

A full-page background image showing a tropical resort scene at sunset. Silhouettes of palm trees and lounge chairs under umbrellas are reflected in a pool of water. The sky is a mix of orange and blue.

# Hospitality

insurance policy



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Separate riot and strike cover is provided, where available by SASRIA Limited, Registration number: 1952/001514/06

Please make sure that your policy meets your needs. To change your policy information, contact your broker.





## **Howdie Hospitality**

We are an administrator of Guardrisk Insurance Company Limited and focus on the underwriting of customised insurance solutions for the hospitality industry throughout South Africa. Thank you for considering our product.

We typically focus on underwriting the following risks:

- Urban hotels
- Boutique hotels
- Guest Houses
- Bed and Breakfasts
- Restaurants

## **Your Insurer**

Guardrisk Insurance Company Limited (FSP no. 75) provides World Class trade and commercial insurance products to support your business's sustainable growth.

## **Your Intermediary**

The intermediary of your choice offers insurance intermediation services and acts on your behalf. The intermediary can bind you only if he or she has a prior written mandate. If he or she does not have binding authority, then your intermediary will discuss your needs with Guardrisk/Howdie Hospitality.

## **Get in touch with us**

If you need help with understanding your cover, please contact your intermediary. If you need confirmation of any policy transaction, please do not hesitate to contact Howdie Administrators. Our contact details are reflected on the back cover of this document.



## PRODUCT DISCLOSURE STATEMENT (PDS)

### 1. Why is this document important?

The Product Disclosure Statement (PDS) and policy wording is a legal document that is intended to assist you to understand the cover that you have selected.

It will help you to:

- decide whether this Guardrisk/Howdie Hospitality product meets your needs, and
- compare this Guardrisk/Howdie Hospitality product with others you may be considering.

Only you can decide on the cover you need based upon the guidance from your intermediary. Any advice given in this PDS is of a general nature only and has not considered the objectives, financial situation or requirements of your business. You should carefully consider the information provided having regard to your own business circumstances to decide if this is the correct cover for you.

### 2. Make sure you have the cover you need

- i. For easy reference, the insurer and the underwriter are referred to as we, us or our, and the insured is referred to as you, your or yourself.
- ii. Section 4 of Part C: "General", defines certain words that have the same meaning throughout this document. Some cover sections have words with specific meanings and these will be listed under "Item 1 Definitions" of each such cover section.

This PDS will assist you to understand and make an informed choice about your insurance requirements.

The PDS and policy wording has 4 parts:

**PART A:** contains information about your rights and responsibilities, including how to contact us if you have a complaint, and is applicable across all sections of the policy;

**PART B:** contains information about the policy wording;

**PART C:** contains the general exclusions, conditions, claims procedure and special meaning of words applicable to all sections of the policy wording;

**PART D:** contains the policy wording.



## PART A: YOUR RIGHTS AND RESPONSIBILITIES

### 1. Cooling off period

We have a cooling off period of 14 days from the inception of the policy, which allows you the necessary time to familiarize yourself with our product. This policy may be cancelled within 14 days should you decide for any reason that it does not meet your requirements. We will cancel the policy, effective from the commencement date and give you a full refund, provided you have not claimed. However, if you wish to cancel the policy after the 14 day cooling off period, you will only be entitled to a pro-rata refund of the premium.

### 2. Make sure you have the cover you need

You should discuss with your intermediary the appropriate amounts and risks for which you need to be insured. If you do not adequately insure for the relevant risks, you may have to bear any uninsured losses yourself.

### 3. Duty of disclosure

We rely upon the information you provide to us when you apply for insurance, and when you renew, change or reinstate your policy. You must tell us anything you know, or should know, that could affect our decision to insure you and/or the terms on which we insure you

i.e. you are asked at the time you take out this insurance to give us full and correct details concerning any:

- renewal or insurance policy declined, cancelled or refused, or where any excess/first amount payable was imposed;
- any claims refused by an insurer;
- any claims made.

You do not have to tell us about any matter:

- that diminishes the risk to be undertaken by us;
- that is of common knowledge;
- that we know or in the ordinary course of business, ought to know;
- which we indicate we do not want to know.

You should instruct your intermediary to notify us as soon as possible when your circumstances change and if these changes are relevant to your policy. For instance, should you purchase additional items of plant and machinery – if you do not tell your intermediary of these changes, your sum insured may not be adequate to cover any loss, or you may not even have the cover under your policy.



If you do not comply with your duty of disclosure, we may reduce or refuse to pay a claim or cancel your policy. If your non-disclosure is fraudulent we may treat this policy as never having been in force.

#### 4. Complaints and Disputes

If you have a complaint about our product or the service you have received from us, we will attempt to try to resolve it as quickly and fairly as possible. Kindly note for your complaint to receive the attention it deserves, and in terms of the procedures laid down in the FAIS Act, it must be submitted to us in writing and may be handed in at any of our branch offices. You may also email us with your complaint, and the contact details of the responsible person at Guardrisk are shown below.

Where the complaint pertains to any aspect of our service, or any disclosures that ought to be made by us, we will endeavor to address those complaints in writing, within 5 working days.

Should we not be able to address your concerns to your complete satisfaction, you may approach the office of the Ombudsman for Financial Services Providers or, if your complaint is claims related to the Ombudsman for Short Term Insurers, or take such other steps as may be advised by your legal representatives.

The referral to the office of the Ombudsman must be done in accordance with the provisions of section 21 of the FAIS Act and the rules promulgated in terms of that section. In instances where we have not been able to arrive at a resolution within six weeks after you have lodged your complaint, the matter may automatically be referred to the Ombudsman within a period of six months.

<p><b>The Ombudsman for Financial Services Providers:</b></p> <p>Particulars of the FAIS Ombudsman:</p> <p>FAIS Ombudsman</p> <p>Physical Address: 125 Dallas Avenue Menlyn Central Waterkloof Glen Pretoria, 0010</p> <p>Tel: (012) 470 9080</p> <p>Fax: (012) 348 3447</p> <p>E-mail: info@faisombud.co.za</p> <p>Website: www.faisombud.co.za</p>	<p><b>The National Financial Ombud Scheme:</b></p> <p>Gauteng: 110 Oxford Road, Houghton Estate Johannesburg, 2198</p> <p>Western Cape: Claremont Central Building, 6<sup>th</sup> Floor, 6 Vineyard Road Claremont, 7700</p> <p>E-mail: info@osti.co.za</p> <p>Website: www.osti.co.za</p>
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## PART B: ABOUT THE POLICY WORDING

### 1. Our policy

The Howdie/Guardrisk/Howdie Hospitality product is designed to cover all the insurance requirements in the hospitality accommodation industry.

The cover it provides is for industry specific benefits to suit your business needs and circumstances.

### 2. How to apply for this insurance

If you are interested in buying this insurance product or have any enquiries about it, you should contact your intermediary who will be able to provide you with all the information and assistance you require.

### 3. Summary of policy cover sections

Subject to the payment of your premium, and the exclusions, conditions and limitations stated in this document, we will provide the cover you have selected. The following is a summary only of the types of cover available and does not form part of the terms of your insurance – you need to read the policy wording part of this document, which sets out the terms and conditions of this insurance, to make sure it matches your expectations. The schedule contains all relevant sums insured and sub-limits per section covered, as well as the applicable first amounts payable.

Cover sections	Summary of covers
<b>Section 1: Property</b>	This section provides cover against sudden and unexpected physical loss or damage to your property during the period of insurance up to the sums insured and sub-limits as stated in the schedule.
<b>Section 2: Business interruption</b>	This section provides cover for your loss of income arising from your business being interrupted directly following insured damage, which occurs during the period of insurance.
<b>Section 3: Theft</b>	This section provides cover for loss of or damage to your property, due to theft or attempted theft at your premises. In non-public areas (including accommodation units and/or rooms) theft is only covered if accompanied by violent and forcible entry or exit or as a result of theft following violence or the threat of violence.



<b>Section 4: Money</b>	This section provides cover for your business's money whilst contained at the insured premises in a safe or strong room, in transit to or from the insured premises, in your personal custody, in the custody of a trusted employee or the custody of a specialised cash in transit firm.
<b>Section 5: Glass</b>	This section provides cover for glass at the insured premises (including internal and external glass and sanitary fittings) plus any sign writing and treatment thereof.
<b>Section 6: Fidelity Guarantee</b>	This section provides cover for the direct financial loss sustained by you as a result of fraudulent misappropriation of funds by an employee during the period of insurance and which results in dishonest personal financial gain for such employee. Fraudulent misappropriation includes computer crime.
<b>Section 7: Goods in transit</b>	This section provides cover for loss of or damage caused to goods you sell, buy or use in your business whilst such goods are in transit.
<b>Section 8: Accidental damage</b>	This section provides cover for physical loss or damage to your property for events not otherwise insurable.
<b>Section 9: Public liability</b>	This section provides cover for your legal liability to pay compensation for personal injury and/or property damage caused by an occurrence in connection with your business or products (if such cover is included).
<b>Section 10: Employers liability</b>	This section provides cover for defence costs incurred including damages and claimant's cost and expenses you are legally liable to pay to any employee following accidental death, bodily injury or illness to such employee and which occurred in the course of and in connection with their employment.
<b>Section 11: Business all risks</b>	This section provides cover for the theft of, or accidental damage of specified items for which you are legally liable, whilst anywhere in the world.
<b>Section 12: Machinery breakdown</b>	This section provides cover for damage to specified plant and machinery, following a breakdown or collapse of such item(s) at the insured premises, which requires repair or replacement.
<b>Section 13: Electronic equipment</b>	This section provides cover for the sudden and unforeseen physical damage of insured equipment, which requires repair or replacement before normal operations can be resumed including the cost of restoring data.
<b>Section 14: Plant all risks</b>	This section provides cover for the unforeseen accidental damage of specified plant and machinery.



<b>Section 15: Motor</b>	This section provides cover for accidental damage to your own vehicle(s) as well as damage to other people's property and injury to other people caused by your vehicle. Your vehicle will also be covered for theft and hijack, subject to the cover selected. Cover can be Comprehensive, Third Party Fire and Theft or Third Party only.
<b>Section 16: Deterioration of stock</b>	This section provides cover for the accidental deterioration of stocks in the refrigerated chambers at the insured premises and can be extended to include the deterioration of wine stocks.
<b>Section 17: Group personal accident</b>	This section provides cover for your employees, partners or directors on a 24 hour basis or occupation only basis and covers accidental death, permanent disability, income protection and medical expenses.

#### 4. What makes up this policy?

Your policy is a contract of insurance between you and us and is made up of:

- the proposal, which is the information you provide to us when applying for insurance cover;
- the PDS and policy wording, which tells you what is covered, sets out the claims procedure, exclusions and other terms and conditions of cover. When we need to make changes to the cover, we do this by adding what is called an endorsement to your schedule;
- the schedule is a separate document from the policy wording and it shows the details relevant to you at inception and is also reissued for endorsement purposes as and when required; and
- any other written change otherwise advised by us in writing. These written changes vary or modify the above documents.

#### 5. Our agreement

We agree to provide you with the cover set out in each of the policy sections that you have selected and that are shown in your schedule, subject to you having paid the premium.

This cover is in force for the period of insurance set out in your schedule. We will cover you for loss, damage and/or liability occurring during this period, provided you comply with all the terms and conditions of the policy.

We will not pay any more than the sum insured or limit of liability for each section shown on your schedule, unless otherwise stated.



## **6. How we calculate your premium**

The amount of your premium is determined by taking a number of factors into account. It is important for you to know in particular that the premium varies depending on the information we receive from you about the risk to be covered by us. The higher the risk is, the higher the premium will be. Based on our experience and expertise as an underwriter, as well as knowledge of the hospitality industry, we decide what factors increase our risk and how they should impact on the premium.

In this policy the following factors are taken into consideration:

- the nature of your business;
- the location of your business;
- the materials used in the construction of your property or the property housing your business;
- the sums insured chosen by you;
- your prior claims history;
- risk mitigation;
- security measures;
- your appetite for risk retention.

The total cost of your policy is shown on your policy schedule and is made up of your policy premium plus SASRIA premium, plus any mandated intermediary fees applicable and VAT.

## **7. Why the cost of insurance can change?**

Each time you renew your insurance, your premium may change, even if your business circumstances have not changed. This is because premiums are affected by factors including:

- the cost of claims that we have paid
- the cost of claims we expect to pay in the future
- our expenses incurred in doing business.

## **8. Value added Tax (VAT)**

The sums insured, limits, premiums and what we pay as stated on your schedule, include VAT. In the event of a change in the rate of VAT during the period of insurance, the sums insured, and if appropriate, premiums will be adjusted accordingly.



## **9. Period of insurance**

We will insure you for the period as shown in your schedule i.e. your cover period can be monthly, quarterly, bi-annual or annual.

## **10. Paying your premium**

Your policy will not operate until you have paid your premium. The amount of premium due is stated on the schedule, which also includes how much time you have for payment i.e., the due date for payment will be the first day of each calendar month where the period of insurance is monthly, and the first day of:

- every calendar month where premium is payable monthly;
- the quarter where premium is payable quarterly;
- the half year where premium is payable half yearly; and
- the first day of the year where premium is payable annually.

Unless we tell you, any payment reminder we send you does not change the expiry or due date.

If the premium is not paid on the due date you will have 15 days from the due date to pay the premium. If no premium is collected during this period, the policy will be cancelled from the due date. If this is a monthly policy, the 15 days period of grace will apply from the second month of insurance.

If you make changes to your policy, you may need to pay an additional premium, or you may be entitled to a refund.

## **11. Policy changes**

You may make changes to your policy at any time. Any change you make will be effective from the time and date agreed to.

We may change your policy by giving you 30 days' notice.

## **12. Policy terms and conditions**

You must abide by the terms and all conditions of this policy. These are detailed under Part C of this policy under General sections 1, 2, 3 and 4 and as special conditions under each cover section of the policy. If you don't adhere accordingly, our policy may not operate, or we may reduce, or refuse to pay a claim and cancel your policy.



### **13. Excluded risks**

There are certain events for which this policy may not provide cover. Some of the exclusions apply to all cover sections as detailed under Part C, Section 1. However, there are also specific exclusions that apply under each cover section of the policy. Refer to "What is excluded" in each cover section for further details.

### **14. First amount payable**

You are required to contribute towards each and every event that causes loss or damage insured by this policy. Refer to the policy wording and the schedule for details of any first amount payable that may apply.

### **15. Cancellation**

You may cancel this policy at any time and with immediate effect.

We may cancel this policy by giving you 30 days' notice in writing by post, email or fax.

Your policy will cancel when the:

- i. monthly premiums are not paid for two consecutive months on either the due dates or within the grace periods in those months;
- ii. annual and term premiums are not paid on the due date or within the grace period.

The policy will end at 24h00 on the final day of the period for which you last paid your premium.

On cancellation, we shall be entitled to retain the pro-rata premium for the unexpired policy period.

### **16. Sharing of information**

In order to combat insurance fraud, evaluate and properly underwrite risks, the South African Insurance Association (SAIA) has created a shared database for storing insurance information.

The sharing of information will contribute significantly to limiting insurance fraud and to assess risks fairly, thus protecting the interests of all policy-holders.

We will only use this information for the purpose of assessing your application for insurance and administering your insurance policy, including any claims you make. We will, therefore, only use and disclose your personal information for a purpose you would reasonably expect i.e. we may need to disclose personal information to our reinsurers, insurance intermediaries, credit agencies, our advisers and those involved in the claims handling



process (including assessors and investigators), or for the purpose of providing relevant services and products, or for the purposes of litigation. We may also disclose information to people listed as co-insured on your policy and to any other party authorised by you.

You hereby waive any right to privacy with regard to any underwriting and claims information (including credit information) that you provide or that is provided by another person on your behalf in respect of any insurance policy or claims made or lodged by you.

You also acknowledge that the insurance information provided by you may be stored in the shared database and used as set out above.

### **17. General Insurance Code of Practice**

As a licensed Financial Service Provider, we subscribe to the General Insurance Code of Practice governing our industry. The purpose of the Code is to raise standards of practice and service in the general insurance industry.

The Code aims to:

- constantly improve claims handling in an efficient, honest and fair manner;
- build and maintain community faith and trust in the financial integrity of the insurance industry; and
- provide helpful community information and education about general insurance.

### **18. In the event of a loss, damage or an accident:**

(Also refer to Part C, Section 3, Claims Procedure Conditions)

#### **What you must do**

You have certain responsibilities which are listed below. If you fail to meet these responsibilities, your claim may be rejected. You need to:

- make sure everyone is safe and take all reasonable steps to prevent further loss, damage or liability;
- notify the police within 24 hours if any of your property is stolen, maliciously or intentionally damaged. Give them a list of all stolen or damaged items. Keep details of the date reported, name of the police officer, police station reported to and the police reference number;
- provide us with full details of your claim as soon as reasonably possible after the event. However, if you or someone acting on your behalf, does not complete and submit a claim form within 60 days of an incident, we may reject your claim; or reduce the amount we



- have to pay if the delay causes increased costs, or prevents us from investigating the claim timeously;
- provide us with all proof required regarding the stolen or damaged property;
- help us to manage the claim, which may include us, or our appointed representative, inspecting your property/premises or location or asking you questions, or you providing written statements to us under oath;
- keep items that have been damaged and allow us, or our appointed representative, to inspect them or assess repair costs;
- allow us to take possession of damaged property that is the subject of a claim;
- immediately forward any invoices, demand letters, summons or notices you receive from other persons or organisations involved in the incident, to us immediately upon receipt. If you do not, we may reduce the amount we will pay, if the delay causes increased costs or prevents us from investigating the circumstances of the claim.

#### **What you must NOT do**

- admit liability if an incident occurs, which is likely to result in someone claiming against you and for which we insure you, without our prior consent;
- arrange replacement or approve repairs of any property in connection with any claim without our consent (other than emergency repairs necessary to minimize or prevent further loss or damage);
- dispose of any damaged property;
- cause any unreasonable delays that prevent us from assessing, investigating, repairing, reinstating or replacing or exercising any of our rights, otherwise we may at our discretion elect not to indemnify you. Alternatively we may elect not to pay any extra costs or damages that result from such delay or lack of co-operation.

#### **What we will do**

We will settle your claim in any of the following ways:

- repairing the damage;
- replacing the item;
- paying out cash to you;
- any combination of the above.



**Our approval needed for repairs**

Except for emergency temporary repairs, which are permitted under this policy, you are not authorised to commence repairs without our approval. The most we will pay for emergency repairs is R50 000.

**We do not cover:**

- repairs you did not have to do;
- unreasonably excessive repair costs if you had a cheaper alternative to choose from at the time. We will only pay the amount you should have spent.



## PART C: GENERAL – applicable to all cover sections

### Section 1: EXCLUSIONS

#### 1. War, Riot and Terrorism

1.1 This policy does not cover loss of or damage to property related to or caused by:

- 1.1.1 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;
- 1.1.2 war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war;
- 1.1.3
  - 1.1.3.1 mutiny, popular uprising, military rising, military or usurped power, martial law or state of siege or any other event or cause, which determines the proclamation or maintenance of martial law or state of siege;
  - 1.1.3.2 insurrection, rebellion or revolution;
- 1.1.4 any act (whether on behalf of any organization, body or person or group of persons) calculated or directed to overthrow or influence any State or Government or any provincial, local or tribal authority with force or by means of fear, terrorism or violence;
- 1.1.5 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;
- 1.1.6 any attempt to perform any act referred to in Clause 1.1.4 or 1.1.5 above;
- 1.1.7 the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in Clause 1.1.1, 1.1.2, 1.1.3, 1.1.4, 1.1.5 or 1.1.6 above.

If the Company alleges that, by reason of Clause 1.1.1, 1.1.2, 1.1.3, 1.1.4, 1.1.5, 1.1.6 or 1.1.7 of this Exception, loss or damage is not covered by this Policy, the burden of proving the contrary shall rest on the insured.

1.2 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.

- 1.3 Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision not included herein, which would otherwise override a general exception, this policy does not cover loss of or damage to property or expense of whatsoever nature directly or indirectly caused by, arising out of or in connection with any act of terrorism, regardless of any other cause or event contributing concurrently or in any sequence to the loss, damage or expense.

For the purpose of this General Exception 1.3 an act of terrorism includes, without limitation, the use of violence or force or the threat thereof whether as an act harmful to human life or not, by any person or group of persons, whether acting alone or on behalf of or in connection with any organization or government or any other person or body of persons, committed for political, religious, personal or ideological reasons or purposes including any act committed with the intention to influence any government, or for the purpose of inspiring fear in the public or any section thereof. If the Company can demonstrate that, by reason of Clause 1.3 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 (not applicable to Fidelity, Stated Benefits and Group Personal Accident sections)**

This policy does not cover any legal liability, loss, damage, cost or expense whatsoever or any consequential loss directly or indirectly caused by or contributed to, or arising from:

- 2.1 ionising radiations or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the combustion or use of nuclear fuel;
- 2.2 nuclear material, nuclear fission or fusion, nuclear radiation;
- 2.3 nuclear explosives or any nuclear weapon;
- 2.4 nuclear waste in whatever form;

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

## **3. Computer losses**

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

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



### 3.3 any consequential loss;

directly or indirectly caused by, or contributed to, 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 to correctly 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, 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 it is the property of the insured or not.

This exception shall not apply to:

- A. loss or destruction of or damage to the insured property by fire, explosion, lightning, earthquake, storm, wind, water, hail, snow, aircraft or other aerial devices dropped therefrom, impact by animals, trees, aerials, satellite dishes or vehicles;
- B. the Glass, Employer's Liability, Stated Benefits, Group Personal Accident or Motor sections;
- C. 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 A above;

provided that A, B and C above:

- v. will not insure any loss, destruction, damage or consequential loss if such loss is not indicated as an included peril, extension or section in this policy;



- vi. will not insure any loss, destruction, damage or consequential loss if such loss would not have been insured in the absence of this section, Computer Losses.

#### **4. Asbestos (Applicable to sub-section D of the Buildings Combined Section, the Public Liability and Employers' Liability**

Sections and sub-section D of the House Owners Section).

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

#### **5. Sanctions**

The Company shall not be liable to provide any cover, pay any claim, provide any benefit or provide any indemnification under this policy if the insured is listed, or is included by the respective authorities as a sanctioned, or prohibited entity or individual to do business with or indemnify, under the United Nations resolutions or any trade or economic sanctions, laws or regulations of the European Union, the United Kingdom, the United States of America or South Africa.

#### **6. Communicable Disease Exclusion LMA5394**

Notwithstanding any provision to the contrary within this policy, this policy excludes any loss, damage, liability, claim, cost or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a Communicable Disease, or the fear or threat (whether actual or perceived) of a Communicable Disease regardless of any other cause or event contributing concurrently or in any other sequence thereto.

As used herein, a Communicable Disease means any disease, which can be transmitted by means of any substance or agent from any organism to another organism where:

The substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and

The method of transmission, whether direct or indirect, includes but is not limited to airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and

The disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.



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 any claim, loss, damage, cost or expense of any nature whatsoever, directly or indirectly and regardless of whether any other cause or event contributed concurrently or in any sequence, arising out of, related to, caused by, attributable to, contributed to or otherwise has any connection to:

any limitation or prevention of use of or access to insured premises due to or in response to any of the events contemplated in clauses (1) and (2) above: or

any authority's actions, reaction, advice, measures, restrictions and/or other responses to any of the events contemplated in clauses (1) and (2) above.

For the purposes of this general exclusion:

An "authority" is defined to mean any public authority, including any national or international body empowered with the capability and authority to act, react or respond or cause an action, reaction or response, to whatsoever circumstance at a local, municipal, regional, provincial, national, or international level.

An "action or response" is defined to mean, without limitation, any action by an authority".

If the Company alleges that, by reason of this exception, any claim, loss, damage, cost or expense is not covered by this policy, the burden of proving the contrary shall rest on the insured.

## **7. Property Cyber and Data Exclusion**

7.1 Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:

- 7.1.1 Cyber Loss, unless subject to the provisions of paragraph 2;
- 7.1.2 loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data, unless subject to the provisions of paragraph 3; regardless of any other cause or event contributing concurrently or in any other sequence thereto.

7.2 Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, this Policy covers physical loss or physical damage to property insured under this Policy caused by any ensuing fire or explosion, which directly results from a Cyber Incident, unless that Cyber Incident is caused by, contributed to by, resulting from, arising out of or in connection with a Cyber Act



including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act.

- 7.3 Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, should Data Processing Media owned or operated by the insured suffer physical loss or physical damage insured by this Policy, then this Policy will cover the cost to repair or replace the Data Processing Media itself plus the costs of copying the Data from backup or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling the Data. If such media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank Data Processing Media. However, this Policy excludes any amount pertaining to the value of such Data, to the insured or any other party, even if such Data cannot be recreated, gathered or assembled.
- 7.4 In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- 7.5 This exclusion supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss, Data or Data Processing Media, replaces that wording.

#### **DEFINITIONS APPLICABLE TO THIS EXCLUSION**

- 7.6 Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.
- 7.7 Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.
- 7.8 Cyber Incident means:
- 7.8.1 any error or omission or series of related errors or omissions involving access to processing of, use of or operation of any Computer System; or
  - 7.8.2 any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.
- 7.9 Computer System means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the insured or any other party.



7.10 Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

7.11 Data Processing Media means any property insured by this Policy on which Data can be stored but not the Data itself.

## **8. Utilities Exclusion**

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 any claim, loss, damage, cost or expense of any nature whatsoever, directly or indirectly, related to, caused by, the total or partial failure of the supply of electricity, gas, water, communications or data processing facilities, steam, sewerage or other similar services attributable to, any actions, advice, measures, restrictions, or other responses of any governmental authority or any other authority.

For purposes of this general exclusion:

- i. An "authority" is defined to mean any public authority, including any national or international body empowered with the capability and authority to act, react or respond, or cause an action, reaction or response, to whatsoever circumstance at a local, municipal, regional, provincial, national, or international level;
- ii. An "action, reaction or response" is defined to mean, without limitation, any action by an authority."

If the Company alleges that, by reason of this exception, any claim, loss, damage, cost or expense is not covered by this policy, the burden of proving the contrary shall rest on the insured.

## **9. Grid Failure or Interruption Exclusion**

Notwithstanding any provision of this policy, including any exclusion, exception, extension, insuring provision, or any provision, which would otherwise override this general exclusion, this policy does not cover any loss, damage, claim, cost, expense or other sum of any nature, including any consequential losses in terms of any section of this policy, that is directly or indirectly caused by, attributable to, in consequence of, resulting from, arising out of, following, or in any way in connection with an Electricity Grid Failure or Interruption.

Electricity Grid Failure or Interruption means an interruption or suspension of the electricity supply from the national, regional, municipal, local or private grid of South Africa concurrently, for whatsoever reason, whether due to damage, an inability and/or failure (whether partial or total) of the utility supplier to generate, transmit or distribute electricity, or otherwise.



## **10. Non-Damage**

Notwithstanding any provision of this policy including any exclusion, extension or other conditions, clauses or terms included herein, which would otherwise override a General Exclusion, all losses, and resultant Business Interruption, and costs in connection with or arising directly or indirectly, of whatsoever nature, where the loss is not due to Physical Damage to Insured Property or property of the type insured under this Policy, including any act of a lawfully established or recognised authority, in relation to closure, restriction, or prevention of access, in dealing with the foregoing, is excluded.

## **Section 2: CONDITIONS AND PROVISIONS**

### **1. Accountants**

Any particulars or details contained in your books of account, or other business books or documents, which may be required by us for the purpose of investigating or certifying any claims may be produced and certified by your auditors or accountants and their certificate shall be prima facie evidence of the particulars and details to which such certificate relates.

### **2. Adjustment of premium**

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

### **3. Alarm systems**

If you have advised us that surveillance or protective equipment, burglar or fire alarm systems are used or installed at your location you must:

- i. ensure it is regularly tested and maintained in accordance with the manufacturers recommendations;
- ii. take all reasonable precautions to ensure that it is operational outside normal trading hours.

### **4. Alteration of risk**

You need to advise us immediately of any change in risk, which may materially alter any of the facts or circumstances that existed at the commencement of this policy and its subsequent renewal. This applies in particular to the use of or occupation of the building(s) as well as any changes that may increase the risk of loss or damage or the likelihood of liability losses.



If you do not comply with this condition, we may reduce or refuse to pay a claim or cancel your policy. If your non-disclosure is fraudulent we may treat this policy as never being in force.

We reserve the right to amend the rate, terms and conditions of the policy with immediate effect if our exposure is increased by way of the change in risk.

#### **4. Arbitration**

If any difference shall arise as to the amount to be paid under this Policy (liability being otherwise admitted) such difference shall be referred to an arbitrator (or arbitrators) to be appointed by the parties concerned in accordance with the applicable statutory provisions in force. The making of an award shall be a condition precedent to any right of action against us to recover such amount in dispute.

#### **5. Breach of conditions**

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

#### **6. Cancellation**

You may cancel this policy at any time and with immediate effect.

We may cancel this policy by giving you 30 days' notice in writing by post, email or fax. Your policy will cancel when your:

- i. Monthly premiums are not paid for two consecutive months on either the due dates or within the grace periods in those months
- ii. Annual and term premiums are not paid on the due date or within the grace period

The policy will end at 24h00 on the final day of the period for which you last paid your premium. On cancellation, we shall be entitled to retain the pro rata premium for the unexpired policy period

#### **7. Collective insurance**

If more than one insurer participates in this policy, the words, we, us and ours will include "insurer" wherever it appears. In this event the percentage share of each insurer will be as expressed in the schedule and the liability of each insurer individually limited to the percentage share shown against its name.



## **8. Definitions**

The schedule and any endorsements to the schedule and the policy wording must be read together and any word or expression, to which a specific meaning has been given, either within a policy section or under Part C section 4, will bear the same meaning wherever it appears.

## **9. Disputed claims**

In terms of the Policy Holder Protection Rules, if you dispute the outcome of your claim you have 90 days from the day you are first informed of the outcome to notify us about your objection. Immediately following this you have a further 6 months within which to serve a summons on us. If you do not do so within this period, your right to challenge the decision is forfeited.

## **10. First amount payable**

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

## **11. Fire Protection**

It is a condition precedent to liability under this policy that all fire-fighting equipment and fire protection at the insured premises is installed, maintained and serviced in accordance with the regulations contained in the National Building Regulations and Building Standards Act (no. 103 of 1977) as amended or substituted from time to time and any similar applicable legislation and regulations thereto as well as any other regulations as may be contained in the respective Emergency Services by-laws.

