1. the first amount payable as stated in the schedule in respect of sub-section A, of each and every occurrence giving rise to a claim. Where more than one item of property insured suffers physical loss or damage in any one occurrence, the first amount payable shall be the highest single amount applicable to such property insured
2. derangement unless accompanied by physical damage otherwise covered by this section
3. loss or damage recoverable in terms of any maintenance and/or leasing agreement effected by or on behalf of the insured covering the insured equipment
4. faults or defects known to the insured (or their responsible employees) at the time this insurance was arranged or during the currency of the insurance and not disclosed to the company or any consequences thereof
5. wastage of material or the like or wearing out of any part of the property insured caused by or naturally resulting from ordinary usage or working or other gradual deterioration, development of poor contracts or scratching of painted or polished surfaces of a cosmetic nature
6. 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, the company shall indemnify the insured for the residual value prior to the loss of such exchangeable parts
7. the cost of reproducing data and/or programs whether recorded on cards, tapes, discs or otherwise unless specifically provided for in sub-section B hereof
8. loss of use of the property or other consequential loss, damage or liability of whatsoever nature other than losses specifically provided for herein
9.
 - (a) loss by theft or by disappearance of the property insured unless accompanied by forcible and violent entry to or exit from the insured premises/situation
 - (b) loss of the property insured by theft during transit or whilst temporarily removed from the insured premises unless identifiable by the insured with a specific incident which has been immediately reported to the police and the company.

The company shall not indemnify the insured for the theft of the property insured from any motor vehicle where the property insured has been

- (a) left in the motor vehicle overnight unless the vehicle is housed in a securely locked building and entry to such vehicle or building is accompanied by forcible and violent entry or exit
- (b) contained in a compartment of the motor vehicle which is visible to passers-by

provided that

(a) and (b) above shall not apply to theft of the property insured where the transport vehicle

- (i) has been hijacked or
- (ii) has been involved in a road accident or sustains a breakdown and, due to circumstances beyond the control of the vehicle crew/driver, the property insured is of necessity left unprotected.

BASIS OF INDEMNIFICATION

The indemnity by this sub-section subject always to the sums insured contained in the schedule or any specific limit of liability contained in this sub-section, shall be as hereinafter provided and as appropriate including dismantling, re-erection, transportation, removal of damaged property insured (but less the value of the remains) and, where applicable, importation duties and value added tax.

(1) PARTIAL LOSS

If the property insured suffers damage that can be repaired, the basis of indemnification shall be the restoration expenses reasonably and necessary incurred to restore the damaged property to working order, provided that expenses reasonably and necessary incurred to restore the damaged property to working order, provided that

- (a) the value of damaged parts which can be used will be deducted
- (b) the costs of any alteration, addition, improvement or overhaul carried out at the time of repair are not recoverable under this sub-section
- (c) if, without the consent of the company, temporary repairs are carried out by the insured in the interests of safety or to minimize further loss or damage to the property insured, the cost of such temporary repairs will be borne by the company. In the event that the temporary repairs aggravate the loss or cause additional loss or damage to the property insured, any additional costs so incurred or consequence arising therefrom will be for the account of the insured
- (d) where the damage is restricted to a part or parts of an insured item, the company shall not be liable for an amount greater than the value of such part or parts which are lost or damaged allowed for within the sum insured.

(2) TOTAL LOSS

(A) In cases where the new property insured is totally lost or destroyed, the basis of indemnification shall be the cost of replacing or reinstating on the same site new property of equal performance and/or capacity or, if such be impossible, its replacement by new property having the nearest equivalent performance and/or capacity to the property lost or damaged provided always that

- (i) the work of replacement or reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the insured, subject to the liability of the company not being thereby increased) must be commenced and carried out with reasonable dispatch otherwise no payment exceeding the market value of the property insured immediately before the damage shall be made
- (ii) until expenditure has been incurred by the insured in replacing or reinstating the property insured, the company shall not be liable for any payment in excess of the amount which would have been payable if these conditions had not been incorporated herein
- (iii) these conditions shall be without force or effect if
 - (a) the insured fail to intimate to the company within six (6) months of the date upon which the damage occurred (or such further time as the company may in writing allow) their intention to replace or reinstate the property insured
 - (b) the insured are unable or unwilling to replace or reinstate the property insured on the same or another site
- (iv) at the sole option of the company, following commercial and technical appraisal by a representative of the company, the period referred to in the definition of new property may be extended (on an annual basis from renewal date) subject always to such extension of period being admitted by memorandum to this policy.

DEFINITION OF NEW PROPERTY INSURED

New property shall mean property purchased no more than seven (7) years (or such extended period as may be approved by the company in writing) prior to the defined event, it being expressly agreed that in applying this definition upgrades and enhancements will be taken into account in arriving at an indemnifiable amount and the age of the property insured.

(B) In respect of property insured not provided for in (A) above, the basis of indemnification shall be the market value of the property insured immediately before the loss or damage. At the option of the company, the property insured shall be regarded as totally destroyed if the repair costs as defined in (1) above equal or exceed its market value immediately before the damage.

DEFINITION OF MARKET VALUE

The current day purchase price of second-hand/used property of equal performance and/or capacity to the property lost or damaged and of substantially similar condition. Where no similar property is available, market value shall be calculated by deducting from the current new replacement value of the nearest equivalent property, an amount representing

- (i) 20% (twenty percent) for the first year after the date of purchase
- and
- (ii) 10% (ten percent) per year for each succeeding year subject always to a minimum indemnity of 40% (forty percent) of the current new replacement value of the nearest equivalent property.

AVERAGE

In respect of (1) and (2) above, if at the time of repair, replacement or reinstatement, the sum representing the cost which would have been incurred in repair, replacement or reinstatement, if the whole of the property insured had been lost or damaged exceeds the sum thereon at the time of any loss of or damage to such property, then the insured shall be considered as being their own insurer for the difference and shall bear a rateable proportion of the loss accordingly. Each item of this section (if more than one) to which these conditions apply shall be separately subject to this provision.

LIMIT OF LIABILITY

The amount of liability shall not exceed, in respect of any of the items specified in the schedule, the sums insured set opposite thereto respectively and, in addition thereto, the following:

(a) Architects' and other professional fees

Professional fees necessarily and reasonably incurred in the repair of reinstatement of property following indemnifiable loss or damage, provided that the amount payable in respect of such fees does not exceed 15% of the total amount of the claim, but shall not include expenses incurred in connection with the preparation of the insured's claim.

(b) Clearance costs

Costs necessarily and reasonably incurred by the insured in respect of demolition or dismantling of property and/or removal of debris and in providing, erecting and maintaining hoardings and other similar structures required during demolition, dismantling, debris removal and reconstruction following indemnifiable loss of or damage to such property, provided that the total amount recoverable does not exceed 15% of the total amount of the claim.

(c) Express delivery and overtime

Extra charges for express delivery, airfreight, overtime, Sunday and holiday rates of wages payable in respect of the necessary and reasonable additional costs incurred by the insured for effecting repairs or replacement approved by the company, limited to 50% of the amount which the repair or replacement would have cost had these additional costs not been incurred.

CLAUSES AND EXTENSIONS

1. POWER SURGE OR LIGHTNING STRIKES

All loss or damage to the property insured by power surges or lightning strikes will be subject to an additional excess of 10% of the net amount payable for the items so damaged subject to a minimum of R 2 500.00 or the amount stated in the schedule whichever is the greater. However, should the property insured be appropriately and adequately protected by suitable safeguards against electrical supply fluctuations, then this additional excess will be waived.

2. FIRE BRIGADE CHARGES

If any public authority empowered to do so shall charge the insured with any costs arising from their activities in dealing with the consequences of an insured peril having operated, such costs will be deemed to be damage to the property insured and will be payable in addition to any other payment for which the insurer may be liable in terms of this insurance.

3. TENANTS

This insurance will not be invalidated by any act or neglect on the part of a tenant of the insured (where the insured owns the building) or another tenant or the owner of the building (where the insured is a tenant) provided that the insured notifies the company as soon as such act or neglect comes to their knowledge and pay on demand the appropriate additional premium.

4. HIRE PURCHASE / FINANCE AGREEMENTS

Where the company has knowledge of the property insured or any individual item thereof being the subject of a suspensive sale or similar agreement, payment hereunder shall be made to the owner described therein whose receipt shall be a full and final discharge to the company in respect of loss or damage indemnifiable by this sub-section of the policy.

SUB-SECTION B: CONSEQUENTIAL LOSS

DEFINED EVENTS

The insurance provided by this sub-section of the policy (if stated in the schedule) shall be subject to the limits of indemnity stated in the schedule and shall include

(i) Increased cost of working

The insurance under this item is limited to the additional expenditure necessarily and reasonably incurred by the insured during the indemnity period in consequence of the accident for the sole purpose of avoiding or diminishing the interruption of or interference with the normal business of the insured

Less any sum saved during the indemnity period in respect of such of the charges and expenses of the business as may cease or be reduced in consequence of the accident.

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

- (a) the cover provided for in item (ii) of this sub-section of the policy
- (b) the intrinsic value (including reinstatement value) of the property insured by sub-section A of this policy.
- (c) the indemnity by this item shall be limited to R 5 000.00 (five thousand rand) or the amount stated in the Schedule whichever is the greater

(ii) Reinstatement of data/programs

Costs and expenses necessarily and reasonably incurred by the insured for the reconstitution or recompilation of data and/or programs recorded on or stored in data-carrying media which is lost as a result of accidental erasure (which shall include the events defined in the indemnity clause to sub-section A of this policy) or by theft or by the deliberate wilful or wanton intention of causing the cancellation or corruption of data or programmes as provided for in the sub-section A of this policy

Provided always that

- (a) the indemnity shall not extend to nor include such costs incurred due to program errors, incorrect entry or the inadvertent cancellation or corruption of data and/or programs
- (b) in respect of each and every occurrence or series of occurrences arising out of or in connection with any one event indemnifiable by this item, the insured shall bear the amount stated in the schedule as the first amount payable
- (c) where the insured elects to insure programs (software), a schedule of such programs shall be lodged with the company at the commencement of each period of insurance.
- (d) the indemnity by this item shall be limited to R 5 000.00 (five thousand rand) or the amount stated in the Schedule whichever is the greater

DEFINITIONS

1. INDEMNITY PERIOD

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

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

2. ACCIDENT

- 1. (Applicable to increased cost of working only) physical loss of or damage to the property insured described in the schedule of property insured from any cause as provided for under sub-section A of this policy, liability under which sub-section shall, except for the provisions relating to the first amount payable or the maintenance/lease agreements, be a condition precedent to liability hereunder.
- 2. Failure of the public supply of electricity at the terminal ends of the service feeders in the premises from any accidental cause other than
 - (a) the deliberate act of the insured or any supply authority
 - (b) drought or shortage of fuel at any electricity utility.

Special conditions applicable to failure of the public supply of electricity

- (a) The liability of the company 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. THE LIMIT OF LIABILITY

The liability of the company shall not exceed the amounts specified in the schedule (relating to sub-section B) in respect of any one accident or series of accidents arising out of or in connection with any one event.

In the event of the payment by the company of any sum or sums in discharge of the company's liability in terms of this sub-section of this policy, the sum(s) insured shall automatically be reinstated for the remainder of the current period of insurance.

The insured shall pay to the company the additional premium required by the company calculated pro rata from the day of the accident to the end of the period of insurance.

SPECIFIC EXCEPTIONS TO SUB-SECTION B

Unless specifically provided for

1. Fines and damages

The company shall not be liable to indemnify the insured in respect of fines or damages for breach of contract for late or non-completion of orders or any penalties of whatsoever nature.

2. Loss of profit

The company shall not be liable to indemnify the insured in respect of loss of profit or consequential loss of whatsoever nature unless specifically provided for herein.

CLAUSES AND EXTENSIONS

1. REINSTATEMENT

Notwithstanding anything to the contrary contained in this sub-section, it is hereby declared and agreed that, in the event of any interruption, following loss or damage, being aggravated by:

- (a) the insured being unable or unwilling to replace or reinstate property destroyed or damaged, or failing to carry out such replacement or reinstatement within a reasonable time, or
- (b) addition, alteration or improvements being affected to the property insured on the occasion of its repair, the company's liability under this section shall be related solely to the business interruption which would have arisen in the absence of (a) and (b).

2. TELECOM ACCESS LINES (IF STATED IN THE SCHEDULE TO BE INCLUDED)

Subject to the limits specified in the schedule, consequential loss as provided for under defined events (i) and (ii) of sub-section B arising from accidental failure of the Telecom access lines is included, provided always that the insurance under this extension shall be subject to the special conditions below.

Special conditions applicable to Telecom access lines

- (a) The liability of the company 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.
- (c) The insurance provided does not cover loss occasioned by the deliberate act of any Telecom authority or by the exercise of such Telecom authority of its power to withhold or restrict access to its lines.

GENERAL MEMORANDA

MEMO 1 - CAPITAL ADDITIONS AND CURRENCY FLUCTUATIONS

The indemnity by this section shall include

- (a) additional equipment or programs purchased by the insured of a similar nature to that specified in the schedule, provided that, in respect of loss or damage due to electrical or mechanical breakdown or explosion, the insurance shall only commence after satisfactory completion of installation or commission/testing and put into use at the insured's 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 installed new replacement value) of the property insured

provided that the increase shall not exceed, by more than 25%, the total sum insured for sub-section A specified in the schedule, it being agreed that the insured will advise the company of such alterations at the expiry of the period of insurance or twelve consecutive months from the inception date or anniversary date and pay the appropriate premium thereon but not exceeding 50% of the difference.

MEMO 2 - PREVENTION OF ACCESS

If, during the indemnity period, the business at the premises be interrupted or interfered with in consequence of the insured being prevented from having access to the property insured situated at the premises caused by damage to property within a 10km radius of the insured premises as described in the schedule, by fire, lightning, explosion, storm, tempest, flood, water inundation, earthquake or impact by vehicles, the company shall indemnify the insured for loss resulting from such interruption or interference in accordance with the provisions contained herein

Provided that

- (i) the insured is not entitled to indemnity as provided for in this extension under any other policy or section of this policy
- (ii) this section shall not be brought into contribution with any other policy or section of this policy bearing a like extension.

SPECIAL EXCEPTION (SUB-SECTION A & B)**Viruses, Trojans and worms**

The company shall not indemnify the insured for loss or damage of whatsoever nature arising directly or indirectly out of or in connection with the action of any computer virus, Trojan or worm(s) or other similar destructive media.

GENERAL CLAUSES AND EXTENSIONS**1. INCOMPATIBILITY COVER (IF STATED IN THE SCHEDULE TO BE INCLUDED)**

Notwithstanding anything contained to the contrary in the policy, the indemnity by sub-sections A & B of this section shall indemnify the insured for costs incurred in respect of

- (a) modifications or alterations to the property insured directly consequent upon indemnifiable loss or damage to ensure the operating integrity of the electronic system
- (b) replacement or upgrading of legal programs to achieve compatibility with the modified or altered electronic system
- (c) the restoration of previously captured data which has become inaccessible due to the modifications to or alterations of the electronic system or in consequence of the replacement or upgrading of legal programs;

provided always that

- (1) the costs provided for in (a), (b) and (c) above shall be necessarily and reasonably incurred to maintain normal working conditions
- (2) such additional costs shall be incurred as a direct consequence of indemnifiable loss or damage in terms of sub-sections A or B (item ii) of this section of the policy
- (3) the cover afforded hereunder shall be restricted to
 - (i) parts or components of the electronic system which are not indemnifiable under sub-section A hereof
 - (ii) programs or data reinstated not indemnifiable under item (ii) of sub-section B hereof;
- (4) the indemnity by this extension shall, in respect of any one event, be limited in the aggregate to twenty per cent (20%) of the applicable total sum insured under sub-section A - The limit of indemnity and sub-section B - item (ii) hereof or R 25 000.00, whichever is the lesser.

