



LOMBARD

Broker Partners

Howdie

insurance administrators

Hospitality insurance policy

TABLE OF CONTENTS

LOMBARD HOSPITALITY	5
YOUR INSURER	5
YOUR INTERMEDIARY	5
GET IN TOUCH WITH US	5
PRODUCT DISCLOSURE STATEMENT (PDS)	6
1. Why is this document important?	6
2. Make sure you have the cover you need	6
PART A: YOUR RIGHTS AND RESPONSIBILITIES	7
1. Cooling off period	7
2. Make sure you have the cover you need	7
3. Duty of disclosure	7
4. Complaints and Disputes	8
PART B: ABOUT THE POLICY WORDING	9
1. Our policy	9
2. How to apply for this insurance	9
3. Summary of policy cover sections	9
4. What makes up this policy?	11
5. Our agreement	12
6. How we calculate your premium	12
7. Why the cost of insurance can change?	12
8. Value added tax (VAT).....	12
9. Period of insurance	13
10. Paying your premium	13
11. Policy changes	13
12. Policy terms and conditions	13
13. Excluded risks	13
14. First amount payable	13
15. Cancellation	14
16. Sharing of information	14
17. General Insurance Code of Practice	14
18. In the event of a loss, damage or an accident:	15



PART C: GENERAL – applicable to all cover sections	17
Section 1: EXCLUSIONS	17
Section 2: CONDITIONS AND PROVISIONS.....	25
Section 3: CLAIMS PROCEDURE CONDITIONS	29
Section 4: DEFINITIONS.....	30
PART D: COVER SECTIONS	32
Section 1: PROPERTY.....	32
Section 2 BUSINESS INTERRUPTION - if stated in the schedule to be included	48
Section 3: THEFT - if stated in the schedule to be included	57
Section 4 MONEY - if stated in the schedule to be included	60
Section 5 GLASS - if stated in the schedule to be included.....	63
Section 6 FIDELITY - if stated in the schedule to be included.....	65
Section 7 GOODS IN TRANSIT - if stated in the schedule to be included	71
Section 8 ACCIDENTAL DAMAGE - if stated in the schedule to be included	74
Section 9 PUBLIC LIABILITY - if stated in the schedule to be included	79
Section 10 EMPLOYERS LIABILITY - if stated in the schedule to be included.....	90
Section 11 BUSINESS ALL RISKS - if stated in the schedule to be included	93
Section 12 MACHINERY BREAKDOWN - if stated in the schedule to be included	95
Section 13 ELECTRONIC EQUIPMENT - if stated in the schedule to be included.....	99
Section 14 PLANT ALL RISKS - if stated in the schedule to be included.....	106
Section 15 CONTRACTORS ALL RISKS - if stated in the schedule to be included	111
Section 16 MOTOR - if stated in the schedule to be included	11817
Section 17 SMALLCRAFT - if stated in the schedule to be included.....	127
Section 18 GREENS & IRRIGATION SYSTEMS - if stated in the schedule to be included	133
Section 19 DETERIORATION OF STOCK - if stated in the schedule to be included	138
Section 20 GROUP PERSONAL ACCIDENT - if stated on the policy schedule to be included.....	1390
Section 21 HOUSEOWNERS - if stated in the schedule to be included.....	144
Section 22 HOUSEHOLDERS - if stated in the schedule to be included.....	154
Section 23 PERSONAL ALL RISKS - if stated in the schedule to be included.....	159
Section 24 PERSONA LIABILITY - if stated in the schedule to be included.....	162



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.



LOMBARD HOSPITALITY

We are a division of **Lombard Insurance Company Limited** and exclusively focus on the underwriting of customized insurance solutions for the hospitality industry throughout Southern and Eastern Africa, and the Indian Ocean Islands. Thank you for considering our product.

We typically focus on underwriting the following risks:

- **Urban hotels**
- **Boutique hotels**
- **game farms**
- **Wildlife and lifestyle estates**
- **Safari Lodges**

YOUR INSURER

Lombard Insurance Company Limited (FSP no. 1596) provides World Class trade and commercial insurance products to support your business' sustainable growth. We are leaders in specialist risk insurance with a focus in construction, customs, fuel guarantees, mining rehabilitation guarantees, credit insurance and now hospitality.

YOUR INTERMEDIARY

The intermediary of your choice offers insurance intermediation services and acts on your behalf. The intermediary can bind you only if they have a prior written mandate. If they do not have binding authority, then your intermediary will discuss your needs with Lombard 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 Lombard Hospitality. 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 Lombard Hospitality product meets your needs, and
- compare this Lombard 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

1. 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.
2. 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 **Lombard Hospitality** is 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.

The Ombudsman for Financial Services Providers:

Particulars of the FAIS Ombudsman:

FAIS Ombudsman

P O Box 74571

LYNWOODRIF

0040

Tel: (012) 470 9080 / 0860 432 766

Fax: (012) 348 3447

E-mail: info@faisombud.co.za

Website: www.faisombud.co.za

Ombudsman for Short Term Insurers:

Short Term Ombudsman details for all Short Term insurance complaints:

2nd Floor JCC House

27 Owl Street,

Milpark 2042

P O Box 32334

Braamfontein 2017

Tel: (011) 726 8900

E-mail: info@osti.co.za

Complaints office contact at Lombard Hospitality

Name: David Pratt (Divisional Head)

Tel. no.: 011 551 0600

E-mail: complaints@lombardins.com

Website: www.lombardins.com

PART B: ABOUT THE POLICY WORDING

1. Our policy

The Lombard 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 enquires 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
Section 1: Property	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.
Section 2: Business interruption	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.
Section 3: Theft	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.
Section 4: Money	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 specialized cash in transit firm.

Cover sections	Summary of covers
Section 5: Glass	This section provides cover for glass at the insured premises (including internal and external glass and sanitary fittings) plus any signwriting and treatment thereon.
Section 6: Fidelity Guarantee	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.
Section 7: Goods in transit	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.
Section 8: Accidental damage	This section provides cover for physical loss or damage to your property for events not otherwise insurable.
Section 9: Public liability	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).
Section 10: Employers liability	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.
Section 11: Business all risks	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.
Section 12: Machinery breakdown	This section provides cover for damage to specified plant and machinery following breakdown or collapse of such item(s) at the insured premises, which requires repair or replacement.
Section 13: Electronic equipment	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.
Section 14: Plant all risks	This section provides cover for the unforeseen accidental damage of specified plant and machinery.

Cover sections	Summary of covers
Section 15: Contractors all risks	This section provides cover for insured property, as described in the schedule, during the performance of the contract at the contract site from any unforeseen accidental damage.
Section 16: Motor	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.
Section 17: Boats	This section provides cover for accidental damage to the boat(s) specified on the schedule.
Section 18: Greens & irrigation systems	This section provides cover for sudden and unforeseen physical damage to the greens and/or irrigation systems, forming part of your premises.
Section 19: Deterioration of stock	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.
Section 20: Group personal accident	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
- 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 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 policyholders.

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 authorized 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 30 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 permitted under this policy, **you are not authorized 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

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

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

- B) this policy does not cover loss or damage caused directly or indirectly by or through or in consequence of any occurrence for which a fund has been established in terms of the War Damage Insurance and Compensation Act, 1976 (No. 85 of 1976) or any similar Act operative in any of the territories to which this policy applies.
- C) notwithstanding any provision of this policy including any exclusion, exception or extension or other provision not included herein which would otherwise override a general exception, this policy does not cover loss 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 general exclusion 1(C), an act of terrorism includes, without limitation, the use of violence or force or the threat thereof whether as an act harmful to human life, 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 we allege that, by reason of clause 1(C) of this general exclusion, loss or damage is not covered by this policy, the burden of proving the contrary shall rest with you.

2. Nuclear

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:

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

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

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

This exclusion shall not apply to Radioactive Isotopes used by or on your behalf.

3. Computer losses

This policy does not cover:

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

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

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

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

Special extension to General exception 4

- (a) Loss or destruction of or damage to the insured property by fire, explosion, lightning, earthquake or by the special perils referred to below or indemnified by the Glass, Employer’s Liability, Stated Benefits, Group Personal Accident or Motor section is not excluded by this General exception.
- (b) The special perils that are not excluded for the purpose of this special extension are damage caused by:
 - (i) storm, wind, water, hail or snow excluding damage to property arising from
 - its undergoing any process necessarily involving the use or application of water;
 - caused by tidal wave originating from earthquake or volcanic eruption;
 - in the underground workings of any mine;
 - in the open (other than building structures and plant
 - designed to exist or operate in the open);
 - in any structure not completely roofed;
 - being a retaining wall;
 - (ii) aircraft and other aerial devices or articles dropped therefrom;
 - (iii) impact by animals, trees, aerials, satellite dishes or vehicles excluding damage to such animals, trees, aerials, satellite dishes or vehicles or property in or on such vehicles.

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

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

- (c) General exception 4 also does not apply to consequential loss as insured by any Business Interruption indemnity provided by this policy to the extent that such consequential loss results from damage to insured property by the perils referred to in Special extension (a) above.
- (d) This Special extension will not insure any loss destruction, damage or consequential loss if it would not have been insured in the absence of this Computer Losses General exception and this Special extension.
- (e) This Special extension shall not apply to any Public Liability indemnity.