## **12. Fraud**

If any claim under this insurance be in any respect fraudulent, or if any fraudulent means or devices be used by you or anyone acting on your behalf with your knowledge or connivance to obtain any benefit under this insurance, or if any loss or damage be occasioned by a wilful act or with your connivance, all benefit under this insurance in respect of such claim shall be forfeited.



### **13. Hazardous materials**

Hazardous goods or materials stored at the insured property must be stored in the quantities and manner required by any relevant law or standard.

### **14. Holding covered**

If we have confirmed in writing that we are holding covered on a risk we will not reject a claim on the basis that the premium has not been agreed.

### **15. Inspections**

We or our service providers have the right to inspect and examine, by appointment, any insured property covered under this policy. Neither our inspection nor our failure to inspect, alters the terms and conditions of this policy or your obligations in any way. Any inspection will be restricted to matters which, in our opinion, are relevant to this policy.

### **16. Interest**

No payment due by us for any claim will be subject to interest under Common Law or under the prescribed rate of the Prescribed Rate of Interest Act (No. 55 of 1975) as amended or substituted from time to time.

### **17. Jurisdiction**

Any dispute concerning the interpretation of the terms, conditions, limitations and/or exclusions contained in this policy is understood and agreed by both yourself and ourselves to be subject to the courts and law of the Republic of South Africa.

### **18. Misrepresentation, misdescription and non-disclosure**

An item, section or sub-section of this policy or the entire policy, will be deemed voidable in the event of any misrepresentation, misdescription or non-disclosure of any material fact, which could have influenced our decision to insure you or the terms to apply when we agreed to insure you.

### **19. National Building Regulations**

All insured properties must comply with the National Building Regulations and the Building Standards Act (no. 103 of 1977) as amended or substituted from time to time and any similar



applicable legislation and regulations thereto. All plans must have been submitted to and approved by the local authority at the relevant time of construction.

You must also comply with all statutory obligations, laws and by-laws, regulations, safety requirements and statutes and regulations imposed for the safety of persons and property.

## **20. 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 you against the insured event, we shall be liable to make good only a rateable proportion of the amount payable by or to you 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 conditions of average, shall be subject to average in like manner. For example, if a unit owner arranges insurance for their unit independently of the body corporate, and they suffer damage to the unit that is covered by both policies, then we will only pay a rateable proportion of their claim.

## **21. Refund of premium if this policy is cancelled**

If this policy is cancelled after the cooling-off period has expired but before the end of the period of insurance, we will:

- i. keep the premium for the period you were covered;
- ii. refund to you any premium you have paid from the date of cancellation to the end of the period of insurance.

## **22. Rights to other persons**

Unless stated otherwise, nothing in this policy will give rights to any person other than you. Any extension that provides indemnity to any person other than you will not give any rights of claim to such person. The intention is that you shall claim on behalf of such person. Your receipt of our payment will in every case be a full discharge of our liability.

## **23. Security firms**

If an employee of a security firm employed by you under a contract causes loss or damage, we agree, if in terms of the said contract, you may not claim against the said security firm, not to exercise our rights of recourse against the said security firm.

We shall not raise as a defense to any valid claim submitted under any cover section or subsection of this policy that our rights have been prejudiced by the terms of any contract entered into between yourself and any security provider relating to the protection of your property.



Schedule sums insured or limits of liability blank

If, in a schedule of this policy, the sum insured, limit of liability 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 insured event or circumstance shown in the schedule is not insured by the policy.

#### **24. Subrogation rights**

We have the right to take over and conduct in your name, the defense or settlement of any claim, to prosecute in your name any claim for damages, indemnity, contribution or otherwise. We have full discretion in the conduct of any proceedings and in the settlement of any claim. You must give us all such information and assistance as we may reasonably require in defending you or prosecuting in your name.



### **Section 3: CLAIMS PROCEDURE CONDITIONS**

We shall not be liable to pay a claim under this policy, following an insured event, unless you adhere to the procedures detailed hereunder:

#### **1. Your responsibility:**

On the happening of an insured event or occurrence, which may result in a claim, you must at your own expense:

- i. take all reasonable precautions to prevent further loss, damage or liability;
- ii. notify the police within 24 hours of any malicious damage, burglary, housebreaking fraudulent misappropriation, theft or any attempted of your property or any other suspected criminal activity;
- iii. notify us of your claim as soon as reasonably possible but no later than 30 days after the event. Failure to do so may result in your claim being rejected;
- iv. complete all forms as requested by us and provide proof regarding stolen or damaged property;
- v. keep items that have been damaged and allow us, or our service providers, access to inspect the items and/or to assess repair costs;
- vi. immediately forward any invoices, demand letters, summons or notices you receive from other persons or organizations directly involved in the incident or occurrence;
- vii. notify us immediately in writing if you become aware of any incident or occurrence, which may result in a claim being made against you;

#### **2. What you must not do:**

- i. admit liability or offer to settle for any incident, which may result in someone claiming against you;
- ii. arrange replacement or approve repairs of any property in connection with your claim without our consent other than emergency repairs necessary to minimize or prevent further loss or damage;
- iii. dispose of any damaged property without our consent;

#### **3. No claim will be payable:**

- i. after the expiry of 24 months, or such further time as we may allow in writing, from when the insured event happened, unless the claim is the subject of pending legal action or is in respect of your legal liability to a third party;
- ii. unless you claim payment by serving legal process in writing on us within six months of the rejection of a claim and you pursue such proceedings to finality.



## Section 4: DEFINITIONS

Some other words are defined and these are explained where they occur in the relevant cover sections of the policy.

**Accident or accidental** means something you did not intend or expect to happen: a single, sudden, unintentional and unexpected event, which occurs at an identifiable time.

**Building** means a structure of a permanent nature erected and registered with the Deeds Office.

**Business** means the trade, profession or any income-earning activity as insured by this policy.

**Cover** section means the sections of the different types of cover that form part of our Composite Hospitality insurance product.

**Damage** or **damaged** means physical damage, destruction or loss.

**Employee** means any person whilst employed under a contract of service with you.

**First amount payable** means the amount you are responsible for and have to pay for each incident if you make a claim. The amount and type that applies to your cover is shown on your schedule. We will deduct the first amount payable from the amount of cover under your policy and then pay you, or we will ask you to pay the first amount payable to a supplier, repairer or us.

**Guest** or **visitor** means a person staying at your hotel, guesthouse or bed and breakfast establishment as insured by this policy.

**Incident** means a single occurrence or series of occurrences arising from the one event, which is not intended or expected to happen by you.

**Insured** means the entity shown as "insured" on the respective schedule, issued in terms of the cover provided by this policy.

**Insured event** means any event that would cause us to pay a claim. For example, in building insurance, an insured event may be a hail storm because it would cause us to compensate you for property damage.

**Insured premises** means the physical location of the premises as stated in the schedule.

**Legal costs** means legal fees, charges and expenses (except for your fees or salaries, or salaries of your employees) we have accepted and approved in writing, for investigation, defence, monitoring or settlement of any claim.

**Limit of liability** means the amount specified in the schedule being the maximum amount payable for any one claim and for all claims arising out of one original source or cause.



**Period of insurance** means the 12 month period for which we will insure you as shown in your schedule.

**Policy** means your insurance contract.

**Property** means tangible property of every kind and description (including buildings) belonging to you or for which you are legally responsible, or for which you have assumed responsibility to insure prior to the occurrence of any damage at the insured premises.

**Proposal** means the document you complete and submit for this insurance.

**Schedule** means the schedule document that we give you that attaches to and forms part of your policy.

**Standard construction** means the buildings shall be constructed of brick, stone, concrete or metal on metal framework and roofed with slate, tiles, metal, concrete or asbestos.

**Sum insured** means the amount specified in the schedule being the maximum amount payable for any one claims and for all claims arising out of one original source or cause.

**Trading hours** means the period of time during which a business is open each day.

**We, us or our** means Guardrisk Insurance Company Limited as the Insurer, and Howdie as the Administrator.

**You, your, yourself, insured** means the insured as stated in the schedule.



## PART D: COVER SECTIONS

### Section 1: PROPERTY COMBINED

#### 1. Definitions

**Property** means the buildings and/or contents as defined, belonging to you or for which you are legally responsible, or for which you have assumed responsibility to insure prior to the occurrence of any damage at the insured premises.

**Buildings** means the structures of a permanent nature situated at the address shown in the schedule.

**Contents** means the household goods and personal effects belonging to you and includes the contents of your office.

**Documents** means a piece of written, printed, or electronic matter that provides information or evidence or that serves as an official record.

**Environmentally friendly equipment** means those items installed at the insured premises that are kept in the open including, but not limited to, rainwater harvesting tanks, composters and water catchment apparatus.

**Money** means South African Rand value only of cash, crossed (not transferable) cheques, travelers' cheques, current negotiable postal or revenue stamp and credit card vouchers.

#### 2. What we cover?

We will cover your buildings and contents against damage that occurs at the insured premises during the period of insurance.

##### **Buildings include:**

- improvements and fixtures of a structural nature including, walls, gates, fences, tarred or paved roads, driveways, parking areas or paths, garages and carports;
- any item built in or fixed to or on the building;
- fixed plant and machinery including gate motors;
- environmentally friendly equipment including but not limited to rainwater harvesting tanks, composters and water catchment apparatus;
- public supply connections including water, sewerage, gas, electricity and telecommunication connections owned by you, or for which you are legally responsible between the property insured and the public supply or mains;



- electric geysers, solar geysers, heat pumps or any other item of water heating apparatus as stated in the schedule;
- septic tanks;
- sporting and recreational structures permanently installed including tennis courts, in-ground swimming pools and spas;
- satellite dishes and radio and television antennas and their associated wirings, masts and towers;
- blinds or awnings on the outside of the building(s);
- fixed wall & floor coverings
- fixed fire prevention and security equipment (eg. fire hoses, fire extinguishers, security cameras);
- electrical and gas appliances only if these appliances are permanently connected or plumbed to the electricity or gas supply;
- auxiliary power supply units
- glass other than glass more specifically insured under Section 5 of this policy;
- any additional items on the schedule that we agree to insure under this cover section.

Your buildings, at the insured location, must be of standard construction or any other material as specifically stated in the schedule.

**Contents include:**

- Office equipment;
- Electronic equipment;
- Furniture and furnishings including garden furniture;
- Carpets and floor rugs, light fittings, internal blinds and curtains;
- Built in or portable domestic appliances;
- Swimming pools and spas that are not in the ground;
- Swimming pool and spa covers and accessories;
- Gymnasium equipment;
- Laundry equipment;
- Stock on your premises;
- Any additional items on the schedule that we agree to insure under this cover section.

### **3. What we don't cover?**

The following items are not covered by this section:

- property in transit outside of the insured premises other than the transit of groceries and household goods after purchase and en route to the insured premises;
- air and watercraft, including equipment/accessories;



- jetties, quays or marinas;
- motor vehicles, trailers, caravans or motorcycles all whilst registered or licensed to travel on a public road, including their accessories;
- damage or injury to animals, other than to domestic animals owned by you and arising from a road accident;
- gold coins, stamp and coin collections;
- any pressure vessel (including a boiler) with a capacity greater than 300 litres.
- property more specifically insured.

#### **4. Basis of settlement**

##### **4.1 Average**

Should you insure your property for an amount less than its replacement value, average will apply and we will only pay you proportionately. E.g. if the correct value of the contents of your restaurant is R1 000 000 and you insure it for R800 000, you will be compensated for 80 percent of your loss. Every item making up your insured property shall be separately subject to this condition.

##### **4.2 Reinstatement and replacement**

###### **4.2.1 Buildings**

- i. We will, at our option, pay the reasonable cost of rebuilding or repairing the damaged portion(s) of the building, to substantially the same condition, but not better or more extensive than when it was new.
- ii. We shall not be bound to reinstate exactly or completely, but only as circumstances permit and in a reasonably sufficient manner and shall not in any case be bound to pay in respect of any one of the items insured more than the applicable sum insured.
- iii. If at the time of reinstatement or replacement, the sum representing the cost, which would have been incurred if the whole of your insured property had been damaged, exceeds the actual sum insured as stated in the schedule at the time of the damage, then average will apply and we will only pay you proportionately.
- iv. In those cases where the architectural features and structural materials, of the building(s) insured, possess a particularly ornamental, antiquarian or historical character, or the materials are not readily available, we will use the nearest equivalent available to the original materials.
- v. When damage occurs to property that is a wall, floor or ceiling covering (including carpets, blinds and curtains), we will pay only for the cost of repairing or replacing such portion of the wall, floor or ceiling in the room, reception, hall or passage in which the damage occurred.



- vi. The maximum we will pay for fitted carpets and geysers will be the current replacement cost less an allowance for depreciation.
- vii. The sum insured noted in the schedule is the maximum amount we will pay for damage to your building(s), less the first amount payable and any dual insurance or under-insurance.
- viii. If there is damage to your property we may, at our option, choose:
  - a. to replace the item with the nearest equivalent item available;
  - b. to restore or repair the item to the condition it was in when new;
  - c. to pay you the reasonable cost of replacement or repair; or
  - d. any combination of these up to the sum insured as shown in the schedule.

#### **4.2.2 Other items of property (excluding stock)**

- i. If there is damage to your property other than stock, we may at our option, choose:
  - a. to replace the item with the nearest equivalent item available;
  - b. to restore or repair the item to the condition it was in when new;
  - c. to pay you the reasonable cost of replacement or repair; or
  - d. any combination of these up to the sum insured as shown in the schedule.
- ii. The sum insured stated in the schedule is the maximum amount we will pay for damage to your property less the first amount payable and any dual insurance or under-insurance. If at the time of reinstatement or replacement, the sum representing the cost, which would have been incurred if the whole of your property had been damaged, exceeds the actual sum insured at the time of the damage, then average will apply and we will only pay you proportionately.
- iii. When damage occurs to an item of property, which is part of a set, we will only pay for the reasonable cost of repairing or replacing the item itself as a proportion of the reasonable cost of repairing or replacing the whole set, notwithstanding that the set is less valuable by reason of being incomplete.
- iv. When damage occurs to property that is a wall, floor or ceiling covering (including carpets, blinds and curtains), we will pay only for the cost of repairing or replacing such portion of the wall, floor or ceiling in the room, reception, hall or passage in which the damage occurred.
- v. We will pay the current replacement cost for damage to precious metals and stones, jewellery, watches, furs, rugs and carpets subject to you providing satisfactory proof of valuation and ownership of the item at the time of loss.



#### **4.3 Rent:**

In the event of the insured premises being rendered uninhabitable following an insured event during the period of insurance and in your capacity as one of the following:

- a. owner receiving rent from a tenant;
- b. owner as occupier of the insured premises;
- c. tenant paying rent to the owner or landlord,

we will settle your rent claim for the period it takes to place the insured premises in a habitable condition, on the following basis:

- i. as the owner receiving rent - an amount equivalent to the rent receivable prior to the damage;
- ii. as the owner occupier - the reasonable costs of equivalent alternative accommodation;
- iii. as the tenant paying rent - an amount equivalent to the rent payable prior to the damage;

subject to:

- i. the reinstatement period for the insured premises to be made habitable being limited to a period of not more than 6 months;
- ii. the amount payable in respect of items i) and ii) being limited to a maximum of 25 percent of the sum insured, as stated in the schedule, of the building or unit, if registered as part of a sectional title scheme.

#### **4.4 First amount payable**

You are liable for the first amount payable, as stated in the schedule, for each and every claim following an insured event.

### **5. Additional cover to this section – (If noted in schedule to be included)**

The following extensions will only apply to the individual policy if the individual extension and sum insured is noted in the schedule. Where no extension or sum insured is noted, then the extension will not apply to that policy.

#### **5.1 Accounting records**

We will pay all reasonable collection costs and expenses incurred in excess of normal collection costs and expenses, following damage to your books of account as an accommodation establishment, whilst such books are at:

- i. the insured premises;
- ii. the residence of any director, partner or employee;



- iii. the premises of your accountant;

in consequence of which you are unable to trace the outstanding debit balances due to you.

Provided that the amount we will pay shall not exceed the limit stated in the schedule the basis of settlement will be:

- i. the difference between
  - a. the outstanding debit balances; and
  - b. the total of the amounts received or traced in respect thereof; plus
- ii. the additional expenditure incurred in tracing and establishing customers' debit balances after the damage.

You shall be responsible for the first R1 000 of each and every claim unless stated otherwise in the schedule.

Cover under this extension excludes:

1. loss resulting from damage to your 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 caused by any lawfully constituted authority;
  - iii. electric or electronic or magnetic injury, disturbances or erasure unless the insured maintains duplicate records, in which case you will be responsible for the first R500 of each and every claim.
2. loss caused by fraud or dishonesty of any principal, director, partner or an employee.

## **5.2 Alcohol and beverage – leakage of liquor (the sum insured under this additional cover may be increased)**

We will pay for damage caused by the escape of beer or other beverages from fixed installations including the resultant loss of beer or beverages up to the sum insured stated in the schedule and subject to a first amount payable of R500 of each and every loss unless stated otherwise in the schedule.



### 5.3 Bilking

The cover under this extension is limited to the value of a guest account for accommodation and other services, which is not settled in full as a result of such guest having absconded and/or left the premises prior to settlement and/or providing fraudulent proof of payment to you or your employees.

Provided that:

- i. you make every reasonable endeavour to collect such outstanding payment;
- ii. cover under this extension will not operate if you are unable to provide the following minimum details of such guest:
  - a. first name and surname
  - b. ID or passport number
  - c. physical address of permanent residence;
- iii. the matter must be reported to the SAPS and the police case reference number provided to us together with the requirements of item 2 above;
- iv. this extension does not cover bad debts or an unpaid account, where such guest has previously stayed at the insured premises;
- v. you will be responsible for the first R1 000 of each and every claim unless stated otherwise on the schedule;
- vi. We will not pay more than the amount stated on the schedule.
- vii. any fraudulent proof of payment is subject to a 48-hour time excess.

### 5.4 Chilled/refrigerated stock

We will indemnify you up to the limit stated in the schedule for deterioration of the contents of your refrigerator/deep freeze unit as a result of:

- i. breakdown of, or accidental damage to, the unit;
- ii. failure of power supplied by public authorities; provided that:

you take all reasonable measures to minimize the loss of such stock; and

you are responsible for the first R500 of each and every claim unless stated otherwise in the schedule.

### 5.5 Demolition, professional fees and public authorities requirements

Following damage caused by an insured event and with our written consent, we will pay the costs necessarily incurred:

- i. in demolishing the building, removing debris from the site and erecting hoardings required for building operations;
- ii. for architects' quantity surveyors' and consulting engineers' fees;



- iii. for local authorities' scrutiny fees;
- iv. for repairing or rebuilding in accordance with the requirements of public authorities; provided that the total amount payable shall not exceed the sum insured of the property affected.

#### **5.6 Damage by wild animals**

We will pay for the costs incurred by you for damage to insured property caused by the acts of wild animals including primates.

The most we will pay per insured event or per period of insurance is as stated on the schedule and subject to a first amount payable of R2 500 of each and every loss unless stated otherwise in the schedule.

#### **5.7 Damage caused by guests**

We will pay, up to the limit stated in the schedule, for damage to property as a result of the actions of guests or visitors, subject to a first amount payable of R1 000 of each and every loss unless stated otherwise in the schedule.

#### **5.8 Damages caused for medical emergencies (the sum insured under this additional cover may be increased)**

We will pay up to the sum insured stated in the schedule for the cost of repairing damage caused to the insured premises by the immediate emergency action taken to gain access into a room where it is presumed that a guest may be in need of medical attendance and/or is unresponsive.

#### **5.9 Damage to landscaped gardens & water features (the sum insured under this additional cover may be increased)**

We will pay the costs incurred by you in restoring landscaped gardens, water features and statues following an insured event or as a result of any emergency service operating, following an insured event, up to the sum insured stated in the schedule and subject to a first amount payable of R1 000 of each and every loss unless stated otherwise in the schedule.

#### **5.10 Death of fish (the sum insured under this additional cover may be increased)**

We will pay for losses due to the death of fish kept by you at the insured premises, for aesthetic



purposes only, resulting from an insured event including water pollution or contamination from chemicals or waste. We will pay up to the sum insured stated in the schedule for any one event and in any one period of insurance.

Death of fish as a result of disease or sickness is not covered by this benefit.

#### **5.11 Evacuation costs**

We will pay up to the sum insured stated in the schedule for the reasonable costs of evacuating guests as a result of the use of or access to the insured premises being prevented by fire, flood and/or bomb-scare provided that:

- i. such use of or access to the insured premises is prevented on the order of the South African Police Service or other competent local authority;
- ii. the maximum amount payable shall not exceed the sum insured stated in the schedule;
- iii. you shall be responsible for the first R1 000 each and every event unless stated otherwise in the schedule.

#### **5.12 Signage (the sum insured under this additional cover may be increased)**

We will pay for damage to your fixed internal and external signage at the insured premises up to the sum insured stated in the schedule, subject to a first amount payable of R1 000 of each and every loss unless stated otherwise in the schedule.

We will also cover your fixed signs and signposts advertising your business and for which you are legally responsible, located either elsewhere within the property of the insured premises or off site.

#### **5.13 Fatal injury (the sum insured under this additional cover may be increased)**

We will cover your permanent employees, during the course of their employment, for the sums insured against fatal injury sustained whilst on the insured premises, provided that:

one or more of the following attend at the time of the incident:

- i. the South African Police Service or other competent local authority;
- ii. fire brigade or emergency services;
- iii. death ensues within three (3) months of such injury.



#### **5.14 Fire extinguishing and prevention charges**

a) We will pay any costs or charges incurred and for which you are legally liable, to fight or extinguish the fire provided that, at the time, the insured property was in danger from such fire.

b) Cover includes the replacement of used sprinkler heads, the resetting of fire and smoke alarms and refilling of the fire extinguishing appliances used to extinguish the fire as well as the reasonable amount of remuneration paid to any person(s) who assisted in the extinguishing of the fire or prevention of such fire.

The maximum we will pay under this additional cover is the limit stated on the schedule for both (a) and (b).

#### **5.15 Flood prevention charges**

We will pay the reasonable costs, up to the sum insured stated in the schedule, to pump out water from the insured premises or property, following an insured event.

#### **5.16 Guests or visitors**

If a guest or visitor without your knowledge or consent does or omits to do anything, which invalidates the policy cover will not be effected or provided:

- a) you notify us of this act or omission as soon as you become aware of it;
- b) you pay any additional premium relating to the change in risk if required.

#### **5.17 Emergency medical /veterinary expenses**

We will pay medical and veterinary expenses incurred but not otherwise recoverable, as a result of accidental bodily injury sustained by any:

- a) person other than yourself, and caused by your domestic animal;
- b) guest or visitor arising from any defect in the insured buildings;
- c) employee in the course of their employment by you;
- d) of your domestic animals arising from a road accident.

The most we will pay per person/animal is the sum insured as stated in the schedule.



### **5.18 Employee's property**

If household goods and/or personal effects belonging to your permanent employees who are resident on the insured premises, are damaged whilst on the premises, we will indemnify you up to the limit stated in the schedule.

The definition of household contents shall mean household goods, personal effects, furniture, furnishings, fixtures and fittings belonging to or the responsibility of the employee, but excluding:

- i) landlord's fixtures and fittings;
- ii) property used for the operation of your business;
- iii) property more specifically insured;
- iv) personal money, securities, certificates and documents of any kind;
- v) livestock including domestic animals;
- vi) trailers, watercraft, caravans, motor vehicles and accessories thereon.

### **5.19 Fraudulent misuse of credit cards**

We will cover loss of money arising out of the fraudulent misuse of any credit card by any of your guests provided that:

- 1 the loss of money relates to the cost of accommodation;
- 2 the maximum amount payable shall not exceed the R25 000 per insured event and during the period of insurance;
- 3 you shall be responsible for the first R2 500 of each and every claim unless stated otherwise in the schedule;
- 4 we will only indemnify you under this extension for a credit card payment if the financial institution whose credit card has been fraudulently misused refuses to reimburse you;
- 5 you report any fraudulent misuse of a credit card to the financial institution concerned within 24 hours of discovery thereof by you or your employees;
- 6 the customer committing such fraud has completed a guest register notwithstanding that the information supplied may be false or incorrect;
- 7 you or your employees must confirm that the information supplied by the guest is the same as that on the credit card. If it is not the same, then cover, as provided by this extension, will be excluded;
- 8 you shall make every reasonable endeavour to trace the guest;



- 9 this extension shall not apply to any person whilst employed under a contract of service with or apprenticeship to you, nor any person whilst hired or seconded from any other party into your service or to any partner, principal, director or member of your business.

#### **5.20 Impact Damage**

Following impact damage to the insured premises by animals, satellite dishes, rocks and boulders, trees or vehicles, we will pay, up to the sum insured, stated in the schedule, for the cost of removal of such animal, item or vehicle.

#### **5.21 Locks and keys, tags and remote control access devices**

We will pay the costs necessarily incurred in replacing locks and keys, tags and remote access devices following a burglary or attempted burglary, up to the limit stated in the schedule for any one event.

Our payment includes the cost incurred by you in re-keying or re-coding locks or the cost of replacing locks of a similar type and quality if they cannot be rekeyed or re-coded.

We will not pay to re-key or re-code locks or for replacement of locks if there are reasonable grounds to suggest that keys or codes have been duplicated by an occupant or former occupant of the building.

#### **5.22 Loss of water**

We will cover the cost of water lost through leakage from pipes where you are responsible to pay the charge for such water up to a limit of R10,000, provided that:

- i) the consumption reading must be at least 50 percent more than the average of the previous four readings;
- ii) the insured takes immediate steps to repair the pipe(s) affected on discovery of a leak either by way of physical evidence or on receipt of an abnormally high water account.

The most we will pay is the sum insured as stated in the schedule.

We will not pay for:

- a) the cost of repairs to the leaking pipes;
- b) more than two separate incidents in any period of twelve months;
- c) loss of water



- i) as a result of leaking taps, water heating apparatus or toilet systems;
- ii) from swimming pool structures or inlet/outlet pipes;
- iii) whilst the building is unoccupied for a period in excess of 60 consecutive days;
- iv) as a result of the deliberate act of the insured or any person acting on his behalf.

### **5.23 Money**

We will indemnify you up to the limit stated in the schedule for theft of money from the insured premises following forcible and violent entry or exit to or from the building, or violence or threat of violence. You shall be responsible for the first R500 of each and every claim unless stated otherwise in the schedule.

In order for us to pay a claim under this extension you are required to keep full written records of all monies you have received and paid out in order to verify your claim.

We will not pay for loss of money:

- i) anywhere other than from the insured premises stated in the schedule;
- ii) during the transit of such money;
- iii) arising from shortages due to error or omission;
- iv) not contained in a locked safe or receptacle after trading hours or when the insured premises are unoccupied;
- v) theft of money by employees unless you discover such theft with 21 days of when it occurred;
- vi) any loss where cover is more specifically insured under section 4: Money, and such section is noted on the schedule as being in force.

### **5.24 Municipal plans scrutiny fees**

We will pay the fees incurred, and payable to the municipality, following insured damage to your property, provided that the total amount recoverable under any item shall not exceed the sum insured on the property insured so affected.



#### **5.25 Documents**

- i) We will pay the costs, charges and expenses necessarily incurred following damage, in replacing, restoring or rewriting documents for which you are legally responsible up to the sum insured stated in the schedule.
- ii) We will also cover your legal liability as a direct consequence of any damage to your documents up to the limit of liability stated in the schedule.
- iii) This benefit excludes money, drafts and any written order to pay a certain sum in money and any written evidence of indebtedness or obligation and all property 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.

#### **5.26 Personal effects of guests**

In the event of damage by an insured event to household goods and personal effects belonging to a guest and such items are not otherwise insured, we will indemnify you as follows:

- 1 for any non-paying guests temporarily residing at the insured premises up to the maximum amount stated in the schedule. You shall be responsible for the first R500 of each and every claim unless stated otherwise in the schedule;
- 2 for any paying guests temporarily residing at the insured premises up to the maximum amount stated in the schedule. You shall be responsible for the first R1 000 for each and every claim unless stated otherwise in the schedule.

Provided that:

- i) the damage occurs on the insured premises;
- ii) loss or disappearance of the property from any motor vehicle, caravan, trailer or watercraft when left unattended is not covered unless such loss or disappearance follows upon forcible and violent entry or exit from such motor vehicle, caravan, trailer or watercraft;
- iii) in the case of motor vehicles cover is restricted to property contained in a completely closed and securely locked vehicle and the maximum we will pay is the limit stated in the schedule;
- iv) theft of property belonging to paying guests will be covered only subject to forcible and/or violent entry into or exit from the portion of the building occupied by such payment guest, or by threat of violence to such guest.



#### **5.27 Postmortem cleaning and sanitizing costs (the sum insured under this additional cover may be increased)**

Following a death at the insured premises we will pay the costs necessarily incurred by you for the professional cleaning and sanitizing required to restore the affected area to the condition it was in prior to the death, up to the sum insured for any one event and in any one period of insurance as stated in the schedule.

#### **5.28 Power surge**

We will cover property against damage caused by a fluctuation in the power supply and/or by lightning strikes resulting in surges subject to the following:

- a) protected distribution boards are covered up to the sum insured stated in the schedule for any one event and any one period of insurance and is not be subject to a first amount payable unless stated otherwise in the schedule.
- b) unprotected distribution boards are covered up to a maximum limit of any one event and in any one period of insurance as stated in the schedule. A first amount payable by you of 10 percent of claim minimum R2 000 will apply unless stated otherwise in the schedule.

#### **5.29 Property at exhibitions and or trade shows**

We will cover property for which you are legally responsible against damage whilst situated at exhibitions or Trade shows up to the sum insured stated in the schedule.

This extension of cover excludes laptops, cellular phones and all similar electronic portable items.

#### **5.30 Public authorities' requirements**

We will pay costs required for your buildings to comply with any statute or regulation or any municipal or other statutory authority, subject to the following provisions and subject also to the terms, conditions, limit(s) or sub limit(s) and exclusions of the policy.

We will also pay the reasonable cost and expenses incurred in complying with any legal requirements to upgrade or replace undamaged portions of any automatic sprinkler system or automatic drencher, following damage to the building. This cover will only apply if, at the time of the loss, you can produce evidence of a current certificate issued by the Automatic Sprinkler Inspection Bureau (Pty) Ltd and will exclude any loss or damage whilst extensions, alterations or renovations to the building are in progress.