2. BURGLAR ALARM WARRANTY WITH ARMED RESPONSE

It is hereby declared and agreed that in respect of any premises stated in the schedule as being subject to the burglar alarm warranty condition, the following will be a precondition to the liability of the company, and it is hereby warranted that;

1. Where the installed alarm is a SAIDSA Approved (Pty) Ltd certified alarm
 - (a) the company will be entitled to request full information of the relevant arming, disarming and monitoring log report after the occurrence of a claim;
 - (b) loss of or damage to the property following the use of the keys, the keypad code or remote control of the burglar alarm or any duplicate thereof belonging to the insured is not covered unless such keys, keypad code, remote control or any duplicate thereof have been obtained by violence or threat of violence to any person or such keys, keypad code or remote control was obtained by theft;
2. Where the installed alarm is not a SAIDSA Approved (Pty) Ltd certified alarm
 - (a) the said alarm is to be a radio controlled and / or telephone linked monitoring alarm where available (for the purposes of this requirement, monitoring shall mean that once the alarm is triggered a signal will be transmitted to the control room which includes a 24 hour armed reaction or response unit);
 - (b) it is also a requirement that such alarm system will include anti-tampering measures which will log such events including but not limited to power cuts and the like;
 - (c) if the company which installed the said alarm system operates an armed reaction unit, the contract for the said alarm shall include the armed reaction unit's services, where available;
 - (d) the control panel shall have an event log and the arming and disarming of the alarm is to be logged and after the occurrence of a claim, the company will be entitled to request full information of the arming, disarming, testing and monitoring log report;
 - (e) the burglar alarm installed at the premises shall be set and armed and made fully operational whenever the premises are not open for business unless a principle, partner, director or employee of the insured is on the premises;

- (f) such alarm will be maintained in proper working order and tested at least once a month, but the insured shall be deemed to have discharged their / his liability in this regard if he has maintained the obligations under a maintenance contract with the suppliers or servicing engineers of the alarm system.
- (g) loss of or damage to the property following the use of the keys, the keypad code or remote control of the burglar alarm or any duplicate thereof belonging to the insured is not covered unless such keys, keypad code, remote control or any duplicate thereof have been obtained by violence or threat of violence to any person or such keys, keypad code or remote control was obtained by theft;

3. LIGHTNING AND POWER SURGE PROTECTION WARRANTY

The insurance provided by this section of the policy, is strictly subject to the installation of power surge protection equipment in accordance with SANS 0142 Code of Practice.

Furthermore, it is a condition precedent to liability that any Local Area Computer Network have specifically installed uninterruptible power supply (UPS) equipment having its own surge protection and that such surge protection equipment is installed in accordance with SANS standards.

MOTOR TRADERS – INTERNAL RISK SECTION

SUB-SECTION A – DAMAGE

DEFINED EVENTS

Damage to the vehicle as described in the schedule, the property of the insured or in his custody or control, whilst in or on the premises described in the schedule (excluding any vehicle which is the property of the insured and is hired or sold under a suspensive sale or similar agreement, unless such vehicle is in the custody or control of the insured at the time of occurrence of the event out of which a claim arises).

Provided always that

- (a) the company may at its own option repair, reinstate or replace such insured vehicle or any part thereof and/or may pay in cash the amount of the damage;
- (b) the liability of the company under Sub-Section A is limited to the retail value of such insured vehicle but not in any case exceeding the amount stated in respect of Sub-Section A 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 Article I of this Section) to such insured vehicle being unobtainable in the Republic of South Africa and/or Namibia 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 SUB-SECTION A

The company shall not be liable for

- (a) consequential loss of use, depreciation, wear and tear, mechanical or electrical breakdowns, failures or breakages;
- (b) damage to tyres, springs or shock absorbers unless caused by an accident involving damage to the insured vehicle itself for which indemnity is provided under Sub-Section A.
- (c) depreciation which shall mean diminution in value of the vehicle howsoever arising including diminution consequent upon the vehicle having sustained damage insured under this Sub-Section notwithstanding the repair of such damage in terms of this Sub-Section.

SUB-SECTION B – LIABILITY TO THIRD PARTIES

DEFINED EVENTS

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 and/or its accessories and spare parts 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 Sub-Section A) incurred with the company's written consent;
- (b) the liability of the company under Sub-Section B in respect of death, injury, damage, costs and/or expenses shall be limited to the sum specified in respect of Sub-Section B 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

- (c) 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 Sub-Section B shall be limited to the sum specified in respect of Sub-Section B under the heading "LIMITS OF LIABILITY" in the schedule, or the sum of R 2 500 000 (Two Million Five 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 SUB-SECTION B

The company shall not be liable for:

- (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.
- (e) Compensation as falls within the scope of the Multilateral Motor Vehicle Accidents Fund Act 1989 No. 93 of 1989 or any replacement enactment by any state situation within the area which on 1st January 1976 constituted the Republic of South Africa and/or Namibia or as falls within the scope of the Motor Insurance Act No. 26 of 1974 (Botswana) of the Lesotho Motor Vehicle Proclamation 1972 No. 18 of 1972 or the Motor Vehicle Insurance Order No. 47 of 1973 (Swaziland) or of any amendment, replacement or substitution of any of the aforesaid Enactments. This exception shall apply notwithstanding that no insurance under the said Enactments is in force or has been effected.

DEFINITIONS

For the purpose of this Section the expression

1. **schedule** - used in this Section shall mean – the schedule of this Section.
2. **premises** - used in this Section shall mean – any premises at which the insured is performing work where such premises are not under the insured's control
3. **insured's business** - used in this Section shall mean – the Insured's business as stated in the schedule
4. **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 Sub-Section A and B and notwithstanding anything to the contrary contained in such Sub-Section the Insured shall be responsible for the first portion, as stated under the heading "FIRST AMOUNT PAYABLE" in the schedule, of any expenditure (or any loss 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 A 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.

SPECIFIC EXCEPTIONS APPLICABLE TO ALL SUB-SECTIONS 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 aforementioned enactment 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 thereof;
- (4) damage to any vehicle or any 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 of animals, power-driver 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 vehicle 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.

EXTENSIONS AND MODIFICATIONS

It is expressly declared and agreed that the following Extensions/Modification (each individually) shall otherwise be subject to all the terms, exception 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.

EXTENSION REGARDING WORK AWAY FROM PREMISES (IF STATED IN THE SCHEDULE TO BE 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 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.

EXTENSION REGARDING CAR HOISTS (IF STATED IN THE SCHEDULE TO BE 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 to meters" are added at the end of Specific Exception (7) of the Specific Exceptions applicable to all Sub-Sections

EXTENSION REGARDING WINDSCREENS (IF STATED IN THE SCHEDULE TO BE INCLUDED)

The provision of this section relating to first amount payable shall not apply to any payment for damage to windscreen glass, side or rear glass forming part of any vehicle. Provided that:

- (a) no other damage has been caused to the vehicle giving rise to a claim under this section
- (b) the insured shall be responsible for the first amount payable stated in the schedule of each and every loss.

EXTENSION REGARDING THIRD PARTY COVER ONLY (IF STATED IN THE SCHEDULE TO BE INCLUDED)

It is hereby declared and agreed that Sub Section A is cancelled.

WAIVER OF SUBROGATION RIGHTS

For the purpose of this section, the Company waives all rights of subrogation or action which they may have or acquire against any other person to whom the indemnity hereunder applies and each such person shall observe fulfil and be subject to the terms exception and conditions (both general and specific) of this insurance in so far as they can apply, but this waiver shall not apply to agents or subcontractors of the insured.

PRINCIPALS

Notwithstanding specific exception 4 of this section the indemnity under Sub-Section B extends to indemnify, to the extent required by the conditions of any contract of the Building Industries Federation of South Africa and in connection with any liability arising from the performance of such contract, any principal named in such contract entered into by the insured for the purposes of the business provided that the liability of the Company shall not be exceeded thereby.

CROSS LIABILITIES

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

EXTENSION REGARDING LOSS OF USE OF CUSTOMERS VEHICLES (IF STATED IN THE SCHEDULE TO BE 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 in the event of the company being liable to indemnify the Insured under Sub-Section A 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 A 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.

MEMORANDUM

The company shall not be liable for

- (a) damage to that part of any property on which the insured are or have been working if the damage results directly from such work. This exception shall only apply to that part actually giving rise to damage
- (b) injury or damage caused by defective workmanship
- (c) injury or damage caused by fire, explosion or lightning provided that this exception shall not apply to any claim under defined events a, b or c of Sub-Section B of this section caused by fire or explosion resulting directly from the possession or use of a vehicle.
- (d) Any claim arising from contractual liability unless such liability would have attached to the insured notwithstanding such contractual agreement
- (e) Damage to any vehicle as a result of theft, housebreaking or any attempt thereat
- (f) Damage to any vehicle caused by weather conditions, earthquake or earth tremor
- (g) In respect of definition 2 (other premises) – damage, accident, injury or liability arising outside Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi and the Republic of South Africa.

MOTOR TRADERS – EXTERNAL RISK SECTION

DEFINED EVENTS

The company will in accordance with the terms, exceptions and conditions of Sub-Section A and B indemnify the insured in respect of any accident, loss or damage occurring whilst any insured vehicle is on the road and/or temporarily garaged during the course of a journey elsewhere 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 within the territorial limits (Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi).

SUB-SECTION A

LOSS OF OR DAMAGE TO THE INSURED VEHICLE

The company will indemnify the insured against loss of or damage to any insured vehicle including 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 wheel(s), 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 A of this Section is limited to the reasonable retail value of such insured vehicle (including the tools, accessories and spare parts as mentioned above) but not in any case exceeding the amount stated in respect of Sub-Section A 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 tool, accessory and spare part) needed to repair or replace damage (insured against Sub-Section A of this Section) to such insured vehicle being unobtainable in the Republic of South Africa and/or Namibia 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 against under Sub-Section A of this Section the company will pay the reasonable cost of protection and removal to the nearest repairer 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 R 2 500.00 (Two Thousand Five Hundred Rand) 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 area which on the 1st of January 1976 constitutes the Republic of South Africa, Namibia 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 R 2,500.00 (One Thousand Rand) in total.

SPECIFIC EXCEPTIONS APPLICABLE TO SUB-SECTION A

The company shall not be liable for:

- (a) consequential loss arising in any way whatever, depreciation, wear and tear, mechanical or electrical 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.
- (e) Depreciation which shall mean diminution in value of the vehicle howsoever arising including diminution consequent upon the vehicle having sustained damage insured under this section notwithstanding the repair of such damage in terms of this section
- (f) Detention, confiscation or requisition by customs or other officials or authorities

SUB-SECTION B

LIABILITY TO THIRD PARTIES

The company will:

- (1) indemnify the insured in the event of any accident caused by or through or in connection with any insured vehicle, including the loading and/or unloading of such 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 other than property belonging to 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.
- (2) pay all costs and expenses (which be connected with the indemnity provided under Sub-Section B of this Section) incurred with the company's written consent.
- (3) Indemnify, in terms of and subject to the limitations of and for the purpose of Sub-Section B 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/she 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 or motor vehicle insurance or continuance thereof by any insurance company or underwriter.

Provided always that the liability of the company under Sub-Section B of this Section in respect of death, injury, damage, costs and/or expenses shall be limited to the sum specific in respect of Sub-Section B 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 B 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 R 2 500,000.00 (Two million Five Hundred Thousand Rand) whichever is the lesser, in respect of any one accident or series of accidents due to or arising out of anyone event or occurrence.

SPECIFIC EXCEPTIONS APPLICABLE TO SUB-SECTION B

The company shall not be liable for:

- (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 part;
- (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) to any person being carried in or upon or getting onto or alighting from the vehicle (other than private type motor car of the passenger carrying compartment of any light delivery vehicle with a carry capacity not exceeding 2 000 kg)
- (d) death of or injury to any person in the employment of the Insured arising out of and in the course of such employment;
- (e) 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 r side-car attached thereto at the time of the occurrence of the event out of which any claim arises;
- (f) death or injury to any person being a member of the same household as the insured;
- (g) 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;
- (h) 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.
- (i) Compensation as falls within the scope of the Multilateral Motor Vehicle Accidents Fund Act 1989 No. 93 of 1989 or any replacement enactment by any state situation within the area which on 1st January 1976 constituted the Republic of South Africa and/or Namibia or as falls within the scope of the Motor Insurance Act No. 26 of 1974 (Botswana) of the Lesotho Motor Vehicle Proclamation 1972 No. 18 of 1972 or the Motor Vehicle Insurance Order No. 47 of 1973 (Swaziland) or of any amendment, replacement or substitution of any of the aforesaid Enactments. This exception shall apply notwithstanding that no insurance under the said Enactments is in force of has been effected.

DEFINITIONS

For the purpose of this Section the expression

1. **schedule** - used in this Section shall mean – the schedule of this Section.
2. **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 AMOUNT PAYABLE

In respect of each and every occurrence regarding Sub-Section A and B 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 AMOUNT PAYABLE” in the schedule, of any expenditure (or any loss 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 A 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 CLAUSE

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; carriages 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.

SPECIFIC EXCEPTIONS APPLICABLE TO ALL SUB SECTIONS

The company shall not be liable for:

- (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 area which on the 1st January 1976 constituted the Republic of South Africa, Namibia, Lesotho, Botswana, Swaziland, Zimbabwe and Malawi provided, however, that the company will indemnify the Insured in terms of Article I 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 Exceptions (2) of the Specific Exceptions applicable to all Sub-Sections of this Section provided, however, that if such a license be subject to renewal he/she has held and is not disqualified from holding or obtaining such licence and provided further that this Exception shall not apply whilst the Insured or any such person is driving such vehicle whilst learning to drive if at such time he/she 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 accident, injury, loss, damage, liability, costs and/or expenses directly or indirectly caused by or arising out of the explosion of the boiler of any insured vehicle;
- (5) any claim arising out of any contractual liability;
- (6) any claim in respect of any vehicle
- (a) let out on hire or being used as a taxi or plying for public or private hire or for being used for the carrying of passengers for reward
 - (b) engaged in racing or any speed contest or trial or being driven in a match for a wager
 - (c) being used for the carrying of explosives or any load in excess of that for which it is being constructed to carry
 - (d) being used for any unusual or specifically hazardous purpose provided that the carrying of petrol or other spirit shall in itself not be considered an infringement of this exception
 - (e) being used for any unauthorised purpose by an employee of the insured or by any other person with whom such employee is or was acting in collusion.

SPECIFIC CONDITIONS APPLICABLE TO THIS SECTION

- (1) If during the currency of this Section any driver's licence in favour of the Insured or in favour of any authorised driver of the Insured be endorsed, suspended or cancelled or if he/she or they be charged or convicted of negligent, reckless or improper driving, notification shall be send 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

It is hereby declared and agreed that 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 purpose 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 fully licensed driver who shall be either the Insured or a member, director or employee of the Insured;
 - (c) for purpose of demonstration which shall include driving by the person to whom the insured vehicle is being demonstrated provided that such person is accompanied by 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 purpose 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 fully licensed driver who shall be either the Insured or a member, director or employee of the Insured;
- (c) for purpose 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.

EXTENSIONS

It is expressly declared and agreed that

- (a) only those of the following Extensions which are specifically stated in the schedule as being included, shall be regarded to 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. EXTENSION REGARDING USE FOR SOCIAL, DOMESTIC AND PLEASURE PURPOSES (IF STATED IN THE SCHEDULE TO BE INCLUDED)

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, it is hereby declared and agreed that the indemnity provided by this Section is extended to apply whilst 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. EXTENSION REGARDING LOSS OF USE OF CUSTOMERS VEHICLES (IF STATED IN THE SCHEDULE TO BE 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 in the event of the company being liable to indemnify the Insured under Sub-Section A 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 A 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. EXTENSION REGARDING UNAUTHORISED USE OF VEHICLES BY EMPLOYEES (IF STATED IN THE SCHEDULE TO BE INCLUDED)

In consideration of the payment of an additional premium which is included in the premium under this Section, it is hereby declared and agreed that Specific Exception (3) (e) of the Specific Exceptions applicable to all Sub-Sections of this Section is cancelled.

4. EXTENSIONS REGARDING LEGAL LIABILITY OF PASSENGERS FOR ACTS OF NEGLIGENCE (IF STATED IN THE SCHEDULE TO BE 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 company will at the request of the Insured indemnify in terms of Sub-Section B 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. EXTENSIONS REGARDING PASSENGER LIABILITY- MOTOR CYCLES
EXTENSION (IF STATED IN THE SCHEDULE TO BE 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 Specific Exception (d) of the Specific Exceptions applicable to Sub-Section B 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. EXTENSION REGARDING DRIVING OF MOTOR CYCLES (IF STATED IN THE
SCHEDULE TO BE INCLUDED)**

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, it is hereby declared and agreed that 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.