4. Electronic Data Exclusion

- A) Electronic Data
 - (i) This Policy does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of electronic data from any cause whatsoever (including but not limited to computer virus) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

Electronic data means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

Computer virus means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. Computer virus includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.

(ii) However, in the event that a peril listed below results from any of the matters described in paragraph a) above, this Policy, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the Policy period to property insured by this Policy directly caused by such listed peril.

- Listed Perils
- Fire
- Explosion

B) Electronic Data Processing Media Valuation

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:-

Should electronic data processing media insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost of the blank media plus the costs of copying the electronic data from back-up or from originals of a previous generation.

These costs will not include research and engineering nor any costs of recreating, gathering or assembling such electronic data. If the media is not repaired, replaced, or restored the basis of valuation shall be the cost of the blank media. However, this Policy does not insure any amount pertaining to the value of such electronic data to the Assured or any other party, even if such electronic data cannot be recreated, gathered or assembled.

5. Mould and Fungi Exclusion

A) This Policy only insures Damage by mould, mildew, fungus or spores to insured Property when directly caused by Damage to Insured Property during the Period of Insurance by Insured Events that fall under the Property section.

This coverage is subject to all limitations of this policy and in, addition, to each of the following specific limitations:

- (i) The said property must be otherwise insured for Damage by that Listed Peril.
- (ii) You must report to us the existence and cost of the Damage by mould, mildew, fungus, or spores as soon as practicable, but no later than six (6) months after the listed peril first caused any damage to such insured property during the period of insurance. This Policy does not insure any damage by mould, mildew, fungus, or spores first reported to the company after that six (6) month period.

B) Except as set forth in the foregoing Part (a) of this General Exclusion, this Policy does not insure any loss, damage, claim, cost, expense, or other sum directly or indirectly arising out of or relating to mould, mildew, fungus or spores of any type, nature, or description. However, Damage caused by a peril not otherwise excluded resulting from the presence of mould, mildew, fungus, or spores is not hereby excluded.

6. Detention, confiscation and forfeiture

We will not be liable for any loss, damage, cost (including but not limited to any legal cost), liability or expense directly or indirectly arising from detention, confiscation, nationalisation, forfeiture, attachment, impounding, capture, seizure, arrest, restraint, detainment or requisition, or any process thereof, whether in terms of a court order, or by customs, police, crime prevention units or other officials or authorities.

This exclusion shall not apply to damage discovered on the return of your property if you can provide evidence to our satisfaction that such detention, confiscation or requisition was unjust and without any offence being committed.

7. Sanctions Limitation & Exclusion

We will not be liable to provide any cover, pay any claim, provide any benefit or provide any indemnification under this policy if you are listed, or you are included by the respective authorities as a sanctioned, or prohibited entity or individual to do business with or to 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.

In addition to the above, we will not be liable to pay any claim or provide any benefit hereunder to the extent that any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom, United States of America or South Africa, prohibits our reinsurer or reinsurers from providing reinsurance to us, notwithstanding that we may not be so prohibited.

8. Asbestos

You are not covered for any actual or alleged legal liability whatsoever for any claim or claims in respect of loss or losses 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 quality.

9. Transmission and Distribution Lines Exclusion

You are not covered for 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 above ground transmission and distribution lines, including wire, cables, poles, pylons, standards, towers, other supporting structures and any equipment of any type which may be attendant to such installations of any description, for the purpose of transmission and distribution of electrical power, telephone or telegraph or telegraph signals, and all communication signals whether audio or visual.

This exclusion applies to all equipment other than those on or within 150 meters from the insured structure.

This exclusion applies both to physical loss or damage to the equipment and all business interruption, consequential loss, and/or other contingent losses related to transmission and distribution lines, other than contingent property damage/business interruption losses (including expenses), arising from loss and/or damage to lines of third parties.

10. Consequential loss

The material damage section of this policy does not insure delay, loss of market or consequential loss of any description, other than as specifically provided for.

11. Communicable diseases (as per LMA5394)

You are not covered for 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:

- (a) 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
- (b) 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
- (c) the disease, substance or agent can cause or threaten damage to human health, welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

12. Cyber

You are not covered for 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 Cyber Incident.

For the purposes of this exclusion, any loss, damage, destruction, distortion, erasure, corruption or alteration of Electronic Data shall not be considered as physical loss or damage and shall therefore, if directly occasioned by a Cyber Incident, not be recoverable hereunder.

Definitions:

- (a) "Cyber Incident" shall include:
 - (i) unauthorised or malicious acts regardless of time and place, or the threat or hoax thereof;
 - (ii) malware or Similar Mechanism;
 - (iii) programming or operator error whether by the insured or any other person or persons
 - (iv) any unintentional or unplanned – wholly or partially – outage of the insured's Computer System not directly caused by physical loss or damage;

affecting access to, processing of, use of or operation of any Computer System or any Electronic Data by any person or group(s) of persons
- (b) "Computer System" means any computer, hardware, information technology and communications system or electronic device, including any similar system or any configuration of the aforementioned and including any associated input, output or Electronic Data storage device, networking equipment or back up facility.
- (c) "Electronic Data" means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other

coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment

- (d) “Malware or Similar Mechanism” means any programme code, programming instruction or other set of instructions intentionally constructed with the ability to damage, interfere with or otherwise adversely affect computer programmes, data files or operations (whether involving self-replication or not), including but not limited to “Virus”, “Trojan Horses”, “Worms”, “Logic Bombs” or “Denial of Service Attack”.

13. Seepage, Pollution and Contamination Exclusion

You are not covered for any loss, damage, liability, claim, cost or expense of whatsoever nature, directly or indirectly caused by seepage, pollution or contamination (including soot, deposition, impairment with dust, chemical precipitation, adulteration, poisoning, impurity, epidemic and disease) or due to any limitation or prevention of the use of such property because of hazards to health.

This policy shall not cover the cost of removing, nullifying or cleaning-up seeping, polluting or contaminating substances

This exclusion does not apply if such loss or damage arises as a direct consequence of

(a) the perils:

- Fire, lightning, explosion, impact of aircraft
- Vehicle impact, sonic boom
- Accidental escape of water from any tank apparatus or pipe
- Riot, civil commotion, malicious damage
- Storm, hail
- Flood, inundation
- Earthquake
- Landslide, subsidence
- Snow pressure, avalanche
- Volcanic eruption

(b) physical damage of the type insured by this policy which occurred on the insured premises.

14. Theft by false pretences and fraud

You are not covered for any loss, damage, liability, claim, cost or expense of whatsoever nature, directly or indirectly caused by or in connection with any actual or purported exchange, cash or credit sale agreement including theft by trickery, false pretences and/or fraud.

15. Use of property to committing an offence

You are not covered for any loss, damage or legal liability caused by or resulting from, or the costs incurred from the use of your property for, or in connection with the commission of any offence. This includes any incident relating to obtaining, using or soliciting narcotics;

16. Liability arising from a contract

You are not covered for any loss, damage or legal liability caused by or resulting from, or the costs incurred from liability arising from a contract, unless you would have had the same liability had you not entered into the contract

17. Intentional damage

You are not covered for any loss, damage or legal liability caused by or resulting from, or the costs incurred from damage or liability intentionally caused including acts of omission or gross negligence, or incurred by you, your director(s), manager(s) or any responsible site official, or by any person acting with your express or implied consent

18. Liquidation and performance guarantees

You are not covered for any loss, damage or legal liability caused by or resulting from, or the costs incurred due to liquidated damages or in connection with guarantees of performance or efficiency.

19. Convulsions Of Nature

You are not covered for volcanic eruption or other convulsions of nature (other than subterranean fire). Any damage happening during the existence of abnormal conditions (whether physical or otherwise) which are caused by or through or in consequence, directly or indirectly, of these aforesaid occurrences, shall be deemed to be damage which is not covered by this policy, except to the extent that you can prove that such damage happened independently of the existence of such abnormal conditions. In any action, suit or other proceedings where we allege that by reason of this exception any damage is not covered by this policy, you will bear the burden of proving the contrary.

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:

- (a) ensure it is regularly tested and maintained in accordance with the manufacturers recommendations;
- (b) 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.

5. 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.

6. 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.

7. 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

8. 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.

9. 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.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

15. 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.

16. 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.

17. 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.

18. 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.

19. 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.

20. 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 property and persons.

21. 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 ratable 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 ratable proportion of their claim.

22. 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.

23. 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.

24. 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.

25. Schedule sums insured or limits of liability blank

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

- (a) left blank or has no monetary amount stipulated against it,
- (c) 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.

26. 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:

- (a) take all reasonable precautions to prevent further loss, damage or liability;
- (b) 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;
- (c) 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;
- (d) complete all forms as requested by us and provide proof regarding stolen or damaged property;
- (e) keep items that have been damaged and allow us, or our service providers, access to inspect the items and/or to assess repair costs;
- (f) immediately forward any invoices, demand letters, summons or notices you receive from other persons or organizations involved in the incident or occurrence directly;
- (g) 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:

- (a) admit liability or offer to settle for any incident which may result in someone claiming against you;
- (b) 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;
- (c) dispose of any damaged property without our consent;

3. No claim will be payable:

- (a) 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;
- (b) 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, defense, 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 Lombard Insurance Company Limited as the Insurer and Lombard Hospitality as the underwriter.

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 situate at the address shown in the schedule.