We will not pay:

- a) more than the sum insured of the affected building as shown in the policy schedule;
- b) the additional cost incurred in complying with any act, regulation, by-law or requirement with which you were required to comply with prior to the damage happening;
- b) for damage not insured by this section;
- c) 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;
- d) the amount of any rate, tax, duty development or other charge or assessment arising from capital appreciation, which may be payable in respect of your property or by the owner thereof by reason of compliance with any of the aforementioned regulations;
- e) the work of repairing or rebuilding must be commenced and carried out within 12 months, failing which we will not be liable to make any payment beyond the amount, which would have been payable under the policy if this provision has not been incorporated herein.

### **5.31 Public supply connections**

We will pay for accidental damage to water, sewerage, gas, electricity and telecommunication connections between your insured property and the public supply or mains, subject to the sum insured stated in the schedule.

### **5.32 Removal and relocation of bees**

We will pay the costs necessarily and reasonably incurred in removing bees and hives from the insured premises as well as the treatment of vacated hive areas to prevent occupation, provided that:

- a) the removal will be carried out by a registered bee keeper or bee remover;
- b) we will not be liable for the removal of any hives already on the insured premises before the inception of this policy;
- c) our maximum liability shall not exceed the sum insured stated in the schedule.



### 5.33 Removal of fallen trees

If a tree has fallen and has not caused damage to an insured building, we will pay the costs necessarily incurred for the professional removal and disposal of such fallen tree(s) including branches, stumps and roots up to the limit stated in the schedule for any one event and in any one period of insurance subject to a first amount payable of R500 each and every claim or as otherwise stated in the schedule.

### 5.34 Subsidence and landslip (limited cover)

We will pay for the physical loss of or damage to the building(s) caused by subsidence or landslip of the land supporting the building, or heave. You will be responsible for the first portion of every claim up to an amount calculated at 1 (one) percent of the sum insured of the affected structure or R10 000 whichever is the greater.

Definitions specific to this additional benefit:

**subsidence:** the downward movement of a site on which buildings may or may not stand, from causes unconnected with the building (if present).

**Landslip:** the downward and/or sideways movement of sloping ground resulting from the action of self –weight stresses and imposed loading exceeding the available strength of the ground.

**Settlement:** the downward movement of a site due to the application of superimposed loading, which is the wholly natural effect of superimposing a load on a site and is unpredictable.

**Active soils:** a soil that changes in volume to varying degrees in response to changes in moisture content, i.e. the soil may increase in volume (heave or swell) upon wetting and decrease in volume (shrink) upon drying out.

In any action suit or other proceeding where we allege that, by reason of the provisions of this additional benefit, any damage is not covered by this insurance, the burden of proving the contrary shall be upon you.

We will not pay for damage to:

- utilities, structures, or items such as (but not limited to): drains, boreholes, watercourses, boundary walls, garden walls, screen walls, retaining walls, gate posts, gates, fences, roads, parking areas, driveways or paths, paving, pavements, runways, reservoirs, septic or conservancy tanks, canals, pipelines, bridges, docks, piers, tunnels, swimming pools and surrounds, terraces, patios or tennis courts;
- solid floor slabs or any other part of the building due to the movement of such slabs, unless the foundations supporting the external walls of the building are damaged by the same cause at the same time;



- a building constructed or situated on dolomite and limestone land/sites;
- buildings within the geographical areas of Klerksdorp, Virginia, Welkom, Carltonville, Orkney, Randfontein and all other general mining areas.

We will not pay for damage caused by:

- insufficient compacting or infill;
- the settlement or movement of made up ground;
- coastal or river erosion;
- excavations including mining operations;
- active soils, as defined;
- moist or damp;
- defective or faulty design, materials or workmanship
- alterations, additions or repairs to your building;
- damage existing at commencement of this cover;
- work necessary to prevent further destruction or damage due to subsidence or landslide, nor will we pay for the cost of underpinning the foundations.

We will not pay for any consequential loss except in respect of loss of rent.

### **5.35 Seasonal increase of the sum insured**

The sum insured for contents under this cover section will be increased annually by 10 percent over long weekends, during festivals and during school holiday periods based on the provinces' office school calendar. This extension of cover shall not apply in respect of any other extension provided under this cover section.

Special conditions applicable to this cover section

In addition to the general conditions under Part C - General sections 2 and 3 applying to all cover sections of this policy:

### **5.36 Temporary removal**

We will cover your insured property whilst temporarily removed elsewhere on the premises stated in the schedule or to any other premises including transit by road, rail or inland waterways anywhere within the Republic of South Africa, provided that the amount payable:

- a) shall not exceed 15 percent of the sum insured applicable to any item unless such item is temporarily removed for the purpose of cleaning, renovation, repair or similar process;



b) shall not exceed the amount that would have been payable had the loss occurred on the part of the insured premises from which the property is temporarily removed.

### **5.37 Theft of fixtures and fittings**

We will pay the costs necessarily incurred in replacing stolen fixtures and fittings, as defined and for which you are responsible, up to the sum insured stated in the schedule for any one event and/or period of insurance. A first amount payable by you of 10 percent of claim minimum R1 000 will apply unless stated otherwise in the schedule.

Definition:

Fixtures and fittings extend to include external and/or remote fixtures and fittings including auxiliary power supply units and their fuel on or about the insured premises.

### **5.38 Transit**

We will pay for damage to groceries and household goods, after the purchase thereof, during transportation by yourself along a reasonably direct route to the insured premises.

Provided that:

- i) our maximum liability shall not exceed the sum insured stated in the schedule;
- ii) you shall be responsible for the first R250 of each and every claim unless otherwise stated in the schedule.

### **5.39 Water, gas, electricity and/or sewerage reticulation systems**

We will pay up to the limit stated in the schedule for damage to any water, gas, electricity, or sewerage reticulation system occurring anywhere within the insured premises and for which you are legally responsible subject to:

- i. a first amount payable of R2 500 each and every claim unless stated otherwise in the schedule;
- ii. items more specifically insured on the schedule are not covered by this extension;
- iii. consequential loss following damage to such reticulation system is excluded.



## 6. Optional cover to this section - if stated in the schedule to be included

### 6.1 Escalation

During each period of insurance the building(s) sum insured shall be increased in proportion to the period the insurance has been in force, by the percentage stated in the schedule.

However, it is your responsibility at each renewal date, to notify us of the sum(s) to be insured in respect of the building(s) for the forthcoming period of insurance and the percentage increase required for such period.

### 6.2 Inflation

If you suffer damage to the insured building(s), the amount we will pay shall be increased to account for the additional cost of reinstatement or replacement between the time of the loss and actual reinstatement or replacement, which are due to an escalation in such costs. The percentage of inflation applied will be as specified in the schedule at the time of the loss.

### 6.3 Subsidence and landslip (comprehensive cover)

We will pay for the physical loss of or damage to the building(s) caused by subsidence or landslip of the land supporting the building, or heave. You shall be responsible for the first portion of each and every claim up to an amount calculated at (one) 1 percent of the sum insured unless stated otherwise on the schedule.

Definitions specific to this additional benefit:

**Subsidence:** the downward movement of a site on which buildings may or may not stand, from causes unconnected with the building (if present).

**Landslip:** the downward and/or sideways movement of sloping ground resulting from the action of self-weight stresses and imposed loading, exceeding the available strength of the ground.

**Settlement:** the downward movement of a site due to the application of superimposed loading, which is the wholly natural effect of superimposing a load on a site and is unpredictable.

**Active soils:** a soil that changes in volume to varying degrees in response to changes in moisture content, i.e. the soil may increase in volume (heave or swell) upon wetting and decrease in volume (shrink) upon drying out.



In any action suit or other proceeding where we allege that, by reason of the provisions of this optional cover, any damage is not covered by this insurance, the burden of proving the contrary shall be upon you.

We will not pay for damage to:

- a) drains, water courses, boundary walls, garden walls, retaining walls, gates, posts, or fences unless specifically insured;
- b) solid floor slabs or any other part of the building due to the movement of such slabs, unless the foundations supporting the external walls of the building are damaged by the same cause at the same time;
- c) a building constructed or situated on dolomite and limestone land/sites;

We will not pay for damage caused by:

- d) insufficient compacting or infill;
- e) the settlement or movement of made up ground;
- f) coastal or river erosion;
- g) faulty design or construction, or the removal or weakening of support to your building;
- h) alterations, additions or repairs to your building;
- i) excavation on or under land other than in the course of mining operations;
- j) active soils, except where professional engineering design precautions have been implemented during construction;
- k) work necessary to prevent further destruction or damage due to subsidence or landslide, nor will we pay for the cost of underpinning the foundations.
- l) damage from a cause which existed prior to the commencement of your policy.

We will not pay for any consequential loss except in respect of loss of rent.



## **7. Special conditions applicable to this cover section**

In addition to the general conditions under Part C - General sections 2 and 3 applying to all cover sections of this policy:

### **7.1 Burglar alarm warranty –(if stated in the schedule to be applicable)**

If we require an alarm system as noted in the schedule, you will only be paid for damage following theft and burglary if:

- a) a radio alarm system is installed in the insured premises by an approved SAIDSA installation company;
- b) the radio alarm is linked to a control room at an armed response company. When the alarm is activated it must sound an alarm at the control room of the alarm company, which should trigger a response from the security company to attend to the premises. We will require proof in the event of a loss (report);
- c) the alarm system is fully armed whenever the main building is left unattended and/or unoccupied or you are not open for business unless you or a member of your staff or family is on the premises. We will require proof in the event of a loss (report);
- d) the alarm system is maintained in proper working order and must be tested at least once every six (6) months with the armed response company;
- e) we will not cover damage to the insured property following the use of the keys/card key of the alarm or any duplicate key/card key unless such keys/card keys were obtained with violence or threat of violence to you, your staff, guests or members of your family.

### **7.2 Disposal of Salvage (if stated in the schedule to be applicable)**

Notwithstanding the provisions of Part C General item 3 of the policy, in the event of a loss we agree that we will not sell or dispose of any property, which is the subject of a claim hereunder, without your consent provided that you can establish to our satisfaction that to do so will prejudice your interests in which event we will agree to give you the first option to repurchase such property at its fair intrinsic value or market value, whichever is the greater;

The provisions of this condition do not give you the right to abandon any property to us whether we have taken possession of such property or not.



### **7.3 Generators**

The storage of fuel for generators must comply with the local bylaws for the storage of flammable substances.

### **7.4 Mortgagee**

If a bond is registered on the insured property, the following will apply:

The interests of the mortgagee have priority over your interests and shall not be prejudiced by:

- a) any act or neglect of a tenant before it comes to your attention;
- b) any misrepresentation or non-disclosure by you at the time when the insurance is effected or renewed or during the currency thereof, or
- c) the alienation of the property, or
- d) the occupation thereof for purposes more hazardous than permitted by the policy.

Provided that

- i) such act, neglect, misrepresentation, non-disclosure, alienation or occupation shall have been effected without the knowledge and privy of the mortgagee(s); and
- ii) the mortgagee(s) shall notify us of the happening or existence of such act, neglect, misrepresentation, non-disclosure, alienation or occupation as soon as same shall come to his or her knowledge; and
- iii) the mortgagee(s) shall on reasonable demand, pay the additional charge for any increase of hazard thereby created according to the established scale of rates, for the time such increased hazard may be, or shall have been, assumed by us during the continuance of the Insurance; and
- iv) any compensation payable in terms of this policy shall be payable direct to the mortgagee(s) of the particular unit or the aggregate of the amounts due by the unit owner to the mortgagee under the mortgage bonds, whichever is the lesser.

All and any amounts becoming payable by us under this policy as a result of damage to or the destruction of the buildings improvements or landlord's fixtures and fittings shall be wholly applied to the reinstatement of such damage. If it is resolved that such



damage or destruction should not be reinstated, the proceeds of any claim applicable shall be made in the first place to the mortgagee(s) as stated in the policy or the aggregate of the amounts due by you to the mortgagee(s) under their mortgage bonds, whichever is the lesser,

### **7.5 Precautions**

You must take all reasonable precautions for the care, safety, protection and maintenance of your property and comply with all statutory obligations, by-laws and regulations imposed by any public authority. If you do not comply with this condition and loss or liability is caused, we may refuse to pay a claim or reduce the amount we pay you.

### **7.6 Roofing**

Physical loss or damage to roofing structures and accessories of the insured buildings is defined as a reduction in the roof's water shedding capacity or life expectancy.

## **8. What we exclude**

In addition to the general exclusions under Part C section 1 applying to all sections of this policy the following also applies:

8.1 we will not pay for damage to property while it is undergoing any process where such damage results from being processed;

8.2 we will not pay for damage caused by or arising from:

- a) theft, other than physical damage to property at the insured premises during theft or any attempted theft. This does not apply to fixtures and fittings as defined under item 5.40;
- b) any unexplained shortage or inventory shortage or disappearance of property;
- c) contamination of property by pollutants,
- d) erosion, landslide, mudslide, rockslide, subsidence, settling, seepage, shrinkage, or expansion of earth, vibration or other earth movement, unless caused by or arising from a direct consequence of an earthquake, subterranean fire, volcanic eruption, flood or water escaping from a water main owned by a water supply authority;

8.3 we will not pay for:

- a) consequential loss of any kind other than resulting from the bursting, overflowing or escape of water from geysers, tanks, apparatus, pipes or fixed water or oil-fired heating installations;



b) damage covered by any guarantee, service contract, purchase contract or any purchase

agreement;

c) damage to items more specifically insured under section 10 Business Special Risks;

d) denting, chipping scratching, marring or cracking not affecting the operation of the item.

8.4 we will not pay for damage caused directly by or arising directly from:

a) breakdown;

b) gradually operating forces such as, but not limited to, wear and tear, mildew, mould, corrosion, disease, oxidization, fading, tree roots, evaporation, change in flavour, colour, temperature or texture;

c) vermin, insects, termites;

d) latent defects, inherent defects, faulty workmanship, faulty material, structural defects or faulty design;

e) faults or defects known to you or any employee whose knowledge at law would be deemed to be your knowledge and not disclosed to us at the time this insurance was arranged, extended, varied or renewed;

f) the cessation of work whether total or partial or cessation, interruption or retarding of any process of operation as a result of any industrial dispute;

g) fraud or dishonesty by you or your directors, partners, employees, officers or any other persons who have an interest in the property;

h) deliberate and unauthorised corruption, amendment or erasure of data by you or your directors, partners, employees, officers or any other person who has an interest in the property whether acting alone or in collusion with any other person;

i) the gaining of unauthorised access to your computer via any communication system that is used by your computer system by any person other than you or your directors, partners, employees, officers or any other person who has an interest in the property;

j) the operation or presence of any computer programme that alters or erases data or programs in a manner that is undesired by you;

i) a computer virus;

k) explosion or implosion of any pressure vessels (including any boilers):



- i) where the load on the safety valve upon the particular pressure equipment was in excess of the manufacturer's specification at the time of any damage; or
- ii) where any safety valve limiting pressure was removed or rendered inoperative;
- l) leakage or discharge from any sprinkler or drencher system or other fire extinguishing installations or appliances in buildings containing the insured property unless stated otherwise in the schedule;
- m) your failure to take all reasonable precautions for the maintenance and safety of the property and for the minimization of any damage;

8.5 in respect of documents, we will not pay for damage caused by:

- a) electronic or magnetic injury, disturbance or erasure of electronic or magnetic recordings except by lightning;
- b) vermin or inherent defect or by processing, copying or other work upon documents;
- c) costs involved in re-shooting films and videos and re-recording audiotapes.

8.6 we will not cover damage to retaining walls caused by the perils of storm, wind, water, hail or snow, unless we have agreed to insure the retaining wall(s) and have received documented proof, prior to the happening of an insured event, that the retaining wall was designed and constructed in accordance with a professional structural engineer's design specification and in accordance with National Building Regulations.

8.7 we do not provide coverage for dents, dings and dimples to IBR, steel or metal roofing structures and accessories that does not impact the water shedding capacity or life expectancy of the roof.

8.8 In respect of building operations on the insured property:

whilst any structure(s) is in the course of erection or alteration, the following cover will not apply in the event of any destruction, damage or liability arising directly or indirectly from such erection or alteration:

- i) bursting, leaking or overflowing of water apparatus or fixed oil-fired heating apparatus;



- ii) theft or attempted theft;
- iii) deliberate or wilful or wanton acts;
- iv) breakage of glass and sanitaryware.

## **Section 2: Business Interruption (If stated in the schedule to be included)**

### **1. Definitions**

Business means your trade, profession or any revenue-earning activity in operation at the premises insured by this policy.

Indemnity period means the period that starts on the date of the damage and ends not later than the number of weeks or months stated in the schedule, after the date of the damage, during which the results of your business are affected as a consequence of such damage.

Insured damage means damage to your property occurring during the period of insurance when both the property that is damaged and the cause of the damage is covered under one of the following cover sections in force during such period:

- Property combined
- Theft
- Goods in transit
- Machinery breakdown
- Electronic equipment

Where the cost of the damage is within the applicable first amount payable, such damage shall be deemed to be insured damage and covered for the purposes of this definition.

Revenue means money paid or payable to you from the operations of your business.

Interruption/interrupted means interruption or interference.

Payroll means all gross remunerations including, but not limited to, salaries, wages, directors fees, payroll tax, fringe benefit tax, bonuses, holiday or sick pay, UIF, pension fund contributions.

Severance pay means the expenditure that you are obligated to pay under Labour Law or have agreed to pay in lieu of notice to employees, whose services are terminated during the indemnity period as a direct result of the damage.



## **2. What we cover?**

We will cover your

- revenue

Additional increase cost of working

- payroll
- gross profit
- gross rental

against loss arising from the interruption of your business directly following insured damage at the insured premises, which occurs during the period of insurance.

## **3. What we don't cover?**

a) This section does not cover you if, during the period of insurance, the following happen:

- i) your business is wound up or carried on by a liquidator or judicial manager;
- ii) you dispose of or permanently discontinue your business or part of it;

b) If, during the indemnity period, you permanently cease to trade for any reason, then the period will end on the day you permanently ceased to trade unless we agree in writing to continue the indemnity period.

## **4. Basis of settlement**

We will pay up to the sum(s) insured as stated in the schedule in respect of the following:

### **4.1 Revenue**

The cover provided by this item is limited to:

- a) a reduction in revenue and
- b) an increase in cost of working

and the amount payable shall be calculated by subtracting the revenue earned during the indemnity period, from the revenue you would have earned during the indemnity period, had the insured damage not occurred.

Provided that the revenue you would have earned during the indemnity period had the insured damage not occurred will be:

4.1.1 calculated by reference to the revenue for:

- i) a period of the same duration as the indemnity period that starts a year prior to the date of the insured damage; or



- ii) a period of your normal business operations that corresponds most closely to the indemnity period if your business has operated for less than a year at the start of the indemnity period; and

4.1.2 adjusted to take into account any:

- i) trends of your business and other influences that would vary the revenue;
- ii) changes to how stock, materials, finished goods or partially-finished goods are used, purchased or sold including salvage sales of stock following the insured damage;
- iii) 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;
- iv) savings made during the indemnity period that reduce the cost of running your business.

4.1.3 The maximum we will pay for loss of revenue is the sum insured stated in the schedule.

4.1.4 Underinsurance

If the annual sum insured stated on the schedule, is less than the annual revenue where the maximum indemnity period is 12 months or less (or its proportionately increased multiple thereof, where the indemnity period exceeds twelve months), the amount payable shall be proportionately reduced.

## **4.2 Additional increase in cost of working**

For the purpose of maintaining the normal operations of the business following insured damage, the additional expenditure incurred during the indemnity period that is not recoverable elsewhere within this policy, will be covered subject to our consent.

## **4.3 Payroll**

The cover provided by this item is limited to loss in respect of payroll for the period beginning with the occurrence of insured damage and ending not later than the number of weeks thereafter specified in the schedule and the amount payable shall be:

- 4.3.1 The actual amount you shall pay as payroll for such period to employees whose services cannot, in consequence of the insured damage, be utilised by you at all and an



equitable part of the payroll paid for such period to employees whose services cannot, in consequence of the insured damage, be utilised by you to the full.

4.3.2 We will also pay any amount paid by you as severance pay.

4.3.3 The maximum we will pay for payroll is the sum insured stated in the schedule.

4.3.4 Underinsurance

If the sum insured by this item is less than the aggregate amount of payroll that would have been paid during the specified number of weeks immediately following the insured damage, had the insured damage not occurred, the amount payable will be proportionately reduced.

#### **4.4 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.

#### **Memorandum**

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.

#### **4.5 Gross rental**

The insurance under this item is limited to:

- (a) loss of gross rentals and
- (b) increase in cost of working

and the amount payable as indemnity hereunder shall be:

- (a) in respect of loss of gross rentals the amount by which the gross rentals during the indemnity period shall in consequence of the damage fall short of the standard gross rentals;
- (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.

#### **5. Additional cover to this section - (If noted in schedule to be included)**

The following extensions will only apply to the individual policy if the individual extension and sum insured is noted in the schedule. Where no extension or sum insured is noted, then the extension will not apply to that policy.

##### **5.1 Accountants**

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



### **5.2 Auxiliary power failure**

We will cover you for loss following interruption of your business at the insured premises due to the failure of the auxiliary power plant, intended to operate in the event of the failure of the main electricity supply grid from which you normally receive your power, subject to such failure of the auxiliary plant not being as a result of:

- a) lack of maintenance and/or failure to test such equipment on a weekly basis;
- b) normal wear and tear;
- c) a shortage of or the incorrect supply of fuel;
- d) a flat battery or battery failure at the initial time of starting the equipment;

### **5.3 Bush fire**

We will cover you for loss following interruption of your business due to:

- i) prevention of access to the insured premises as a result of bush fire; or
- ii) loss of attraction due to the death by such bush fire of elephant, lion, leopard, rhinoceros and buffalo.

### **5.4 Extension to other premises**

If your business is interrupted in consequence of damage at the undernoted situations or to property as undernoted, we shall deem this to be loss resulting from insured damage at the insured premises:

- a) Specified suppliers/subcontractors (if stated in the schedule to be included)

The premises of the suppliers and subcontractors specified in the schedule and subject to the stated sums insured;

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

The premises of any other of your suppliers, manufacturers or processors of components, goods or materials, but excluding the premises of any public supply undertaking from which you obtain electricity, gas or water or telecommunications, subject to the sums insured stated in the schedule;

- c) Storage, transit and vehicle

Your insured property whilst stored or whilst in transit by air, road, rail or inland waterway or by your motor vehicles elsewhere than at the insured premises;

- d) Contract sites



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

provided that the location of the premises of (a), (b), (c), (d) are confined to the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi.

#### **5.5 Loss of liquor license Definition:**

License means the license granted for the retail sale of excisable liquors at the insured premises and for the purposes of this extension the terms "you" and "your" includes the license holder

##### **5.5.1 The cover**

In the event of the license being:

- a. forfeited under the provisions of the legislation governing such licenses or
- b. refused renewal by the appropriate licensing authority after due application for such renewal during the period of insurance from causes beyond your control, we will pay or make good to you all loss in respect of:
  - i) the depreciation in value of your interest in the insured premises and/or your business;
  - ii) the cost and expenses incurred by you with our written consent in connection with any appeal against the forfeiture of or refusal to renew the license;
  - iii) the reduction in revenue as a direct result of such forfeiture.

##### **5.5.2 Exclusions**

We shall not be liable if:

- a) you are entitled to obtain the payment of compensation under the provisions of any Act of Parliament in respect of the refusal to renew the licence;
- b) the forfeiture of or refusal to renew the licence arises directly or indirectly from any scheme of town or country planning, improvement, redevelopment or compulsory purchase or the surrender, reduction or redistribution of licences in connection therewith, or from any alteration in the law affecting the granting, surrender, refusal to renew or forfeiture of licences.



c) the forfeiture of or refusal to renew the licence be occasioned wholly or partly by or through the misconduct or procurement or connivance or neglect or omission by you or your omission to take any steps necessary for keeping the licence in force. No claim shall arise under this extension unless you or any other claimant hereunder shall prove to our reasonable satisfaction that such matter was beyond your or their power of control.

#### 5.5.3 Special conditions

1. You shall give us notice in writing immediately you become aware of any:

- a) complaint against the control of the insured premises;
- b) proceedings against or conviction of you, the licence holder or your manager, for any breach of the licensing laws or any other matter whereby the character or reputation of the person concerned is affected with respect to his or her honesty, moral standing or sobriety;
- c) change in the management of the insured premises;
- d) transfer or proposed transfer of the licence;
- e) alteration in the purpose for which the insured premises are used;
- f) objection to renewal or other circumstances, which may endanger the licence or renewal thereof.

Subject to such notice you shall be deemed to have reaffirmed at the date of each renewal of this section the statements made in the proposal and/or any other information upon which this insurance is based.

2. In the event of forfeiture or refusal of renewal of the licence you shall notify us immediately after the order by the authorities and shall state so far as you are able, the grounds upon which such order has been made.

3. In the event of death, bankruptcy, incapacity, desertion of the insured premises or conviction for any offence, where such conviction affects the character or reputation of the convicted person with respect to his honesty, moral standing or sobriety, you shall, where practicable and at our request, procure a suitable person to replace him or her and one to whom the justice will transfer the license or grant the license by way of renewal.



## **5.6 Prevention of access**

We will cover your loss revenue that results from an interruption of your business caused by insured damage to property within a 15 km radius of the insured premises, which shall prevent or hinder the use or access to such premises.

## **5.7 Public Utilities (Including Telecommunications) (Insured perils only)**

We will treat damage to property at electricity generating stations, sub-stations or transmission networks, gas-works 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 you and the telecommunications installation of any public authority which is empowered by law to supply a telecommunications facility to you, as being insured against damage, for the purposes of this cover section, provided that:

- 1
  - i) the damage would have been covered under Section 1: Property Combined of the policy if such damage had been sustained at the property, being the location of your premises as insured under this cover section;
  - ii) the damage results in hindering or stopping the supply of electricity, gas, water, sewage or telecommunications to your insured premises and results in the interruption of your business;
  - iii) the location of these public utilities are confined to the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi.
- 2 this extension 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 of any part of the installation belonging to the premises;
  - v) a decision by any authority to legally withhold or restrict supply of water, gas or electricity to you, or withhold the telecommunications facility from you, unless such decision is directly attributable to damage to property of such supplying authority.
- 3 this extension of cover does not apply to the first 24 hours of interruption of the business.



### **5.8 Ventilation failure**

We will cover you for loss following interruption of your business at the insured premises due to the failure of any ventilation system, which controls the cooling or heating requirements of the premises. If the failure of the ventilation is due to its mechanical, electrical or electronic breakdown, there shall be no liability under this cover for the first 24 hours following such interruption.

### **5.9 Loss of tourist attraction**

We will cover you for loss following interruption of your business due to the prevention of access or damage to the tourist attraction specified in the schedule. The indemnity period in respect of this optional cover shall not exceed 3 months. Cover limited to R150 000

### **5.10 Loss of aesthetic attraction**

We will cover you for loss following interruption of your business due to the prevention of access or damage to the aesthetic attraction specified in the schedule. The indemnity period in respect of this optional cover shall not exceed 3 months. Cover limited to R150 000

### **5.11 Fines and penalties for breach of contract**

We will pay the amount for which you are legally liable in discharge of fines or penalties incurred for breach of contract caused solely in consequence of an interruption of your business, which results in non-completion or late completion of orders.

## **6 Optional cover - the following extensions of cover are applicable only if stated in the schedule to be included**

### **6.1 Bomb evacuation**

We will cover you for loss following interruption of your business as a consequence of use of or access to your premises being prevented by bomb scare provided that:

- (a) such use of or access to the insured premises is prevented on the order of the South African Police Service or other competent local authority;
- (b) the maximum amount we will pay shall not exceed 10 percent of the revenue/gross profit sum insured, subject to a maximum as stated in the schedule;
- (c) you will be responsible for the first R5 000 of each and every claim unless stated otherwise on the schedule.



## 6.2 Staff stay-away

We will cover you for loss following interruption of your business in consequence of a staff stay-away action, provided that the maximum we will pay shall not exceed the amount stated in the schedule per period of insurance.

Definition:

**Staff stay-away** means a planned non-violent strike by your workers.

## 6.3 Special conditions applicable to this section

In addition to the general conditions under Part C - General sections 2 and 3 applying to all cover sections of this policy:

## 6.4 Standby machinery

Any item of plant and machinery listed under the Machinery Breakdown section in the schedule, with the word "Standby" against it, must be maintained as such and available for immediate use in the event of breakdown or collapse of the actual item of plant or machinery in use.

## 6.5 Additional cover within the sum(s) insured

Any sums insured stated under the additional covers are within the sum insured for revenue and payroll and are not additional to the sum insured stated in the schedule. The total sum insured will be reduced by any payment made or due to be made under any of these benefits following insured damage.

## Section 3: THEFT - if stated in the schedule to be included

### 1. Definitions

Damage or damaged means physical damage, destruction or loss. Theft means the unlawful taking or attempted unlawful taking of property.

### 2. What we cover?

We will cover your property against damage whilst located at the insured premises as a result of theft accompanied by forcible and violent entry or exit from such area or as a result of theft following violence or threat of violence;

### 3. What we don't cover?



Damage:

- (a) of money and/or other property of guests staying on the insured premises;
- (b) which can be insured under a property policy/section except in the case of explosion caused in an attempt to effect entry ;
- (c) which can be insured under a glass or money insurance policy/section;
- (d) to employees' personal effects from public areas or where the employee is an accessory to the theft;
- (e) to goods in the open from public areas;
- (f) to item(s) more specifically insured under Section 11: Business All Risks.

#### **4. Your responsibility**

In order to have continuous cover and a valid claim, you need to inform us of any material change or alteration at the insured premises and obtain our written consent for the purposes of cover in terms of this cover section prior to such changes/alterations being implemented.

#### **5. Basis of settlement**

We will pay up to the limit(s) of the sums insured stated in the schedule in respect of non-public and public areas.