OPTIONAL LIMITATIONS

It is expressly declared and agreed that

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

**1. COVER FOR MOTOR CYCLES AND MOTOR SCOOTERS ONLY (IF STATED IN THE
SCHEDULE TO BE INCLUDED)**

It is hereby declared and agreed that 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 sidecar attached thereto) the property of or in the custody or control on 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 (IF STATED IN THE SCHEDULE TO BE
INCLUDED)**

It is hereby declared and agreed that 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 or load and earth moving equipment, lift truck or mobile crane (hereafter termed "Special Type Vehicles") the property of or in the custody and control of the Insured (excluding any "Special Type Vehicles", 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 any aforementioned "Special Type Vehicle" for the purpose of being towed or salvaged.

3. EXCLUSION OF OWN VEHICLES (IF STATED IN THE SCHEDULE TO BE INCLUDED)

It is hereby declared and agreed, notwithstanding anything to the contrary contained in this Section, that 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 (IF STATED IN THE SCHEDULE TO BE
INCLUDED)**

It is hereby declared and agreed, notwithstanding anything to the contrary contained in this Section, 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 (IF STATED IN THE SCHEDULE TO BE INCLUDED)

It is hereby declared and agreed that the company shall not be liable under Article 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) (IF STATED IN THE SCHEDULE TO BE INCLUDED)

It is hereby declared and agreed that

- (a) the liability of the company under Article 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 thereat;
- (b) the Clause regarding the No Claims Rebate is cancelled.

7. THIRD PARTY ONLY COVER (IF STATED IN THE SCHEDULE TO BE INCLUDED)

It is hereby declared and agreed that Article I of this Section are cancelled.

MACHINERY BREAKDOWN SECTION

DEFINED EVENTS

Unforeseen and sudden fortuitous physical damage to the insured property (or any part thereof) whilst on the premises from any cause not specifically excluded whilst at work or at rest or being dismantled for the purpose of cleaning, inspection, repair, overhaul or removal to another position within the premises or in the course of these operations and subsequent re-erection by, but not restricted to,

defects in casting, defects in material, faulty design, faults at workshop or in erection, bad workmanship, lack of skill, carelessness, shortage of water in boilers, physical explosion, tearing apart on account of centrifugal force, short circuit or from any other cause not specifically excluded in terms of any exception that is applicable to this policy as a whole or this section in particular that necessitates repair or replacement of the insured property.

Provided always that this insurance shall only apply to the insured property after successful completion of their performance acceptance tests whether they are at work or rest, or being dismantled for the purpose of cleaning or overhauling, or in the course of the aforesaid operations themselves, or when being shifted within the premises, or during subsequent re-erection.

INCREASED COST OF WORKING

The additional expenditure necessarily and reasonably incurred as a direct consequence of the accident (including costs incurred in obtaining alternative storage facilities for the Insured Products) wholly and exclusively incurred for the purpose of preventing or minimizing damage to the Insured Products but not exceeding the amount stated in the schedule

BASIS OF INDEMNITY

1. Partial loss

Where damage to the insured property can be repaired the company will pay the expenses necessarily incurred to restore the damaged insured property to its former state of serviceability plus the cost of dismantling and re-erection incurred for the purpose of effecting the repairs as well as ordinary freight to and from a repair shop, customs duties and dues, if any, to the extent that such expenses have been included in the sum insured. If the repairs are executed at a workshop owned by the insured the company shall pay the costs of materials and wages incurred for the purposes of the repairs plus a reasonable percentage 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, the property shall be regarded as destroyed and settlement shall be made on the basis provided for in (2) below.

2. Total loss

- (a) If equipment not exceeding 3 years from date of manufacture is totally damaged the basis of calculating the amount payable shall be the cost of replacing or reinstating the equipment with equipment of the same kind or type but not superior to or more extensive than the insured equipment when new including freight and erection costs customs duties and the cost of removing the destroyed equipment less the value of the remains subject to provisos (a), (b) and (c).
- (b) If equipment exceeding 3 years from date of manufacture is totally damaged the basis of calculating the amount payable shall be the cost of replacement at market value and the cost of removing the destroyed equipment less the value of any salvage subject to provisos (a), (b), (c), (d) and (e). The insured item shall be regarded as totally damaged if the repair costs (as defined under partial loss) equal or exceed the value as defined in 2 (b) above immediately before the insured event

Provided 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 shall be borne by the company if such repairs constitute part of the final repairs and do not increase the total cost of repairs;
- (c) the company shall make payments only after being satisfied by production of the necessary bills and documents that the repairs have been effected or replacement has taken place, as the case may be;
- (d) the work of replacement or reinstatement (which may be carried out at other premises and in any manner suitable to the requirements of the Insured subject to the liability of the company not being thereby increased) 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
- (e) In either event (1) or (2) the amount claimable shall not exceed the amount specified in the Machinery Insurance Schedule

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, dues and customs duties, if any, and cost of erection. If the sum insured is less than the amount required to be insured, the company shall pay only in such proportion as the sum insured bears to the amount required to be insured. Every item (if more than one) shall be separately subject to the foregoing stipulation.

DEFINITIONS

For the purposes of this section the following expressions mean:

“Insured property” - the property described in the schedule of this section under the heading “Description of insured property”

“premises” - the premises, the situation of which is stated in the schedule of this section.

SPECIFIC EXCEPTIONS

The company shall not be liable for:

- (1) the first amount payable, stated in the schedule of this Section, to be borne by the Insured in any one occurrence. If more than one item is lost or damaged in one occurrence, the Insured shall not, however, be called upon to bear more than the highest single first amount payable applicable to such items;
- (2) loss of or damage to exchangeable tools (for example, dies, moulds, engraved cylinders), parts which by their use and/or nature suffer a high rate of wear or depreciation for example refractory linings, crushing hammers), objects made of glass, belts, ropes, wires, rubber tyres, and operating media (for example lubricants, fuels, catalysts);
- (3) loss or damage due to fire, direct lightning, chemical explosion (except flue gas explosions in boilers), extinguishing of a fire or subsequent demolition, aircraft or other aerial devices or articles dropped there-from, theft, burglary or attempts thereat, collapse of buildings, flood, inundation, earthquake, subsidence, landslide, avalanche, hurricane, cyclone, volcanic eruption or similar natural catastrophes;
- (4) loss or damage for which a supplier, contractor or repairer is responsible either by law or under contract;
- (5) loss or damage caused by any faults or defects existing at the time of commencement of this Section within the knowledge of the Insured or his representatives, whether such faults or defects were known to the company or not;
- (6) loss or damage as a direct consequence of the continual influence of operation (for example wear and tear, cavitation, erosion, corrosion, rust, boiler scale);
- (7) consequential loss or liability of any kind or description.
- (8) loss of or damage resulting from experiments, overloads, tests or overhauls requiring the imposition of abnormal conditions
- (9) loss of or damage arising out of the wilful act or gross negligence of the Insured or his representatives
- (10) loss of or damage to foundations, masonry or refractories unless specifically stated in the schedule to be included

SPECIFIC CONDITIONS

- (1) The due observance and fulfilment of the terms of this Section and of this policy in so far as they relate to anything to be done or complied with by the Insured, shall be a condition precedent to any liability of the company.
- (2) In the event of any material alteration in the risk undertaken by the company, the Insured shall as soon as possible give notice in writing to the company. The premium, terms and conditions shall thereupon be subject to adjustment accordingly. Any claim in respect of loss or damage that may arise before such notice is given, shall be handled in accordance with the company's normal conditions, exceptions and first amount payable for risks of a similar nature, subject to the Insured agreeing to pay any increased premium that may be required in respect of the altered risk.
- (3) (a) On the happening of any loss or damage the Insured shall, in addition to complying with General Condition 6 of this policy, and
 - (i) take all reasonable steps to minimise the extent of such loss or damage;
 - (ii) preserve any damaged or defective parts for inspection by the company.

(b) Upon notification being given to the company in terms of General Condition 6 of this policy, the Insured may carry out the repairs or replacement of any minor damage; in all other cases a representative of the company shall have the opportunity of inspecting the loss or damage before any repairs or replacement or alterations are effected. If a representative of the company does not carry out the inspection within a period of time which could be considered adequate under the circumstances, the Insured is entitled to proceed with the repairs or replacement.

- (c) The liability of the company under this Section in respect of the insured property shall cease if such insured property is kept in operation after a claim without being repaired to the satisfaction of the company, or if temporary repairs are carried out without the company's consent.
- (4) The Insured shall, in addition to complying with General Condition 5 of this policy,
 - (i) take all reasonable steps to maintain the insured property in efficient working order and to ensure that no part of the insured property is habitually or intentionally overloaded;
 - (ii) fully observe the manufacturer's/agent's instructions for the operation, inspection and maintenance of the insured property and fully observe government regulations, statutory regulations, municipal regulations and all other binding regulations in force concerning the operation and maintenance of the insured property.

CLAUSES AND EXTENSIONS

Overtime, night work, work on public holidays and express freight

The insurance under this section covers extra charges for overtime, night work, work on public holidays and express freight (excluding airfreight).

Provided that such extra charges are incurred in connection with damage to the insured property recoverable under this section.

Provided further that the amount payable in respect of this extensions shall not exceed the sum insured set opposite the applicable item and not exceeding in all the total sum insured stated in the schedule of this section.

Capital additions

This section covers alterations, additions and improvements (but not appreciation in value in excess of the sum insured) to the insured property for an amount not exceeding 20% of the sum insured under the applicable item, it being understood that the insured undertakes to advise the company each quarter of such alterations, additions and improvements and pay or agree to pay the additional premium thereon.

DETERIORATION OF STOCK

DEFINED EVENTS

Loss of or damage to the insured property specified in the schedule caused by deterioration due to unforeseen physical loss of or damage to the machinery specified in the machinery breakdown section and indemnifiable under the machinery breakdown section in force

Provided that the liability of the company during any one year of insurance shall not exceed the limit of indemnity stated in the schedule in respect of each item specified.

SPECIFIC EXCEPTIONS

The company shall not be liable for:

1. loss arising within the no-claim period stated in the schedule of goods stored in the refrigeration chambers due to deviation from the prescribed refrigeration temperature, unless deterioration is caused by contamination as a result of leakage of refrigerant or by accidental freezing of goods or unless fresh goods that have not yet reached the prescribed refrigeration temperature is affected thereby; no-claim period is defined as the time period immediately following cessation of cooling during which, with the storage room left sealed, no deterioration would take place;
2. loss to the goods stored arising as a result of shrinkage, inherent defects or diseases, natural deterioration or natural putrefaction;
3. loss arising from improper storage, damage to packing material, insufficient circulation of air, non-uniformity of temperature;
4. loss caused by temporary repair carried out without the company's consent of the refrigeration machinery specified in the insured's list of machinery;
5. penalties for delay, consequential loss or damage or liability of any nature whatsoever;
6. loss or damage directly or indirectly caused by, or arising out of, or aggravated by
 - (a) the willful act or willful negligence of the insured or his representatives;
 - (b) fire, lightning, chemical explosion, extinguishing of a fire or subsequent demolition, aircraft or other aerial devices or articles dropped therefrom, theft or attempts thereat, collapse of buildings, flood, inundation, earthquake, subsidence, landslide, avalanche, hurricane, cyclone, volcanic eruption or other natural catastrophes.

SPECIFIC CONDITIONS

This section shall apply only if

1. the refrigeration machinery is insured under an in force machinery breakdown section;
2. the insured refrigeration machinery is connected to an automatic alarm system in an attended location;
3. the stock is not stored in "controlled atmosphere" chambers;
4. at the time of the loss or damage the goods are stored in the refrigeration chambers;
5. the insured maintains on a daily basis a stock book in which the type, quantity and value of the goods stored and the beginning and the end of the storage period are entered separately for each refrigeration chamber;
6. the sum insured is equal to the estimated maximum selling price obtainable for the stored goods during the period of this section. The insured shall be obliged to furnish the company not later than 10 days after the close of each month either with copies of the aforesaid stock books or with a duly completed declaration showing the average quantity and value per day of the goods stored during the preceding month (monthly declaration).

The monthly declaration shall be based on the selling price obtainable for the goods.

Stock book copies and monthly declarations shall be regarded as forming an integral part of this policy.

The sum insured shall be reduced by any indemnity paid under this section for the remaining policy period unless it has been reinstated by payment of a pro rata additional premium, from the date of the insured loss or damage for the remaining portion of the (annual) period of insurance;

7. all claims shall be settled on the basis of the value stated in the monthly declaration immediately prior to the occurrence of the loss or the selling price that would have been obtainable, whichever is the lesser. When determining the indemnity the company shall take into consideration all circumstances that may influence the amount of indemnity, such as proceeds from a sale of goods as well as storage costs saved due to the termination of the storage.

If after the occurrence of a partial loss it is found that the last monthly declaration preceding the loss is less than the amount that ought to have been declared, then the amount which would have been recoverable by the insured shall be reduced in such proportion as the amount of the said last monthly declaration bears to the amount that ought to have been declared.

WARRANTIES

AUTOMATIC ALARM SYSTEM (IF STATED IN THE SCHEDULE TO BE INCLUDED)

The insured refrigeration machinery must be connected to an automatic alarm system in a controlled and permanent attended location failing which the company will not be liable for any claim arising there from

STOCK BOOK WARRANTY (IF STATED IN THE SCHEDULE TO BE INCLUDED)

The insured maintains on a daily basis a stock book in which the type, quantity and value of the goods stored and the beginning and the end of the storage period are entered for each refrigerating chamber separately.

CONSTANT SUPERVISION (IF STATED IN THE SCHEDULE TO BE INCLUDED)

The insured refrigeration machinery is under constant supervision by qualified personnel failing which the company will not be liable for any claim arising there from

TEMPERATURE READINGS (IF STATED IN THE SCHEDULE TO BE INCLUDED)

During the entire period of storage, the insured records in a logbook the condition of the insured goods and at least three temperature readings per day from each refrigeration chamber, the accuracy of the temperature readings being verified by means of a calibrated, independent reference thermometer at least every 14 days

MACHINERY BREAKDOWN LOSS OF PROFITS SECTION

DEFINED EVENTS

If during the period of insurance any of the machinery and plant used by the insured at the premises for the purpose of the business be affected by an accident and the business carried on by the insured at the premises be in consequence thereof interrupted or interfered with, the company will (subject to the exceptions and conditions of this section and of this policy) pay to the insured as indemnity in respect of item 1 mentioned under the heading "Subject matter insured" in the schedule of this section, the amount of the loss resulting from the aforesaid interruption or interference in accordance with the provisions contained in Appendix 1 of this section, provided that

- (a) the machinery and plant shall during the currency of this section be insured against machinery breakdown;
- (b) the liability of the company in respect of the aforementioned item 1, shall in no case exceed the sum insured stated in respect of such item 1 in the schedule of this section.

DEFINITIONS

For the purposes of this section the following mean:

"Premises" – the premises, the situation of which is stated in the schedule of this section

"Business" – the insured's business as stated in the schedule of this section

"Machinery and plant" – machinery and plant described in the list under the heading "List of machinery and plant" in the schedule of this section.

"Accident" – any unforeseen and sudden fortuitous physical damage to the machinery and plant necessitating its immediate repair or replacement due to causes such as but not restricted to defects in casting and material, faulty design, faults at workshop or in erection, bad workmanship, lack of skill, carelessness, malice, shortage of water in boilers, physical explosion, tearing apart on account of centrifugal force, short circuit, storm, or any other cause not specifically excluded whilst such machinery and plant are:

- (a) working or at rest;
- (b) being dismantled, moved, or re-erected for the purpose of cleaning, inspection, repair or installation at another location within the premises, provided such machinery and plant have successfully completed its acceptance tests.

SPECIFIC EXCEPTIONS

This section does not cover any loss or claim resulting from interruption of or interference with the business directly or indirectly attributable to any of the following causes:

1. Loss or damage to:
 - (a) foundations and masonry, unless specifically included and described in the list under the heading "List of machinery and plant" in the schedule of this section;
 - (b) exchangeable and replaceable parts such as, but not restricted to, bits, drills, knives, saw blades;
 - (c) dies, moulds, patterns, blocks, stamps, punches coatings or engravings on cylinders and rolls;
 - (d) parts which by their use and/or nature suffer a high rate of wear or depreciation such as, but not restricted to, crushing surfaces, balls, hammers, screens and sieves, engraved soft metal cylinders, wear plates, elevator and conveyor belts or bands, chains, flexible pipes, jointing and packing materials, filter cloths, parts made of glass, rubber, textile or synthetic, grinding wheels, ropes, belts, straps, cables other than electrical conductors, brushes, batteries, tyres, refractory materials, grate bars, burner jets;
 - (e) operating media such as, but not restricted to, fuels, chemicals, catalysts, filter substances, heat transfer media, cleansing agents, lubricants.
2. Loss or damage due to fire, direct lightning, chemical explosion (except flue gas explosions in boilers), extinguishing of a fire or subsequent demolition, aircraft or other aerial devices or articles dropped therefrom, burglary or theft or attempts thereat, collapse of buildings, wind, storm, water, flood, inundation, earthquake, subsidence, landslide, avalanche, hurricane, cyclone, volcanic eruption or similar natural catastrophes.
3. Loss or damage for which a supplier, contractor or repairer is responsible either by law or under contract.
4. Loss or damage due to any faults or defects within the knowledge of the insured or his representatives existing at the time of commencement of this section, whether such faults or defects were known to the company or not.