Contents means the household goods, 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;
- electrical 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-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:

- a) 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;
- b) air and watercraft, including equipment/accessories;
- c) jetties, quays or marinas;
- d) motor vehicles, trailers, caravans or motorcycles all whilst registered or licensed to travel on a public road, including their accessories;
- e) damage or injury to animals, other than to domestic animals owned by you and arising from a road accident;
- f) gold coins, stamp and coin collections;
- g) any pressure vessel (including a boiler) with a capacity greater than 300ltr.
- h) 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% 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.
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.

4.2.2 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:

- (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:

1. the reinstatement period for the insured premises to be made habitable being limited to a period of not more than 6 months;
2. the amount payable in respect of items i) and ii) being limited to a maximum of 25% 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 –

The sums insured of any of the following additional covers may be increased at an additional premium.

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:

- a) the difference between
 - i) the outstanding debit balances; and
 - ii) the total of the amounts received or traced in respect thereof; plus
- b) 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:

- 1 you make every reasonable endeavor to collect such outstanding payment;
- 2 cover under this extension will not operate if you are unable to provide the following minimum details of such guest:
 - i) full first names and surname
 - ii) identification or passport number
 - iii) physical address of permanent residence;
- 3 the matter must be reported to the SAP and the police case reference number provided to us together with the requirements of item 2 above;
- 4 this extension does not cover bad debts or an unpaid account where such guest has previously stayed at the insured premises;
- 5 we will not pay more than the amount stated on the schedule;
- 6 you will be responsible for the first R1 000 of each and every claim unless stated otherwise on the schedule;
- 7 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:

- a) you take all reasonable measures to minimize the loss of such stock;
- b) 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 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 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.

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

We will pay for 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 provided, against fatal injury sustained whilst on the insured premises, provided that:

- a) 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;
- b) death ensues within three months of such injury.

5.14 Fidelity risk

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 fraud or dishonesty by an insured employee which results in dishonest personal financial gain for the insured employee.

Dishonest personal financial gain by an employee does not include salary, salary increases, fees, commissions, bonuses, promotions or other emolument.

We shall not be liable for:

- i) any loss that occurred more than 6 months prior to discovery;
- ii) any loss where cover is more specifically insured under section 6 Fidelity and such section is noted on the schedule as being in force.

5.15 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 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).

5.16 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.

5.17 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 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.

5.18 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:

- i) person other than yourself, and caused by your domestic animal;
- ii) guest or visitor arising from any defect in the insured buildings;
- iii) employee in the course of their employment by you;
- iv) 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.

5.19 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.

5.20 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 sum insured stated in the schedule 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.

5.21 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.

5.22 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.

5.23 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, provided that:

- i) the consumption reading must be at least 50% 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.

5.24 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.

5.25 Municipal plans scrutiny fees

We will pay the cost of 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.

5.26 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.

5.27 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 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.

5.28 Post mortem 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.

5.29 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.
- 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% of claim minimum R2 000 will apply unless stated otherwise in the schedule.

5.30 Property at exhibitions and/or trade shows

We will cover property, for which you are legally responsible, against damage whilst situate 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.

5.31 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.

5.32 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.

5.33 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.

5.34 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.

5.35 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:

- a) 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;
- 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;
- d) 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.

5.36 Seasonal increase of the sum insured

The sum insured for contents under this cover section will be increased annually by 10% 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.

5.37 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% 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.

5.38 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% 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.

5.39 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.

5.40 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 6 (SIX) 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 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 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 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,

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.

8.6 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 unauthorized 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 unauthorized 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 program 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 willful or wanton acts;
 - iv) breakage of glass and sanitary ware.

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 (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
- payroll

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 utilized 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 utilized 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.

5 Additional cover to this section

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/sub-contractors (if stated in the schedule to be included)**
The premises of the suppliers and sub-contractors 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 Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi.

5.5. Loss of liquor licence

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 license;
- b) the forfeiture of or refusal to renew the license arises directly or indirectly from any scheme of town or country planning, improvement, redevelopment or compulsory purchase or the surrender, reduction or redistribution of licenses in connection therewith, or from any alteration in the law affecting the granting, surrender, refusal to renew or forfeiture of licenses.
- c) the forfeiture of or refusal to renew the license 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 license 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 license 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/her honesty, moral standing or sobriety;
 - c) change in the management of the insured premises;
 - d) transfer or proposed transfer of the license;
 - e) alteration in the purpose for which the insured premises are used;
 - f) objection to renewal or other circumstances which may endanger the license 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 license 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 and one to whom the justice will transfer the license or grant the license by way of renewal.

5.6 **Murder, suicide and food poisoning**

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

- a) murder or suicide occurring at the insured premises;
- b) Food poisoning attributable to food or drink supplied from the insured premises;
- c) closure of the insured premises due to defective sanitation, vermin or pests on the order of a competent local authority;
- d) witness call and/or jury service by you or any of your directors, partners or employees;
- e) chemical or oil pollution of beaches, rivers or waterways within 40 kilometres of the insured premises;
- f) shark attack or attack by wild game including hippopotamus, rhinoceros, lion, leopard,, crocodile and elephant within 40 kilometres of the insured premises.

5.7 **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 50km radius of the insured premises which shall prevent or hinder the use or access to such premises.

5.8. **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 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.

5.9 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.

5.10 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.

5.11 Cancellation of bookings

The cover under this extension is limited to loss of the value of deposits received, for the reservation (booking) of accommodation, in consequence of returning the deposits following curtailment of such bookings due to a cause listed below: provided that such deposits cannot be recovered from any other source by or on behalf of the person(s) cancelling or curtailing:

- 1 accidental injury, illness or death of:
 - i) the person for whom the accommodation was booked (the guest) or any person with whom he/she has arranged to travel;
 - ii) a close relative, fiancé or close business colleague of the guest;
- 2 pregnancy of the guest's spouse;
- 3 compulsory quarantine or jury in a court of law applying to the guest or any person with whom he/she has arranged to travel;
- 4 the property of the guest being burgled or damaged by fire, water or the elements, necessitating his/her return home;
- 5 any official requirement for the guest to attend emergency duty in military, medical or public service;

Specific exclusions to this item:

- a) we shall not be liable for claims where at the time that the booking was made:
 - i) the guest was aware of any pre-existing medical condition or set of circumstances, which could reasonably be expected to give rise to the booking being cancelled or curtailed;
 - ii) any person whose condition gives rise to a claim was receiving, on a waiting list for or had knowledge of the need for in-patient treatment at a hospital or nursing home;
 - iii) any person whose condition gives rise to a claim who was travelling against the advice of a medical practitioner or for the purpose of obtaining medical treatment abroad;

- iv) any person whose condition gives rise to a claim was, during the 12 months prior, suffering from any chronic and/or recurring illness of a serious nature which had necessitated consultation or treatment unless declared to and accepted by us.

- b) we shall not be liable for claims directly or indirectly arising from winter sport, mountaineering, underwater activities requiring the use of artificial breathing apparatus, pot-holing or any other underground activities, riding or driving in any kind of race, willful exposure to risk (other than an attempt to save human life), manual work in connection with a profession, business or trade, or flying (except whilst travelling as a passenger in a fully licensed passenger carrying aircraft), providing always that this exclusion shall apply only to the insured person.

5.12 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.

5.13. 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.

5.14. Cancellation of events

Definitions

Abandoned means the inability to complete any or all of the insured event once commenced.

Accident means injury caused by accidental, violent, external and visible means.

Cancelled means the inability to proceed with any or all of the special event prior to commencement.

Curtailed means the special event having to close, in whole or in part, earlier than the published closing date.

Expenses means the total of all costs and charges which would have been incurred by you in connection with the special event had a loss not occurred.

Key participant(s) means any party who performs or would perform any essential function needed for the successful fulfilment of the special event.

Illness means any sickness or illness confirmed by medical certificate.

Interruption means the inability to keep open the whole or any part of the special event after opening, followed by the reopening thereof.

Postponed means the unavoidable deferment of any or all of the special event to another time.

Rain, windstorm and hail must be of sufficient intensity and /or strength to cause potential damage to property or injury to persons.

Relocated means the unavoidable removal of the special event to another venue.

Special event means any educational, cultural, social, business or sporting event organized by you or at which you are participating.

Venue means the location where the special event is to be held.

We will indemnify you for expenses incurred and not refundable should a special event, be necessarily and unavoidably abandoned, cancelled, interrupted, postponed, curtailed or relocated owing to:

- a) the sole and direct result of a cause, not otherwise excluded, that is entirely beyond your control or the control of the event organizer, and not connected with either 2 (b) or (c); and/or
- b) the non-appearance of key participants, named in the schedule, as a consequence of illness; and/or
- c) rain, windstorm and hail in the case of a special event in the open-air.

We will pay up to the sum insured stated in the schedule for any one event or period of insurance for:

- i) your irrecoverable expenses provided that in the event of an insured loss you can prove to our reasonable satisfaction what you have paid or legally have to pay and are unable to recover such expenses.
- ii) all reasonable and necessary additional expenses you incur to avoid or reduce a loss under this cover section provided such expenses do not exceed the amount of loss thereby avoided or reduced.

Specific conditions applicable to this extension

- i) you must ensure that all contracts relevant to your participation at the special event are in order and in writing;
- ii) you must keep an accurate record of all expenses and any proceeds;
- iii) you must advise us immediately of any occurrence which might result in the cancellation of a special event;
- iv) in the event of a loss you must inform us immediately, but not later than 48 hours after it has occurred and provide us with all necessary information in accordance with Part C, General, Section 3 Claims Procedures.