#### **6. Additional cover to this section**

##### **6.1 We will cover damage to property:**

- (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 insured premises being effected by use of a skeleton key or other similar device (excluding a duplicate key) provided that you shall establish to our satisfaction that such device was used;
- (b) at any additional premises used by you provided that
  - (i) such additional premises are advised to us within 30 days from the time the risk attaches to this policy;
  - (ii) an additional premium, if any, is paid;



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

## **6.2 All other contents**

We will cover damage resulting from theft of property belonging to you or your directors or employees (in so far as such property is not otherwise insured) whilst located at the insured premises and referred to as "all other contents" in the schedule up to the sum insured stated thereon. Cover under this benefit excludes portable electronic devices.

## **6.3 Discharge of weapons**

We will cover damage to contents and stock resulting from the discharge of weapons during an armed robbery, up to the limit stated in the schedule per insured event and in any one period of insurance.

## **6.4 Fatal injury**

We will cover fatal injury to the persons named in the schedule sustained whilst on the insured premises as a result of outward and visible violence caused by burglars and housebreakers. We will pay the sum stated in the schedule provided death ensues within 3 (three) months of such injury.

## **6.5 Guest/Customer Theft**

We will cover damage to guest/customer's clothing and personal effects as a result of an armed hold- up at the insured premises, up to the limit of the sum insured stated in the schedule for this benefit, provided that the guest/customer can prove to our satisfaction that no other insurance was in force at the time such loss or damage occurs.

## **6.6 Hired property in the open**

We will cover theft of and malicious damage to unattended equipment for a period of up to 24 hours whilst on hire.

Provided that:

- (a) cover under this extension excludes any devices used to inflate equipment such as blowers or fans;
- (b) the equipment must be located within a secured area or garden, which is not accessible to any members of the public unless with express permission.



Definition:

Secured area means an area that is completely fenced or walled

- (c) the maximum amount payable shall not exceed the sum insured stated in the schedule per insured event and during the period of insurance;
- (d) you shall be responsible for the first R1 000 of each and every claim unless stated otherwise in the schedule.

### **6.7 Locks and keys**

We will pay the costs necessarily incurred in the replacing of locks, keys and electronic key cards to your insured premises following the disappearance of any key to such premises or following upon you having reason to believe that an unauthorised person may be in possession of a duplicate of such key up to the limit of the sum insured stated in the schedule for any one insured event.

This benefit is subject to a first amount payable of R500 of each and every event unless stated otherwise in the schedule.

### **6.8 Malicious damage**

We will cover damage resulting from the deliberate, wilful or wanton act of any person to property during the course of any theft accompanied by forcible and violent entry into or exit from the insured premises, up to the limit of the sum insured as stated in the schedule for this benefit.

### **6.9 Theft of fixtures and fittings**

We will cover theft of your Landlord's fixtures and fittings, for which you are responsible, up to the limit of the sum insured, stated in the schedule and subject to a first amount payable of 10 percent of claim, minimum R1 000 unless stated otherwise in the schedule.

For the purposes of this benefit only, Landlord's fixtures and fittings are deemed to include external and/or remote fixtures and fittings including auxiliary power supply units and their fuel on or about the insured premises.

## **7. Limitations of cover**

Our 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 the cost of labour.



## Section 4: MONEY - if stated in the schedule to be included

### 1. Definitions

Money means cash, bank and currency notes, cheques, travellers' cheques, crossed cheques, postal and money orders, current postage and revenue stamps, unemployment insurance fund, stamps, embossed stamps, credit card vouchers, smart cards, scratch cards, airtime vouchers, phone sim cards, coupons, credit cards, travel wallet cards, casino chips, saving certificates, bills of exchange, promissory notes, securities for money, gift vouchers, stock and share certificates and/or other documents and/or instruments of a negotiable nature, belonging to you or for which you are responsible.

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

Clothing means clothing and personal effects not otherwise insured belonging to you or to any of your partners, directors or employees.

Trading hours means the period during which that portion of the insured premises containing money is physically occupied for business purposes and during which you or your employees entrusted with money are in such portion of the premises.

### 2. What we cover?

We will cover you for the loss of your money whilst contained inside the insured premises during the period of insurance and also whilst such money is in the personal custody of an employee, director or partner whilst acting on your behalf, or in transit to and from the insured premises for the purpose of deposit or withdrawal. This cover only applies to money used in connection with your business.

### 3. What we don't cover?

We will not be liable 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 cover section or any other fidelity insurance.

### 4. Basis of settlement

- (a) the amount we pay per incident will not exceed the sum insured stated in the schedule, less the first amount payable;
- (b) exceptions c), d), e), f) and g) under item 6 – "What we exclude", do not apply up to an amount of R3 000 per incident and shall not be reduced by any first amount payable;



(c) loss of or damage to money arising from dishonesty of your employees discovered within 14 working days of the occurrence is subject to the following compulsory first amounts payable:

- (i) 2 percent of the applicable limit as stated in the schedule; plus
- (ii) a further 10 percent of the net amount payable after deduction of the 2 percent specified in (i) above. Both amounts shall be borne in full by yourself.

## **5. Additional cover to this section**

### **5.1 Fraudulent misuse of credit cards Limit R25 000**

We will cover loss of money arising out of the fraudulent misuse of any credit card by any of your guests provided that:

- (a) the loss of money relates to the cost of accommodation;
- (b) the maximum amount payable shall not exceed the sum insured stated in the schedule per insured event and during the period of insurance;
- (c) you shall be responsible for the first R2 500 of each and every claim unless stated otherwise in the schedule;
- (d) we will only indemnify you under this extension for a credit card payment if the financial institution whose credit card has been fraudulently misused refuses to reimburse you;
- (e) you report any fraudulent misuse of a credit card to the financial institution concerned within 24 hours of discovery thereof by you or your employees;
- (f) the customer committing such fraud has completed a guest register notwithstanding that the information supplied may be false or incorrect;
- (g) you or your employees must confirm that the information supplied by the guest is the same as that on the credit card. If it is not the same, then cover, as provided by this extension, will be excluded;
- (h) you shall make every reasonable endeavour to trace the guest;
- (i) this extension shall not apply to any person whilst employed under a contract of service with or apprenticeship to you, nor any person whilst hired or seconded from any other party into your service or to any partner, principal, director or member of your business.

### **5.2 Locks and keys**



We will pay the costs necessarily incurred in replacing locks and keys and electronic key cards to any receptacle at the insured premises, following upon the disappearance of any key to such receptacle or following upon you having reason to believe that an unauthorised person may be in possession of a duplicate of such key, up to the limit of the sum insured as stated in the schedule.

This benefit is subject to a first amount payable of R500 of each and every event unless stated otherwise in the schedule.

### 5.3 Personal assault

We will cover bodily injury caused by accidental, violent, external and visible means as a result of theft or any attempted theft, to you or to any partner(s), director(s), or employee(s) while such person(s) is acting in the course of his duties in your employ.

We will pay to you on behalf of the injured person or his estate, up to the limit of the sum insured stated in the schedule for bodily injury resulting in either death or permanent disability within 12 calendar months of the occurrence.

### 5.4 Receptacles and clothing

In the event of an insured loss, we will pay the costs necessarily incurred in the replacing of damaged receptacles and clothing up to the limit of the sums insured stated in the schedule.

### 5.5 Skeleton keys

We will cover damage to insured property, caused or accompanied during the entry to receptacles by the use of a skeleton key or other similar device (excluding a duplicate key) provided that you can prove to our satisfaction that a skeleton key or device was used.

## 6. What we exclude

In addition to the general exclusions applying to all cover sections, we will not pay for damage of money:

- (a) arising from a shortage due to error or omission;
- (b) arising from the dishonesty of any of your employees not discovered within 14 working days of the occurrence thereof;
- (c) arising from the use of keys to any safe or strong room unless the keys are obtained by violence or threats of violence;



(d) arising from the use of keys to any safe or strong room unless the keys are used by the key holder or some other person with the collusion of the key holder, and you can prove to our satisfaction that said key holder or such other person had used the keys to open the safe or strong room;

(e) in any vehicle being used for the transport of money to the bank, unless you, an employee, partner or director is in the vehicle or within 5 meters of the vehicle and 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.

(f) contained in an unlocked safe or strong room whilst the portion of premises containing such safe or strong room is unattended but this exception shall not apply if it can be shown to our satisfaction that the key holder to the safe or strong room deliberately left it unlocked with the intention of allowing the money to be stolen;

(g) not contained in a locked safe or strong room, whilst the portion of the premises containing such money is unattended, but this exception shall not apply if it can be shown to our satisfaction that the person(s) responsible for the money deliberately left it outside the safe or strong room, with the intention of allowing it to be stolen.

## **Section 5: GLASS - if stated in the schedule to be included**

### **1. What we cover?**

We will cover the following items for which you are legally responsible against damage at the insured premises:

- (a) internal and external glass, display fridge glass, fridge glass, mirrors;
- (b) sign writing and treatment thereon;
- (c) fixed wash basins, lavatory pans and cisterns for which you are legally liable.

### **2. Basis of settlement**

(a) We will pay the costs, up to the limit of the sum insured stated in schedule, for the repairing or replacing of broken glass in accordance with South African Glass Standards including:

- (i) sign writing and ornamentation;
- (ii) the cost of boarding up as may be reasonably necessary;
- (iii) damage to shop fronts, frames, burglar alarm strips, wires and vibrators;



- (iv) protective film and heat reflecting material or process on the glass.
- (b) If following an insured event, you are obliged in terms of National Building Regulations or similar legislation to replace damaged glass with glass of a superior quality, we shall be liable for the increased cost of such replacement including the frames therefore.
- (c) As a direct result of damage we will also pay the following costs and expenses up to a maximum limit of the sum insured stated in the schedule for:
  - (i) the cost of removal and reinstallation of fixtures and fittings necessary for the replacement of the damaged glass;
  - (ii) the cost of employment of a security service or additional watchman, prior to replacement of the glass or boarding up or the repair of the burglar alarm system, unless payable under any other insurance that you may have arranged.

### **3. Special conditions applicable to this cover section**

In addition to the general conditions under Part C - General sections 2 and 3 applying to all cover sections of this policy:

#### **3.1 Average**

Should you insure the glass including any sign writing and treatment, for less than its replacement value, average will apply and you shall be considered as being your own insurer for the difference and shall bear a rateable proportion of the damage accordingly.

Every item, if more than one, is separately subject to this condition.

### **4. What we exclude**

In addition to the general exclusions under Part C section 1 applying to all sections of the policy, we will not pay for:

- (a) loss or damage otherwise insured;
- (b) glass forming part of stock in trade;
- (c) glass, which at inception of this insurance, is cracked or broken unless cover has been agreed by us;
- (d) glass in any unoccupied building;
- (e) defacement or damage other than fracture through the entire thickness of the glass or any laminate thereof.



## Section 6: FIDELITY - if stated in the schedule to be included

### 1. Definitions

Insured employee means:

- (a) any person while employed under a contract of service with or apprenticeship to you;
- (b) any person while hired or seconded from any other party into your service; who you have the right at all times to govern, control and direct in the performance of his or her work in the course of your business and who, if this section is on a named and/or position bases, is described in the schedule by name and/or the position held by him or her in the insured business.

Funds means money, negotiable instruments or securities owned or received by you or collected on your behalf for the management of the business as insured by this policy, including tangible property owned by you.

Computer crime means loss resulting directly from the fraudulent or dishonest

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

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

### 2. What we cover?

We will cover funds belonging to you or for which you are responsible (but specifically excluding money and/or property of guests staying on the insured premises) during the currency of this section for direct financial loss sustained by you as a result of the fraudulent misappropriation of funds by an insured employee during the currency of this section, which results in dishonest personal financial gain for such insured employee.

Fraudulent misappropriation of funds shall include theft, embezzlement, misappropriation and computer crime.



### **3. What we don't cover?**

(a) The term "dishonest personal financial gain" shall not include gain by an insured employee in the form of salary, salary increases, fees, commissions, bonuses, promotions or other emoluments;

(b) Losses, which occurred more than twenty-four months prior to discovery unless stated otherwise in the schedule.

### **4. Your responsibilities**

(a) You are required to institute and/or maintain and continue to employ in every material manner all such systems of check and control, accounting and clerical procedures and methods of conducting your affairs, as has been represented by you to ourselves but you may:

(i) change the remuneration and conditions of service of any insured employee;

(ii) in respect of any insured employee who is described in the schedule by name, change his or her duties and position;

(iii) in respect of any insured employee who is described in the schedule by the position held by him or her, remove such employee and place in his or her position, any other person who falls within the definition of insured employee;

(iv) make such other changes as are approved beforehand in writing by your auditors.

(b) If required by ourselves, you will report the incident of fraud or dishonesty to the police and assist them in all investigations.

### **5. Basis of settlement**

We shall pay the direct financial loss sustained in terms of the cover, less the applicable first amount(s) payable, provided:

(a) all losses are discovered not later than 12 months after termination of:

(i) this cover section; or

(ii) this cover 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.

(b) (i) BLANKET BASIS:

our liability for all losses shall not exceed the sum insured stated in the schedule whether involving any one insured employee or any number of insured employees acting in collusion or independently of each other;

(ii) NAMED OR POSITION BASIS:

our liability for all losses involving any insured employee shall not exceed the sum insured, stated opposite their name in the schedule or, if the insured employee is unnamed, the sum insured set opposite the position held by such person in the business as stated in the schedule;

(c) the renewal of this policy from period to period, or any extension of any period of insurance shall not have the effect of accumulating or increasing the maximum amount we will pay.

(d) if you sustain any insured loss, which exceeds the amount payable under this section, you shall be entitled to all recoveries (except from suretyship, insurance, reinsurance, security or indemnity taken or affected by ourselves or for the amount of any first amount payable) on such loss until fully reimbursed, less the actual cost of effecting same, and any remainder shall be applied to the reimbursement of our outlay and to the extent of your co-insurance in terms of item 8.3 of the compulsory first amount payable.

## **6. Additional cover to this section**

### **6.1 Accountants**

Any particulars or details contained in your books of accounts, or other business books, or documents, which may be required by ourselves 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 certificate shall be prima facie evidence of the particulars and details to which it relates.

### **6.2 Cost of recovery**

Should any loss, as a result of an insured event under this section, exceed the sum insured, as stated in the schedule, we will pay the reasonable costs and expenses necessarily incurred by you for recovery or attempted recovery for that portion of loss, which exceeds the sum insured, from the responsible insured employee. All amounts recovered by you in excess of the said part of the loss shall be for our benefit.



### **6.3 Extended cover for past employees**

Any person who ceases to be an insured employee, shall for the purposes of this section be considered as being such for a period of 30 days after he or she in fact ceased to be an insured employee.

## **7. Optional cover - if stated in the schedule to be included**

### **7.1 Reduction/reinstatement of insured amount**

Our payment of any loss involving one insured employee or any number of insured employees will not reduce our liability in respect of the remaining insured employees provided that:

- (a) the maximum amount we will pay for all insured employees shall not exceed double the sum insured shown in the schedule;
- (b) you pay additional premium on the amount of the insured loss calculated in terms of the following formula:

Annual premium in force at time of discovery of the loss x amount of the insured loss  
Sum insured at time of discovery of the loss

- (c) the additional premium is payable in full and may not be reduced due to the period between the date of discovery of the loss and the expiry date being less than 12 months.

### **7.2 Retroactive cover – no previous insurance policy in force**

We will cover insured events, 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 sooner of 12 months of the termination of the employment of the insured employee concerned or within 12 months of the expiry of this section.

### **7.3 Superseded policy**

We will cover insured events, which occurred during the currency of any insurance, superseded by this cover section and specified in the schedule provided that:

- (a) 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 insured event;



- (b) the insured events are discovered within the sooner of 12 months of the termination of the employment of the insured employee concerned or within 12 months of the expiry of this cover section;
- (c) the amount payable under this extension shall not exceed the amount insured or the amount insured by the superseded insurance, whichever is the lesser;
- (d) in the event of the insured event involving one insured employee or any number of insured 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 insured events;
- (e) this extension will not apply to insured events, which occurred more than the number of years stated in the schedule before inception of this cover section;
- (f) we are not liable for any loss, which occurred more than 24 months prior to discovery.

#### **7.4 Voluntary first amount payable**

In addition to the amount payable under as stated under item 8.3 compulsory first amount payable, you shall also 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.

### **8. Special conditions applicable to this cover section**

In addition to the general conditions under Part C - General sections 2 and 3 applying to all cover sections of this policy:

#### **8.1 Other insurances**

It is a condition that other than:

- (a) a money policy;
- (b) that, declared to us at inception or renewal or 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 risk insured hereunder.



## **8.2 Increase in sum insured**

If the sum insured is increased at any time, such increased amount shall apply only to insured events committed after the date of such increase.

## **8.3 Compulsory first amount payable**

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

- (a) 2 percent of the aggregate of the sum insured under this section and the declared insurance or R50 000, whichever is the lesser; plus
- (b) a further amount of 10 percent of the net amount payable after deduction of the amount specified in (a) above.

You shall bear the cost of both these amounts and they shall remain uninsured.

## **8.4 First amount payable for losses discovered more than 12 months but less than 24 months after they were committed**

If an insured event is discovered more than 12 months but not more than 24 months after:

- (a) it was committed;
- (b) the first event in a series of events committed by one insured employee or a number of insured employees acting in collusion.

The percentages contained in the compulsory first amount payable clause per item 8.3 (a) and (b) are restated as follows:

- (i) 4 percent of the aggregate of the sum insured under this section and the declared insurance or R50 000, whichever is the lesser; plus
- (ii) a further amount of 15 percent of the net amount payable after deduction of the amount specified in (a) above.

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

## **8.5 First amount payable for losses discovered more than 24 months but less than 36 months after they were committed**

If this cover section has been extended to cover that part of losses discovered more than 24 months after being committed but not more than 36 months thereafter, the



percentages contained in the compulsory first amount payable clause per item 8.3 (a) and (b) are restated as follows:

- (a) 5 percent of the aggregate of the sum insured under this section and the declared insurance or R50 000, whichever is the lesser; plus
- (b) a further amount of 20 percent of the net amount payable after deduction of the amount specified in (a) above.

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

## **8.6 Computer crime first amount payable**

The percentage contained in the compulsory first amount payable clause per item 8.3 (a) and (b) are restated as follows in respect of any insured event arising from computer crime:

- (a) for losses discovered more than 12 months after being committed but not more than 24 months:
- (b) 4 percent of the aggregate of the sum insured under this section and the declared insurance or R50 000, whichever is the lesser; plus
- (c) a further amount of 30 percent of the net amount payable after deduction of the amount specified in (a) above.
- (d) if the policy has been extended to cover that part of losses discovered more than 24 months after being committed but not more than 36 months:
- (e) 5 percent of the aggregate of the sum insured under this section and the declared insurance or R50 000, whichever is the lesser; plus
- (f) a further amount of 35 percent of the net amount payable after deduction of the amount specified in (a) above.

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

## **9. What we exclude**

9.1 In addition to the general exclusions under Part C section 1 applying to all sections of the policy, we will not pay for:



- (a) losses resulting from or contributed to by the fraud or dishonesty of any insured employee from the time you shall become aware that such insured employee has committed any fraud or dishonesty;
- (b) any losses arising out of an event committed prior to inception of this policy or any circumstance, which was known to you or you ought reasonably to have known about prior to inception of this policy;
- (c) consequential losses of any kind following an insured event;
- (d) unintentional acts, errors or omissions;
- (e) loss resulting from or contributed to by:
  - (i) any partner in your business to the extent that such partner would benefit by indemnity granted under this section;
  - (ii) any principal, director or member of your business unless such person is also an insured employee.

9.2 this section does not cover prior losses for any company or other legal entity acquired during the period of insurance.

9.3 we will not pay for any loss resulting from the dishonest

- (a) manipulation of;
- (b) input into;
- (c) suppression of input into;
- (d) destruction of;
- (e) alteration of;

any networked computer programmes, system, data or software by any insured employee in your electronic data processing department or area.



## **Section 7: GOODS IN TRANSIT – if stated in the schedule to be included**

### **1. Definitions**

Property means tangible property of every kind and description belonging to you or for which you are responsible, or for which you have assumed responsibility to insure prior to the occurrence of any damage covered by this section.

Conveying vehicle means the transport, as stated in the schedule, used for the moving of the property by road, rail, sea or air.

### **2. What we cover?**

We will cover damage to property during transit based on the cover option selected and stated in the schedule.

### **3. Cover options**

#### **3.1 Comprehensive**

We will pay for damage to the whole or part of the property, as described in the schedule, during the course of transit caused by any accident or misfortune to the conveyance vehicle.

#### **3.2 Fire, explosion, collision, derailment and overturning**

We will pay for damage to the whole or part of the property, as described in the schedule, during the course of transit resulting from the conveyance vehicle being damaged by fire, explosion, collision, overturning or derailment.

#### **3.3 Fire, explosion, collision, derailment or overturning and theft or hijacking resulting therefrom**

We will pay for damage to the whole or part of the property, as described in the schedule, during the course of transit resulting from the conveyance vehicle being damaged by fire, explosion, collision, overturning or derailment including theft or hijacking following such damage.

### **4. Basis of settlement**

(a) our liability for all damage arising from any one insured event shall not exceed the limit of the sum(s) insured stated in the schedule;

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



## **5. Optional cover - if stated in the schedule to be included**

### **5.1 Debris removal**

We will pay the costs necessarily incurred for the clearing up and removal of debris following damage to the conveying vehicle or to the property thereon up to the limit of the sums insured stated in the schedule for any one event.

### **5.2 Fire extinguishing charges**

We will pay the costs of extinguishing or attempting to extinguish a fire following the damage of the property by fire whilst in the course of transit, up to the limit of the sum insured stated in the schedule for any one event.

## **6. Special conditions applicable to this section**

In addition to the general conditions under Part C - General sections 2 and 3 applying to all cover sections of this policy:

6.1 Transit shall be deemed to commence from the time of moving the property as described in the schedule, at your premises (including carrying to any conveying vehicle 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.

6.2 If any consignee refuses to accept the consigned property, then transit shall be deemed to continue and our cover will remain in force until such property is delivered at the your premises by the conveying vehicle, provided that you will take all reasonable steps to ensure that the property is returned to the consignee as soon as is possible.

6.3 Where the conveying vehicle is specified on the schedule and such vehicle is required to undergo repair or servicing, the cover under this section shall apply to property on any vehicle temporarily used in place thereof provided such replacement vehicle is not your property or leased or hired by you under a lease or suspensive sale agreement.

6.4 In the event of the breakdown of the conveying vehicle during transit, or if for any reason beyond your 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 cover by this section will not be affected by this change.



## **7. What is not covered**

In addition to the general exclusions under Part C section 1 applying to all sections of the policy, we will not pay for:

### **7.1 damage resulting from or caused by:**

- (a) theft from any unattended vehicle in the custody or control of you or any of your principals, partners, directors or employees 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 or exit from 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 of your principals, partners, directors or employees whether acting alone or in collusion with others;
- (d) detention, confiscation or requisition by customs or other officials or authorities;
- (e) or arising whilst the property is in transit by sea or by inland transit incidental thereto;
- (f) breakdown of refrigeration equipment;

### **7.2 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 insured;**

### **7.3 mechanical, electronic or electrical breakdown, failure, breakage or derangement of the property unless following an accident or misfortune not otherwise insured;**

### **7.4 loss of or damage to:**

- (a) cash, bank and currency notes, cheques, travellers' cheques, postal and money orders, current postage and revenue stamps, unemployment insurance fund, stamps, embossed stamps, credit card vouchers, smart cards, scratch cards, airtime vouchers, phone sim cards, coupons credit cards, travel wallet cards, casino chips, saving certificates, bills of exchange, promissory notes, securities for money, gift vouchers, stock and share certificates and/or other documents and/or instruments of a negotiable nature belonging to you or for which you are responsible;
- (b) property outside the Republic of South Africa;
- (c) property otherwise insured or which would, but for the existence of this cover section 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 had the insurance under this cover section not been effected.

7.5 Consequential loss of any kind, delay, loss of market, depreciation or changes brought about by natural causes.

## **Section 8: ACCIDENTAL DAMAGE - if stated in the schedule to be included**

### **Defined Event 1 – PROPERTY**

#### **1. Definitions**

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 Krugerrands and similar coins), bank and currency notes, travellers and other cheques, money and postal orders, credit card vouchers, 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, motorcycles, 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.



## **2. What we cover?**

We will cover you for accidental physical loss of or damage to your 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) of this Policy.

## **3. Basis of settlement**

(a) We shall pay the amount for all loss or damage arising out of one original cause or source up to the sum stated and notwithstanding Condition 21 of Section 2 Conditions and Provisions, this Section shall not be called into contribution for any defined event for which more specific insurance has been arranged

(b) Average

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 their own insurer for the difference and shall bear a rateable proportion of the loss accordingly.

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

(c) First loss average

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.

(d) Reinstatement value

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:

- (i) 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 dispatch otherwise no payment beyond the



amount that would have been payable if this clause had not been incorporated in this Section shall be made;

(ii) the Company shall not be liable for any payment beyond the amount that would have been payable if this clause 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;

(iii) 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 clause applies shall be separately subject to this Provision;

(iv) this Clause shall not apply if:

(i) the insured fails to intimate to the Company within 6 (six) months of the insured event or such further time as the Company may allow in writing their intention to replace or reinstate the loss or damaged insured property;

(ii) the insured is unable or unwilling to replace or reinstate the lost or damaged insured property on the same or another site.

#### **4. What we don't cover?**

(a) any peril excluded or circumstance precluded from any other insurance available from the Company at inception hereof, or for any excess payable by the insured under such insurance, or for any reduction of the amount payable under any claim due to the application of average;

(b) more than the individual value of any item forming part of a pair, set or collection without regard to any special value such item may have as part of such pair, set or collection;

(c) unexplained disappearance or shortage only revealed during or after an inventory or errors or omissions in receipts, payments or accounting, or misfiling or misplacing of information;

(d) loss of or damage to insured property caused by:

(i) any fraudulent scheme, trick, device or false pretence practiced on the insured (or any person having custody of the insured property) or fraud or the dishonesty of any principal or agent of the insured;



- (ii) overheating, implosion, cracking, fracturing, weld failure, nipple leakage or other failure. This Exception applies only to vessels, pipes, tubes or similar apparatus;
- (iii) breakdown, electrical, electronic and/or mechanical derangement;
- (iv) altering, bleaching, cleaning, dyeing, manufacture, repair, restoring, servicing, renovating, testing or any other work thereon;
- (v) fault or defect in its design, formula, specification, drawing, plan, materials, workmanship or professional advice, normal maintenance, gradual deterioration, depreciation, corrosion, rust, oxidation or other chemical action or reaction, frost, change in temperature, expansion or humidity, fermentation or germination, dampness, dryness, wet or dry rot, shrinkage, evaporation, loss of weight, contamination, pollution, change in colour, flavour, texture or finish or its own wear and tear;
- (vi) denting, chipping, scratching or cracking not affecting the operation of the item;
- (vii) termites, moths, insects, vermin, inherent vice, fumes, flaws, latent defect, fluctuations in atmospheric or climatic conditions, the action of light;
- (e) settlement or bedding down, ground heave or cracking of structures or the removal or weakening of support to any insured property;
  - (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;
- (f) failure of and/or the deliberate withholding and/or lack of supplies of water, steam, gas, electricity, fuel or refrigerant;
- (g) collapse of plant and machinery, buildings and structures (other than shelving or storage platforms);
- (h) detention, confiscation, forfeiture, impounding, attachment or requisition by any lawfully instituted authority or other judicial process.



**Defined Event 2 – LEAKAGE – if stated in the schedule to be included**

**1. What we cover?**

(a) If selected, we will cover accidental physical loss of or damage to your insured property caused by discharge or leakage from tanks, pipes, apparatus or medical containers 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, apparatus or medical containers.

**2. Additional cover to this section**

Additional costs

We will include these additional costs in the sum insured for insured buildings, plant and machinery:

(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 do 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, and the sum insured on all insured property includes:

(e) charges levied by any authorised fire brigade for their services; but the Company shall not be liable under a), b), c) 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. Furthermore, 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. Special conditions applicable to this cover section**

#### **(a) Mortgagees**

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.

#### **(b) Railway and other subrogation**

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

#### **(c) Restricted cover**

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

#### **(d) Tenants**

The insured shall not be prejudiced by the act of any tenant in premises they own or in which they are a co-tenant or of the owner of any premises of which they are a tenant, provided that the Company is notified as soon as they become aware of such act and they pay any additional premium resulting from the Company assuming any additional hazard.

#### **(e) Excluded property**

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



## Section 9: PUBLIC LIABILITY - if stated in the schedule to be included

### 1. Definitions

**Damages** means financial compensation for loss or injury.

**Expenses** means:

Costs, charges, expenses and legal costs and disbursements incurred by:

- (a) you with our written consent; or
- (b) us after we have assumed conduct of any proceedings in:
  - (i) defending any proceedings;
  - (ii) conducting any claim for contribution or recovery; or
  - (iii) investigating, avoiding or reducing or settling any claim for compensation

**Employee** means person's employed under a contract of service or apprenticeship with you.

**Occurrence** means an event, including continuous or repeated exposure to substantially the same general conditions, neither expected nor intended by you to happen, which results in personal injury or property damage

**Personal injury** means:

- (a) bodily injury, sickness or disease sustained by any person including resultant death;
- (b) wrongful arrest and defamation;
- (c) wrongful entry or wrongful eviction or other invasion of privacy;
- (d) assault not committed by you or at your direction unless for the purpose of preventing personal injury or property damage.

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

**Product** means any tangible property (including containers and labels) after it has left your custody or control, which has been designed, specified, formulated,



manufactured, constructed, installed, sold, supplied, distributed, treated, services, altered or repaired by or on your behalf.

**Property damage** means physical damage to or loss or destruction of tangible property or wrongful interference with the enjoyment of rights over such tangible property.

**Retroactive date** means the date from which you have been continuously insured under one policy, or successive policies of claims made insurance, which provided the same or similar cover to this policy.

**Territorial limits** means worldwide, excluding USA and Canada, and Australia in respect of policies issued and underwritten by the reinsured in the Republic of South Africa in respect of original insureds domiciled in: Republic of South Africa, Mozambique, Botswana, Lesotho, Swaziland, Zimbabwe, Ghana, Malawi, Mauritius, Seychelles, Madagascar, Kenya, Tanzania, Uganda, Angola, Namibia and Zambia.

### **What we cover?**

This section provides cover for damages and expenses that you become legally liable to pay as the insured in respect of:

- (a) personal injury; or
- (b) property damage;
- (c) or both

that occur in the course of or in connection with your business, happening within the territorial limits, on or after the retroactive date shown in the schedule and which results in a claim or claims first being made against you in writing during the period of insurance.