5. Repair or replacement necessitated by direct damage due to wear and tear, corrosion, erosion, deposits of scale sludge or other sediment, rust, or by scratching of painted or polished surfaces, or by any other direct consequences or progressive or continuous influences from working or atmospheric or chemical action; but the company shall be liable for any loss resulting from interruption or interference caused by damage arising from such causes and otherwise insured by this section.
6. Loss or damage due to the imposition of abnormal conditions directly or indirectly resulting from testing, intentional overloading or experiments.
7. Shortage, destruction, deterioration of or damage to raw materials, semi-finished or finished products or other materials required for proper operation, even if the consequence of material damage to an item described in the list under the heading "List of machinery and plant" in the schedule of this section is involved.
8. Any restrictions on reconstruction or operation imposed by any public authority.
9. The insured not having at his disposal in good time sufficient capital for repairing or replacing destroyed or damaged machinery.
10. Loss of or damage to machinery, mechanical installations and their additional installations or other items which are not described in the list under the heading "List of machinery and plant" in the schedule of this section, even if the consequence of material damage to an item described in the aforesaid list is involved.
11. Loss of business due to causes such as suspension, lapse or cancellation of a lease, license or order et cetera that occurs after the date when the machinery and plant affected by an accident is again in operating condition and the business could have been resumed if the aforesaid lease, license or order et cetera had not been suspended, lapsed or cancelled.
12. The company shall not be liable under this section in respect of the prolongation of any period of interruption of or interference with the business resulting directly or indirectly from the operation of:
 - (a) any gazetted law of the Republic South Africa, including any exchange control regulation, directed against any other country;
 - (b) any law of a foreign country or international law directed against the Republic of South Africa;
 - (c) any economic sanctions, conventions, trade embargoes, boycotts, strikes or actions directed against the Republic of South Africa, other than occurring within the borders of the Republic of South Africa.

If the company alleges that this clause is applicable by reason of any or all of stipulations (a), (b) or (c) above the burden of proving the contrary, shall rest on the insured. If the company alleges that by reason of any of the provisions of specific exceptions (3) and (4) above, any loss or claim is not covered by this section the burden of proving the contrary shall rest on the insured.

SPECIFIC CONDITIONS

1. The due observance and fulfillment of the terms of this section and of this policy insofar as they relate to anything to be done or complied with by the insured shall be a condition precedent to any liability of the company.
2.
 - (a) Representatives of the company shall at any reasonable time have the right to inspect and examine the risk and the insured shall provide the representatives of the company with all details and information necessary for the assessment of the risk
 - (b) The insured shall as soon as possible notify the company in writing of any material change in the risk and cause at his own expense such additional precautions to be taken as circumstances may require, and the scope of cover and/or premium shall, if necessary, be adjusted accordingly.
3. Should at any time after the commencement of this section
 - (a) the business be wound up or carried on by a liquidator, receiver, trustee or judicial manager or be permanently discontinued;
 - (b) the insured's interest ceases other than by death,
 - (c) any alteration be made or admitted by the insured whereby the risk of accident is increased,
 - (d) the retention of standby or spare machinery or any other loss-minimising factors in existence when the insurance under this section was effected, be reduced or discontinued or such stand-by or spare machinery be not maintained in an efficient working condition and available for immediate use, then the insurance under this section shall, notwithstanding anything contained to the contrary in general condition 1 of this policy, cease unless and until the continuance of the insurance under this section is confirmed in writing by the company.
4. The insured shall exercise all reasonable care in the selection of employment and supervision of all employees and in the prevention of any loss or damage and in compliance with any statutory regulations and manufacturer's recommendations. The stipulations of this specific condition 4 are applicable in addition to the stipulations of general condition 5 of this policy.

5. The insured shall be obliged to keep complete records. All records (for example, but not limited to, inventories, production and balance sheets) for the three preceding years shall be held in safe-keeping or (as a precaution against their being simultaneously destroyed) the insured shall keep separate sets of such records.
6. On the happening of any occurrence that may result in a claim under this section the insured shall, notwithstanding general condition 6:
 - (a) immediately notify the company by telephone or telegram of the aforesaid occurrence and send the company written confirmation thereof within 48 hours after the aforesaid occurrence;
 - (b) do and concur in doing and permit to be done all such things as may be reasonably practicable to minimise or establish the extent of any interruption of or interference with the business or to avoid or diminish the loss resulting therefrom;
 - (c) as far as may be reasonable practicable without causing any increase in the period of interruption or interference with the business take precautions to preserve any things that might prove necessary or useful by way of evidence in connection with any claim;
 - (d) discontinue the use of any damaged machinery and plant unless the company authorised otherwise, and the company shall not be liable in respect of any further interruption or interference with the business arising out of the continued use of any damaged machinery and plant without the company having given its consent in writing to such use until the aforesaid machinery and plant have been repaired to the satisfaction of the company.
7. In the event of a claim being made under this section the insured shall, notwithstanding general condition 6, at the insured's own expense within 30 days after the expiry of the indemnity period (or within such further time as the company may in writing allow) submit to the company a written statement setting forth full particulars of the insured's claim together with details of all other insurances covering the accident or any part of it or consequential loss (of any kind whatsoever) resulting therefrom. The insured shall at his own expense also produce and furnish to the company such books of account and other business books, documents, proofs, information, explanation and other evidence as may be reasonably required by the company for the purpose of investigating or verifying the claim, together with (if required) a statutory declaration regarding the truth of the claim and of any matters connected with the claim.
8. If at the time of any accident resulting in a loss insured against under this section there be any other insurance effected by or on behalf of the insured covering the same loss or any part thereof the company shall not be liable to pay or contribute more than its rateable proportion of any sum payable in respect of the whole of such loss. Provided that the company shall not be liable to pay for or contribute to any loss that is insured by or would but for the existence of this section be insured by any business interruption or loss of profits or consequential loss policy or policies covering marine risks or fire and/or explosion risks.
9. The total amount of the indemnity that is provided under this section shall be payable two weeks after the final determination of such amount. If after the expiry of one month since the beginning of an interruption of or interference with the business and after the expiry of each further month it is possible to determine the minimum amount that the company is liable to pay in respect of the then elapsed period of the aforesaid interruption or interference the insured shall be entitled to demand that the aforesaid minimum amount be paid to the insured as an installment in respect of the total amount of the indemnity that is provided under this section.

Provided that

 - (a) the company shall be entitled to postpone any payment
 - (i) if there is any doubt as to the insured's right to receive payment until the necessary proof is furnished;
 - (ii) if, as a result of any physical damage or any interruption of or interference with the business any police or penal investigation has been initiated against the insured, until the completion of such investigations.
 - (b) the company shall not be liable to pay interest other than interest for default.
10. In the event of an accident to any machinery and plant that may result in a claim under this section the company shall have the right to take over and control all necessary repairs or replacements.
11. On the happening of any occurrence in respect of which a claim is or may be made under this section the company and every person authorised by the company (without thereby incurring any liability and without diminishing the right of the company to rely upon any other conditions of this policy) enter any building where the loss has happened and may take possession of or require that any of the machinery and plant be surrendered to them and may keep possession of and deal with such machinery and plant for all reasonable purposes and in any reasonable manner. This condition shall be evidence of the leave and license of the insured to the company so to do. If the insured or anyone acting on his behalf does not comply with the requirements of the company or hinders or obstructs the company during the aforementioned acts, then all benefit under this section shall be forfeited.

DEFINITIONS

GROSS PROFIT

Gross Profit

The insurance under item 1 of this section is limited to loss of gross profit due to (a) reduction in turnover and (b)

Increase in cost of working and the amount payable as indemnity thereunder shall 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 accident fall short of the standard turnover;
- (b) in respect of increase in cost of working: The additional expenditure necessarily and reasonable incurred for the sole purpose of avoiding or diminishing the reduction in turnover that but for that expenditure would have taken place during the indemnity period in consequence of the accident, 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 accident, provided that the amount payable shall be proportionately reduced if the sum insured in respect of item 1 of this section be less than the sum produced by applying the rate of gross profit to the annual turnover.

For the purposes of the insurance under item 1 of this section the expression "gross profit" used in this section shall mean: the amount by which

- (1) the sum of the value of the turnover and the value of the closing stock shall exceed
- (2) the sum of the value of the opening stock and the amount of the specified working expenses.

"Stock": The values of the opening and closing stocks shall be arrived at in accordance with the insured's normal accountancy methods, due provision being made for depreciation.

"Specified working expenses" - those variable expenses of the business that are specified under the heading "Specified working expenses" in the schedule of this section.

"Turnover" - the money (less discounts allowed) paid or payable to the insured for goods sold and delivered and for services rendered in the course of the business at the premises.

"Indemnity period" - the period, not exceeding the indemnity period stated in the column under the heading "Indemnity period limit" of the list under the heading "List of machinery and plant" in the schedule of this section, commencing with the occurrence of the accident during which the results of the business shall be affected in consequence of such accident, provided always that the company shall not be liable for the amount of the loss arising during the time excess, such time excess to commence as from the beginning of the interruption of or interference with the business resulting in a claim under this section.

"Time excess" - the period stated in the column under the heading "Time excess" of the list under the heading "List of machinery and plant" in the schedule of this section.

"Rate of gross profit" - the rate of gross profit earned on the turnover during the financial year immediately before the date of the accident, to which such adjustments shall be made as may be necessary to provide for the trend of the business and of variations in or special circumstances affecting the business either before or after the accident or that would have affected the business had the accident not occurred, so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results that would but for the accident have been obtained during the relative period after the accident.

"Standard turnover" - the turnover during that period in the twelve months immediately before the date of the accident that corresponds to the indemnity period to which such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or special circumstances affecting the business either before or after the accident or that would have affected the business had the accident not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the result that but for the accident would have been obtained during the relative period after the accident.

"Annual turnover" - the turnover that but for the accident the insured would have been able to obtain during the 12 month period immediately before either the date when the business is no longer affected or when the indemnity period ends, whichever occurs first.

OTHER PREMISES

If during the indemnity period goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the insured or by others on his behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the turnover during the indemnity period.

EXTENSIONS & CLAUSES

OVERHAULS

In determining the amount payable as indemnity under this section due allowance shall be made for the time spent on any overhauls, inspections or modifications carried out during any period of interruption of or interference with the business.

BENEFITS AFTER RECOMMISSIONING

If during a period of 6 months immediately following the recommissioning of the machinery and plant after an accident the insured derives benefit from deferred sales or from increased production and/or profits as a consequence of an interruption of or interference with the business, such benefits shall be taken into account in determining the amount payable as indemnity under this section.

REINSTATEMENT OF SUM INSURED

For the period following the occurrence of an accident up to the last day of any (annual) period of insurance the sum insured under this section shall be reinstated by payment of an additional premium on a pro rata basis, such additional premium to be calculated on that part of the aforesaid sum insured that corresponds to the amount paid as indemnity under this section. The sum insured shall, however, remain unaltered.

RETURN OF PREMIUM

If the insured declares at the latest six months after the expiry of any (annual) period of insurance that the gross profit earned during the accounting period of 12 months most nearly concurrent with the aforesaid (annual) period of insurance, as certified by the insured's auditors, was less than the sum insured thereon, a pro rata return of premium, not exceeding one third of the premium paid on such sum insured for such (annual) period of insurance, shall be made in respect of the difference. If any accident has occurred giving rise to a claim under this section the aforesaid return shall be made in respect only of so much of the aforesaid difference as is not due to such accident.

HOUSEOWNERS

DEFINITIONS

The building(s) of the private dwelling house(s) and all private garages, domestic outbuildings and domestic apartments which is constructed of brick, stone or concrete and roofed with slate, tiles, metal, concrete or asbestos (unless otherwise stated) and situated as stated in the schedule including all private tennis courts, private swimming pools (except portable swimming pools), swimming pool machinery, borehole machinery supplying water solely for domestic purpose, satellite dishes, boundary and other walls, gateposts, gates (including the machinery thereof), fences (other than hedges) and paved or surfaced areas (including driveways) of brick, concrete, asphalt or stone (not gravel), water-tanks, dams and septic tanks, being on the same premises as and used solely for personal and private purposes, including all fixtures and fittings attached thereto as well as the public supply or mains connections as mentioned in general extensions of this section.

Provided always that if two or more private dwelling houses are insured under this section the terms, limitations, exceptions and conditions contained herein shall apply separately to each insured property as if each had been insured under a separate policy.

DEFINED EVENTS

Loss of or damage to the whole or part of the insured property caused by any of the following perils:

1. Fire, lightning, explosion.
2. Storm, wind, water, hail or snow, but excluding any loss of or damage to any property:
 - (a) arising from any process which necessitates the use or application of water unless by public authorities in extinguishing a fire
 - (b) in the open (other than insured buildings, structures and plant designed to exist or operate in the open).

Provided always that this defined event does not cover the following:

- (i) Wear and tear or gradual deterioration;
 - (ii) Any loss or damage caused or aggravated by
 - (a) leakage or discharge from any sprinkler or drencher system in the insured buildings;
 - (b) the insured's failure to take all reasonable precautions for the maintenance and safety of the insured property and to prevent or minimize any loss or damage;
 - (iii) Any loss of or damage to gateposts, gates, fences and retaining walls.
3. Earthquake but excluding any loss or damage arising directly or indirectly from any mining operations
 4. Impact by animals, trees (excluding falling trees whilst contractors are engaged in the felling thereof), aerials, satellite dishes, aircraft or vehicles excluding damage to such animals, trees, aerials, satellite dishes, aircraft or vehicles or property in or on such vehicles
 5. Bursting of water tanks, water apparatus or water pipes, the accidental leakage of oil from fixed oil-fired heating installations, the leakage of washing machines and dishwashers.
 6. Theft or any attempt thereat of fixtures and fittings belonging to the owner of the insured buildings whilst such fixtures and fittings are in or on the insured buildings, but excluding theft or any attempt thereat whilst the insured buildings are lent, let or sub-let in whole or in part unless such theft (or any attempt thereat) is accompanied by breaking into or out of the insured buildings by actual, visible and forcible means. For the purposes of this defined event the accommodation of paying guests, boarders or lodgers not exceeding three in number shall not be deemed to be lending, letting or sub-letting of the insured buildings.
 7. Breaking into or out of the insured buildings, (or any attempt thereat) by actual, visible and forcible means.
 8. Malicious damage
 9. The collapse or breakage of aerial systems and satellite dishes, including damage to such aerial systems.

EXTENSIONS

Subject otherwise 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, this section also covers the following:

LOSS OF RENT / ALTERNATIVE ACCOMMODATION

Loss of rent in respect of the private dwelling house as a result of the dwelling house being so damaged

by any of the perils insured against under the defined events of this section as to be rendered uninhabitable but only in respect of the period necessary for reinstatement and for an amount not exceeding 25 per cent of the sum for which the aforesaid damaged private dwelling house is insured under this section. The basis of calculation shall be the annual rent (at the time of occurrence of the aforesaid damage) of the aforesaid private dwelling house unfurnished or its equivalent in rental value.

PUBLIC SUPPLY OR MAINS CONNECTIONS

Accidental damage to water, sewerage, gas, electricity and telephone connections, the property of the insured or for which the insured is legally responsible, between the public supply or public mains and the insured buildings.

GLASS AND SANITARY WARE

Accidental breakage of glass, mirrors and sanitary ware, provided it is fixed to the buildings. The buildings must be furnished and occupied at the time of the breakage. Chipping, scratching and disfiguration are not covered

ADDITIONAL COSTS

Costs necessarily incurred for demolition and clearing, erection of hoardings, municipal plan scrutiny, architects, quantity surveyors and consulting engineers, following damage to any insured building by any peril insured against under this section, provided that professional fees will be limited to 20 per cent of the insured amount of the affected building.

FIRE BRIGADE CHARGES

Reasonable costs charged by an authorized body for extinguishing a fire to prevent or lessen damage to any insured buildings.