Specific exclusions applicable to this extension

We will not be liable to pay any claim under this extension in respect of:-

- a) arbitrary breach of contract by the organisers and/or the violation of official or statutory regulations or other acts decreed by public authorities;
- b) grossly negligent or intentional acts or breach of contract by you or the organisers or participants in the special event;
- c) your financial difficulties or those of the organisers, sponsors or other parties involved in the financing of the event;
- d) financial loss due to lack or decrease of public interest or of the financial support provided by sponsors or other parties involved in the financing;
- e) losses due to currency fluctuations;
- f) guests or visitors active participation in acrobatic or other hazardous pursuits entailing risk or injury of life unless our express approval is obtained;
- g) guests or visitors participation in endurance and speed competitions in land vehicles, aircraft or watercraft of any kind as well as participation in the preparation of such competitions.

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% 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.

7 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:

7.1 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.

7.2 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 theft or attempted theft.

2. What we cover?

We will cover your property against damage whilst located at the insured premises from:

- (a) non-public areas (including accommodation units and/or rooms) 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;
- (b) public areas as a result of theft not accompanied by forcible and violent entry into or exit from the area.

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 employee's 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 10 - Business Special 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 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% 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 upon the disappearance of any key to such premises or following upon you having reason to believe that an unauthorized 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 a the limit of the sum insured stated in the schedule and subject to a first amount payable of 10% 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.

Receptable 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 iii), iv), v), vi) and vii) 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% of the applicable limit as stated in the schedule; plus
 - (ii) a further 10% of the net amount payable after deduction of the 2% 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

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 unauthorized 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) 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 metres 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) signwriting 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) signwriting 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 signwriting 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 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 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 duties and position;
 - (iii) in respect of any insured employee who is described in the schedule by the position held by him, remove such employee and place in his 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:

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

- (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 lessor;
- (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% 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% 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% 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% 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% 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% 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% of the aggregate of the sum insured under this section and the declared insurance or
- (c) R50 000 whichever is the lesser; plus
- (d) a further amount of 30% of the net amount payable after deduction of the amount specified in (a) above.
- (e) 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:

- (f) 5% of the aggregate of the sum insured under this section and the declared insurance or
- (g) R50 000 whichever is the lesser; plus
- (h) a further amount of 35% 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 moving of the property by road, rail, sea or air .

2. What we cover?

We will cover damage to property during the course of 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 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 shall refuse 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 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 utilization 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 in transit by sea or 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 anywhere in the world but not in connection with:

- (a) any business carried on by you at or from premises outside the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland; or
- (b) any contract for the performance of work outside the Republic of South Africa, Namibia, Botswana, Lesotho or Swaziland.

2. 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.

3. 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.

4. Additional cover to this section

4.1 Sub-contractors

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

- (a) you have established and maintain an administrative procedure for obtaining and retaining evidence from such sub-contractors 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 sub-contractor;
 - (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

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

4.2 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.

4.3 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.

4.4 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.

4.5 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.

4.6 Gratuitous advice

Notwithstanding anything to the contrary contained in special exception 7.11 under “What we exclude” we will indemnify you in respect of damage arising from your unintentional failure to perform your legal duty to exercise the care owed to another person or party in providing technical information or advice to such person or party where no remuneration is applied.

Specific exceptions applicable to this extension of cover

We will not pay for liability:

- (a) arising out of your insolvency;
- (b) arising out of financial services and/or cost estimates by or on your behalf;
- (c) arising out of defamation;
- (d) arising out of design, formula, supervision, treatment or advice given by or on your behalf
- (e) in exchange for a fee;
- (f) arising out of technical information or advice given in connection with a product unless the extension for Products Liability is included in the schedule.

Provided that at the time of any event resulting in 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.

4.7 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).

4.8 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.

4.9 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.

4.10 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 licence 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.



4.11 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.

4.12 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.

4.13 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.

4.14 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.

4.15 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.

4.16 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.

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

5.1 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% (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.

5.2 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.

5.3 Hunting liability

We will indemnify you against all sums for which you may become legally liable arising from hunting activities arranged by you at the insured premises provided that:

- (a) each hunter or group of hunters shall be under the guidance and control of a qualified game ranger or professional hunter either or both of whom are employed by you;
- (b) all visiting hunters have personally and individually signed a disclaimer (such disclaimer to be explained in detail to such individual) absolving you from any liability as a result of such hunting activities;
- (c) our total liability under this extension shall not exceed the limit of indemnity stated in the schedule;
- (d) you shall be responsible for the first amount payable as stated in the schedule.

5.4 Member to member

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

- (a) 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;
- (b) 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;

- (c) 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;
- (d) in respect of the activities of any social or sports club, welfare organisation, 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 organisation 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.

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 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.

6.2 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.

6.3 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.

6.4 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.

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:

7.1 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 Immune Virus (HIV) or the mutants, derivatives or variations thereof or in any way related to Acquired Immune deficiency 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, bungi 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.
- 7.2 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% of claim, minimum 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 fee 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 recognized freight services limited to a maximum of 10% 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% 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 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% (twenty percent) for the first year after the date of purchase and
 - (ii) 10% (ten percent) per year for each succeeding year.

Subject to a minimum indemnity payable in respect of market value of 40% (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% 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% 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% 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% 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 unauthorized 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% of claim, minimum 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 CONTRACTORS ALL RISKS - if stated in the schedule to be included

Sub-Section 1 CONTRACT WORKS

1. Definitions

Contract means the agreement under which the contract works are undertaken.

Contractor means the party undertaking the contract works on your behalf.

Contract works means the permanent and temporary works undertaken in the performance of the contract at the contract site.

Contract site means the insured premises at which the contract is being undertaken.

Contract value means the awarded value of the contract works including the value of free issue materials and all other costs associated with the completion of the contract.

Contract sum insured means the estimated value of the contract works at completion inclusive of materials, freight, customs, duties, dues and cost of construction and the value of services, materials, machines and labour supplied by you.

Damage means any sudden and unforeseen physical loss or damage.

Free issue materials means the materials supplied by you, the value of which has been incorporated into the contract works and included in the contract sum insured but not included in the Bill of Quantities.

Insured property means the tangible property forming the permanent and temporary works.

Maintenance period or defects liability period means the period of time that a contractor is legally obligated to remedy defects in materials and workmanship, from the date of contract completion.

Major peril means loss or damage arising out of storm, tempest, water, subsidence or collapse.

Other perils means loss or damage arising from any other insured cause.

Permanent works means the permanent work to be completed in accordance with the contract.

Theft/Malicious damage means loss or damage arising out of theft, malicious damage and vandalism.

Temporary works means all constructional aids, equipment, structures or works (not being part of the permanent works) used or intended for use on the insured contract, the value of which has been included in the contract sum insured and which:

- (a) does not comprise of construction plant, tools and equipment;
- (b) are not intended to be removed from the contract site on completion of the contract (other than scaffolding, shuttering and formwork as well as construction equipment specially designed and/or constructed or acquired for an insured contract and which is not intended for immediate re-use on another contract); or
- (c) have no residual value at the completion of the insured contract (other than scrap value) solely due to their specialized nature.

2. What we cover?

We cover the contract works stated on the schedule for damage occurring at the insured premises during the period of insurance:

- (a) whilst at the contract site until:
 - (i) issue of a certificate of completion; or
 - (ii) taken over or taken into use by yourself; or
 - (iii) on the date specified in the schedule;whichever is the first.
- (b) whilst in transit, including loading and unloading, or whilst temporarily stored at any premises en route to or from the contract site within the territorial limits.
- (c) during the maintenance period or defects liability period.

3. What we don't cover?

- (a) underground working of any colliery or mine;
- (b) on an existing airport runway or airstrip or in or on any aircraft;
- (c) in or on waterborne vessels;
- (d) harbours, jetties, offshore pipelines, piers, wharfs, dams, canals, water channels, tunnels, shaft sinking and bridges over watercourses;
- (e) the installation of plant intended for the processing of hydrocarbons;
- (f) any works where a major wet/water or structural or subsidence/landslip or geological hazard is known to exist;
- (g) power stations.

4. Basis of settlement

4.1 When a claim is made that falls within the scope of this cover section, we will make payments based on valid bills, documentary evidence and justification as the case may require.

We may, at our option, repair, replace, reinstate or pay cash in lieu of repairs at the time of any insured damage under this cover section.

The basis of settlement shall include:

- (a) the cost of repair, reinstatement or replacement including supplementary charges such as packing costs, freight, customs dues, erection and profit to the extent that such charges have been included in the contract sum insured; plus
- (b) establishment and supervisory charges incurred in connection with repair, reinstatement or replacement; plus
- (c) professional fees not exceeding R50,000 incurred in connection with the repair, reinstatement or replacement of the insured property (but not fees incurred in connection with the preparation of a claim); plus

- (d) the cost of any provisional repairs provided such repairs constitute part of the final costs and do not increase the total repair costs;
- (e) extra charges incurred for overtime, night work, work on public holidays, express and air freight, removal of debris and fire brigade charges shall not be reimbursed unless specifically provided for in the schedule and up to the limit of the sum insured stated;

all of the above necessarily and reasonably incurred by you.