## **2. Basis of settlement**

(a) The total amount we will pay, inclusive of all expenses, in respect of any claim or series of claims for any one event or series of events, with one originating cause or source under this cover section, shall not exceed the limit of indemnity as stated in the schedule during any one period of insurance starting with the inception or renewal date, whichever is applicable.

(b) 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 cover section, each extension shall apply separately and be subject to its own separate limit of indemnity, provided always that the total amount of our liability shall be



limited to the highest limit of indemnity available under any one of the extensions affording indemnity for the claim or series of claims.

(c) Should the limit of indemnity be altered during the period of insurance, the limit of indemnity, which applied when you first became aware of the event, will apply to all claims made or deemed to have been made or arising out of such event.

(d) Where more than one period of insurance of this policy, following its renewal or replacement may apply to an occurrence, our liability will be limited to the maximum limit of indemnity for any such period of insurance starting with the inception or renewal date, whichever is applicable and shall not aggregate from one period of insurance to the next.

(e) Any sum paid by us in the discharge or settlement of any threat or intimation of a claim or in relation to any circumstance, which might give rise to a claim, shall be deemed to be a payment made in the discharge or settlement of a claim.

(f) We have the right to negotiate, defend or settle in your name and on your behalf any claim and will have full discretion in the conduct of any proceedings or in the settlement of any claim.

(g) If you refuse to consent to any settlement recommended by us and choose to continue with any legal proceedings in connection therewith, our liability for the loss will not exceed the amount for which the claim could have been settled including the expenses incurred up to the date of such refusal, provided that the limit of indemnity is not exceeded.

### **3. Additional cover to this section**

#### **3.1 Subcontractors**

We will indemnify you against liability for injury and/or damage caused by or arising from the activities of subcontractors provided that:

(a) you have established and maintain an administrative procedure for obtaining and retaining evidence from such subcontractors to the effect that they each have separate and specific Public Liability insurance and that:

(i) such insurance has been extended to indemnify you as principal against all liability at law for damages in respect of injury and/or damage as defined;

(ii) such insurance covers the work to be undertaken by the subcontractor;

(iii) such insurance is revalidated every twelve (12) months throughout the duration of their contract with you.



(b) the maximum we will pay under this extension will not exceed the limit of indemnity stated in the schedule.

#### Definition

Subcontractor means a contractor who works without direction from the insured, who holds their own insurance and usually provide their own materials and tools.

### 3.2 Car Parks

We will pay up to the limit of indemnity stated in the schedule for damage to vehicles, including contents and accessories, belonging to customers, visitors or your employees whilst using your parking facilities.

### 3.3 Cross Liability

Where more than one party is insured in terms of this section, we will cover each party separately and not jointly. Any liability arising will be treated as if a separate policy had been issued to each of the said parties but nothing contained in this clause will operate to increase our limit of liability as stated in the schedule.

### 3.4 Emergency medical expenses

We will pay up to an amount of R50 000 in respect of any one period of insurance for all reasonable expenses you incur for such immediate medical treatment that may be necessary at the time of an accident that causes injury to any person who may be the subject of a claim against you in terms of this cover section.

### 3.5 Incidental Medical Malpractice

We will indemnify you, up to the limits stated in the schedule, for injury caused by a negligent act, error or omission in first aid treatment rendered by you or an employee during the period of insurance provided that:

- (a) the person giving the treatment is a certified first aider;
- (b) such liability does not arise out of any criminal act or any act committed while in violation of any law or ordinance;



- (c) such liability does not arise out of services rendered by any person who, to your knowledge, is under the influence of intoxicants or narcotics.

### 3.6 Gratuitous advice

Notwithstanding anything to the contrary contained in specific exception 6.1 (c), the company will indemnify the insured in respect of Defined Events caused by the unintentional failure of the insured to perform the legal duty to exercise due care owed to another person or party in providing technical information or advice to such person or party provided that this section does not cover liability:

1. arising out of the insolvency of the insured;
2. arising out of financial services and/or cost estimates provided by or on behalf of the insured;
3. arising out of defamation;
4. arising out of design, formula, supervision, treatment or advice given by or on behalf of the insured in exchange for a fee;
5. arising out of technical information or advice given in connection with a Product unless the extension for Products Liability is included in the schedule.

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

### 3.7 Statutory legal defence costs

We will pay defence costs and expenses up to a limit stated in the schedule for any one occurrence and any one (annual) period of insurance, which you, or any employee, partner or director may incur, with our consent, in the defence of any prosecution of such person from an alleged contravention of the Statutes, as listed below, in the course of their service with you during the period of insurance.

Provided that:



- (a) in the case of an appeal, we will not indemnify such person unless a senior counsel approved by us shall advise that the appeal should, in his opinion, succeed;
- (b) we will not indemnify such person in respect of any fine or penalty imposed by any magistrate, judge or other authority or any loss as a consequence of this;
- (c) such person, as though he were you, will be subject to the terms and conditions of this section and the policy;
- (d) if the prosecution arises from or is in connection with any product, we will only indemnify you or any employee, partner or director if the extension for Products Liability is stated in the schedule to be included.

#### The Statutes

- (a) The Occupational Health and Safety Act No. 85 of 1993 (as amended)
- (b) The Mines and Works Act no. 27 of 1956 (as amended)
- (c) The Electricity Regulation Act No. 4 of 2006 (as amended) and/or any other Act or Ordinance pertaining to the supply of electricity
- (d) The Liquor Act No. 27 of 1989 (as amended)
- (e) The Tourism Act No. 72 of 1993 (as amended)
- (f) The Health Act No. 63 of 1977 (as amended)
- (g) The Tobacco Products Control Act No. 53 of 2009 (as amended)
- (h) The Consumer Protection Act No. 68 of 2008 (as amended)

All as read in conjunction with The Criminal Procedure Act No. 51 of 1977 (as amended).

#### 3.8 Tenants

When the insured premises are occupied by you as tenant and not as owner thereof, specific exceptions 7.1(b)(ii) and 7.1(d) under "What we exclude" shall not apply.



### 3.9 Tool of trade

Specific exception 7.1(d) under "What we exclude", shall not apply to the operation as a tool of any vehicle or plant forming part of such vehicle or attached thereto, provided that we will not be liable hereunder in respect of any liability that falls within the scope of any form of motor insurance, notwithstanding that no such insurance is in force or has been effected, nor will we be liable where you have effected any other form of motor insurance covering the same liability.

### 3.10 Visitors' or guests' property

Notwithstanding anything to the contrary contained in special exception 7.1(b)(ii) under "What we exclude" we will indemnify you in respect of loss of or damage to the property of any visitor or guest other than:

- (a) animals or vehicles of any description or the contents of any such vehicle;
- (b) jewellery, money or other valuables unless deposited with you or the license holder for safekeeping at the insured premises.

Provided that:

- (i) our limit of indemnity shall not exceed the limit as stated in the schedule;
- (ii) you and/or the liquor license holder shall comply with the requirements of the Liquor Act No. 27 of 1989 or any amendment thereof as far as they relate to anything to be done or performed by you or the licensee;
- (iii) we shall not be liable under this extension for the loss of property deposited with you or the licensee unless such property is kept in a locked safe or locked strongroom.

### 3.11 Wrongful arrest and defamation

We will pay for damages:

- (a) resulting from wrongful arrest (including assault in connection with such wrongful arrest);
  - (b) in respect of defamatory statements whether written or verbal;
- provided always that the limit of indemnity shall not exceed the amount stated in the schedule.



### 3.12 Breakout of wild animals (damage to perimeter fencing extension)

We will indemnify you in respect of damage to the perimeter fencing at the insured premises arising out of forcible and violent break-out by animals provided that:

- (a) such perimeter fencing shall comply with the requirements of the National Parks Board or any other authority governing the control of game parks and that the fences are regularly inspected and maintained in proper working order;
- (b) our total liability under this extension shall not exceed the limit of indemnity stated in the schedule in respect of each claim or series of claims arising from any one originating cause;
- (c) you shall be responsible for the first amount payable as stated in the schedule.

### 3.13 Damage by animals

We will indemnify you in respect of personal injury or property damage, caused by or arising out of the forcible and violent break-out of animals from the premises owned and/or leased by you provided that:

- (a) such perimeter fencing shall comply with the requirements of the National Parks Board or any other authority governing the control of game parks and that the fences are regularly inspected and maintained in proper working order;
- (b) our total liability under this extension shall not exceed the limit of indemnity stated in the schedule in respect of each claim or series of claims arising from any one originating cause;
- (c) you shall be responsible for the first amount payable as stated in the schedule.

### 3.14 Relocation costs

We will indemnify you against claims for costs reasonably and necessarily incurred to recover and relocate animals to their original premises following a break-out as described under item 5.2 and 5.3 provided that:

- (a) our total liability under this extension shall not exceed the limit of indemnity stated in the schedule;
- (b) you shall be responsible for the first amount payable as stated in the schedule.



### 3.15 Products liability

Notwithstanding anything to the contrary contained in specific exception 7.1 (f) under "What we exclude" we will indemnify you in respect of insured events happening anywhere in the territories stated in the schedule caused by any product including wrongful delivery and delivery of incorrect products.

Provided that the amount we will pay inclusive of any expenses, for any claim or number of claims for any one event or series of events with one originating cause or source, or during any one annual period of insurance, shall not exceed in the aggregate the limit of indemnity as stated in the schedule.

Specific exceptions applicable to this extension of cover

We will not pay:

- (a) for the cost of repair, alteration, recall, reconditioning or replacement of the product or part thereof (including containers and labels) causing personal injury or property damage and/or the loss of use of any product or part thereof. For the purposes of this specific exception, the term "replacement" shall be deemed to include any credit or refund granted or alternative product provided by or on your behalf in lieu of replacement of the defective product;
- (b) for the cost of demolition, breaking out, dismantling, delivery, rebuilding, supply and installation of the product and any other property essential to such repair, alteration or replacement unless physically damaged by the product;
- (c) for the 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 consequential personal injury or property damage;
- (d) for personal injury or property damage arising from products intended to be installed and installed in,
- (e) or intended to form part of and forming part of, an aircraft;
- (f) for personal injury or property 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 your order, if such products have, to your knowledge, been exported to the United States of America or Canada by or on your behalf;
- (g) for any defect in any product or any part thereof of which you were aware prior to the inception of this extension of cover.



### 3.16 Spread of fire

We will indemnify you for all claims arising as a result of the spread of fire in terms of the National Veld and Forest Fire Act (No. 101 of 1998) provided that:

- (a) any controlled burning undertaken by you will be done in compliance with the conditions laid out in terms of the National Veld and Forest Fire Act (No.101 of 1998);
- (b) our total liability under this extension shall not exceed the limit of indemnity stated in the schedule;
- (c) you shall be responsible for the first amount payable as stated in the schedule.

## 4. Optional cover applicable to this section – if stated in the schedule to be included

### 4.1 Acquisitions and new businesses

This cover section extends to include any company formed and/or acquired by you during the period of insurance for a period of 90 (ninety) days of such formation and/or acquisition provided that:

- (a) the retroactive date in respect of such new company, shall be the date when the 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;
- (b) your business activities remain unchanged;
- (c) the annual turnover of all newly formed and/or acquired companies does not exceed 5 percent (five percent) of your estimated annual turnover as advised to us at inception or renewal of this policy.
- (d) you shall advise of us of such newly formed and/or acquired company before the expiry of 90 days thereof and we may amend the terms of this cover section accordingly.

### 4.2 Extended reporting period

In the event of us cancelling or refusing to renew this policy and/or cover section and notwithstanding anything to the contrary contained in Part C Section 3 and item 6 "special conditions applicable to this cover section", we agree to extend the period



for reporting of an insured event for a period to be agreed but in no circumstances exceeding 36 months provided that:

- (a) this option is exercised by you in writing within 30 days of such cancellation or non-renewal;
- (b) once exercised, this option cannot be cancelled by either party;
- (c) you have not obtained insurance equal in scope and cover to this section as expiring;
- (d) we shall only be liable for an insured event, which occurred after the retroactive date but prior to the date of cancellation or non-renewal;
- (e) claims first made against you or any event reported by you during the extended reporting period shall be treated as if they were first made or reported on the last day preceding the cancellation or non-renewal;
- (f) the maximum we will pay for claims made or events reported during the extended period shall be the limit(s) of indemnity as stated in the schedule on the last day preceding the cancellation or non-renewal.

#### 4.3 Member to Member

This cover section extends to indemnify, as though a separate policy had been issued to each:

- (g) in the event of your death, your estate or your authorised representative in respect of any liability incurred by you in the settlement of a claim;
- (h) if requested by you, any partner, director or employee of the business against any claim for which you would be entitled to indemnity under this cover section;
  - (i) any employer named in a contract entered into by yourself for the purposes of the business, and to the extent required by the conditions of such contract in terms of any liability arising from the performance of such contract;
  - (j) in respect of the activities of any social or sports club, welfare organization, first aid, fire or ambulance service, canteen or the like, owned or formed by you for the benefit of your employees:
    - (i) any officer or member thereof;
    - (ii) any visiting sports team or member thereof. Provided that:
      - (i) our aggregate liability is not increased beyond the limits of indemnity stated in the schedule;
      - (ii) any person or organization to which this cover extension applies is not entitled to indemnity under any other policy;



(iii) the indemnity under (a), (b) and (c) applies only in respect of liability for which you would have been entitled if the claim had been made against you;

(iv) any person or organisation to which this cover extension applies shall observe, fulfil and be subject to the terms, exceptions and conditions (both general and specific) of this cover section in so far as they can apply.

For the purpose of this cover extension we waive all rights of subrogation, which we may have, or acquire against any such persons.

## **5. Special conditions applicable to this cover section**

In addition to the general conditions under Part C - General sections 2 and 3 applying to all cover sections of this policy:

### **5.1 Claims first made in writing against the insured**

Any claim first made in writing against you as a result of an occurrence shall be treated as if it had first been made against you on the same day that you reported the event to us.

### **5.2 Manifestation clause**

When the facts do not speak for themselves and neither you nor ourselves can mutually agree when the personal injury or property damage occurred, then for the purposes of determining the indemnity granted:

(a) the personal 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 personal injury shall be deemed to have occurred when you were first advised of such;

(b) the property damage shall be deemed to have occurred when it first became evident to the claimant even if the cause was unknown.

### **5.3 Reporting of events after cancellation or non-renewal of your policy**

If your cover with us is cancelled, you must report the incident, which occurred while you were covered with us within 30 days from the date your cover is cancelled.

### **5.4 Series of claim from one originating clause**

Any series of claim made against you by one or more than one claimant during any period of insurance resulting from one event or series of events with one originating cause or source, shall be treated as if they all had first been made against you:

(a) on the date that the event was reported by you in terms of Part C section 3; or



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

## 6. What we exclude

In addition to the general exclusions under Part C Section 1 applying to all sections of the policy, we will not pay for:

### 6.1 claims arising from:

- (a) injury to any person employed by you under a contract of service and arising directly from and in the course of such employment by you;
- (b) damage to property:
  - (i) belonging to you;
  - (ii) in the custody or control of yourself or any of your employees;
  - (iii) caused by vibration or by the removal or weakening of or interference with support to any land, building or other structure;
  - (iv) on which you are or have been working if such damage results directly from such work.
- (c) liability 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 you or at your direction;
- (d) your use, ownership or possession of any motor vehicles, motorcycles, mini-bikes, trailer other than golf carts, ride-on mowers or motorized maintenance equipment or watercraft (other than non-motorised watercraft not exceeding 6 metres in length and used only on inland waterways), locomotive or rolling stock, provided that this exception does not relieve us of our liability to indemnify you in respect of liability resulting from 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;
- (e) your use, ownership, possession, maintenance, operation, hire or leasing of any aircraft, airline, airport, airstrip or helicopter pad or the refuelling or defueling of aircraft or helicopter;
- (f) or caused by or through or in connection with any product other than food and drink provided (not for reward) for consumption on the insured premises;



- (g) personal injury, property 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;
- (h) the cost of removing, nullifying or cleaning up substances resulting from seepage, pollution, contaminant substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unforeseen occurrence;
  - (i) fines or penalties imposed by law (including civil penalties), vindictive, punitive or exemplary damages.
  - (j) any claim arising from an event known to you
  - (i) which is not reported to us in terms of Part C section 3;
  - (ii) prior to inception of this policy or inception of any extension under this cover section;
- (k) any liability consequent upon personal injury or property damage arising out of the deliberate, conscious and intentional disregard by you and your employee(s) of the need to take reasonable precautions to prevent any occurrence, which may give rise to a claim;
- (l) any liability assumed by agreement, except where liability otherwise exists in law in the absence of such agreement;
- (m) damages in respect of any judgment, award or settlement made within the United States of America or Canada (or to any order made anywhere in the world to enforce such judgment, award or settlement either in whole or in part). For the purpose of this specific exception "damages" shall be deemed to include costs and expenses of litigation recovered by any claimant from you;
- (n) any claim or claims 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 your liability arose;
- (o) any condition directly or indirectly caused by or associated with Human Immunodeficiency Virus (HIV) or the mutations, derivatives or variations thereof or in any way related to Acquired Immunodeficiency Syndrome or any Covid virus or condition of a similar kind howsoever it be named;
- (p) activities where ropes were used in a mountaineering activity, white water rafting, competition rafting, bungee or bridge and allied jumping activities, and activities performed in the air with the assistance of any craft of



any kind or any parachuting/floating device or any sea faring or related activities.

6.2 in respect of legal liability for documents, liability assumed by you under contract, undertaking or agreement where such liability would not have attached to you in the absence of such contract, undertaking or agreement.

## Section 10: EMPLOYERS' LIABILITY - if stated in the schedule to be included

### 1. Definitions

**Expenses** means:

Costs, charges, expenses and legal costs and disbursements incurred by:

- (a) you with our written consent; or
- (b) us after we have assumed conduct of any proceedings in:
  - (i) defending any proceedings;
  - (ii) conducting any claim for contribution or recovery; or
  - (iii) investigating, avoiding or reducing or settling any claim for compensation

**Damages** means financial compensation for loss or injury.

**Defence costs** means fees, costs, charges and expenses incurred by us, or by you with our prior written consent, in the investigation, defence, monitoring and settlement of any claim.

**Occurrence** means an event, which results in personal injury of an employee neither expected nor intended by you to happen. All events of a series consequent on or attributable to one source or original cause are deemed to be one occurrence

**Personal injury** means accidental bodily injury or sickness including resultant death sustained by an employee.

**Retroactive** date means the date from which you have been continuously insured under one policy, or successive policies, of claims made insurance, which provided the same or similar cover to this policy.

**Employee** means any person whilst employed by you under a contract of service at the insured premises.



## **2. What we cover?**

We will indemnify you in respect of personal injury to any employee, which occurred in the course of and in connection with such person's employment by you within the territorial limits of this policy.

We will pay for expenses incurred, including damages and claimant's expenses you are legally liable to pay to any employee following an occurrence on or after the retroactive date as stated in the schedule, which results in a claim first made against you in writing during the period of insurance and notified to us in accordance with the provisions of Part C Section 3.

## **3. Basis of settlement**

(a) The total amount we will pay, inclusive of all expenses, in respect of all claims under this section, shall not exceed the limit of indemnity as stated in the schedule during any one period of insurance starting with the inception or renewal date, whichever is applicable, regardless of the number of claims made or reported.

(b) Should the limit of indemnity be altered during the period of insurance the limit of indemnity, which applied when you first became aware of the event, will apply to all claims made or deemed to have been made or arising out of such event.

(c) Where more than one period of insurance of this policy, following its renewal or replacement may apply to an occurrence, our liability will be limited to the maximum limit of indemnity for any such period of insurance starting with the inception or renewal date, whichever is applicable and shall not aggregate from one period of insurance to the next.

(d) Any sum paid by us in the discharge or settlement of any threat or intimation of a claim or in relation to any circumstance, which might give rise to a claim, shall be deemed to be a payment made in the discharge or settlement of a claim.

(e) We have the right to negotiate, defend or settle in your name and on your behalf any claim and will have full discretion in the conduct of any proceedings or in the settlement of any claim.

(f) If you refuse to consent to any settlement recommended by us and choose to continue with any legal proceedings in connection therewith, our liability for the loss will not exceed the amount for which the claim could have been settled including the expenses incurred up to the date of such refusal, provided that the limit of indemnity is not exceeded.



#### **4. Special conditions applicable to this cover section**

In addition to the general conditions under Part C - General sections 2 and 3 applying to all cover sections of this policy:

##### **4.1 Claims first made in writing against the insured**

Any claim first made in writing against you as a result of an occurrence shall be treated as if it had first been made against you on the same day that you reported the event to us.

##### **4.2 Reporting of events after cancellation or non-renewal of your policy**

If your cover with us cancels, you must report the incident, which occurred while you were covered with us within 30 days from the date your cover is cancelled.

##### **4.3 War, riot and terrorism**

In respect of this cover section only, Part C Section 1.1 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, rebellion, revolution, military or usurped power.

#### **5. What we exclude**

In addition to the general exclusions under Part C section 1 applying to all sections of the policy, we will not pay for:

- (a) liability assumed by you under any contract, undertaking or agreement, where such liability would not have attached to you in the absence of such contract, undertaking or agreement;
- (b) liability for disease or impairment attributable to a gradually operating cause, which does not arise from a sudden and identifiable accident or occurrence;
- (c) any judgment, award or settlement made in the first instance outside the Republic of South Africa or any order made anywhere in the world to enforce such judgment, award or settlement either in whole or in part;
- (d) benefits given by any legislation;
- (e) any occurrence that may result in a claim of which you were aware, or could reasonably have been expected to be aware of, prior to the inception date of this policy;
- (f) an occurrence for which you are entitled to claim under another policy that ended before this policy started;



- (g) any of your internal or overhead expenses or the cost of your time;
- (h) fines or penalties imposed by law (including civil penalties), vindictive, punitive or exemplary damages.

## **Section 11: BUSINESS ALL RISKS - if stated in the schedule to be included**

### **1. Definitions**

Damage/damaged means physical damage, destruction or loss.

Item(s) means the item or items of property that are specified in the schedule and for which you are legally responsible.

### **2. What we cover?**

We will cover your item(s) against damage anywhere in the world.

### **3. What we don't cover?**

- (a) cash, bank and currency notes, coins, bonds, coupons, stamps, negotiable instruments, title deeds, manuscripts or securities of any kind;
- (b) mobile plant, motorised vehicles, watercraft;
- (c) stock;
- (d) consequential loss of whatsoever nature.

### **4. Basis of settlement**

We will pay up to the limit(s) of the sums insured stated in the schedule for the repair or replacement of such item(s).

You are responsible for the first amount payable stated in the schedule for each and every claim

### **5. Optional cover - if stated in the schedule to be included**

#### **5.1 Remote blocking**

We will cover losses as a result of remote blocking:

- (a) if you can demonstrate through video surveillance footage (or any other conclusive proof) that an attempt was made to lock your vehicle using



the vehicle remote but that the locking mechanism was blocked by thieves using an electronic device, such evidence will be deemed to satisfy the forcible and violent entry or exit requirement for any loss out of a boot or compartment that forms part of such locked vehicle.

(b) where you maintain that your vehicle was locked but no evidence of forcible and violent entry or exit from such vehicle exists provided that:

- (i) you supply us with the police case reference number;
- (ii) this extension of cover only applies to items of property that are separately and individually specified on the schedule;
- (iii) after deduction of the first amount(s) payable as stated in the schedule, our liability is further restricted to the lesser of the sum insured stated in the schedule or R25 000 (twenty-five thousand rand) in respect of any one event.

(c) you shall be responsible for the first 10 percent of a claim, and a minimum of R1 000 per event unless stated otherwise in the schedule.

## **6. Special conditions applicable to this cover section**

In addition to the general conditions under Part C - General sections 2 and 3 applying to all cover sections of this policy:

### **6.1 Obsolete items or improvements**

If an item cannot be purchased as a new item or if an item cannot be repaired or replaced without improving the output, capacity or efficiency of that item then we will only pay the cost of replacing or repairing that item, less an amount equal to the value of any such improvement(s).

## **7. What we exclude**

In addition to the general exclusions under Part C Section 1 applying to all sections of the policy, we will not pay for any damage to items resulting from or caused by:

- (a) theft from any unattended vehicle unless such item(s) are contained in a completely closed and securely locked compartment of the 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, alteration or restoring;



- (c) inherent vice or defect, vermin, insects, damp, mildew or rust;
- (d) the dishonesty of you, your employees, partners or directors whether acting alone or in collusion with others;
- (e) detention, confiscation or requisition by customs or other officials or authorities;
- (f) wear and tear, gradual deterioration, any process of cleaning, repairing or restoring or as a result of light, atmospheric or climatic conditions unless following an accident or misfortune not otherwise excluded;
- (g) mechanical, electronic or electrical breakdown, failure, breakage or derangement unless caused by an accident or misfortune not otherwise excluded;
- (h) scratching, denting or chipping not affecting the operation of the item;
- (i) corruption or loss of data;
- (j) faulty materials, faulty workmanship or latent defects.
- (k) money of any description belonging to a guest, unless this has been kept for safekeeping by the client.

## **Section 12: MACHINERY BREAKDOWN - if stated in the schedule to be included**

### **1. Definitions**

Boilers and unfired pressure equipment means those parts of the permanent structure of boilers and unfired pressure plant separately specified in the schedule, which are subject to internal steam, gas or fluid pressure (other than atmospheric pressure) or vacuum including:

- (a) fittings, pipes and direct attachments which are connected to the permanent structure without any intervening valve, cock or tap;
- (b) supports for the structure (other than foundations, masonry or brickwork) and operating equipment such as furnace doors, access doors, external combustion chambers, smoke boxes and casings; and
- (c) metal parts of pressure and water gauges and their connections to the permanent structure.

Machinery means mechanical, electrical and electronic machinery owned by you or for which you are legally responsible including but not limited to:

- (a) air conditioning plants



- (b) refrigeration plants
- (c) borehole pumps
- (d) submersible pumps
- (e) automatic gates and garage doors
- (f) transformers and electrical switchgear
- (g) generators

Plant means the following defined types of plant:

- (a) machinery;
- (b) boilers and pressure equipment;
- (c) pressure pipe systems.

Pressure pipe systems means:

- (a) for boilers and unfired pressure plant specified in the schedule, any pipe systems with valves, fittings, traps and separators that contain steam, condensate, gas or other fluids that are pressurized by the plant, including any piping between the boilers and feed water pumps or injectors; and
- (b) for refrigeration and air-conditioning equipment, the interconnecting pipes and coils that contain a heat transfer medium.

Breakdown means the actual breaking, seizing, deformation or melting of any part of plant that is caused by mechanical, electrical or electronic defect and results in the sudden and total loss of operation of that item of plant and requires repair or replacement before such plant can resume normal operations.

Collapse means the sudden distortion of the furnace of a boiler or any part of a pressure vessel caused by the bending or crushing of the permanent structure by the force of steam, gas, fluid pressure or vacuum including damage caused by overheating resulting from a deficiency of water.

## **2. What we cover?**

We will cover you against damage to plant specified in the schedule, that requires repair or replacement following breakdown or collapse whilst:

- (a) in the ordinary course of working or at rest at the time the damage occurs;
- (b) being dismantled for the purpose of cleaning, inspection or overhaul;



(c) being moved to another position or in the course of re-erection; and located within the insured premises as stated in the schedule. In the event of an insured loss, we will also pay the cost of:

- (i) dismantling, re-erection of plant and/or their parts together with removal of debris;
- (ii) replacement of refrigerant gases, liquids or insulating oil necessary to complete repairs;
- (iii) charges for overtime and work on public holidays where necessarily and reasonably incurred;
- (iv) freight within Republic of South Africa by any recognised freight services limited to a maximum of 10 percent of the sum insured for the item involved;
- (v) hire of a temporary replacement item during the time taken to repair damage to any item limited to a maximum of 10 percent of the sum insured for the item involved.

### **3. What we don't cover?**

- (a) boilers and pressure equipment with a cylinder capacity less than 300 litres;
- (b) storage tanks and vats;
- (c) office machines
- (d) computers, electronic data processing equipment;
- (e) communications equipment;
- (f) audio visual, amplification, burglar alarms, monitoring systems and surveillance equipment;
- (g) coin and card operated machines;
- (h) any container used to contain explosive or inflammable gases and liquids;
- (i) mobile machinery;

### **4. Basis of settlement**

We will, at our option, repair or replace the plant or pay for the cost of same to a condition equal but not better or more extensive than its condition immediately before the damage.



If we accept a claim under this section for:

- (a) Breakdown of plant we will, at our option, pay the cost of repairs or replacement or pay the cash equivalent of such repair or replacement, up to the sum insured as stated in the schedule per individually listed items.
- (b) Collapse or explosion of boilers and unfired pressure plant, we will, at our option, repair or replace the damaged or destroyed item(s) or pay the cash equivalent of such repair or replacement up to the sum insured as stated in the schedule per individually listed items.

#### 4.1 **A. Partial loss**

The basis of settlement shall be the cost and expenses reasonably and necessarily incurred to restore the damaged plant to its working condition, including the cost of transport, gaining access, dismantling and re-erection, labour, custom dues, less the value of any re-usable parts.

We will also pay for the cost of liquids, refrigerant gas or insulating oil, in order to complete the repairs and will not make any deduction for depreciation in respect of parts replaced. However, we will not pay for the costs of any alteration, addition, improvement or overhaul carried out at the time of repair or replacement.

We will pay the cost of temporary repairs that are carried out by you in the interests of safety or to minimize further loss or damage to the insured property. If the temporary repairs, however, aggravate the loss, or cause additional loss or damage to the insured property, the additional costs so incurred or consequences arising therefrom will be for your account.

Where the damage is restricted to a part or parts of an insured item, we will not pay any amount greater than the value of such part or parts which are lost or damaged, as allowed for in the sum insured.

#### **B. Total loss**

In the event that the plant is totally destroyed, the basis of settlement shall be the new replacement value immediately before the damage occurred, less a reasonable amount for use, plus the cost of removing the damaged machinery. No depreciation will be applied to machinery under 3 years of age.

An insured item shall be regarded as a total loss when the item is not repairable.

#### 4.2 **Average**

If, at the time of an insured event, it is found that the total value of an item of plant, which is individually specified, is of greater value than the sum insured thereon, you shall be considered as being your own insurer for the difference and shall bear a



rateable share of the amount of the damage. Each item individually specified in the schedule shall be separately subject to this condition.