SECURITY GUARDS

Employment of guards to protect the insured buildings following damage to the insured buildings by any peril insured against under this section. Provided always that the liability of the insurer under this extension shall not exceed R 5 000.00 in all.

ACCIDENTAL DAMAGE TO MACHINERY

Sudden and unexpected damage to machinery of swimming pools and Jacuzzis, boreholes (excluding windmills), sprinkle irrigation systems, electric gates and garage doors, air-conditioners, burglar alarms and built-in stoves used solely for domestic purposes. The machinery must be installed on the premises of the insured buildings.

Provided that the limit of indemnity for this extension is R 5 000.00 and that it is subject to a first amount payable of R 500.00 in respect of each and every claim.

The Company shall however not be liable in respect of:

- (i) loss or damage directly or indirectly caused by rust, subsidence, landslip or the collapse of any building;
- (ii) misapplication of tools or equipment, experiments, willful overloading or the introduction of abnormal conditions;
- (iii) damage arising out of hydraulic testing or which is discovered during routine examination;
- (iv) damage as a result of faults or defects which were known to the Insured or his responsible employees at the time of the acceptance of this insurance and not revealed to the Company;
- (v) repair or replacement:
 - (a) due to wearing away or wasting of the material of the plant, slowly developing deformation or distortion or other gradual deterioration of any part of the plant, failure of connections or joints, faulty design, workmanship or material;
 - (b) of fuses or electrical contacts at which sparking or arcing occurs, heating elements, collecting brushes, trailing wires, valves, dies, springs, clutch plates, piston rings, gaskets, seals, exchangeable or expendable parts such as bits, drills, cutters, knives, blades, chains, belts, jointing or packing materials or fittings such as fusible plugs, shear pins, safety links and parts not made of metal (except insulation of electrical conductors) transformer oil or switch oil or refrigerant;
- (vi) consequential loss or damage of any nature;
- (vii) any claim provided for in terms of the guarantee or warranty issued by the manufacturer of the afore mentioned machinery or provided for in terms of a service contract in respect of such machinery;

COST OF REMOVAL OF TREES

The insurance under this section includes up to R 5 000.00 in respect of removal costs of fallen trees or parts thereof (whether causing damage or not) referred to under Defined Event 4.

KEYS, LOCKS AND REMOTE CONTROL UNITS

Loss of or damage to keys, locks and remote control units used in connection with your private residence. The reasonable costs incurred for calling out a locksmith due to an emergency caused by the loss or damage are also covered.

Provided that:

- (i) the insurer's liability shall not exceed R 5 000.00 in respect of any one event;
- (ii) the insurer shall not be liable for the first R 500.00 of each and every event.

GARDENS AND WATER FEATURES

The insurer will pay up to R 5 000.00 for costs incurred by the insured in restoring damaged landscaped gardens and water features following fire, lightning, thunderbolt, subterranean fire, special perils, earthquake, malicious damage and explosion.

EMERGENCY ACCOMODATION

The insurance under this section is extended to include the actual and necessary cost of emergency accommodation in the event of a total loss of an insured item caused by an insured peril. The cover is limited to R 500.00 per person but not exceeding R 5 000.00 in the aggregate per event

SUBSIDENCE AND LANDSLIP

- (j) this section is extended to include loss of or damage to the private residence caused by subsidence or heave of the land supporting the private residence or landslip provided such loss or damage is not caused by or does not arise from
 - (i) excavations other than mining excavations
 - (ii) alterations including (structural), additions or repairs to the private residence
 - (iii) the compaction of infill
 - (iv) defective design, materials or workmanship
 - (v) normal settlement, shrinkage or expansion of the private residence.
 - (vi) the removal or weakening of support to any building
- (k) We will not be liable for loss or damage to
 - (i) solid floor slabs or any other part of the private residence resulting from the movement of such slabs, unless the foundations supporting the external walls of the private residence or outbuildings are damaged by the same cause at the same time
 - (ii) swimming pools, tennis courts, patios, terraces, driveways, paths, septic or conservancy tanks, drains, water courses, walls, gates, posts and fences unless the private residence or outbuildings are damaged by the same cause at the same time.
- (l) The Company will not be liable for work necessary to prevent further loss or damage due to subsidence, heave or landslip except where appropriate design precautions were implemented during the original construction of the private residence and any subsequent additions thereto.
- (m) The Insured will be responsible for the first 1% of sum insured, min R 5 000.00 (five thousand rand) of each and every claim or the amount stated in the schedule whichever is the greater.

Specific Exception to this Section:

This Section does not cover:

- (a) consequential loss or consequential damage of any kind whatsoever except in the case of loss of Rent as provided for in this Section;
- (b) any loss or damage as a result of structural defects, faulty design, defective workmanship, lack of maintenance, normal wear and tear, corrosion, inherent vice and latent defect;
- (c) loss of or damage to domestic borehole pumps and electrical motors (as described in the Operative Clause) which are situated below the normal flood levels of rivers and streams.

In any action suit or other proceedings where the company alleges that by reason of the provisions of these exceptions, any damages is not covered by this extension, the burden of proving the contrary shall be upon the insured

CAPITAL ADDITIONS

The insurance by this section hereby extends to cover alterations, additions and improvements (but not appreciation in value in excess of the sum insured) to the insured property for an amount not exceeding 10 per cent of the sum insured on the insured property, it being understood that the insured undertakes to advise the insurer each quarter of such alterations, additions and improvements and to pay the appropriate additional premium thereof.

MORTGAGEE CLAUSE

The interests of the mortgagee have priority over the insured's interests, but are limited to the outstanding amount of the bond. These interests will not be invalidated by any act or omission of the mortgagor or owner of the insured buildings, provided that the act or omission takes place without the knowledge of the mortgagee

TENANTS CLAUSE

If a tenant of the insured buildings does something or omits to do something without the insured's knowledge, which is in contradiction to the terms, exceptions and conditions of this policy, the insured's cover will not be invalidated. The insured must advise the insurer of the act or omission as soon as the insured becomes aware of it.

PUBLIC AUTHORITIES REQUIREMENTS CLAUSE

The insurance under this section is declared to include such additional cost of repairing or rebuilding the damaged insured property as may be 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, divisional, municipal or local authority,

provided that:

- (1) the amount recoverable under this clause shall not include:
 - (a) the cost incurred in complying with any of the aforesaid regulations:
 - (i) in respect of damage occurring prior to granting of this clause;
 - (ii) in respect of damage not insured by this section;
 - (iii) under which notice has been served upon the insured prior to the happening of the damage;
 - (iv) in respect of undamaged insured property or undamaged portions of insured property;
 - (b) the additional cost that would have been required to make good the insured property damaged to a condition equal to its condition when new had the necessity to comply with any of the aforesaid regulations not arisen;
 - (c) the amount of any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable in respect of the insured property or by the owner thereof by reason of compliance with any of the aforesaid regulations.
- (2) the work of rebuilding or repair, which may be carried out wholly or partially upon another site (if the aforesaid regulations so necessitate), subject to the liability of the insurer under this clause not being thereby increased, must be commenced and carried out with reasonable dispatch and in any case must be completed within twelve months after the damage, or within such further time as the insurer may (during the said twelve months) in writing allow.

WATER LEAKAGE

The Company will indemnify the Insured for costs of water lost through leakage from pipes on the Insured's property where the Insured is responsible to pay the charge for such water subject to the following:

- (a) in the event of the quarterly reading of water consumption exceeding the average of the last previous 4 (four) quarterly readings by 50% (fifty percent) or more the Company will indemnify the Insured for the cost of such additional water consumed up to a limit of R5 000 (five thousand rand) less a first amount payable of R 500 or the amount stated in the schedule whichever is the higher;
- (b) up to R5 000 (five thousand rand) shall be payable for not more than two separate incidents in any 12 (twelve) month period of insurance
- (c) it shall be a condition precedent to liability under this Extension that the Insured shall upon discovery of a leak (by physical evidence or on receipt of an abnormally high water account) take immediate steps to repair the pipe(s) affected;
- (d) this Extension does not cover the cost of remedial action including repairs to pipe(s) affected;
- (e) the Company shall not be liable for claims
 - (i) as a result of leaking taps, geysers, toilet systems and swimming pools
 - (ii) whilst the property is unoccupied for a period in excess of 30 (thirty) days
 - (iii) where the water level of a swimming pool has to be topped up as a result of a leaking inlet or outlet pipe

SPECIFIC EXCEPTIONS

1. This section does not cover any consequential or indirect loss or damage of any kind or description whatsoever, except loss of rent as specifically provided for under Loss of Rent;
2. This section does not cover any loss or damage or liability or claim directly or indirectly occasioned by or through or in consequence of subsidence or landslip.
3. any claim arising out of any contractual liability unless legal liability would have existed in the absence of such contract or agreement;

4. loss, destruction or damage to any property whatsoever, or any loss or expense whatsoever resulting or arising therefrom as a result of lack of maintenance to the dwelling;
5. loss or damage to any dwelling of which the construction is non-standard unless so stated in the schedule
6. loss or damage to any dwelling which has a thatch roof in part or in whole unless so stated in the Schedule
7. any theft or malicious damage to the Dwelling in the event that it is unoccupied for more than 30 (thirty) collective days per year unless otherwise agreed in writing.

CONDITIONS

AVERAGE

If the insured property shall, at the commencement of any loss or damage (against which is insured under this section) regarding the insured property, be collectively of greater value than the sum insured in respect of the insured property, then the insured shall be considered as being his/her own insurer for the difference and shall bear a rateable share of the aforesaid loss or damage accordingly. Every item, if more than one, of this section shall be separately subject to this condition

REINSTATEMENT VALUE CONDITIONS

In the event of the property being damaged, the basis upon which indemnity is calculated is the cost to replace the lost or damaged property or part thereof with similar new property, limited to the sum insured stated in the schedule.

LIGHTNING CONDUCTORS

It is a condition precedent to liability in terms of this Section that all buildings with grass, straw or thatched roofs be supplied with and property fitted with an SABS-approved lightning conductor or lightning conductors of a similar standard or more superior which is installed with the exclusive purpose of conducting lightning away from the said building

BUSH CLEARANCE WARRANTY

The insurance provided by this section of the policy is strictly subject to the clearance and maintenance of all bushes, jungle, grass and weeds up to no less than 5 meters (or the boundary) from the buildings or structures insured.

It is noted that this requirement does not apply to cultivated or manicured gardens, including trees forming part thereof

HOUSEHOLD CONTENTS

DEFINITIONS

Insured property shall mean

- (a) contents whilst contained in the insured's private residence and domestic outbuildings, provided always that if the contents of two or more of the insured's private residences and their respective domestic outbuildings are insured under this section, the terms, limitations, exceptions and conditions contained in this section shall apply separately to the contents of each of such private residences and their respective domestic outbuildings as if the contents of each of such private residences and their respective domestic outbuildings had been insured under a separate policy.
- (b) personal effects belonging to the insured and/or co-insured's whilst such personal effects are contained in the insured's private residence.

Co-insured's shall mean the spouse of the insured and any other member of the family of the insured or member of the family of the spouse of the insured, provided the aforesaid member is normally residing with the insured.

Insured's private residence shall mean the building of the insured's private dwelling house/flat which is constructed and situated as stated in the schedule.

Domestic outbuildings shall mean the building(s) of all domestic rooms, private garages and private outbuildings being on the same premises as and used solely in connection with but not directly communicating with the insured's private residence.

Buildings shall mean the insured's private residence and domestic outbuildings.

Stated premises shall mean the premises on which the insured's private residence is situated.

Contents shall mean household goods and personal effects of every description, the property of the insured and co-insured's or for which they are responsible, and fixtures and fittings the property of the insured and co-insured's or for which they are legally responsible but excluding fixtures and fittings belonging to the owner of the buildings.

DEFINED EVENTS

Loss of or damage to the whole or part of the insured property caused by any of the following perils:

1. Fire, lightning, explosion.
2. Storm, wind, water, hail or snow, but excluding any loss of or damage to any property:
 - (a) arising from its undergoing any process necessarily involving the use or application of water unless by public authorities in extinguishing a fire;
 - (b) in any structure not completely roofed.

Provided always that this defined event does not cover the following:

- (i) wear and tear or gradual deterioration;
 - (ii) any loss or damage caused or aggravated by:
 - (a) leakage or discharge from any sprinkler or drencher system in any building in which the insured property is kept;
 - (b) the insured's failure to take all reasonable precautions for the maintenance and safety of the insured property and to prevent or minimize any loss or damage.
3. Earthquake.
 4. Falling trees (excluding falling trees whilst contractors are engaged in the felling thereof) or impact with any of the buildings by vehicles, animals, aircraft and other aerial devices or anything that falls from them.
 5. Theft or any attempt thereat, but excluding:
 - (a) theft (or any attempt thereat) whilst the buildings or any part thereof be lent, let or sub-let unless such theft (or any attempt thereat) is accompanied by breaking into or out of the buildings by actual, visible, violent and forcible means. For the purposes of this defined event 5 (a) the accommodation of paying guests, boarders or lodgers not exceeding three in number shall not be deemed to be lending, letting or subletting of the buildings;
 - (b) theft (or any attempt thereat) from any domestic outbuildings unless such theft (or any attempt thereat) is accompanied by breaking into or out of such domestic outbuildings by actual, visible, violent and forcible means.

6. Theft (or any attempt thereat) from any furniture, storage depot, bank or safe deposit box, any other occupied private residence, any building in which the Insured is temporarily residing, any building in which the Insured is employed or any other building which is not accompanied by breaking into or out of such buildings by actual, visible, violent and forcible means shall be limited to R 2 500.00 any one claim.
7. Malicious damage.
8. Collapse or breakage of aerial systems (including satellite dishes).
9. Leakage of oil from oil heaters and leakage of water from washing machines and dishwashers.

EXTENSIONS

Subject otherwise 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, this section also covers the following:

LOSS OF RENT / ALTERNATIVE ACCOMMODATION

Loss of rent actually incurred by the insured in consequence of the insured's private residence being so damaged by any of the perils specified in defined events as to be rendered uninhabitable and reasonable additional expenses necessarily incurred by the insured at a hotel or boarding house, but only in respect of the period necessary for reinstatement.

Provided that the liability of the insurer under this section shall not exceed 20 per cent of the sum insured which is stated in the schedule.

LOSS OF MONEY

Loss of or damage to the insured's or a co-insured's money whilst inside the insured's private residence stated in the policy and caused by any of the perils defined. Theft of money must be accompanied by breaking into or out of the aforesaid private residence by actual, visible and forcible means.

Provided always that the liability of the insurer under this extension shall not exceed R 2 500.00 any one occurrence.

AUDIO VISUAL EQUIPMENT

This Section covers accidental loss or damage to any television set, video recorder, decoder, DVD, sound reproduction equipment, excluding computer equipment, laptop, satellite dish or aerial whilst in or on the dwelling by accidental means other than mechanical, electronic or electrical breakdown

Provided that the liability of the Company shall not exceed R 5 000.00 (five thousand rand) less the first amount payable of R 500.00

MIRRORS AND GLASS

This Section covers accidental breakage of mirror glass, plate glass tops of stoves and furniture or fixed glass forming part of any article of furniture (other than radio and television apparatus) whilst in the dwelling.

Provided that the liability of the Company shall not exceed R 5 000.00 (five thousand rand) less the first amount payable of R 500.00

GUESTS EFFECTS

If the property (excluding money and negotiable instruments) not otherwise insured belonging to a guest temporarily residing with the Insured are lost or damaged by any of the defined events or by theft from the private residence (subject to forcible and violent entry or exit into or out of the dwelling) the Company will indemnify the guest up to R 5 000.00 (five thousand rand) any one claim.

DOMESTIC STAFF PROPERTY

This Section covers loss of or damage to the household goods and personal effects (excluding money and negotiable instruments) belonging to domestic staff in the full time service of the Insured by any of the defined events whilst such property is contained in the dwelling,

Provided that

- (a) loss or damage by theft is excluded unless such theft is accompanied by forcible and violent entry or exit into or out of the dwelling;
- (b) the liability of the Company shall not exceed R 5 000.00 (five thousand rand) any one occurrence

DOMESTIC REFRIGERATORS, FREEZERS, COLD STORE AND FREEZER ROOM CONTENTS

This Section covers deterioration of the contents only due to change of temperature resulting from accidental failure of electricity (excluding load shedding) as well as accidental or mechanical breakdown of any refrigerator, deep-freezer, cold store or freezing-room in the dwelling of the Insured

Provided that this Extension does not include:

- (i) deterioration of the contents resulting from the deliberate cessation of the power supply (gas and paraffin included) by any authority;
- (ii) damage to the refrigerator, deep-freezer, cold store or freezing-room as such
- (iii) the liability of the Company in terms of this Extension shall not exceed the amount of R 5 000 (five thousand rand) in respect of any one occurrence
- (iv) the Company shall not be liable for the first R 500.00 (five hundred rand) in respect of each and every event.