4.2 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.

5. Additional cover to this cover section - if stated in the schedule to be included

5.1 Automatic reinstatement

It is agreed that the limit of indemnity under this cover section shall not be reduced by the amount of any claim paid or payable.

5.2 Contract escalation

The contract sum insured shall be increased in respect of an escalation in the insured contract value or value of work during the period of insurance, by the percentage stated in the schedule.

5.3 Devaluation

In the event of devaluation of the South African currency against the country of origin occurring after commencement of the insured contract, the contract sum insured shall be increased by the percentage stated in the schedule.

5.4 Fire brigade

We will pay the cost of charges, for which you are legally responsible, arising from the activities of the fire brigade in dealing with the consequences of damage following an insured event.

5.5 Maintenance period or defects liability period

- (a) This cover section is extended for the maintenance period as stated in the schedule to cover damage to the contract works:
- (b) caused by the contractor in the course of the operations carried out for the purpose of complying with the obligations under the maintenance provisions of the contract;
- (c) occurring during the maintenance period provided such damage was caused on contract site during the construction period before the certificate of completion for the damaged section was issued.

5.6 Off-site storage

We will cover damage to insured property located in off-site storage facilities within the territorial limits, up to the limit per occurrence as stated in the schedule. This extension does not cover:

- (a) property being manufactured, processed or stored at the manufacturer's distributor or supplier's premises;
- (b) theft or attempted theft unless accompanied by forcible and/or violent entry or exit to or from such storage facility;

- (c) damage caused by your failure to take the following measures:
 - (i) ensuring that the storage area is enclosed and locked, guarded and protected against fire as appropriate for the particular location or type of insured property stored;
 - (ii) to position and design the storage units in such a way as to prevent damage by accumulating water or flooding.

5.7 Plans and documents

We will pay for the cost of materials and labour necessarily incurred to restore plans and other documents held at the contract site following damage up to the limit of the sum insured stated in the schedule.

5.8 Removal of debris – insured event

Following upon any damage for which cover is provided by this cover section, we will pay for any costs incurred in the dismantling, demolition, clearance or removal of silt or water or debris or wreck of the insured property, including the cost of erecting and maintaining any hoarding fences and similar structures that may be required in making good or restoring the contract site to comply with the requirements of the contract or any statutory body or in protecting the insured property against further damage up to the limit of the sum insured as stated in the schedule.

5.9 Removal of debris – no damage

Following upon an insured event for which no physical damage to the insured property has occurred, we will pay for all costs that you necessarily or reasonably incur in the removal or clearance of debris, detritus and water and in regaining access to the works on the contract site including the cost of erecting and maintaining any hoarding required during the demolition site cleaning or reconstruction, or in protecting the insured property against further damage, or in restoring working conditions, provided that:

- (a) our liability does not exceed the limit as stated in the schedule;
- (b) we will not be liable for expenses incurred in the continuous dewatering following the ingress of water into the contract site from any naturally occurring underground source.

5.10 Removal to gain access

We will pay for the costs of demolition, dismantling, removal, destruction or opening up any part of the insured property that is free from physical damage and thereafter the costs of reinstalling and/or replacing such property which has, of necessity, had to be demolished or destroyed in order to gain access to that part of the insured property which has been damaged, up to the limit as stated on the schedule.

5.11 Surrounding property

We will cover damage to existing property, including property belonging to you or held in your care custody or control, caused by or arising out of the construction or erection of items insured as part of the contract works, up to the limit as stated in the schedule, subject to such property being in a sound condition and with the necessary safety measures in place prior to commencement of construction. This extension does not cover:

- (a) damage which is foreseeable having regard to the nature of the construction work or the manner of its execution;

- (b) the costs of loss prevention or minimization measures which become necessary during the period of Insurance.

5.12 Testing and commissioning

We will cover testing and commissioning operations of new and unused machinery forming part of the contract works for the duration as stated 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 Underground cables, pipes and other facilities

- (a) it is a requirement for indemnity under this cover section that you have obtained from the relevant authorities, prior to commencement of the contract works, the exact position of underground cables, pipes or other underground facilities and have taken all necessary steps to avoid damage to same;
- (c) the indemnity provided is restricted to the repair costs of such underground cables, pipes or other facilities;
- (d) a first amount payable will be applied to claims in respect of damage to underground cables, pipes and other facilities as follows:
 - (i) if the damage is found in the same position as shown on the underground maps: 20% of the loss amount or the first amount payable as stated in the schedule, whichever is the greater;
 - (ii) if the damage is found in a different position to that on the underground maps: 25% of the loss amount.

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 be liable for:

- (a) i) the cost necessary to replace, repair or rectify any component part or individual item of the insured property which is defective in design, plan, specification, materials or workmanship. This exception shall not apply to other parts or items of the insured property damaged as a consequence of such defect;
- ii) the cost of any alterations, additions and/or improvements which are undertaken as a result of any damage to insured property;
- (b) damage to any locomotive, aircraft or waterborne vessel or craft;
- (c) damage to any item of construction plant, tools or equipment unless endorsed on this section and stated in the schedule;
- (d) damage to refractory linings following application of heat thereto or withdrawal of heat therefrom;
- (e) consequential loss of any nature including penalties, fines, loss of contracts and loss arising from delay in completing or negotiating contracts;
- (f) damage to files, drawings, accounts, bills, currency, stamps, deeds, evidences of debt, notes, securities or cheques, packing materials such as cases, boxes or crates;



- (g) loss of any insured property or any part thereof by disappearance or by shortage where such loss is revealed only by the taking of a routine inventory or periodic stocktaking;
- (h) wear and tear, corrosion, rust, erosion, oxidation and deterioration due to normal atmospheric conditions (unless caused as a result of a peril which is otherwise insured by this policy);
- (i) expenses incurred in the continuous dewatering following ingress of water into the insured contract from any naturally occurring underground source;
- (j) damage due to total cessation of work and abandonment of the insured contract for a period exceeding 90 consecutive days;
- (k) damage to the insured property due to its own electrical or mechanical breakdown or explosion following the testing period stated in the schedule during which it operated under load conditions (partial or full load) prior to the commencement of any maintenance period (whether before or after the introduction of feed stock if applicable);
- (l) physical damage occurring as a result of:
 - (i) scheduled interruptions of the public power supply;
 - (ii) interruption of electricity due to a shortage of primary energy at the power stations.

Sub-Section 2 CONTRACTORS THIRD PARTY LIABILITY

1. Definitions

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

Cost and expenses mean:

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.

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

Injury means bodily injury, sickness or disease sustained by any person including resultant death;

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.

2. What we cover?

We will indemnify you against all sums, not exceeding the limits of liability stated in the schedule, which you shall become legally liable to pay as damages for:

- (a) accidental bodily injury to third parties;
- (b) accidental loss of or damage to property belonging to third parties;
- (c) or both

occurring in direct connection with the performance of the contract insured by this cover section and happening on or in the immediate vicinity of the contract site during the period of insurance as stated in the schedule.

3. Basis of settlement

Our total liability to pay damages and claimant's costs and expenses and also costs and expenses in that connection shall not exceed the sum insured stated in the schedule in respect of any one occurrence and, where stated, in the aggregate.

Should any of the limit(s) of indemnity under of this cover section be altered during the period of insurance, the original limit of indemnity shall apply to all claims made or deemed to have been made or arising from any occurrence prior to the date of such alteration.

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 the claim.

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.

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 costs and expenses incurred up to the date of such refusal, provided that the limit of indemnity is not exceeded.

4. What we don't cover

- (a) In addition to the general exclusions under Part C section 1 applying to all sections of the policy, we will not indemnify you for:
- (b) expenditure incurred in repairing or replacing any work or property covered or coverable under any material damage cover sections;
- (c) liability arising from damage to any property or land or building caused by vibration, or by the removal or weakening of support, or injury or damage to any person or property occasioned by or resulting from any such damage unless agreed to in writing and endorsed in the schedule;
- (d) liability arising in respect of death, injury, damage or loss of use of property directly or indirectly caused by seepage, pollution or contamination unless caused by a sudden unintended and unforeseen occurrence;
- (e) the cost of removing, nullifying or cleaning up seepage, pollution or contaminating substances;
- (f) fines, penalties, punitive, or exemplary damages resulting from seepage, pollution or contamination;
- (g) liability arising out of:
 - (i) bodily injury to or illness of employees or workmen of the contractor(s) or any other firm connected with the contract work;
 - (ii) damage to property belonging to or held in care, custody or control of the contractor(s) or any other firm connected with the contract works, or of an employee or workman of one of the aforesaid;
 - (iii) any accident caused by vehicles licensed for general road use or by waterborne vessels or aircraft;
 - (iv) any contract or agreement unless such liability would have attached in the absence of such contract or agreement;
 - (v) technical or professional advices given by you or any person acting on your behalf.

Section 16 MOTOR - if stated in the schedule to be included

1. Definitions

Vehicle(s) means a bus, car, light delivery van, motorcycle or trailer, all being owned by or 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 less including the driver.

Light commercial vehicle means a vehicle with a carrying capacity of less than 3 500kg (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 specialised 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 the following territories:

South Africa, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland and Zimbabwe.