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

#### 4.3 Unobtainable or obsolete parts

If the necessary parts are unobtainable, obsolete or unavailable, our liability will be limited to the:

- (a) estimated cost of similar parts that are currently available for the plant that is similar to that which suffered damage; or
- (b) manufacturer's or supplier's last list price for the part(s) involved.

#### 5. Special condition applicable to this section

In addition to the general conditions under Part C – General sections 2 and 3 applying to all cover sections of this policy, you must take reasonable precautions to ensure that the machinery is maintained in good working order and neither habitually nor intentionally overloaded and that Government and other regulations relating to the operation of the machinery are observed.

#### 6. What we exclude

In addition to the general exclusions under Part C Section 1 applying to all sections of the policy, we will not pay for:

##### 6.1 The costs associated with:

- (a) cleaning or maintenance services
- (b) alterations, additions, improvements, overhauls, maintenance, adjustments or the replacement of undamaged components whether carried out in the course of repairs or as a separate operation;
- (c) replacement or restoration following gradual deterioration (including rust, corrosion, erosion, oxidation or scale formation);
- (d) repair of scratches to, or discolouration of, painted or polished surfaces;
- (e) cleaning or recharging of refrigeration or air conditioning equipment unless necessary as part of the repair of any machinery insured under this cover section;



- (f) provisional repairs or remedial action unless such repairs or action constitute part of the final repairs and do not increase the total repair costs;
- (g) loss of refrigerant, oil or lubricant due solely to worn or deteriorated seals or valves;
- (h) the cost of converting refrigeration/air-conditioning units from the use of CFC (chlorofluorocarbon) refrigerant gas to any other type of refrigerant gas.

6.2 The costs of repair or replacement of:

- (a) belts, filters, refrigerant dryers, fuses, electric heating elements, electrical contacts, thermostats, thermostatic expansion valves, lamps, gland packing, seals, cutting blades, commutators, slip rings, brushes, chains, ropes, switches, bearings, glass or ceramic components, joints or non-metallic parts and all operating media;
- (b) component parts necessitated by wear and tear caused by or resulting from ordinary use or working or gradual deterioration;
- (c) storage tanks and vats.

6.3 Damage caused by:

- (a) any crack, fracture, blister, lamination, flaw or grooving, even when accompanied by leakage, which has not penetrated completely through the entire thickness of the material of the machinery or boilers and pressure plant;
- (b) any slowly developing deformation or distortion to any machinery or boilers and pressure plant;
- (c) fire, spontaneous combustion, smoke or soot, extinguishment of a fire or subsequent demolition;
- (d) any cause otherwise covered by this policy;
- (e) any process of heat treatment, welding, grinding, cutting, drilling, shaping or the application of tools to the machinery of boilers and pressure plant;
- (f) unloading or delivery to or loading prior to dispatch from the location;
- (g) testing and commissioning, intentional overloading or experiments, and any usage beyond or outside the manufacturers specifications.

6.4 Damage:



- (a) covered under any warranty or service agreement, or would have been covered under a warranty or service agreement, if you had not breached the terms of such warranty or service agreement;
- (b) to reticulated electrical wiring or piping that carries liquid or gas; or
- (c) to safety or protective devices caused by its own operation;
- (d) caused by the operation of a machine when in a materially defective condition;
- (e) caused by any wilful act or negligence on your part;
- (f) caused by consequential loss of any kind whatsoever.

## Section 13: ELECTRONIC EQUIPMENT - if stated in the schedule to be included

### 1. Definitions

**Breakdown** means the actual breaking, seizing, deformation or melting of any part of your insured equipment, whilst it is in use and which is caused by mechanical, electrical or electronic defect within the insured equipment resulting in a sudden malfunction that requires repair or replacement before the insured equipment can resume normal operation.

**Computer virus** means an executable programme or computer code segment that is self-replicating, requires a host programme or executable segment, in which it can be contained, and which destroys or alters the host, programme or other computer code or data, causing undesired programme or computer system operation.

**Damage** or **damaged** means sudden and unforeseen physical damage, destruction or loss of insured equipment, which requires repair or replacement before normal operations can be resumed. In relation to data, software and media material damage includes corruption of data or software.

**Data** means any facts, information or records that are stored on media material.

**Expendable items** means items and parts that are normally not re-used and require frequent or periodic replacement.

**Insured equipment** means:

- (a) computers and peripheral equipment being electronic data processing equipment comprising a central processing unit with flexible programming ability, video display units, printers, hard disks, floppy disk drives, micro diskette drives including read/write heads, electro/mechanical motors and passive components as specified in the schedule; or



(b) electronic equipment (excluding computers and peripheral equipment) as specified in the schedule.

(c) portable equipment as defined.

**Media material** means any optical discs or any magnetic medium that can be used to store data or software such as, but not limited to, tapes, discs or cards.

**Portable equipment** means an electronic device that is capable of storing, processing and transmitting data, which is small enough to be carried by hand i.e. laptops, iPads and other tablet devices.

**Software** means any instructions used to control the operation of a computer provided that these instructions are recorded on media material.

## 2. What we cover?

We will cover you against damage to all insured equipment during the period of insurance up to limits of indemnity stated in the schedule.

## 3. What we don't cover?

- (i) loss of use of insured equipment
- (ii) consequential loss of any kind unless stated otherwise in the schedule.

## 4. Basis of settlement

If your insured equipment is damaged we may decide to:

- (a) replace the item with the nearest equivalent item available;
- (b) restore or repair the item to the condition it was in when new;
- (c) pay you the reasonable cost of replacement or repair; or
- (d) any combination of these up to the sum(s) insured as stated in the schedule.

### 4.1 A. Partial loss

The basis of settlement shall be the cost and expenses reasonably and necessarily incurred to restore the damaged insured equipment to its working condition, including dismantling and re-erection, transportation, removal of damaged insured equipment (but less the value of any re-usable parts) and where applicable, importation duties and value added



tax. However, we will not pay for the costs of any alteration, addition, improvement or overhaul carried out at the time of repair or replacement.

We will pay the cost of temporary repairs that are carried out by you in the interests of safety or to minimize further loss or damage to the insured property. If the temporary repairs, however, aggravate the loss, or cause additional loss or damage to the insured property, the additional costs so incurred or consequences arising therefrom will be for your account.

Where the damage is restricted to a part or parts of an insured item, we will not pay any amount greater than the value of such part or parts, which are lost or damaged, as allowed for in the sum insured.

## **B. Total loss**

In the event that the insured equipment is totally destroyed and not repairable, the basis of settlement will be:

(a) for new insured equipment, the cost of replacing or reinstating on the same site new property of equal performance and/or capacity and if this is not possible then its replacement by new property having the nearest equivalent performance and/or capacity to the damaged insured equipment. New means insured equipment purchased not more than 4 years prior to the insured event. Any upgrade(s) and enhancement(s) will be taken into account when applying this definition.

(b) for insured equipment not falling within the definition of new, the basis of settlement will be the market value of the insured equipment immediately prior to the insured event.

Market value means the current day purchase price of equal performance and/or capacity to the damaged insured equipment and of substantially similar condition. Where no similar property is available, market value will be calculated by deduction from the current new replacement value of the nearest equivalent equipment, an amount representing:

- (i) 20 percent (twenty percent) for the first year after the date of purchase and
- (ii) 10 percent (ten percent) per year for each succeeding year.

Subject to a minimum indemnity payable in respect of market value of 40 percent (forty percent) of the current new replacement value of the nearest equivalent equipment.

## **4.2 Average**

The most we will pay is the sum insured as shown in the schedule. If the new replacement value of the insured equipment is more than the sum insured as shown in the schedule, we will not pay the full amount of your claim. We will calculate the



difference between the new replacement value and sum insured and apply this proportionately to your claim. You will be responsible for the difference.

If there is more than one item of insured equipment in the schedule, this condition will apply to each item separately.

#### 4.3 Improvements

If an item of insured equipment that is damaged cannot be repaired or replaced without improving the output, capacity or efficiency of that item, then our payment will be limited to the cost of replacing that item, less an amount equal to the value of any such improvement(s).

#### 4.4 First amount payable

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

### 5. Additional cover to this section

#### 5.1 Architects and other professional fees

We will pay fees necessarily and reasonably incurred in the repair or reinstatement of damaged insured equipment up to a limit of 15 percent of the total amount of your claim. Fees payable by this benefit do not include expenses incurred in the preparation of your claim.

#### 5.2 Debris removal

We will pay the costs necessarily incurred for the removing, storing and disposing of debris, following damage to the insured equipment, up to an amount not exceeding 15 percent of the total amount of your claim.

#### 5.3 Express delivery and overtime

We will pay the extra charges for express delivery, airfreight plus overtime rates payable for Sundays and holidays in respect of the additional costs you necessarily and reasonably incur for effecting repairs or replacement we have approved up to a limit of 50 percent of the amount, which the repair or replacement would have cost, had these additional costs not been incurred.



## **6. Special conditions applicable to this cover section**

In addition to the general conditions under Part C - General sections 2 and 3 applying to all cover sections of this policy:

### **6.1 Power surge or lightning strikes**

All damage to insured equipment by power surges or lightning strikes will be subject to an additional first amount payable of 10 percent of the net amount payable for the items damaged subject to a minimum of R2 500.

This first amount payable will be waived if the insured equipment is appropriately and adequately protected by suitable safeguards against electrical supply fluctuations. It is your responsibility to submit such proof of protection at the time of the claim.

### **6.2 Fire extinguishing charges**

We will pay for costs or charges incurred and for which you are legally responsible, to fight or extinguish fire, following an insured event under this cover section up to the limit stated in the schedule.

### **6.3 Hire purchase / finance agreements**

If, following an insured event, we are aware that the damaged insured equipment is the subject of a suspensive sale agreement or similar agreement, and we agree to settlement of the claim by way of payment, such payment will be made to the owner described in the agreement and we will accept their receipt as a full and final discharge of damage covered by this cover section of the policy.

## **7. Optional cover - if stated in the schedule to be included**

### **7.1 Increase in cost of working**

We will pay for costs, during the indemnity period and up to the limit stated in the schedule, that are in excess of your normal total computer operating costs, less any sum saved for charges and expenses that may no longer be necessary or may be reduced as a consequence of the insured event.

Provided that:

- (a) these costs are incurred as a result of damage to your insured equipment;
- (b) these costs were reasonably incurred in order that your business may operate in a manner that is as close as possible to your normal business operations.

This extension does not directly or indirectly apply to:

- (i) cover provided under 7.2 of this cover section;



- (ii) the intrinsic value (including reinstatement value) of the insured equipment.

Indemnity period means the period during which the results of the business will be affected in consequence of an insured event, beginning with the number of hours/days detailed in the schedule as the time exclusion after the occurrence of the insured event and ending not later than the expiry of the period detailed as the indemnity period in the schedule.

Time exclusion means the number of hours/days stipulated in the schedule applied, immediately following the occurrence of an insured event. This time, exclusion does not apply to damage directly caused by fire, storm (excluding lightning), subsidence, wind or the collapse of buildings.

## 7.2 Cost of restoring data

We will pay the costs of restoring your data and software, which are accidentally damaged together with the cost of replacing any damaged media material, up to the limit stated in the schedule.

Provided that we will not pay for damage:

- (a) to data, software or media material caused by a failure or defect in the media material;
- (b) to data that was generated, altered or processed more than five (5) working days prior to the date of the damage;
- (c) caused by an error in processing data or error in the use of software;
- (d) caused by erasure, deletion or overwriting of any data or software;
- (e) caused by unauthorised access being gained to any operating system that is used by any part of the insured equipment via any communications system; or
- (f) caused by the operation or presence of a computer virus that alters or erases data or software in a manner that is undesired by you.

## 7.3 Remote blocking

We will cover losses as a result of remote blocking:

- (a) if you can demonstrate through video surveillance footage (or any other conclusive proof) that an attempt was made to lock your vehicle, using the vehicle remote but that the locking mechanism was blocked by thieves using an electronic device, such evidence will be deemed to satisfy the forcible



and violent entry or exit requirement for any loss out of a boot or compartment that forms part of such locked vehicle.

- (b) where you maintain that your vehicle was locked but no evidence of forcible and violent entry or exit from such vehicle exists provided that;
- (c) you supply us with the police case reference number;
- (d) this extension of cover only applies to items of property that are separately and individually specified on the schedule;
- (e) after deduction of the first amount(s) payable as stated in the schedule, our liability is further restricted to the lesser of the sum insured, stated in the schedule or R25 000 (twenty-five thousand rand) in respect of any one event.
- (f) you shall be responsible for the first 10 percent of a claim, and a minimum of R1 000 per event unless stated otherwise in the schedule.

## **8. What we exclude**

In addition to the general exclusions under Part C section 1 applying to all sections of the policy, we will not pay for:

- 8.1 damage caused directly or indirectly by or arising from:
- (a) the cleaning, testing, altering or repairing of insured equipment;
  - (b) atmospheric conditions including, but not limited to, dryness, dampness and temperature, unless directly resulting from damage to an air-conditioning system used to control the atmosphere in which the insured equipment operates;
  - (c) dishonest acts or misappropriation, of insured equipment by you or your employees;
  - (d) theft or attempted theft unless accompanied by forcible and violent entry into or exit from the insured premises;
  - (e) theft or attempted theft of portable equipment from an unattended motor vehicle unless such equipment is contained in a locked boot at the time of the theft;
  - (f) theft or attempted theft of portable equipment left in a motor vehicle overnight unless the vehicle is housed in a securely locked building and entry to such building is accompanied by forcible and violent entry or exit;
  - (g) the application of any tool or process to the insured equipment in the course of maintenance, inspection, repair, alteration, modification or overhaul;



(h) the insured equipment being subject to testing or intentionally overloaded or operated in excess of its normal designed operating specification; or

(i) a deliberate act or omission or neglect on your part;

(j) a computer virus as defined.

8.2 we will not pay for any legal liability, which you incur following damage to the insured equipment.

8.3 we will not pay for any damage to data, records, software or media material unless it is stated in the schedule that cover under item 7.2 of this section is included.

8.4 we will not pay for damage directly caused by:

(a) the presence or action of insects or vermin;

(b) gradually operating causes such as but not limited to wear and tear, mildew, corrosion, fading, rusting or other forms of oxidization;

(c) error or omission in design, plan or specification;

(d) failure of design;

(e) faulty materials or faulty workmanship;

(f) inherent vice or latent defect; or

(g) change in texture or finish.

Provided that we will pay for damage to insured equipment that is not otherwise excluded or limited that results from such damage.

8.5 we will not pay for repair or replacement of:

(a) glass or ceramic components other than when used as electrical insulation;

(b) the chipping or scratching of painted or polished surfaces or other aesthetic defects that do not affect the function of the insured equipment.

(c) fuses and other devices designed for safety or protection that are damaged through their normal operation;

(d) the wearing or wasting away of material caused by normal wear and tear, atmospheric conditions, mildew, fading, rust, corrosion or other forms of oxidization;

(e) any alterations, additions, cleaning, adjustments, inspections or maintenance of insured equipment



- (f) electrical and electronic glass bulbs, tubes, X-ray tubes, laser tubes, heating elements, lighting facilities and electrical contacts;
- (g) expendable items such as, but not limited to, belts, batteries, photosensitive cartridges, print heads, tapes and ribbons;
- (h) coin or card-operated machines;
- (i) electronic equipment not owned by you.

## **Section 14: PLANT ALL RISKS - if stated in the schedule to be included**

### **1. Definitions**

Boilers and unfired pressure equipment means those parts of the permanent structure of boilers and unfired pressure plant separately specified in the schedule, which are subject to internal steam, gas or fluid pressure (other than atmospheric pressure) or vacuum including:

- (a) fittings, pipes and direct attachments, which are connected to the permanent structure without any intervening valve, cock or tap;
- (b) supports for the structure (other than foundations, masonry or brickwork) and operating equipment such as furnace doors, access doors, external combustion chambers, smoke boxes and casings.

Provided that this does not include:

- (i) internal combustion engines;
- (ii) rotating, reciprocating or electrical devices; or
- (iii) pressure pipe systems.

Damage or damaged means sudden and unforeseen physical damage, destruction or loss of plant which requires repair or replacement before normal operations can be resumed.

Electrical, electronic and mechanical plant means all integral parts of plant that are not boiler and unfired pressure plant or pressure pipe systems.

Plant means the following defined types of plant:

- (a) electrical, electronic and mechanical plant
- (b) boilers and pressure equipment;
- (c) pressure pipe systems.

The word plant shall apply to any or all items shown in the schedule as well as any or all components or parts of these items.



Expendable items means items and parts that are not normally re-used or repaired or any item or part that requires periodic or frequent replacement including but not limited to:

- (a) electrical and electronic glass bulbs, tubes, x-ray tubes;
- (b) electrical contact, heating elements, batteries;
- (c) wear plates, cutting edges, tools, dies, moulds, patterns, impression rollers, engraved cylinders;
- (d) fuses, sheer pins and other safety or protective devices that require a replacement after they have performed or attempted to perform their designed function;
- (e) tyres, tracks, conveyer belts, ropes;
- (f) bits, drills, pulverizing and crushing surfaces, screens and sieves; and
- (g) glass and ceramic components.

Explosion means the sudden, unforeseen and violent rending of any boiler and unfired pressure plant or pressure pipe systems by force of internal steam gas or fluid pressure or the pressure of ignited flue gases.

Pressure pipe systems means:

- (a) for boilers and unfired pressure plant, any pipe systems with valves, fittings, traps and separators that contain steam, condensate, gas or other fluids that are pressurized by the plant, including any piping between the boilers and feed water pumps or injectors; and
- (b) for refrigeration and air-conditioning equipment, the interconnecting pipes and coils that contain a heat transfer medium.

Wear or gradual deterioration means:

- (a) the wearing or wearing out of plant or property as a result of its normal operation;
- (b) the wearing or wasting away of material as a result of the normal operation of plant or property;
- (c) mildew, disease, fading, erosion, corrosion, rust or other forms of oxidation;
- (d) damage resulting from atmospheric conditions; or
- (e) slowly developing deformation or distortion.



## **2. What we cover?**

We will cover you against damage to all plant described in the schedule during the period of insurance whilst:

- (a) in the ordinary course of working or at rest;
- (b) undergoing cleaning or overhaul; or
- (c) in transit by road or rail.

## **3. What we don't cover?**

- (a) computers, electronic data processing equipment;
- (b) communications equipment including, but not limited to, telecommunication transmitting and receiving equipment;
- (c) audio visual, amplification, burglar alarms, monitoring systems and surveillance equipment;
- (d) lighting facilities;
- (e) research, diagnostic and electro-medical-equipment;
- (f) lifts, escalators, office machines;
- (g) coin or card-operated machines;
- (h) storage tanks and vats;
- (i) any container used to contain explosive or inflammable gases and liquids;
- (j) mobile machinery;
- (k) building ducts, reticulating and electrical wiring, water and gas piping;
- (l) hot water systems used for heating up to 500 litres of water to a temperature below one hundred degrees Celsius (100°C); and
- (m) plant not owned by you or not at the insured premises.

## **4. Basis of settlement**

We will, at our option repair or replace the plant or pay for the cost of same, to a condition, equal but not better or more extensive than its condition, immediately before the damage, provided always that we will not pay more than the applicable sum insured as stated in the schedule less any applicable excess.

### **4.1 A. Partial loss**



(a) The basis of settlement shall be the cost and expenses reasonably and necessarily incurred to restore the damaged plant to its working condition, including the cost of transport, gaining access, dismantling and re-erection, labour, custom dues, less the value of any re-usable parts.

(b) We will also pay for the cost of liquids, refrigerant gas or insulating oil, in order to complete the repairs and will not make any deduction for depreciation in respect of parts replaced. However, we will not pay for the costs of any alteration, addition, improvement or overhaul carried out at the time of repair or replacement.

(c) We will pay the cost of temporary repairs that are carried out by you in the interests of safety or to minimize further damage to the plant. If the temporary repairs, however, aggravate the loss, or cause additional damage to the plant, the additional costs so incurred or consequences arising therefrom will be for your account.

(d) Where the damage is restricted to a part or parts of an insured item of plant, we will not pay any amount greater than the value of such part or parts, which are damaged, as allowed for in the sum insured.

#### **B. Total loss**

(a) In the event that the plant is totally destroyed the basis of settlement shall be the new replacement value immediately before the damage occurred, less a reasonable amount for use, plus the cost of removing the damaged plant. No depreciation will be applied to machinery under 3 years of age.

(b) An insured item shall be regarded as a total loss when the item is not repairable.

#### **4.2 Average**

If, at the time of an insured event, it is found that the total value of an item of plant is of greater value than the sum insured thereon, you shall be considered as being your own insurer for the difference and shall bear a rateable share of the amount of the damage. Each item individually specified in the schedule shall be separately subject to this condition.

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

#### **4.3 First amount payable**



You shall be responsible for the first amount payable as stated in the schedule in respect of each and every insured event.

#### **4.4 Improvements**

If an item of insured equipment that is damaged cannot be repaired or replaced without improving the output, capacity or efficiency of that item, then our payment will be limited to the cost of replacing that item, less an amount equal to the value of any such improvement(s).

#### **4.5 Unobtainable or obsolete parts**

If the necessary parts are unobtainable, obsolete or unavailable, our liability will be limited to the:

- (a) estimated cost of similar parts that are currently available for plant that is similar to that which has suffered damage; or
- (b) manufacturer's or supplier's last list price for the part(s) involved.

### **5. Additional cover to this section - if stated in the schedule to be included**

#### **5.1 Hire costs**

We will pay, up to the limit(s) stated in the schedule, for the reasonable and necessary cost of hiring an alternative item of plant of similar make and model to the damaged item during the period of repair or replacement.

This extension of cover is subject to our prior written consent.

### **6. Limitations of cover**

#### **6.1 Conversion to non CFC refrigerant operation**

We will not pay for any costs that are associated with the conversion or alteration of plant that is undertaken to assist plant to operate with a non CFC (Chlorofluorocarbon) type of refrigerant.

#### **6.2 Maintenance agreements**

We will not pay for the repair or replacement of plant when any party, other than you, has responsibility to repair or replace such plant.

### **7. Special conditions applicable to this cover section**



In addition to the general conditions under Part C - General sections 2 and 3 applying to all cover sections of this policy, you must take reasonable precautions to ensure that the plant is maintained in good working order, and neither habitually nor intentionally overloaded and that Government and other regulations relating to the operation of the plant are observed.

## **8. What we exclude**

In addition to the general exclusions under Part C Section 1 applying to all sections of the policy, we will not pay for:

- (a) mechanical or electrical breakdown or derangement, freezing of coolant or other liquids, defective lubrication or lack of oil or coolant;
- (b) wear or gradual deterioration as defined;
- (c) any costs for standard adjustment, rectifying functional failures and maintenance of plant unless necessary in connection with the repair of an insured event;
- (d) damage for which the manufacturer or supplier of the plant is legally or contractually liable;
- (e) damage resulting from faults and defects of which you or your representatives knew or should have known;
- (f) damage resulting from use of any plant after damage has occurred but before permanent repair has been effected and normal operation guaranteed;
- (g) total or partial immersions due to tidal movements;
- (h) consequential loss or liability of any nature.
- (i) damage to drill pipes, collars, rock bits, reamers, stabilizers, core barrels, logging equipment, casings and tools of all kinds, while below the rotary table and/or below the ground level;
- (j) damage to replaceable parts and attachments such as bits, drills, knives or other cutting edges saw blades, dies, moulds, patterns, pulverizing and crushing surfaces, screens and sieves, ropes, belts, chains elevator and conveyor bands, batteries, tyres, connecting wires and cables, flexible pipes, jointing and packing material regularly replaced;
- (k) damage to vehicles designed and licensed for general road use unless these vehicles are exclusively used on construction sites;



- (l) damage occurring whilst any plant is undergoing a test of any kind or is being used in any manner or for any purpose other than that for which it was designed;
- (m) damage discovered only at the time of taking an inventory or during routine servicing;
- (n) loss of plant by disappearance or by shortages, where such loss is revealed only by the taking of an inventory or periodic stocktaking, or which results directly from the dishonesty of your directors, partners or employee(s).
- (o) damage to plant insured due to abandonment.

## Section 15: MOTOR - if stated in the schedule to be included

### 1. Definitions

**Vehicle(s)** means a bus, car, light delivery van, motorcycle or trailer, all of which are owned by, hired or leased to you and described in the schedule, including any vehicle temporarily operated by you as a replacement for any of your vehicles out of use for the purpose of overhaul, upkeep or repair.

**Bus** means a vehicle designed to seat 9 persons or more (including the driver)

**Car** means a private motor car (including station wagons and estate cars) designed to seat 7 persons or fewer, including the driver.

**Light commercial vehicle** means a vehicle with a carrying capacity of less than 3 500 kg (including bakkies and light delivery vehicles) or vehicles designed to seat 8 or more persons, including the driver, being minibuses, kombis or the like.

**Motorcycle** means a motorcycle, scooter and 3 wheeled vehicles.

**Trailer** means a vehicle, which is not self-propelled, and which is designed or adapted to be towed by a self-propelled vehicle, but excluding any parts or accessories not permanently fitted thereto.

**Damage/damaged** means physical loss or damage caused by a single, sudden, unexpected and unintentional event, which occurs at an identifiable time.

**Compensation** means compensatory damages including costs and expenses recoverable by third parties but excluding fines, penalties, criminal sanctions of any description, punitive, aggravated, exemplary or liquidated damages.

**Injury** means death or bodily injury.

**Occurrence:** the term means an occurrence or series of occurrences arising from one cause in connection with any one vehicle, which is covered by this cover section.



**Third party/parties** means a person(s) other than you, an employee, director or partner.

**Insured value basis:**

**Agreed value** (for specialized vehicles) means the agreed value, including VAT, of the vehicle, at the inception of cover and any subsequent renewal of this policy/cover section. The agreed value is inclusive of the vehicle's accessories sold by the manufacturer as standard.

**Market value** means the value is based on the cost, including VAT, of a similar vehicle in terms of make, model, odometer reading, condition and prevailing market forces, including its accessories and spare parts, at the time of the loss or damage.

**Retail value** means the retail value of the vehicle, including VAT, at the time of the loss or damage. The retail value is inclusive of the vehicle's accessories sold by the manufacturer as standard.

## 2. What we cover?

In respect of Comprehensive cover:

(a) Sub-section A: Own damage

You are covered against damage to the vehicles described in the schedule, including the reasonable cost of protection and removal to the nearest repairers if your vehicle is disabled by the damage.

(b) Sub-section B: Liability

You are covered against legal liability following a vehicle accident, which causes death of or bodily injury to or illness of any third party or damage to third party property. This includes legal costs, which someone else can recover from you, and which we agree to pay in order to settle or defend a claim against you.

(c) Territorial limits:

Your vehicles described in the schedule are covered in Africa south of the Equator excluding (DRC, Sudan, Somalia, Central African Republic) in respect of policies underwritten and issued by the reinsured in the Republic of South Africa in respect of insureds domiciled in South Africa. Territories where there is a mandatory requirement for unlimited Motor Third Party Liability Cover is not covered under this reinsurance agreement.

It is understood and agreed that this contract does not provide any cover and does not include any liability to pay any claim or provide any benefit hereunder in respect of any goods, services or reinsured items or risks located in Iran, of Iranian origin, to be transported to or from Iran or directly or indirectly owned by an Iranian person or entity,



or in any other way subject to an Iranian interest, unless otherwise agreed in writing. the following territories:

### **3. Who is covered?**

The following drivers are covered:

- (a) the policy holder
- (b) your employees when using the vehicle in the course and scope of their employment
- (c) anyone driving the vehicle with your permission and who does not have similar cover elsewhere.

### **4. What we don't cover?**

- (a) vehicles used for private purposes unless used with your authority;
- (b) we do not insure the following vehicles:
  - (i) construction and material handling vehicles and vehicles transporting hazardous goods,
  - (ii) heavy commercial vehicles.

### **5. Your responsibilities**

In order to have continuous cover and a valid claim, you need to adhere to the following:

#### **5.1 Prevent loss or damage**

Take reasonable, necessary steps to prevent or minimize loss, damage, injury or liability.

#### **5.2 Repair and replacement**

Any repairs or replacements must be completed within 6 months of your claim being settled.

#### **5.3 Driver's responsibilities**

Anyone driving an insured vehicle must adhere to the terms and conditions of this policy.



## **6. Optional limitations of cover – if stated in the schedule to be applicable**

### **6.1 Third Party, Fire and Theft Sub-section A: Own damage**

You are covered for damage to your own vehicle caused by fire, self-ignition, lightning or explosion. Your vehicle is also covered for theft and hijack. Accidental damage to your own vehicle is not covered.

#### **Sub-section B: Liability**

You are covered against legal liability following a vehicle accident, which causes injury to any third party or damage to third party property. This includes legal costs, which someone else can recover from you, and which we agree to pay in order to settle or defend a claim against you.

### **6.2 Third Party Liability Only**

You are covered against legal liability following a vehicle accident, which causes injury to any third party or damage to third party property. This includes legal costs, which someone else can recover from you, and which we agree to pay in order to settle or defend a claim against you.

## **7. Basis of settlement**

### **7.1 Sub-section A: Own damage**

#### **7.1.1 Insured value basis**

##### **A. Market value**

(a) We will pay for damage to the vehicle described in the schedule and its accessories and spare parts whilst thereon. We will, at our own option, repair, reinstate or replace such vehicle and any part thereof and/or its accessories and spare parts, or we may pay in cash the amount of the damage.

(b) The maximum amount we will pay in respect of such damage, if the vehicle is a total loss, is the sum insured as stated in the schedule, subject to payment not exceeding the reasonable market value of your vehicle and its accessories and spare parts at the time of such damage, less any applicable first amounts payable. The salvage becomes our property.

(c) If the vehicle is financed, we will first pay the outstanding settlement amount to the finance company up to the agreed market value, excluding:

- (i) any early settlement penalties
- (ii) additional finance charges
- (iii) any arrear instalments and interest



(d) We will pay you the difference if the settlement amount is less than the market value, less the applicable first amounts payable and the charges stated above.

(e) If the vehicle is either stolen or written off, we will pay the market value, according to the values determined in "The Auto Dealers' Guide.

#### **B. Agreed value (for specialized vehicles)**

(a) We will pay for damage to the vehicle described in the schedule and its accessories and spare parts whilst thereon. We will, at your option, repair or replace such vehicle and any part thereof and/or its accessories or we may pay in cash the amount of the damage.