KEYS, LOCKS AND REMOTE CONTROL UNITS

This Section covers the cost of replacing locks and keys including the remote and/or alarm controller and, if necessary, the reprogramming of such coded alarm system of the insured property following upon loss of or damage to the lock or key, remote or alarm controller, or upon the Insured having reason to believe that any unauthorised person may be in possession of a duplicate of such key, remote and/or alarm controller.

This Section also covers the reasonable expenses incurred in any emergency to call in a locksmith as a result of the loss of such key, remote and/or alarm controller

Provided that

- (i) the liability of the Company in respect of any one loss shall not exceed R 5 000.00 (five thousand rand);
- (ii) the Company shall not be liable for the first R 500.00 (five hundred rand) in respect of each and every event

LAUNDRY AND GARDEN FURNITURE

This Section covers theft of laundry and/or garden furniture from the premises stated in the schedule provided that that the limit shall not exceed R 2 500.00 in respect of each and every event.

DOCUMENTS

This Section covers loss of or damage caused by the perils as defined to documents and manuscripts the property of the Insured whilst in the private dwelling described in the Schedule up to R 5 000.00 (five thousand rand) any one claim. The Company shall only be liable for the value of materials and the cost in labor in reinstating the documents or obtaining duplicates and not for the value of the information contained therein

MEDICAL AND VETERINARY EXPENSES

This Section covers medical and veterinary expenses incurred as a result of accidental bodily injury sustained by any

- (a) person other than the Insured caused by a domestic animal owned by the Insured
- (b) guest or visitor arising from any defect in the dwelling
- (c) domestic staff in the course of their employment by the Insured
- (d) domestic animal owned by the Insured arising from a road accident

Provided that the Company's liability shall not exceed R 5 000.00 (five thousand rand) per person or R1 000.00 (one thousand rand) per animal any one occurrence.

ACCIDENTAL DEATH

In the event of accidental bodily injury to the Insured or member of his family normally residing with the Insured while in the dwelling or its grounds and die as a direct result of the injury the Company will pay

- (a) R 5 000 (five thousand rand) for a person 18 (eighteen) years of age and under
- (b) R10 000 (ten thousand rand) for a person over 18 (eighteen) and under 76 (seventy six) years of age

provided that death occurs within 3 (three) months of the injury.

SECURITY GUARDS

The Company will indemnify the Insured for costs reasonably and necessarily incurred in employing a security guard following loss or damage caused by a specified peril up to R 5 000.00 (five thousand rand) any one claim.

DOMESTIC TELEPHONE INSTRUMENTS

If in the dwelling any domestic telephone instrument (excluding cellular telephone) is accidentally damaged the Company will indemnify the Insured up to R1 000.00 (one thousand rand) per instrument any one claim

TRAUMA

If the Insured is a victim of a violent act of theft, attempted theft, hold up, hijacking or fire which necessitates professional counselling the Company will pay compensation up to R 5 000.00 (five thousand rand) any one claim.

WATER LEAKAGE

The Company will indemnify the Insured for costs of water lost through leakage from pipes on the Insured's property where the Insured is responsible to pay the charge for such water subject to the following:

- (a) in the event of the quarterly reading of water consumption exceeding the average of the last previous 4 (four) quarterly readings by 50% (fifty percent) or more the Company will indemnify the Insured for the cost of such additional water consumed up to a limit of R5 000 (five thousand rand) less a first amount payable of R 500 or the amount stated in the schedule whichever is the higher;
- (b) up to R5 000 (five thousand rand) shall be payable for not more than two separate incidents in any 12 (twelve) month period of insurance
- (c) it shall be a condition precedent to liability under this Extension that the Insured shall upon discovery of a leak (by physical evidence or on receipt of an abnormally high water account) take immediate steps to repair the pipe(s) affected;
- (d) this Extension does not cover the cost of remedial action including repairs to pipe(s) affected;
- (e) the Company shall not be liable for claims
 - (i) as a result of leaking taps, geysers, toilet systems and swimming pools
 - (ii) whilst the property is unoccupied for a period in excess of 30 (thirty) days
 - (iii) where the water level of a swimming pool has to be topped up as a result of a leaking inlet or outlet pipe

CLEARANCE COSTS

The Company will indemnify the Insured up to R 5 000.00 (five thousand rand) any one claim for costs necessarily incurred in respect of the removal of debris from the premises following loss of or damage hereby insured.

TRANSIT

The Company will indemnify the Insured up to R 5 000.00 (five thousand rand) for damage to household goods in the Insured's or his/her authorized representative's custody whilst in transit to or from any place of purchase, repair or renovation provided the damage is caused by fire, collision or overturning of the conveying motor vehicle including theft following the stated occurrence.

DAMAGE TO GARDEN

The Company will pay costs reasonably and necessarily incurred by the Insured in his/her capacity as owner of the buildings for the replacement of trees, shrubs and plants situated at the dwelling following damage due to fire, fire-fighting operations, explosion, impact or deliberate or willful acts up to an amount of R 5 000.00 (five thousand rand) excluding loss or damage caused by or arising from theft or attempted theft.

SWIMMING POOL MACHINERY

This Section covers sudden accidental loss of or damage to the swimming pool machinery and filtration equipment installed at the private dwelling house stated in the Schedule the property of the Insured as tenant and/or the Insured as owner and occupier if the dwelling is insured elsewhere due to an obligation to a financial institution.

Provided that the liability of the Company is limited to the sum of R 3 000.00 (three thousand rand) in respect of any one occurrence.

Specific Exceptions Applicable to Swimming Pool Machinery

The Company shall not be liable in respect of:

- (i) loss or damage directly or indirectly caused by rust, subsidence, landslip or the collapse of any building;
- (ii) misapplication of tools or equipment, experiments, willful overloading or the introduction of abnormal conditions;
- (iii) damage arising out of hydraulic testing or which is discovered during routine examination;
- (iv) damage as a result of faults or defects which were known to the Insured or his responsible employees at the time of the acceptance of this insurance and not revealed to the Company;

(v) repair or replacement:

- (a) due to wearing away or wasting of the material of the plant, slowly developing deformation or distortion or other gradual deterioration of any part of the plant, failure of connections or joints, faulty design, workmanship or material;
- (b) of fuses or electrical contacts at which sparking or arcing occurs, heating elements, collecting brushes, trailing wires, valves, dies, springs, clutch plates, piston rings, gaskets, seals, exchangeable or expendable parts such as bits, drills, cutters, knives, blades, chains, belts, jointing or packing materials or fittings such as fusible plugs, shear pins, safety links and parts not made of metal (except insulation of electrical conductors) transformer oil or switch oil or refrigerant;

(vi) consequential loss or damage of any nature;

(vii) any claim provided for in terms of the guarantee or warranty issued by the manufacturer of the swimming pool machinery or provided for in terms of a service contract in respect of such swimming pool machinery;

(viii) the first R 500.00 (five hundred rand) whichever is the greater of each and every claim

STORAGE COSTS FOR CONTENTS AFTER LOSS

This Section covers necessary storage costs incurred by the Insured to safeguard the contents after the occurrence of any peril specified in Insured Perils

Provided that

the liability of the Company in respect of this Extension is limited to R 3 000.00 (three thousand rand) in respect of any one occurrence

SUBSIDENCE AND LANDSLIP

This Section is extended to include loss of or damage to the contents of the residence caused by subsidence or landslip, provided that the client will bear the first amount payable of each and every claim calculated at 1% of sum insured, min R 5 000.00 (five thousand rand) or the amount stated in the schedule whichever is the greater.

This extension does not cover any loss or damage caused by or attributable to:

- (a) faulty design or construction of any building;
- (b) the removal or weakening of supports of any building;
- (c) architectural alterations, additions or repairs;
- (d) excavations above or below ground, except excavations in the course of mining operations;
- (e) consequential loss or consequential damage of any kind whatsoever except in the case of loss of Rent as provided for in this Section
- (f) any loss or damage as a result of structural defects, faulty design, defective workmanship, lack of maintenance, normal wear and tear, corrosion, inherent vice and latent defect;

In any action suit or other proceedings where the company alleges that by reason of the provisions of these exceptions, any damages are not covered by this extension, the burden of proving the contrary shall be upon the insured.

FIRE BRIGADE CHARGES

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

SPECIFIC EXCEPTIONS

- 7. The following property shall not be deemed to be insured property and shall therefore not be covered under this section:
 - (a) property more specifically insured;
 - (b) any property, irrespective of whether it will be processed or not, which was obtained or is being obtained with the sole purpose of such property later being disposed of in a business transaction;
 - (c) any property consigned under a bill of lading;
 - (d) any property outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe, Malawi and Mozambique;
 - (e) money, securities for money, deeds, bonds, bills of exchange, promissory notes, cheques, postal and money orders, negotiable and other documents of any kind, stamps of any kind (including inter alia stamp collections), manuscripts, rare books, medals and coins of any kind (including inter alia coin collections);

- (f) vehicles of any kind (including inter alia self-propelled gardening implements normally being controlled by a driver but excluding pedal cycles which are not mechanically or electrically driven/ assisted) and any part (including inter alia any spare wheel, tool, spare part and accessory) of such vehicles whilst in or on or attached to such vehicles;
 - (g) vessels or watercraft of any kind (including inter alia canoes) and any part (including inter alia any tool, spare part, accessory and outboard motor) thereof;
 - (h) aircraft and other aerial devices of any kind and any part (including inter alia any tool, spare part and accessory) thereof;
 - (i) animals.
8. This section does not cover
- (a) any consequential or indirect loss or damage of any kind or description whatsoever, except loss of rent as expressly;
 - (b) any loss or damage or liability or claim directly or indirectly occasioned by or through or in consequence of subsidence or landslide;
 - (c) any loss or damage resulting from or caused by detention, confiscation or requisition by customs or other officials or authorities;
 - (d) any loss or damage resulting from any exchange, cash or credit sale agreement, including theft under false pretence and/or fraud.
9. The insurer shall not be liable under this section in respect of loss or damage for which provision is made in any guarantee or service contract or in any purchase or hire/lease or hire-purchase or financing agreement or any other agreement of whatever nature regarding the insured property or any part thereof.

CONDITIONS

AVERAGE

If the insured property shall, at the commencement of any loss or damage (against which is insured under this section) regarding the insured property, be collectively of greater value than the sum insured in respect of the insured property, then the insured shall be considered as being his/her own insurer for the difference and shall bear a rateable share of the aforesaid loss or damage accordingly. Every item, if more than one, of this section shall be separately subject to this condition

REINSTATEMENT VALUE CONDITIONS

In the event of the property being damaged, the basis upon which indemnity is calculated is the cost to replace the lost or damaged property or part thereof with similar new property, limited to the sum insured stated in the schedule;

Provided that the insurer will afford indemnity under this section by, at the insurer's own option,

- (i) either paying the value of the lost or damaged insured property to the insured in cash
- (ii) or replacing the lost or damaged insured property
- (iii) or repairing the damaged insured property
- (iv) or applying any combination of (i), (ii) and (iii) above.

LIGHTNING CONDUCTORS

It is a condition precedent to liability in terms of this Section that all buildings with grass, straw or thatched roofs be supplied with and property fitted with an SABS-approved lightning conductor or lightning conductors of a similar standard or more superior which is installed with the exclusive purpose of conducting lightning away from the said building

BUSH CLEARANCE WARRANTY

The insurance provided by this section of the policy is strictly subject to the clearance and maintenance of all bushes, jungle, grass and weeds up to no less than 10 meters (or the boundary) from the buildings or structures insured.

It is noted that this requirement does not apply to cultivated or manicured gardens, including trees forming part thereof

PROOF OF OWNERSHIP

The insured shall be obliged to satisfy the company, by documentary proof or independent sworn valuation of ownership for any item claimed if requested to do so.

UNSPECIFIED JEWELLERY

The total value of unspecified platinum, gold, silver articles and jewellery shall not exceed 25% (twenty five percent) of the contents sum insured as stated in the schedule unless specifically agreed to by the company in writing.

PAINTINGS, ARTWORK, PERSIAN CARPETS AND ANTIQUES

Loss of or damage to paintings and/or works of art and/or Persian carpets and/or antiques shall not exceed R 10 000.00 in respect of any one loss unless such items are specifically stated in the policy to be included and supported with/ by documentary proof or independent sworn valuation.

PAIRS AND SETS CLAUSE

Where the insured property consists of articles of a pair or set, the insurer shall not be liable for more than the value of any particular part or parts which may be lost or damaged nor for more than the proportionate part of the pair or set, without reference to any special value which such article or articles may have as part of such pair or set.

BURGLAR ALARM WARRANTY (IF STATED IN THE SCHEDULE TO BE APPLICABLE)

It is hereby declared and agreed that in respect of any premises stated in the schedule as being subject to the burglar alarm warranty condition, the following will be a precondition to the liability of the company, and it is hereby warranted that;

1. Where the installed alarm is a SAIDSA Approved (Pty) Ltd certified alarm
 - (a) the company will be entitled to request full information of the relevant arming, disarming and monitoring log report after the occurrence of a claim;
 - (b) loss of or damage to the property following the use of the keys, the keypad code or remote control of the burglar alarm or any duplicate thereof belonging to the insured is not covered unless such keys, keypad code, remote control or any duplicate thereof have been obtained by violence or threat of violence to any person or such keys, keypad code or remote control was obtained by theft;
2. Where the installed alarm is not a SAIDSA Approved (Pty) Ltd certified alarm
 - (a) the said alarm is to be a radio controlled and / or telephone linked monitoring alarm where available (for the purposes of this requirement, monitoring shall mean that once the alarm is triggered a signal will be transmitted to the control room which includes a 24 hour armed reaction or response unit);
 - (b) it is also a requirement that such alarm system will include anti-tampering measures which will log such events including but not limited to power cuts and the like;
 - (c) if the company which installed the said alarm system operates an armed reaction unit, the contract for the said alarm shall include the armed reaction unit's services, where available;
 - (d) the control panel shall have an event log and the arming and disarming of the alarm is to be logged and after the occurrence of a claim, the company will be entitled to request full information of the arming, disarming, testing and monitoring log report;
 - (e) the burglar alarm installed at the premises shall be set and armed and made fully operational whenever the premises are not open for business unless a principle, partner, director or employee of the insured is on the premises;
 - (f) such alarm will be maintained in proper working order and tested at least once a month, but the insured shall be deemed to have discharged their / his liability in this regard if he has maintained the obligations under a maintenance contract with the suppliers or servicing engineers of the alarm system.
 - (g) loss of or damage to the property following the use of the keys, the keypad code or remote control of the burglar alarm or any duplicate thereof belonging to the insured is not covered unless such keys, keypad code, remote control or any duplicate thereof have been obtained by violence or threat of violence to any person or such keys, keypad code or remote control was obtained by theft;

UNOCCUPANCY

In the event that the dwelling stated in the premises is left unoccupied for more than 30 consecutive days, cover against loss or damage by theft and/or burglary is automatically suspended unless agreed to by the company in writing.

PERSONAL ALL RISKS

DEFINITIONS

INSURED PROPERTY

This section covers the following property (which shall have the meaning as stated) belonging to the insured and/ or the spouse of the insured and/or their children who are financially dependent upon them and normally residing with the insured

CLOTHING AND PERSONAL EFFECTS

Clothing, spectacles, hearing aids, pens, pencils, cosmetics and their cases, cigarette cases, lighters, jewels and jewellery, personal ornaments, watches, furs, articles of gold or silver and other articles similar to the aforementioned that are usually carried by or on a person, electric and other razors, umbrellas, handbags, cases, pocket calculators, pocket computer devices such as electronic diaries, portable projectors and other portable photographic equipment, portable radios and portable tape decks or compact disc players, binoculars, sports equipment as well as trunks, suitcases and other containers in which the property is kept whilst travelling, baby equipment such as prams and children's car seats.