3. Who is covered?

The following drivers are covered:

(a) the policyholder

(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 specialised 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 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 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% 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 for pay 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 unauthorized 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 in 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 authorized 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 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 license 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 17 SMALLCRAFT - if stated in the schedule to be included

1. Definitions

Smallcraft means the vessel type described in the schedule comprising of the hull and insured components.

Hull means the shell of the boat, deck, fixtures and fittings on deck or below deck that are not normally removable and would be normally sold with the boat.

Insured component(s) comprises of:

- (a) Equipment **and accessories** means safety equipment installed or carried in accordance with statutory requirements and any other equipment intended for the use on or with the boat including:
- (i) any tender used with the boat,
 - (ii) anchors,
 - (iii) oars or paddles,
 - (iv) detachable canopies,
 - (v) boat and motor covers,
 - (vi) bilge pumps,
 - (vii) life-saving equipment including life jackets,
 - (viii) auto pilot,
 - (ix) depth sounders,
 - (x) electronic navigation equipment including laptop computers when it can be clearly demonstrated that they are used for navigational purposes,
 - (xi) global positioning system,
 - (xii) EPIRB (Emergency Position Indicating Radio Beacon),
 - (xiii) two way radios.
- (b) Motor(s) and electrical machinery means
- (i) inboard and outboard motors,
 - (ii) stern drive units,
 - (iii) jet units,
 - (iv) gear boxes,
 - (v) propellers,
 - (vi) shafts,
 - (vii) skegs,
 - (viii) portable fuel tanks and lines,
 - (ix) wiring harness,

- (x) instruments (e.g. tachometer),
 - (xi) control cables,
 - (xii) generators.
- (c) **Sails, masts, spars** means sails, masts, spars, booms and fittings, spinnaker poles, standing and running rigging.

Personal property means property that you or your family, crew or passengers own that is damaged whilst such property is on board the boat at the time of the insured event.

2. What we cover?

- (a) Sub-section A: own damage

We will cover the boat and insured components described in the schedule against damage during the period of insurance.

- (b) Sub-section B: liability

You are covered against legal liability following a boat 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.

3. What we don't cover?

- (a) The boat being:

- (i) designed for and capable of a speed great than 32kph (17.4 knots/20mph)
- (ii) fitted with a motor more powerful than recommended by the hull manufacturer for the hull specifications;
- (iii) operated with more than the maximum number of passengers or load recommended by the hull manufacturer.

- (b) Persons in control of the boat:

- (i) without a valid skipper's licence;
- (ii) under the influence of alcohol or drugs;
- (iii) without adequate experience to reasonably control the boat.

- (c) An insured event involving the boat when it is being used for an unlawful or illegal purpose.

- (d) The lack of reasonable care, protection and/or security of the boat and insured components.

4. 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:

- (a) It is a condition precedent to cover that the person in control of the insured boat, when in use, is in possession of a valid skipper's license.

- (b) It is hereby warranted that:

- (i) the designed speed of the boat does not exceed the figure stated in the schedule;

- (ii) you shall maintain and keep the boat in a proper state of repair and seaworthiness at all times during the period of insurance.
- (c) It is necessary that you give us prompt notice when you become aware of an event for which you are “held covered” under this cover section and the right to such cover is dependent on compliance with this obligation.

5. Sub-section A: Own damage

5.1 Basis of settlement

Following an insured event:

- (a) we will pay for damage to the boat described in the schedule and its insured components whilst thereon. We will, at our own option, repair, reinstate or replace such boat and any part thereof and/or its insured components, or we may pay in cash the amount of the damage less any applicable first amounts payable.
- (b) The maximum amount we will pay in respect of such damage if the boat is a total loss is the sum insured as stated in the schedule at the time of such damage, less any applicable first amounts payable. The salvage becomes our property.
- (c) If, at the time of an insured event, it is found that the total value of the boat and insured components 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.
- (d) If the boat 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
- (e) We will pay you the difference if the settlement amount is less than the insured value, less the applicable first amounts payable and the charges stated above.

5.2 Additional cover to this sub-section

- (a) Boat wreck and debris removal costs

We will pay:

- (i) the amount you are liable to pay following an insured event to remove the boat when you are required by a statutory authority to do so;
 - (ii) the reasonable costs to demolish and remove any debris, or the wreck of the boat that results from damage to the boat following an insured event.
- (b) Towing costs

If the boat is damaged, we will pay the cost of moving or towing the boat to the nearest repairer or any other place with our agreement.
 - (c) Hull inspection costs after stranding

If the boat is stranded, we will pay the cost of inspecting the hull to see if it is damaged.

(d) Boat recovery costs

If the boat is damaged, we will pay the reasonable costs of recovering it or any reasonable costs incurred in reducing your loss.

(e) Emergency repair costs

If the motor of the boat is submerged and then recovered, we will pay the reasonable costs to:

- (i) dismantle, clean and oil the motor;
- (ii) dry all electrical equipment and instruments.

You do not need our authority to take such action if it is an emergency and you are unable to contact us to obtain authority.

5.3 Limitations of cover

(a) Towing on land:

Your boat is covered whilst it is being towed on land provided that the:

- (i) boat trailer is fully licensed;
- (ii) towing attachments have been professionally manufactured and fitted; and
- (iii) towing speed does not exceed 100kph.

(b) Personal property

We will cover personal property up to the limit of the sum insured stated in the schedule.

5.4 What we exclude?

In addition to the general exclusions under Part C section 1 applying to all sections of the policy we do not cover:

- (a) loss or damage caused by normal wear and tear, timber rot, delamination, osmosis deterioration, vermin marine growth, rusting or other forms of corrosions, or electrolysis;
- (b) the cost of repairing or replacing any defective part of the boat where the defect is caused by fault or error in design or construction or faulty workmanship;
- (c) the cost of making good any defect in repair or alteration work carried out for your account;
- (d) loss or damage caused by lack of maintenance;
- (e) loss of any outboard motor(s) falling overboard when they are secured to the boat in a manner other than that specified or recommended by the manufacturer;
- (f) the cost of any mechanical, structural, electrical or electronic component which fails during normal use, without any external accidental cause;
- (g) loss or damage to moorings, nets and fishing gear;
- (h) loss or damage to sails, masts, spars whilst racing unless caused by the boat being stranded, sunk, burnt or in collision or contact with any external substance (including ice) other than water;

- (i) loss or damage to sails and protective covers split by the wind or blown away whilst set unless the boat is stranded or in a collision or contact with any external substance (including ice) other than water or in consequence of damage to the spars to which the sails are bent.
- (j) Scratching, chipping, denting or bruising of the boat whilst it is in transit.

6. Sub-section B: Liability

6.1 Basis of settlement

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 boat.

6.2 Additional cover to this sub-section

- (a) **Passenger liability:** We will cover you against legal liability following an accident anywhere in South Africa involving your boat, including getting on or off the boat, 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 on the schedule per occurrence and in the period of insurance irrespective of the number of passengers.

6.3 What we exclude?

In addition to the general exclusions under Part C section 1 applying to all sections of the policy we do not cover:

- (a) claims arising directly or indirectly under the Employer's Liability Act and any other Statutory or Common Law Liability in respect of accidents to or illness of workmen or any other person employed directly or indirectly by you in, on or about or in connection with the boat;
- (b) accidents arising whilst the boat is in transit by road;
- (c) claims in respect of fare-paying passengers unless specifically indicated in the schedule;
- (d) the boat whilst being used for power boat racing or speed tests.

Section 18 GREENS & IRRIGATION SYSTEMS - if stated in the schedule to be included

1. Definitions

Greens means any area on a golf course or at a bowling club designated as a green and T-box for the game of golf and/or bowls at the insured premises.

Irrigation systems means the irrigation reticulation system of the golf course and/or bowling greens and/or landscaped gardens as stated in the schedule.

2. What we cover?

- (a) **Greens:** We cover the greens owned by and/or under your control at the insured premises, against the sudden and unforeseen physical loss or damage that occurs during the period of insurance.
- (b) **Irrigation systems:** We cover the irrigation system(s), as stated in the schedule, against accidental damage that occurs during the period of insurance.

3. What we don't cover?

This section does not cover bunkers, drains, watercourses, boundary walls, garden walls, gates, posts, or fences.

4. Basis of settlement

In the event of a claim, we will at our option, repair, replace or reinstate your greens and/or irrigation system, to a condition substantially the same as but not better or more extensive than when new provided that our liability under items (i) and (ii) shall not exceed the sums insured as stated in the schedule.

4.1 Average

Should you insure the greens or your irrigation system for an amount less than its replacement value, average will apply and we will only pay you proportionately. E.g., if the correct value for greens is R10 000 000 and you insure them for R5 000 000, you will be compensated for 50% of your loss.

Each item covered under this section shall be separately subject to this condition.

4.2 Reinstatement, replacement or repair

When a green and/or the irrigation system is damaged in part only, our liability will not exceed the cost of repairs. In those cases where the architectural features and structural materials 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.

The work of rebuilding, replacing, repairing, restoring or reinstating the damaged greens and/or irrigation system as the case may be, must commence within six (6) months of the loss or damage occurring (or any other period which we agree with you), failing which we shall not be liable to make any payment beyond the amount which would have been payable had the delay not occurred and you may have to pay any increase in the cost.

5. Additional cover to this section

5.1 Architects' and other professional fees

The reasonable cost of architects, engineers and surveyors including all incidental costs, legal and other fees necessarily incurred in the reinstatement or replacement of your damaged property, up to a limit of 15% of the sum insured of the affected property.