(b) The maximum amount we will pay in respect of such damage if the vehicle is a total loss is the sum insured, as stated in the schedule less any applicable first amount payable, or:

- (i) the agreed value (adjusted for mileage and condition); plus
- (ii) the sum insured stated in the schedule for accessories and spare parts, but not more than the agreed value of such property, whichever is less.

(c) You will be responsible for the first amount payable as stated in the schedule for each and every occurrence giving rise to a claim. The salvage becomes our property.

(d) If the vehicle is financed, we will first pay the outstanding settlement amount to the finance company up to the agreed value, excluding:

- (i) any early settlement penalties
- (ii) additional finance charges
- (iii) any arrear instalments and interest.

(e) We will pay you the difference if the settlement amount is less than the agreed value, less the applicable first amounts payable and the charges stated above.

#### **C. Retail value**

(a) We will pay for damage to the vehicle described in the schedule and its accessories and spare parts whilst thereon. We will, at your option, repair or replace such vehicle and any part thereof and/or its accessories or we may pay in cash the amount of the damage.



(b) The maximum amount we will pay in respect of such damage if the vehicle is a total loss is the sum insured, as stated in the schedule less any applicable first amount payable, or:

- (i) the retail value (adjusted for mileage and condition); plus
- (ii) the sum insured stated in the schedule for accessories and spare parts, but not more than the retail value of such property, whichever is less.

(c) You will be responsible for the first amount payable as stated in the schedule for each and every occurrence giving rise to a claim. The salvage becomes our property.

(d) If the vehicle is financed, we will first pay the outstanding settlement amount to the finance company up to the retail value, excluding:

- (i) any early settlement penalties
- (ii) additional finance charges
- (iii) any arrear instalments and interest.

(e) We will pay you the difference if the settlement amount is less than the retail value, less the applicable first amounts payable and the charges stated above.

7.1.2 The above also applies to cover option 6.1 in accordance with the limitation therein.

## 7.2 Sub-section B: Liability

We will pay on your behalf all amounts, which you become legally liable to pay for compensation, including costs and expenses. Arising from:

- (a) personal injury to third parties; or
- (b) damage to property belonging to third parties;
- (c) or both.

In providing this cover, we will pay up to the limit of indemnity stated in the schedule inclusive of legal costs in relation to any one event arising as a result of an accident caused by or in connection with your vehicle.

7.2.1 The above also applies to cover options 6.1 and 6.2.



## **8. Additional benefits applicable to own damage including cover option 6.1**

### **8.1 Contingent liability**

We will pay the amount, which you may be held legally liable to pay as compensation, resulting from an accident occurring during the period of insurance, caused by, or arising out of the use of a vehicle not owned by you, and being used by you, or one of your employees, or some other person with your consent, in connection with your business as insured by this policy.

Provided that:

- (a) we shall not be liable for damage to the vehicle being used by you, your employee or any other person with your consent, in terms of this extension of cover;
- (b) the payment by you of any subsidies or travelling allowance to the owner of the vehicle for the use of such vehicle for the purposes of your business including the transport of persons, is allowed without prejudice to this extension of cover.
- (c) if, at the time of the occurrence of any accident, you or such other vehicle owner, is entitled to cover under any other policy for the same occurrence, we shall not be liable to make any payment under this extension except for any excess beyond the amount payable under such other policy.
- (d) the limit of indemnity per occurrence shall not exceed the limit stated in the schedule.

### **8.2 Credit shortfall**

If the settlement for damage under sub-section A is less than the amount owing to the financier under a current instalment sale or lease agreement for the vehicle, we will pay you an additional amount equal to the shortfall less:

- (a) any arrear instalments or rentals including interest payable on such arrears;
- (b) 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 we settle the claim;
- (c) the first amount payable under sub-section A. Provided always that:
  - (i) the amounts payable will not exceed the maximum indemnity less the first amount payable under sub-section A;
  - (ii) this extension will not apply to any agreement whereby the amount of any single instalment other than the first residual amount



after the initial payment, differs by more than 10 percent from any other instalment;

(iii) if such shortfall is as a result of a re-advance under an instalment sale or refinancing in terms of a lease, the cover by this extension will be void.

### 8.3 Emergency accommodation – applicable to cars and light commercial vehicles only

We will pay the actual and necessary cost of emergency accommodation for the driver and passengers of your damaged vehicle up to the limit of the sum insured, stated in the schedule.

### 8.4 Factory fitted sound equipment and accessories

We will pay for any standard factory fitted sound equipment and vehicle accessories on your vehicle and which is included in the value of the vehicle.

### 8.5 Fire extinguishing charges

We will pay for costs or charges incurred and for which you are legally responsible, to fight or extinguish fire following an accident involving your vehicle up to the limit of the sum insured stated in the schedule.

### 8.6 Loss of keys

We will pay the cost of replacing locks, keys and remote controls or the reprogramming of the vehicle security system, up to the limit of the sum insured stated in the schedule, following upon:

- (a) the disappearance of the key or alarm controller of any vehicle;
- (b) you having reason to believe that an unauthorised person may be in possession of a duplicate of such key or alarm controller.

### 8.7 Medical expenses

If an occupant in the specified part of a vehicle described below, in direct connection with such vehicle sustains injury by violent, accidental external visible means, we will pay to you the medical expenses incurred as a result of such injury up to the limits of the sums insured stated in the schedule.

Cars: the specified part is anywhere inside the car

Light delivery vehicles: the specified part is the permanently enclosed passenger carrying compartment.

### 8.8 New for old – applicable to cars and light commercial vehicles only

If, within 12 (twelve) months of purchase, your vehicle is stolen and not recovered or damaged and we do not consider it economical to repair, we will pay you the current



purchase price or the cost price of such vehicle, whichever is the lesser, provided this does not exceed the sum insured stated in the schedule.

#### 8.9 Parking facilities

We will pay up to the limit of the sum insured stated in the schedule for accidents caused by or through or in connection with the moving of any vehicle (not owned, borrowed by, hired or leased to you) by any person in your employment or acting on your behalf, provided always that such vehicle was being moved

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

and provided further that this optional benefit shall not apply in respect of damage to vehicles, which are parked for reward.

For the purposes of this optional cover, such vehicle (and its contents) shall not be deemed to be held in your trust or in your custody or control.

#### 8.10 Passenger liability

We will cover you against legal liability following an accident anywhere in South Africa involving your vehicle, including getting on or off the vehicle, which causes injury to passengers. This includes legal costs, which someone else can recover from you, and which we agree to pay in order to settle or defend a claim against you. We will pay up to the maximum limit of indemnity stated in the schedule per occurrence and during the period of insurance irrespective of the number of passengers.

#### 8.11 Towing and storage

We will pay the reasonable costs to store or to tow your vehicle to the nearest repairer, following an accident for which you can claim.

#### 8.12 Unauthorised Passenger Liability

Notwithstanding exception 10.8 under "What we exclude", we will cover your legal liability for injury to passengers following an accident involving your vehicle, including getting on or off the vehicle, in contravention of your instructions to the driver not to carry such passengers. This includes legal costs, which someone else can recover from you, and which we agree to pay in order to settle or defend a claim against you. We will pay up to the maximum limit of indemnity stated in the schedule per occurrence and in the period of insurance irrespective of the number of passengers.

#### 8.13 Windscreens

The provisions of this cover section relating to first amount payable and no claim rebate will not apply to any payment for damage to windscreen glass, side or rear glass forming part of your vehicle.



Provided that:

- (a) your vehicle has sustained no other damage;
- (b) you are responsible for the first amount payable as stated in the schedule for each and every loss.

#### 8.14 Wreckage removal

We will pay the costs incurred for cleaning up, removal of debris and the removal of the wreckage, following an accident involving your vehicle, up to the limit of the sum insured stated in the schedule.

### 9. Additional cover to this cover section - if stated in the schedule to be included

Loss of use – applicable to cars and light commercial vehicles only

We will compensate you for loss of use of your vehicle until your claim is finalized, subject to a maximum period of 30 days, where your vehicle is:

- (a) damaged and being repaired;
- (c) damaged and not drivable;
- (d) stolen or hijacked Provided that:
  - (i) we will pay for the hire of a similar but not upgraded vehicle excluding the cost of insurance;
  - (ii) our liability will not exceed the daily limit stated in the schedule;
  - (iii) the period of hire shall
- (a) commence once the claim is reported to us; and
- (b) cover will cease once payment has been made to you in the event of a total loss or the vehicle is returned once repaired for partial losses.

### 10. Special conditions applicable to this section

In addition to the general conditions under Part C Sections 2 and 3 applying to all sections of the policy:

#### 10.1 Description of use

We will cover use for social, domestic and pleasure purposes and use for your business and/or your occupation.

We will not cover hiring, carriage of passengers for hire or carriage of fare paying passengers (provided that this exclusion shall not apply to passengers



being carried in an insured vehicle directly in connection with your business and including damage to such vehicle) racing, speed or other contests, rallies, trails, 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.

We will cover vehicles whilst in the custody or control of a member of the motor trade for the purpose of its maintenance, overhaul or repair.

#### 10.2 Premium adjustment

If this section is issued on a non-specified vehicle basis, you shall submit to us, at the end of each period of insurance, a declaration of the total number of vehicles owned, hired or leased at such expiry date. We shall adjust the premium at a rate of 50 percent of the annual vehicle rate applied to the difference in the number of vehicles at inception or renewal and the number declared.

#### 10.3 War, riot and terrorism

In respect of Subsection B and item 8.6 of this section, 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.

#### 10.4 Driver's license status

It is a condition precedent to cover that all drivers of the insured vehicles are in possession of a valid driver's license. If, during the period of insurance, your driver's license or that of your authorised driver is endorsed, suspended or cancelled or if you or your driver are charged or convicted of negligent reckless or improper driving, you must advise us in writing immediately, as you become aware of such fact.

#### 10.5 Repatriation clause

(b) in respect of a claim occurring whilst the insured vehicle is being used in any country other than the Republic of South Africa or the territorial limits stated, the cover does not include:

- (i) parts stripped from the vehicle whilst left unguarded at the scene of an accident or whilst in transit back to the Republic of South Africa;
- (ii) theft of spare parts and/or any accessories on the vehicle;
- (iii) any amount payable exceeding R10 000 for recovery costs (in excess of the first amount payable);



- (iv) the cover provided under sub-section B of this section.
- (e) if, following an accident, the vehicle is not returned to the Republic of South Africa and it is declared a constructive total loss outside the Republic of South Africa:
  - (i) we will settle the claim for the estimated cost of repairs or the lesser of the market value and the maximum indemnity less:
    - (a) the first amount payable;
    - (b) the value of the salvage calculated as if the vehicle had been recovered and returned to a major repair centre in the Republic of South Africa.
  - (ii) on payment as set out in B) i) above, the salvage shall belong to you.

## 11. What is excluded?

In addition to the general exclusions under Part C section 1 applying to all sections of the policy:

11.1 We will not pay any claim for:

- (a) consequential loss other than as covered under item 9.9, depreciation in value whether arising from repairs, following an insured 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;
- (e) for liability where cover is provided by any compulsory motor vehicle insurance Act, The Road Accident Fund Act, the Occupational Health and Safety Act, the Compensation for Occupational Injuries and Diseases Act and any other insurance contract;
- (f) emotional shock;
- (g) liability arising from the operation, demonstration or use (for purposes other than maintenance or repair of the vehicle) of any tool or plant forming part of or attached to or used in connection with a vehicle or anything manufactured by or contained in any such tool or plant;



11.2 we will not be liable for any accident, injury, damage or liability:

(a) whilst the vehicle is being used otherwise than in accordance with the description of use condition

10.1 of this cover section;

(b) incurred outside of the territorial limits other than damage to any vehicle whilst in transit by sea or air between ports or places within the territorial limits including loading and unloading incidental to such transit;

(c) associated with your vehicle operating on a public road and not having a valid roadworthy certificate and/or not being in a roadworthy condition and/or not being legally permitted to operate on a public road, at the time of such loss;

(d) incurred while the vehicle is being driven by you or your employee whilst 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);

(e) incurred whilst the vehicle is being driven by you or your employee whilst not licensed to drive such vehicle. Provided that any driver shall be deemed to be licensed to drive the vehicle, if he is complying with the licensing laws relating to any of the territories within the territorial limits of this cover section, or if non-compliance with any licensing law is solely because of failure to renew any license, subject to periodic renewal or if a licence is not required by law while such driver is learning to drive and is complying with the laws relating to learners;

(f) suffered by you or any members of your business or any of your employees, any person in or on a vehicle that is being towed and any passenger in the vehicle who is not in a permanently enclosed compartment designed by the original vehicle manufacturer to carry passengers;

(g) caused intentionally by you, the driver, any of your employees, partners or directors of your business, which occurs with your knowledge or consent;



## Section 16: DETERIORATION OF STOCK - if stated in the schedule to be included

### 1. What we cover?

We will cover you against the accidental deterioration of stock contained within the refrigerated chamber(s) at the insured premises, from any cause not otherwise excluded.

### 2. Basis of settlement

We will pay up to the sums insured stated in the schedule per the items specified but not exceeding in all the total sum insured in the schedule provided always that:

(a) such sums insured are equal to the estimated maximum cost price obtainable for the stored goods during any period of insurance; and

(b) if the sums insured are less than the amount required to be insured, we will only pay in the proportion that the sum insured bears to the actual amount required to be insured per (a).

Every item, if more than one specified in the schedule, is separately subject to this condition.

### 3. Optional cover to this section – if stated in the schedule to be included

#### 3.1 Contamination and pollution of wine stocks

We will cover you against the accidental pollution or contamination of wine (including packaging) arising from an occurrence, as defined below, to any controlled environment system and ancillary machinery or cold store, including occurrences where the refrigeration units or cold stores fail to operate at their normal efficiency, provided that:

(a) our liability shall not exceed the limit of the sum insured as stated in the schedule; and

(b) we shall not be liable for any consequential loss or liability due to or arising from the deterioration or putrefaction of the insured stocks.

Definition:

Occurrence means the accidental pollution of wine including destruction on the grounds of health hazard or any order of Government or local authority, as a result of:

(a) sudden and unforeseen electrical and/or mechanical damage to the controlled environment system;

(b) malfunction of the controlled environment system;

(c) escape of refrigerant or contamination of the property insured;



- (d) failure of the supply of electricity;
- (e) error and/or omission of any of your employees.

For the purpose of this optional cover item, the basis of valuation is deemed to be the selling price.

#### **4. Special conditions applicable to this cover section**

In addition to the general conditions under Part C Sections 2 and 3 applying to all sections of the policy, it is a requirement of this cover that:

- (a) you must take all reasonable measures to minimize the loss of your stock;
- (b) you shall obtain and produce the appropriate certificates from the Public Health or similar authorities in support of any claim for deterioration of stock;
- (c) the sum insured shall be reduced by any indemnity paid under this cover section for the remaining period of insurance unless it has been reinstated by payment of an additional premium on a pro-rata basis;
- (d) you have an arrangement in place for either a competent specialist or your own maintenance staff to maintain and adjust the machinery at regular intervals and written records of all such maintenance, inspections and repairs are kept for submission to us upon request.

#### **5. What we exclude?**

In addition to the general exclusions under Part C section 1 applying to all sections of the policy we will not pay for:

- (a) deterioration as a result of the deliberate withholding of power by a supply authority;
- (b) penalties for delay and consequential damage and/or liability of whatsoever nature;
- (c) any damage arising as a result of shrinkage, inherent defects or diseases, natural deterioration or natural putrefaction of the stored stock;
- (d) any damage arising from improper storage, damage to packing material, insufficient circulation of air or non-uniformity of temperature;
- (e) the first amount payable as stated in the schedule.



## Section 17: GROUP PERSONAL ACCIDENT - if stated on the policy schedule to be included

### DEFINED EVENTS

Bodily injury caused by accidental, violent, external and visible means to any principal, 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 24 calendar months in death or disability as specified in the schedule under the heading circumstances.

#### 1. 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 preventing the following of 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 (one or both phalanges)	25
h) loss of index finger (one, two or three phalanges)	10
i) loss of any other finger (one, two or three phalanges) – each finger	6
j) loss of metacarpals - first, second, third, fourth or fifth (additional)	5



k)	loss of toes all on one foot	30
	great, one or both phalanges	5
	other than great, if more than one toe lost, each	5

## 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 percent 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 24 months of the defined event.

## 3. LIMITATIONS (if stated in the schedule to be applicable) Business Hours Limitation

This section applies only in respect of accidental bodily injury to such person arising from and in the course of his employment in the business of the insured.

Business Hours plus Commuting Limitation

This section applies only in respect of accidental bodily injury to such person arising from and in the course of his employment in the business of the insured, including travelling to and from work in a direct and timeous manner.

## 4. 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 is reasonably possible, notwithstanding that permanent disability may remain;
3. unless otherwise provided herein, this section shall not apply to 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 to do so, submit to medical examination and undergo any treatment specified. The company shall not be liable to make any payment unless this proviso is complied with to its satisfaction;
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.

## **5. 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 or her death provided that if, after the company shall have made payment hereunder in respect of such person's presumed death, he or she 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 definition of permanent disability:



#### Percentage of compensation

(l) permanent disfigurement resulting from accidental external burns to the combined surface area of the:

(i) face and neck 60

100 percent surface area disfigurement the proportion of 60, which the less than 100 percent surface area disfigurement actual surface area disfigurement bears to 100 percent surface area disfigurement

(ii) remaining parts of the body other than the face and neck

100 percent surface area disfigurement 30

less than 100 percent surface area disfigurement ..... the proportion of 30, which the actual surface area disfigurement bears to 100 percent surface area disfigurement

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

#### **4. Life support machinery**

Notwithstanding anything contained in the defined events, the 24-month period stated therein shall not include any period or periods where the death of 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. Trauma Counselling**

The company will indemnify the insured for the cost of treatment by a registered psychologist for any insured person as a result of such insured person having been psychologically traumatised as a direct result of violence or threat of violence during theft, attempt theft or hijack.

The indemnity under this extension is limited to 10 percent of the death compensation limit stated in the schedule in respect of any one claim or series of claims from one event.

#### **6. Repatriation**

If there is a valid claim for death or serious accidental bodily injury, the company will also pay the reasonable and necessary expenses incurred in the repatriation of such person (or the body of such person in the event of his death) to his normal place of residence, provided that:



6.1 the liability of the company in respect of each and every claim shall not exceed the amount stated in the schedule.

6.2 if there is a claim for serious accidental bodily injury, the prior consent of the company to repatriate such person must be obtained. Such consent will not be unreasonably withheld.

## **7. Emergency Transportation / Search and Rescue**

The company will pay costs and expenses necessarily incurred for:

7.1 emergency transportation;

7.2 search and rescue, including freeing and bringing such person to a place of safety, as a result of, or in order to prevent accidental bodily injury to such person, provided that:

(c) the company will not be liable if such person is found in circumstances, which are unlikely to result in accidental bodily injury;

(d) the liability of the company in respect of each and every claim shall not exceed the amount stated in the schedule. 8.1 the company's liability is limited to the period of hijacking, abduction or kidnapping or eight weeks, whichever is the lesser.

8.2 no compensation shall be payable if any member of such person's immediate family is involved in the hijacking, abduction or kidnapping as a principal or accessory.

9.1 a wheelchair (self-propelled or electric);

9.2 the fitting of wheelchair loading equipment and alterations to such person's residence to facilitate the use of such wheelchair.

9.3 the modification of the controls of such person's motor vehicle,

11.1 the company shall not be liable to pay compensation in terms of this extension for claims arising, while such person is on service or duty or undergoing training with any military or police force.

11.2 the company shall not be liable to pay compensation in terms of this extension for claims resulting from war (whether declared or not) between any of the following nations:

11.3 the maximum liability of the company under this extension in respect of each and every claim shall not exceed the amounts stated in the schedule.

## **8. Hijacking, Abduction and Kidnapping**

If there is an unlawful seizure or wrongful exercise of control of any aircraft or conveyance (including the crew thereof) in which such person is travelling, or if such



person is abducted or kidnapped, the cover in terms of this section shall continue in force for the duration of such an occurrence, or 12 months from the date of such occurrence, whichever period is the lesser.

If Temporary Total Disability is insured, the company will regard the hijacking, abduction or kidnapping of such person as a claim for Temporary Total Disability, provided that:

## **9. Mobility**

When the company has admitted a claim for Permanent Disability, if as a direct result of that disability such person is permanently dependent on a wheelchair for mobility, the company will, in addition to any amount payable for Permanent Disability, pay for: such wheelchair;

provided that the liability of the company for such costs in respect of each and every claim shall not exceed the amount stated in the schedule for any one such person.

## **10. Additional Death Benefit**

On production of an interim death certificate, the company will pay the amount stated in the schedule if such person dies as a result of accidental bodily injury.

## **11. War Risks**

Notwithstanding proviso 6, this section is extended to include accidental bodily injury to such person arising from, 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, provided that:

11.1 the company shall not be liable to pay compensation in terms of this extension for claims arising while such person is on service or duty or undergoing training with any military or police force.

11.2 the company shall not be liable to pay compensation in terms of this extension for claims resulting from war (whether declared or not) between any of the following nations:

the United Kingdom, the United States of America, France, the Peoples Republic of China and constituent parts of the former Union of Soviet Socialist Republics.

11.3 the maximum liability of the company under this extension in respect of each and every claim shall not exceed the amounts stated in the schedule.

11.4 this extension may be cancelled at any time by the company giving 30 days' notice in writing. From the date of cancellation, the insured shall be entitled to a pro-



pro rata refund premium for the unexpired period if no claim has arisen. If a claim has been made, no refund premium is payable.

## 6. SPECIFIC EXCEPTIONS

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

- (a) while engaging in flying as pilot or member of the crew. This exception does not apply to such person engaging in ballooning, hang-gliding, paragliding and parachuting, provided that such activities are solely for social and/or pleasure purposes and not of a competitive nature or for reward;
- (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 prescribed by and taken in accordance with the instructions of a member of the medical profession (other than himself);
- (e) as a result of his participation in any riot or civil commotion or act of terrorism;
- (f) arising from any motor vehicle accident occurring whilst such person is driving or operating any motorised or mechanically-operated vehicle, whilst being under the influence of alcohol. For the purpose of this exception the term "under the influence of alcohol" means having a Blood Alcohol Level Concentration greater than the statutory limit at the time of the accident, or the level applicable according to prevailing legislation where the accident occurs, whichever is the lesser
- (g) as a result of such person's deliberate exposure to exceptional danger (except in an attempt to save human life) or such person's own criminal act;
- (h) while participating in sport as a professional player.

## Section 18: HOUSE OWNERS - if stated in the schedule to be included

### 1. Definitions

Buildings means the structures of a permanent nature occupied as a private residence and situate at the address shown in the schedule.

Environmentally friendly equipment means those items installed at the insured premises that are kept in the open including, but not limited to, rainwater harvesting tanks, composters and water catchment apparatus.



Outbuildings means the domestic rooms, private garages and private outbuildings, which do not interlead with the private residence and are situated at and used in relation to your private residence at the address shown in the schedule.

Occupier means either yourself, an employee or long-stay tenant.

## **2. What we cover?**

We will cover your buildings against damage that occurs at the insured premises during the period of insurance.

### **Buildings include:**

- a) outbuildings;
- b) fixtures and fittings belonging to the owner of the buildings while in or on the structures including glass and sanitary ware;
- c) electric geysers, solar geysers, heat pumps or any other item of water heating apparatus as stated in the schedule;
- d) fixed recreational and ornamental structures;
- e) paved and surfaced areas (including driveways) of brick, concrete, asphalt, synthetic grass or stone (not gravel);
- f) boundary and other walls, gate posts, gates (including all the machinery related to the gates), fences (other than hedges);
- g) tennis courts;
- h) swimming pools, spa baths, saunas and associated machinery and equipment, but not including movable swimming pools;
- i) satellite dishes;
- j) lightning conductors or masts;
- k) fixed electric generators;
- l) borehole machinery supplying water solely for domestic purposes;
- m) fixed filtration plant or water-pumping machinery;
- n) septic tanks;
- o) environmentally friendly equipment including but not limited to rainwater harvesting tanks, composters and water catchment apparatus.
- p) any additional items on the schedule that we agree to insure under this cover section.



### **3. What we don't cover?**

We are not liable for

- i) the first amount payable of each and every claims as stated in the policy wording or more specifically in the schedule;
- ii) the first R1 500 of every claim arising from a deliberate, wilful or wanton act, including theft, if at the time of such act the building has been vacant for more than 30 consecutive days

### **4. Basis of settlement**

#### **4.1 Average**

Should you insure your property for an amount less than its replacement value, average will apply and we will only pay you proportionately e.g. if the correct value of your private residence is R1 000 000 and you insure it for R800 000, you will be compensated for 80 percent of your loss. Every item making up your insured property shall be separately subject to this condition.

#### **4.2 Reinstatement and replacement**

- i) We will, at our option, pay the reasonable cost of rebuilding or repairing the damaged portion(s) of the building, to substantially the same condition, but not better or more extensive than when it was new.
- ii) We shall not be bound to reinstate exactly or completely, but only as circumstances permit and in a reasonably sufficient manner and shall not in any case be bound to pay in respect of any one of the items insured more than the applicable sum insured.  
  
If at the time of reinstatement or replacement, the sum representing the cost, which would have been incurred if the whole of your insured property had been damaged, exceeds the actual sum insured as stated in the schedule at the time of the damage, then average will apply and we will only pay you proportionately.
- iii) In those cases where the architectural features and structural materials, of the building(s) insured, possess a particularly ornamental, antiquarian or historical character, or the materials are not readily available we will use the nearest equivalent available to the original materials.
- iv) When damage occurs to property that is a wall, floor or ceiling covering, (including carpets, blinds and curtains), we will pay only for the cost of repairing



or replacing such portion of the wall, floor or ceiling in the room, reception, hall or passage in which the damage occurred.

v) The maximum we will pay for fitted carpets and geysers will be the current replacement cost less an allowance for depreciation.

vi) The sum insured noted in the schedule is the maximum amount we will pay for damage to your building(s), less the first amount payable and any dual insurance or under-insurance.

vii) If there is damage to your property we may, at our option, choose:

- a) to replace the item with the nearest equivalent item available;
- b) to restore or repair the item to the condition it was in when new;
- c) to pay you the reasonable cost of replacement or repair; or
- d) any combination of these up to the sum insured as shown in the schedule.

#### **4.3 Rent and alternative accommodation**

If the insured buildings become uninhabitable as a result of damage caused by an insured event, we will for the period necessary for reinstatement:

- i) pay you, as the permanent occupier of the building, an amount based on the rental value of the building when unfurnished;
- ii) indemnify you for the loss of rent receivable if the building was tenanted at the time of the insured event and the amount payable will be based on the rent of the building when unfurnished.

Provided that the maximum amount payable shall not exceed 20 percent of the building sum insured.

#### **4.4 First amount payable**

You are liable for the first amount payable, as stated in the schedule, for each and every claim following an insured event.



## **5. Additional cover to this section - if stated in the schedule to be included**

### **5.1 Demolition, professional fees and public authorities requirements**

Following damage caused by an insured event and with our written consent, we will pay the costs necessarily incurred:

- i) in demolishing the building, removing debris from the site and erecting hoardings required for building operations;
- ii) for architects' quantity surveyors' and consulting engineers' fees;
- iii) for local authorities' scrutiny fees;
- iv) for repairing or rebuilding in accordance with the requirements of public authorities; provided that the total amount payable shall not exceed the sum insured of the property affected.

### **5.2 Damage by wild animals**

We will pay for the costs incurred by you for damage to insured property caused by the acts of wild animals including primates.

The most we will pay per insured event or per period of insurance is as stated on the schedule and subject to a first amount payable of R2 500 of each and every loss unless stated otherwise in the schedule.

### **5.3 Damages caused for medical emergencies (the sum insured under this additional cover may be increased)**

We will pay up to the sum insured stated in the schedule for the cost of repairing damage caused to the insured premises by the immediate emergency action taken to gain access into a room where it is presumed an occupant may be in need of medical attendance and/or is unresponsive.

### **5.4 Damage to landscaped gardens & water features (the sum insured under this additional cover may be increased)**

We will pay for the cost incurred by you in restoring landscaped gardens, water features and statues following an insured event or as a result of any emergency service operating following an insured event up to the sum insured stated in the schedule and subject to a first amount payable of R1 000 of each and every loss unless stated otherwise in the schedule.



### **5.5 Fire extinguishing and prevention charges**

We will pay any costs or charges incurred and for which you are legally liable, to fight or extinguish fire provided that, at the time, the insured property was in danger from such fire.

The maximum we will pay under this additional cover is the limit stated on the schedule.

### **5.6 Liability to the public**

If you or any member of your immediate family normally residing with you, becomes legally liable to pay compensation for accidental death, bodily injury or illness or accidental loss of or damage to property occurring during the period of insurance and arising from the ownership and not out of occupation of the insured buildings, we will indemnify you up to the limit stated in the schedule for any accident arising out of any one event including costs and expenses:

- a) recoverable by any claimant from you;
- b) incurred with our written consent.

We will not pay for legal liability:

- i) to any member of your immediate family normally resident with you;
- ii) for loss of or damage to property in your care, custody or control or that of any member of your immediate family normally resident with you or with any of your employees;
- iii) directly or indirectly due to:
  - a) your business or profession;
  - b) the ownership of land or buildings. This does not include the buildings insured by this cover section or the land on which they are situated provided such land is used for residential purposes only;
  - c) the use of any motor vehicle, caravan, trailer, air or watercraft owned by you or in your custody, care or control or that of any member of your immediate family normally resident with you or any of your employees;
  - iv) accepted by agreement, which would not have attached in the absence of such agreement other than a liability assumed in terms of a written contract entered into with a company providing security and/or armed response services.



## **5.7 Loss of water**

We will cover the cost of water lost through leakage from pipes where you are responsible to pay the charge for such water, to a maximum limit of R10 000 provided that:

- j) the consumption reading must be at least 50 percent more than the average of the previous four readings;
- ii) the insured takes immediate steps to repair the pipe(s) affected on discovery of a leak either by way of physical evidence or on receipt of an abnormally high water account.

The most we will pay is the sum insured as stated in the schedule.