Provided always that the liability of the insurer under this item shall not exceed R 2 500.00 any one item, pair or set

SPECIFIED PROPERTY

Bicycles, Contact Lenses, firearms, sporting equipment, laptops, cell phones, camera, video camera equipment, jewellery, contents of caravans, motor radio / tape players / CD players and the like and any single item, pair or set exceeding R 2 500.00 (two thousand five hundred) in value

DEFINED EVENTS

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

EXTENSIONS

PEDAL CYCLES

This Section covers loss of or damage to pedal cycles and non-motorized scooters not exceeding R 1 000 (one thousand rand) (unless specified as a separate item in the Schedule)

Provided that the company shall not be liable for loss of or damage to accessories and spare parts, by theft or burglary unless the pedal cycle or non-motorized scooter is stolen at the same time.

PERSONAL DOCUMENTS, COIN AND/OR STAMP COLLECTIONS

- (1) personal deeds, wills, agreements, maps, plans, records, books, letters, certificates and any other personal documents, but excluding share certificates and any other negotiable documents.

Provided always that:

- (a) the insurer shall not be liable under this item for the value to the insured of the information contained in such personal documents but only for the value of the materials and the amounts expended on labor of such personal documents.

- (b) the liability of the insurer under this item shall not exceed R 1 000.00

- (2) any coin and/or stamp collection

Provided always that:

- (a) the value of a single coin or a single stamp or the value of a single set of coins or a single set of stamps shall not exceed the value indicated in the current relevant catalogue or price list.

- (b) the liability of the insurer under this item shall not exceed R 5 000.00 any one occurrence

- (c) Proof of ownership will be required

GROCERIES AND HOUSEHOLD GOODS IN TRANSIT

Loss of or damage to clothing, groceries and household goods of every description which after the purchase thereof are being taken in transit by the insured along a reasonable direct route from the premises of the supplier of such clothing, groceries and household goods to the insured's private residence.

Provided always that:

- (a) the insurer shall not be liable under this item in respect of loss of or damage to clothing and personal effects as defined in this section.
- (b) the liability of the insurer under this item shall not exceed R 5 000.00 less the first amount payable of R 500.00
- (c) and no cover is granted from theft or attempted theft from an unattended motor vehicle, unless the vehicle was securely locked and there is visible violent and forcible entry into the vehicle

KEYS, LOCKS AND REMOTE CONTROL UNITS

All keys and remote control units in use in the insured's private residence in connection with the insured's household and keys and remote control units of any private type vehicle, caravan trailer, motor cycle or vessel, the property of the insured and which is insurable under the motor section and the sail-boat, motor-boat and other small craft section of this policy, including the relevant locks which must be replaced as a result of loss of or damage to the said keys.

This item also covers the reasonable expenses incurred by the insured in sending for a locksmith in an emergency due to the loss of or damage to the aforementioned keys.

Provided that:

- (i) the insurer's liability shall not exceed R 5 000.00 in respect of any one event;
- (ii) the insurer shall not be liable for the first R 500.00 of each and every event.

CONTENTS OF CARAVAN AND/OR LUGGAGE TRAILERS

- (a) property insured means household goods belonging to the Insured or for which he / she is responsible while in the caravan or attached side tent and / or luggage trailer
- (b) the Company will not be liable for:
 - (i) theft of property insured while the caravan or side tent is unoccupied unless there is forcible and violent entry;
 - (ii) theft of property insured out of luggage trailers unless there is forcible and violent entry;
 - (iii) more than R 2 500.00 (two thousand five hundred rand) for any one article;
 - (iv) the permanent fixtures and fittings of the caravan;
 - (v) stamp and / or coin collections, money, documents, jewellery, furs or any article more specifically insured;
 - (vi) loss or damage caused by fraud or dishonesty by any person to whom the caravan and / or luggage trailer is on loan or hire.

RIOT AND STRIKE (IF STATED IN THE SCHEDULE TO BE INCLUDED)

In consideration of the payment of an additional premium and subject otherwise to the terms and 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:

- (i) civil commotion, labour 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 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 the Company alleges that, by reason of provisos (a), (b), (c), (d) or (e), loss or damage is not covered by this Section, the burden of proving the contrary shall rest on the Insured.

SPECIFIC EXCEPTIONS

(A) Unless specifically stated to the contrary, the insurer shall not be liable in respect of

1. loss or damage resulting from or caused by:

- (a) theft of clothing from any clothes-lines on the premises of the "insured's private residence" as defined in the householders section of this policy;
- (b) wear and tear, depreciation or gradual deterioration (including the gradual action of light or climatic or atmospheric conditions);
- (c) inherent vice or defect, household pests, vermin, rodents, ants and moths, insects, larvae, damp, mildew, rust or corrosion;
- (d) the insured property undergoing a process of cleaning, repairing, dyeing, bleaching, altering or restoring;
- (e) mechanical or electrical breakdown, defect, failure or breakages;
- (f) any exchange, cash or credit sale agreement, including theft under false pretence and/or fraud
- (g) any single item, pair or set exceeding R 2 500.00 (two thousand five hundred) in value unless specifically insured and specified in the Schedule
- (h) theft or attempted theft from an unattended unless the goods are concealed in the locked boot or in a completely enclosed and securely locked loading compartment and the vehicle is locked and there are visible signs of violent and forcible entry into the vehicle
- (i) loss or damage arising from detention, confiscation, destruction or requisition by customs or other officials or authorities
- (j) loss or damage to photographic and optical equipment whilst the equipment is being used for commercial or professional purposes or expeditions of discovery or research or underwater photography;
- (k) loss or damage to cash, bank notes, currency notes, bonds, coupons, stamps, negotiable instruments, title deeds, manuscripts, securities or any kind of travel tickets unless described in the Schedule to be included;

2. loss of precious or semi-precious stones

- (a) due to faulty settings and/or the malfunctioning of claws and/or other mountings;
- (b) caused by the deterioration or normal wear and tear of claws and/or other mountings.

3. damage to glass, glassware or other articles of a brittle nature (other than jewellery, cameras and fixed glass forming part of television receivers) due to cracking, scratching or breakage unless caused by theft (or any attempt thereat) or fire.

4. loss or damage for which provision is made in any guarantee or service contract or in any purchase or hire or hire-purchase or financing agreement or any other agreement of whatever nature regarding the insured property or any part thereof.

5. consequential loss, consequential damage or indirect loss or damage of any kind or description whatsoever.

(B) Unless specifically stated to the contrary, this section does not cover the following property:

- (i) Any property, irrespective of whether it will be processed or not, which was obtained with the sole purpose of such property later being disposed of in a business transaction.
- (ii) Cash, bank and currency notes, deeds, bonds, bills of exchange, promissory notes, cheques, postal and money orders, negotiable and other documents of any kind, stamps of any kind (including inter alia stamp collections), manuscripts, securities, rare books, medals and coins of any kind (including inter alia coin collections).
- (iii) Vehicles of any kind (including inter alia self-propelled gardening implements normally being controlled by a driver but excluding pedal cycles which are not mechanically or electrically driven/ assisted) and any part (including inter alia any spare wheel, tool, spare part and accessory) of such vehicles whilst in or on or attached to such vehicles.
- (iv) Vessels or watercraft of any kind (including inter alia canoes) and any part (including inter alia any tool, spare part, accessory and outboard motor) thereof.
- (v) Aircraft and other aerial devices of any kind and any part (including inter alia any tool, spare part and accessory) thereof.
- (vi) Animals.

CONDITIONS

AVERAGE

If the insured property shall, at the commencement of any loss or damage (against which is insured under this section) regarding the insured property, be collectively of greater value than the sum insured in respect of the insured property, then the insured shall be considered as being his/her own insurer for the difference and shall bear a rateable share of the aforesaid loss or damage accordingly. Every item, if more than one, of this section shall be separately subject to this condition

REINSTATEMENT VALUE CONDITIONS

In the event of the property being damaged, the basis upon which indemnity is calculated is the cost to replace the lost or damaged property or part thereof with similar new property, limited to the sum insured stated in the schedule;

Provided that the insurer will afford indemnity under this section by, at the insurer's own option,

- (i) either paying the value of the lost or damaged insured property to the insured in cash
- (ii) or replacing the lost or damaged insured property
- (iii) or repairing the damaged insured property
- (iv) or applying any combination of (i), (ii) and (iii) above.

PROOF OF OWNERSHIP

The insured shall be obliged to satisfy the company, by documentary proof or independent sworn valuation of ownership for any item claimed if requested to do so.

PAIRS AND SETS

Where the insured property consists of articles of a pair or set, the insurer shall not be liable for more than the value of any particular part or parts which may be lost or damaged nor for more than the proportionate part of the pair or set, without reference to any special value which such article or articles may have as part of such pair or set.

SAFE DEPOSIT (IF STATED IN THE SCHEDULE TO BE INCLUDED)

If cover indicated against a specified item in the Schedule is BANK, insurance under this Section only applies when such item is contained in a safe deposit in a bank or locked in a safe deposit or strong room of the Insured when not being carried on the Insured.

SPECIFIED ITEMS

It is a condition that the insured supply the company with a valuation certificate or reasonably proof of ownership at inception of the policy or as allowed in writing by the company for each item specified failing which the company will not accept liability for any claim following a loss thereto.

COLLECTIONS (COINS OR STAMPS)

We will not pay more than the value of a single coin or stamp or a single set of coins or stamps which are lost or damaged. The value will be ascertained by means of the current catalogue or price list.

PERSONAL LIABILITY

DEFINITION

For this Section:

“You / Your / Yours / Yourself” means the person(s) in whose name this Policy is issued and any member of Your family living with You

COVER PROVIDED

INDEMNITY TO YOU

If You become legally liable to pay compensation for accidental death, bodily injury or illness or accidental loss or damage to property occurring during the Period of Insurance, from an event anywhere in the world; but excluding any judgement, award, payment or settlement made within a country which operates under the laws of the United States of America or Canada or is subject to any order which is made anywhere in the world to enforce such judgement, award payment or settlement or part thereof and also excluding any punitive damages, during the Period of Insurance;

to the extent that:

1. such liability is not indemnifiable in terms of another Insurance Policy; or

We will:

2. compensate You up to Limit of Indemnity stated on the Schedule per accident or series of accidents arising out of one event including all legal costs and expenses
 - (i) recoverable by or on behalf of any claimant from You; and/ or
 - (ii) incurred with Our written consent which consent shall not be unreasonably withheld

BASIS OF SETTLEMENT

We will pay you up to the amount stated in the schedule for any one accident or series of accidents arising out of any one event. Such amount shall include all costs and expenses incurred with our written consent.

TENANTS

If You become legally liable as a tenant and not as an owner for:

- (i) damage to the building of a Dwelling and its domestic outbuildings (including fixtures and fittings) caused by an insured event specified under the Household Contents;
- (ii) accidental damage to fixed sanitary ware or fixed glass;
- (iii) accidental damage to water, gas, sewerage, electricity or telephone connections to the Dwelling or outbuildings;

SECURITY COMPANIES

Special exclusion 4 does not apply to any liability assumed in terms of a written contract entered into with any organisation providing security, armed response or garden services, in respect of property insured by the Household Contents and House Owners Sections.

NEIGHBOURHOOD WATCH LIABILITY

We will compensate You and any member of Your family who normally resides with You at the address stated on the Schedule against liability at law for:

- (i) accidental death or bodily injury to any persons other than members of Your family who normally reside with You at the address stated on the Schedule or Your household employees;
- (ii) accidental damage to property which is not owned by or in the custody of Yourself or any member of Your family who normally resides with You at the address stated on the Schedule or Your household employees;

resulting from the arrest or search of any person up to an amount of R 25,000.00 (twenty five thousand Rand) in respect of each claim or series of claims arising out of one event.

EXCLUSIONS

The following are not covered:

1. compensation payable to You;
2. loss of or damage to property belonging to You or Your domestic servant;
3. liability directly or indirectly due to:
 - 3.1. Your employment, business or profession including but not limited to the sale of any goods or the rendering of any services for a fee, required or any other consideration; This exclusion does not apply in respect of motor liability unless such liability arises out of the use of any motor vehicle for the carriage of passengers for hire or carriage of fare paying passengers;
 - 3.2. the ownership of land or buildings (other than buildings insured under Section 3 and land upon which they are situated provided the land is used for residential purposes);
 - 3.3. the occupation of land or buildings, other than Your Dwelling;
 - 3.4. the use of any vehicle, caravan, trailer, air or water craft (other than model aircraft, surfboard or paddle ski) owned by or in the custody or control of Yourself or Your domestic servant;
4. liability accepted by agreement which would not have attached in the absence of the agreement (other than described in the clauses of this section);
5. arising out of the letting or hiring out of any movable or immovable property or part thereof for a fee, reward or any other consideration;
6. the first R5,000 (five thousand Rand) of any claim in relation to property hired, leased or borrowed by You or property in Your custody or control;
7. arising out of the reckless disregard by You of the possible consequences of Your acts or omissions;
8.
 - 8.1 of one insured to another;
 - 8.2 to any former insured in respect of any occurrence during the period when such former insured was an insured;
9. arising out of loss or damage to property to the extent that such liability is indemnifiable under any other insurance policy;
10. arising out of the ownership or use of any aircraft other than model aircraft and hang gliders;
11. which is the subject of statutory or similar legislation controlling the use of motor vehicles or trailers and in respect of which liability:
 - 11.1. You are compelled to effect insurance or to furnish security; or
 - 11.2. the State or other Governmental body or Authority has accepted responsibility;
12. for any claim in respect of Motor Liability unless such liability is indemnifiable by this policy;
13. to any person getting onto or off any motorcycle;
14. for any claim in respect of Water Craft Liability;
15. for loss of or damage to any self-propelled land vehicle, trailer, caravan, water craft or air craft in Your care, custody or control;
16. arising out of any of Your dishonest, fraudulent or malicious act or acts of physical assault or seduction committed by You;
17. for payment of any fine, penalty, multiple, punitive or exemplary damages or arising out of liquidated damages clauses, penalty clauses or performance warranties, except to the extent that it can be proved that liability would have attached in the absence of such clauses or warranties;
18. for any debt;
19. for failure to pay maintenance or alimony or any amounts following a breach of promise;
20. arising out of the purchase, sale, barter or exchange of any property movable or immovable or Your failure to comply with any obligations in relation thereto;
21. for the first R2,000 (two thousand Rand) of any claim arising from the suspension or termination of employment of any domestic servant;
22. arising out of any condition directly or indirectly caused by or associated with Human Immunodeficiency Virus (HIV) or the mutants, derivatives or variations thereof or in any way related to Acquired Immune Deficiency Syndrome (AIDS) or any Syndrome or condition of a similar kind howsoever it shall be named

CONDITIONS

1. The indemnity granted by this Section is conditional upon there being in force at the time of the occurrence an Underlying cover in terms of one of the Sections of this policy which substantially provides cover for the type of liability for which indemnity is sought hereunder and upon You not being in breach of the conditions of such cover.
2. This Section is governed by the laws of the Republic of Namibia whose courts shall have exclusive jurisdiction in any dispute between Us and You.
3. In respect of any claim We may take over and conduct in Your name for Our benefit and will have full discretion in the conduct of any proceedings and in the settlement of any claim. You will give all necessary information and assistance as may be required by Us.
4. Payments under this Section shall be payable in the Republic of Namibia in the currency of the Republic of Namibia.
5. Unless You comply with and fulfil all provisions of this section, We will have no liability under this Section of the Policy.
6. We may in the case of any occurrence pay to You the maximum indemnity limit (but deducting any sum or sums already paid) or any lesser sum for which the claim or claims can be settled and We shall thereafter be under no further liability in respect of such occurrence.
7. No admission, offer, promise or payment in relation to a claim under this Section may be made or given by or on Your behalf without Our written consent. You will take all reasonable steps to ensure that You comply with this condition and co-operate with Us in the defence and settlement of any claim which is indemnifiable by this Section, and in the exercise of any subrogation rights.

EXTENDED PERSONAL LIABILITY

DEFINED EVENTS

UNBRELLA LIABILITY

The insurer will indemnify the insured up to the limit of indemnity stated in the schedule for all sums which the insured becomes legally liable to pay as damages arising from an occurrence anywhere in the world, but not in respect of any judgement, award, payment or settlement made within countries which operate under the laws of the United States of America or Canada (or to any order made anywhere in the world to enforce such judgement, award or settlement either in whole or in part) during the period of insurance to the extent that:

- (i) such liability is not indemnifiable in terms of the insuring clause and/or insurable events clause and/or operative clause of any underlying insurance; or
- (ii) such liability is not indemnifiable by reason of an exclusion in any underlying insurance; or
- (iii) the amount of such liability exceeds the limit of the underlying insurance and the underlying insurer has paid or has admitted liability or has been held liable to pay the full amount of such limit, which for purposes of this policy is deemed to be a minimum of R 500 000, but R1 000 000 in respect of motor liability and/ or water craft liability.