There is no cover for costs, fees and salaries for preparing of any claims under this additional benefit.

5.2 Cost of demolition and clearing and erection of hoardings

The cost and expenses you reasonably incur following insured damage to your property for the demolition and/or removal of debris and in providing, erecting and maintaining hoardings required during demolition, site clearing and/or building operations.

We will not pay for any costs and expenses you may incur in the removal of debris except from the site of the damaged property and in the area immediately adjacent to the site.

This benefit does not extend to cover any liability that you may incur as a consequence of pollution or contamination of any kind.

5.3 Failure of water supply extension

We will insure you for damage to your green(s) caused by total or partial failure of the supply of water to the premises as stated in the schedule, provided that this additional benefit does not cover loss resulting from damage directly or indirectly caused by:

- (a) drought;
- (b) the deliberate withholding of water;
- (c) mechanical or electrical breakdown unless such total or partial failure extends beyond 24 hours from commencement thereof.

5.4 Fertilizers, chemicals and/or contaminated water

We will insure you for damage to the whole or part of your greens at the insured premises, caused by fertilizers, chemicals and/or contaminated water provided that the total amount recoverable under any item for such damage shall not exceed 50% of the sum insured of the green(s) affected.

5.5 Fire extinguishing charges

We will pay any costs relating to the extinguishing or fighting of fire relating to the greens or irrigations systems at the insured premises provided that you are legally liable for these costs and the property was in danger from the fire.

5.6 Municipal plans scrutiny fees

The cost of the fees incurred and payable to the municipality following insured damage to your property.

5.7 Public authorities' requirements

The additional cost of repairing or rebuilding your damaged property and incurred solely by reason of necessity to comply with building or other regulations under or framed in pursuance of any act of parliament or ordinance of any provincial municipal or other local authority, provided that:

- (a) the additional costs shall not include
 - (i) the costs incurred in complying with any of the regulations mentioned
 - (a) in respect of damage occurring prior to the granting of this benefit
 - (b) in respect of damage not insured by this section
 - (c) under which notice has been served upon you prior to the happening of the damage
 - (d) in respect of undamaged property or undamaged portions of property other than
 - (e) foundations (unless foundations are specifically excluded from the this insurance) of that portion damaged.
 - (f) the additional cost that would have been required to make good your damaged property to a condition equal to its condition when new had the necessity to comply with any of the aforementioned regulations not arisen.
 - (g) 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.
- (b) the work of repairing or rebuilding must be commenced and carried out with reasonable dispatch and may be carried out wholly or partially upon another site (if the aforementioned regulations so necessitate) subject to our liability under this benefit not being thereby increased.
- (c) if our liability under any item of this cover section, apart from this benefit, shall be reduced by the application of any of the terms, exceptions and conditions of this section, then our liability in respect of any such item shall be reduced in like proportion.

6. What we exclude

In addition to the general exclusions under Part C section 1 applying to all sections of the policy we do not cover:

- (a) wear and tear and gradual deterioration;
- (b) damage caused or aggravated by:
 - (i) erosion, subsidence, landslide, mudslide, or any other earth movement or collapse unless the damage arises out of an earthquake or seismological disturbance, explosion or physical impact by aircraft
 - (ii) the actions of birds, vermin, termites, moths or other pests
 - (iii) your failure to take all reasonable precautions for the maintenance and safety of the property insured and for the minimization of any damage;
- (c) damage caused or attributed to:
 - (i) faulty design or construction of any green
 - (ii) workmen engaged in making any structural alterations, additions or repairs to any green
 - (iii) excavation on or under land

- (iv) consequential loss of any kind;
- (d) detention, confiscation, attachment, destruction or requisition by any lawfully constituted Authority or other judicial process;
- (e) damage for which a supplier, contractor or repairer is responsible either by law or under contract;
- (f) damage to your property caused by:
 - (i) any fraudulent scheme, trick, device or false pretense practiced on you (or any person having custody of the insured property) or fraud or dishonesty of any of your principals or agents;
 - (ii) overheating, implosion, cracking, fracturing, weld failure, nipple leakage or other failure.
 - (iii) This exception applies only to vessels, pipes, tubes or similar apparatus;
 - (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
 - (vi) or professional advice, normal maintenance, gradual deterioration, depreciation, corrosion, rust, frost, change in temperature, expansion or humidity, fermentation or germination, dampness, dryness, wet or dry rot, shrinkage, evaporation, loss of weight, change in colour, flavour, texture or finish or its own wear and tear;
 - (vii) inherent vice, flumes, flaws, latent defect, fluctuations in atmospheric or climatic conditions or the action of light;
- (g) (i) damage to chemicals, oils, liquids, fluids, gases or fumes due to leakage or discharge from their container;
- (ii) damage resulting from leakage or discharge of chemicals, oils, fluids, gases or fumes; failure of steam, gas, electricity, fuel or refrigerant.

Section 19 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 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 20 GROUP PERSONAL ACCIDENT - if stated on the policy schedule to be included

1. Definitions

Insured person means

- (a) **employee** being any person whilst employed by you under a contract of service.
- (b) **director or partner** being any person who is a registered director or partner of the business.

Accident/accidental means any sudden, unexpected, unusual, specific, visible, violent and fortuitous event

that occurs at an identifiable time and place which directly and independently of any other cause results in bodily injury as defined. Accident/accidental shall also mean "detention" as herein defined.

Acquired immune deficiency syndrome or AIDS has the meaning assigned to it by the World Health Organisation including Opportunistic Infection, Malignant Neoplasm, Human Immune Deficiency Virus (HIV), Encephalopathy (Dementia), HIV Wasting Syndrome or any disease or illness in the presence of a seropositive test for HIV.

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.

Act of violence means an assault, robbery, rape kidnapping or armed car hijack.

Annual earnings means the annual rate of wage, salary, fixed annual bonus and cost of living allowance being paid or allowed by you to the Insured Person at the time of Accidental Bodily Injury, plus overtime, house rents, food allowances, commissions and other considerations of constant character earned by the Insured Person from his employment with you or allowed by you to the Insured Person, during the 12 months immediately preceding the date of Accidental Bodily Injury. If the Insured Person has not been in your continuous employment for 12 calendar months, the amount to be added for overtime, house rents, food allowances, commissions and other considerations of constant character shall be the average monthly amount earned during the period of employment times 12.

Average weekly earnings means one fifty-second part of Annual Earnings.

Bodily injury means bodily injury caused by an Accident and shall include bodily injury attributable to or caused by starvation, thirst and exposure to the elements as a result of an Accidental occurrence.

Deductible means the amount stated on the policy schedule which must be borne by you for your own account when an accident occurs.

Detention means detainment under duress of an insured person other than for reasons of:-

- (a) engaging (or being alleged that insured person is engaging) in any political activity against the de jure or de facto Government of the country where detention occurs;
- (b) failure to possess requisite visas, work permits or associated documents;
- (c) criminal activity (or any allegation thereof);
- (d) debt, insolvency, commercial failure, failure to provide bond or security or other financial loss.

Event means all accidental bodily Injury sustained by any or all insured persons directly occasioned by one specific common cause, such common cause having both a duration not exceeding 72 hours and a geographic radius not exceeding 100 kilometres.

Hospital means a legally constituted establishment operated pursuant to Regulations in terms of the National Health Act and having facilities for the admission, confinement and treatment of patients under supervision of qualified medical practitioners for periods in excess of 48 hours. For the sake of clarity the term Hospital shall neither include institutions commonly referred to as “health-hydro’s”, “day-clinics”, “nature cure clinics”, rehabilitation clinics”, “hospices”, “nursing homes”, “frail-care centres”, “convalescent homes” and the like, nor mental institutions or institutions for the treatment of psychiatric diseases.

Medical expenses means all costs and expenses not recoverable from any other source necessarily incurred, within 24 months of the date of the accident, for artificial aids, prostheses, medical, surgical, dental, optical, nursing home or hospital treatment and supplies as a result of accidental bodily injury.

Quadriplegia means permanent and total paralysis of all limbs.

Temporary total disability means incapacity from following usual business or occupation.

Temporary partial disability means incapacity from attending to a substantial part of usual business or occupation.

Traumatic event means an accidental experience that causes physical, emotional or psychological distress or harm.

2. What we cover?

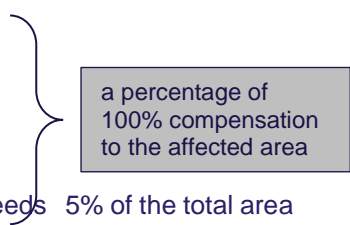
Accidental bodily injury sustained by any insured person, as stated on the schedule, which occurs at an identifiable time and place and which injury, directly and independently of all other causes, results within twenty-four calendar months, in death, disability or medical expenses being incurred as specified under item 3.

3. Basis of settlement

Following accidental bodily injury to an insured person, we will pay compensation as per the benefit limits stated in the schedule in respect of accidental death, permanent disability, temporary total disability (if applicable) and medical expenses.