We will not pay for:

- d) the cost of repairs to the leaking pipes;
- e) more than two separate incidents in any period of twelve months;
- f) loss of water
- 6. as a result of leaking taps, water heating apparatus or toilet systems;
- 7. from swimming pool structures or inlet/outlet pipes;
- 8. whilst the building is unoccupied for a period in excess of 60 consecutive days;
- 9. as a result of the deliberate act of the insured or any person acting on his behalf.

## **5.8 Occupier**

If an occupier of the insured building, without your knowledge or consent, does or omits to do anything, which invalidates the policy, cover will not be affected provided:

- you notify us of this act or omission as soon as you become aware of it;
- you pay any additional premium relating to the change in risk if required.



### **5.9 Power surge**

We will cover property against damage caused by a fluctuation in the power supply and/or by lightning strikes resulting in surges subject to the following:

- i) protected distribution boards are covered up to the sum insured stated in the schedule for any one event and any one period of insurance and is not be subject to a first amount payable unless stated otherwise in the schedule.
- ii) unprotected distribution boards are covered up to a maximum limit any one event and in any one period of insurance as stated in the schedule. A first amount payable by you of 10 percent of claim minimum R2 000 will apply unless stated otherwise in the schedule.

### **5.10 Public supply connections**

We will pay for accidental damage to water, sewerage, gas, electricity and telecommunication connections between your insured property and the public supply or mains, subject to the sum insured stated in the schedule.

### **5.11 Removal of fallen trees**

If a tree has fallen and not caused damage to an insured building, we will pay the costs necessarily incurred for the professional removal and disposal of such fallen tree(s) including branches, stumps and roots up to the limit stated in

the schedule for any one event and in any one period of insurance subject to a first amount payable of R500.00 each and every claim or as otherwise stated in the schedule.

### **5.12 Subsidence and landslip (limited cover)**

We will pay for the physical loss of or damage to the building(s) caused by subsidence or landslip of the land supporting the building, or heave. You will be responsible for the first portion of every claim up to an amount calculated at 1 (one) percent of the sum insured of the affected structure or R10 000, whichever is the greater.

#### **Definitions specific to this additional benefit:**

**subsidence:** the downward movement of a site on which buildings may or may not stand, from causes unconnected with the building (if present).



**Landslip:** the downward and/or sideways movement of sloping ground resulting from the action of self-weight stresses and imposed loading, exceeding the available strength of the ground.

**Settlement:** the downward movement of a site due to the application of superimposed loading, which is the wholly natural effect of superimposing a load on a site and is unpredictable.

**Active soils:** a soil that changes in volume to varying degrees in response to changes in moisture content, i.e. the soil may increase in volume (heave or swell) upon wetting and decrease in volume (shrink) upon drying out.

In any action suit or other proceeding where we allege that, by reason of the provisions of this additional benefit, any damage is not covered by this insurance, the burden of proving the contrary shall be upon you.

We will not pay for damage to:

- e) utilities, structures, or items such as (but not limited to): drains, boreholes, watercourses, boundary walls, garden walls, screen walls, retaining walls, gate posts, gates, fences, roads, parking areas, driveways or paths, paving, pavements, runways, reservoirs, septic or conservancy tanks, canals, pipelines, bridges, docks, piers, tunnels, swimming pools and surrounds, terraces, patios or tennis courts;
- f) solid floor slabs or any other part of the building due to the movement of such slabs, unless the foundations supporting the external walls of the building are damaged by the same cause at the same time;
- g) a building constructed or situated on dolomite and limestone land/sites;
- h) buildings within the geographical areas of Klerksdorp, Virginia, Welkom, Carltonville, Orkney, Randfontein and all other general mining areas.

We will not pay for damage caused by:

- a) insufficient compacting or infill;
- b) the settlement or movement of made up ground;
- c) coastal or river erosion;
- d) excavations including mining operations;
- e) active soils, as defined;



- f) moist or damp;
- g) defective or faulty design, materials or workmanship;
- h) alterations, additions or repairs to your building;
- i) damage existing at commencement of this cover;
- j) work necessary to prevent further destruction or damage due to subsidence or landslide, nor will we pay for the cost of underpinning the foundations.

We will not pay for any consequential loss.

### **5.13 Theft of fixtures and fittings**

We will pay the costs necessarily incurred in replacing stolen fixtures and fittings, as defined and for which you are responsible, up to the sum insured stated in the schedule for any one event and/or period of insurance. A first amount payable by you of 10 percent of claim, minimum R1 000 will apply unless stated otherwise in the schedule.

Definition:

Fixtures and fittings extend to include external and/or remote fixtures and fittings including auxiliary power supply units and their fuel on or about the insured premises.

## **6. Optional cover to this section - if stated in the schedule to be included**

### **6.1 Escalation**

During each period of insurance the building(s) sum insured shall be increased in proportion to the period the insurance has been in force, by the percentage stated in the schedule.

However, it is your responsibility at each renewal date, to notify us of the sum(s) to be insured in respect of the building(s) for the forthcoming period of insurance and the percentage increase required for such period.

### **6.2 Inflation**

If you suffer damage to the insured building(s), the amount we will pay shall be increased to account for the additional cost of reinstatement or replacement between the time of the loss and actual reinstatement or replacement, which are due to an



escalation in such costs. The percentage of inflation applied will be as specified in the schedule at the time of the loss.

### **6.3 Subsidence and landslip (comprehensive cover)**

We will pay for the physical loss of or damage to the building(s) caused by subsidence or landslip of the land supporting the building, or heave. You shall be responsible for the first portion of each and every claim up to an amount calculated at 1 (one) percent of the sum insured unless stated otherwise on the schedule.

#### **Definitions specific to this additional benefit:**

**Subsidence:** the downward movement of a site on which buildings may or may not stand, from causes unconnected with the building (if present).

**Landslip:** the downward and/or sideways movement of sloping ground resulting from the action of self-weight stresses and imposed loading, exceeding the available strength of the ground.

**Settlement:** the downward movement of a site due to the application of superimposed loading, which is the wholly natural effect of superimposing a load on a site and is unpredictable.

**Active soils:** a soil that changes in volume to varying degrees in response to changes in moisture content, i.e. the soil may increase in volume (heave or swell) upon wetting and decrease in volume (shrink) upon drying out.

In any action suit or other proceeding where we allege that, by reason of the provisions of this optional cover, any damage is not covered by this insurance, the burden of proving the contrary shall be upon you.

We will not pay for damage to:

- a) drains, water courses, boundary walls, garden walls, retaining walls, gates, posts, or fences unless specifically insured;
- b) solid floor slabs or any other part of the building due to the movement of such slabs, unless the foundations supporting the external walls of the building are damaged by the same cause at the same time;
- c) a building constructed or situated on dolomite and limestone land/sites.



We will not pay for damage caused by:

- a) insufficient compacting or infill;
- b) the settlement or movement of made up ground;
- c) coastal or river erosion;
- d) faulty design or construction, or the removal or weakening of support to your building;
- e) alterations, additions or repairs to your building;
- f) excavation on or under land other than in the course of mining operations;
- g) active soils, except where professional engineering design precautions have been implemented during construction;
- h) work necessary to prevent further destruction or damage due to subsidence or landslide, nor will we pay for the cost of underpinning the foundations.
- i) damage from a cause which existed prior to the commencement of your policy.

We will not pay for any consequential loss except in respect of loss of rent.

## **7 Special conditions applicable to this cover section**

In addition to the general conditions under Part C - General sections 2 and 3 applying to all cover sections of this policy:

### **7.1 Generators**

The storage of fuel for generators must comply with the local bylaws for the storage of flammable substances.

### **7.2 Mortgagee**

If a bond is registered on the insured property, the following will apply:

The interests of the mortgagee have priority over your interests and shall not be prejudiced by:



- a) any act or neglect of a tenant before it comes to your attention;
- b) any misrepresentation or non-disclosure by you at the time when the insurance is effected or renewed or during the currency thereof, or
- c) the alienation of the property, or
- d) the occupation thereof for purposes more hazardous than permitted by the policy.

Provided that

- i) such act, neglect, misrepresentation, non-disclosure, alienation or occupation shall have been affected without the knowledge and privity of the mortgagee(s); and
- ii) the mortgagee(s) shall notify us of the happening or existence of such act, neglect, misrepresentation, non-disclosure, alienation or occupation as soon as same shall come to his or her knowledge; and
- iii) the mortgagee(s) shall on reasonable demand, pay the additional charge for any increase of hazard thereby created according to the established scale of rates, for the time such increased hazard may be, or shall have been, assumed by us during the continuance of the Insurance; and
- iv) any compensation payable in terms of this policy shall be payable direct to the mortgagee(s) of the particular unit or the aggregate of the amounts due by the unit owner to the mortgagee under the mortgage bonds, whichever is the lesser.

All and any amounts becoming payable by us under this policy as a result of damage to or the destruction of the buildings improvements or landlord's fixtures and fittings shall be wholly applied to the reinstatement of such damage. If it is resolved that such damage or destruction should not be reinstated, the proceeds of any claim applicable shall be made in the first place to the mortgagee(s) as stated in the policy or the aggregate of the amounts due by you to the mortgagee(s) under their mortgage bonds, whichever is the lesser,

## **1.1 Precautions**

You must take all reasonable precautions for the care, safety, protection and maintenance of your property and comply with all statutory obligations, by-laws and regulations imposed by any public authority. If you do not comply with this condition and loss or liability is caused, we may refuse to pay a claim or reduce the amount we pay you.



## **1.2 Roofing**

Physical loss or damage to roofing structures and accessories of the insured buildings is defined as a reduction in the roof's water shedding capacity or life expectancy.

## **8 What we exclude**

In addition to the general exclusions under Part C section 1 applying to all sections of this policy the following also applies:

### **8.1 loss or damage caused by:**

- a) any process which uses or applies water;
- b) wear and tear;
- c) gradual deterioration;
- d) mildew, rust or corrosion;
- e) demolition, alteration, construction, cleaning, renovation, repair, restoration or a similar process;
- f) insects or vermin;
- g) weeds or roots;
- h) storm, wind, water, hail or snow during renovations, additions or extensions if the loss or damage is caused by or made worse by the renovations, additions or extensions;
- i) theft or attempted theft while your private residence is lent, let or sublet to an employee or tenant, and the employee or tenant or their families or anyone else who is linked or connected to the such employee or tenant or their families, is directly or indirectly responsible for such loss or damage.

### **8.2 Loss or damage caused by or comprising of:**

- a) rot, rising damp, a rise in the water table except as a result of a storm;
- b) fungus, mould, infestation;
- c) chipping, scratches, disfiguration or discolouration;
- d) wear and tear or other gradually operating causes.



### 8.3 Loss or damage covered by any guarantee, service contract, purchase contract or any purchase agreement.

## Section 19: HOUSEHOLDERS - if stated in the schedule to be included

### 1. Definitions

**Buildings** means the structures of a permanent nature occupied as a private residence and insured under Section 18: House Owners of this policy or by a policy held by the mortgagee.

**Property** means the contents of the buildings, belonging to you or your employee and for which you or they are responsible.

**Document** means a piece of written, printed, or electronic matter that provides information or evidence or serves as an official record.

**Money** means South African Rand value only of cash, crossed (not transferable) cheques, travelers' cheques, current negotiable postal or revenue stamps, and credit card vouchers.

**Occupier** means either yourself, an employee, or a long-stay tenant

### 2. What we cover?

We will cover the insured property against damage that occurs at the insured premises during the period of insurance.

Property includes:

- household goods;
- personal property;
- fixtures and fittings belonging to an employee as the occupier of the private residence.

### 3. What we don't cover?

The following items are not covered by this section:

- a) landlord's fixtures and fittings;
- b) property used for the operation of your business;
- c) livestock including domestic animals;



- d) trailers, watercraft, caravans, motor vehicles and accessories thereon.
- e) contents in transit outside of the insured premises;
- f) property more specifically insured;

#### **4. Basis of settlement**

##### **4.1 Average**

Should your property be insured for an amount less than its replacement value, average will apply and we will only pay you proportionately. E.g. if the correct value of the contents of your home is R500 000 and you insure it for R400 000, you will be compensated for 80 percent of your loss. Every item making up your insured property shall be separately subject to this condition.

##### **4.2 Replacement or repair**

- i) If there is damage to insured property, we may, at our option, choose:
  - a) to replace the item with the nearest equivalent item available;
  - b) to restore or repair the item to the condition it was in when new;
  - c) to pay you the reasonable cost of replacement or repair; or
  - d) any combination of these up to the sum insured as shown in the schedule.

ii) The sum insured stated in the schedule is the maximum amount we will pay for damage to property less the first amount payable and any dual insurance or under-insurance.

If at the time of replacement or repair, the sum representing the cost, which would have been incurred if the whole of the insured property had been damaged, exceeds the actual sum insured at the time of the damage, then average will apply and we will only pay you proportionately.

iii) When damage occurs to an item of contents, which is part of a set, we will only pay for the reasonable cost of repairing or replacing the item itself as a proportion of the reasonable cost of repairing or replacing the whole set, notwithstanding that the set is less valuable by reason of being incomplete.

iv) When damage occurs to contents that is a wall, floor or ceiling covering, (including carpets, blinds and curtains), we will pay only for the cost of repairing or replacing such portion of the wall, floor or ceiling in the room, reception, hall or passage in which the damage occurred.



v) We will pay the current replacement cost for damage to precious metals and stones, jewellery, watches, furs, rugs and carpets subject to you or your employee providing satisfactory proof of valuation and ownership of the item at the time of loss.

#### **4.3 First amount payable**

You are liable for the first amount payable, as stated in the schedule, for each and every claim following an insured event.

### **5. Additional cover to this section - if stated in the schedule to be included**

Damage caused for medical emergencies (the sum insured under this additional cover may be increased)

We will pay up to the sum insured stated in the schedule for the cost of repairing damage caused to the insured premises and contents by the immediate emergency action taken to gain access into a room where it is presumed an occupant may be in need of medical attendance and/or is unresponsive.

#### **5.1 Fire extinguishing and prevention charges**

We will pay any costs or charges incurred and for which you are legally liable, to fight or extinguish fire provided that, at the time, the insured property was in danger from such fire.

The maximum we will pay under this additional cover is the limit stated on the schedule.

#### **5.2 Goods in the open**

We will cover insured property in the open against damage other than theft or attempted theft, up to the sum insured stated in the schedule and a first amount payable of R500 each and every claim unless stated otherwise in the schedule.

#### **5.3 Locks and keys, tags and remote control access devices**

We will pay the costs necessarily incurred in the replacing of locks and keys, tags and remote access devices following a burglary or attempted burglary, up to the limit stated in the schedule for any one event.

Our payment includes the cost incurred by you in re-keying or re-coding locks or the cost of replacing locks of a similar type and quality if they cannot be rekeyed or re-coded.



We will not pay to re-key or re-code locks or for replacement of locks if there are reasonable grounds to suggest that keys or codes have been duplicated by an occupant or former occupant of the building.

#### **5.4 Documents**

- i) We will pay the costs, charges and expenses necessarily incurred, following damage, in replacing, restoring or rewriting documents for which you are legally responsible up to the sum insured stated in the schedule.
- ii) We will also cover your legal liability as a direct consequence of any damage to your documents up to the limit of liability stated in the schedule.
- iii) This benefit excludes money, drafts and any written order to pay a certain sum in money and any written evidence of indebtedness or obligation and all property 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.

#### **5.5 Occupier**

If an occupier of the insured building, without your knowledge or consent, does or omits to do anything, which invalidates the policy, cover will not be affected provided:

- you notify us of this act or omission as soon as you become aware of it;
- you pay any additional premium relating to the change in risk if required.

#### **5.6 Power surge**

We will cover property against damage caused by a fluctuation in the power supply and/or by lightning strikes resulting in surges subject to the following:

- b) protected distribution boards are covered up to the sum insured stated in the schedule for any one event and any one period of insurance and is not be subject to a first amount payable unless stated otherwise in the schedule.
- ii) unprotected distribution boards are covered up to a maximum limit for any one event and in any one period of insurance as stated in the schedule. A first amount payable by you of 10 percent of claim minimum R2 000 will apply unless stated otherwise in the schedule.



### **5.7 Refrigerator and deep freeze contents**

If the contents of the refrigerator/deep freeze unit, as covered by this section, deteriorate as a result of:

- i) breakdown of or accidental damage to the unit; or
- ii) failure of power supplied by public authorities we will indemnify you up to the limit as stated in the schedule.

### **5.8 Subsidence and landslip (limited cover)**

Following an insured event being registered under either Section 1 or Section 18 of this policy or a policy held by the mortgagee, we will pay for the physical damage to the insured property caused by subsidence or landslip of the land supporting the building. You will be responsible for the first portion of every claim up to an amount calculated at 1 (one) percent of the sum insured of such property with a minimum of R1 000 unless stated otherwise in the schedule.

## **7. Special conditions applicable to this cover section**

In addition to the general conditions under Part C - General sections 2 and 3 applying to all cover sections of this policy:

### **6.1 Burglar alarm warranty (if stated in the schedule to be applicable)**

If we require an alarm system as noted in the schedule, you will only be paid for damage following theft and burglary if:

- f) a radio alarm system is installed in the insured premises by an approved SAIDSA installation company;
- g) the radio alarm is linked to a control room at an armed response company. When the alarm is activated it must sound an alarm at the control room of the alarm company, which should trigger a response from the security company to attend to the premises. We will require proof in the event of a loss (report);
- h) the alarm system is fully armed whenever the main building is left unattended and/or unoccupied or you are not open for business unless you or a member of your staff or family is on the premises. We will require proof in the event of a loss (report);
- i) the alarm system is maintained in proper working order and must be tested at least once every six (6) months with the armed response company;



- j) we will not cover damage to the insured property following the use of the keys/card key of the alarm or any duplicate key/card key unless such keys/card keys were obtained with violence or threat of violence to you, your staff, guests or members of your family.

## **6.2 Disposal of salvage (if stated in the schedule to be included)**

Notwithstanding the provisions of Part C General item 3 of the policy, in the event of a loss we agree that we will not sell or dispose of any contents, which is the subject of a claim hereunder, without your consent provided that you can establish to our satisfaction that to do so will prejudice your interests in which event

we will agree to give you the first option to repurchase such property at its fair intrinsic value or market value, whichever is the greater;

The provisions of this condition do not give you the right to abandon any property to us, whether we have taken possession of such contents or not.

## **6.3 Generators**

The storage of fuel for generators must comply with the local bylaws for the storage of flammable substances.

## **7. Limitations of cover**

- a) theft of money, as defined, is limited to 0.50 percent of the property sum insured and is subject to forcible and violent entry or exit from the private residence(s) as stated on the schedule;
- b) loss of or damage to money, as defined, is limited to 0.50 percent of the property sum insured per private residence stated on the schedule;
- c) the sum insured per article covered under property, as defined, is limited to a maximum of 10 (ten) percent of such sum insured per private residence as stated on the schedule. This limitation does not apply to items of furniture;
- d) the sum insured per item of precious metals, stones, jewellery and watches is limited to  
R10 000 for any such item(s) that is not kept in a locked safe (fixed to the inside of the private residence) when not being worn;
- e) notwithstanding item 7(e), the sum insured in respect of precious metals, stones, jewellery,



watches, furs, rugs and carpets is limited to a total of 20 (twenty) percent of the property sum insured per private residence as stated in the schedule;

f) the sum insured for desktop computers, printers and scanners is limited to 3 (three) percent of the property sum insured per private residence stated on the schedule.

## **8. What we exclude?**

In addition to the general exclusions under Part C section 1 applying to all sections of this policy the following also applies:

We exclude:

- a) property that is more specifically insured, in this or any other policy;
- b) loss or damage if at the time of such loss or damage the insured property has been unoccupied for more than 30 consecutive days unless otherwise agreed with ourselves and stated on the schedule;
- c) loss or damage arising from claims occurring outside the countries set out in this policy;
- d) property, whether it is processed or not, obtained with the purpose of disposing of it in a business transaction;
- e) vehicles, watercraft (excluding surfboards, kite boards, paddle skis, kayaks, canoes, surf skis, windsurf boards, sailboards and model boats), aircraft (excluding model aircraft and drones), other aerial devices and all tools, spare parts and accessories of these vehicles, aircraft or watercraft that are on, in or attached to it;
- f) animals;
- g) loss or damage from or relating to any exchange, cash or credit sale agreement, including theft under false pretence and fraud;
- h) the cost of reproduction or repair of data of any kind;
- i) theft from the private residence whilst lent, let or sub-let unless such theft is accompanied by forcible and violent entry or exit from such premises;
- j) theft or attempted theft while your private residence is lent, let or sublet to an employee or tenant, and the employee or tenant or their families or anyone else who is linked or connected to the such employee or tenant or their families, is directly or indirectly responsible for such loss or damage.
- k) loss, damage or breakage covered by a manufacturer's purchase agreement, guarantee or service contract.



## Section 20: Personal All Risks - if stated in the schedule to be included

### 1 Definitions

Buildings means the structures of a permanent nature occupied as a private residence and situate at

the address shown in the schedule.

Property means items of clothing and personal effects belonging to the insured.

Clothing and personal effects means:

- i) clothing you normally wear;
- ii) personal effects normally carried on or worn by a person;
- iii) personal sporting equipment normally used or worn by a person;
- iv) baby equipment like prams and children's car seats;
- v) wheelchairs

Insured means the person or legal entity shown as "insured" on the respective schedule issued, in

terms of the cover provided by this policy, including members of their immediate family normally

resident with them. For the purposes of this cover section it also means an employee, in terms of

their employment contract, as occupier of any building covered by section 18 and/or 19 of this policy.

### 2 What we cover?

We cover loss or damage to property belonging to the insured or for which they are responsible, against accidental damage that occurs anywhere in the world during the period of insurance.

The following items are not covered unless they are individually specified on the schedule:

- a) mobile communication devices (like cellular phones or satellite navigation equipment);
- b) computer equipment and accessories (like laptops, personal computers, e-readers or tablet computers and the like);



- c) jewellery, precious or semi-precious metals and stones;
- d) cameras and camera equipment and accessories;
- e) collections and personal documents (like art, books, stamp, medal and coin collections or personal documents);
- f) contact lenses, prescription glasses, sunglasses, hearing aids, dentures or prosthesis;
- g) pedal cycles, sporting equipment including surfboards, kite boards, paddle skis, kayaks, canoes, surf skis, windsurf boards and sailboards;
- h) firearms, guns, tools, leather jackets;
- i) tents and contents of caravans;
- j) vehicle sound systems, portable radios, compact disc players, pagers, audio or video tapes or compact discs.

### **3 Basis of settlement**

#### **3.1 Sum insured**

- i) The sum insured for the items of property stated in the schedule must, throughout the period of this cover section represent the current replacement value of similar new property.
- ii) The basis of indemnity for the loss of or damage to the insured property, or part of it, will be the current replacement value of similar new property, limited to the insured amount as shown in your policy summary.

#### **3.2 Average**

Should the total value of the items, which are not separately and individually specified be of greater value at the time of an insured event than the value stated in the schedule for unspecified items, average will apply and we will only pay you proportionately. E.g. if the correct value of the unspecified items is R10 000 and you insure them for R8 000, you will be compensated for 80 percent of your loss. Every unspecified item shall be separately subject to this condition.

#### **3.3 Replacement or repair**

- i) If there is damage to insured property, we may, at our option, choose:



- a) to replace the item with the nearest equivalent item available;
  - b) to restore or repair the item to the condition it was in when new;
  - c) to pay you the reasonable cost of replacement or repair; or
  - d) any combination of these up to the sum insured as shown in the schedule.
- ii) The item limit stated in the schedule is the maximum amount we will pay for any one article, pair or set.
  - iii) If an article that is lost or damaged was part of a pair or a set, we will not compensate you for more than the article's value proportionate to the total value of the pair or set.

### **3.4 First amount payable**

You are liable for the first amount payable, as stated in the schedule, for each and every claim following an insured event.

## **4 Special conditions applicable to this cover section**

In addition to the general conditions under Part C - General sections 2 and 3 applying to all cover sections of this policy:

### **4.1 Jewellery**

At the time of an insured event you must provide satisfactory proof of valuation and ownership of the insured item(s) and such valuation must be dated prior to the event, which leads to such claim.

If you do not comply with this condition, we will not pay your claim for any items of jewellery.



## **5 What we exclude?**

In addition to the general exclusions under Part C section 1 applying to all sections of this policy the following also applies:

- a) theft from a vehicle, which is left unattended and where the insured property was not in the locked boot or locked interior of the vehicle;
- b) the cost of reproduction or repair of data of any kind;
- c) anything covered by any guarantee, service contract, purchase contract or any purchase agreement of any type;
- d) property, whether it will be processed or not, obtained with the purpose to dispose of it in a business transaction (for example, to sell it);
- e) vehicles and all tools, spare parts and accessories related and attached thereto;
- f) watercraft and all tools, spare parts and accessories related and attached thereto; other than model boats if specified under this section;
- g) aircraft or other aerial devices and all tools, spare parts and accessories related and attached thereto;
- h) money, securities for money, deeds, bonds, bills of exchange, promissory notes, cheques, postal and money orders, negotiable documents, travel and other tickets, gift vouchers/cards, manuscripts and rare books;
- i) depreciation;
- j) gradual causes (such as wear and tear, rust, mildew, corrosion, decay);
- k) loss or damage:
  - i) caused by household pests (such as rodents, ants and moths) and domestic animals;
  - ii) caused by cleaning, repairing or restoring;
  - iii) such as mechanical, electrical or electronic breakdown unless stated otherwise in the schedule against the specific item;
  - iv) from or in connection with any exchange, cash or credit sale agreement, including theft under false pretence and fraud;
  - v) due to electronic viruses, trojans, worms or similar destructive media interferences;
  - vi) of glass, glassware or any fragile article due to cracking or scratching unless caused by theft or fire.



## Section 21: Personal Legal Liability - if stated in the schedule to be included

### 1 Definitions

**Insured** means the person or legal entity shown as "insured" on the respective schedule issued in terms of the cover provided by this policy, including members of their immediate family normally resident with them. For the purposes of this cover section it also means an employee, in terms of their employment contract, as occupier of any building covered by section 18 and/or 19 of this policy.

**Any person** means a person who is not employed by you, a person whose name is not shown in the schedule or a member of your family who normally does not live with you.

**Domestic employee** means a person that you employ and is under your control, to provide services at your home, in your private capacity, e.g. housekeeper, nanny and gardener. Domestic employee includes casual employees who work under your control even if it is for less than 24 hours in a month.

**You/your** means the insured as defined above.

### 2 What we cover?

We cover your legal liability regardless of where in the world the event takes place for:

- a) accidental death, bodily injury or illness of any person;
- b) accidental physical loss of or damage to tangible property of any person.

### 3 Basis of settlement

Our compensation for any single claim, any series of claims resulting from the same event or all events that happen during the period of insurance, is limited to the amount stated in the schedule. This compensation includes all costs and expenses incurred by us and costs and expenses you incur with our prior written approval.

### 4 Additional cover to this section - if stated in the schedule to be included

#### 4.1 Personal legal liability for wrongful arrest

We cover your legal liability to any person resulting from the wrongful arrest or frisking of a person, including assault related to the wrongful arrest or frisking.

Our compensation for any single claim, any series of claims resulting from the same event or all events that happen during the period of insurance, is limited



to the amount shown in your policy summary. This compensation includes all costs and expenses incurred by us and costs and expenses you incur with our prior written approval.

#### **4.2 Credit, purchase cards and SIM cards (such as a card for use in cellular communication devices)**

We cover your legal liability because of the unlawful use of your credit, purchase or SIM cards by a person not related to you.

This cover is subject to a registered financial services provider, merchant or cell phone provider, having officially issued the credit, purchase or SIM cards in your name and your compliance with all the terms of the issued cards.

Our compensation for any single claim, any series of claims resulting from the same event or all events that happen during the period of insurance, is limited to the amount stated in the schedule. This compensation includes all costs and expenses incurred by us and costs and expenses you incur with our prior written approval.

#### **4.3 Full house**

We will compensate you for the amount stated in the schedule if you score a full house while playing bowls as an amateur.

Provided that:

- i) you must have played in an official competition as part of a team of two, three or four, on a registered bowling green under the recognised rules of the game with all eight or nine bowls to count;
- ii) the secretary of the bowling club where the competition was played must confirm the full house in writing;
- iii) if more than one person defined as “insured” under this cover section scores a full house, we will pay compensation only once for each full house.



#### **4.4 Hole-in-one**

We will compensate you for the amount stated in the schedule if you hit a hole-in-one whilst playing golf as an amateur.

Provided that:

- i) you must have played in a golf competition on a registered golf course under the recognised rules of the game;
- ii) the secretary of the golf club, where the competition was held, must confirm the hole-in-one in writing.

#### **4.5 Personal legal liability to domestic employees**

We cover your legal liability due to the accidental death of, or bodily injury to, your domestic employees that arises from and during the course of their employment.

Our compensation for any single claim, any series of claims resulting from the same event or all events that happen during the period of insurance, is limited to the amount as stated in the schedule. This compensation includes all costs and expenses incurred by us and costs and expenses you incur with our prior written approval.

#### **4.6 Security companies**

We cover your legal liability to any person for amounts that you must pay as compensation in terms of a written contract with any security company or armed response service for property covered under Sections 18 and 19 of this policy.

What we exclude

In addition to the general exclusions under Part C section 1 applying to all sections of this policy the following also applies:

we do not cover your legal liabilities relating to:

- a) legal costs and expenses incurred after the date we paid or offered to pay:
  - the full amount of the claim; or
  - a lesser amount that we believe the claim can be settled for; or
  - the maximum amount for which we are liable;
- b) your business, trade or occupation;



- c) your ownership, possession or occupation of land, buildings or structures. This exclusion does not apply if the property is a building or structure and its contents or building are covered by Sections 20 and/or 21 of this policy;
- d) any building activity;
- e) vibration or the removal or weakening of, or interference with, the support of land, buildings or property;
- f) the ownership, possession, use or handling of vehicles (including trailers and caravans), watercraft, aircraft or other aerial devices;
- g) the ownership, possession, use or handling of firearms, air guns or animals (other than domesticated animals);
- h) fines, penalties or punitive damages;
- i) any gradual cause which does not result from a sudden and identifiable event;
- j) non-compliance by you or your legal representative with the terms of this policy;
- k) accidental loss of or damage to property you or any person in your service owns, rents, borrows, keeps in trust, or has control or custody of;
- l) accidental death of, bodily injury to or illness of you or any person in your service if the liability results from their service;
- m) your participation in any stunt or flying demonstration activities.