COSTS AND EXPENSES

The limit of indemnity includes all legal costs and expenses

- (i) (i) recoverable by or on behalf of any claimant(s) from the insured
- (ii) (ii) incurred by the insured with the insurer's written consent which consent shall not be withheld unreasonably.

DEFINITIONS

Underlying insurance" means an existing insurance policy in force with

- (i) A registered South African insurer which covers one or more of the following:
 - Personal Liability
 - Property Owners Liability
 - Tenants Liability
 - Motor Liability
 - Water craft Liability
- (ii) Any insurer in the world which covers one or more of the following:
 - Motor Liability
 - Water craft Liability
 - Property Owners Liability

in respect of any motor vehicle hired or owned by the insured or any watercraft or property owned by the insured, outside the territory which on 1 January 1976 constituted the Republic of South Africa.

"Insured" means the insured named in the schedule and members of his family normally resident with him

SPECIFIC EXCEPTIONS

This section excludes liability:

1. arising out of or in the course of the insured's employment, business or profession including but not limited to the sale of any goods or the rendering of any services for a fee, reward or any other consideration;
2. arising out of the letting and/or hiring out of any movable or immovable property or part thereof for a fee, reward or any other consideration;
3. for the first R5 000 of any claim in relation to property hired, leased or borrowed by the insured;
4. arising out of the reckless disregard by the insured of the possible consequences of his acts or omissions;
5. (i) of one insured to another
(ii) to any former insured in respect of any occurrence during any period when such former insured was an insured;
6. arising out of loss of or damage to property to the extent that such liability is indemnifiable under any other insurance policy;

7. arising out of the ownership or use of any aircraft other than model aircraft and hang gliders;
8. which is the subject of statutory or similar legislation controlling the use of motor vehicles or trailers and in respect of which liability:
 - (i) the insured is compelled to effect insurance or to furnish security or
 - (ii) the state or other governmental body or authority has accepted responsibility;
9. for any claim in respect of motor liability unless such liability is indemnifiable by any of the underlying insurances, other than any claim excluded solely by reason of any territorial restrictions;
10. for any claim in respect of water craft liability:
 - (i) unless such liability is indemnifiable by any of the underlying insurances, other than a claim excluded solely by reason of any territorial restrictions,
 - (ii) where the overall length of the water craft exceeds 10,5 meters;
11. for loss of or damage to any self-propelled land vehicle, trailer, caravan, water craft or aircraft in the insured's care, custody or control;
12. arising out of any dishonest, fraudulent or malicious act of the insured or acts of physical assault or seduction committed by the insured;
13. for payment of any fine, penalty, multiple, punitive or exemplary damages or arising out of liquidated damages, clauses, penalty clauses or performance warranties, except to the extent that it can be proved that liability would have been attached in the absence of such clauses or warranties;
14. or any debt;
15. for the failure to pay maintenance or alimony or any amounts following a breach or promise;
16. arising out of the purchase, sale, barter or exchange of any property movable or immovable or the failure of the insured to comply with any obligations in relation thereto;
17. for the first R 2 000 of any claim arising from the suspension or termination of employment of any domestic servant;
18. arising out of any condition directly or indirectly caused by or associated with Human Immune Virus (HIV) or the mutants, derivatives or variations thereof or in any way related to Acquired Immune Deficiency Syndrome (AIDS) or any syndrome or condition of a similar kind howsoever it shall be named;
19. arising out of confiscation, nationalisation or requisition or destruction of or damage to property by or under the order of any government de jure or de facto or any public authority.

SPECIFIC CONDITIONS

1. The indemnity granted by this section is conditional upon there being in force at the time of the occurrence an underlying insurance policy, which substantially provides cover for the type of liability for which indemnity is sought hereunder, and upon the insured not being in breach of the conditions of such an underlying insurance.
2. This section will be governed by the laws of the Republic of South Africa whose courts shall have exclusive jurisdiction in any dispute between the insurer and the insured.
3. In respect of any claim not covered at least in part by an underlying insurance, the insurer may take over and conduct in the name of the insured the defence or settlement of any claim or prosecute in the name of the insured for their own benefit and will have full discretion in the conduct of any proceedings and in the settlement of any claim. The insured will give all necessary information and assistance as may be required by the insurer.
4. Payments under this section shall be payable in the Republic of South Africa in the currency of the Republic of South Africa.
5. The due observance and fulfillment of all provisions in the section that require anything to be done or complied with by the insured is precedent to any liability of the insurer in respect of any occurrence for which the insured makes a claim under this policy.
6. The insurer may in the case of any occurrence pay to the insured the maximum indemnity limit (but deducting any sum or sums already paid) or any lesser sum for which the claim or claims can be settled and the insurer shall thereafter be under no further liability in respect of such occurrence.
7. No admission, offer, promise or payment in relation to a claim under this policy may be made or given by or on behalf of the insured without the written consent of the insurer. The insured will take all reasonable steps to ensure that the underlying insurance and this section, and in the exercise of any subrogation rights. The costs incurred in exercising such rights and any amounts recovered shall be apportioned to each party according to the sums paid or payable under the respective policies.

SMALL CRAFT SECTION

DEFINED EVENTS

SUB SECTION A

Loss of or damage to the insured vessel including permanent fixtures & fittings whilst ashore, in transit by road or rail, or whilst afloat in inland and coastal waters up to 12 nautical miles from the shoreline.

DEFINITIONS TO SUB SECTION A

"Insured vessel"- the hull (with a length not exceeding 6 meters), inboard motors, outboard motors, rudder, propeller, hoardings, moorings, sails, spars, masts, rigging, permanent (fixtures, fittings and equipment) of any vessel described in the schedule.

EXCEPTIONS TO SUB SECTION A

The insurer shall not be liable to pay for:

- (a) theft or attempted theft:
 - (i) not accompanied by actual, visible and forcible means, of fixtures, fittings, equipment and outboard motors of the insured vessel, out of
 - (1) an unattended transport vehicle, including a vessel
 - (2) domestic outbuildings, not communicating directly with any private residence
 - (3) any other storage place
 - (ii) of the outboard motors fitted to the insured vessel which are not securely bolted to it;
- (d) outboard motors of the insured vessel dropping off or falling overboard, while not securely chained or bolted to the insured vessel;
- (e) mechanical or electrical breakdown; gradual causes such as wear and tear, rust, mildew, corrosion or decay;
- (f) loss or damage caused by moths or vermin;
- (g) loss of or damage to sails and hoardings torn by wind or blown away whilst hoisted;
- (h) damage due to scratching, bruising or denting arising during transit, loading, or off-loading;
- (i) damage to the insured vessel caused by or attributable to the insured vessel not being seaworthy;
- (j) loss of or damage to the insured vessel which arises:
 - (i) outside the Republic of South Africa or outside a 20 kilometer range from the shores of the Republic of South Africa;
 - (ii) if the insured vessel is used for any purpose other than according to the condition of use;
 - (iii) from or in connection with any exchange, cash or credit sale agreement, including theft under false pretence and/or fraud;
- (k) boating-clothes or crew's clothes and other personal effects; diving and fishing gear (including nets); waterskis, ski ropes and other sports equipment; food, fuel and other supplies; life belts and medical kit; binoculars, sextants, nautical books, nautical maps and any other non-permanent similar navigational equipment such as radar, fishfinders, radios, televisions and other similar electronic equipment which must be insured the All Risks Section of the policy.
- (l) loss of or damage to the vessel, inboard motors, outboard motors, rudder, propeller which is attributable to submerged objects under the water

EXTENTIONS TO SUB SECTION A

The following extensions are added to this sub-section A and shall 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:

SAFEGUARDING AND DELIVERY

The insurer will pay the reasonable costs to

- (a) store, safeguard and remove the insured vessel to the nearest repairer, if the insured vessel is not in working order, due to loss or damage insured under this section;
- (b) deliver the insured vessel to the insured in the Republic of South Africa, Namibia, Lesotho, Botswana and Swaziland, after repair of damage, or loss, insured under this section.

INSPECTION OF THE HULL AFTER STRANDING, SINKING OR COLLISION

The insurer will pay the reasonable costs incurred to inspect the hull of the insured vessel for damage due to stranding, sinking or collision of the vessel.

COSTS TO PREVENT LOSS

The insurer will pay the reasonable costs incurred to prevent or lessen damage or loss insured under this section.

MEDICAL EXPENSES

The insurer will pay medical expenses up to R 2 000.00, for accidental bodily injury to any person inside or on the insured vessel, caused by the sinking or collision of the insured vessel with any object, except water.

SUBMERGED OBJECTS (IF STATED IN THE SCHEDULE TO BE INCLUDED)

Notwithstanding anything to the contrary contained in Exceptions to Sub Section A, Specific Exception (j) this Section is extended to include the following:

- (a) loss of or damage to the vessel(s) including the inboard motors, outboard motors, rudder, propeller which is directly attributable to submerged objects under the water.
- (b) Less the deductible stated in the schedule

CONDITIONS TO SUB SECTION A**USE**

The insured vessel may be used for social, domestic and pleasure purposes. Use for the following are excluded - racing, speed or other contests, competitions or tests (including regattas), or trials in connection therewith; use in connection with any business, trade or occupation.

BASIS OF INDEMNITY

If the insured vessel is less than 5 years old, the basis for calculating indemnity is the cost to replace the insured vessel or part of it with similar new property. This basis does not apply to sails, hoardings, erected tackle, outboard motors, inboard motors and batteries. For these items the basis of indemnity will be the cost to replace the items up to the reasonable market value thereof.

If the insured vessel is older than 5 years, the basis for calculating indemnity is the cost to replace the insured vessel or part of it up to the reasonable market value thereof.

LIMIT OF INDEMNITY

The liability of the insurer for loss of or damage to the insured vessel shall be limited to the sum insured which is stated in respect of the insured vessel in the schedule.

AVERAGE

If the insured vessel is less than 5 years old and it is established that, at the time of any loss or damage, the amount needed to replace the insured vessel - excluding sails, hoardings, erected tackle, outboard motors, inboard motors and batteries - with similar new property, exceeds the amount for which it is insured, the insured will be considered as the insured's own insurer for the difference and will bear a proportional share of the loss or damage accordingly.

If the insured vessel is older than 5 years and it is established that, at the time of any loss or damage, the amount needed to replace the insured vessel with similar property, exceeds the amount for which it is insured, the insured will be considered as the insured's own insurer for the difference and will bear a proportional share of the loss or damage accordingly.

This condition applies separately to each item in the schedule.

UNAVAILABLE PARTS

If a part necessary for the repair of the insured vessel is not available in the Republic of South Africa as a standard (ready-made) part, the insurer will pay an amount equal to the value of the part at the time when the loss or damage occurred. The amount includes the reasonable cost to transport the part (excluding air transport). The value of the part will be determined by the price stated in the most recent catalogue or price list.

INTEREST OF A TITLE HOLDER

If a valid claim occurs and the insurer knows that the vessel is the subject of an extended sales agreement, the insurer will pay the title holder stated in the agreement. The insurer will only pay the title holder up to the outstanding amount in accordance with the agreement and any further amount payable will be paid to the insured.

DUE DILIGENCE

The Insured shall take all reasonable steps to maintain the vessel, trailer and other property insured by this Section in a proper state of repair and in a sea- and roadworthy condition and shall at all times exercise all reasonable precautions for the safety of such property and to prevent loss, damage and accidents

GEOGRAPHICAL LIMITS

The Company shall not be liable in respect of any accident, injury, loss, damage and/or liability caused, sustained or incurred:

- (a) outside the territorial limits of the Republic of South Africa, Lesotho, Botswana, Swaziland Namibia, Mozambique, Zimbabwe and Malawi;
- (b) outside a cruising range of 12 (twelve) nautical miles from the coast of the Republic of South Africa, Namibia or Mozambique

SUB SECTION B**LIABILITY TO THIRD PARTIES**

The insurer will indemnify the insured against all sums which the insured shall become legally liable to pay as compensation due to an occurrence which happens or arises in connection with the insured vessel.

DEFINITIONS TO SUB SECTION B

“insured vessel” - the hull (with a length not exceeding 6 meters), inboard motors, outboard motors, rudder, propeller, hoardings, moorings, sails, spars, masts, rigging, fixtures, fittings and equipment of any vessel described in the schedule.

“occurrence” - an occurrence which leads to:

- (a) accidental death of, or bodily injury to, or illness to a person;
- (b) accidental physical loss of, or damage to tangible property;
- (c) legal costs and expenses
 - (i) which a claimant can recover in connection with a valid claim under this section;
 - (ii) incurred with the insurer's written consent

EXTENSIONS**LIABILITY OF WATER SKIERS AND/OR PARASAILORS**

The insurer will indemnify the insured against all sums which the insured shall become legally liable to pay as compensation due to an occurrence which happens or arises while a water-skier or parasailor is being towed by the insured vessel.

The insurer shall not be liable:

- (a) if the water-skier or parasailor is entitled to indemnity under another policy;
- (b) for accidental death of, or bodily injury to, or illness of a person who is a member of the household or family of the water-skier or parasailor, or a person in the service of the water-skier or parasailor, if the death, bodily injury or illness arises from the service;
- (c) for accidental physical loss of, or damage to property belonging to, or kept in trust by, or under the charge or control of, or in the custody of the water-skier or parasailor, or any member of the household or family of the water-skier or parasailor, or any person in the service of the water-skier or parasailor;
- (d) if the water-skier or parasailor does not comply with the terms, exceptions and conditions of this policy.

LIABILITY IF OWNER/INSURED IS NOT THE NAVIGATOR

The insurer will indemnify any navigator against all sums which such navigator shall become legally liable to pay as compensation due to an occurrence which happens or arises in connection with the insured vessel, whilst such navigator navigates the insured vessel.

The insurer shall not be liable if the navigator:

- (a) navigates the insured vessel without the insured's expressed or implied permission;
- (b) is entitled to indemnity under another policy;
- (c) does not comply with the terms of this policy;
- (d) was refused any insurance for a sail-boat, motor-boat or small craft or continuance thereof by an Insurer

COSTS FOR LIFTING OUT, REMOVAL OR DESTRUCTION

The insurer will indemnify the insured against costs incurred with the insurer's written consent, for lifting out, removal or destruction of the wreckage of the insured vessel.

EXCEPTIONS TO SUB SECTION B

The insurer shall not be liable to pay for:

- (a) legal costs and expenses incurred after the date that the insurer paid or offered to pay either the full amount of a claim, or a lesser amount for which a claim can be settled, or the maximum amount for which the insurer is liable for a claim;
- (b) liability, costs or expenses:
 - (i) due to advice or treatment given or supplied by the insured or a person acting on the insured's behalf;
 - (ii) which arise during the transport of the insured vessel by road;
 - (iii) due to an occurrence outside the Republic of South Africa;
 - (iv) which arise if the insured vessel is used for any purpose other than according to the condition of use;
- (c) liability due to accidental death of, or bodily injury to, or illness of the insured or a member of the insured's household or family, or a person who pays fare whilst in or on the insured vessel, or any person in the insured's service, if the liability arises from the service;
- (d) liability due to accidental loss of, or damage to property:
 - (i) belonging to, or kept in trust by, or under the charge or control of, or in the custody of the insured, a member of the insured's household or family, or any person in the insured's service;
 - (ii) being transported, or to be transported in or on the insured vessel.

CONDITIONS TO SUB SECTION B**USE**

The insured vessel may be used for social, domestic and pleasure purposes. Use for the following are excluded - racing, speed or other contests, competitions or tests (including regattas), or trials in connection therewith; use in connection with any business, trade or occupation.

LIMIT OF INDEMNITY

The liability of the insurer for loss of or damage to the insured vessel shall be limited to the sum insured which is stated in respect of the insured vessel in the schedule.

GENERAL CONTACT DETAILS

ADDRESS

POSTAL P.O. Box 5881,
Tygervalley,
7536,
RSA

PHYSICAL 2nd Floor,
The Cliffs,
3 Niagara Road,
Tygerfalls Office and Residential Park,
Carl Cronje Drive,
Bellville,
RSA

CONTACT NUMBERS

TEL +27 (0) 861 937 628

FAX +27 (0) 862 110 392

WEB AND EMAIL

EMAIL info@za.westnat.com

WEB www.westnat.com

Western National Insurance Company Limited is an authorised financial service provider (Leg. Rep. FSP 9465)