3.1 Permanent Disability

The following schedule of circumstances and compensation percentages apply to the benefit limit:

Circumstances	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, sight of eye, sight of eye except perception of light	100%
(c) permanent and total loss of hearing:-	
(viii) both ears	100%
(ix) one ear	25%
(d) permanent and total loss of speech	100%
(e) injuries resulting in permanent total disability from following usual occupation and any other equivalent occupation for which the insured person is fitted by education, knowledge or training	100%
(f) loss of four fingers	70%
(g) loss of thumb:-	
(i) both phalanges	30%
(ii) one phalanx	15%
(h) loss of finger:-	
(i) three phalanges	15%
(ii) two phalanges	10%
(iii) one phalanx	5%
(i) loss of metacarpals:-	
(i) first or second (each metacarpal)	3%
(ii) third, fourth or fifth (each metacarpal)	2%
(j) loss of toes:-	
(i) all on one foot	30%
(ii) great, both phalanges	10%
(iii) great, one phalanx	5%
(iv) other than great, if more than one toe lost, each	5%
(k) permanent disfigurement of:-	
(i) the head and neck, provided the total area affected exceeds 20% of the total area of the head and neck	
(ii) the hands, provided the total area affected exceeds 20% of the total area the hands in direct proportion	
(iii) all other areas of the body, provided that the total area affected exceeds 5% of the total area of the body.	



3.2 Memoranda

- (a) Where the injury is not specified, we will pay such sum which is not inconsistent with the above provisions.
- (b) Permanent total loss of use of part of the body shall be treated as loss by physical separation of such part.
- (c) 100% shall be the maximum percentage of compensation payable for permanent disability for any one insured person in respect of each and every claim.
- (d) If a claim for loss of part of the body is payable under circumstances (a) to (j), or if the percentage of compensation due under (k) is greater than the percentage of compensation payable under (a) to (j), compensation under definition (k) shall not be payable in respect of the same part of the body.

4. 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, it is a requirement of this cover that:

- (a) Claims - on the happening of any occurrence which may result in a claim under this cover section, you or the insured person shall give notice thereof as soon as possible (and in each case within 180 days of injury) to us. You must also send full particulars of the claim and such information and documentation as is required by us;
- (b) Prescription – if we disclaim liability in respect of any claim and an action or suit is not commenced within twelve months after such disclaimer, all benefit under this cover section in respect of such claim shall be forfeited;
- (c) Fraud – if you or an insured person makes any claim knowing it to be false or fraudulent, the benefit afforded by this cover section in respect of such claim shall be forfeited;
- (d) Non-assignment – this cover section is not assignable without our written consent. Compensation shall be payable only to the insured person or their legal representative, whose receipt shall be our discharge;
- (e) Change of business/occupation – you shall give notice to us within a reasonable time of any material change in the business or an insured person's occupation and shall pay any additional premium required by us in consequence thereof;
- (f) Furnishing of information – all certificates, information and evidence required by us will be furnished in the form prescribed and without expense to us. The insured person shall submit to a medical examination on behalf of and at our expense as often as shall be required in connection with any claim;
- (g) Medical advice – qualified medical advice shall be sought and followed promptly on the occurrence of any bodily injury and we will not be liable for any part of any claim which in the opinion of the medical adviser arises from the unreasonable or willful neglect or failure of an insured person to seek and remain under the care of a qualified member of the medical profession;
- (h) Existing condition – if the consequences of an accident shall be aggravated by any condition or physical disability of the insured person which existed before the accident occurred, the amount

of any compensation payable under this cover section in respect of the consequences of the accident shall be the amount which it is reasonably considered would have been payable if such consequences had not been so aggravated.

- (i) it is declared and agreed that:
- (i) we will not be liable to pay for death or disability for one insured person in respect of each and every claim, 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;
 - (ii) the benefit limits specified for temporary total disability in respect of each and every claim shall not be payable for more than the number of weeks stated on the schedule and such payment shall cease as soon as the injury causing the incapacity has healed as far as is reasonably possible, that permanent total disability may remain. Provided that we will not be liable for any compensation for such temporary total disability during the Time Exclusion as stated in the schedule;
 - (iii) any payment by us for medical expenses for any one insured person in respect of each and every claim shall be in excess of and not be reduced by the amount of the first amount payable stated on the schedule;
 - (iv) unless agreed prior to commencement of this section of the policy, cover will not apply to any insured person younger than 15 years of age or after the expiry of the period of insurance in which he or she attains 80 years of age;
 - (v) any compensation payable by us for any period of temporary total disability or medical expenses shall be reduced by an amount equal to the compensation received or receivable by or on behalf of the insured person under any occupational injury compensation enactment for temporary total disability for the same or a lesser period or in respect of medical expenses;
 - (vi) Limit any person/limit any Event – our liability in respect of:
 - (a) death and permanent disability is limited to the amount stated in the schedule any one insured person in respect of each and every claim;
 - (b) any one event is limited to the amount stated in the schedule in respect of each and every claim;
 - (vii) on the happening of any occurrence which may result in a claim under this cover section, you shall give notice thereof as soon as possible (and in each case within 180 days of injury) to us. You must also send full particulars of the claim and such information and documentation as is required by us.
 - (viii) after suffering accidental bodily injury for which compensation may be payable under this cover section, the insured person shall, when reasonably required by us so to do, submit to a medical examination and undergo any treatment specified. We will not be liable to make any payment unless this condition is complied with to our satisfaction;
 - (ix) payment on account may be made to you, if required, at our discretion;
 - (x) the benefit limits are expressed on a VAT exclusive basis on the schedule and we agree to pay for any VAT obligation you may incur arising out of any claims settlement we may make;
 - (xi) any first amount payable will be applied to any claims settlement prior to accepting and paying any VAT obligations as referred to under (x) above.

5. What is excluded?

In addition to the general exclusions applying to all cover sections of the policy, we will not be liable to pay any claim under this cover section in respect of any insured person:-

- (a) whilst engaging in flying as pilot or member of an aircrew. This exception does not apply to any insured persons 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) caused by the insured person's suicide or intentional self-injury;
- (c) caused solely by an existing physical defect or other infirmity of the insured person;
- (d) as a result of the influence of drugs or narcotics upon the insured person unless administered by a member of the medical profession (other than himself) or unless prescribed by and taken in accordance with the instructions of a member of the medical profession (other than himself);
- (e) for bodily injury to the insured person whilst the insured person is driving or operating any motorized or mechanically operated vehicle under the influence of alcohol. For the purposes of this exception the term "under the influence of alcohol" means having Blood Alcohol level Concentration greater than the statutory limit at the time of the accident;
- (f) caused by the insured person's participation in any riot or civil commotion;
- (g) as a result of the insured person's deliberate exposure to exceptional danger (except in an attempt to save human life) or the insured person's own criminal act;
- (h) whilst participating in sport as a professional player;
- (i) directly or indirectly caused by or contributed to by or arising from ionizing radiations or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel or from any nuclear weapons material. For the purpose of this exception only, combustion shall include any self-sustaining process of nuclear fission;
- (j) for venereal disease or Acquired Immune Deficiency Syndrome (AIDS) or Aids related complex (ARC) howsoever this syndrome has been acquired or may be named;
- (k) for any mental and/or nervous disorders, or any like condition arising from or attributable to stress or stress-related situations, other than those caused by accident as defined in this cover section.

3.

Section 20 HOUSEOWNERS - 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 or willful 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% 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% 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, provided that:

- j) the consumption reading must be at least 50% 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% 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% 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 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:

- m) drains, water courses, boundary walls, garden walls, retaining walls, gates, posts, or fences unless specifically insured;
- n) 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;
- o) a building constructed or situated on dolomite and limestone land/sites;

We will not pay for damage caused by:

- p) insufficient compacting or infill;
- q) the settlement or movement of made up ground;
- r) coastal or river erosion;
- s) faulty design or construction, or the removal or weakening of support to your building;
- t) alterations, additions or repairs to your building;
- u) excavation on or under land other than in the course of mining operations;
- v) active soils, except where professional engineering design precautions have been implemented during construction;
- w) work necessary to prevent further destruction or damage due to subsidence or landslide, nor will we pay for the cost of underpinning the foundations.
- x) 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 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,

7.3 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.

7.4 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 21 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 20 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.

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

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, including their immediate family, as resident of any building covered by section 20 of this policy or by a policy held by the mortgagee.

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.

Occupier means either yourself, an employee or 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% 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

5.1 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 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.

5.2 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.

5.3 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.

5.4 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.

5.5 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.

5.6 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.

5.7 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 any one event and in any one period of insurance as stated in the schedule. A first amount payable by you of 10% of claim minimum R2 000 will apply unless stated otherwise in the schedule.

5.8 Refrigerator and deep freeze contents

If the contents of the refrigerator/deep freeze unit, as covered by this section, deteriorates 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.

5.9 Subsidence and landslip (limited cover)

Following an insured event being registered under either Section 1 or Section 20 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.

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 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 6 (SIX) 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% 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% 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% (3 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 22 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 20 and/or 21 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, pages, 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% 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 23 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 20 and/or 21 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 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 recognized 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 recognized 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 20 and 21 of this policy.

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:

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.



LOMBARD

■ Commercial ■ Hospitality ■ Personal

T +27 11 551 0600 · LOMBARDINS.COM

4TH FLOOR · 22 WELLINGTON ROAD · PARKTOWN JOHANNESBURG 2193 · PO BOX 1411 · KILLARNEY 2193

Lombard Broker Partners - a specialist division of Lombard Insurance Company Limited

Lombard Insurance Company Limited is a licensed Insurer and Authorised Financial Services Provider: (FSP 1596)